Political Cleavages and Inequality

Evidence from Electoral Democracies, 1950-2018

Amory Gethin, Clara Martínez-Toledano, Thomas Piketty

Inequalities and Preference for Redistribution Seminar
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1 Paris School of Economics – EHESS
2 World Inequality Lab
Introduction

- Income and wealth inequalities have been rising in most developed economies since the 1980s (Alvaredo et al. 2018).
- Yet, the political responses to these evolutions have been very diverse. European countries have been much more successful at containing inequality than the US (Piketty, Saez & Zucman 2018; Blanchet, Chancel & Gethin 2019).
- More recently, democratic countries seem to be moving away from distributive conflicts and turning towards identity-based politics (Le Pen, Trump, Bolsonaro, Modi...).
- ‘Why do the poor not expropriate the rich in democracies?’ (Roemer 1998)
Related literature

- **Historical evolution of electoral behaviours in old democracies** (Lipset & Rokkan 1967; Evans et al. 2012, Evans & Rennwald 2014...)


- **Demand and supply for redistribution** (Pontusson & Rueda 2010, Iversen & Soskize 2015, Bonica et al. 2013, Tavits & Potter 2015, Roemer 1998, Roemer et al. 2007...)

- **Connecting cleavage structures to distributive politics** (Piketty 2018, Banerjee et al. 2019, Jenmana & Gethin 2019)
This presentation

- A new database on the long-run evolution of electoral behaviours in advanced economies.
- Focus on the division between ‘left-wing’ and ‘right-wing’ parties which has historically structured party politics in a majority of old democracies → follow-up of Piketty’s (2018) study on the emergence of multiple elites party systems in France, the UK and the US.
- Do top income earners still support ‘right-wing’ parties, and how has this changed over time? Do we observe a reversal of education-based voting patterns in all Western democracies?
- Disclaimer: very preliminary results. Suggestions welcome!
- Future work:
  - Political participation
  - Extreme voting
  - Links between supply and demand (party-level data)
Our objective is to harmonise pre- and post-electoral surveys for as many countries as possible, spanning from the 1950s until today.

Surveys generally ask respondents about the party they supported in the last general election, and provide information on standard socio-demographic characteristics.

Work in progress:

- Fifteen countries harmonised: Australia, Brazil, Canada, France, Iceland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Spain, Switzerland, United Kingdom, United States.
- About 150 surveys.
- About half a million respondents.
- Countries in the process of being harmonised: Austria, Belgium, Denmark, Finland, Germany, Ireland, South Africa, Sweden.

All results will be publicly available for further research.
## Table 1: Coverage of data sources

<table>
<thead>
<tr>
<th>Country</th>
<th>Coverage</th>
<th>Source</th>
<th>No.</th>
<th>Avg. sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>1963-2016</td>
<td>Australian Election Studies and others</td>
<td>17</td>
<td>2390</td>
</tr>
<tr>
<td>Brazil</td>
<td>1989-2018</td>
<td>Datafolha Institute</td>
<td>8</td>
<td>10220</td>
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<tr>
<td>Canada</td>
<td>1965-2015</td>
<td>Canadian Election Studies</td>
<td>15</td>
<td>3370</td>
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<tr>
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<td>Icelandic National Election Studies</td>
<td>9</td>
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<tr>
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<td>1968-2013</td>
<td>Italian National Election Studies</td>
<td>11</td>
<td>2120</td>
</tr>
<tr>
<td>Japan</td>
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<td>Netherlands</td>
<td>1967-2012</td>
<td>Dutch Parliamentary Election Studies</td>
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<td>1983-2015</td>
<td>Portuguese Election Studies and others</td>
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<td>Spain</td>
<td>1979-2016</td>
<td>Encuestas electorales</td>
<td>11</td>
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<tr>
<td>Switzerland</td>
<td>1971-2015</td>
<td>Swiss Electoral Studies</td>
<td>11</td>
<td>3360</td>
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</table>
Economic and value cleavages in Western democracies

• Piketty (2018) finding: reversal of support for left parties by education in France, UK and US. Does this hold for other Western countries?
Support for left-wing parties (socialist, social-democratic, communist, green) among university graduates, 1950s-2010s: after controls
Support for left-wing parties (socialist, social-democratic, communist, green) among top earners in 9 countries, 1950s-2010s: after controls
A Portuguese exception?

