Cleavage structures and distributive politics

Party competition, voter alignment and economic inequality in comparative perspective

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Abstract

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This study aims to analyse redistribution through the lens of electoral politics. I identify three complementary factors associated with economic inequalities in democratic regimes. If (1) parties politicize distributive conflicts, (2) voters polarise on issues making equality electorally profitable and (3) low income earners are politically mobilised, then governments are more likely to implement redistributive policies. Together, these dimensions of democratic competition generate self-sustaining equilibria.

I apply this framework to the analysis of voting behaviour in Brazil, South Africa, Australia, Canada and Japan by using pre- and post-electoral surveys. A contextualised examination of social cleavages in these countries reveals that periods of rising or declining income inequality are typically associated with shifts in the space of political competition. Despite very different historical backgrounds, I find that drawing parallels between these countries reveals interesting common features which are consistent with theoretical predictions.

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Introduction

Democratic politics arguably are chaotic processes. Political parties can switch views and emphasise completely different policy issues from one election to the other. Voters can swiftly change their mind following unexpected events, or on the contrary be unresponsive to their environment. Yet, the social cleavages which are at the root of electoral competition are less sensitive to short-term forces. Because party systems tend to 'freeze', the mediation of political conflicts in modern democracies is more affected by macro-historical changes than by contextual factors.

This study aims to connect these long-run political processes to economic inequality. For the past thirty years, income disparities have been either rising or stagnating at extreme levels in most countries across the world, and many stressed the role played by globalisation and technological change in fuelling this process (Alvaredo et al., 2018). There is still a need to apprehend these evolutions through the lens of electoral politics. Policy-makers may be aware of the unequal consequences of globalisation, but may not be willing to carry out the policies required to correct them. Citizens may agree that social inequalities are too high, but may not trust the institutions that can reduce them. Looking more carefully at *why* redistributive policies are implemented, or not, can contribute to explaining the differences in inequality trajectories taken by modern democracies.

The implementation of redistributive policies emanates from social conflicts. Indeed, redistribution cannot be unanimously approved; it always induces winners and losers. The determination of who wins and who loses in democratic regimes is the result of a public deliberation. The main question of this work is hence the following: how does the political representation of different social groups correlate with changes in economic inequalities?

I will approach this issue by examining voting behaviours, through the analysis of several post-electoral surveys. I will document as precisely as possible how the main determinants of support for political parties evolved over time in Australia, Canada, Brazil, South Africa, and Japan. I will then attempt to connect the evolution of cleavage structures to that of economic inequalities in these countries. A simple comparative analysis will reveal that three self-reinforcing political factors are almost systematically associated with rising income disparities. The first one has to do with the way political parties choose to display distributive conflicts. When electoral competition is centred on issues unrelated to economic inequalities, or when parties do not believe that inequalities should be addressed, policy-makers are less likely to implement the policies required to curb rising income disparities. The second factor

is linked to voters' adaptation to the issue space. In particular, I will argue that periods of declining inequality coincide with the polarization of voters along distributive matters. Finally, I will highlight the role played by mobilisation in this process. If poor voters believe the party system is unresponsive to their demands, then they will not be inclined to spend resources on political participation. As a result, political parties will have no electoral incentive to meet their needs.

Chapter 1 will review the economic and political science literature dedicated to the analysis of distributive politics and electoral behaviour. Chapter 2 will present the methodology and data sources used in this study. Chapters 3 to 7 will document the evolution of cleavage structures in Brazil, South Africa, Australia, Canada and Japan. Chapter 8 will build upon these case studies to develop a simple comparative framework connecting distributive politics to party competition, voter alignments and political participation. It will also look more closely at the role played by party politics in accounting for the common evolutions visible in developed countries.

Summary of findings

Chapter 1 asks why 'the poor do not expropriate the rich in democracies'. Three factors are identified. First, the fact that multiple issues are 'bundled' together within political programs entails that economic inequality is not always fully politicised. Individuals also hold different beliefs about redistribution, and these beliefs may be unequally represented in the political arena. A second channel of influence relies on political parties' ideological foundations: for reasons partly uncorrelated with societal changes, parties may become more or less aware of inequalities and more or less favourable to the policies aiming to reduce them. Finally, unequal mobilisational efforts and participation may restrict some citizens' access to the democratic process. The chapter then turns to reviewing electoral studies. In particular, the concept of 'social cleavage' is identified as especially useful to apprehend these three mechanisms.

Chapter 2 breaks down the empirical methodology used in this study. Following Piketty (2018), simple indicators are defined to measure the extent to which individuals are 'polarised' over different dimensions. These cleavage structures are then linked to distributive politics by contextualising findings from post-electoral surveys using long-run series from the World Inequality Database.

Chapter 3 studies the evolution of cleavage structures in Brazil between 1989 and 2014. In the early years of democratisation, Lula da Silva's *Partido dos Trabalhadores* (PT) was supported by a young, urban intellectual elite, while the ruling *Partido da Social Democracia Brasileira* (PSDB) remained in power thanks to a diverse and volatile electorate. Since 2002, the PT's success in eradicating absolute poverty and partially reducing economic inequalities has gone hand in hand with the formation of a stable electoral base among poorer and lower educated Brazilians. These processes of political mobilisation and psychological adhesion have placed economic divides at the heart of political conflicts, at the same time as welfare policies became an essential condition of electoral success.

Chapter 4 studies the determinants of the support for the African National Congress (ANC) in South Africa from 1994 to 2014. South Africa's political history is indissociable from the racial discriminations that were institutionalised during the apartheid regime. Since the establishment of a universal democracy, these conflicts have almost entirely structured electoral competition. Even if there are signs indicating the emergence of class divides opposing poorer black voters to the growing black bourgeoisie, the ANC's hegemony has prevented their materialisation in the political space. South Africa's dominant-party system has arguably contributed to blur the divisions that should have emerged from rising income disparities between Blacks.

Accordingly, the welfare policies implemented by the ANC have been largely insufficient to tackle South Africa's extreme levels of social and economic inequalities.

Chapter 5 studies the evolution of cleavage structures in Australia between 1965 and 2016. Despite the remarkable stability of Australia's party system, there have been major changes in the way political parties mediate social conflicts. As the Australian Labor Party (ALP) gradually accepted free-market capitalism to broaden its electoral base, the class divides that were at the heart of electoral politics in the 1960s and 1970s lost significance. In parallel, higher educated voters turned to the left of the political spectrum in the 2000s as 'new politics' issues became politicised. These two dynamics have coincided with significant increases in top income inequalities. Similarly to other western democracies, Australia seems to have converged towards a system in which political parties increasingly stand for values distinguishing intellectual elites from business elites.

Chapter 6 studies electoral behaviour in Canada from 1965 to 2015. From the 1970s to the 1990s, Canadian politics were mostly characterised by very strong religious and regional divides, but the New Democratic Party (NDP) and Pierre Trudeau's Liberal Party still placed social equality at the heart of their policy objectives. The political and economic crises of the 1990s triggered a radical change in Canada's political space. As parties increasingly emphasised value-based issues, higher educated voters became strong supporters of the left. Concomitantly, political participation significantly decreased and grew much more unequal.

Chapter 7 studies the evolution of political cleavages in Japan from 1963 to 2014. Since the 1990s, the emergence of a 'second postwar party system' has coincided with rising income inequality. The Liberal Democratic Party's (LDP) hegemony since 1945 was based upon an implicit pact with the population. Ruling elites adapted remarkably well to the country's changing social structures as they enforced economic equality in a context of sustained growth, targeting in particular the poorer rural areas. The economic crisis of the 1990s led to the complete destruction of this historical balance of power. As income inequality rose substantially, political participation fell to historically low levels, party politics became more uncertain, and the rural-urban cleavage, which had once structured the Japanese democracy, disappeared.

Chapter 8 combines the results of country-specific studies into a single analytical framework. Different political equilibria generate different levels of economic redistribution. In an equilibrium characterized by low or decreasing inequality, low income earners are organised and strongly mobilised to defend their interests. As a result, political parties have an incentive to emphasize distributive conflicts and to enforce social equality. In turn, the politicisation of inequality creates the conditions for voters to participate and polarise along these lines. Chapter 8 also extends the analysis of cleavage structures to other developed democracies by comparing Australia and Canada to France, the United Kingdom, the USA, Italy, Portugal and Spain. In particular, the co-emergence of 'multiple elites party systems' – party systems in which economic elites vote for right-wing parties, while intellectual elites are strong supporters of the political left – in these democracies is contextualized using Manifesto data.

Chapter 1

The political economy of inequality in democratic regimes

In this chapter, I will discuss the role played by party competition and collective beliefs in shaping the distribution of economic resources in democracies. Based on a selective review of the economic and political science literature, I will introduce the analytical framework used in this work, focusing on the necessity to consider interactions between parties and voters. Looking at the joint evolution of parties' ideological stances and voters' behaviour can hopefully help us understand why governments have reacted in very different ways to the challenges created by globalisation, skill-biased technological changes or repeated economic crises.

There is still much to be done in this area of study. Far from proposing a unique solution to the problems raised by the analysis of distributive politics, I will attempt to draw attention on some of the key questions which have motivated this work. Perhaps unsurprisingly, many of them are still unanswered and are not explicitly covered in this project. Nevertheless, clarifying the assumptions which are needed to link cleavage structures to economic inequality has the advantage of delineating the contributions and limits of such framework.

Section 1 reviews the economic and political science literatures dedicated to the analysis of distributive politics, focusing on the role played by electoral competition, collective beliefs, party ideology and political representation. Section 2 looks more closely at the structure of social cleavages to apprehend which political factors are associated with the evolution of economic inequalities.

1.1 Distributive politics in democracies

1.1.1 Why do the poor not expropriate the rich in democracies?

In an attempt to understand cross-sectional differences in income and wealth inequalities in modern welfare states, scholars have attempted to go beyond economic explanations, developing theoretical frameworks linking inequality dynamics to voters' preferences and political institutions. Two seminal models have left a lasting imprint on the economic analysis of redistributive politics (McCarty and Pontusson, 2012). In a simple but powerful contribution, Meltzer and Richard (1981) considered voters who have to choose a tax rate and a corresponding lump-sum transfer to reallocate income between individuals in society. They demonstrated that if taxation is costly, then all voters earning more than the average income will vote for a tax rate of zero, and all other individuals will vote for a positive tax rate. In this context, as long as income is right-skewed, any increase in inequality keeping the average income unchanged will lead the 'median voter' – understood here as the voter representing the middle of the public opinion and determining the outcome of an election – to ask for higher redistribution. Hence, in democratic regimes, rising pre-tax income disparities should systematically be compensated by higher transfers. Moene and Wallerstein (2001) found the opposite result when considering redistribution to be the result of social insurance rather than pure transfers. If employed individuals are at risk of losing their job, then risk-averse voters will be inclined to support a mechanism which redistributes income to the unemployed. In this case, a mean-preserving increase in wage inequality will reduce the gap between unemployed individuals' earnings and the average wage of voters below the median, thereby decreasing the overall demand for redistribution.

These two models are of course simplistic. They assume voters choose tax rates, while most democracies elect representatives based on programs which can reflect only imperfectly the preferences of the median voter. Individuals are considered to be choosing policies maximising their income, whereas in practice they can have heterogeneous or false views about their effects. In reality, both collective beliefs and the way they translate into concrete policies are far more complex than the environment depicted in the Meltzer-Richard and Moene-Wallerstein models. Still, they lay some important foundations for thinking about the evolution of economic inequality in developed democracies. In particular, Meltzer and Richard's analysis raises a crucial question: why is it that the predictions of the model are not verified? Why have income and wealth inequalities increased so dramatically in most democracies in the past thirty years, with no sufficient democratic reaction to reverse this trend?

Even if the theory developed by Moene and Wallerstein may provide a partial explanation, recent evolutions in the distribution of economic resources cannot be solely explained by behavioural mechanisms linked to social insurance. These changes notably coincide with substantial reductions in the marginal tax rates applied to top earners in developed economies. In

both the United Kingdom and the United States, for example, the top income tax rate dropped from more than 90% in the 1960s to less than 50% today (Alvaredo et al., 2018). More generally, the strong negative correlations observed between tax progressivity and income disparities cannot be accounted for by standard collective choice theories. In a simple world where economic agents would maximise their current earnings and vote over non-linear income tax schedules, it is natural to believe that the majority would agree to impose confiscatory tax rates on top earners. Understanding why this simple mechanism is not verified empirically is at the heart of the analysis of distributive politics. One of the questions which motivates this work is, as John Roemer once coined, "why the poor do not expropriate the rich in democracies" (Roemer, 1998). In attempting to tackle this issue, we should keep in mind that causality can go in both directions. In fact, in what follows, I will be more interested in looking at the impact of political factors on economic and social inequalities rather than the reverse.

Looking back at Meltzer and Richard's framework, several mechanisms can be taken to account for this paradox. It may be that individuals vote for political leaders on the basis of issues that are completely unrelated to economic circumstances. It is also possible that voters' beliefs are radically different from what the model assumes: low income earners could be reluctant to support redistributive policies, because they distrust the state or because they believe in their own ability to climb the social ladder in the near future. On the supply side, there is also no guarantee that parties actually represent the preferences of their electorate: political finance, lobbying or international pressures are amongst many factors which can lead political institutions to deviate from 'ideal' democratic rules. If poor individuals do not participate in the electoral process, in particular, the preferences of the median voter can be very far from the preferences of society as a whole. In what follows, I will briefly consider these three dimensions of distributive politics – issue bundling and collective beliefs, party ideology, and political inequality.

1.1.2 The role of multiple political dimensions in determining parties' proposals

Party competition in democracies has always involved multiple dimensions, which are more or less salient depending on specific historical conditions. Economic distribution is only one of them, and not necessarily the most important. If elections revolve around one or several other dimensions of political conflict – such as immigration, religion, race, environmentalism or foreign relations – then both parties' programs and voters' behaviour can become partly or entirely unrelated to the question of economic redistribution.

Roemer (1998) developed a model of party competition between two parties in which voters' decisions are determined by their preferences on redistribution and a non-economic dimension. The central result is that if the median voter's income is higher than the average income in the economy, then both parties can converge in proposing a zero tax rate. If the median voter is poorer, on the other hand, then both parties will propose to redistribute. Therefore, the extent of redistribution should depend on the correlation between the non-economic dimension

and income. Roemer et al. (2007) applied a similar framework to the USA by calibrating a general equilibrium model in which the second dimension refers to racial preferences. To the issue-bundling mechanism highlighted above, they add an anti-solidarity effect: because of racism, even low income earners may be averse to income equalisation since redistribution would benefit voters from the other race. They also extend their analysis to several European countries, focusing on anti-immigration sentiments. In both cases, their simulations reveal that introducing a second dimension to political conflict reduces substantially the marginal tax rates proposed by competing parties.

These models provide clear and intuitive predictions about the political factors associated with rising economic inequalities. By taking into account the strategic nature of electoral competition, theories of multidimensional politics demonstrate that the structure of the political space can have a direct impact on policy-making, even independently from collective beliefs. Still, we should stress that multidimensionality can be expected to affect redistribution is many other ways. If politics become entirely dissociated from distributive conflict, then voters are less likely to 'sanction' parties who favour specific interest groups to the detriment of the majority. Or if low income earners are highly divided on value-based issues, they are unlikely to unite in offsetting the political influence of lobbies and business elites.

One limitation of general models of electoral competition is that they usually involve a large number of potential equilibria and require specific parameters to be calibrated. In their study of xenophobia in Denmark, for example, Roemer and Van der Straeten (2006) use opinion questions to determine the distribution of voter preferences and have to pick a value for the relative salience of the immigration issue. To complement these analyses, there is a need to go beyond mathematical formulations and look deeper into the history of party systems. Even in an informal way, drawing parallels between electoral behaviour, parties' ideological stances and inequalities can help us understand how changes in the structure of political conflict correlate to redistribution.

1.1.3 The impact of collective beliefs and preferences for redistribution

Until now, our analysis has been conducted independently from the question of collective beliefs: all the properties above hold for voters who would optimally agree to implementing tax schedules maximising their current income level. This is a highly restrictive assumption. In practice, demand for redistribution may vary immensely across space and time, both among high- and low-income earners. These variations are likely to have important implications in the long-run: if political parties are to represent the interests of their electorates, then redistribution should be higher in countries where citizens support it most.

In line with this view, there is considerable evidence that preferences for redistribution matter,

and are tightly related to beliefs about the relative importance of effort versus luck in determining individuals' income (McCarty and Pontusson, 2012). Based on cross-country comparisons, Alesina and Glaeser (2004) found a strong correlation between welfare spending and the proportion of adults agreeing that luck determines income or that poverty is society's fault. Piketty (1995) formalised the idea that collective beliefs about social mobility are crucial to understand redistribution. If agents update their beliefs based solely on family experiences, then multiple self-sustaining equilibria can arise. When taxes are high, for example, the link between effort and income is weak, which leads individuals to believe that economic outcomes are more random and therefore to demand more redistribution. Alesina et al. (2018) have provided recent evidence that beliefs about intergenerational mobility significantly affect support for the welfare state. Americans are more optimistic about their chances to climb the social ladder and are much less supportive of redistributive policies. Accordingly, it is not surprising that income inequality in the United States has been rising far more rapidly than in other developed countries (Piketty et al., 2016).

The study of preferences yet poses a challenge to comparisons across time and space. There is a non-negligible risk of measurement error: individuals may interpret questions in different ways and surveys may thus capture multiple dimensions of their attitudes towards inequality. In particular, there is a need to separate preferences for redistribution from demand for welfare: agents may agree that income disparities should be reduced, but they may also be reluctant to give political institutions the means to do so. More importantly, collective beliefs themselves are socially constructed, and at least three distinctions should be kept in mind. First, support for the welfare state can come from ideological principles, which are partly determined by agents' own economic and social experiences – such as upward mobility – as well as those of their close relatives. Another possibility is that opinions are linked to political attitudes: even if individuals agree that redistributive policies should be implemented, they may not trust the institutions which are in charge of bringing them to reality. This opens the way to a third channel of influence: political parties or other collective organisations can shape agents' preferences by emphasising the need for higher or lower redistribution. These different processes show that voters are far from being independent decision-makers: they are influenced by a large diversity of factors, and beliefs should be contextualised accordingly.

In a recent comparative study of the link between social spending and citizens' opinions, Larry Bartels (2017) gave perspective to the idea that preferences determine policy outcomes. In theory, if agents were to vote directly for income tax schedules based on their beliefs, as in the Meltzer and Richard model, then the political equilibrium should be associated with an overall demand for welfare not too far from zero. Based on data from the International Social Survey Program, the author showed on the contrary that net public demand for social spending is high and positive in all available OECD countries. This points to the existence of mechanisms preventing optimal collective decisions. By separating individuals into income groups, Bartels showed that the effect of preferences on social expenditures is 6.5 times larger when

FIGURE 1.1: Economic conflict in comparative perspective

Source: author's computations based on surveys from the Comparative Study of Electoral Systems, wave 4 (2011-2016). Net demand for welfare is computed as (% of individuals agreeing that welfare expenditures should be increased) - (% of individuals agreeing that welfare expenditures whould be decreased). *Interpretation*: in the United states, if bottom 20% earners were to vote on whether to increase welfare expenditures, they would be a majority of about 5 percentage points to agree.

considering preferences of high income earners rather than those of individuals at the bottom of the distribution. This suggests that affluent democracies are characterised by strong political inequality: "insofar as policy-makers respond to public preferences, they seem to respond primarily or even entirely to the preferences of affluent people."

These observations call for a more detailed comparative analysis of political conflict. Looking back at multidimensional models of electoral politics, differences in political reactivity to the beliefs of various interest groups can be understood as the result of specific modalities of representation. If poor voters are united by institutions defending the need to reduce economic disparities, such as unions or other collective bargaining organisations, it is more likely that policy-makers will respond to their demands. Part of the objective of this work is to attempt to look at distributive politics in this way. Rather than studying differences in average preferences between countries, I am more interested in answering to the following question: *how does the political representation of different social groups correlate with changes in economic inequalities?* In figure 1.1, I compare the preferences of top and bottom income individuals in 18 old and new democracies by reproducing a result similar to Bartels (2017), but with survey data from wave 4 of the Comparative Study of Electoral Systems. The conflictual dimension of welfare is immediately visible. In all countries, bottom earners are always more supportive of higher expenditures than top earners (all points are at the right of the 45-degree line). The case of Anglo-Saxon countries is particularly revealing. If bottom 20% earners in the United Kingdom were to vote for or against higher social spending, the 'yes' would win by about 15 percentage

points. If we were to ask the same question to individuals belonging to the top quintile, the 'no' would win by a crushing majority (more than 50 percentage points).

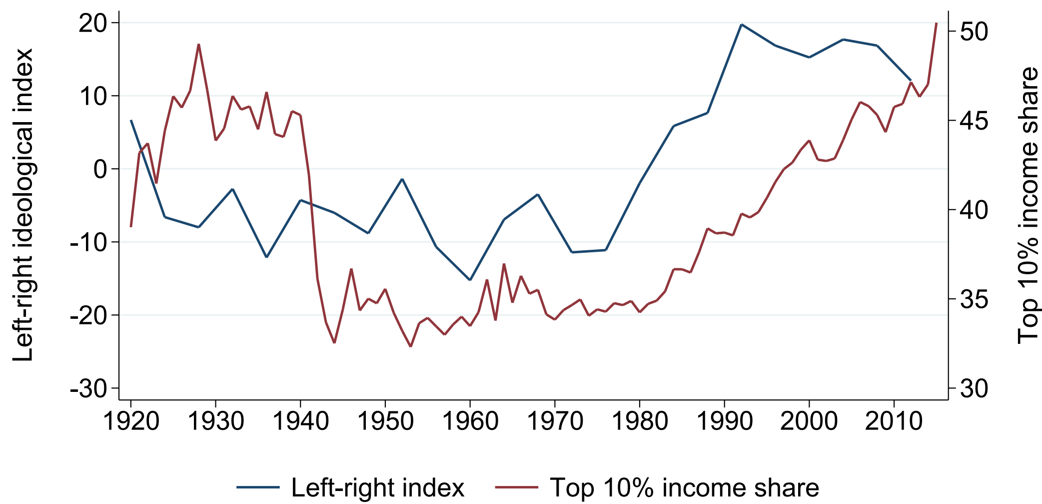
1.1.4 Looking at the supply side: the importance of political parties' changing ideological foundations

Given the impact that political institutions can have on both collective beliefs and their translation into concrete policies, there is a need to go beyond individual characteristics and look at the evolution of party systems. While individuals' preferences are hard to capture precisely, the study of political parties is even more challenging. Shifts in party's programmatic positions are particularly difficult to measure, and can arise from many different factors such as citizens' or party members' preferences, historical events or even changes in the composition of electorates. Combining synthetic indicators with informal narratives can yet provide interesting insights into the 'supply-driven' determinants of economic redistribution.

One extreme case of dramatic changes in party ideology is the USA, which has received much attention in the economic and political science literature in recent years. Bonica et al. (2013) provided a synthetic summary of some of the main political factors associated with rising income inequality in the US. Two broad changes on the supply side are identified. First, political polarisation (measured as the distance between the average ideal point of Republican and Democrat legislators on a left-right continuum) is positively correlated with the top 1% income share over the twentieth century, which may reflect the fact that increasing divisions have 'immobilised' the government policies that could have curbed rising inequality. Secondly, Democrats' positions on redistributive policies have evolved substantially over time: while the Democratic party was the instigator of financial regulation in the 1930s, it unravelled much of these policies during the 1990s. Interestingly, the Democratic Party's movement to the right on economic matters has been 'compensated' by other dimensions of political conflict. In the past forty years, "the Democratic agenda has shifted away from general social welfare to policies that target ascriptive identities of race, ethnicity, gender, and sexual orientation."

Data from the Comparative Manifesto Project suggests that the recent surge in economic inequality in the US is tightly linked to parties' programmatic positions (figure 1.2). If one looks at the evolution of the political centre of gravity – measured as the average of parties' positions on a left-right scale, weighed by their popular vote shares –, it is striking to see that the issue space as a whole has moved to the right of the political spectrum since Ronald Reagan's victory in 1980. From the end of World War II to the 1970s, the centre of gravity was close to the centre-left of the political spectrum. Since the 1990s, it has stabilised to the right. By their sudden nature, these movements seem to be due to internal changes rather than to long-run evolutions of individuals' ideologies. The fact that income inequality has steadily increased during the same period suggests that politics in the US have come to a new equilibrium associated with lower welfare.

FIGURE 1.2: Political centre of gravity and top income inequality in the United States, 1920-2015



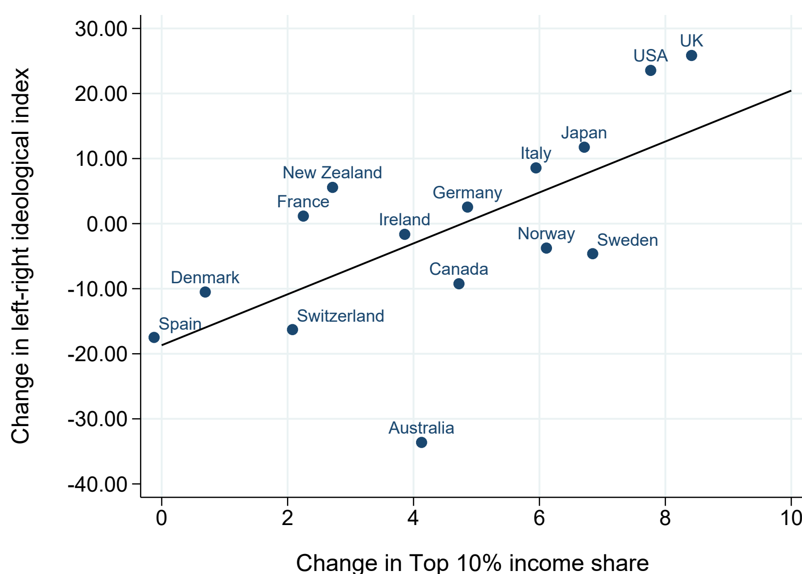
Source: author's computations based on data from WID.world and the Comparative Manifesto Project (CMP, `https://manifesto-project.wzb.eu/`). The left-right ideological index ranges theoretically from -100 (extreme left) to 100 (extreme right) and is computed by the CMP based on content analysis of party manifestos. The centre of gravity corresponds to the average of parties' scores on this dimension, weighed by their popular vote shares in presidential elections.

Even if it very difficult to draw robust conclusions from synthetic indicators, there is some comparative evidence that redistribution is linked to the evolution of party systems. Based on Manifesto data, Tavits and Potter (2015) found that increasing inequality leads left-wing parties to emphasise economic interests, whereas right parties react by focusing more on value-based issues. In a simple model of electoral competition, if value-based issues become more and more important in determining voters' decisions, then this mechanism could lead to lower welfare supply: by dividing low income individuals along the value dimension, distributive conflicts could become gradually de-politicised. One should stress, however, that such comparisons rely on data of low quality – manifestos measure only the salience of parties' programs on welfare, not their content, and the Gini coefficients from the World Income Inequality Database used in this study have to be interpreted with great caution.

Barth et al. (2015) showed that under certain conditions, both left and right parties shift to the right following an increase in income inequality. In their theoretical model, redistribution is based on a logic of insurance between three 'classes' of voters, and preferences for welfare spending depend on both self-interested motives and identification with weak groups. Using a mechanism which is close to Moene and Wallerstein (2001), they showed that as long as welfare spending is a normal good within income classes, a mean-preserving increase in inequality leads both parties to offer a less generous welfare policy. Based on data from the Comparative Manifesto Project and the OECD's earnings database, they find that left parties emphasise welfare issues less when wage disparities are higher.

Despite their limitations, these contributions suggest that party ideology may play a role in

FIGURE 1.3: Changes in left-right ideological positions of left/liberal parties and changes in top income inequality in 17 countries, 1980s-2000s



Source: author's computations based on data from the World Inequality Database (`http://WID.world`) and the Comparative Manifesto Project (`https://manifesto-project.wzb.eu/`). The left-right ideological index ranges theoretically from -100 (extreme left) to 100 (extreme right) and is computed by the CMP based on content analysis of party manifestos. Left/liberal parties are defined as belonging to ecologist, communist, social democratic or liberal party families as categorised by the Comparative Manifesto Project. Figures are averaged over parties with weights proportional to the number of seats held in the lower house of parliament, and over the 1980-1990 and 2000-2010 periods to highlight long-run trends.

tempering or reinforcing the effect of economic factors. Notice that the rare existing comparative studies focus mainly on the effects of inequality rather than on its causes. In contrast, it makes sense to believe that rising income disparities are at least partly caused by the policies implemented by governments, as Bonica et al. (2013) suggested in the case of the USA. Figure 1.3 provides evidence that the historical evolution of left and liberal parties' ideological foundations correlate with inequality. The top 10% national income share has increased dramatically in both the USA and the United Kingdom, at the same time as the Democratic Party and the Labour Party have shifted significantly to the right of the political spectrum. In countries like Spain or Denmark, on the other hand, top income inequality has barely changed, while left or liberal parties have in fact moved to the left.

As such, these figures do not tell us much about the concrete processes involved in these transformations. Shifts to the right or to the left could come from issues related to welfare or equality, but they could also be due to many other dimensions related to positions on foreign affairs, religion, environmentalism or immigration. Unfortunately, the categories available in the Comparative Manifesto Project are insufficient to decompose these evolutions in simple and understandable ways. Part of the motivation of this work arises from these limitations. Even if simple cross-country comparisons are useful, there is no shortcut for understanding the

long-run evolution of the structure of cleavages: we need to open the black box of elections and study countries' specificities in greater depth.

1.1.5 How voters' unequal mobilisation affects governments' incentives

If economic inequality is partly the outcome of policies determined by competition between parties representing specific social groups, then the extent to which these groups are mobilised to defend their interests and participate to the democratic process should be a determinant. In particular, redistribution should be enhanced when low income earners are both politically active and organised *via* social networks, unions or other institutions. This opens the way to the analysis of political inequality in its various forms, including differences in electoral turnout, party membership or labour unions.

Political participation remains both incomplete and widely unequal in most countries around the world (figure 1.4). In nearly all 36 countries for which data on electoral turnout is available in the fourth wave of the Comparative Study of Electoral Systems (2011-2016), bottom 20% wealth owners are significantly more likely to abstain in national elections than individuals belonging to the top quintile. It is striking to see that levels of turnout and differences between wealth groups map at least partially onto the dynamics of economic inequality. In the US, 85% of top wealth owners vote in presidential elections, compared to only 60% of voters among the bottom 20%. The United Kingdom, the Czech Republic or Poland are also characterised by very high differences in abstention between wealth groups. Simultaneously, these countries are among those where top income inequality has risen most in the Western World since the 1990s.[1]

Pontusson and Rueda (2010) investigated these relationships empirically. Based on data from the Manifesto project and on top 1% income shares series, they found that higher inequality shifts left parties' ideological position to the left only if voter turnout is sufficiently high. This result is fully consistent with the idea that mobilisation plays a key role in impulsing government reactivity to rising income disparities. The fact that inequality in participation is visible in many countries around the world also suggests that differences in electoral turnout may contribute to account for the universality of the 'social welfare deficit': "as low-income workers participate more in politics, the incentives for Left parties to cater to their policy preferences increase" (Pontusson and Rueda, 2010).

Anderson and Beramendi (2012) pushed the analysis of mobilisation further by looking at party competition on the left of the political spectrum. In their theoretical framework, poor voters are less likely to cast their votes in a more unequal world because they perceive that the political system is unresponsive and are not willing to spend resources in participation when

[1] For a direct view of trends in the top 1% pre-tax income share in these three countries, see `http://wid.world/share/#0/countriestimeseries/sptinc_p99p100_z/US;GB;PL;CZ/last/eu/k/p/yearly/s/false/1.5449999999999995/30/curve/false`

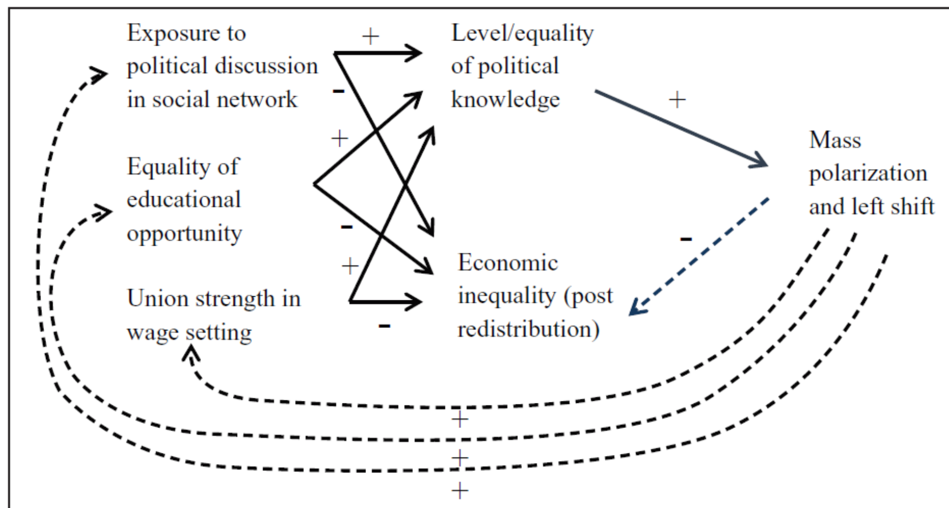
FIGURE 1.4: Electoral turnout of top 20% versus bottom 20% wealth owners in 36 countries, 2011-2016

Source: author's computations based on surveys from the Comparative Study of Electoral Systems. Political participation is defined according the type of election available in surveys (presidential, lower-house or upper-house). Wealth quintiles are computed by exploiting information on ownership of four types of assets (residence, business/property/farm/livestock, stock/bonds, savings) and expanding datasets to approximate quantiles (see chapter 2).

the benefits are less than ensured. If there is only one left party, then it should shift its ideological position to the right when income inequality increases, and spend less time mobilising low income earners. If there exists one or several challengers to the main left party, however, voters will be responsive to their appeals, forcing other centre-left parties to compete on issues related to welfare. Using data from the Luxembourg Income Study, they found that the effective number of left parties is significantly associated with lower income inequality. Furthermore, they were able to extend their analysis to the micro-level by using surveys from the Comparative Study of Electoral Systems. Their results show that when there is no competition to the left, rising income disparities increase the difference between rich and poor in the odds of being contacted by a political party; when left competitors exist, on the other hand, income inequality actually increases the probability that poor voters are mobilised.

Studies relating participation to economic inequality therefore suggest that political competition and redistribution are linked by strategic interactions between parties and voters. To the extent that parties have incentives to mobilise voters who can effectively be mobilised, political and economic inequalities should be self-reinforcing. In a recent contribution, Iversen and Soskice (2015) brought together these intuitions into a simple theoretical framework (figure 1.5). Their analysis was motivated by the fact that 'mass polarisation' – defined as the proportion of non-centrist individuals in a given country – is negatively correlated to income inequality. They argued that this reflects differences in political knowledge. When voters are uninformed,

FIGURE 1.5: Iversen and Soskice's (2015) framework linking political knowledge, ideological polarisation and economic inequality



they tend to display a bias and place themselves at the centre of the political spectrum. Accordingly, ideological identification should favour the development of the social-institutional mechanisms which incentivise political reactions to economic inequality. When low income earners are politically engaged, they are more likely to expose their social networks to political discussion, participate to the development and maintenance of strong collective bargaining institutions, and contribute to the implementation of policies favouring equality of opportunities. In turn, these three processes contribute actively to both keeping economic inequality low and maintaining societal mobilisation at high levels.

These mechanisms of reinforcement and feedback suggest that multiple equilibria may arise depending on the socio-historical conditions initiating citizens' participation to the democratic process: "one that combines an egalitarian school system, strong and coordinated unions, and high involvement in social networks with high mass polarisation and strong identification with the political left; and another that combines an inegalitarian school system, weak and uncoordinated unions, and low involvement in social networks with low mass polarisation and strong identification with the political center–right." With data from the Comparative Study of Electoral Systems, Iversen & Soskice found that the effect of individuals' socio-economic position on their left-right self-placement is magnified by political information. They also showed that identification to the left rises more with political information than right-wing identification.

1.2 From the analysis of supply and demand to the analysis of social cleavages

The existing comparative literature has revealed that looking jointly at the evolution of parties ideological positions, voters' beliefs and their dynamic interactions is necessary to apprehend the complexity of distributive politics. Until now, I have focused exclusively on comparative studies which locate at the frontier between political science and economics. Since the core part of this work is dedicated to the analysis of voting behaviour, I now turn briefly to electoral sociology. While the studies presented are not specifically concerned with understanding the determinants of economic inequality, they provide powerful tools to capture the mechanisms of political representation which are key to understanding redistribution. In particular, I introduce and discuss the notion of cleavage structures which forms the basis of the conceptual framework used in this study.

1.2.1 Defining cleavage structures

The traditional concept of 'cleavage' goes back to Seymour Martin Lipset and Stein Rokkan's study on the historical formation of party systems in Europe (Lipset and Rokkan, 1967). In their account, they identified four types of fundamental divisions which have gradually emerged from national and industrial revolutions. First, the centre-periphery cleavage was triggered by the process of nation building, and materialised as oppositions between the nascent state and the diverse subject populations who were subdued by the central authority. The religious cleavage developed from the conflict between the Nation-State and the Church as the latter gradually lost its ability to exert political power. Following this process of territorial and cultural standardisation which characterised national revolutions, the industrial revolution was associated with the emergence of two other types of enduring conflicts: the sectoral cleavage opposing agricultural and industrial interests, and the class cleavage opposing the capital owners to workers.

More generally, the Rokkanian concept of cleavage refers to "a specific type of conflict in democratic politics that is rooted in the social structural transformations that have been triggered by large-scale processes such as nation building, industrialisation, and possibly also by the consequences of post-industrialisation" (Bornschier, 2009). While this conception leaves a certain degree of flexibility, it involves dimensions of political conflict which are durable, originated in macro-historical changes, and are not necessarily directly linked to the events which initiated them anymore. This hysteresis property is directly visible in the remarkable stability of most European democracies across the twentieth century: the original divides which were associated with the emergence of democratic competition led to the 'freezing' of European party systems. Even if there are still methodological debates, Bartolini and Mair (1990) propose to define a political cleavage by three necessary conditions: a social-structural element, which refers to an observable characteristic distinguishing individuals (such as race, religion

or education); a sense of collective identity, which links this characteristic to the existence of a specific social group; and an organisational manifestation of this social group, which translates this sense of identity into collective action.

Clearly, the concept of cleavage is of the utmost relevance for understanding the political economy of redistribution. It encompasses both the mobilisation of different social groups in defending their interests and the mediation of these interests by political parties in the process of democratic elections. Bartolini and Mair's formulation therefore provides the opportunity to apply models of multidimensional politics and theories of political participation to the study of electoral competition. In this work, I will attempt to depart as little as possible from this framework. Nevertheless, in interpreting the evolution of different determinants of voting behaviour, I will use the concept less strictly, when documenting the emergence of an 'education cleavage' in old democracies, for example. In the chapters that follow, I will be mostly interested in studying how different socio-structural determinants of electoral behaviour have changed across time, and how one can link these changes to political competition and distributive politics in general. As a result, I will leave aside the 'collective identity' dimension of cleavage structures. This is not to say that this dimension is not meaningful: in future research, a more detailed historical analysis of the trends presented in this work should undoubtedly be carried out. To the extent that such contextualisation would require a different set of statistical or textual sources, however, I did not attempt to tackle this issue here.

1.2.2 Top-down versus bottom-up approaches to electoral behaviour

Just as the concept of cleavage can be useful for analysing mechanisms found in Roemer's theoretical models of multidimensional party competition or in Iversen and Soskice's framework of political information, the interaction between parties' 'welfare supply' and individuals' preferences for redistribution is directly mirrored by the distinction between 'top-down' and 'bottom-up' approaches to electoral behaviour. Broadly speaking, the bottom-up approach looks at the persistence or decline of the social basis of party preferences, and attempts to explain them by historical changes in the organisational or collective identification elements of cleavage structures. In the top-down approach, on the other hand, "political parties shape the evolution of social cleavages by providing the voters choices that permit the preferences of the social classes to be articulated politically" (Rennwald and Evans, 2014).

These traditions have their relative advantages and limits. Similarly to the issue of linking preferences to policy implementation, any analysis of cleavage structures should attempt to study the interactions between parties' mobilising strategies and voters' beliefs and patterns of participation (Bornschier, 2009). Of course, one of the key challenges of such approach is that 'supply' and 'demand' are highly endogenous. A simple change in parties' ideological stances can affect the entire structure of political conflict or even influence voters' beliefs about specific issues. Similarly, sudden or progressive changes in individuals' opinions about specific topics can lead parties to adapt their programmatic positions. Separating these different kinds of

shocks empirically is most likely impossible. Far from putting an end to the insights of a joint approach, these limitations open the way to interpreting changes in cleavage structures as movements between political equilibria characterised by more or less redistribution. When looking at the evolution of cleavage structures in this work, I will adopt such view and refer to the set of potentially self-fulfilling incentives which have resulted in political parties targeting specific social groups and leaving partly aside the interests of others.

Jakub Zielinski's game theory model represented an extreme case of such mechanisms (Zielinski, 2002). In contexts of organisational fragmentation or democratic transitions, political parties emerge and come to structure the issue space in a limited number of fundamental elections. With very few assumptions, Zielinski demonstrated that for any given society with multiple social conflicts, there exists a party system in which at least one social opposition is not politicised. The strategic dimension of party competition also implies that the first elections are crucial: assuming an inherent tendency of party systems to 'freeze', some social cleavages can come to be entirely excluded from the political space. In a less radical version of this model, it makes sense to think that long-run trends in economic inequality may correlate with changes in the emphasis put by political parties on distributive conflict.

In the Lipset-Rokkan framework, the social opposition which comes closer to the question of the distribution of economic resources is the class cleavage. In this respect, one might be tempted to draw parallels between the large literature documenting the decline in class-based voting in Western Europe (see for instance Franklin et al., 1992; Evans and De Graaf, 2012) and the fact that income disparities have been rising in most European countries. If social class is a proper indicator of identification to specific economic groups, then it should be particularly useful for grasping the long-run evolution of distributive politics.

Evans and Tilley (2012) have provided evidence of such mechanism in the United Kingdom. Matching data from the Comparative Manifesto Project with British Social Attitudes surveys, they showed that the gradual de-polarisation of political parties' positions on a left-right scale coincided with the decline in class-based voting in the UK since the 1980s. These joint dynamics are consistent with the idea that recent changes in the salience of distributive conflict have been essentially supply-driven. As in many other Western European countries, the Labour Party has gradually moved to the centre of the political spectrum in an attempt to broaden its electoral base, especially under the leadership of Tony Blair. Against the proposition that the recent evolution of British electoral behaviour is linked to individual values or political attitudes, this suggests that "class dealignment results from the impact of an ideologically restricted choice set on the electoral relevance of values concerning inequality and redistribution." In a similar study, Rennwald and Evans (2014) attempt to explain why socio-cultural specialists have become strong supporters of the Social Democratic Party of Switzerland, while class-based voting has remained strong in Austria. They found that differences in policy orientations between social classes are similar in the two countries. However, the key difference

between Austria and Switzerland is that social democrats in the latter emphasise 'new cultural issues' – related to ecology, gender and other societal concerns – much more than their Austrian counterparts. These findings provide direct empirical support to the idea that other dimensions of political conflict can blur economic divisions.

1.2.3 Documenting the emergence of multiple elites party systems in old democracies

One of the first attempts to concretely relate the evolution of cleavage structures to economic inequality is Thomas Piketty's recent study on the evolution of electoral behaviour in France, the United Kingdom and the United States (Piketty, 2018). Drawing on over sixty years of post-electoral surveys, he attempted to document the evolution of different determinants of party choice, such as education, income, wealth, age, gender, religion or country of origin.

The main result arising from these decompositions is that these three democracies have gradually converged towards 'multiple elite party systems'. In the 1950s and 1960s, both 'intellectual elites' (defined as top 10% educated voters) and 'business elites' (defined as top 10% income earners or wealth owners) were significantly more likely to vote for right-wing parties. In the past fifty years, however, there has been a complete reversal in the voting behaviour of higher educated voters, while individuals with more economic resources have continued voting against left parties. These two evolutions – combined with the fact that the relative importance of other socio-structural determinants have remained approximately stable – suggest that the political representation of economic conflicts has undergone major changes. From a party system opposing poor, lower educated citizens to the upper class, these three democracies have evolved towards a system opposing different types of elites. In France, for instance, both top 10% educated voters and top 10% income earners were less likely to vote for left parties than the rest of the population by about 10 percentage points in the 1960s. In 2012, the voting pattern of economic elites has barely changed. Higher educated citizens, however, were more likely to vote for left parties by 12 percentage points (Piketty, 2018).

There are several complementary ways to relate these dynamics to rising economic inequality. First, the emergence of the education cleavage reflects the fact that a new policy dimension related to attitudes towards globalisation or migration has come to play a key role in party politics. In this context, one may expect that the introduction of a new conflict between 'internationalists' and 'traditionalists' will blur traditional class divides, leading parties to de-emphasise issues related to inequality or to converge in proposing lower redistribution. Furthermore, if mobilisation is motivated by the existence of institutions actively representing the poor, then social democratic parties' shift to targeting intellectual elites should coincide with higher inequality in political participation – which is what we observe in these three countries. Finally, recalling the fact that elites tend to have a stronger influence on policy-making (Bartels, 2017), there is no reason to believe that multi-elite party systems should encourage the policies required to curb rising economic inequalities.

Chapter 2

Research design

I will now turn to the presentation of the methodology used in this study. In a world with perfect data sources, one would optimally derive an empirical model linking parties' positions on various policy dimensions to the way voters' beliefs translate into concrete decisions, ultimately generating political equilibria characterised by lower or higher redistribution of economic resources. Far from such ambition, the main contribution of this study is to provide long-run series on a restricted set of determinants of electoral behaviour, and attempt to draw parallels between these evolutions and income inequality in five countries. In doing so, I will only briefly contextualise the changes in cleavage structures that are observed, and the interpretations proposed in this work should therefore be considered preliminary. That being said, I still wish to contribute to documenting how cleavage structures have evolved in these countries. With deeper analyses of the specific political and social histories behind these trends, they will hopefully be useful to understand why economic inequality has risen at different rates in different countries.

2.1 Data sources

Ideally, the sources needed to identify a link between cleavage structures and distributive politics would at least involve (1) data on political parties' ideological stances on various dimensions and (2) data on voters' beliefs along these different dimensions. Unfortunately, reliable and comparable data measuring both the intensity and salience of parties' programmatic positions in the long run do not exist. The Comparative Manifesto Project is an invaluable source of information for looking either at the salience of issue bundles or at the overall positions of parties on a left-right scale. However, items such as 'welfare' or 'equality' which are available in the database gather together several dimensions of political conflict. For example, the end of racial or sexual discriminations and the need for a fair distribution of economic resources are both contained in the 'equality' item, which is particularly problematic in our case since we are precisely interested in comparing 'new politics' issues with traditional welfare. The Chapel Hill Expert Survey (`https://www.chesdata.eu/`) includes more detailed categories related to economic policy, but covers only a very limited period of time. For these reasons, even if there is hope that more precise decompositions can be obtained from further textual analysis of raw manifestos (see for instance Horn et al., 2017), I chose to contextualise informally

some dimensions of political competition in the countries studied rather than to use statistical indicators. In chapter 8, I will put these analyses into perspective by coming back to a more detailed analysis of Manifesto data in developed countries.

Concerning data on voters' opinions, the main problem is that questions on specific policy issues are usually comparable in surveys for only very short periods of time in a given country, and almost never comparable across countries. Since the aim of this study is to describe electoral behaviour in several countries, I chose to not exploit information on voters' beliefs. Instead, I focused on the structural variables which have been commonly used in the analysis of cleavage structures. This amounts to assuming that the distribution of individual characteristics over the space of political competition does in fact represent some dimension of conflict. When comparing the voting patterns of low and high income voters, for instance, I considered it to be a reliable indicator of the political representation of oppositions between economic groups.

As previously said, this approach leaves aside the element of collective identity which is required for classifying these differences as cleavages. While looking explicitly at identification is undoubtedly useful for understanding the evolution of distributive conflicts, individual characteristics can still arguably provide useful information. If, after controlling for other available socio-demographic characteristics, income or wealth appear to be significantly associated with voters' choices, there are good chances that this reflects the existence of an economic cleavage represented by the party system. In other words, this study uses variables like religion, income or education as gross proxies for measuring the relative importance of different dimensions of political conflict. I will therefore follow closely Piketty (2018) in using post-electoral surveys to track the evolution of cleavage structures.

2.2 Defining indicators of social cleavages

Statistical measures should be both meaningful and straightforward in order to capture the impact of specific variables on electoral behaviour. In particular, this study aims to document how different *groups* of individuals identify with different political parties over time. For these reasons, it makes sense to use discrete categories rather than continuous variables, especially since the goal of this work is not to account for all existing variations in individuals' choices, but rather to highlight how these choices correlate with specific divisive issues.[1]

I will thus focus on comparing vote shares for parties or groups of parties across different dichotomous variables. Consider a binary variable x which takes 1 if an individual is characterised by a defined attribute (such as holding a university degree, belonging to top 10%

[1]Consider the effect of income on voting for a left party. Introducing log-income as a continuous variable in a regression model would give a coefficient showing that 'being richer by one percent increases the probability to vote left by x%'. Such a result is relatively hard to interpret and does not tell us much about how important is income in determining party choice. Thus, looking at income groups – by comparing the proportion of individuals voting left among top 10% and bottom 90% earners for instance – seems more meaningful.

income earners or declaring oneself as catholic) and 0 otherwise. Consider also a dependent variable y which takes 1 if an individual voted for a specific party and 0 otherwise. Then a measure of the potential cleavage associated with x is:

$$\beta = E(y|x = 1) - E(y|x = 0)$$

If x is defined as holding a university degree and y as voting for a left party, then β has a direct interpretation: it corresponds to the proportion of university graduates voting left, minus the proportion of non-university graduates voting left. In other words, it measures the percentage point difference in vote shares for left parties among these two groups. One advantage of this indicator is that it can directly be obtained by estimating the following model using ordinary least squares (OLS):

$$P(y = 1|x) = \beta_0 + x\beta + \varepsilon$$

Furthermore, adding control variables preserves the intuitive meaning of the indicator. In our example, it can be interpreted in the following way: all other things being equal, university graduates are more likely to vote left by β percentage points. Another advantage of this approach is that estimation does not require using probit or logit models and computing marginal effects. Because this analysis relies entirely on binary variables, this linear probability model is saturated and can be estimated by OLS using heteroskedasticity-robust standard errors (Wooldridge, 2002).[2]

2.3 Controlling for structural changes: from categories to quantiles

Two types of issues can arise from tracking differences in vote shares between groups over time. First, the total vote shares captured by a specific party may vary significantly over time, which may lead to misinterpretations. If a party A received 10% of popular support in a particular year and 60% in another, for instance, then changes in $\hat{\beta}$ between the two years will be artificially inflated by the fact that we are looking at *absolute* differences between groups. In order to partly correct this bias, I will try as much as possible to group parties in such ways that vote shares remain approximately stable over time. In practice, for the countries studied in this work, such groupings will in fact be relatively natural.

Another issue is that the distribution, or categorisation, of explanatory variables may also vary significantly over time. If the share of university graduates increased over time – it is the case in most of the countries considered –, then $\hat{\beta}$ will capture both dynamics in political cleavages and structural changes in the composition of the electorate. Furthermore, the categories used for measuring a variable vary across surveys. The most obvious case is income, which is usually coded in brackets, number and definitions of which may change over time.

[2]For further details, see chapter 15, pp. 454-457.

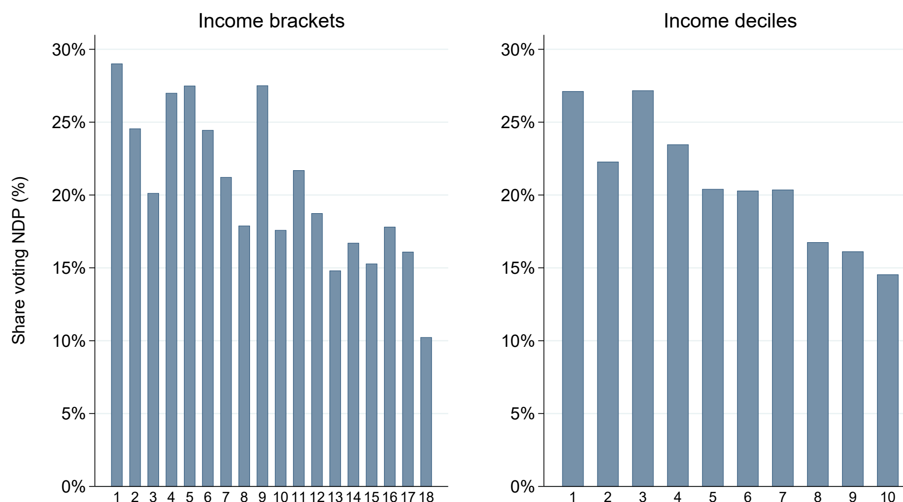
TABLE 2.1: Reweighing categories to approximate quantiles: example for income brackets in Canada, 2015

		Decile-specific reweighting factor									
Bracket number	Frequency range	1	2	3	4	5	6	7	8	9	10
1	0.000 - 0.050	1									
2	0.050 - 0.155	.48	.52								
3	0.155 - 0.201		.97	.03							
4	0.201 - 0.253			1							
5	0.253 - 0.309			.84	.16						
6	0.309 - 0.355				1						
7	0.355 - 0.478				.36	.64					
8	0.478 - 0.529					.43	.57				
9	0.529 - 0.554						1				
10	0.554 - 0.599						1				
11	0.599 - 0.652						.02	.98			
12	0.652 - 0.734							.59	.41		
13	0.734 - 0.767								1		
14	0.767 - 0.807								.82	.18	
15	0.807 - 0.876									1	
16	0.876 - 0.902									.92	.08
17	0.902 - 0.973										1
18	0.973 - 1.000										1

Note: author's computations based on the 2015 Canadian Election Study. *Interpretation:* individuals belonging to the second income bracket represent 10% of the population and are located above the 5% poorest individuals, but within the 15.5% poorest. Assuming that individuals' incomes are uniformly distributed within this income bracket, this implies that 48% of them belong to bottom 10% earners and 52% of them are in the second income decile. To approximate the mean of a variable y for individuals within the first decile of income, one can therefore give a weight of 1 to those in the first bracket, a weight of 0.48 to those in the second bracket, and compute the weighed mean of y over these individuals.

To overcome this issue, I will use a reweighing method, which exploits the distribution of individuals in each bracket or category to approximate quantiles. Consider, for example, the 2015 Canadian Election Study, which contains an income variable coded in eighteen brackets (table 2.1), and one is interested in computing the proportion of individuals belonging to the lowest income decile voting for the New Democratic Party $\bar{y}_{d=1}$. Unfortunately, this is not directly possible with this income variable since only 5% of individuals belong to the first income bracket ($b = 1$), and 15.5% of them belong to the lowest two brackets ($b \in [1, 2]$). If vote for the NDP decreases linearly with income, then $\bar{y}_{b=1}$ will overestimate $\bar{y}_{d=1}$, while $\bar{y}_{b=2}$ will underestimate it since we are looking at individuals who are on average too poor in the first case and too rich in the second. However, it is easy to see that since individuals within the second bracket range from quantiles 0.05 to 0.155, this means that $\frac{0.05}{0.155-0.05} \approx 48\%$ of them belong to the bottom 10%, while 52% of them belong to the rest of the population, assuming that individuals within brackets are uniformly distributed. Therefore, a reasonable approximation of vote for the NDP among bottom 10% earners is a weighed average of vote

FIGURE 2.1: From brackets to deciles: vote for the New Democratic Party by income group in Canada, 2015



shares in the two brackets:

$$\bar{y}_{d=1} \approx \frac{1 \times \bar{y}_{b=1} + 0.48 \times \bar{y}_{b=2}}{1 + 0.48}$$

This estimator is consistent, assuming that the average value taken by the dependent variable is constant within brackets. In practice, however, it does make sense to believe that the vote shares vary also within brackets in the same direction as observed between them. Therefore, when computing $\hat{\beta}$ based on this reweighing strategy, this approximation should be considered as a lower bound of the true effect. Still, this method clearly does much better than computing deciles or quintiles directly from brackets – which could in fact not be quantile groups given that frequencies would be necessarily imbalanced.

Figure 2.1 shows the results obtained when computing vote shares for the New Democratic Party in the 2015 Canadian national election. Unsurprisingly, the two pictures look very similar, since computing vote shares by decile amounts to computing weighed averages across income brackets. Another interesting aspect of this method is that it enables us to control for structural changes in ordered variables. If university graduates were originally 5% in the 1960s and increased up to 30% in the 2010s, for instance, then one can exploit educational categories to approximate 'top 10% educated voters'. In the 1960s, this category is composed of both university graduates and some secondary educated voters; in the 2010s, it gives more weight to individuals with masters or PhDs. Finally, one issue is that 'splitting' brackets into deciles implies that a single individual may belong to different quantile groups: in the example above, individuals in bracket 2 belong both to the first and the second deciles. While this is not problematic when computing averages, it makes regression models impossible to solve: without changing the dataset, one cannot compare the vote shares of the first and second decile with control variables.

To solve this problem, I propose to expand the entire dataset as many times as the number of quantile groups required. In the case of deciles, for instance, the procedure consists in duplicating all observations ten times. Then, one simply needs to attribute the corresponding weights to duplicated individuals: individuals belonging to bracket 2 see their sample weight multiplied by 0.48 in their first observation, 0.52 in the second time they appear in the dataset, and 0 in all other instances. Since this process only reweighs individuals, it does not affect the effect of other explanatory variables. Because we are increasing the number of observations in the dataset, however, normal standard errors will be downward-biased. To correct this issue, one simply needs to cluster standard errors by individual, which yields to the same standard errors as in the original dataset.

I created a Stata command that automates these computations (see appendix). For any specified discrete variable x and an original sample weight w, the program computes the reweighing factors as in table 2.1, expands the entire dataset ten times, corrects the weights and generates a decile variable which can be used to compute conditional means or perform multivariate analyses on the duplicated sample. In chapter 2, I will apply this method to other categorical variables, such as education, city sizes or ownership of various assets, to control for structural changes.

2.4 Reweighing party scores

Another bias which may arise from this analysis is due to sampling error or misreporting. If individuals, for some unknown reason, are less likely to declare that they voted for a specific party than they actually did, then the vote shares visible in surveys may be different from true election results. When decomposing electoral behaviour among various groups, however, we would like to get a picture which matches as closely as possible the true distribution of voters' choices.

To correct this bias, I systematically rescaled sample weights to match election results. Consider that a proportion $\hat{p}$ of individuals declared voting for a specific party in the survey, whereas in reality a share p did. Then the corrected weight w is a simple rescaling of the original sample weight $\hat{w}$:

$$w = \hat{w} \times \frac{p}{\hat{p}}$$

Since we are reweighing individuals based on their electoral behaviour, this introduces some bias in the distribution of respondents across other variables in the survey. However, given the aim of this study – comparing vote shares across groups, not the distribution of voters' characteristics across other variables –, it makes sense to correct for non-response and sampling error in electoral behaviour even if it involves some degree of distortion in other dimensions.

2.5 General outline of country-level case studies

In chapter 1, I looked at broad differences between countries by bringing together a restricted number of political and economic comparative studies. It is however needed to go beyond this static picture and look into the long-run history of party systems. Drawing on five case studies (Brazil, South Africa, Australia, Canada and Japan), I will try to link the evolution of cleavage structures to that of economic inequality. For each of the countries studied, I will use a simple method. First, I will provide a brief overview of the political history of the country studied, as well as a description of what is known about income inequality in this country. I will then connect these joint dynamics to voting decisions and party ideology by harmonising post-electoral surveys and looking at the evolutions of determinants of electoral behaviour.

One might wonder why this study focuses on countries that are extremely different in many of their political, economic or institutional characteristics. First, drawing parallels between economic inequality and electoral behaviour requires that reliable data sources on both of these dimensions exist. At the time of writing, high-quality historical series on the long-run evolution of income inequality were only available from the World Inequality Database for a limited number of countries, even if some rapid progress is under way. Another motivation is that looking at countries which seem so radically different may provide valuable insights into the relative advantages and limits of the mechanisms developed in chapter 1.

Brazil and South Africa's are fascinating cases to study since they both transitioned to universal democracy recently but are characterised by very different party systems. Australia and Canada are two old democracies characterised by different political structures, but they both underwent the same transitions from class-based voting to multiple elite party systems as other Anglo-Saxon countries. Japan's remarkable political stability until recently will reveal very different historical dynamics; still, there are visible dimensions of party competition which, with proper contextualisation, will be useful to understand why income disparities have risen dramatically since the 1990s. Comparing these transitions will hopefully be useful to understand why welfare policy, political conflict and income inequality have taken divergent paths in these countries.

Chapter 3

Brazil: connecting welfare policies to mass polarization

This chapter studies the evolution of cleavage structures in Brazil between 1989 and 2014. In the early years of democratisation, Lula da Silva's *Partido dos Trabalhadores* (PT) was supported by a young, urban intellectual elite, while the ruling *Partido da Social Democracia Brasileira* (PSDB) remained in power thanks to a diverse and volatile electorate. Since 2002, the PT's success in eradicating absolute poverty and partially reducing economic inequalities has gone hand in hand with the formation of a stable electoral base among poorer and lower educated Brazilians. These processes of political mobilisation and psychological adhesion have placed economic divides at the heart of political conflicts, at the same time as welfare policies became an essential condition of electoral success.

3.1 Political parties and election results in Brazil, 1989-2014

After over twenty years of military regime, Brazil returned to civil rule in 1985 and held its first presidential election in 1989, under the new constitution promulgated in 1988. The election opposed twenty-two candidates in the first round; Fernando Collor de Mello, from the liberal-conservative *National Reconstruction Party*, won against the socialist candidate Lula da Silva in the second round with 53% of votes. In a context of hyperinflation, Collor's presidency was marked by the implementation of a neoliberal program, which involved the privatisation of public companies, opening to free trade and major cuts in public spending. After accusations of corruption, Collor was impeached in 1992 and his vice-president, Itamar Franco, assumed the presidency. In 1994, Fernando Henrique Cardoso, who had successfully reduced inflation as Minister of Finance under Franco's presidency, won the presidential election directly in the first round with 54.3% of votes (Lula only received 27%) and was re-elected in 1998 with 51.1% of popular support (against 31.7% for Lula). While Cardoso continued Collor's privatisation programs, he was also the first president to implement large-scale social policies, such as the 2001 *Bolsa-escola*, a program of transfers dedicated to stimulate school participation, or the *Auxílio-gás* which subsidised bottles of gas for poor families.

Following Brazil's currency crisis, which started just after Cardoso's re-election, slower growth and rising unemployment eroded popular support for the leader of the *Partido da Social Democracia Brasileira* (PSDB), and Lula won the election in the second round with 61.3% of popular vote. Due to great uncertainty in financial markets at the time of the election, Lula was forced to sign the '*Carta aos Brasileiros*', a text in which he promised not to change the economic policy of Brazil if he won the election. His two terms (2002-2006 and 2006-2010) were marked by both corruption scandals and the implementation of welfare policies. In 2003, Lula created the *Bolsa Familia*, which combined and simplified the policies started by Cardoso into a set of conditional cash transfer programs, providing financial aid to millions of poor Brazilian families. On the other hand, the accumulation of corruption charges reduced support for the *Partido dos Trabalhadores* (PT) in parliament. In 2010, Dilma Rousseff was elected president with the explicit objective to continue Lula's achievements. She created several new policies, such as the *Brasil Sem Miséria* program which extended the *Bolsa Familia* and aimed at eradicating absolute poverty. She was re-elected by a tight margin in 2014 against the PSDB candidate Aécio Neves with 51.64% of votes. In 2016, after revelations that several politicians of her party and administration were investigated for receiving bribes from the state-owned company Petrobras, she was officially impeached and her Vice President Michel Temer, from the centrist *Movimento Democrático Brasileiro* (PMDB), took her place.

The PT's victory in 2002 and in the following elections can be understood as the result of a progressive change in Brazil's political space. In spite of an electoral system which encouraged high party-system fragmentation and vote-seeking strategies (Ames, 2001), the Workers' Party emerged in the 1980s as a radical left party with a strong ideological and organisational basis. The party originally mobilised large networks of highly educated, middle-class urban populations who believed in the viability of socialism and in the party's redistributive stance. During the 1990s, however, popular support for Cardoso's *Plano Real* "suggested that the PT's promises to combat deep structural causes of poverty and inequality (for example, land distribution) were much less attractive to poor voters than immediate albeit limited improvements" (Hunter, 2007). The PT's victory in 2002 was largely the result of a strategic shift to the centre-left, even if some fundamental ideologies were still represented, which ensured the support of unions and the urban middle class (Hunter, 2007; Samuels, 2004). Even if Lula's welfare programs should be thought of in continuity with previous governments (Hunter, 2014), there is extensive evidence that minimum wage increases and welfare programs during his first mandate, and in particular the *Bolsa Familia*, led to a dramatic change in the Workers' Party's voting base, as poor voters with low levels of economic security massively turned towards the PT (Zucco, 2008; Zucco and Power, 2013; Hunter and Power, 2007). The rise of *petismo* in Brazil is therefore particularly interesting, as it shows how the consolidation of stable oppositions between social groups coincides with the implementation of concrete policies.

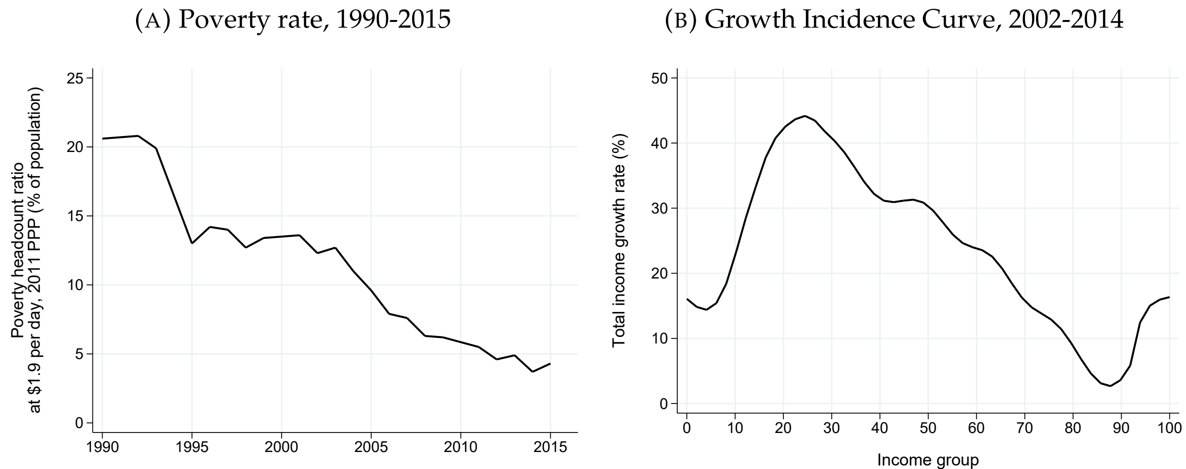
3.2 Income inequality since the 2000s

Brazil has a long history of social inequality, tightly linked to colonialism, slavery, and the concentration of land and economic resources. According to the World Inequality Report 2018 (Alvaredo et al., 2018), income inequality in Brazil in 2016 was as high as in Sub-Saharan Africa as a whole, with the top 10% receiving more than half of total national income produced in the country. How have subsequent governments faced this extreme polarisation since democratization? Absolute poverty since Brazilian democratization went through three main phases (figure 3.1a). Under Collor's government, the poverty headcount ratio at $1.9 per day decreased significantly from about 20% to 15%; under Cardoso's terms, it stagnated at about 14%, in a context of crisis and recession. Following the victory of the Workers' Party, and positive growth over the 2004-2013 period, rapid and large improvements were made to the standards of living of the poorest Brazilians: in 2015, less than 5% of the Brazilian population was living with less than $1.9 per day.

While surveys are useful to look at the evolution of poverty, they provide an incomplete picture of the whole distribution, for well-documented issues with misreporting (Alvaredo et al., 2016). Fortunately, new evidence from Morgan (2017) showed that combining national accounts, surveys and fiscal data provided much more precise estimates of the evolution of inequality in Brazil between 2001 and 2015. Contrary to previous estimates, Morgan's series revealed that little change had occurred over the period in the overall allocation of economic resources to different groups: every year, the poorest half of the population only received between 12 and 15% of total national income, while the middle class and the richest 1% earned more than 25% each. Taking a closer look at the evolution of average income within each group however shows that growth benefited more to low income earners (figure 3.1b). Between 2002 and 2014, most groups below the median experienced growth rates of 20 to 40%, while individuals within the highest quintile saw their income increase by only 5 to 15%. These differences should not be over-emphasised: given the low growth rate of national income over the period and the pre-existing extreme concentration of earnings, even large differences in growth rates between rich and poor would be insufficient to truly reduce inequality as a whole. Still, the near eradication of absolute poverty in the country and the fact that Brazil's economic growth was shared with the poorest segments of the population speaks for the PT's success in consolidating an electoral base among voters with low economic resources.

The sharp decline in absolute poverty, significant increases in income levels within the Bottom 50%, and stagnating inequality at the top under the Lula and Rousseff governments are all dimensions of one reality. In a context of extreme and persistent income disparities between Brazilian individuals and between geographical areas, they reflect the fact that "The general discourse of the PT, which was mirrored in their policies, can be described as pro-poor and neutral-rich. Without modifying the regressive tax system or property rights in any way, the focus of the PT centred around redistributing the proceeds of production and increasing

FIGURE 3.1: Poverty and income inequality in Brazil



Source: (A) World Bank and (B) Morgan (2017). In (B), income corresponds to pre-tax national income per adult and a simple local polynomial smoother is applied to highlight key differences between income groups. *Interpretation*: between 1990 and 2015, the share of Brazilian citizens living with less than $1.9 per day fell from about 20% to less than 5%. Between 2002 and 2014, bottom earners have benefited from growth rates more than twice as high as individuals at the top of the distribution.

the bargaining power of workers through unions and collective wage negotiations." (Morgan, 2017)

3.3 Data and method

I will now turn to the main contribution of this section, which is to provide consistent series of emerging cleavage structures in Brazil's new democracy since 1989 using pre- and post-electoral surveys from the Datafolha institute. These surveys provide limited information on demographic characteristics, but have large sample sizes and comparable variables which allow for a systematic tracking of the evolution of most of the social-structural determinants of electoral behaviour (table 3.1). Questionnaires were usually administered a few days before the second round of the presidential election (or first round for 1994 and 1998), which limited potential misreporting. The second round of the presidential election is an important moment of Brazilian politics, and divides voters into two broad ideological groups. These surveys are thus particularly useful for understanding how different oppositions between social groups have translated into multiple dimensions of political conflict during the last twenty-five years.