Vote for CDU / PCTP / PS / Bloco de Esquerda by education, 1987-2015

Share voting left

0% 10% 20% 30% 40% 50% 60% 70%


Primary  Secondary  Tertiary
A Portuguese exception?

Portugal

Difference between (% of top 10%) and (% of bottom 90%) earners voting Socialist / Communist / Bloco de Esqu. / Greens, after controls

Difference between (% of univ. graduates) and (% of non-univ.) voting Socialist / Communist / Bloco de Esqu. / Greens, after controls
Regular democratic elections have been held in Japan since the end of World War II. However, the divides which have structured party politics in Japan are dramatically different from those observed in the Western world.

The Liberal Democratic Party has remained in power for most of Japan’s post-war history thanks to support from voters living in poor rural areas, business elites and less educated citizens.

These specificities led to an early, stable ‘multiple elites party system’. Recent developments (rise of the Democratic Party of Japan, new right-wing parties) seem to have initiated the breakdown of these historical affiliations.
Japan’s early ‘multiple elites party system’, 1963-2014

Difference between (% of top 10%) and (% of bottom 90%) earners voting against the Liberal Democratic Party / Komeito, after controls

Difference between (% of univ. graduates) and (% of non-univ.) voting against the Liberal Democratic Party / Komeito, after controls
Early value cleavages in an old democracy: the case of Japan

Vote for the Liberal Democratic Party / Komeito by income group, 1960s-2010s

Share voting LDP/Komeito

1960s 1970s 1990s 2000s 2010s

Q1 Q2 Q3 Q4 Q5
Early value cleavages in an old democracy: the case of Japan

Vote for the Liberal Democratic Party / Komeito by age group, 1960s-2010s

<table>
<thead>
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<th></th>
<th>20-40</th>
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<td></td>
<td>60%</td>
<td>80%</td>
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<td>1970s</td>
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<td>50%</td>
<td>70%</td>
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<tr>
<td>1990s</td>
<td></td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>2000s</td>
<td></td>
<td>30%</td>
<td>50%</td>
</tr>
<tr>
<td>2010s</td>
<td></td>
<td>20%</td>
<td>40%</td>
</tr>
</tbody>
</table>
Early value cleavages in an old democracy: the case of Japan

Vote for the Liberal Democratic Party / Komeito in rural areas, 1960s-2010s

<table>
<thead>
<tr>
<th>Years</th>
<th>Towns/villages</th>
<th>Cities</th>
<th>Big cities</th>
</tr>
</thead>
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<tr>
<td>1960s</td>
<td></td>
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<tr>
<td>1970s</td>
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<td>2010s</td>
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</tbody>
</table>
In the 1990s, Lula da Silva’s Workers’ Party (PT) was supported by a young, urban intellectual elite. The PT’s success in fighting absolute poverty since 2002 went hand in hand with rising support among poorer and lower educated Brazilians.

The 2018 Bolsonaro vote gathered those who were disappointed with the political system’s corruption, as well as those who were appeased by his liberal economic program.

These are essentially top income earners and higher educated voters. Contrary to what we observe in Europe or the US, right-wing populism in Brazil has grown from elite dissatisfaction, not from the lower educated or from the victims of globalisation.

Politicizing inequality in a new democracy: the case of Brazil

Brazil

!(Graph showing the difference in voting left between earners and graduates from 1989 to 2018.)

- Red line: (% of top 10%) - (% of bottom 90%) earners voting left
- Blue line: (% of univ.) - (% of non-univ.) graduates voting left
In most Western democracies (except Portugal), higher educated voters have become increasingly likely to support socialist and social-democratic parties.