For all surveys except 1994 and 1998, respondents were asked which candidate they were going to vote for in the second round. In 1994 and 1998, given that Fernando Henrique Cardoso won in the first round, I used the counterfactual question: "If the candidates in the second round of the presidential election are Lula and Fernando Henrique, for which of these two candidates will you vote?". Accordingly, I created a binary variable which takes 1 if the presidential candidate was a member of the Workers' Party (Lula for 1989-2006, Rousseff for

TABLE 3.1: List of surveys used, Brazil

Year	Survey	Date of survey	Date of election	Sample size
1989	CESOP 00211	13/12/1989	17/12/1989	6930
1994	CESOP 00378	29/09/1994	03/10/1994	3000
1998	CESOP 00870	17/09/1998	04/10/1998	19797
2002	CESOP 02498	23/10/2002	27/10/2002	10402
2006	CESOP 02551	27/10/2006	29/10/2006	12561
2010	CESOP 03351	30/10/2010	31/10/2010	6554
2014	CESOP 03893	25/10/2014	26/10/2014	19318

Note: all surveys were conducted by the Datafolha institute (http://datafolha.folha.uol.com.br/) and are available upon request from the Centro de Estudos de Opinião Pública (CESOP, https://www.cesop.unicamp.br/por).

2010-2014) and 0 otherwise. There are of course important limitations to using counterfactual questions for the 1994 and 1998 elections, but the main objective here is to focus on the evolution of the PT versus PSDB competition for power. This competition has come to structure the outcome of Brazilian presidential elections and can provide interesting insights into the formation of stable cleavage structures in the country since the 1990s.

Given that age is only available in categories in some surveys, it had to be restricted to three brackets: between 16 and 24, between 25 and 40, and over 40 years old. Similarly, self-employed individuals and employers had to be grouped, but employers typically represent less than 3% of individuals, so the overall result is not affected. 'Inactive individuals' include unemployed workers and housewives. Given the distribution of individuals within brackets in Datafolha surveys, deciles below the 50th percentile could not be separated, so the results below will focus on the Bottom 50% and deciles above. The distribution of demographic characteristics is relatively consistent across surveys (table 3.2). Following the development of Brazil's education system over the period, the share of individuals with primary schooling or less fell from 70% to below 30%, while over 20% of voters had at least attempted to study at university in 2014. Wage earners represent about 30-50% of the population, self-employed individuals 20-30%, and inactive individuals about 30-40%, with no clear trend over the period.

3.4 The convergence of intellectual and economic elites

One of the main changes visible between 1989 and 2014 is a complete reversal in the education level of PT voters. Looking at raw figures, we see that about 60 percent of top 10% educated voters voted for Lula's party in 1989, compared to less than 40% of respondents belonging to the lowest education quintile. Twenty-five years later, more than 6 primary educated voters out of 10 voted for the Workers' Party while only 35 percent of voters among the top education decile supported Dilma Rousseff (figure 3.2a). Following Lula's first term, in particular, lower educated citizens have systematically voted for the Workers' Party and this trend is highly

TABLE 3.2: Summary statistics, Brazil

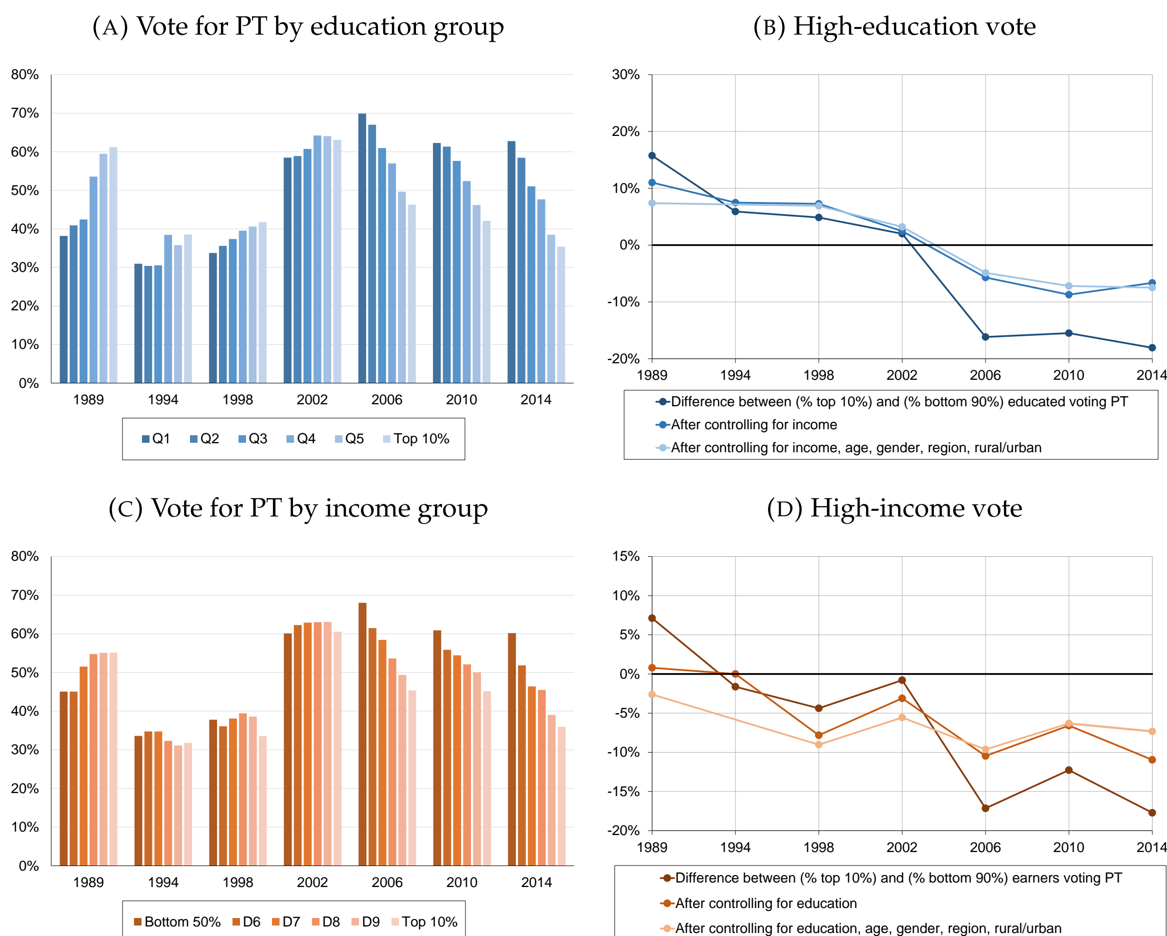
	Means						
	1989	1994	1998	2002	2006	2010	2014
Age: 16-24	0.281	0.236	0.209	0.214	0.216	0.184	0.162
Age: 25-40	0.365	0.384	0.352	0.328	0.322	0.322	0.432
Age: 40+	0.353	0.379	0.439	0.458	0.461	0.494	0.406
Education: Primary	0.695	0.714	0.531	0.480	0.363	0.355	0.274
Education: Secondary	0.226	0.218	0.393	0.432	0.498	0.487	0.521
Education: University	0.079	0.068	0.076	0.088	0.139	0.158	0.206
Gender: male	0.509	0.507	0.502	0.487	0.485	0.481	0.479
Occ.: inactive	0.000	0.380	0.363	0.375	0.328	0.293	0.315
Occ.: self-employed or employer		0.265	0.276	0.229	0.202	0.204	0.215
Occ.: wage earner		0.355	0.353	0.388	0.463	0.496	0.464
Race: Black				0.116		0.119	0.118
Race: Brown				0.304		0.429	0.440
Race: Other				0.079		0.015	0.021
Race: White				0.502		0.438	0.420
Reg.: North/Centre-West	0.117		0.129	0.138	0.136	0.139	0.148
Reg.: Northeast	0.261		0.269	0.267	0.257	0.252	0.267
Reg.: South	0.163		0.158	0.155	0.157	0.158	0.148
Reg.: Southeast	0.460		0.443	0.440	0.449	0.451	0.437
Religion: Catholic				0.693	0.649	0.621	0.611
Religion: None				0.051	0.110	0.093	0.084
Religion: Other				0.079	0.028	0.052	0.055
Religion: Protestant				0.177	0.212	0.234	0.250
Rural area	0.642		0.636	0.627	0.616	0.594	0.606

Note: author's computations based on Datafolha surveys. *Interpretation*: in 1989, 32% of respondents were aged between 16 and 24, and 69.5% had only been to primary school.

robust to controls (figure 3.2b). When including income in the regression, both levels and trends were affected, mainly because the PT was supported by the middle-class in 1989 and by the poor between 2006 and 2014. The overall picture, however, remained unchanged: in 1989, *ceteris paribus*, university graduates were more likely to vote for Lula by 7 percentage points, while in 2014, there were significantly less likely to do so.

The same change in political preferences is visible for income when looking at unconditional figures (figure 3.2c): at the beginning of the period, economic elites were significantly more likely to vote for the PT, while in 2014, top 10% earners were less likely to vote left than the poorest half of the population by 25 percentage points. Nonetheless, this evolution does not hold when controlling for education, and the trend seems in fact to be relatively flat over time (figure 3.2d). When controlling for other variables, top 10% earners were nearly 10 percentage points less likely to vote for the PT than the rest of the population, both in 1998 and 2014. Therefore, the fact that high income voters were more prone to support the PT in 1989 was

FIGURE 3.2: Economic and value cleavages in Brazil, 1989-2014

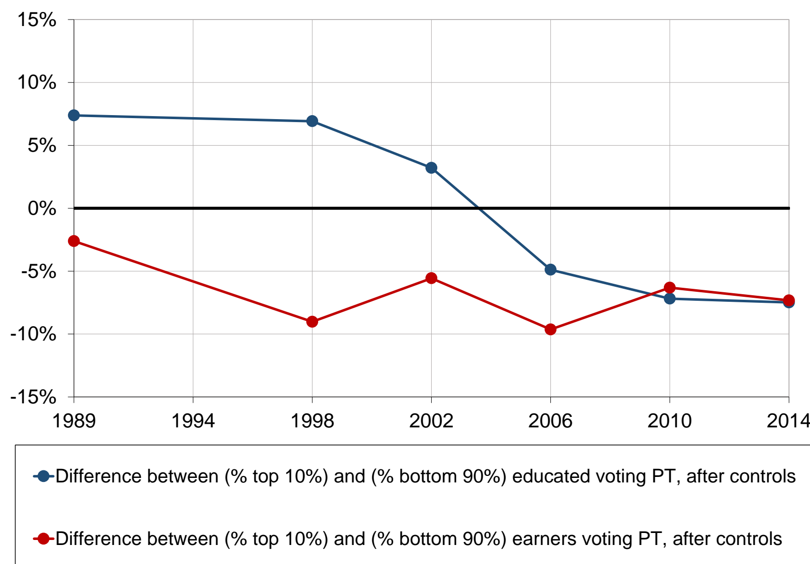


Note: author's computations based on Datafolha surveys. *Interpretation*: in 1989, university graduates were significantly more likely to vote for PT than other individuals, while top 10% income earners in Brazil were more likely to vote left than bottom 90% earners by about 7 percentage points.

entirely due to the fact that they were more educated and located in urban areas. In Brazil's first universal democratic election since the end of the military regime, economic resources did not seem to matter much when it came to choosing between the two candidates. Instead, Lula's support was stronger among intellectual elites and skilled workers who embraced the socialist cause.

Bringing these two dimensions together, it is striking to see that the PT's success coincided with a progressive convergence between economic and intellectual elites in patterns of party support (figure 3.3). Controlling for other demographic variables, a relatively stable voting profile among top income earners and a complete reversal of the education cleavage over the period are visible: since 2006, both higher educated and rich Brazilians have a significantly higher probability to vote for the PSDB. In other words, Brazil's economic and value cleavages have followed a trend opposite to the dynamics visible in most Western democracies (see chapter 8). During the first years of democracy, *petistas* were part of the country's liberal

FIGURE 3.3: Vote by income and education in Brazil: converging intellectual and economic elites?



Note: author's computations based on Datafolha surveys. *Interpretation*: in 1989, university graduates were more likely to vote for PT, and top 10% earners were slightly less likely to. In 2014, both groups have converged in voting against the Workers' Party.

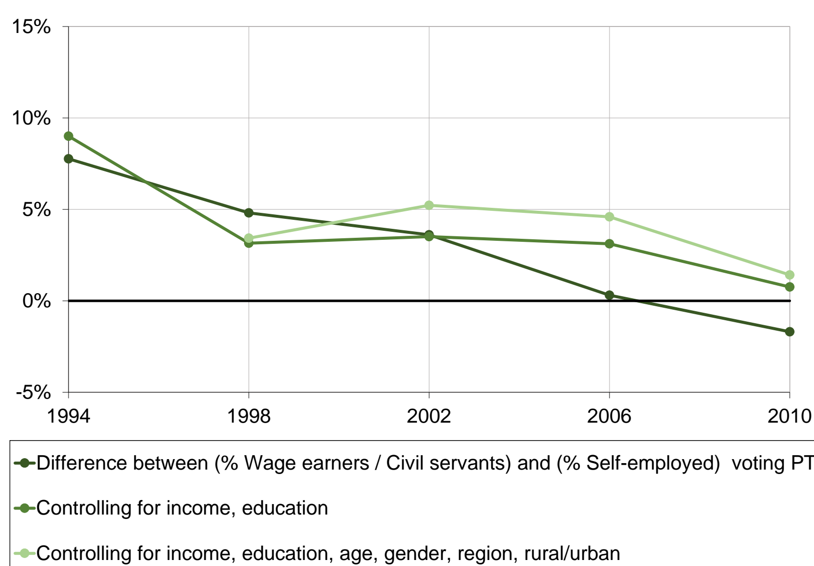
elites that Lula had gradually attracted since the formation of the party. Throughout the 1990s, Cardoso's success in fostering economic growth received large and broad support among the population, leaving open many potentialities for the emergence of cleavage politics in Brazil. While standard demographic characteristics did not seem to matter much in bringing Lula to power in 2002, the policies implemented during his first term in power led to the emergence of strong divides between both economic and educational groups. These divisions have remained remarkably stable since then, and seem to be persistent in structuring Brazil's space of political conflict.[1]

3.5 Weak and declining occupation-based divisions

Another change worth mentioning is the gradual decline in relevance of occupational categories, which, since 1989, have been much less important in determining electoral behaviour than they traditionally were in most Western societies (figure 3.4). In 1994, self-employed individuals had a significantly higher propensity to vote for PSDB than wage earners or civil servants. Differences between these two occupational groups stabilised to about 5 percentage points during the 1990s, and boiled down to 0 in the last presidential election. This evolution is interesting because it shows that income and occupation are two very different concepts representing multiple dimensions of political conflict. In particular, it reveals that the model

[1]Interestingly, a poll conducted by the Datafolha institute in september 2017 revealed the presence of even stronger divisions. If the second round of the 2018 presidential election was to oppose Bolsonaro to Lula, 70% of bottom 50% earners would choose Lula, compared to 37% of respondents belonging to the top decile.

FIGURE 3.4: Vote for PT by occupation in Brazil, 1989-2014



Note: author's computations based on Datafolha surveys. *Interpretation*: in 1989, wage earners in Brazil were about 15 percentage points more likely to vote left.

of class-based voting, defined by belonging to different types of occupations, is insufficient to grasp the polarisation along economic lines that occurred following Lula's re-election in 2006.

The growing importance of income and the declining effect of occupation on electoral behaviour suggests that politics in Brazil have gradually moved from a conflict between corporate interests to a broader opposition between rich and poor. This process can perhaps be better understood in view of Brazil's shift from a welfare state based on 'corporatist principles' to one that comes closer to 'basic universalism'. Prior to the 1990s, Brazil's welfare state focused almost entirely on a small group of privileged citizens, *de facto* marginalising the informal sector workers (Hunter, 2014). The progressive universalisation of social transfers pursued by subsequent governments since 1989 and in particular by the PT with the *Bolsa Família*, together with the broadening of the party's electoral base, have contributed to the attenuation of political conflict between occupational groups.

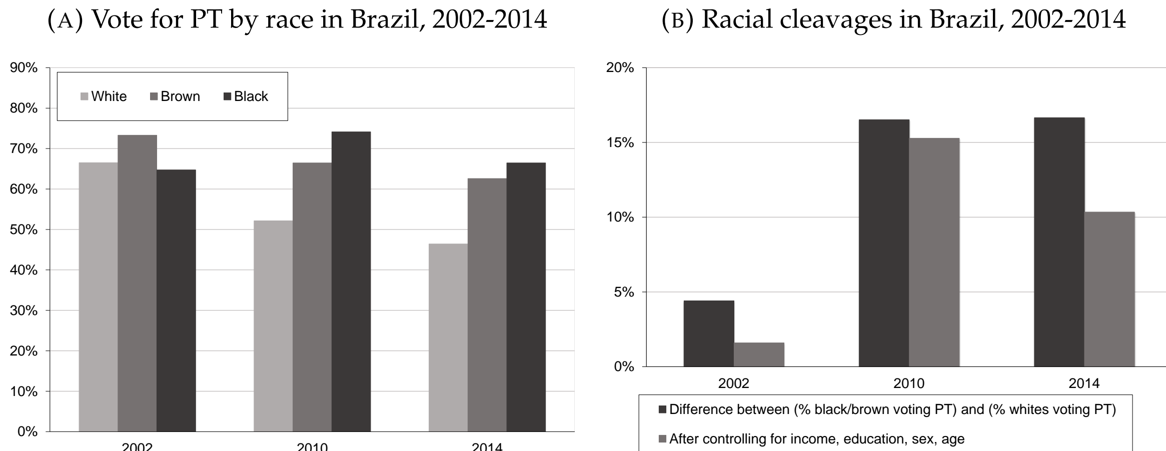
3.6 Other dimensions of political conflict: race and religion

Unfortunately, Datafolha surveys do not track the evolution of voting by race or religion since 1989. However, surveys available from the Comparative Study of Electoral System provide information on these variables between 2002 and 2014. Brazil has a long history of racial inequality, being the last country in the Western world to abolish slavery in 1888. There are still important disparities in income and education between racial groups (see, for instance, Marteleto and Dondero, 2016). Historically, the Workers' Party has given more attention to

FIGURE 3.5: Racial cleavage in Brazil, 2002-2014

(A) Vote for PT by race in Brazil, 2002-2014

(B) Racial cleavages in Brazil, 2002-2014



Note: author's computations based on the Comparative Study of Electoral Systems. *Interpretation*: in 2014, blacks and 'browns' were significantly more likely to vote for the Workers' Party than whites. This differential holds after controlling for other demographic characteristics.

race, welcoming Afro-Brazilian activists as it broadened its appeal beyond the working class to encompass all wage earners (Warner, 2005).

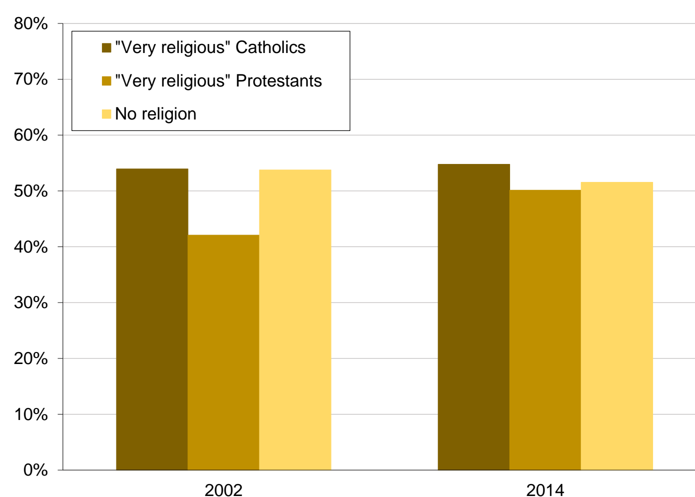
Yet, race only became relevant in explaining voters' support for the PT after 2002 (figures 3.5a and 3.5b). In 2010, support for Rousseff among blacks and *pardos* was about 15 percentage points higher than among whites. This difference is partly due to the fact that these groups had lower income, but holds after the inclusion of control variables. Interestingly, while the effect is positive, it is considerably lower than the Muslim vote for left parties in France or the African-American vote for the Democratic Party in the United States. In France, for example, differences between vote shares for left parties among Muslims and non-Muslims have reached levels higher than 30 percentage points in recent years (Piketty, 2018).

Looking at religion, we see that protestants declaring themselves 'very religious' are less likely to vote for the Workers' Party in 2002, but the effect disappeared in 2014. This suggests that, even though the religious cleavage may be important in other dimensions of politics, it does not appear to be determinant in the context of the second round of presidential election.

3.7 Comparing the evolutions of the different political cleavages

Table 3.3 shows the estimation results of a set of linear probability models including all available regressors (1994 is excluded since information on geographical areas was not available; occupation is also excluded since it was not available in the 1989 survey). The results are in line with previous descriptive evidence, and reveal the increasing division of the electorate into poor, lower educated voters and rich, higher educated individuals. In 1989, the PT was supported by a young, urban middle-class. All things being equal, individuals aged 40 or more had a significantly lower probability to vote left than voters aged 18 to 24, and having followed

FIGURE 3.6: Vote for PT by religion in Brazil, 2002-2014



Note: author's computations based on the Comparative Study of Electoral Systems. *Interpretation*: in 2002, individuals declaring themselves 'very religious Catholics' were significantly less likely to vote for Lula than atheists.

university courses strongly increased one's probability to vote for Lula. Income, on the other hand, had no clear effect after controlling for other demographic variables. Since 2006, on the other hand, a stable, linear income gradient is visible, and the effect of education is completely reversed: in 2014, top 10% earners and voters with tertiary education had a significantly lower probability of voting for the Workers' Party. The increasing importance of these two variables goes with a decreasing effect of other determinants. Over the period, the impact of living in rural areas was divided by four, and age lost all predictive power. The large rise in the PT vote in the Northeast region (the poorest and most marginalised geographical area in Brazil) is also interesting, and holds even when controlling for individual-level characteristics.

3.8 Voter alignment and distributive politics in Brazil

Looking at the massive mobilisation for the Workers' Party among the poorest segments of the population, together with the decline of other divisive aspects of inequality (rural-urban oppositions, age, occupation, religion), it is tempting to interpret the co-evolution of income inequality and electoral behaviour over the period as the formation of cleavage structures putting greater emphasis on the economic dimension of distributive conflict. The political dynamics which have coincided with decreasing inequality and poverty since Lula's election in 2002 are fully consistent with the three mechanisms depicted in chapter 1 – party politics, voter alignment and mass mobilisation –, which should correlate to changes in the distribution of economic resources.

On the supply side, the Workers' Party's ideological moderation in the early 2000s did not mean abandoning the emphasis on social equality, which founded its ideological basis at the

beginning of Brazil's return to democracy. Although the PT eventually succumbed to international pressures and vote-maximising strategies, it retained a substantial part of its party identity. Following the PSDB's movement to the right on economic matters in the mid-1990s, Lula was able to exploit a political opening to the centre-left and get elected by a diverse electorate in a context of economic crisis. Yet, the party sustained its commitment to equity and poverty reduction. The policies implemented under Lula's first term were, to some extent, the result of these specific historical dynamics which have led to the emergence of stable voter alignments along economic resources.

TABLE 3.3: Electoral behaviour in Brazil, 1989-2014

	Dependent variable: vote for PT					
	1989	1998	2002	2006	2010	2014
Income: Middle 40%	-0.002	-0.039***	-0.006	-0.068***	-0.033**	-0.064***
	(0.011)	(0.009)	(0.012)	(0.012)	(0.014)	(0.010)
Income: Top 10%	-0.027	-0.116***	-0.060***	-0.142***	-0.086***	-0.116***
	(0.020)	(0.014)	(0.021)	(0.020)	(0.023)	(0.016)
Education: Secondary	0.098***	0.043***	0.044***	-0.081***	-0.050***	-0.078***
	(0.018)	(0.011)	(0.015)	(0.014)	(0.016)	(0.012)
Education: University	0.108***	0.098***	0.054**	-0.144***	-0.117***	-0.151***
	(0.030)	(0.018)	(0.025)	(0.021)	(0.023)	(0.016)
Gender: male	0.017	0.041***	0.118***	0.068***	0.070***	-0.025**
	(0.015)	(0.009)	(0.013)	(0.012)	(0.013)	(0.010)
Age: 25-40	-0.061***	0.011	-0.005	0.019	0.031	0.037***
	(0.018)	(0.013)	(0.018)	(0.016)	(0.019)	(0.014)
Age: 40+	-0.170***	-0.024*	0.012	-0.007	0.014	0.000
	(0.019)	(0.013)	(0.017)	(0.016)	(0.019)	(0.015)
Rural area	-0.194***	-0.144***	-0.089***	-0.073***	-0.057***	-0.048***
	(0.017)	(0.009)	(0.013)	(0.012)	(0.014)	(0.010)
Reg.: North/Centre-West	-0.190***	-0.058***	-0.063***	0.022	0.015	0.059***
	(0.022)	(0.017)	(0.020)	(0.018)	(0.020)	(0.015)
Reg.: Northeast	-0.040**	0.043***	0.047***	0.165***	0.144***	0.216***
	(0.019)	(0.012)	(0.016)	(0.015)	(0.016)	(0.013)
Reg.: South	0.043*	0.067***	-0.000	-0.087***	-0.048**	0.019
	(0.022)	(0.010)	(0.020)	(0.017)	(0.020)	(0.015)
Number of observations	26232	45495	28895	37632	21190	53870
Number of clusters	4845	16470	8888	10529	5696	16798

Note: author's computations using Datafolha surveys. All estimations are based on linear probability models applied to expanded datasets with robust standard errors clustered by individual (see methodology). *Interpretation*: in 2014, ceteris paribus, belonging to top 10% income earners decreased the probability to vote for PT by 0.116 (11.6 percentage points). Standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

The spatial dynamics of party politics which coincided with the PT's victory find their counterpart on the demand side. In 1989, income did not seem to play any role in determining voters' choices between the two presidential candidates of the second round, and the PT was essentially supported by young, urban intellectual elites. The election of Lula da Silva in 2002 has at least partially de-polarised these occupational, generational or geographical divides at the same time as the question of economic equity and poverty eradication became the heart of the political debate. Even if it is perhaps too early to conceptualise these changes as the materialisation of a true 'class' or 'economic' cleavage, the persistence of these voting patterns in the 2010 and 2014 elections suggest that some degree of stability has emerged.

Finally, in terms of political mobilisation, the PT succeeded in mobilising a solid electoral base, despite Brazil's political system which favours opportunistic alliances and vote-seeking strategies. Samuels and Zucco (2014) showed, for instance, that the Workers' Party success could not be solely explained by Lula's appeal among beneficiaries of the *Bolsa Familia* and other social programs. In 1989, less than 10% of voters identified with Lula's party, and just above 10% with the PMDB; in 2011, party allegiance for the PT rose to over 25%, while other major Brazilian parties barely exceeded 5%. This mechanism of psychological adhesion is fully consistent with a theory relating mass polarisation to income inequality in the long-run.

Chapter 4

South Africa: racial divides and the obliteration of class conflicts

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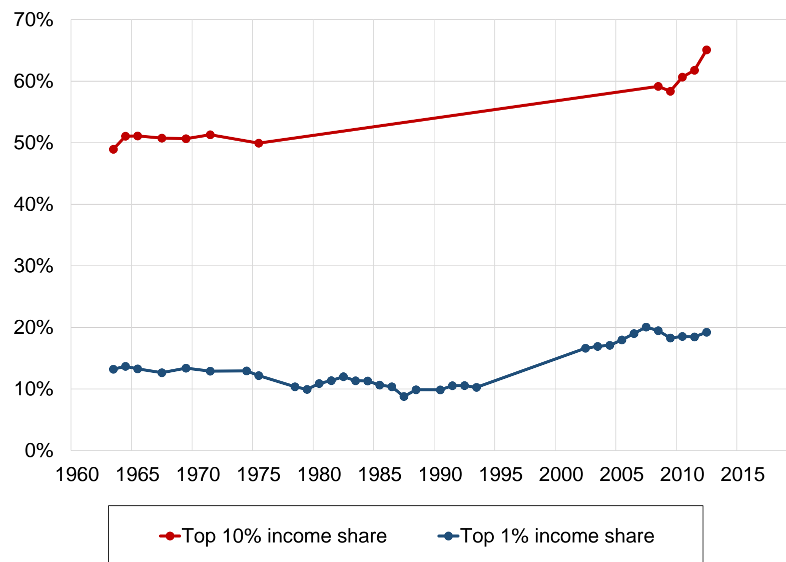
This chapter studies the determinants of the support for the African National Congress (ANC) in South Africa from 1994 to 2014. South Africa's political history is indissociable from the racial discriminations that were institutionalised during the apartheid regime. Since the establishment of a universal democracy, these conflicts have almost entirely structured electoral competition. Even if there are signs indicating the emergence of class divides opposing poorer black voters to the growing black bourgeoisie, the ANC's hegemony has prevented their materialisation in the political space. South Africa's dominant-party system has arguably contributed to blur the divisions that should have emerged from rising income disparities between Blacks. Accordingly, the welfare policies implemented by the ANC have been largely insufficient to tackle South Africa's extreme levels of social and economic inequalities.

4.1 Political parties and election results in South Africa, 1994-2014

In April 1994, South Africa held its first universal suffrage general election, putting an end to apartheid and, for the first time, allowing citizens from all races to vote. The African National Congress (ANC) led by Nelson Mandela won by a large majority, receiving more than 62% of the votes, while the National Party, who had been ruling the country since the end of World War II and was the instigator of racial segmentation, received support from just above 20% of voters. Since democratisation, national election results in South Africa have been characterised by a remarkable degree of stability. In all elections, the ANC has cumulated more than 60% of votes, with a peak in 2004 (70%) and a lower level of support in 2014 (63%). The second political force of the country – the National Party (1994), the New National Party (1999-2004), and the Democratic Alliance from 1999 onwards – has never been able to collect more than 25% of the votes. Apart from these two blocks, the 16 to 17% remaining votes have been divided into various small parties such as the Inkatha Freedom Party (11% in 1994, 2% in 2014), the Congress of the People (7% in 2009) or the Economic Freedom Fighters (6% in 2014).

The ANC's history is tightly linked to the struggle of black South Africans throughout the 20th century. Founded in 1912, the party's main goal was to improve the political representation

FIGURE 4.1: Top income inequality in South Africa, 1963-2012



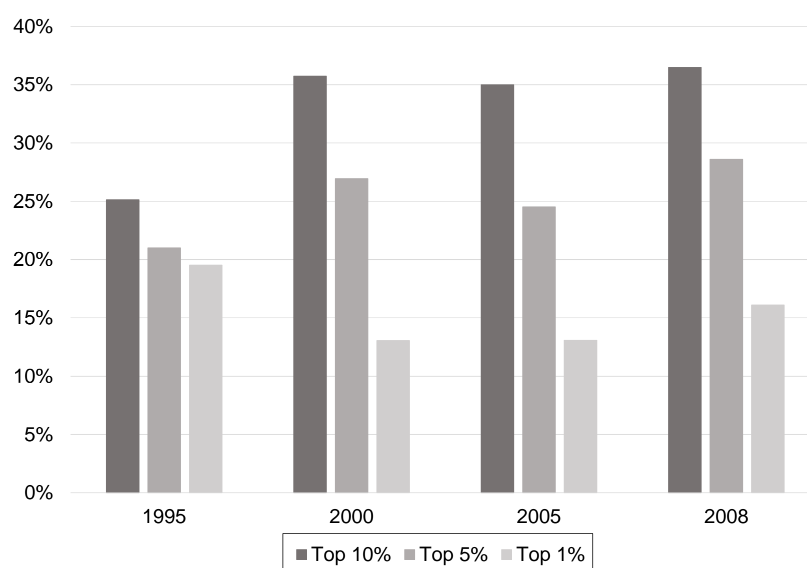
Source: Alvaredo and Atkinson (2010). All data are available from WID.world. Income corresponds to pre-tax national income per adult. *Interpretation*: in 2010, the top 10% earned 60% of national income.

of Blacks and Coloureds, and it actively contributed to organising strikes and boycotts against apartheid policies in the 1950s. Following massive demonstrations in 1959, the party was declared illegal and turned to sabotage and guerilla warfare techniques. In 1990, F. W. de Klerk lifted the ban and ANC leaders were released from prison, opening the path to democratisation. Since then, despite continuous internal dissents, the ANC has successfully remained in power, with a program aiming explicitly to protect and improve the living conditions of the black majority (Myburgh, 2005). Following the collapse of the Soviet Union, the end of the apartheid regime yet coincided with important changes in the ANC's ideological stances. From the 1960s to the 1990s, the African National Congress turned to revolutionary socialist ideology, committing to radical land and wealth redistribution and to nationalising industries. The end of the USSR and the rise of international conservative forces, as well as Nelson Mandela's liberation from prison in 1990, played a role in the pacification and deradicalisation of the movement. In particular, the transition to universal democracy came with a moderation of the ANC's positions, associated with a broader Africanist ideology focused on the necessity to unite the black populations (Prevost, 2006).

4.2 Economic inequality, race and class conflict since 1994

South Africa has always been one of the most unequal countries in the world (figure 4.1). Under the apartheid regime, in the 1960s and 1970s, top 10% income earners received half of national income, while the top 1% share was between 13 and 14%. Democratisation, far

FIGURE 4.2: Share of Blacks among top income earners in South Africa



Source: Morival (2011). Income corresponds to pre-tax income per adult.
Interpretation: in 2008, 16% of top 1% earners were black.

from reducing disparities between South African citizens, coincided with a substantial rise in pre-tax economic inequalities. In 2012, the top 10% income share reached 65%, and the richest percentile received nearly 20% of national income. One specificity of South African income inequality is that the top 10% share stands as one of the highest in the world, but not the top 1% share: in 2012, for instance, the top 1% share was approximately the same as in the USA (21%), but the richest decile in South Africa received 65% of national income, a much larger share than its American counterparts (47.1%). Therefore, the end of institutionalised racial segregation has not strongly affected the country's historical dual economic structure. Today, the top 10% in South Africa earns, on average, an income very similar to that of the top 10% in France, while the bottom 90% receives the same income as France's poorest 16% earners (Alvaredo et al., 2018).

While overall inequality has increased for the past twenty years, racial differences in earnings have decreased, in particular due to the development of a black bourgeoisie. The rise of South Africa's middle class has been documented in various ways, using concepts such as 'absolute income levels', 'occupational categories' or 'economic security' (see, for instance: García-Rivero et al., 2003; Southall, 2004; Mattes, 2015), even though the measurement of what a 'middle class' exactly is remains highly problematic. Visagie and Posel (2013), for example, found that defining the middle class as the centre of the income distribution or as an absolute level of affluence radically changed the results obtained in terms of size and racial composition. The decrease in interracial income inequality that has occurred since democratisation should also not be over-emphasised. Despite black South Africans representing nearly 80% of the population, recent preliminary evidence showed that the share of Blacks in the top 10% increased only very moderately from 25% in 1995 to 35% in 2008, while their share in the top

TABLE 4.1: List of surveys used, South Africa

Year	Survey	Type	Sample size
1994	IDASA National Election Survey, 1994	Post-electoral	2517
1999	IDASA Opinion 99, wave 4, 1998	Pre-electoral	3384
2004	SASAS, 2004	Post-electoral	5583
2009	SASAS, 2009	Post-electoral	3305
2014	SASAS, 2014	Post-electoral	3124

Note: surveys from IDASA (Institute for Democratic Alternatives in South Africa) are available from `https://www.datafirst.uct.ac.za/dataportal/index.php/catalog/SANES`. The South African Social Attitudes Surveys (SASAS) are available from `http://www.hsrc.ac.za/en/departments/sasas/data`.

1% actually decreased, amounting to only 16% in 2008 (Morival, 2011; see figure 4.2).

Social mobility and increasing inequality among Blacks since democratisation have created an important debate on the future of the ANC, and on the potential emergence of a 'class cleavage' which could eventually erode its electoral base among the black population. García-Rivero (2006), for instance, showed that affective closeness to the ANC in the 1990s gradually became stronger among Blacks whose standards of living were improving, opening the possibility of a realignment dividing voters with lower income levels and the new black middle class. Yet, more recently, Mattes (2015) found little evidence of political consequences associated with these structural changes. Even if Blacks with higher material welfare tend to value different types of government action and identify less with the ANC than poorer black individuals do, differences in beliefs and political attitudes between races belonging to the middle class still remain far more substantial.

The existing evidence on voting behaviour in South Africa therefore points to complex and potentially changing relationships between race, social class and support for the ANC. Have increasing intra-racial inequalities created the conditions for a new cleavage? Or are the legacies of the apartheid regime and the long-lasting disparities in material conditions between races still so strong as to entirely explain political conflicts in South Africa?

4.3 Data and method

In order to study the evolution of electoral behaviour in the past twenty years, I used political attitudes surveys from two sources (table 4.1). The Institute for Democratic Alternatives in South Africa (IDASA) conducted the first national election study in 1994, a few months after the election took place. In 1998 and 1999, the IDASA surveyed South African voters again in a series of opinion polls prior to the 1999 election. To increase the reliability of my estimates, I used the fourth wave, which took place shortly before the election. Since 2004, other post-electoral surveys have been conducted in the context of the Comparative National Elections Project (2004, 2009) and the Comparative Study of Electoral Systems (2014). Unfortunately, the

number of available socio-demographic variables and the sample sizes (less than 1,500 respondents) are very limited. For these reasons, I used the 2004, 2009 and 2014 South African Social Attitudes Surveys (SASAS), which were conducted a few months after the corresponding elections.

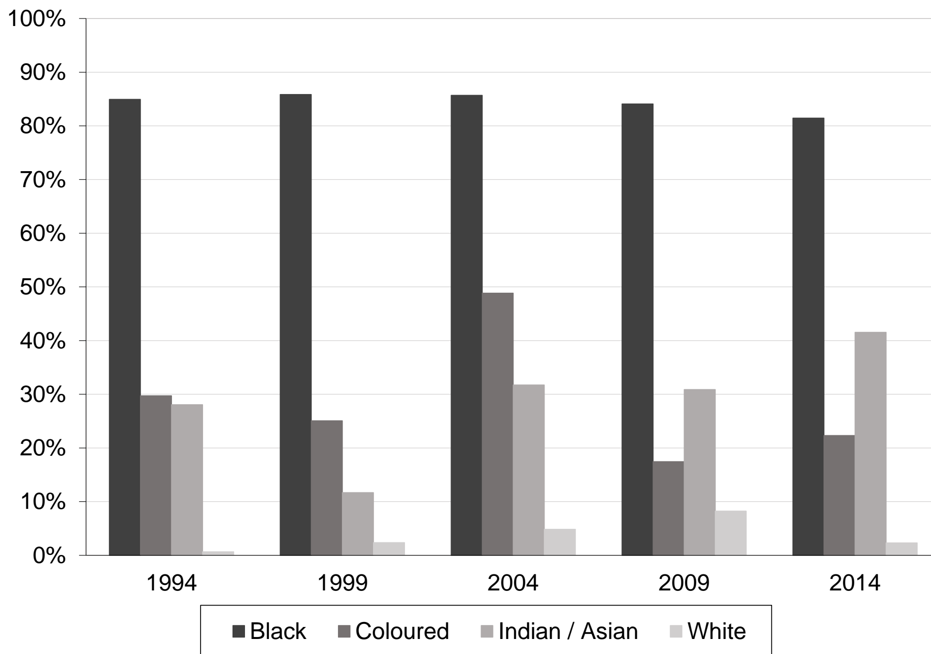
In this section, I will focus on the factors associated with voting for the African National Congress. Even if the opposition to the ANC is far from being homogeneous, this binary division has the advantage of revealing who has been supporting the party in power since 1994. Table 4.2 provides descriptive statistics on the composition of the South African electorate computed from surveys. Between 1994 and 2014, the share of primary educated voters decreased from more than 80% to less than 55%, but university graduates still represented less than 10% of the population (due to small sample sizes, frequencies vary between years). The majority of the population is black (more than 70%), while 10% declared themselves as coloured and about 3% as Indian or Asian. Since the end of the apartheid regime, the share of White voters decreased significantly, from about 19% in 1994 to 13% in 2014. More than 70% of the population was Christian, while 17% declared having no religion in the past election compared to only 6% in 1994. South African voters were also characterised by a very high degree of religious activity: in 2014, nearly half of the electorate declared going to a church or temple every week.

4.4 The predominance of racial divides

South Africa stands out as a democracy where race seems to almost entirely explain the political competition between the ruling party and the opposition. In every election since 1994, more than 80% of Blacks have supported the ANC, compared to 30-50% of Coloureds and Asians, and less than 10% of White voters (figure 4.3). Considering that Blacks account for approximately 70% of the voting population, it appears that the ANC's electoral base is composed of an overwhelming majority of black voters. This extreme and persistent division between Blacks and non-Blacks is virtually unchanged when taking into account the effect of other demographic characteristics (figure 4.4). Controlling for income slightly reduces the difference in voting behaviour between the two groups, mainly because top earners among Blacks were marginally less likely to vote for the ANC. Still, in 2014, Blacks were more likely to choose the African National Congress by more than 60 percentage points.

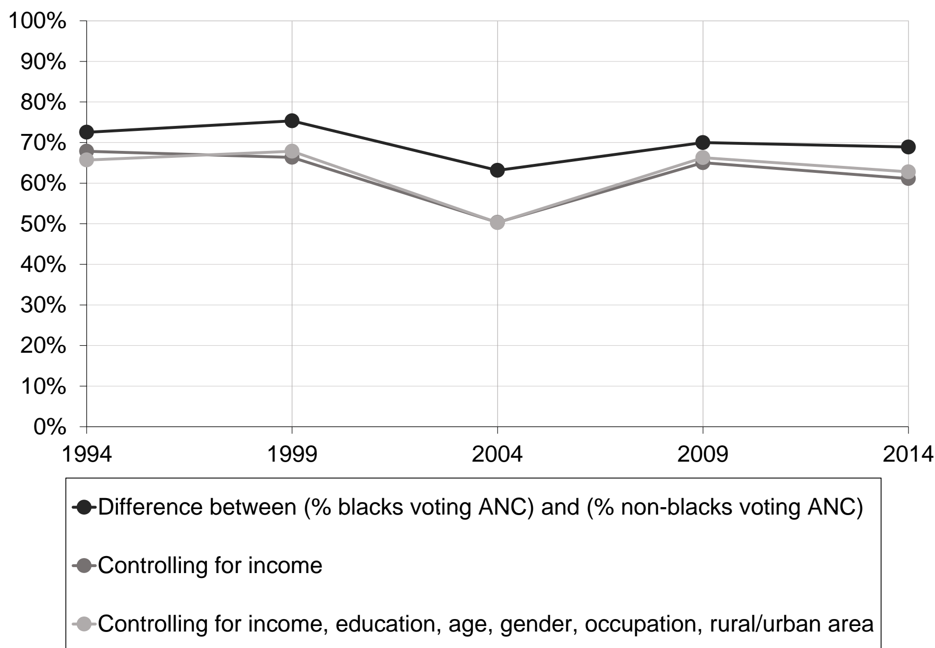
Because race has remained tightly linked to socio-economic inequalities for the past twenty years, racial differences in electoral behaviour are closely related to political oppositions between income groups. Throughout the whole period, support for the ANC among low income earners remained extremely high: in all five elections, between 70% and 85% of individuals among the bottom 20% voted for the ruling party. Interestingly, the relationship between income and vote has shifted from a binary opposition between rich and poor to a more linear gradient. In the 1990s, all citizens belonging to the bottom 80% voted massively for the

FIGURE 4.3: Vote for ANC by race, 1994-2014



Note: author's computations based on South African surveys. *Interpretation:* in all elections since 1994, more than 80% of black South Africans voted for the ANC.

FIGURE 4.4: Racial cleavage in South Africa, 1994-2014



Note: author's computations based on South African surveys. *Interpretation:* in 2014, Blacks were more likely to vote for ANC by 70 percentage points.

TABLE 4.2: Summary statistics, South Africa

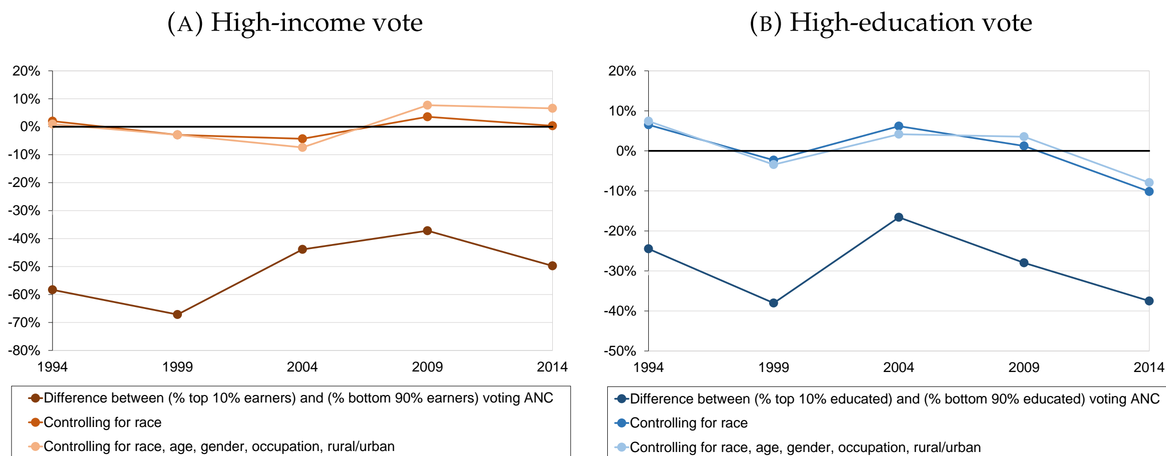
	Means				
	1994	1999	2004	2009	2014
Age: 18-24	0.249	0.242	0.274	0.261	0.257
Age: 25-39	0.419	0.387	0.331	0.316	0.332
Age: 40-60	0.244	0.259	0.274	0.306	0.286
Age: 60+	0.089	0.112	0.121	0.117	0.124
Education: Primary	0.815	0.726	0.626	0.533	0.545
Education: Secondary	0.134	0.238	0.324	0.384	0.403
Education: University	0.051	0.036	0.050	0.083	0.052
Gender: Male	0.480	0.478	0.468	0.476	0.489
Married / Partner		0.473	0.481	0.435	0.540
Occ.: Inactive	0.237	0.310	0.348	0.363	0.342
Occ.: Unemployed	0.189	0.359	0.331	0.278	0.338
Occ.: Working	0.574	0.331	0.322	0.358	0.319
Race: Black	0.685	0.710	0.722	0.715	0.739
Race: Coloured	0.095	0.091	0.098	0.114	0.105
Race: Indian or Asian	0.030	0.027	0.031	0.033	0.029
Race: White	0.189	0.171	0.149	0.138	0.128
Religion: Christian	0.785		0.692	0.716	0.714
Religion: None	0.064		0.141	0.160	0.171
Religion: Other	0.151		0.167	0.123	0.115
Religious activity: Every week	0.462		0.570	0.498	0.455
Religious activity: Less than every week	0.404		0.397	0.403	0.382
Religious activity: Very rarely or never	0.134		0.034	0.099	0.163
Rural area	0.391	0.440	0.336	0.333	0.251

Note: author's computations based on South African surveys. *Interpretation:* 5.2% of the South African electorate held a university degree in 2014.

ANC, while only a negligible share of top 10% earners supported Mandela's party. In the two past elections, on the other hand, differences have emerged between the middle class and the poorest South Africans, the former being significantly more likely to vote in favour of the opposition (see below).

This strong effect of income on vote choice is almost entirely explained by differences in income levels between racial groups. Looking at raw figures, the difference in vote choice between the top 10% and other voters has always been very strong, reaching nearly 70 percentage points in 1999, and then decreasing to 40-50 in 2004-2014 due to lower support for the ANC among the middle class (figure 4.5a). When controlling for race, however, this difference goes down to 0, and the inclusion of additional explanatory variables does not significantly affect trends or levels. This drop in the effect of income is not surprising: because poor South Africans are overwhelmingly Black (who massively supported the ANC) and economic elites are a majority of Whites (who almost unanimously voted for opposition parties, particularly for the Democratic Alliance), there is little space for income to have any independent effect

FIGURE 4.5: The intersectionality of racial and social cleavages in South Africa



Note: author's computations based on South African surveys. *Interpretation:* in 2014, top 10% educated voters were less likely to vote ANC than other respondents by 40 percentage points, and top 10% earners were less likely to vote ANC than other voters by 50 percentage points.

on vote choice. The same intersectionality of social and racial inequalities holds for education (figure 4.5b). Since the end of the apartheid regime, the 10% most educated voters have been less likely to support the ANC by about 20-40 percentage points.[1] When controlling for race, the effect of education is considerably reduced and becomes statistically insignificant. Figure 4.6 brings these different dimensions of political conflict together by comparing the unconditional effects of race, wealth, income and education.[2] Being non-Black, educated or wealthy all decrease significantly the likelihood to vote for the ANC. Race is the strongest determinant, followed very closely by wealth and income because these two measures of economic resources predict almost perfectly a respondent's racial group. Education has a lower effect as it is less tightly linked to race.

4.5 A unidimensional structure of political competition?

This analysis suggests that voting behaviour in South Africa is entirely determined by race. The party system seems to have developed into a Black versus non-Black division, materialised by the opposition between the ruling African National Congress and other parties. Because of extreme socio-economic inequalities between racial groups, this binary structure of electoral competition has concurrently integrated other dimensions of political conflict related to the ownership of human or physical capital. Table 4.3 combines the variables available in

[1]Education deciles are computed based on education categories provided in surveys. These consist mainly in the grade of education achieved (no schooling, Standard 1 to 10 or Grade 3 to 10) and the completion of secondary education (matric) or tertiary education (bachelor, master, PhD).

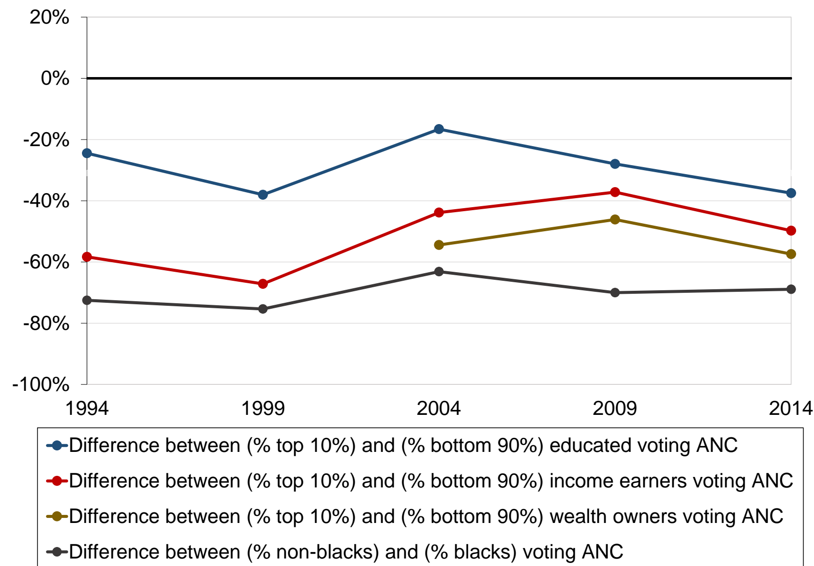
[2]Wealth deciles are obtained by exploiting information from the South African Social Attitudes Surveys on household ownership of 24 items, such as hot running water, a fridge, a microwave, a computer, a home security service, or a full-time domestic worker.

TABLE 4.3: Electoral behaviour in South Africa, 1994-2014

	Dependent variable: ANC vote				
	1994	1999	2004	2009	2014
Race: Black	0.867***	0.828***	0.736***	0.745***	0.786***
	(0.025)	(0.025)	(0.068)	(0.046)	(0.039)
Race: Coloured	0.323***	0.205***	0.368***	0.088**	0.215***
	(0.034)	(0.033)	(0.073)	(0.045)	(0.047)
Race: Indian or Asian	0.249***	0.097**	0.200***	0.242***	0.394***
	(0.071)	(0.039)	(0.074)	(0.054)	(0.100)
Income: Middle 40%	0.039	-0.008	-0.003	-0.077**	-0.048
	(0.027)	(0.021)	(0.027)	(0.037)	(0.033)
Income: Top 10%	0.045	-0.037	-0.077	0.010	0.029
	(0.034)	(0.031)	(0.062)	(0.060)	(0.050)
Education: Secondary	0.015	-0.036	-0.036	0.010	-0.021
	(0.034)	(0.026)	(0.036)	(0.038)	(0.040)
Education: University	0.083**	-0.041	0.030	0.075	-0.052
	(0.037)	(0.046)	(0.037)	(0.054)	(0.060)
Age: 25-39	0.009	-0.003	-0.010	0.017	0.052
	(0.031)	(0.026)	(0.043)	(0.053)	(0.063)
Age: 40-60	-0.047	-0.022	-0.021	0.048	0.067
	(0.034)	(0.027)	(0.045)	(0.049)	(0.060)
Age: 60+	0.033	0.012	-0.001	0.065	0.110*
	(0.080)	(0.033)	(0.051)	(0.054)	(0.063)
Gender: Male	-0.042*	-0.033*	-0.050*	-0.035	-0.007
	(0.023)	(0.018)	(0.028)	(0.031)	(0.032)
Occ.: Inactive	-0.012	-0.049**	-0.098**	0.049	0.054
	(0.031)	(0.025)	(0.039)	(0.042)	(0.043)
Occ.: Unemployed	0.055*	-0.068***	-0.016	0.092**	0.061
	(0.032)	(0.023)	(0.034)	(0.043)	(0.042)
Rural area	-0.015	-0.013	-0.054**	0.023	0.041
	(0.025)	(0.020)	(0.027)	(0.035)	(0.037)
Constant	-0.019	0.117***	0.225***	0.039	-0.050
	(0.042)	(0.042)	(0.087)	(0.074)	(0.079)
Number of observations	2725	4475	6656	3314	2873
Number of clusters	1720	2212	3256	1744	1492

Note: author's computations using South African surveys. All estimations are based on linear probability models applied to expanded datasets with robust standard errors clustered by individual (see methodology). *Interpretation*: in 2014, ceteris paribus, being black increases the probability to vote for ANC by 0.786 (78.6 percentage points).
Standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

FIGURE 4.6: Racial inequality and political conflict in South Africa



Note: author's computations based on South African surveys. *Interpretation:* in 2014, top 10% educated voters were less likely to vote ANC than other respondents by 40 percentage points, while top 10% wealth owners were less likely to do so by about 50 percentage points and non-blacks by more than 60 pp.

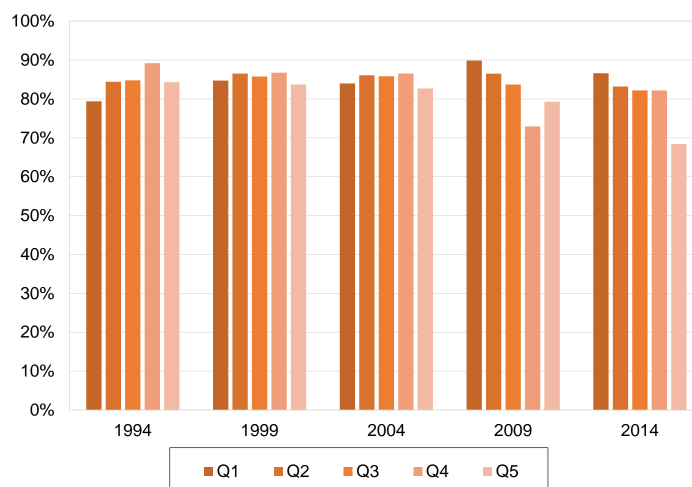
all surveys into a multivariate analysis. Race stands out as the only determinant of voting which is both strong and persistent. All things being equal, Blacks have a higher probability than Whites to vote for the ANC by 70 to 90 percentage points in all elections, and even though this effect decreased progressively from 1994 to 2004, it increased again in 2009 and 2014. Coloureds, Indians and Asians also have a significantly higher probability than Whites to choose the ruling party, even though the effect is weaker, varying between 0.09 and 0.4.

Once racial differences are taken into account, it becomes visible that no other variable has a significant and lasting effect on electoral behaviour. The 2009 election stands out as belonging to the middle 40% (percentiles 50 to 90) reduced the probability to vote ANC by about 8 percentage points. Otherwise, income never seemed to have an independent effect. In 1994, university graduates were more likely to support the ANC than primary educated voters, but education was not statistically significant for any other election. Similarly, even if age, gender or occupation did play a role in specific elections, there is no clear long-run pattern for any of these variables.

4.6 Is a class cleavage emerging?

Even if race accounts for a substantial share of vote choice, there are still unexplained variations within racial groups. In particular, between 15% and 20% of Blacks have steadily chosen the opposition, while vote for the ANC among coloured citizens has oscillated between 20 and

FIGURE 4.7: Vote for ANC by income group among Blacks, 1994-2014



Note: author's computations based on South African surveys. *Interpretation:* in 2014, 68% of Blacks belonging to the top income quintile voted for the ANC, compared to 87% of Blacks belonging to the bottom 20%.

50%. Studying the determinants of electoral behaviour among these two groups can therefore provide a more accurate picture of the evolution of cleavage structures in South Africa and help understanding why support for the ANC has been progressively decreasing since 2004. Unconditional figures support the idea that a class cleavage is potentially emerging in South Africa (figure 4.7). Between 1994 and 2004, income was completely uncorrelated to electoral behaviour when considering the Black population: about 85% of Blacks voters supported the ruling party, whatever their level of affluence. Since 2009, however, a linear gradient has appeared: in 2014, more than 85% of Blacks belonging to the bottom income quintile supported the ANC, compared to 68% of Blacks belonging to the top 20%. This finding is in line with the predictions of García-Rivero (2006): as a limited number of Black voters have climbed the social ladder, they have become more inclined to join the opposition. While these differences are important, they are still insufficient to erode the ANC's success. Even in 2014, a significant majority of Black voters voted for Mandela's party, even within the top of the distribution.

In order to study these changes with samples large enough to obtain statistically significant results, I decomposed the five elections into two time periods, 1994-1999 and 2004-2014. Unfortunately, due to the fact that Indians and Asians only represent a very small portion of the population, and because less than 10% of Whites voted for the ANC in all elections, no meaningful analysis could be performed for these groups. Table 4.4 presents the results. While income had no effect in the 1990s, it has come to play a role in the past fifteen years for both Blacks and Coloureds. During the 2004-2014 period, Blacks belonging to the ninth income decile (p80p90) were less likely to vote for the ANC by 12.2 percentage points. The effect of income has become much stronger among coloured South Africans: during the past ten years, Coloureds belonging to the top 10% were less likely to vote for the ANC than coloured voters

among the bottom 20% by about 19 percentage points. Looking at other explanatory variables, older Black voters have become slightly more likely to vote for the ANC, even though the effect is only significant at the 10% level, and Black men are less likely to vote for the ANC than Black women by about 5 percentage points in both periods. One should however highlight the limits of this analysis: even if some factors are, to some extent, useful to understand differences in vote choice among Blacks and Coloureds, available socio-demographic characteristics remain largely insufficient to explain them. This points to the role of other explanatory variables, such as political information, social networks or ideological beliefs. It also points to the fact that the variables used in this study are very imperfectly measured. With more precise measures of economic resources, the effect of income or wealth could be slightly stronger.[3]

Even if one cannot exclude the existence of such unobserved factors, the evolution of electoral behaviours in South Africa suggests that racial divisions inherited from the apartheid regime have come to persistently structure political competition. As long as support for the African National Congress remains quasi-unanimous among Blacks, the chances of a new independent cleavage arising are very slim. These results are in line with Mattes (2015): even if some social conditions exist for the emergence of a political opposition between Blacks with different levels of wealth, these conditions have not yet been fully materialised by South Africa's party system.

4.7 Racial divides and the politicisation of inequality in South Africa

Black South Africans, who are concentrated at the bottom of the income and wealth distribution, have consistently supported the ANC for the past twenty years. Yet, income disparities have been rising since the end of the apartheid regime, and inequalities between Blacks have increased substantially. Together, these two facts pose a serious challenge to the analysis of democracy in South Africa. Given the ruling party's limited success in providing racial equality and true improvements in the standards of living of the Black majority, why hasn't its support among Blacks decreased, and how has the ANC managed to continuously receive more than 60% of popular vote?

Part of the answer lies in the fact that the ANC's direct implication in the country's transition to universal democracy has imprinted a strong historical attachment to the party in Black voters' minds (García-Rivero et al., 2003). By successfully mobilising a large share of the Black electorate in the first multi-racial elections held in the country, the African National Congress has created the conditions of its own success. It has crystallised a feeling of collective identity which goes beyond contextual factors and has, until today, muted new social cleavages which should be associated with rising economic inequality. Another explanation is the informational

[3] I have attempted to include deciles or quintiles of wealth instead of income, to look at 2009-2014 instead of 2004-2014 or even to specify the income variable in the regressions in many alternative ways. The main results remain very similar: the effect of belonging to economic elites since the 2000s has been negatively associated with ANC support among Blacks, but with a magnitude not higher than 15 percentage points, and not significant in some specifications.

TABLE 4.4: Determinants of vote for the ANC among black and coloured South African voters, 1994-2014

	Blacks		Coloureds	
	1994-1999	2004-2014	1994-1999	2004-2014
Income quintile 2	0.032*	-0.013	-0.044	-0.131*
	(0.019)	(0.024)	(0.060)	(0.069)
Income quintile 3	0.030	-0.024	0.004	-0.127*
	(0.024)	(0.026)	(0.065)	(0.067)
Income quintile 4	0.056**	-0.037	-0.032	-0.174***
	(0.026)	(0.032)	(0.065)	(0.064)
Income decile 9	0.042	-0.122**	-0.060	-0.201***
	(0.046)	(0.053)	(0.072)	(0.075)
Income decile 10	0.007	0.013	-0.039	-0.186**
	(0.092)	(0.054)	(0.090)	(0.092)
Education: Secondary	-0.050*	-0.019	0.124**	0.032
	(0.029)	(0.026)	(0.057)	(0.048)
Education: University	-0.020	0.067	0.208	0.068
	(0.075)	(0.052)	(0.159)	(0.085)
Age: 25-39	0.015	0.017	-0.062	-0.045
	(0.025)	(0.034)	(0.053)	(0.072)
Age: 40-60	-0.023	0.035	-0.095*	-0.061
	(0.028)	(0.034)	(0.057)	(0.068)
Age: 60+	0.020	0.063	0.096	-0.096
	(0.037)	(0.040)	(0.110)	(0.084)
Gender: Male	-0.049***	-0.051**	-0.055	0.053
	(0.018)	(0.022)	(0.040)	(0.036)
Occ.: Inactive	-0.012	0.013	-0.132**	0.034
	(0.027)	(0.031)	(0.052)	(0.051)
Occ.: Unemployed	-0.018	0.048*	0.076	0.045
	(0.022)	(0.027)	(0.052)	(0.050)
Rural area	-0.033*	-0.017	0.254***	0.137**
	(0.018)	(0.020)	(0.046)	(0.055)
Number of observations	5078	9552	908	1844
Number of clusters	2525	4640	520	932

Note: author's computations using South African surveys. All estimations are based on linear probability models applied to expanded datasets with robust standard errors clustered by individual (see methodology). *Interpretation*: in 2004-2014, ceteris paribus, belonging to top 20% earners reduces the probability of voting ANC by 0.203 (20.3 percentage points) among Coloured South Africans.
Standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

role of ethnicity (Ferree, 2004): in a context of uncertainty on the outcomes of different policies, race or ethnic labels can become a sufficient statistic for deciding which party to support, leading parties to emphasise racial divides and appeal to voters' beliefs along this dimension. The strength and stability of racial cleavages in South Africa therefore suggests that its unidimensional structure of political competition has impeded the development of a class cleavage. Even if existing evidence shows that party identification has become increasingly correlated to social class among Blacks, our results point to the insignificance of economic factors when it comes to concrete voting decisions. Whether due to a historically constructed ideological attachment to the ANC or to the unavailability of viable alternatives, black South Africans, whether poor or middle class, have overwhelmingly voted for the ruling party in every election since 1994.

Even if South Africa is arguably characterised by a unique political history and economic structure, the three dimensions of party ideology, cleavage structures and political mobilisation which were predicted to be linked to rising income inequality in chapter one are also observable in our results. Increasing income disparities among Blacks have coincided with race being the only robust determinant of electoral behaviour since 1994, which is consistent with a theory connecting redistribution to political representation. While the black majority has been directly represented by the party in power, South Africa's party system has let no space for the politicisation of class divides between the nascent black bourgeoisie and the rest of the population. In this context, if support for the ANC is to remain partly independent from its concrete achievements in reducing inequality between Blacks from different social backgrounds, there is little hope that the party will have electoral incentives to do so.

The targeted nature of the social policies implemented by the African National Congress since the end of the apartheid regime supports this conclusion. Despite the ANC's socialist intellectual heritage, South Africa's welfare system has essentially followed a liberal ideology separating the 'deserving' from the 'non-deserving' poor (Leubolt, 2014). Instead of developing universal public education, the government has provided financial support to private schools against cheaper schooling fees, thereby favouring the expansion of a racially-mixed middle class. Social assistance has also been exclusively designed for people who are unable to search for work on the labour market, excluding the large share of the South African population who remained unemployed. In terms of political mobilisation, Knoesen's study of redistribution in South Africa showed that the government's distributive decisions were consistent with those of a punishment regime: instead of focusing on disadvantaged areas, where government transfers were most needed, public resources have been primarily directed to political supporters (Knoesen, 2009). South Africa's party system represents a case of cleavage structures where the strength of racial cleavages have hindered the development of conflicts which could trigger the implementation of true redistributive policies. The dominance of the ANC and the absence of credible challengers to the left of the political spectrum have halted the emergence of social cleavages between rich and poor which would go beyond historical racial divides.

Chapter 5

Australia: the de-polarization of class divides

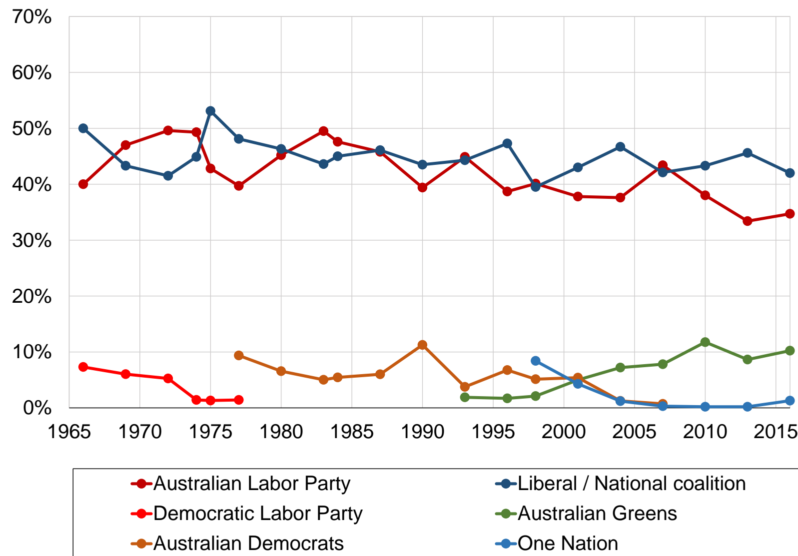
This chapter studies the evolution of cleavage structures in Australia between 1965 and 2016. Despite the remarkable stability of Australia's party system, there have been major changes in the way political parties mediate social conflicts. As the Australian Labor Party (ALP) gradually accepted free-market capitalism to broaden its electoral base, the class divides that were at the heart of electoral politics in the 1960s and 1970s lost significance. In parallel, higher educated voters turned to the left of the political spectrum in the 2000s as 'new politics' issues became politicised. These two dynamics have coincided with significant increases in top income inequalities. Similarly to other western democracies, Australia seems to have converged towards a system in which political parties increasingly stand for values distinguishing intellectual elites from business elites.

5.1 Political parties and election results in Australia, 1966-2016

Australia inherited its structure of political conflict from the United Kingdom, stabilising into a two-party system opposing the Australia Labor Party (ALP) to the Liberal/National coalition throughout most of the twentieth century. While other minor parties have generally managed to gather between 10% and 20% of popular vote, the ALP and the coalition have been the two main actors of Australian politics (figure 5.1). The coalition has remained in power for more than thirty years, from 1949 to 1983, with the exception of the 1972-1975 period. Two Labor governments then followed from 1983 to 1996, and the coalition went back to power from 1996 to 2007. The ALP won in 2007 and 2010, but was defeated again in 2013 and 2016 by a significant margin, reaching its lowest level of electoral support across the period (33% and 35% respectively).

The Democratic Labor Party (1955-1978) originated as a Catholic, anti-communist faction of the ALP, never reaching more than 10% of vote shares. The Australian Democrats (1977-2016) emerged in 1977 as a centrist party descending from the Liberal Party, founded on principles related to direct democracy and environmental awareness. After polling up to 10% in 1990, it gradually lost popular significance at the same time that Australian Greens received increasing

FIGURE 5.1: Election results in Australia, 1965-2015



Source: Australian Electoral Commission (`https://www.aec.gov.au/`). *Interpretation*: the Australian Labor Party received 35% of popular vote in 2016.

support, adopting ideological stances further on the left of the political spectrum.[1] Finally, the One Nation Party is usually considered to be on the right of the Liberal/National coalition, holding anti-immigration, nationalist and conservative positions; it received nearly 10% of national votes in 1998 but quickly disappeared at the beginning of the 2000s.