This has given rise to ‘multiple elites party systems’, where economic redistribution and new social issues are progressively becoming cross-cutting dimensions of political conflict.

Possible explanations

- Globalisation and historical changes have played a role in shaping the preferences of the higher educated towards new social issues (gender equality, LGBT rights, environmental concerns, immigration...).
- Left-wing parties have shifted their programmatic emphases towards new policies supported by the higher educated.
• Evidence from other old and new democracies (Portugal, Japan, Brazil) does suggest that these transitions are primarily linked to the way political parties *emphasise* these issues and are opposed on these different dimensions.

• Cleavage structures can have direct consequences on governments’ responsiveness to rising inequalities.

• The mechanisms through which preferences for redistribution are *mediated* by party systems need to be further studied.
Support for left-wing parties among top 10% education voters, after controls

Economic and value cleavages in Western democracies

Difference between (% of top 10% education) and (% of bottom 90%) voting left, after controls

Australia Canada Switzerland Iceland Italy Netherlands Norway New Zealand Spain
Economic and value cleavages in Western democracies

Difference between (% of top 10%) and (% of bottom 90%) earners voting Labour / Socialist Left / Communist / Greens, after controls

Difference between (% of univ. graduates) and (% of non-univ.) voting Labour / Socialist Left / Communist / Greens, after controls
Economic and value cleavages in Western democracies

Iceland

Difference (percentage points)

1980s 1990s 2000s 2010s

Difference between (% of top 10%) and (% of bottom 90%) earners voting Social Dem. / People’s Alliance / Left Green, after controls

Difference between (% of univ. graduates) and (% of non-univ.) voters Social Dem. / People’s Alliance / Left Green, after controls
Economic and value cleavages in Western democracies

Netherlands

Difference (percentage points)


Difference between (% of top 10%) and (% of bottom 90%) earners voting Labour / Socialist / Greens / Democrats 66, after controls

Difference between (% of univ. graduates) and (% of non-univ.) voting Labour / Socialist / Greens / Democrats 66, after controls
Economic and value cleavages in Western democracies

Switzerland

Difference (percentage points)

Difference between (% of top 10%) and (% of bottom 90%) earners voting Social Democratic / Greens / other left, after controls

Difference between (% of univ. graduates) and (% of non-univ.) voting Social Democratic / Greens / other left, after controls
Economic and value cleavages in Western democracies

Italy

Difference between (% of top 10%) and (% of bottom 90%) earners voting PD / PDS / PCI / M5S / other left, after controls

Difference between (% of univ. graduates) and (% of non-univ.) voting PD / PDS / PCI / M5S / other left, after controls

Difference between (% of univ. graduates) and (% of non-univ.) voting PD / PDS / PCI / other left, after controls
Economic and value cleavages in Western democracies

Spain

Difference between (% of top 10%) and (% of bottom 90%) earners voting PSOE / Izquierda Unida / Podemos, after controls

Difference between (% of univ. graduates) and (% of non-univ.) voting PSOE / Izquierda Unida / Podemos, after controls
Economic and value cleavages in Western democracies

Canada

Difference (percentage points)


Difference between (% of top 10%) and (% of bottom 90%) earners voting New Democratic Party, after controls

Difference between (% of univ. graduates) and (% of non-univ.) voting New Democratic Party, after controls
Economic and value cleavages in Western democracies

Australia

Difference (percentage points)


Difference between (% of top 10%) and (% of bottom 90%) earners voting Labor / Greens, after controls

Difference between (% of univ. graduates) and (% of non-univ.) voting Labor / Greens, after controls
Economic and value cleavages in Western democracies

New Zealand

Difference between (% of top 10%) and (% of bottom 90%) earners voting Labour / Alliance / Greens, after controls
Difference between (% of univ. graduates) and (% of non-univ.) voting Labour / Alliance / Greens, after controls