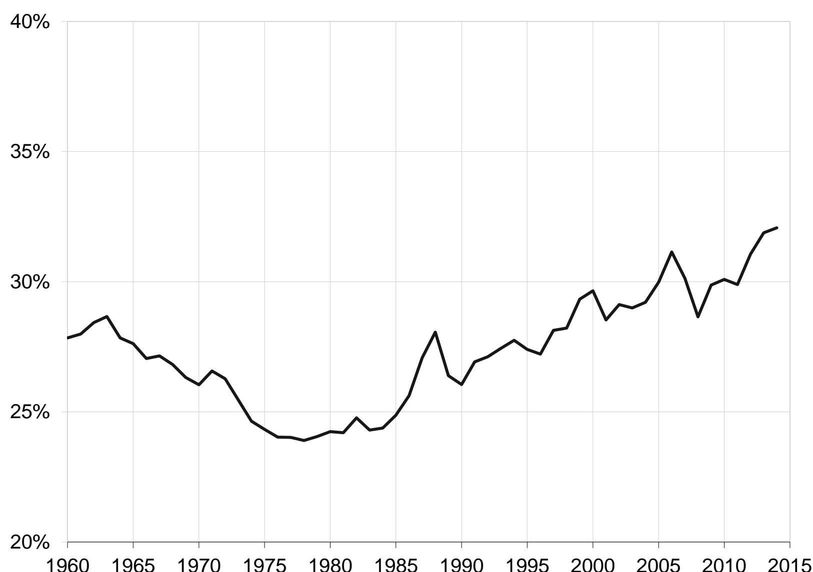
Political cleavages in Australia are broadly in line with Lipset and Rokkan's (1967) theory of four-dimensional electoral politics (Marks, 2012). At least during the first half of the twentieth century, party oppositions focused mainly on the capital versus labour dimension, with the ALP representing workers and unions. Rural voters have always been more likely to vote for the right, following the development of the National Party (previously Country Party), which claimed to defend farmers and regional interests. Religion also played a role in the construction of political oppositions in the country, with Irish Catholic immigrants being closer than the Protestant majority to the Labor Party.

5.2 Top income inequality and the changing ideological foundations of the Australian Labor Party since the 1960s

High-quality income inequality estimates covering our period of interest are only available for the top of the distribution, thanks to Anthony Atkinson and Andrew Leigh's work (Atkinson and Leigh, 2007). They provide a clear picture of how the share of national income captured by

[1] Australian Election Studies from 1987 to 2016 ask respondents to locate parties' left-right positions on a 1 (left) to 10 (right) scale. On average, respondents tend to locate Australian Democrats closer to the centre (≈4.5), and Australian Greens more to the left (≈4).

FIGURE 5.2: Top 10% pre-tax income share in Australia, 1960-2014



Source: Atkinson and Leigh (2007). All data are available from WID.world. *Interpretation*: between 1980 and 2014, the share of total income received by top 10% earners in Australia grew from 24% to 32%.

top earners evolved in the past fifty years. As in many Anglo-Saxon countries (Piketty, 2013; Alvaredo et al., 2018), income disparities in Australia have followed a U-shaped curve since the end of World War II, declining moderately until the mid-1970s and then rising steadily until the latest year available. In the early 1960s, the top 10% pre-tax income share reached about 28%, and then decreased almost linearly to a historically low level of 24% in 1978 (figure 5.2). After stagnating for nearly a decade, income disparities rose again, reaching 32% in 2014. Hence, the past thirty years were marked with a substantial rise in income inequality: starting with less than a quarter of national income, the top decile now earns nearly one third.

Strikingly, these different phases of income inequality match transformations in parties' ideological positions and in the issue space of Australian politics in general. Even if the Labour versus Coalition party system has remained relatively stable for the past decades, there have been significant changes in the policies proposed and implemented by the parties in power, especially the Australian Labor Party (Marks, 2012). Following the Chifley Labor government's attempt to nationalise major industries in the late 1940s and the party's repeated failures to gain popular support in subsequent years, the newly elected federal leader of the ALP, Gough Whitlam, reformed the party by limiting the influence of left socialist movements. He was elected in 1972 and conducted a series of social reforms, rising the wages of public sector workers, as well as introducing universal health care. Concomitantly with the Whitlam period (1972-1975), top income inequality declined significantly and at a quicker rate than in earlier periods: in only three years, the top 10% income share decreased by 2 percentage points.

Whitlam's mandate is also linked to a period of political polarisation and popular unrest. In a context of inflation, rising unemployment and government scandals, the ALP's policies were

generally considered economically irresponsible. This led to a 'rationalisation' of the party's positions, which arose with the return of the party to power during the 1983-1996 period. The Labor governments embraced the typical liberal agenda of this period – that was generally observed in other Anglo-Saxon countries – supporting free trade and privatisation programs. The evolution of income inequality in Australia during the past fifty years therefore correlates with shifts in the ideological stances defended and emphasised by Australian political parties. Given the gradual moderation of the left in the 1960s and 1970s, we should expect important changes in cleavage structures during this period. A second interesting evolution is the simultaneous rise of the Australian Greens and decline in the vote shares of the ALP since the beginning of the 2000s, which suggest that 'new politics' dimensions related to environmentalism or women's and minorities' rights have come to take more importance in public debate. Similarly to other Western countries, one may thus expect further alterations in traditional political oppositions in recent years.

5.3 Data and method

I linked the joint dynamics of income inequality and party ideology to electoral behaviour by using two sets of political attitudes surveys (table 5.1). The International Social Mobility and Politics file (ISMP), compiled by researchers in the 1990s (Nieuwbeerta and Ganzeboom,

TABLE 5.1: List of surveys used, Australia

Year	Year (aggregated)	Survey	Sample size
1965	1965	Social stratification in Australia survey	1925
1967	1965	Australian political attitudes survey	2054
1973	1975	Social mobility in Australia project	4939
1979	1975	Australian political attitudes survey	2016
1984	1985	Australian national social science survey	3012
1985	1985	International Social Survey Program (ISSP)	1528
1986	1985	International Social Survey Program (ISSP)	1250
1987	1985	Australian Election Studies	1830
1990	1995	Australian Election Studies	2037
1993	1995	Australian Election Studies	3023
1996	1995	Australian Election Studies	1797
1998	1995	Australian Election Studies	1897
2001	2005	Australian Election Studies	2010
2004	2005	Australian Election Studies	1769
2007	2005	Australian Election Studies	1873
2010	2015	Australian Election Studies	2214
2013	2015	Australian Election Studies	3955
2016	2015	Australian Election Studies	2818

Note: surveys from 1965 to 1986 are gathered in the International Social Mobility and Politics File (`https://easy.dans.knaw.nl/ui/datasets/id/easy-dataset:33107/tab/2`). Australian Election Studies are available from `http://www.australianelectionstudy.org/voter_studies.html`. Time periods are collapsed according to 'Year (aggregated)'.

TABLE 5.2: Summary statistics, Australia

	Means					
	1965	1975	1985	1995	2005	2015
Age: 18-29	0.177	0.137	0.237	0.151	0.130	0.145
Age: 30-39	0.248	0.255	0.244	0.204	0.152	0.137
Age: 40-49	0.253	0.215	0.173	0.215	0.204	0.172
Age: 50-59	0.184	0.204	0.142	0.168	0.217	0.190
Age: 60+	0.138	0.190	0.204	0.262	0.297	0.357
Education: Primary	0.678	0.401	0.465	0.420	0.336	0.282
Education: Secondary	0.254	0.520	0.437	0.417	0.429	0.407
Education: Tertiary	0.068	0.079	0.098	0.164	0.235	0.311
Gender: Male	0.583	0.556	0.490	0.487	0.475	0.487
Home ownership: Yes	0.598	0.793	0.832	0.728	0.743	0.729
Perceived class: Middle	0.529	0.563	0.517	0.481	0.521	0.558
Perceived class: Upper	0.005	0.014	0.010	0.015	0.019	0.018
Perceived class: Working	0.466	0.423	0.473	0.504	0.460	0.424
Religion: Catholic	0.248	0.237	0.259	0.269	0.270	0.242
Religion: None	0.023	0.158	0.106	0.150	0.214	0.307
Religion: Other	0.056	0.089	0.033	0.093	0.102	0.105
Religion: Protestant	0.672	0.515	0.602	0.488	0.414	0.346
Rural area	0.298	0.303	0.292	0.236	0.225	0.190

Note: author's computations based on Australian Election Studies. *Interpretation:* 31.1% of the Australian electorate were university graduates in 2015.

1996), gathers a range of surveys related to political behaviour in 16 countries over the 1956-1991 period. Seven datasets are available for Australia, starting with the *Social stratification in Australia survey* conducted in 1965. Relevant variables include standardised demographic characteristics such as age, gender, respondent's type of education, income or geographical location. Respondents were systematically asked to give the name of the party for which they voted for in the last federal election held in the country, except in 1973, for which only party identification is available.

Starting with 1987, I used the *Australian Election Studies* (AES) which have been conducted on a regular basis until today and have the advantage of asking relatively similar questions across time. Contrary to the various datasets available from ISMP, the AES studies are explicitly dedicated to the study of electoral behaviour in Australia, with efforts made to ensure that samples were nationally representative and response rates as high as possible. The results of this section over the 1987-2016 period should therefore be considered more robust.

Unfortunately, surveys have relatively low sample size, which limits the possibility of employing meaningful statistical analysis and to compare the determinants of electoral behaviour across time, especially given the non-negligible amount of non-responses and missing values. Since the main objective of this work is to look at long-run changes, surveys are aggregated by groups of two to four, corresponding approximately to decades (see table 5.1). Even if this

method partly prevents us from looking in more detail at turning points and fluctuations, it has the advantage of bringing to light the key changes in Australian electoral behaviour in the past fifty years. Since voting is compulsory in Australia, I will not engage into a detailed analysis of voter turnout.

I will leave aside questions related to voters' perceptions of elections, political parties or policies and I will focus on a restricted set of social-structural variables which can be consistently compared across time (table 5.2). Probably because of sampling issues, age and gender variables pre-1987 have somewhat surprising distributions, with males representing over 55% of respondents and voters aged 18-29 being slightly overrepresented in 1985-1995. Still, some meaningful changes are visible across the period. From 1965 to 2015, the share of university graduates increased from 6.8% to more than 30%.[2] The religious composition of the electorate also changed over the period: the share of voters categorising themselves as 'without religion' increased from just above 5% in 1965 to more than 30% in 2013-2016, and this effect is mainly due to protestants (decreasing from 67% of the total voting population to less than 35%). Interestingly, despite some fluctuations across years, respondents considering themselves as belonging to the 'middle class' or 'working class' have always consisted two groups of approximately equal sizes.

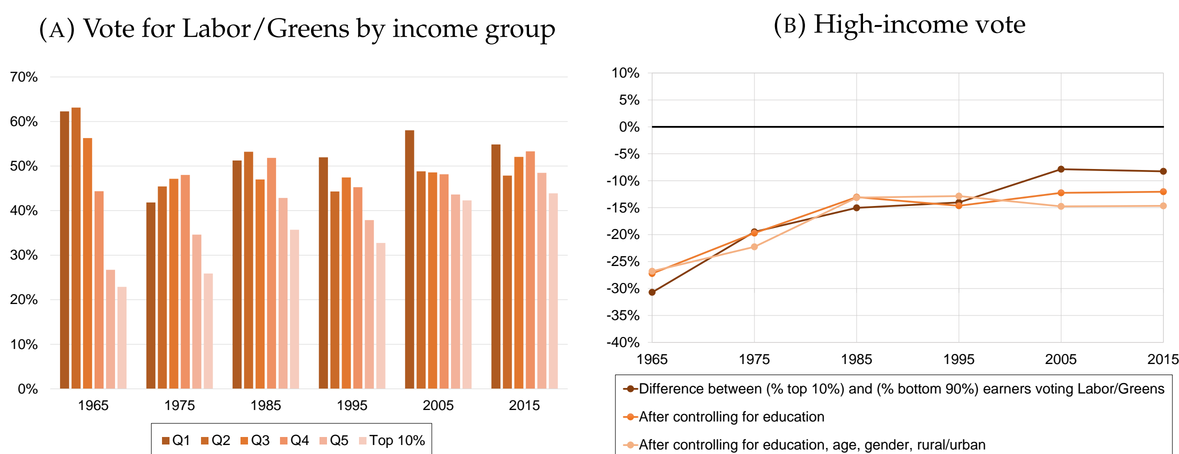
5.4 Declining economic divisions

I will start by looking at the importance of economic resources in materialising oppositions between rich and poor. Australia appears to be a country where economic divides were historically very strong. In the 1960s, only 23% of top 10% earners (measured by total pre-tax household income) voted Labor, compared to more than 60% of voters among the bottom 20% (figure 5.3a). To some extent, this remained true until today. However, support for the ALP among economic elites has increased almost linearly over the period. In the 1960s and 1970s, less than a quarter of voters among the top decile voted for the ALP; in the 1980s and 1990s, this number rose to about 35%; and in the 2000s, more than 4 top earners out of 10 chose Labor or Greens in federal elections.

The rising support for the ALP among wealthy voters has led to a gradual decline in the importance of income in determining vote choice. In the 1960s, top 10% earners were less likely to vote left than the bottom 90% by 30 percentage points, compared to only 8 points in the 2010-2016 period (figure 5.3b). Controlling for education slightly changes the interpretation of

[2]Notice that the definitions of these three educational categories do not always correspond exactly to 'Primary', 'Secondary' and 'Tertiary'. Pre-1987, primary education is explicitly defined as such, and I categorise voters as tertiary-educated if they are said to have completed university. In the AES studies, I define as primary-educated those voters who are said to hold 'no qualification since school' and university graduates as voters holding a bachelor degree or a higher/postgraduate degree. The fact that frequencies do not fluctuate too much from decade to decade, especially concerning tertiary education which increases almost linearly, suggests that this method is a good approximation of reality. Also, since I control for structural changes by using education deciles based on more detailed educational categories, these concerns are not too problematic.

FIGURE 5.3: Economic cleavage in Australia, 1965-2015



(A) Vote for Labor/Greens by income group

(B) High-income vote

Source: author's computations based on Australian Election Studies. *Interpretation*: top-income earners have been more likely to vote to the right of the political spectrum since 1975.

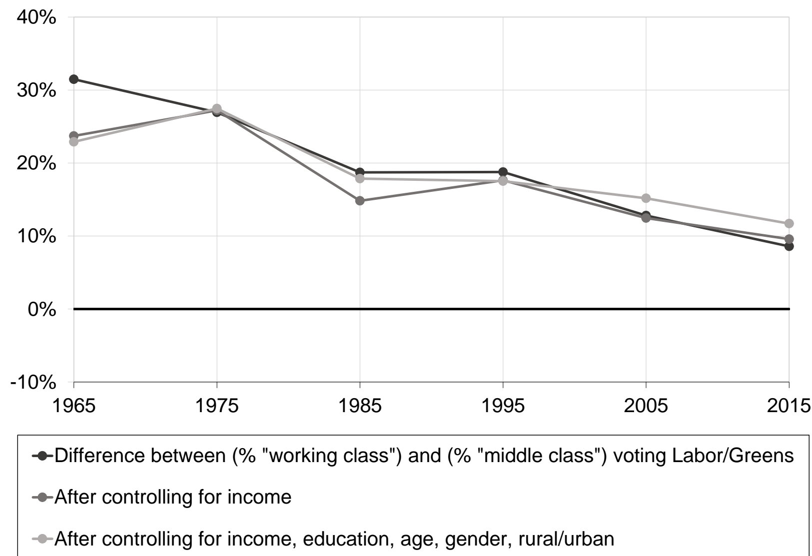
these long-run evolutions, mainly because higher educated voters started to vote more for the left in the 1990s. After accounting for the effect of all available socio-demographic characteristics, differences in vote choice by income seem to have declined steadily between 1965 and 1979, and stabilised during the 1984-1987 period.

Another, complementary way to describe these evolutions is to look at subjective social class. Unsurprisingly, due to the Australian Labor Party's historical ties with labour unions and wage earners, voters considering themselves as belonging to the 'working class' have always been significantly more likely to vote left (figure 5.4). Nevertheless, this effect decreased substantially over time: working class individuals were more likely to vote for the ALP by more than 30 percentage points in the 1960s, compared to only 10 pp today. When controlling for other demographic characteristics, it is interesting to see that class voting was highest in the 1973-1979 period, which corresponds to the Whitlam government and to a period of decreasing economic inequality.

5.5 Higher educated voters' shift to the left

A second major change in cleavage structures in Australia over the period is the radical reversal in the party allegiance of higher educated voters. In the 1960s, the effect of education on vote choice was very strong and went in the same direction as income: only 3 out of 10 individuals among the highest education decile supported the ALP (figure 5.5a). Two main changes in the relationship between education and electoral behaviour are visible. First, a significant share of lower-educated individuals abandoned the ALP in the 1970s, and a stable 40 to 50% of voters among the bottom 50% have supported the Labor Party since then. Meanwhile, higher-educated voters have been increasingly more likely to vote left. Indeed, in the

FIGURE 5.4: Class cleavage in Australia, 1965-2015



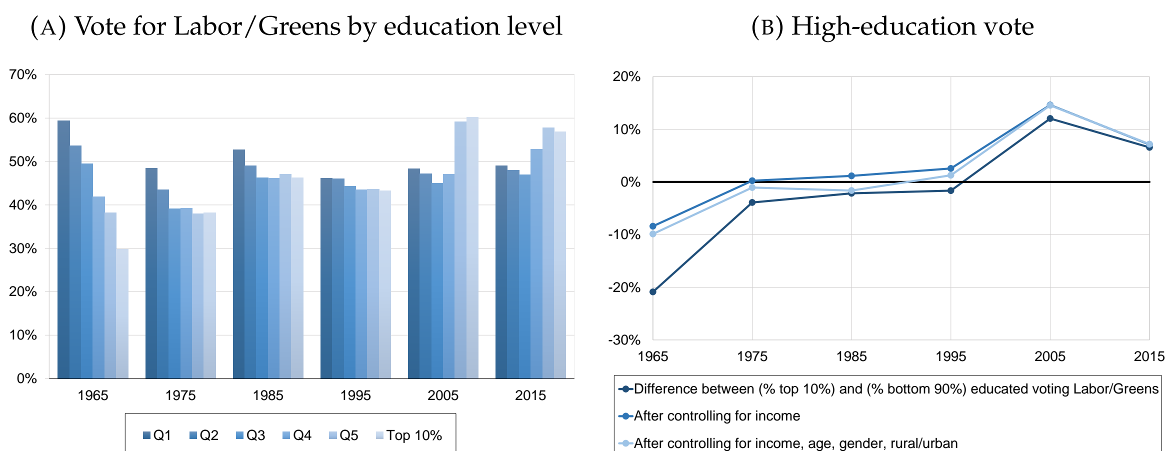
Source: author's computations based on Australian Election Studies. *Interpretation*: voters declaring themselves as belonging to the 'working class' have been more likely to support the Australian Labor Party since the 1960s. However, the effect of subjective social class on vote choice has substantially decreased over time, even when controlling for other demographic variables.

1960s and 1970s, levels of support among education groups converged, and stabilised during the following twenty years. Then, in the 2000s, university graduates became significantly more likely to vote for the ALP or for the Australian Greens.

This two-stage transition is clearly visible when we look at the difference in electoral behaviour between higher educated voters and the rest of the population (figure 5.5b). Between 1965-1967 and 1973-1979, the difference between the top education decile and the bottom 90% in the share of Labor supporters decreased from 20 percentage points to less than 5, and education did not seem to be relevant during the 1980s and 1990s. Since 2001, however, university graduates have been more likely to vote left, even when accounting for the effect of other demographic variables. In particular, controlling for income significantly decreases the effect of education in the 1960s: education was highly correlated to income, so part of this relationship came from the strong class-based divisions highlighted in the previous section. Education still had an independent effect during this period and top 10% educated individuals, all things being equal, were less likely to vote left by about 10 percentage points.

The emergence of a new educational cleavage in the 2000s could be the result of the rising importance of issues related to 'new politics' in public debate, which are mirrored by the increasing vote share of the Australian Greens during this period. Yet, these changes are not purely compositional: in unreported results, I find that even when excluding Greens from the analysis, university graduates have become significantly more likely to vote for the ALP by about 5 percentage points since the 2000s. This result suggests that the Greens have not only

FIGURE 5.5: Value divides in Australia, 1965-2015



Source: author's computations based on Australian Election Studies. *Interpretation*: voters with primary education have displayed lower levels of support for the Australian Labor Party since the 1970s, while university graduates have been increasingly more likely to vote for the Labor Party or Australian Greens since the 2000s. These two movements have led to a complete reversal in the education cleavage.

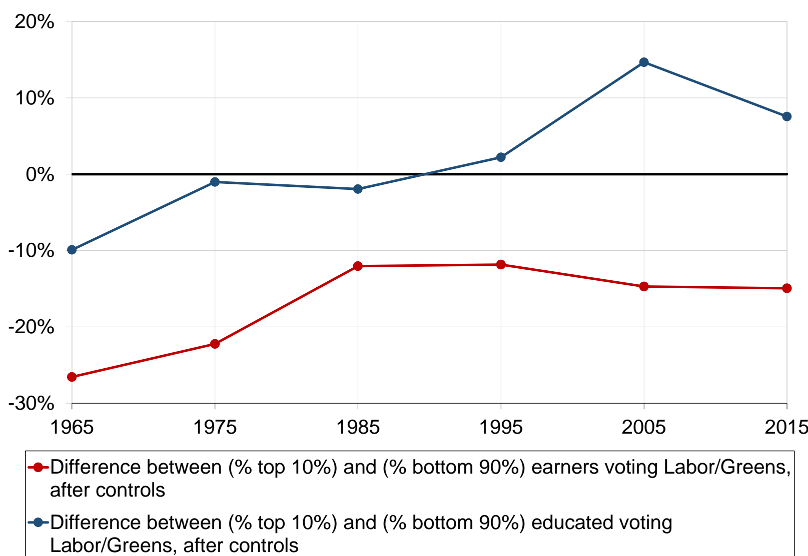
attracted highly educated voters who traditionally voted to the right of the political spectrum, they have also created incentives for the Australian Labor Party to emphasise similar issues.

5.6 Towards a multiple elites party system?

The Australian case provides support to the idea that post-industrial societies have a tendency to converge towards multiple elite party systems. Even when controlling for the effect of all available demographic characteristics, economic elites have always been significantly more likely to vote for the Liberal/National coalition, although this effect decreased during the 1960s and 1970s. Meanwhile, intellectual elites have gradually turned to the left of the political spectrum (figure 5.6).

These changes are very similar to those visible in other Anglo-Saxon countries. In the UK, for instance, the difference in support for the Labour party between high- and low-educated voters decreased strongly during the 1960s, then gradually came closer to zero during the 1990s before becoming significantly positive in 2015. Meanwhile, top 10% earners have always tended to support the Conservative party, even if the effect of income decreased during the 1980s and 1990s (Piketty, 2018). Therefore, even if the timeline is not exactly the same, key results from both analyses are broadly comparable and qualitatively similar. This points to long-run evolutions of the party systems of old democracies, which go beyond contextual factors and are tightly related to common changes in the issue space of developed countries.

FIGURE 5.6: High-income and high-education vote in Australia, 1965-2015



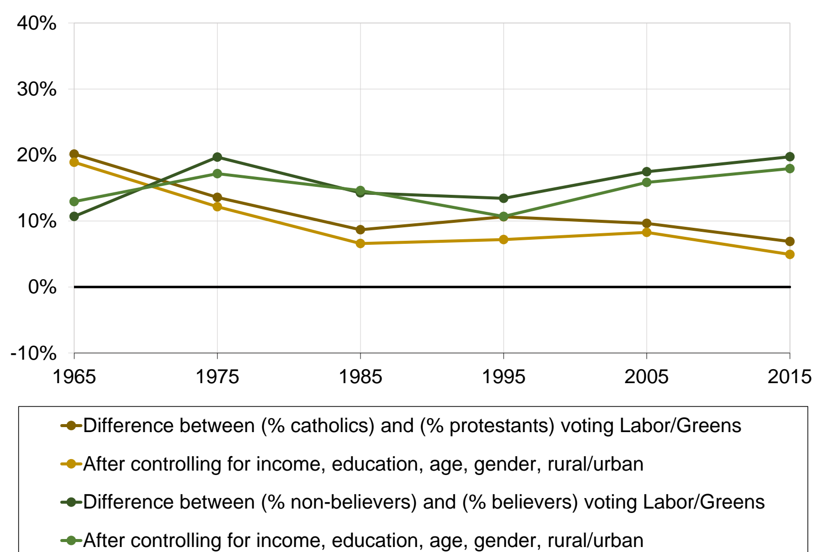
Source: author's computations based on Australian Election Studies. *Interpretation*: after controlling for other socio-demographic characteristics, top 10% educated voters have been increasingly more likely to vote left since the 1960s.

5.7 Persistent religious divides

The relationship between religion and vote choice followed an interesting evolution. Catholics have historically been much more likely than Protestants to vote for the Labor party, and the difference in Labor vote shares between the two groups reached 20 percentage points in 1965-1967, even when controlling for other demographic variables (figure 5.7). Even if these religious oppositions still exist, they are strikingly lower today: in 2010-2016, the difference in the proportion of individuals voting left between the two groups was closer to 5. Meanwhile, non-believers have been steadily more likely to vote left than believers by 15 to 20 percentage points since the 1970s. Interestingly, the effect of religion on vote choice is barely affected by the inclusion of control variables, which suggests that it constitutes a relatively independent cleavage.

Taking into account the fact that the religious composition of the Australian electorate drastically evolved over this period – the share of non-believers increased from 2% to 31%, and the share of protestants decreased from 67% to 35% –, it becomes clear that the main religious opposition in Australia has shifted from Catholics versus Protestants to believers versus non-believers. In the 1960s, the electorate was separated into a protestant majority and a catholic minority. In 2013-2016, Catholics, Protestants and non-believers were divided into three groups of comparable size.

FIGURE 5.7: Religious cleavages in Australia, 1965-2015



Source: author's computations based on Australian Election Studies. *Interpretation*: in 2015, Catholics were more likely to vote left than protestants by 7 percentage points (pp), and non-religious voters were more likely to do so than believers by 20 pp.

5.8 Comparing the evolutions of the different political cleavages

In order to bring together the different determinants of Labor/Green allegiance into a single multivariate analysis, I ran regressions on datasets expanded by income group. I separated earnings into three main groups (bottom 50%, middle 40% and top 10%) because of the limited number of income brackets available in surveys. I also categorised age by brackets of ten years, and used simple dummies for gender, employment status and rural/urban location.

Despite low sample sizes (between 1500 and 4500 observations per decade when combining all these variables together), many coefficients are highly significant and in line with the trends described above. For all the considered periods, top 10% earners are less inclined to vote left than the bottom 50%, and this effect decreased between the 1960s and the 1970s (from -0.26 to -0.17). Economic divisions in Australia have still remained relatively high and persistent compared to other developed countries. Using a standard three-category measure of education leads to the same conclusion than the one previously found: while university graduates were significantly less likely to vote left in the 1960s by nearly 14 percentage points, they became strong supporters of the ALP and Greens during the 2000s. The decline in class-based voting is clearly visible too: in fifty years of Australian democracy, the effect of belonging to the 'working class' on vote choice was more than halved (differences in the size of coefficients are highly significant).

As in many other democracies, old voters have always been more likely to vote for parties on the right of the political spectrum, even if there are fluctuations: voters aged 60 or more

TABLE 5.3: Electoral behaviour in Australia, 1965-2016

	Dependent variable: Labor/Green vote					
	1965-67	1973-79	1984-87	1990-98	2001-07	2010-16
Income: Middle 40%	-0.127***	-0.021	-0.019	-0.033	-0.076***	-0.029
	(0.021)	(0.027)	(0.027)	(0.029)	(0.024)	(0.020)
Income: Top 10%	-0.258***	-0.168***	-0.098**	-0.096**	-0.157***	-0.148***
	(0.032)	(0.043)	(0.044)	(0.040)	(0.033)	(0.029)
Education: Secondary	-0.047*	-0.049*	-0.034	-0.015	-0.011	0.020
	(0.027)	(0.028)	(0.025)	(0.028)	(0.023)	(0.021)
Education: Tertiary	-0.136***	0.006	0.003	0.034	0.176***	0.138***
	(0.042)	(0.049)	(0.040)	(0.036)	(0.028)	(0.024)
Age: 30-39	0.017	-0.065*	-0.068**	0.050	0.036	-0.076
	(0.038)	(0.039)	(0.030)	(0.050)	(0.043)	(0.049)
Age: 40-49	0.052	-0.090**	-0.064*	-0.014	0.093**	-0.032
	(0.037)	(0.041)	(0.035)	(0.049)	(0.041)	(0.046)
Age: 50-59	0.024	-0.070*	-0.114***	-0.091*	0.042	-0.042
	(0.039)	(0.039)	(0.037)	(0.051)	(0.042)	(0.045)
Age: 60+	-0.105**	-0.091**	-0.131***	-0.117**	-0.040	-0.151***
	(0.046)	(0.042)	(0.037)	(0.054)	(0.045)	(0.046)
Gender: Male	0.080***	0.079***	0.062***	0.024	-0.013	-0.083***
	(0.024)	(0.027)	(0.024)	(0.026)	(0.020)	(0.017)
Working: yes	-0.058	0.022	-0.049	0.053*	-0.008	0.033
	(0.048)	(0.036)	(0.030)	(0.030)	(0.025)	(0.021)
Rural area	-0.162***	-0.111***	-0.226***	-0.097***	-0.111***	-0.062***
	(0.023)	(0.027)	(0.025)	(0.029)	(0.023)	(0.021)
Religion: Catholic	-0.007	-0.049	-0.150***	-0.038	-0.129***	-0.144***
	(0.071)	(0.038)	(0.039)	(0.039)	(0.028)	(0.024)
Religion: Protestant	-0.188***	-0.171***	-0.194***	-0.096**	-0.191***	-0.189***
	(0.069)	(0.033)	(0.035)	(0.037)	(0.026)	(0.022)
Religion: Other	-0.276***	-0.109*	-0.179***	-0.093*	-0.185***	-0.162***
	(0.084)	(0.062)	(0.056)	(0.054)	(0.038)	(0.033)
Perceived class: Working	0.220***	0.251***	0.171***	0.152***	0.152***	0.101***
	(0.024)	(0.027)	(0.023)	(0.027)	(0.021)	(0.019)
Number of observations	5832	3565	3132	2712	4127	6050
Number of clusters	1876	1432	2115	1611	2551	4246

Note: author's computations using Australian Election Studies. All estimations are based on linear probability models applied to expanded datasets with robust standard errors clustered by individual (see methodology). *Interpretation*: when controlling for the effect of other socio-demographic characteristics, top 10% income earners were less likely to vote for Labor or Green by 25.8 percentage points in 1965-1967.
Standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

have been less likely to support the ALP or Greens by 4 to 15 percentage points, but with no clear trend. The effect of gender was completely reversed over the period: in 1965-67, left vote among males was higher by 8 percentage points, while in 2010-2016 it was lower by 8.3 pp. This change in the gender vote gap has been extensively documented in previous studies (see, for instance, Inglehart and Norris, 2000; Edlund and Pande, 2002). Support for Labor in rural areas has always been significantly lower than in cities, which is not surprising given that the National party (formerly Country Party) has traditionally represented farmers and rural voters in general. Even if the rural/urban cleavage seemed to be at its lowest point in the last three elections (6.2 percentage points), important variations over the period make it difficult to draw robust conclusions on long-run trends. Finally, religion appears to be one of the strongest, most stable determinants of electoral behaviour: believers, regardless of their religion, have been less likely to vote left than non-believers in almost all years considered in this study.

5.9 The depoliticisation of class conflicts: understanding the politics of economic inequality in Australia since the 1960s

How can we relate the evolution of cleavage structures in Australia to the dynamics of political ideology and income inequality? If low income citizens' economic interests are mediated by strong labour unions, a sense of collective identity, and powerful social networks, then political institutions tend to emphasise redistributive politics more as they are constrained by the electoral reactivity of the poor. Reversely, when new issues come to play a role in parties' positions, voters with low economic security and low levels of political knowledge will be more divided, preventing the emergence of stable polarisation along the economic dimension of political conflict.

The joint evolutions of income inequality and cleavage structures in Australia provide strong support for these mechanisms. Until the 1980s, Australian politics were essentially characterised by class-based divides, with low income, lower educated, working-class voters turning massively towards the left. In this context of polarisation, income inequality declined and stabilised at low levels until 1985. Amidst the political uncertainty and the economic crisis which followed Gough Whitlam's mandate, class cleavages started to erode, as lower educated voters became divided between right and left, and top earners became increasingly attracted by the ALP's ideological shift towards a more liberal agenda. When the Labor party returned to power in 1983, embracing financial deregulation and the privatisation of public industries, the electoral conditions for the emergence of the 'new left' had already been laid down. The country shifted from a party system representing oppositions between rich and poor to a structure a political conflict in which social divisions were more and more blurred. The gradual depoliticisation of economic inequality in Australia was reinforced by the emergence of the Australian

Greens at the end of the 1990s. Starting from the beginning of the 2000s, higher educated voters, who had once been strong partisans of the National/Liberal coalition, started to support both the Greens and the ALP, introducing new oppositions to the issue space of federal politics.

The self-reinforcing relationships between party ideology, issue bundling and economic inequality outlined in chapter one are therefore directly visible in Australia. Since voting is compulsory, it is however more difficult to capture the dimension of political inequality and demobilisation which should be associated with these changes. A recent report still highlighted that voter turnout had experienced a slow downward trend in recent years which was correlated at the individual level to age, Indigeneity and socio-economic status (Australian Electoral Commission, 2016). There is also descriptive evidence that voters have lost interest in participating to the political process: trends in public opinion available from the Australian Election Studies revealed that the share of respondents discussing politics with others decreased from 88% in 1993 to 72% in 2016, while the proportion of Australians watching the leaders' debate fell from 56% in 1990 to 21% in 2016 (Cameron and McAllister, 2016).

Chapter 6

Canada: 'new politics' and rising inequalities in participation

This chapter studies electoral behaviour in Canada from 1965 to 2015. Canada's party system is relatively unique among old democracies in that it involves political competition between three major parties and has always been characterised by very high linguistic and regional divisions. In that sense, it is an interesting case to study and compare with other Anglo-Saxon and European countries. Do we observe, as in the UK, the USA, France, and Australia, a movement from mass polarisation to a multiple elites party system?

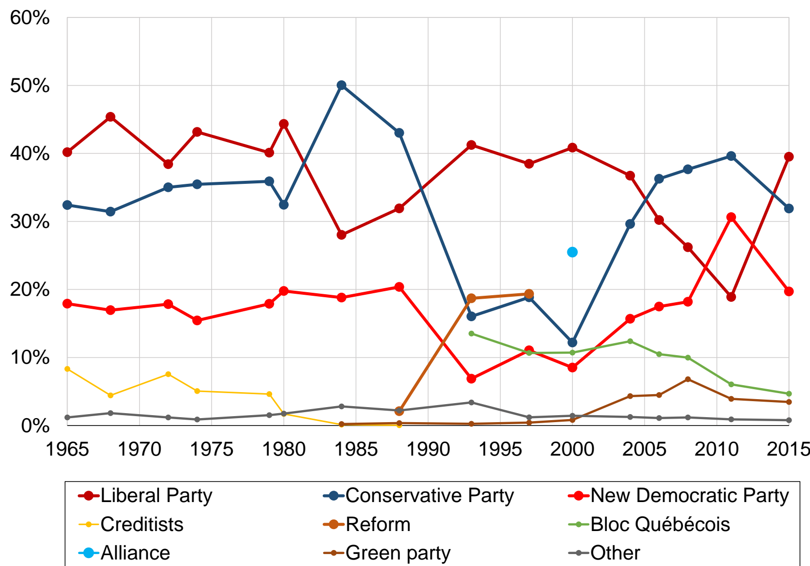
From the 1970s to the 1990s, Canadian politics were mostly characterised by very strong religious and regional divides, but the New Democratic Party (NDP) and Pierre Trudeau's Liberal Party still placed social equality at the heart of their policy objectives. The political and economic crises of the 1990s triggered a radical change in Canada's political space. As parties increasingly emphasised value-based issues, higher educated voters became strong supporters of the left. Concomitantly, political participation significantly decreased and grew much more unequal.

6.1 Political parties and election results, 1965-2015

The two historically predominant competitors for government in Canada are the Conservative Party (centre-right) and the Liberal Party (centre). Conservatives have typically received support from 30 to 40% of voters, except during the 1990s when the Reform Party of Canada (1988-1997) and the Alliance (2000) gained visibility (figure 6.1). The Liberal Party of Canada has always occupied the centre of the political spectrum, mobilising between 30 and 45% of the electorate. Against these two parties, who have alternatively held power for the past fifty years, the New Democratic Party (NDP) has traditionally occupied the left of the political spectrum, capturing about one fifth of popular vote.

In addition, several minor parties have received non-negligible vote shares since 1965. On the right of the political spectrum, the Social Credit Party (Creditists) was a social-conservative party promoting social credit theories of monetary reforms. It has historically gathered between 5 and 10% of vote shares but it disappeared at the beginning of the 1980s. The Reform

FIGURE 6.1: Election results in Canada, 1965-2015



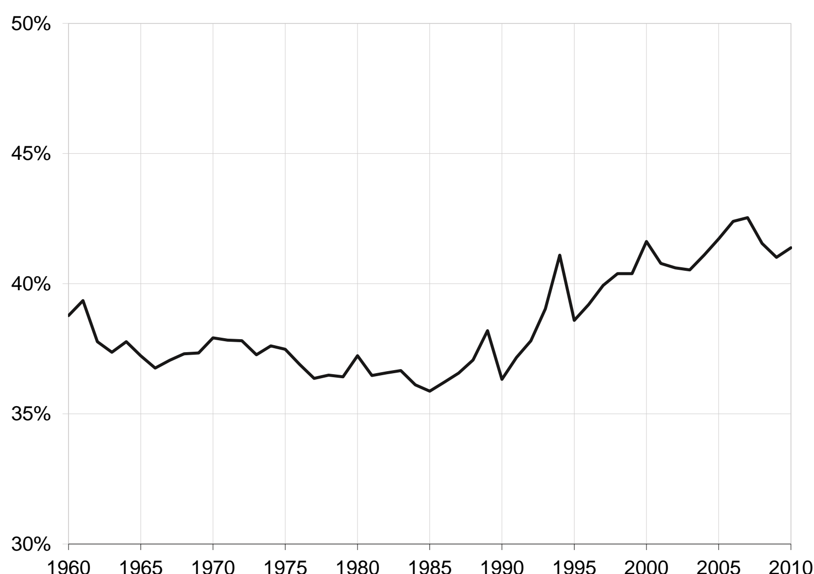
Source: Elections Canada (`http://www.elections.ca`). *Interpretation*: the Liberal Party of Canada received 40% of popular vote in 2015.

party was a right-wing populist party originally founded to give a voice to Western Canadians' interests. It dissolved in 2000 in favour of the Reform, which itself joined the Progressive Conservatives to form the Conservative Party before the 2004 federal election. Another important party is the Bloc Québécois, which has dominated federal politics in Quebec and has won more seats in the region than any other party since 1993. It is both a social democratic and a separatist party, explicitly aiming to protect regional interests but also to defend social welfare programs. Finally, the Green Party of Canada was founded in 1983 and is generally considered centre to centre-left, promoting ecological values, social justice and participatory democracy. It has never received more than 5% of vote shares, except in 2008 when it reached 7% of popular vote.

6.2 Rising income inequality and party ideology in Canada since the 1960s

As in the Australian case, only top income shares estimated by Veall (2012) are available to study changes in income inequality in the long run. The evolution of top income inequality in Canada is very similar to that of the USA and Australia, even if income disparities have been rising significantly less than in the USA and have always been much higher than in Australia. From 1960 to 1990, top income inequality decreased moderately: the top 10% national income share fell from 39% to 36%, with some fluctuations over the period (figure 6.2). Since 1990, however, the highest decile has captured an increasing share of national income, reaching a peak at 43% in 2007.

FIGURE 6.2: Top 10% pre-tax income share in Canada, 1960-2010



Source: Veall (2012). All data are available from WID.world. *Interpretation*: between 1990 and 2010, the share of total income received by top 10% earners in Canada grew from 36% to 41%.

The evolution of parties' ideological positions in Canada show interesting similarities with other Anglo-Saxon countries. After World War II, the Liberals moved to the left of the political spectrum, especially during the Trudeau period (1968-1979 and 1980-1984). Pierre Trudeau's government supported the idea that state interventions should play an active role in both fostering economic growth and curbing social inequality. At the end of the 1970s, Trudeau summarised his vision of the nation in his concept of a "Just Society", a society with improved equality of opportunity where unprivileged minorities or geographical areas would get better chances to thrive. Yet, following the economic and political crises of the 1990s, Liberal governments (1993-2003 and 2003-2006) started to defend more conservative economic positions, emphasising the need to keep taxes low and a sustainable government debt. The Conservative party has also undergone significant changes since the 1960s. Originally, the party was generally considered to represent English Canadians' interests, bringing together a large share of the Protestant electorate. At the beginning of the 1980s, Progressive Conservatives shifted to promoting the values of free-market economics, especially under the Mulroney administration (1984-1993). The extreme unpopularity of Mulroney's policies led to the collapse of the Conservatives at the 1993 federal election, in which their vote share was divided by almost three, reaching only 16%. Today, the party resembles other right-wing parties of the Western world, advocating for smaller government and traditional values. Finally, the New Democratic Party was originally dedicated to defending the transition towards the end of capitalism and the establishment of a socialist society. As in many other Western democracies, it gradually moved towards the centre of the political spectrum to become a social democratic party, promoting social welfare programs and liberal values. These two dimensions were directly visible in the

NDP's platform at the 2015 federal election, which included increasing corporate tax rates and reducing poverty, but also promoting gender equality and welcoming Syrian refugees.

6.3 Data and method

I used the Canadian Election Studies, which have been conducted on a regular basis since 1965. Fourteen post-electoral surveys are available at the time of writing, covering the 1965-2015 period (table 6.1). They were designed to be nationally representative, and most questions were asked similarly in all surveys, which ensures that one can look at long-run changes in electoral behaviour in a meaningful way. Samples contained between 2000 and 4000 observations, which should allow us to look at year-to-year evolutions. Yet, missing values and Canada's high abstention rate (between 25% and 40%) considerably reduce the number of individuals who can be used in multivariate analyses of voting behaviour. As a result, I had to combine surveys by decade in the same way as I did for the analysis on Australia, which means grouping datasets by two or three.

Because of Canada's multi-party system, the selection of a dependent variable of interest is more challenging that in the other case studies of this work. In the benchmark scenario presented below, I opted for grouping as many parties as possible into two broad groups with relatively similar vote shares over time. On the 'centre-left' of the political spectrum, I brought together the Liberal Party and the New Democratic Party. In opposition to these two parties, I defined right-wing parties as Conservatives, Creditists, the Reform Party and the Alliance.

TABLE 6.1: List of surveys used, Canada

Year	Year (aggregated)	Survey	Sample size
1965	1965	CES, 1965	1475
1968	1965	CES, 1968	2013
1974	1975	CES, 1974-1980	984
1979	1975	CES, 1974-1980	2010
1980	1985	CES, 1974-1980	1302
1984	1985	CES, 1984	2598
1988	1985	CES, 1988	2153
1993	1995	CES, 1993	2768
1997	1995	CES, 1997	2915
2000	1995	CES, 2000	2400
2004	2005	CES, 2004	3275
2006	2005	CES, 2004-2011	3045
2008	2005	CES, 2004-2011	2377
2011	2015	CES, 2004-2011	2428
2015	2015	CES, 2015	4720

Note: CES: Canadian Election Study. All surveys are available from `https://search2.odesi.ca`.

TABLE 6.2: Summary statistics, Canada

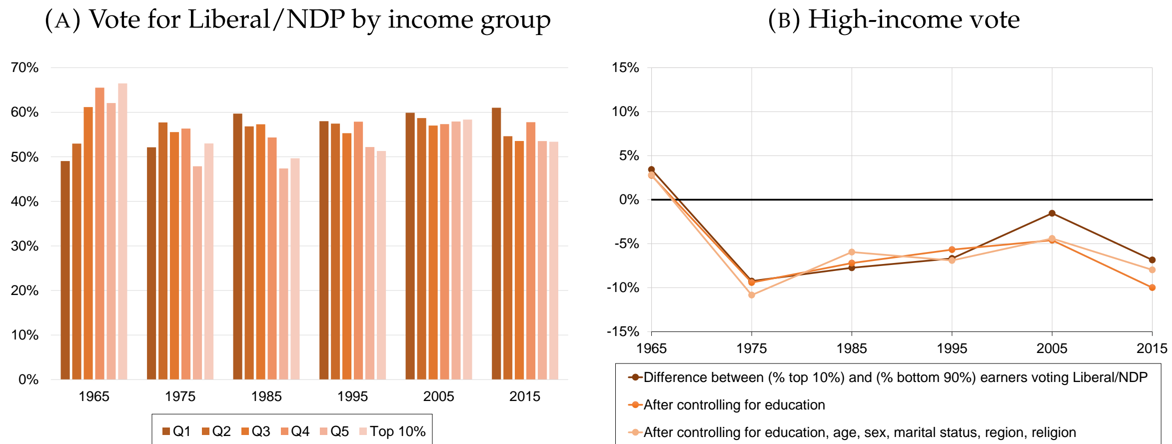
	Means					
	1965	1975	1985	1995	2005	2015
Age: 20-29	0.182	0.214	0.233	0.201	0.136	0.141
Age: 30-39	0.228	0.189	0.235	0.239	0.170	0.158
Age: 40-49	0.224	0.195	0.160	0.227	0.224	0.175
Age: 50-59	0.164	0.184	0.168	0.151	0.214	0.205
Age: 60+	0.202	0.219	0.203	0.182	0.256	0.321
Education: Primary	0.654	0.451	0.332	0.199	0.140	0.096
Education: Secondary	0.274	0.416	0.510	0.578	0.567	0.584
Education: Tertiary	0.071	0.132	0.158	0.223	0.293	0.320
Gender: Male	0.500	0.479	0.495	0.415	0.475	0.467
Married	0.804	0.743	0.698	0.670	0.698	0.778
Reg.: Eastern provinces	0.132	0.144	0.118	0.109	0.105	0.101
Reg.: Ontario	0.508	0.474	0.502	0.501	0.513	0.515
Reg.: Western provinces	0.360	0.382	0.380	0.390	0.382	0.384
Religion: Catholic	0.229	0.256	0.296	0.296	0.268	0.219
Religion: None	0.041	0.069	0.107	0.183	0.229	0.268
Religion: Other	0.072	0.114	0.111	0.086	0.082	0.132
Religion: Protestant	0.659	0.560	0.486	0.435	0.420	0.381

Note: author's computations based on Canadian Election Studies. *Interpretation:* 32% of the Canadian electorate (excluding Québec) were university graduates in 2015.

The Liberal Party and the NDP are of course characterised by very different ideological stances, which is an important limitation to this analysis. In particular, some of the major changes in cleavage structures found over the period could come from shifts in the electoral constituencies of one party or the other. In order to account for this possibility, I performed similar analyses focusing on the 'NDP versus right' and on the 'Liberal versus right' oppositions. In what follows, I will use these disaggregated results to explain in more detail the observable changes in the competition between Liberals/NDP and Conservatives. Another difficulty is that Québec has always been characterised by a very specific structure of political competition, especially since the 1990s due to the very large popular support for the Bloc Québécois in the region. The fact that the Bloc Québécois can be considered as both social democratic and separatist makes it difficult to group it with the Liberal Party and the NDP, especially since these two parties are already quite different. Following Andersen (2012), I therefore chose to focus on the rest of Canada and exclude Québec from the following analysis. In unreported results, I found that including this region barely affects the figures obtained.

The composition of the Canadian electorate (excluding Québec) evolved considerably over the period studied (table 6.2). In the same way as Australia, the share of university graduates increased from 7% in the 1960s to more than 32% after 2010, while the proportion of lower educated voters fell from two thirds to one tenth. The share of non-believers also rose substantially, from 4% in the 1960s to 27% in the 2010s, mainly due to a drop in the number of

FIGURE 6.3: Economic cleavage in Canada, 1965-2015



Source: author's computations based on Canadian Election Studies. *Interpretation*: top-income earners have been more likely to vote for Conservatives since 1975. This relationship holds after the inclusion of control variables.

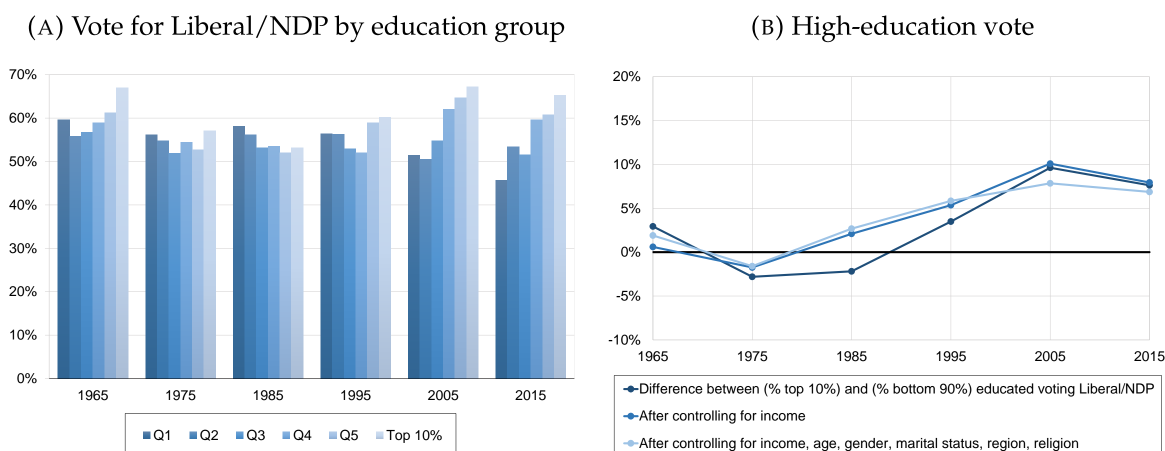
protestants (from two thirds of the Canadian population to less than 40%). Overall, very little change occurred in the regional repartition of the population: Western provinces comprised 35 to 40% of voters in federal elections (excluding Québec), Ontario 50% and Eastern provinces 10 to 15%.

6.4 A three-dimensional structure of economic conflict?

When measured by scales based on occupational categories, the impact of social class on party choice in Canada was generally found to be barely significant compared to other Anglo-Saxon countries (Andersen, 2012). With the method used in this work, which allows us to look at specific income groups, the conclusion is relatively similar but interesting differences are still observable. In the 1960s, top earners were in fact more likely to vote for the Liberal Party or the NDP: total support for these two parties reached more than 65% of voters belonging to the top decile compared to less than 50% for the bottom quintile (figure 6.3a). In all other years considered, however, the top 10% have been slightly less likely to vote left. Looking more closer at each party reveals that the apparently low level of income-based voting in Canada is in fact entirely driven by the fact that Liberals truly constitute a catch-all party. Since the 1970s, income has not been associated with choosing between the Liberal Party and Conservatives in any way. Yet, when comparing the Conservative Party to the New Democratic Party, economic resources seem to matter much more: in the 2000s, for instance, the gap between bottom and top earners voting for these two parties was as high as 15 percentage points. Considering that the NDP received only 10 to 20% of popular vote during this period, these differences are in fact substantial.

Controlling for other available demographic characteristics barely affects these findings. In the 2000s and 2010s, because higher educated voters started to vote more for the left, controlling

FIGURE 6.4: Value cleavage in Canada, 1965-2015



(A) Vote for Liberal/NDP by education group

(B) High-education vote

Source: author's computations based on Canadian Election Studies. *Interpretation*: higher educated individuals have been increasingly more likely to vote for the Liberal Party of the New Democratic Party since the 1980s.

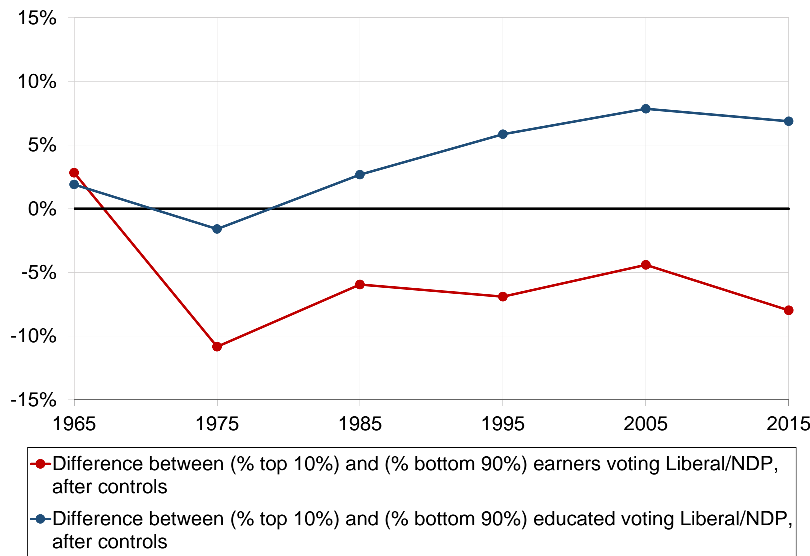
for education increases the gap between top earners and the rest of the population. Except for the 1960s, when top earners were slightly more inclined to vote for Liberals or the NDP, the top 10% have been significantly less likely to vote left by 5 to 10 percentage points. Decomposing between the two parties revealed that low income individuals have generally been more likely to support both the NDP (from 5 percentage points in the 1960s to 15 pp in recent years) and the Liberal Party (by 3 to 5 pp), even if the effect becomes insignificant during the 2000s for the latter.

These results suggest that even if income seems to matter little at first sight, the reality is more complex. We should stress again that our measure of income deciles is far from being perfect, as it relies on total pre-tax household income and is only available in brackets for most years. As in the other case studies of this work, this is likely to lead to an underestimation of the true effect. Secondly, while income hardly distinguishes voters between the Conservatives and parties to their left, it does matter substantially when considering the New Democratic Party. This suggests that the relationship between income and vote in Canada is three-dimensional due to the presence of three significant competitors. The Liberal Party has always managed to gain support from voters with very different economic resources; meanwhile, the Conservatives and the NDP have attracted more supporters from rich and poor backgrounds respectively.

6.5 Rising oppositions between education groups

Exactly like in Australia, education has come to play a critical role for the past twenty years. In particular, it is striking to see that lower educated voters have gradually moved to the right of the political spectrum. Between the 1960s and the 1990s, 55% to 60% of lower educated voters supported the Liberals and the New Democrats; in 2010-2015, the same share of voters was supporting right-wing parties (figure 6.4a). Higher educated voters have had a more complex

FIGURE 6.5: High-income and high-education vote in Canada, 1965-2015



Source: author's computations based on Canadian Election Studies. *Interpretation*: when controlling for other socio-demographic characteristics, university graduates have been increasingly more likely to vote for Liberals or the New Democratic Party since the 1960s.

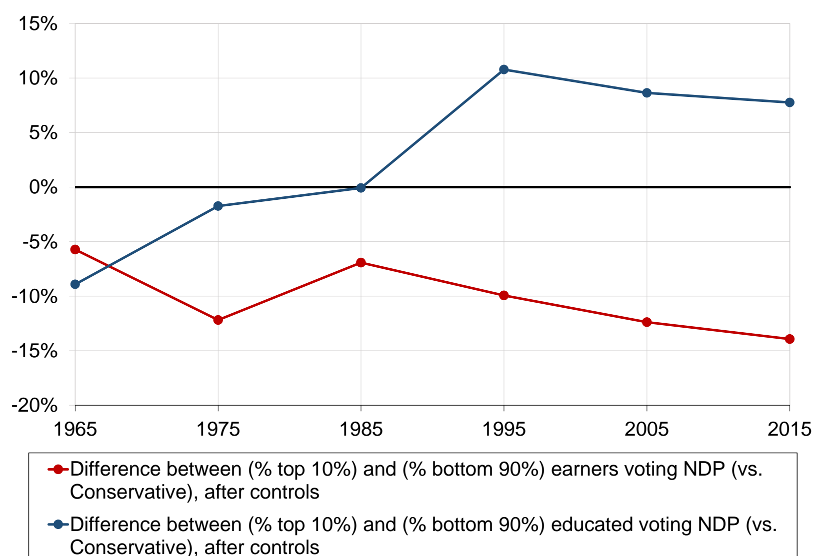
behaviour, voting more for centre and left parties in the 1960s, having no clear preference during the 1970s and 1980s and finally identifying increasingly with the Liberals and NDP since the beginning of the 1990s.

When controlling for other demographic characteristics, the emergence of the education cleavage in Canada becomes much clearer. All things being equal, education had no significant effect on vote choice during the 1960s and 1970s (figure 6.4b). Since the 1980s, however, the top 10% voters in the country in terms of education (mainly university graduates in the 1980s and postgraduates since the 2000s) have been increasingly more likely to vote for Liberals or the NDP, from about 3 percentage points in 1984-1988 to 7 percentage points in 2011-2015. Decomposing between the two parties reveals that these changes have affected both the Liberals and the NDP. During the 2011-2015 period, for instance, 28% of voters with primary education chose the NDP (relatively to Conservatives), compared to 39% of tertiary-educated individuals. Therefore, while economic divides have historically been mostly mediated by the New Democratic Party, the movement of higher educated voters to the left of the political spectrum has affected both parties.

6.6 Towards a multiple elites party system?

Bringing together the relative stability of income-based voting and the increasing support for the left among higher educated voters, we can see that these two variables have followed trends which are very similar to that of other old democracies (figure 6.5). The effect of income

FIGURE 6.6: High-income and high-education vote in Canada, 1965-2015: New Democratic Party versus Conservatives



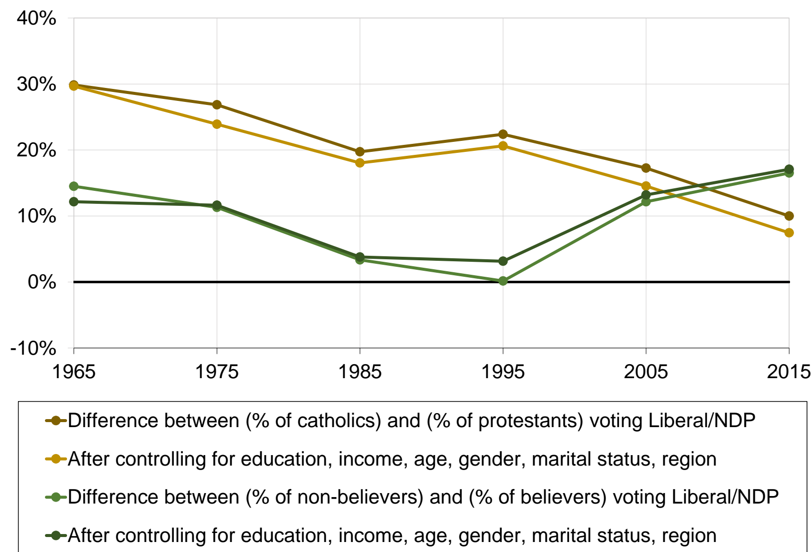
Source: author's computations based on Canadian Election Studies. *Interpretation*: when controlling for other socio-demographic characteristics, university graduates have been increasingly more likely to vote for the New Democratic Party (rather than for Conservatives) since the 1960s.

on vote choice has stabilised since the 1970s, and top income earners have always been significantly less likely to vote for Liberals or NDP since then. Higher educated voters, on the other hand, have been increasingly more inclined to vote for both the Liberal Party and the New Democratic Party since the 1980s.

If we compare these trends to those visible in Australia, some interesting differences appear. First, Canada has never reached the degree of class-based voting that characterised Australian politics in the 1960s. On the contrary, during the same period, income seemed to have no effect on vote choice between Liberal/NDP and Conservatives. As the previous analysis suggested, this may be due to differences in party systems and to related differences in the ideological space of welfare politics in the two countries. The Australian Labor Party was historically closer to unions and wage earners, and built its place in Australia's electoral system by emphasising class conflict. In Canada, on the other hand, political competition after World War II was tightly associated with regional, linguistic and religious divides. Even if supporters of the New Democratic Party were mainly low income earners, these differentials have been insufficient for the emergence of class-based voting due to the country's three-party system and to the catch-all nature of the Liberal Party.

Excluding the Liberals from the analysis and comparing supporters of the NDP with those of right-wing parties still reveals a clear picture (figure 6.6). In the 1960s, both less educated and poor voters were more inclined to vote left. In the past forty years, the effect of income has actually increased substantially: in 2011-2015, top 10% earners were less likely to vote NDP

FIGURE 6.7: Religious cleavages in Canada, 1965-2015



Source: author's computations based on Canadian Election Studies. *Interpretation*: in 2015, Catholics were more likely to vote left than protestants by 18 percentage points (pp), and non-religious voters were more likely to do so than believers by 15 pp.

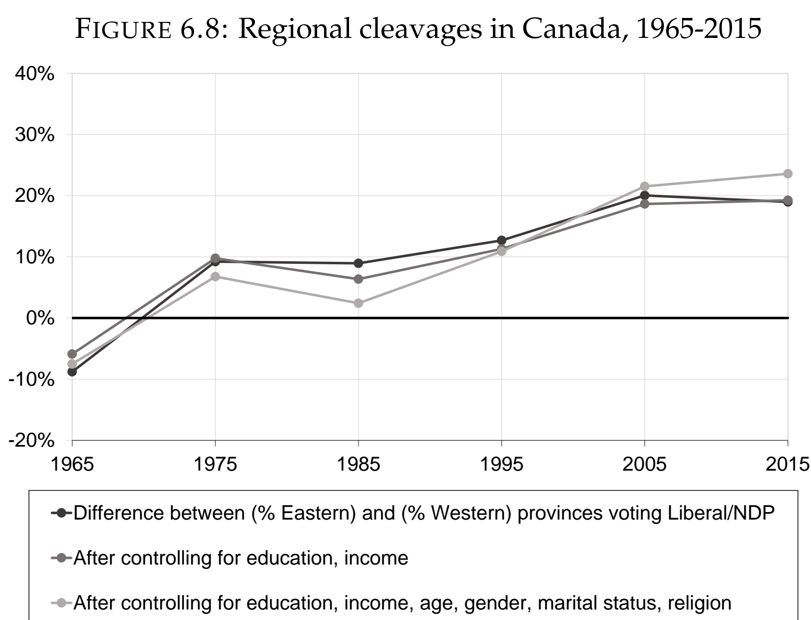
than to vote Conservative by 15 percentage points. Meanwhile, university graduates have gradually moved to the left and are now significantly more likely to be NDP partisans. These transformations are fully consistent with the changes undergone by the Canadian issue space in past decades. The Liberal party's shift to the right in economic matters has attracted voters with higher degrees of economic security, but has also led poorer individuals to shift their support towards the New Democratic Party. At the same time, the NDP's recent emphasis on "new politics" issues has attracted a significant share of higher educated voters.

6.7 Changing religious divides

While both income and education had weak effects on vote choice in the 1960s, religion has always been a strong determinant of electoral behaviour. In the 1960s, differences in support for Liberal/NDP between Catholics and Protestants – who represented respectively 41 and 50 percent of the population – was as large as 30 percentage points, even when controlling for all available demographic characteristics (figure 6.7). However, this effect decreased gradually over time: in the 1980s, differences between these groups dropped to 20 percentage points and ultimately reached 10 pp in 2011-2015.

Like in Australia, oppositions between Catholics and Protestants have been gradually replaced by oppositions between believers and non-believers. In the 1960s and 1970s, voters declaring no religion were more likely to vote left, but represented a very low share of the Canadian electorate. Since the end of the 1990s, however, they have been increasingly attracted towards

FIGURE 6.8: Regional cleavages in Canada, 1965-2015



Source: author's computations based on Canadian Election Studies. *Interpretation*: residents of Eastern provinces are increasingly more likely to vote Liberal/NDP than Western provinces. This relationship holds at the individual level when controlling for socio-demographic characteristics.

Liberals and the New Democratic Party, at the same time as they became a large proportion of voters. In the past two elections, in particular, differences in voting behaviour between religious voters and non-believers became more important than the traditional Catholics versus Protestants divide, reaching 17 percentage points.

6.8 The importance of regional disparities

Ideological and economic conflicts between geographical areas have always been at the heart of Canadian politics. These conflicts are directly mirrored by the emergence of regional parties. The Social Credit Party was originally founded in the context of the Great Depression, which strongly affected the West of the country. More recently, the Bloc Québécois has received most of its popular vote from Québec with stances explicitly dedicated at promoting the values of the region and defending its interests.

The evolution of these cleavages are imperfectly captured since I exclude both Québec and the Bloc Québécois from the analysis. However, comparing other regions of Canada reveals interesting dynamics. For the past fifty years, Ontario has always strongly supported the left and centre of the political spectrum: a stable 60% of inhabitants have voted for the Liberal party or the NDP since 1965. Meanwhile, differences in voting behaviour between Eastern and Western provinces were reversed in the 1970s and have increased significantly since the 1980s, even when controlling for individual-level demographic characteristics (figure 6.8). In

2015, residents of Eastern provinces were indeed more likely to support Liberals or the NDP than those of Western provinces by nearly 25 percentage points.

6.9 Comparing the evolutions of the different political cleavages

In order to compare the relative influence of these different cleavages, I ran regressions by decade on all available variables. Most results are in line with the previous descriptive evidence and most coefficients are highly significant (table 6.3). Except for the 1960s, top 10% earners have always been more likely to vote for Conservatives than the poorest half of Canadian voters by 6 to 13 percentage points. Education has gradually become a strong determinant of electoral behaviour: in 2011-2015, university graduates were more likely to vote left than primary educated voters by 18.5 percentage points.

Religious and regional divides have historically been much more important than other determinants. In the 1960s, support for the Liberals or NDP among Catholics was higher than among non-believers by 10 percentage points, while the same parties received lower support among Protestants by nearly 20 pp. Today, both Protestants and Catholics identify very strongly with Conservatives compared to non-believers, with differences in vote shares reaching 23 and 15 percentage points respectively. Consistently with the previous analysis, Eastern provinces have gradually shifted from left to right for the past fifty years. In 2011-2015, regions remain a very strong predictor of party choice: the difference in popular support for Liberals/NDP between Western provinces and Eastern provinces was as high as 23 percentage points. Therefore, while Canada seems to have gradually moved towards a multiple elites party system as did many developed democracies, this movement is less clear than in countries like Australia, where class conflicts were historically determinant. The three-dimensional structure of political competition, as well as the fact that "distinct regional political cultures which emphasise regional interests above class interests have developed and continue to persist" (Andersen, 2012), may partly explain these particularities. Still, the increasing support among higher educated voters for the centre and left of the political spectrum, which applies to both Liberals and the New Democratic Party, shows that this transition goes beyond country-specific factors.

6.10 An unequal surge in abstention among social groups

Electoral turnout sharply declined during the 1990s, at the same time as both the New Democratic Party and the Conservatives were reaching historically low levels of popular support. Between 1965 and 1988, participation to federal elections remained roughly stable at levels between 70% and 75%. Following the Mulroney era, characterised by the late 1980s recession, rising unemployment, popular discontent and the emergence of new parties, electoral turnout has decreased almost linearly, until it reached its lowest level of 59% in 2008. Among other

TABLE 6.3: Electoral behaviour in Canada, 1965-2015

	Dependent variable: Liberal/NDP vote					
	1965-68	1974-80	1984-88	1993-97	2000-08	2011-15
Income: Middle 40%	0.081***	-0.040	-0.029	-0.013	-0.031	-0.024
	(0.021)	(0.025)	(0.021)	(0.024)	(0.021)	(0.024)
Income: Top 10%	0.077**	-0.133***	-0.077***	-0.078**	-0.064**	-0.095***
	(0.033)	(0.037)	(0.029)	(0.037)	(0.030)	(0.035)
Education: Secondary	0.012	-0.038	-0.044*	-0.012	0.001	0.108***
	(0.022)	(0.031)	(0.023)	(0.029)	(0.032)	(0.039)
Education: Tertiary	-0.003	-0.005	-0.002	0.051	0.093***	0.185***
	(0.038)	(0.044)	(0.031)	(0.034)	(0.034)	(0.042)
Age: 30-39	-0.013	0.012	-0.054*	0.044	-0.027	-0.081*
	(0.030)	(0.039)	(0.028)	(0.038)	(0.039)	(0.046)
Age: 40-49	-0.040	-0.060	-0.033	0.035	0.008	-0.100**
	(0.029)	(0.043)	(0.032)	(0.038)	(0.037)	(0.044)
Age: 50-59	-0.031	-0.042	-0.057*	0.037	0.047	-0.051
	(0.032)	(0.044)	(0.034)	(0.043)	(0.038)	(0.044)
Age: 60+	-0.067**	-0.130***	-0.063**	0.010	-0.014	-0.076*
	(0.032)	(0.043)	(0.032)	(0.041)	(0.038)	(0.042)
Gender: Male	0.030	-0.026	-0.051***	-0.092***	-0.053***	-0.071***
	(0.019)	(0.027)	(0.019)	(0.022)	(0.019)	(0.022)
Married	0.011	0.035	-0.043*	-0.040	-0.068***	-0.011
	(0.026)	(0.032)	(0.023)	(0.025)	(0.022)	(0.027)
Reg.: Ontario	0.155***	0.068*	0.068**	0.084***	-0.085***	-0.089***
	(0.027)	(0.036)	(0.026)	(0.032)	(0.030)	(0.031)
Reg.: Western provinces	0.090***	-0.051	-0.023	-0.091***	-0.199***	-0.229***
	(0.029)	(0.037)	(0.027)	(0.032)	(0.030)	(0.032)
Religion: Catholic	0.104**	0.045	0.091**	0.092***	-0.059**	-0.150***
	(0.052)	(0.055)	(0.035)	(0.034)	(0.028)	(0.032)
Religion: Protestant	-0.193***	-0.196***	-0.090***	-0.120***	-0.210***	-0.230***
	(0.051)	(0.053)	(0.033)	(0.033)	(0.025)	(0.027)
Religion: Other	-0.070	-0.068	-0.074*	0.001	0.051	-0.035
	(0.061)	(0.062)	(0.041)	(0.053)	(0.039)	(0.041)
Number of observations	5545	4816	7922	4199	5900	4464
Number of clusters	3908	3000	4877	3683	3683	4018

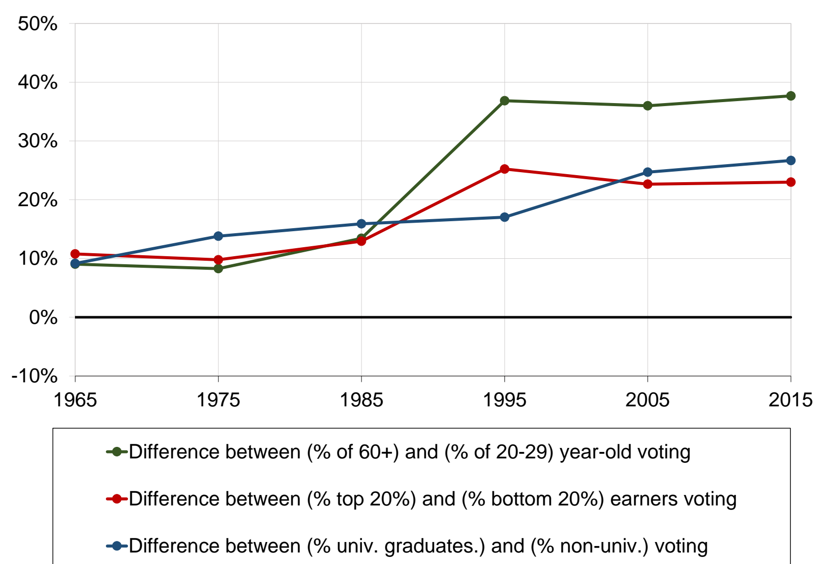
Note: author's computations using Canadian Election Studies. All estimations are based on linear probability models applied to expanded datasets with robust standard errors clustered by individual (see methodology). Standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE 6.4: Determinants of electoral turnout in Canada, 1965-2015

	Dependent variable: turnout					
	1965-68	1974-80	1984-88	1993-97	2000-08	2011-15
Income quintile 2	0.038**	0.068**	0.060***	0.095***	0.077***	0.107**
	(0.018)	(0.027)	(0.019)	(0.025)	(0.025)	(0.045)
Income quintile 3	0.077***	0.025	0.045*	0.129***	0.147***	0.136***
	(0.024)	(0.032)	(0.024)	(0.029)	(0.030)	(0.053)
Income quintile 4	0.094***	0.032	0.039	0.192***	0.165***	0.120**
	(0.024)	(0.031)	(0.024)	(0.032)	(0.032)	(0.056)
Income quintile 5	0.089***	0.032	0.057**	0.214***	0.177***	0.216***
	(0.027)	(0.034)	(0.027)	(0.035)	(0.036)	(0.059)
Education: Secondary	0.091***	0.141***	0.099***	0.070***	0.092***	0.041
	(0.020)	(0.024)	(0.020)	(0.026)	(0.030)	(0.056)
Education: Tertiary	0.112***	0.179***	0.140***	0.157***	0.246***	0.217***
	(0.034)	(0.033)	(0.028)	(0.032)	(0.034)	(0.059)
Age: 30-39	0.052*	0.039	0.119***	0.123***	0.033	-0.037
	(0.027)	(0.034)	(0.026)	(0.029)	(0.036)	(0.068)
Age: 40-49	0.133***	0.155***	0.193***	0.196***	0.146***	0.115
	(0.026)	(0.033)	(0.028)	(0.031)	(0.035)	(0.071)
Age: 50-59	0.125***	0.117***	0.199***	0.274***	0.238***	0.263***
	(0.029)	(0.034)	(0.028)	(0.034)	(0.037)	(0.067)
Age: 60+	0.157***	0.161***	0.177***	0.384***	0.397***	0.353***
	(0.028)	(0.034)	(0.030)	(0.036)	(0.035)	(0.063)
Gender: Male	0.024	0.036*	0.014	-0.018	-0.045**	0.039
	(0.017)	(0.021)	(0.017)	(0.020)	(0.021)	(0.035)
Married	0.068***	0.066**	0.052**	0.015	0.057**	0.002
	(0.023)	(0.026)	(0.021)	(0.022)	(0.024)	(0.039)
Reg.: Ontario	-0.064**	0.077**	0.054*	-0.097***	-0.005	-0.004
	(0.028)	(0.032)	(0.028)	(0.036)	(0.035)	(0.062)
Reg.: Quebec	-0.122***	0.016	0.030	-0.019	0.026	0.069
	(0.032)	(0.035)	(0.030)	(0.037)	(0.038)	(0.065)
Reg.: Western provinces	-0.051*	0.010	0.023	-0.084**	0.001	-0.013
	(0.028)	(0.033)	(0.029)	(0.035)	(0.035)	(0.065)
Religion: Catholic	0.145***	0.097*	0.054	0.013	0.030	-0.030
	(0.055)	(0.052)	(0.035)	(0.031)	(0.031)	(0.051)
Religion: Protestant	0.092*	0.069	0.067**	0.075**	0.096***	0.033
	(0.053)	(0.050)	(0.034)	(0.031)	(0.030)	(0.048)
Religion: Other	0.018	0.046	-0.042	-0.057	-0.098**	-0.189***
	(0.061)	(0.061)	(0.042)	(0.045)	(0.044)	(0.069)

Note: author's computations using Canadian Election Studies. All estimations are based on linear probability models applied to expanded datasets with robust standard errors clustered by individual (see methodology). Standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

FIGURE 6.9: Rising inequality in political participation in Canada



Source: author's computations based on Canadian Election Studies. *Interpretation*: in 2011-2015, the difference in electoral turnout between voters aged 60 or more and those below 29 was close to 40 percentage points.

factors, a report mandated by the Office of the Chief Electoral Officer showed that reasons for abstention at the 2000 federal election included the lack of interest in politics, feelings of inefficacy and the perception that voting would have no impact (Pammett and LeDuc, 2003).

In order to study how declining participation has affected the political representation of different social groups, I used demographic variables from the Canadian Election Studies and reweighed observations so that they matched official statistics. The first important result to be drawn from this analysis is that the decline in turnout in Canada is driven by very strong compositional effects. From the 1960s to the 1980s, between 65 and 70% of voters belonging to the bottom income quintile participated to federal elections; in 2011-2015, this share had fallen to 50%, while participation among top earners decreased much less.

These compositional changes are not limited to income. Between the 1980s and the 2010s, the participation gap between university graduates and other voters doubled, while the gap between old and young voters was almost multiplied by 4, amounting to nearly 40 percentage points (figure 6.9). Combining these variables into a multivariate analysis reveals that political inequality has increased dramatically and reached extreme levels mainly in these three dimensions. Controlling for all available demographic characteristics, top 20% earners are now more likely to vote than individuals belonging to the bottom quintile by 22 percentage points, and the difference in turnout between university graduates and primary educated voters is approximately the same (table 6.4). In comparison, these figures were closer to 10 and 15 from the 1960s to the end of the 1980s.

6.11 Understanding the co-evolution of cleavage structures and income inequality in Canada

Despite the complexity of Canada's multi-party system and regional divisions, the previous analysis revealed that rising income disparities since the 1990s have coincided with both the emergence of new value cleavages and rising inequality in political participation. While political factors cannot be held solely responsible for the evolution of income inequality in the country, some interesting parallels between their historical dynamics are clearly visible.

Canada is not an exception to the trend visible in most Western democracies: intellectual elites have gradually moved to the left of the political spectrum, while economic elites have almost always been represented by right-wing parties. Even if the income gradient seems to be lower than in other countries, it remains significant and becomes much stronger when considering choices between the New Democratic Party and Conservatives. The emergence of a new cleavage dividing educational groups coincided with rising income inequality in the 1990s, in a context of political uncertainty characterised by low levels of electoral support for both Conservatives and the NDP. From a left party promising radical social changes, the NDP has steadily moved towards the centre of the political spectrum, championing new politics issues related to environmentalism, LGBT rights or international peacemaking. In the past twenty years of Canadian democracy, economic and political inequalities have also gone hand in hand. As top earners received an increasing share of national income, poor and lower-educated voters have been fewer and fewer to cast ballots in federal elections.

Canada's recent political history therefore fits remarkably well the three-dimensional framework linking cleavage structures to economic inequality developed in chapter one. First, rising income disparities have coincided with major shifts in parties' ideological positions: Liberals moved to a more liberal conception of economic policy under Jean Chrétien's leadership (1993-2003), making cuts to provincial transfers and taxes, while both Liberals and New Democrats started emphasising 'new politics' issues during the 1990s and 2000s. At the same time, higher educated voters turned to the left of the political spectrum, while conservatives remained strongly supported by top income earners, leading to the emergence of a multiple elites party system. While this process was not associated with a decline in class-based voting like in Australia, politics have become much more multidimensional, especially at the left of the political spectrum where the NDP has attracted a mixed electorate, composed of intellectual elites and low income earners. Finally, these dynamics occurred concurrently with a strong demobilisation of the Canadian electorate. As new issues have changed the structure of political conflict, low income and low educated voters have been partially crowded out from political representation. As the two sides of the ideological spectrum have come to embody the interests of two types of elites, the conditions required for mass polarisation and mobilisation have been significantly weakened during the past twenty years of Canadian democracy.

Chapter 7

Japan: from stability to political uncertainty

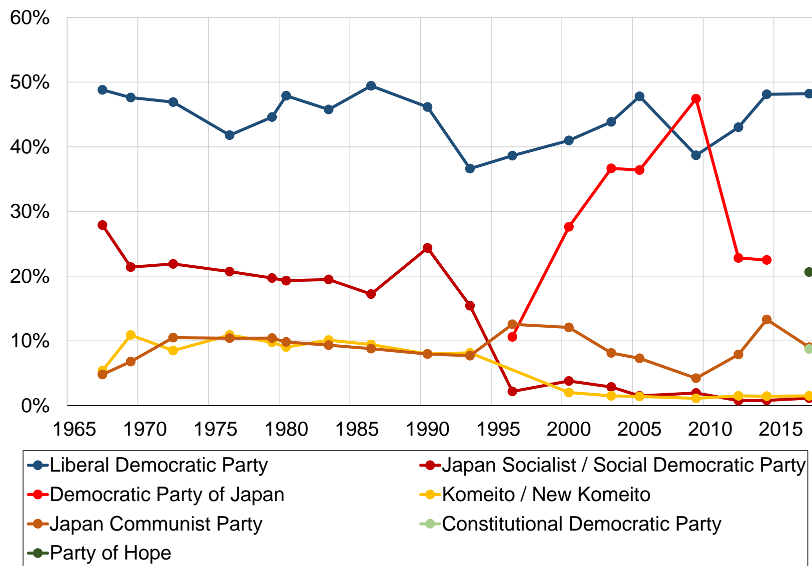
This chapter studies the evolution of political cleavages in Japan from 1963 to 2014. Among old democracies, Japan's case is unique due to the domination of the Liberal Democratic Party (LDP) and to the very specific political conflicts that American occupation and the fear of socialism during the Cold War imprinted on the country. In that sense, we cannot expect to find evolutions similar to Australia, Canada, the USA or European countries. Yet, looking at the factors associated with LDP support during the past fifty years can help understand the recent transformations which have concurred with the end of Japan's 'middle-class' society.

Since the 1990s, the emergence of a 'second postwar party system' has coincided with rising income inequality. The Liberal Democratic Party's (LDP) hegemony since 1945 was based upon an implicit pact with the population. Ruling elites adapted remarkably well to the country's changing social structures as they enforced economic equality in a context of sustained growth, targeting in particular the poorer rural areas. The economic crisis of the 1990s led to the complete destruction of this historical balance of power. As income inequality rose substantially, political participation fell to historically low levels, party politics became more uncertain, and the rural-urban cleavage, which had once structured the Japanese democracy, disappeared.

7.1 Political parties and election results in Japan, 1967-2017

Japan's political history is characterised by the domination of a single institution, the Liberal Democratic Party, which has received more than 40% of popular vote and has secured a majority in Parliament in nearly all national elections since the end of World War II (figure 7.1). While it is generally located on the right of the political spectrum, its ideological foundations are more complex. For the past sixty years, the party has been remarkably efficient in adapting its programmatic positions to the major compositional changes visible in Japanese society. Since 1945, it has only been forced once to form a coalition government: in 1993, in a context of recession and economic crisis. In 2009, it lost for the first time against the Democratic Party of Japan, but was quick to come back to power, reaching nearly 50% of votes in 2014 and 2017.

FIGURE 7.1: Election results in Japan, 1965-2015



Note: figures correspond to popular support at the general elections to the House of Representatives. *Interpretation*: except for 2009, the Liberal Democratic Party has always received the highest share of popular vote in Japan since 1967.

The LDP's main competitor originally was the Social Democratic Party (formerly Japan Socialist Party) which managed to receive support from a stable fifth of the Japanese electorate between 1960 and 1990. During the political turmoil that characterised the 1990s, the SDP disappeared almost entirely and the Democratic Party of Japan, located closer to the centre, took its place as the most serious threat to the conservatives' leadership. Following the subprime crisis, the DPJ arrived in power in 2009 with a program promising both radical changes and a return to the social model that had made Japan's success. However, public dissatisfaction towards its inability to fight the economic crisis and to implement the policies it had promised quickly sent the party back to the opposition in 2012 and 2014. The return of the Liberal Democratic Party's dominance was confirmed in the last general election in 2017. In the context of the North Korea missile threat, a snap election was called by Shinzō Abe, leading to the separation of the Democratic Party of Japan into two factions: the Constitutional Democratic Party of Japan, which joined other left parties, and the more liberal Constitutional Democratic Party of Japan.

Two other minor parties have played a role in Japanese politics in the past five decades. The Japan Communist Party has managed to attract about 10% of voters in most elections, without any clear trend over the period. On the right of the political spectrum, the Komeito (formerly New Komeito) was originally founded to defend the interests of Buddhist groups, and joined the LDP in several occasions. It received about 10% of vote shares in every elections until the mid-1990s, but lost significance from the beginning of the 2000s and on.

7.2 Party politics and social cleavages in postwar Japan

In their seminal study of electoral behaviour in Japan, *The Japanese Voter*, Flanagan et al. (1991) extensively documented the evolution of cleavage politics in the country since the end of World War II. One of the specificities of the Japanese case is that a variety of factors hindered the development of a class cleavage, both before and after the war. Between 1900 and 1932, agrarian and industrial oppositions were limited by the emergence of two catch-all parties, the Minseito and the Seiyukai, which both aggregated the interests of land owners, business elites and bureaucrats. In prewar Japan, the alternation of these two parties in power, as well as the suppression of communist parties and the fact that industrial workers were still a minority contributed to inhibit class divides. The military defeat in 1945 and the US Occupation that followed laid down the foundations for political competition in the country for several decades. During the Occupation, a number of major reforms were conducted, including the creation of a new constitution, land redistribution, recognition of labour unions and guarantees for freedom of speech. The newly created Japan Socialist Party and Japan Communist Party yet failed to defeat the conservative forces, which were in large part inherited from the prewar era. Among other factors, the land reform conducted between 1946 and 1950 succeeded in redistributing agricultural land to many small independent farmers, eroding class sentiments in rural areas.

While economic divides were relatively insignificant in voters' minds, the first twenty years of the postwar democracy were characterised by strong value cleavages. Watanuki (1991) showed that age and education were the two main determinants of electoral behaviour in the 1950s. In 1958, for instance, an opinion poll from the *Asahi Shimbun* revealed that 77% of voters aged 60 or above supported conservative parties, compared to 44% of those aged 20 to 29. Hence, the cleavages which founded Japan's structure of political competition were very different from those observed in Western democracies at the same period: "In this confrontation between the conservatives and the leftists, the issue was neither capitalism nor socialism; nor was the underlying cleavage determined by class. Rather, the differences arose from a conflict between the traditional values of emperor worship, emphasis on hierarchy and harmony, and belief in a militarily strong nation – all of which were strongly supported in the prewar era – and the 'modern' values of the postwar era of individualism, equality, and fear of military build-up and war." (Watanuki, 1991). Even if these divisions gradually became less salient during the 1960s, they still persisted throughout most of the twentieth century.

Along with these two socio-structural variables, differences in party support between rural and urban areas have been at the heart of the Liberal Democratic Party's hegemony from the 1950s to the 1990s. While class antagonisms did play a role in party politics, they never entailed the elements of collective identity which could have triggered voter alignments along these lines. By contrast, a stable rural-urban cleavage was fully materialised. By defending the interests of farmers, building ties with agricultural cooperatives and actively redistributing the fruits of economic growth to rural areas, the Liberal Democratic Party was quick to establish

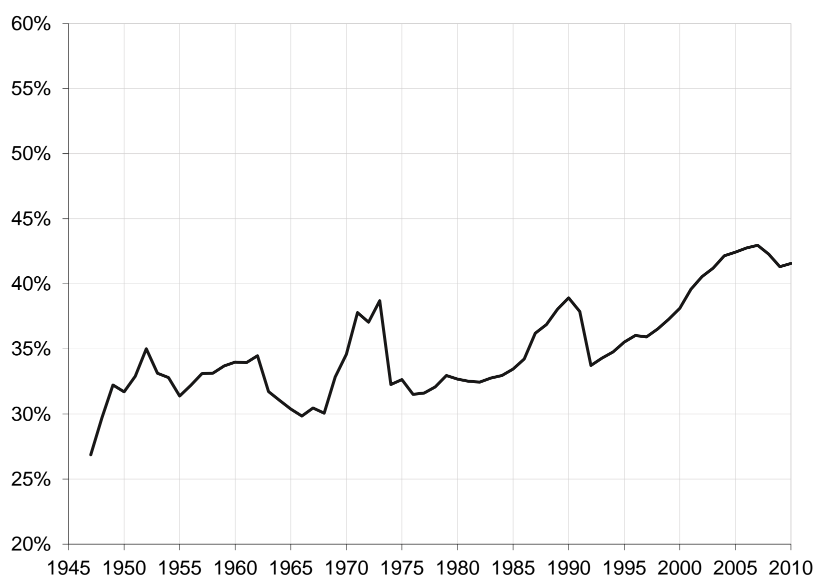
its dominance over the countryside (Chiavacci, 2010). One of the remarkable achievements of the LDP, however, was to remain in power despite the major structural changes Japan underwent. In particular, industrialisation should have eroded the party's electoral base, as the share of farmers in the overall population decreased rapidly throughout the second half of the twentieth century. Economic growth appears to be fundamental in explaining the party's adaptation to these transformations. As early as 1960, conservatives were able to avoid political confrontation with left parties by emphasising policies focusing on the economy and moving away from the sensitive political issues which had structured party politics in the 1950s. Japan's sustained economic growth until the 1990s and the LDP's pact with the general population to share it equally and to promote upward social mobility are among the main causes of conservative forces' success and of the diversification of their electoral base (Kabashima, 1984; Flanagan et al., 1991; Chiavacci, 2010).

The stability of Japan's party system came to a sudden end in 1993 following the collapse of the real estate bubble in 1992 and the economic recession that followed. In a context of political chaos, the LDP lost its overall majority as the party suffered a series of defections and had to form a coalition with a number of newly created parties. Some authors have argued that these changes have led to the emergence of 'Japan's Second Postwar Party System'. From 1955 to 1993, electoral competition was relatively weak and the LDP won with large majorities in a context of high growth and fragmented opposition parties. Since 1993, however, the rise of the Democratic Party of Japan, frequent government changes and repeated economic recessions have contributed to make political outcomes more uncertain. Concomitantly, electoral turnout has decreased significantly since the 1990s, and voters are still highly disconnected from the political process. In 2012, for instance, opinion polls revealed that half of the Japanese electorate was not interested in the political campaign (Hrebenar and Nakamura, 2015).

7.3 Top income inequality, 1945-2010

Japan was usually seen as a highly equal society, where economic disparities were particularly low and upward mobility open to all citizens regardless of their initial background. Thanks to the policies implemented during the Occupation and to the social movements which flourished in the 1950s, the 'Japanese compromise' of the 1955-1973 period relied on a generally fair redistribution of economic prosperity. In the 1970s and 1980s, opinion polls started to reveal that a majority of citizens felt that they belonged to the 'middle class', defined by its participation to mass consumption. In this context, Japan was generally pictured as embodying a new ideological model, a society freed from the class antagonisms which structured political conflicts in other industrialised countries (Pons, 2005). Since the economic crisis of the 1990s, however, important changes in the Japanese model have instigated new dynamics. Following the burst of the speculative bubbles in real estate and stock markets in the early 1990s, Japan entered a period of recession, 'the lost decade'. At first, the government attempted to stimulate the economy by implementing Keynesian growth policies, but the financial crisis of 1997 led

FIGURE 7.2: Top 10% pre-tax income share in Japan, 1960-2010



Source: Moriguchi and Saez (2008) and updates. All data are available from WID.world. *Interpretation*: between 1995 and 2010, the share of total income received by top 10% earners in Japan grew from 36% to 42%.

policy makers to shift towards a neoliberal perspective focusing on structural reforms. In this context, political circles started to question Japan's social institutions, emphasising the need to focus on economic recovery rather than on equality of outcomes and opportunities (Chiavacci, 2010).

Available historical series on top income inequality in Japan (Moriguchi and Saez, 2008) allow us to track these evolutions. Despite two visible spikes – one corresponding to the 1970s oil crisis and the other to the explosion of the financial bubbles of the 1990s – the top 10% share remained approximately stable between the 1960s and the 1980s, reaching between 30 and 35 percent (figure 7.2). After a period of rising inequality between 1985 and 1990, followed by a sudden drop associated with the explosion of speculative bubbles, top earners started capturing an increasing share of national income until 2010. Even if it remains difficult to draw robust conclusions on the exact causes of these dynamics, top income inequality has undoubtedly increased substantially in the past thirty years, the top 10% national income share reaching 43% in 2007. There undoubtedly are macroeconomic factors linked to these changes, occurring after a period of crisis and restructuration of the Japanese economy. Nevertheless, Japan's 'lost decade' is not only a period of economic recession; it also coincided with the collapse of the Japan Socialist Party, the emergence of the Democratic Party of Japan and rising popular discontent with the LDP's new program of neoliberal reforms. Therefore, studying electoral behaviour during this period can provide interesting insights into the emergence of Japan's new societal model.

TABLE 7.1: List of surveys used, Japan

Year	Year (aggregated)	Survey	Sample size
1963	1965	Kabashima survey, 1963 (SSJDA K001)	2505
1967	1965	JNES, 1967 (ICPSR 07294)	1973
1976	1975	JABISS, 1976 (ICPSR 04682)	2028
1993	1995	JES II	3985
1996	1995	JEDS, 1996	1327
2003	2005	JES III, 2001, wave 5	2268
2005	2005	JES III, 2001, wave 8	1498
2009	2015	JES IV, wave 3 (september 2009)	1684
2012	2015	ISSP, 2012	1234
2013	2015	CSES, wave 4	1937
2014	2015	Post-election survey, 2014	2029

Note: JNES: Japanese National Election Study; JABISS: Japanese Election Study 1976; JES: Japanese Election Study; JEDS: Japanese Elections and Democracy Study; ISSP: International Social Survey Program; CSES: Comparative Study of Electoral Systems. All surveys are available from the Social Science Japan Data Archive (`https://ssjda.iss.u-tokyo.ac.jp/Direct/`). Surveys are aggregated in the analysis according to 'Year (aggregated)'.

7.4 Data and method

Due to the lack of a harmonised methodology in data collection until the 1990s, Japanese post-electoral surveys are of lower quality than in other old democracies, like Australia or Canada. In order to cover a period as large as possible, I used surveys from diverse sources (table 7.1). First, the Social Science Japan Data Archive (SSJDA) provides several post-electoral surveys such as the second, third and fourth Japanese Election Studies.[1] From ICPSR, I collected two additional surveys (JNES, 1967 and JABISS, 1976) which both have acceptable sample sizes and include the main variables used in this work. Finally, I added a survey from the International Social Survey Program (ISSP) conducted in 2012 for covering the 2009 Lower House election, and a survey from wave 4 of the Comparative Study of Electoral Systems (CSES) for covering the 2013 Upper House election. Following the method used for Australia and Canada, I aggregated surveys by decade to look at statistically meaningful evolutions.

Despite these limitations, clear evolutions are visible in the composition of the Japanese electorate (table 7.2). Between 1965 and 2015, the education level of the population improved dramatically: the share of lower educated voters decreased from 61% to 16%, and the proportion of university graduates increased from 7% to 22%. At the same time, Japan underwent very strong demographic changes: from 15.7% in the 1960s, individuals aged 60 represented nearly half of the total adult population in 2009-2014. Given the relatively stable vote shares obtained by the Liberal Democratic Party during the 1967-2014 period, I focused on voters'

[1] Unfortunately, the first Japanese Election Study (JES I), conducted in the 1980s, is only available on CD-ROM from the Leviathan data centre and is not free of charge, so it could not be used for this study.

TABLE 7.2: Summary statistics, Japan

	Means				
	1965	1975	1995	2005	2015
Age: 20-29	0.227	0.209	0.122	0.093	0.077
Age: 30-39	0.255	0.246	0.161	0.168	0.125
Age: 40-49	0.204	0.229	0.234	0.169	0.163
Age: 50-59	0.156	0.169	0.214	0.196	0.174
Age: 60+	0.157	0.148	0.268	0.375	0.462
Education: Primary	0.613	0.436	0.266	0.176	0.156
Education: Secondary	0.319	0.416	0.574	0.622	0.628
Education: University graduate	0.068	0.148	0.160	0.202	0.216
Gender: Male	0.471	0.446	0.489	0.499	0.471
Home ownerhsip: Yes	0.706	0.684	0.730	0.783	0.851
Locality: City	0.481	0.532	0.557	0.573	0.484
Locality: Town or village	0.336	0.277	0.227	0.210	0.159
Locality: Ward	0.184	0.191	0.216	0.216	0.357

Note: author's computations based on Japanese Election Studies. *Interpretation:* 21.6% of the Japanese electorate were university graduates in 2015.

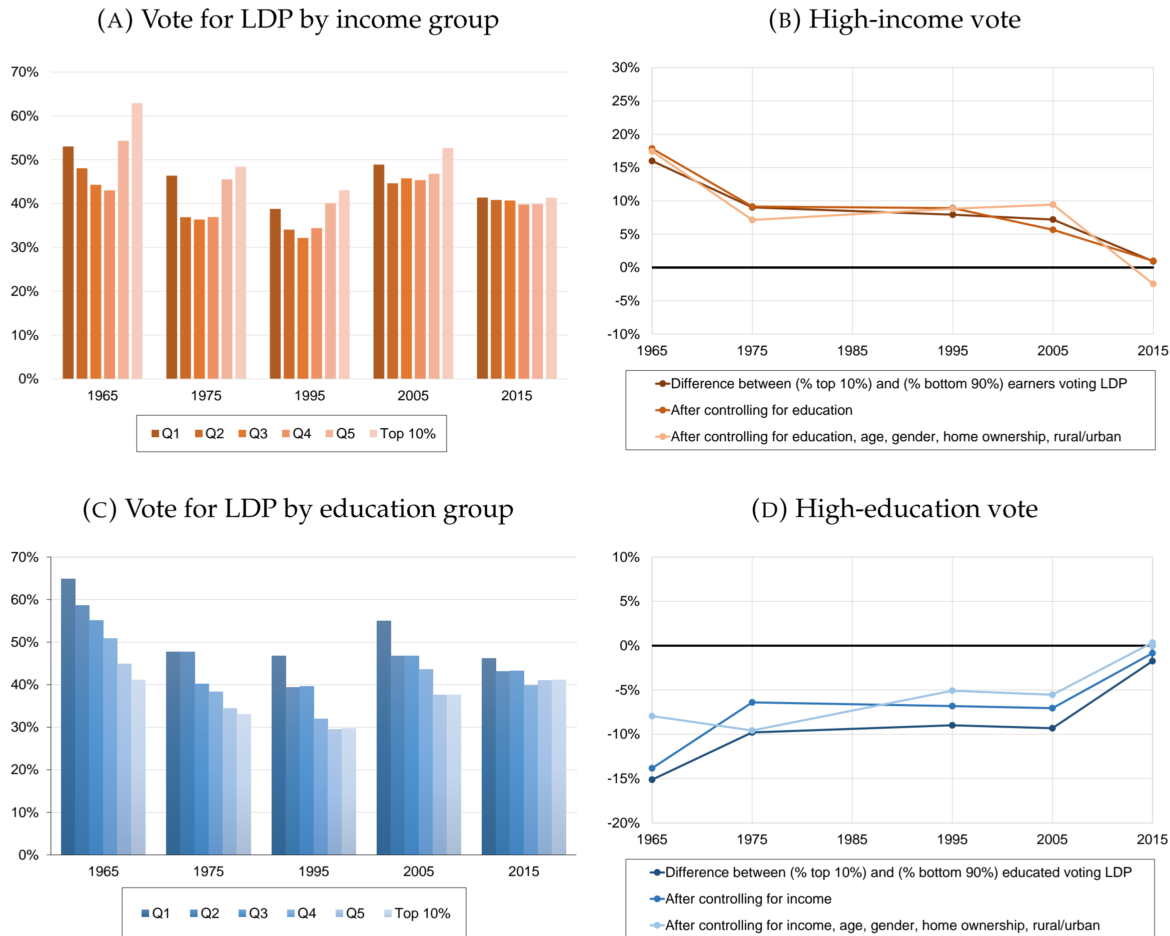
choices between the LDP and all other parties. This is problematic to the extent that the opposition in Japan is composed of parties with very different ideological positions, ranging from the Komeito to the Communist Party. However, it has the advantage of decomposing voters into two broad groups of relatively similar size. Furthermore, this division seems more relevant than grouping parties between 'left' and 'right', given that the LDP has remained in power and ruled the country alone in most instances.

7.5 Declining economic divides

Contrary to the other countries studied in this work, the relationship between income and vote in Japan is non-linear, which appears very clearly in the 1960-1980 period. Until the 1990s, both low income voters and top earners were significantly more likely to support the LDP (figure 7.3a): 53% of individuals belonging to the bottom 20% and 63% of those belonging to the top 10% voted for the party in power, compared to 43% of voters belonging to the fourth quintile (percentiles 60 to 80). This is consistent with the idea that the LDP was historically representing both business elites and poorer conservative citizens living in rural areas. A simple decomposition of income by geographical location speaks for the high degree of spatial inequality in post-war Japan: in 1967, 43% of bottom 20% earners lived in towns or villages, compared to 25% of those belonging to the top quintile.

High support for the LDP among Japanese economic elites was a relatively stable fact until the 2000s. In 1965-1967, top earners were more likely to vote LDP by about 15 percentage points, and this gap remained approximately stable at 10 percentage points between the 1970s and the

FIGURE 7.3: Economic and value divides in Japan, 1965-2013



Source: author's computations based on Japanese Election Studies. *Interpretation*: both low income and top earners have been more likely to vote LDP since 1965, while higher educated voters have been significantly less likely to do so since 1965. However, between 2009 and 2014, both income and education had no clear effect.

1990s (figure 7.3a). In 2009-2014, however, it dropped to 0. Therefore, it appears that Japan's recent political changes came with a complete dealignment of economic cleavages. These trends are highly robust and hold when controlling for all available demographic characteristics.

7.6 The end of 'cultural politics'

One of the other specificities of Japanese electoral behaviour is the fact that higher educated individuals have continuously supported left-wing parties, especially during the twenty years following the end of World War II. The historical strength of education levels in predicting party choice in Japan is well-known: it reflects the freezing of the party system which had emerged in the context of the 'cultural politics' of the 1950s (Watanuki, 1991).

Even when controlling for the significant improvements in citizens' education levels since the 1960s, this pattern has persisted for most of the second half of the twentieth century. In the

1960s, 65% of the 20% least educated voters supported the Liberal Democratic Party, against 41% of voters belonging to the top education decile (figure 7.3c). During recent years, however, these differences have decreased considerably, and popular vote for the LDP has oscillated between 40% and 45% for all education groups in 2009-2014. Looking more closely at intellectual elites confirms this evolution (figure 7.3d). In 1963-1967, top 10% educated voters were indeed less likely to support the LDP by about 15 percentage points (8 percentage points after controls). This figure remained broadly stable, staying between 5 and 10 percentage points during the 1963-1996 period. Starting in 2009, however, education lost significance, even when including controls. The decline of the Social Democratic Party during the 1990s and its replacement by the Democratic Party of Japan – which culminated by its victory in 2009 – therefore seems to coincide with the disappearance of what was one of the most fundamental political divisions of Japanese society. The fact that this dealignment was sudden and occurred at the same time as shifts in the structure of party politics suggests that this process is driven by top-down mechanisms rather than long-run evolutions in collective beliefs.

7.7 From a multiple elites party system to political indifferentiation?

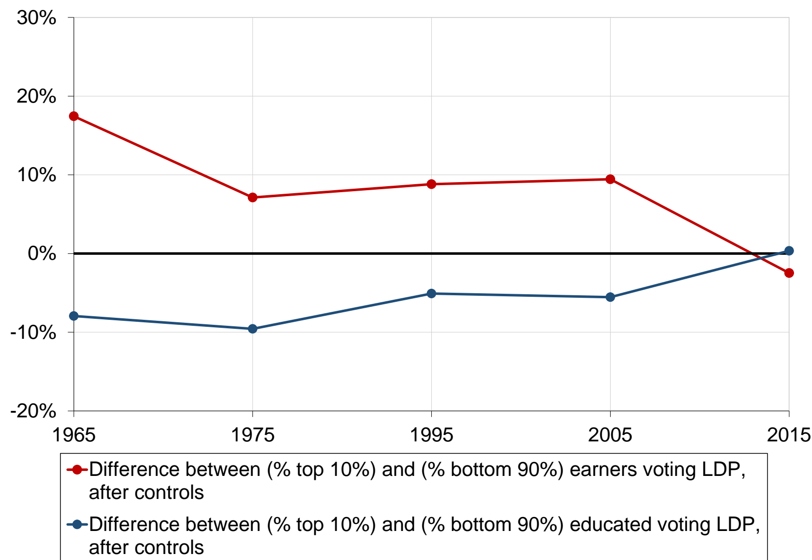
Bringing these two dynamics together points to a trend which is the exact opposite of the one observed in most Western countries (figure 7.4). In the 1960s, intellectual and economic elites were clearly separated into two different groups. On the left of the political spectrum, university graduates were highly supportive of the Japanese Communist Party and the Japanese Socialist Party, who based their appeal more on liberal values than on class antagonisms. Meanwhile, the Liberal Democratic Party attracted both low income earners and business elites. Through its defense of organized capitalism, it created strong ties with top executives and industrial leaders who participated in developing Japan's growth model. This structure of political competition suddenly ended in 2009, when the LDP was defeated for the first time.

While these figures suggest that Japan was originally a perfect example of a multiple elites party system, this characterisation should not be over-emphasised. Persistently strong levels of support for the party among low income earners demonstrates that the LDP has never favoured exclusively economic elites. As was highlighted above, part of its remarkable hegemony came from its ability to distribute equally the fruits of the country's long periods of growth. The non-linearity of the relationship between income and electoral behaviour is, to some extent, an interesting representation of the Japanese social compromise, which came with its dominant-party system.

7.8 Disappearance of the rural-urban cleavage

Divisions between rural and metropolitan areas have always been fundamental, and have played a key role in keeping the Liberal Democratic Party in power for such a long period

FIGURE 7.4: High-income and high-education vote in Japan, 1965-2015



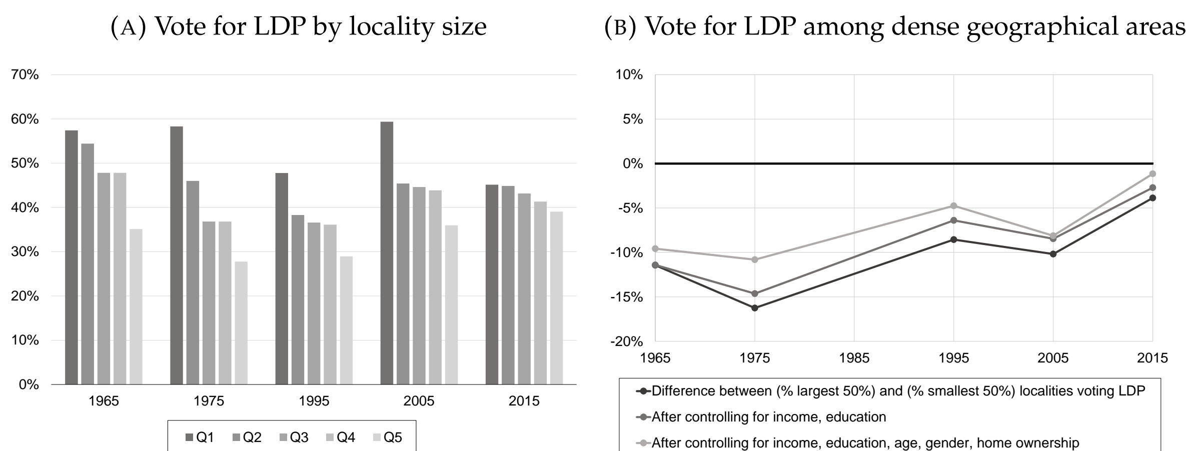
Source: author's computations based on Japanese Election Studies. *Interpretation*: in 1965, higher educated voters were more likely to vote left, while top earners were strong LDP supporters. In the 2010s, these divisions had entirely disappeared.

of time. The geographic repartition of the Japanese population significantly evolved during the past fifty years. In the surveys used for this section, the share of voters living in big cities (wards) doubled between 1963-1967 and 2009-2014, increasing from 18% to 36%. Simultaneously, the proportion of individuals living in towns or villages fell from 34% to 16% during the same period. For these reasons, looking at the evolution of the urban-rural cleavage requires controlling for compositional changes. As in the case of income and education, I will exploit frequencies of locality size based on the information provided on the geographical location of respondents in surveys.

Looking at the link between locality size and LDP support reveals the presence of very strong and persistent divisions between rural and urban areas (figure 7.5a). In the 1960s, nearly 60% of smallest localities voted for the party in power, compared to 35% of voters living in the largest 20% cities of Japan. This means that only 35% of inhabitants of wards voted for the Liberal Democratic Party, compared to 60% of voters located in towns or villages. Between 1965 and 2009, very little change was visible in this pattern: in most elections, more than 5 voters out of 10 in the smallest 20% localities voted LDP. As in the case of income and education, however, the rural-urban gradient was significantly lower in more recent elections. These trends become clear when decomposing geographical areas into two groups of equal sizes (figure 7.5b). Between the 1960s and the beginning of the twenty-first century, differences in LDP support between largest 50% and smallest 50% localities were comprised between 10 and 15 percentage points. Controlling for income and education slightly reduces this effect, as voters living in rural areas tended to be both less educated and poorer. These differences are also

FIGURE 7.5: Rural-urban cleavage in Japan, 1965-2013

(A) Vote for LDP by locality size (B) Vote for LDP among dense geographical areas



Source: author's computations based on Japanese Election Studies. *Interpretation*: in 1965, 37% of voters living in the 20% most populated localities of Japan voted LDP, and residents of top 50% largest localities were less likely to vote LDP by 11 percentage points. In 2015, differences in electoral behaviour between types of localities have decreased significantly.

lower when accounting for home ownership, because renters tended to both support the left and be located in cities. Nevertheless, *ceteris paribus*, rural areas were always less likely to vote for opposition parties until 2009. It is striking to see that rural-urban divisions followed the same evolution as the one found previously for economic and value divides. The DPJ's victory announced the end of what was usually considered to be the most important cleavage in Japanese society. With or without controls, geographical location seems to not have any significant effect on electoral behaviour today, in line with Chiavacci's (2010) recent suggestion.

7.9 Complete de-polarisation or new divides?

Three dimensions of political conflict described above – income, education, and locality size – have lost significance in recent years (table 7.3). Between 1967 and 2005, voters belonging to the highest household income decile were continuously more likely to support the Liberal Democratic Party than bottom 50% earners by about 10 percentage points. During the same period, university graduates were less likely to do so by 10 pp, and inhabitants of big cities by 10-20 pp. Together, these three dimensions of political conflict were determinant in structuring Japan's issue space and tightly linked to the LDP's strategy to remain in power. By sharing the benefits of economic growth with conservative rural areas at the same time it worked hand in hand with industrial leaders and bureaucratic elites, the party was able to remain in power for more than sixty years, despite strong compositional changes in the electorate.

The economic crisis of the 1990s and the replacement of the Japanese Socialist Party by the Democratic Party of Japan in the 2000s initiated a complete change in cleavage politics, as these three characteristics lost relevance in determining electoral behaviour. There are several

possible interpretations for this phenomenon. It may be that the DPJ actively took advantage of the 1990s and 2008 economic crises – as well as the internal dissents and multiplication of corruption charges within the LDP – to benefit from its status of new party and attract the LDP's traditional electoral base. In this view, dealignment would result from the DPJ attempting to compete with the LDP on equal grounds, defending similar views on economic and social policy. It is also entirely possible that this dealignment is only temporary. During the years

TABLE 7.3: Electoral behaviour in Japan, 1965-2015

	Dependent variable: LDP vote			
	1967-76	1993-1996	2003-2005	2009-2014
Income: Middle 40%	-0.003	0.028	0.045*	-0.038
	(0.021)	(0.025)	(0.024)	(0.033)
Income: Top 10%	0.123***	0.103***	0.120***	-0.048
	(0.035)	(0.039)	(0.039)	(0.054)
Education: Secondary	-0.019	-0.044	-0.060*	-0.020
	(0.024)	(0.031)	(0.031)	(0.044)
Education: University graduate	-0.131***	-0.094**	-0.127***	-0.007
	(0.037)	(0.040)	(0.041)	(0.054)
Age: 30-39	-0.048	-0.017	-0.116	-0.367***
	(0.032)	(0.046)	(0.082)	(0.116)
Age: 40-49	0.019	-0.022	-0.125	-0.315***
	(0.034)	(0.045)	(0.081)	(0.115)
Age: 50-59	0.096**	0.037	-0.140*	-0.352***
	(0.038)	(0.047)	(0.079)	(0.112)
Age: 60+	0.132***	0.094**	-0.017	-0.250**
	(0.040)	(0.048)	(0.078)	(0.112)
Gender: Male	-0.029	0.026	-0.034	-0.090***
	(0.021)	(0.023)	(0.025)	(0.031)
Locality: City	-0.133***	-0.081***	-0.161***	-0.041
	(0.024)	(0.029)	(0.030)	(0.050)
Locality: Ward	-0.214***	-0.110***	-0.209***	-0.047
	(0.032)	(0.035)	(0.039)	(0.056)
Home ownerhsip: Yes	0.152***	0.093***	0.029	0.007
	(0.024)	(0.026)	(0.032)	(0.041)
Number of observations	5530	5599	5267	2154
Number of clusters	1546	1929	1649	1040

Note: author's computations using Japanese Election Studies. All estimations are based on linear probability models applied to expanded datasets with robust standard errors clustered by individual (see methodology).
Standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

of political uncertainty that followed the subprime crisis, voters were highly uncertain of the LDP's and DPJ's relative abilities to solve the country's problems. In this context, the very low popular support for the 2009-2013 DPJ government could lead to a progressive realignment in future elections. Another interpretation is that this dealignment coincided with the emergence of new divides based on other social characteristics or collective beliefs. Interestingly, gender had a significant effect between 2009 and 2014, as men tended to support opposition parties by 9 percentage points (table 7.3). Another change is visible in the relationship between age and vote: in the 1960s, young voters were more inclined to vote for opposition parties; in recent years, the reverse is true, and voters aged 20 to 29 have displayed very high levels of support for the LDP.

7.10 Understanding Japan's transition to a 'divided society'

It is beyond this work to determine which of these interpretations is more relevant. Given Japan's specific political history, it would arguably be incorrect to interpret its party system in the same way as Western democracies'. Instead of considering changes in political cleavages as related to right and left shifts, Japan's history seems to fit a framework focusing on single-party dominance and its evolution better. In any case, the contrast between very stable cleavage structures during the second half of the twentieth century and the sudden dealignment of three important cleavages of the Japanese society suggests that major changes are under way.

When looking at the co-evolution of income inequality and political competition in Japan, it appears clearly that rising income disparities since the 1990s have coincided with the end of the country's historical balance of political power, which had ensured that all citizens could benefit from capitalist accumulation. There are several dimensions to these transformations. The LDP's shift towards neoliberal programs during the 1990s and 2008 recessions is one of them. Even if it is hard to know whether the policies implemented by the subsequent LDP governments of the 2000s did contribute directly to increasing social inequalities, the Liberal Democratic Party has indeed explicitly abandoned the idea that equality should be one of its primary policy goals (Chiavacci, 2010; Hrebenar and Nakamura, 2015).

Yet, growing inequalities have not been associated with the emergence of a class cleavage. Neither have they been compensated by strong pressures from left parties to implement the policies required to curb these trends. Quite the contrary: even if the Democratic Party of Japan based its appeal in part on bringing back the 'Japanese model', the policies it implemented were not very different from those of the LDP. In contrast with the Japanese Socialist Party, which was clearly located to the left of the political spectrum, the DPJ was composed of heterogeneous conservative and progressive elements from both the LDP and left parties. Its separation into the Constitutional Democratic Party and the Party of Hope in 2017 revealed the failure of the temporary two-party system which emerged in the 2000s. Interestingly, changes

in Japan's political space and rising income inequality since the 1990s also coincide with a significance decrease in electoral turnout. This is consistent with the hypothesis that ideological de-polarisation and the absence of strong left-wing challengers to the LDP and DPJ have led some voters to lose interest in the political process.

Finally, policy implementation takes time and involves a stable representation of different social groups' interests. In the postwar period, such conditions were met by the LDP's ability to redistribute economic wealth to the countryside and to promote equality of opportunity in the long run. Since the 1990s, however, economic and political crises have contributed to destroying the foundations of the Japanese model. As Hrebenar (2015) recently concluded, "Japanese party politics in the twenty-first century is one of political chaos, policy stalemate, leadership change and uncertainty". In this context, it is not surprising to see that little has been done to curb rising inequalities in the country. Not only have the historical foundations of distributive politics in Japan collapsed in the past twenty years of democracy; they have been replaced by a party system characterised by voter dealignment, low participation and unstable coalitions. Will the volatility of Japan's second postwar party system be sustainable? Given the LDP's capacity to gain back popular support, will cleavage structures return to what they were until the end of the 1980s? Or could Japan's transition to a 'divided society model' eventually lead to new class-based divides?

Chapter 8

The politicisation of economic inequality: towards a comparative framework

In chapters three to seven, I drew parallels between cleavage structures and income inequality dynamics in five countries, highlighting the specific historical factors associated with voter dealignments or realignments. I attempted to make sense of country-specific evolutions, while linking these changes to the general framework developed in chapter one. I will now turn to a discussion of these results, which will open the way towards a more general comparative analysis. The main objective of this chapter is not to estimate empirically the impact of different political factors on economic inequality, but rather to compare the evolutions of party politics and electoral behaviour in a restricted set of countries. Even though this is only a partial analysis, it does open some interesting lines of discussion for future research.

Political parties, individuals' beliefs, elections and policies should be considered jointly. In chapters three to seven, I did so by contextualising observable changes in electoral behaviour and income inequality. In what follows, I will try to connect more precisely some of these dimensions. Section 1 compares the evolution of income inequality in Australia, Canada, Japan, Brazil and South Africa by bringing together different political dimensions of economic inequality into a single theoretical framework. Section 2 focuses on the emergence of multiple elites party systems in eight developed democracies by linking cleavage politics to the spatial structures of party competition.

8.1 A comparative analysis of economic inequality in Australia, Canada, Japan, Brazil and South Africa

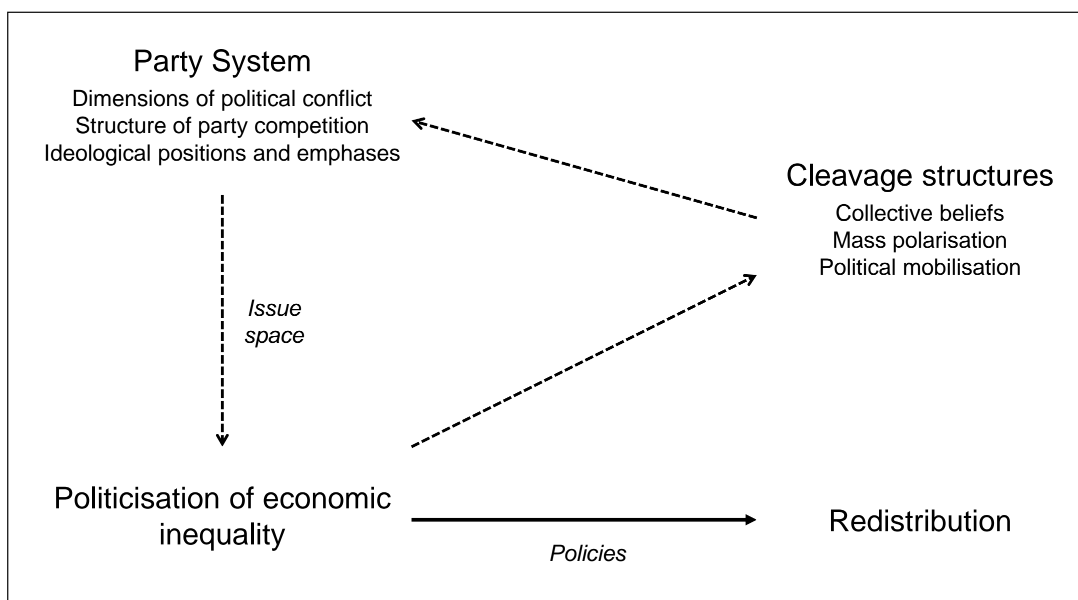
In this section, I will attempt to compare the different findings of chapters three to seven by bringing together the political factors associated with rising or declining income inequality in Australia, Canada, Japan, Brazil and South Africa. These countries are extremely different in their political histories, levels of economic development or structures of electoral competition. This precludes the possibility of building a general theoretical model explaining the evolution of economic inequality in these countries with the same contextual factors. They do however have common features: they are democracies with relatively regular general elections, and a form of electoral competition between parties emphasising different dimensions of political conflict. The fact that these countries are very different may not be only a disadvantage; it may ultimately tell us what the limits and insights of the analysis of distributive politics in democracies taken as a whole are. First, I will propose a simple analytical framework linking parties and voters to the implementation of redistributive policies. I will then attempt to apply this framework to the analysis of income inequality dynamics in the five countries studied in this work.

8.1.1 A simple framework connecting cleavage structures to distributive politics in democratic regimes

In chapter one, I explored the main political factors associated with economic inequality. In particular, I highlighted three channels through which the representation of political conflicts could be connected to rising income or wealth disparities. First, the fact that democracies are characterised by political parties competing over multiple dimensions implies that economic redistribution may become more or less salient in policy objectives, or even unanimously considered as harmful by ruling elites. Secondly, the ways by which voters choose to support political leaders constitutes a fundamental determinant of parties' incentives to emphasise redistribution and implement the corresponding policies. Finally, collective mobilisation and mass polarisation are closely linked to both parties' strategies and individuals' behaviours. If parties get direct electoral gains from mobilising low income voters, then the participation of such voters will contribute to equalising the representation of different income groups in the political space, thereby generating incentives for other parties to propose higher levels of economic redistribution.

I will now propose to combine these three channels into a more general framework (figure 8.1). In any 'full democracy' – understood here as a country in which civil liberties are enforced by democratic institutions –, at least two parties compete for political power and popular support from voters. They thus propose bundles of policies, which reflect multiple dimensions of political conflict. These dimensions are articulated by the structure of party competition: depending on the number of effective parties and their relative positions, policies may be more

FIGURE 8.1: A simple analytical framework for understanding distributive politics in democracies



or less 'unbundled'. Together, the multiple dimensions of political conflict, the ways by which they translate into institutional entities, and the programmatic contents conveyed by these entities form a *party system*.

If political parties aim to maximise their vote shares, while fulfilling their ideological commitments, then strategic interactions between competitors should lead to the formation of policy bundles. The composition of these bundles and their differences generate an equilibrium defining the *issue space*. Broadly speaking, the issue space can be conceptualised as a set of salient political matters, which are critical in voters' minds and have a significant influence on the outcome of an election. If parties of significant importance build their appeal on reducing social and economic inequalities, then these issues are likely to be at the heart of political competition. In that case, inequalities are said to be *politicised*. In other words, a social or ideological divide is politicised if it occupies a central place in the issue space.

The central argument here is that redistributive policies are the direct consequence of politicisation. If major political parties emphasise the need for more redistribution, then we should expect party competition to produce the policy outcomes required to reduce income disparities. On the contrary, when political parties agree that taxes should be less progressive or social transfers to low income earners reduced, inequalities are likely to increase. Furthermore, if there are external economic factors leading to rising inequalities – such as globalisation or technological change – then the reactions of party systems to these challenges are predicted to be conditioned on the relative importance of different dimensions of political conflict. If parties compete exclusively on values such as traditional morality or immigration, for instance,

then economic inequality will be de-politicised. As a result, the issue space will not generate the political reactivity required to face these problems and curb rising inequalities.

Proposition 1 (supply-driven redistribution): *increases or decreases in economic inequality are linked to (1) the ideological positions of political parties on economic matters and/or (2) the relative salience of redistribution in the issue space.*

It is important to determine how voters both react to the issue space and influence its outcomes. On the one hand, individuals have a direct influence on the party system, since the issue space is at least partly the result of the processes by which collective beliefs are translated into political competition. However, since political parties tend to represent the beliefs of their core constituencies, they are likely to be more sensitive to issues which are particularly important to their electorate. When voters are polarised over specific dimensions of political conflict and mobilised to defend their interests, we should therefore expect the party system to politicise these issues. A simple example of this mechanism is electoral turnout: when a large fraction of low income voters choose to abstain, the party system will be biased towards the beliefs of economic elites. On the other hand, the issue space is likely to have a direct influence on voters' beliefs and mobilisation efforts. If political parties emphasise exclusively immigration policies, for instance, individuals are likely to vote based on their beliefs about this issue. Meanwhile, low income voters who tend to value redistribution more will have lower incentives to mobilise if such problems are not emphasised by parties. Collective beliefs, political mobilisation, and voter alignment generate the *cleavage structures* which form the basis of electoral behaviour.

Proposition 2 (electoral feedback): *increases in economic inequality are associated with cleavage structures characterised by (1) blurred economic or class divides (2) polarisation over other dimensions of political conflict and/or (3) low mobilisational efforts and reduced political information.*

Redistribution can be apprehended as the result of changing *equilibria*. In a 'positive' equilibrium, low income voters believe that redistributive policies are beneficial to their interests and they are actively engaged in defending them through electoral mobilisation, dense social networks, unions and other collective bargaining institutions. As a result, parties will have incentives to politicise distributive issues and to carry out the measures required to tackle economic inequalities. In a 'negative' equilibrium, citizens are highly divided on other dimensions and do not believe in the ability of political institutions to enforce social equality. Parties will thus be induced to focus exclusively on these dimensions and to ignore problems connected to income or wealth disparities.[1]

[1] This framework can therefore be seen as a direct extension of the Iversen and Soskice (2015) model (see chapter one). Iversen and Soskice's argument is essentially based on information: when voters are uninformed, they tend to be politically 'de-polarised' and to lack the mobilisational capacities required to push for more redistribution. The theory developed in this section builds upon this idea by looking at mass polarisation through the lens of electoral politics.

Proposition 3 (changing equilibria): *redistribution is the result of changing political equilibria. When voters are mobilised and polarised over distributive conflicts, political parties will tend to politicise economic inequalities and carry out the policies required to reduce them. In turn, the politicisation of inequality in the issue space will incentivise voters to mobilise and polarise along these lines.*

Notice that one interesting prediction of this framework is that changes in political equilibria can be both supply- or demand-driven. The sudden emergence of a charismatic leader successfully organising low income earners to push for redistribution can lead the political space to shift towards a positive equilibrium. On the other hand, economic instability can trigger a self-sustaining decrease in the citizens' interest in politics and favour their rising distrust in political institutions. Therefore, this theory calls for a contextualised analysis of both critical junctures and stable patterns of political competition. In what follows, I will argue for the validity of these predictions by briefly comparing the evolution of economic inequality in the five countries studied in chapters three to seven. I will then turn to studying the link between the issue space and cleavage structures by comparing the emergence of multiple elites party systems in advanced democracies.

8.1.2 Testing theories of distributive politics in five democracies

One way of testing the implications of this theory would be to gather synthetic indicators on parties, voters and economic inequality and to estimate an empirical model. Yet, given the very different political and economic contexts characterising the five democracies in question – Brazil, South Africa, Australia, Canada and Japan – I will opt for a different strategy. By bringing together my estimations of the long-run evolution of cleavage structures, elements of political history, and income inequality estimates, I will attempt to draw on the above-mentioned mechanisms to propose a comparative analysis.

The role of cleavage structures

Table 8.1 provides a synthetic overview of some of the political factors associated with income inequality dynamics identified in chapters three to seven. Strong 'class' or 'economic' cleavages are usually associated with periods of declining income disparities. In Australia from the 1960s to the 1970s, subjective social class and income were the main determinants of electoral behaviour. During the same period in Canada, the New Democratic Party attracted both lower educated and low income earners. In Brazil's last three elections, massive support from poorer families has been determinant in keeping the Workers' Party in power. This is consistent with proposition 2: when individuals are polarised over economic matters, political parties will have incentives to politicise inequalities and to include them in their main policy goals.

TABLE 8.1: Cleavage structures and distributive politics in Australia, Canada, Japan, Brazil and South Africa

	Income inequality	Cleavage structures	Issue space / Party system	Political mobilisation
Australia				
1960-1980	-	Class divides	Economic polarisation	High mobilisation
1980-2015	+	Declining class divides Multiple elites party system	Moderation of the Labor Party 'New politics' issues	Declining interest in politics
Canada				
1960-1990	-	Religious and regional divides Class divides (New Democratic Party)	Trudeau period ('Just Society') Social policies	High mobilisation
1990-2015	+	Multiple elites party system	'New politics' issues Party system fragmentation	Declining mobilisation Rising inequality in participation
Japan				
1960-1990	-	Rural-urban cleavage Value cleavages	Dominant-party system 'Middle-class' society	High mobilisation
1990-2015	+	Dealignment	Uncertainty and volatility	Declining mobilisation
Brazil				
1989-2002		Multiple elites party system	Economic performance	Low party identification
2006-2014	-	Economic divides	Poverty	Increasing identification (PT)
South Africa				
1994-2014	+	Racial cleavages Blurred class cleavage	Dominant-party system Liberal social policies	Low political reactivity 'Punishment regime'

Conversely, during periods of time when income disparities are rising, other dimensions of political conflict seem to 'overtake' distributive issues. The archetypical example of this mechanism is post-apartheid South Africa, where racial divides have remained so omnipresent that differences in levels of economic security between Blacks have entirely been excluded from the political space until today. Similarly, in the first thirteen years of Brazil's new democracy, voters were essentially separated into a young, urban intellectual elite and the rest of the population, which contributed to blurring conflicts emerging from the extreme levels of income inequality in the country. Australia and Canada since the 2000s are two examples of 'multiple elites party systems': while top earners have continuously chosen to support right-wing parties, university graduates have shifted towards the left of the political spectrum, thereby diversifying the electoral base of traditional left parties. Postwar Japan at first seems to be an outlier, as social cleavages were mainly determined by geographical location and levels of education from the 1960s to the 1990s. Yet, the fact that rural areas were significantly poorer than cities also implied that ruling elites had an incentive to equalise economic and social opportunities.

The role of issue spaces and party systems

These correlations are better understood when linked to the policies and issue spaces they have contributed to sustain. In Australia and Canada, periods of declining inequality directly correspond to the implementation of social policies. From the 1960s to the 1980s, both the Australian Labor Party and the New Democratic Party in Canada were working hand in hand with labour unions and deploying considerable political efforts to defend the interests of workers and reduce income disparities. In Canada, the Liberal Party supporting Pierre Trudeau's 'Just Society' also embraced the need for social reform and implemented a range of welfare measures dedicated to providing financial aids to families in need. These crucial periods of development of welfare states, as in many other old democracies, coincided with significant decreases in economic inequalities. Rising income disparities in developed countries, on the other hand, have coincided with both a moderation of left parties' ideological bases and the emergence of new divisive issues. In Canada, it took the form of a fragmentation of the party system in the 1990s and increasing support for Liberals and New Democrats among higher educated voters. In Australia, the deregulations and budget cuts implemented during the Hawke and Keating Labor governments have shifted the political centre of gravity to the right for economic matters. At the same time, 'new politics' issues have been increasingly represented in the issue space, a trend which is reflected by the increasing vote shares of the Australian Greens.

To some extent, even if historical contexts are very different, the implementation of welfare policies in Brazil from 2002 to 2014 represent a similar form of political equilibrium. Under the presidencies of Lula and Rousseff, the primary policy goal was to eradicate absolute poverty,

and social programs such as the *Bolsa Familia* played a direct role in making this strategy profitable electorally. In this sense, Brazil is a typical example of a 'supply-driven' movement towards a new political equilibrium. The 1990s were characterized by a volatile electorate: re-election was mainly conditioned by the government's ability to sustain economic growth. In contrast, the implementation of social transfers and welfare programs under Lula's government led to a new equilibrium in the issue space, as voters now visibly align along distributive issues.

Finally, Japan's first postwar party system and South Africa's new democracy are interesting cases to compare, since they are both dominant-party systems but followed very different trajectories. From its creation until the 1990s, the Liberal Democratic Party in Japan obtained a majority in every general election held in the country and contributed directly to developing the 'middle-class' society model, which promoted equality of opportunity and low economic disparities. I argued in chapter seven that the success of the Japanese model was at least partly the result of a very specific structure of incentives. As ruling elites were mainly supported by poorer rural voters whose share in the overall population was rapidly declining, their hegemony was conditioned on their ability to deliver the social equality required to receive mass support from the population. In South Africa, on the contrary, the unanimous support for the African National Congress among the Black population has not been connected to its redistributive achievements; it has been the result of its historical role in ending the apartheid regime and of the absence of serious challengers to the left of the political spectrum. As a result of this process, the liberal social policies implemented by the ANC have not faced the organised resistance required to politicise distributive conflicts.

The role of political mobilisation

I will conclude by briefly commenting on the elements of collective mobilisation which were identified to correlate with inequality dynamics in chapter 1. One result which is visible in all countries is that periods of rising income disparities coincide with low mobilisational efforts to curb this trend. In Canada, following a period of political crises in the 1990s, electoral turnout decreased dramatically, and inequality in political participation jumped to very high levels. A similar decline in participation is visible in Japan at the exact same period: in a context of high uncertainty and frequent government changes, voters started to gradually lose interest in participating to general elections. Even if voting is compulsory in Australia, interest in politics has also substantially decreased among voters since the 1990s. Brazil represents the opposite case: following the election of Lula in 2002 and strong declines in poverty rates, party identification for the Workers' Party significantly rose.

Together, these joint dynamics provide strong support for our comparative framework. Periods of stagnating or declining income inequality are characterised by specific political equilibria in which voters are mobilised and political parties are actively engaged in enforcing social equality. On the contrary, periods of rising income inequality are marked by shifts of the issue

space towards other societal conflicts, higher political uncertainty and lower mobilisation or interest in the democratic process among voters.

8.2 Party politics and voter alignment in eight western democracies

8.2.1 Emerging multiple elites party systems?

In chapters three to seven, I supported the idea that Australia and Canada have gradually become 'multiple elites party systems': left parties are now supported by higher educated voters, while top income earners are still significantly more likely to support right-wing parties. I will now explore into more detail the historical processes behind these transitions, by comparing the evolution of cleavage structures in Australia, Canada, France, the United Kingdom, the United States, Italy, Portugal, and Spain.[2]

I will focus on estimates controlling for structural changes in the composition of electorates. Based on the education levels reported in surveys, the education indicator compares vote shares for left parties among higher educated (top 10%) and other (bottom 90%) voters (see methodology). Similarly, income deciles are computed by exploiting brackets or a continuous variable when available. These estimates have clear advantages over traditional measures such as years of education of log-deviations from the average income in the survey. First, they exploit *frequencies* of education degrees or income brackets in a general way, without making assumptions about the country-specific meanings of the levels of these variables. Secondly, they allow for a decomposition of the voting population into groups which are comparable over time, rather than comparing levels which may hold different meanings at different time periods.

Another issue is that other available demographic variables are usually not harmonized across countries. However, one of the findings of Piketty (2018) common to France, the UK, and the USA, and of this work for Australia and Canada, is that adding control variables usually slightly changes the level of coefficients but not the main changes observed. I therefore chose to compare estimates which control for all available characteristics. Since the main objective is to look at common trends between countries, this is not too problematic. Finally, another concern is that the binary distinctions between 'left' parties and 'right' parties should be comparable across countries. To the extent that these democracies have been historically characterised by relatively clear and explicit distinctions between communist, social-democratic, liberal, conservative, and nationalist parties, this is not too problematic. For Australia, I used the same categorisation as in chapter five. For Canada, I looked at choices between the New Democratic Party and the Conservative Party, since the Liberal Party has traditionally been located at the

[2] Results for France, the UK and US come from Piketty (2018). Results for Italy, Portugal and Spain come from ongoing work with Clara Martínez-Toledano.

centre of the political spectrum. Left-wing parties in France include the *Parti Socialiste*, communist parties and ecologist parties (see Piketty, 2018). The Labour Party and the Democratic Party are considered to be the traditional left-wing parties in the UK and in the USA, respectively. For Italy, Spain, and Portugal, left and right are defined by inferring parties' positions from voters' average perceptions of their orientation on a left-right scale.[3] In most countries, these natural separations yield relatively stable vote shares over time, which ensures that we are capturing structural changes rather than movements in specific parties' popularity.

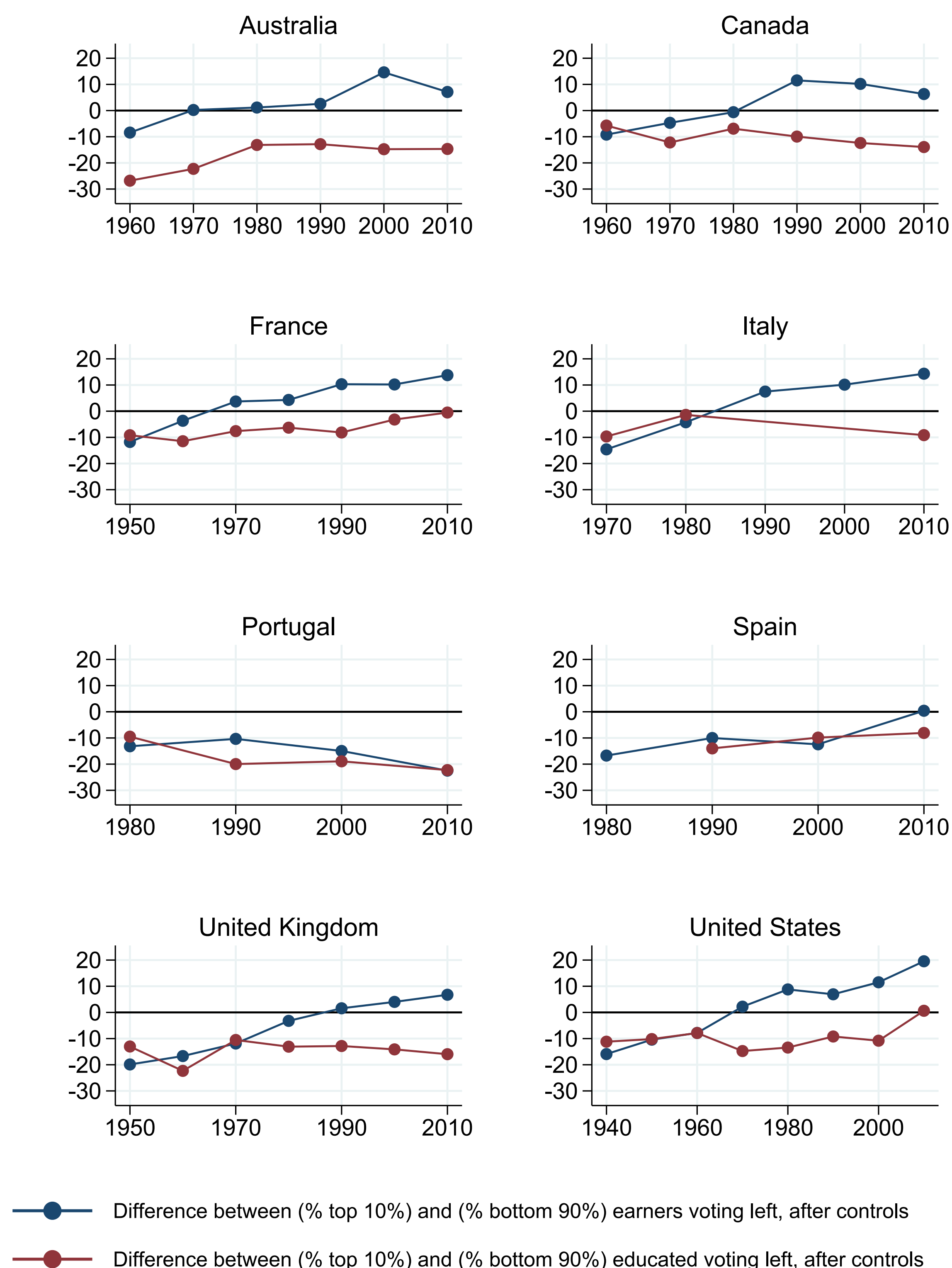
In all eight countries except Portugal, there are clear signs of a convergence towards multiple elites party systems, which are visible from the growing gap between the independent effects of income and education (figure 8.2). In the 1950s and 1960s, economic and value cleavages were aligned: both lower educated voters and low income earners were more likely to vote for left parties. In the 2000s and 2010s, on the other hand, higher educated voters are now more inclined to choose the left of the political spectrum. There also are interesting differences between countries. In France, the UK, and the USA, the shift of higher educated voters towards the left of the political spectrum has been very progressive and almost linear, whereas it arrived suddenly in the 1990s and 2000s in Canada and Australia respectively. Even if top earners are almost systematically more likely to support right-wing parties, this effect also varies across countries and periods of time. Australia and the UK are characterised by strong oppositions between rich and poor, which have remained relatively stable. In the United States and France, on the other hand, the 2016 and 2017 elections seem to have come with a complete depoliticisation of class divides.

There are two complementary explanations which may account for these differences. According to the bottom-up approach to electoral behaviour, the emergence of value-based cleavages in advanced democracies could be the result of macro-historical processes which have led individuals to oppose on new issues. The top-down approach, on the other hand, focuses on the role played by political parties' ideological positions and emphasis put on specific divisive issues. In this view, changes in the determinants of electoral behaviour would be caused by the fact that parties converge on specific dimensions of political conflict but fiercely compete on others, for reasons which may at least be partially independent from voters' beliefs.

Both approaches have their pros and cons and probably capture different aspects of the same reality. In practice, it is likely that political parties are generally sensitive to the beliefs dividing their electorate, but react to these divisions in very different ways. The fact that multiple elites party systems have gradually arisen in most of the countries studied here suggests that there are societal conditions favouring this process. Yet, the fact that such transitions have not occurred in Portugal and Spain shows that these conditions do not automatically translate into the politicisation of such divides. These results provide strong support for the idea that looking at party politics is necessary to understand cleavage structures. In what follows, I will

[3]In Italy, the *Movimento 5 Stelle* is included with left parties since it was categorised by voters as such, but excluding it from the analysis leaves the main results unchanged.

FIGURE 8.2: Multiple elites party systems in advanced democracies



Note: author's elaboration based on author's computations for Australia and Canada, Piketty (2018) for France, the United Kingdom and the United States and ongoing work with Clara Martínez-Toledano and Thomas Piketty for Italy, Spain, and Portugal. All series control for available socio-demographic characteristics: age, sex, wealth, father's occupation for France, the UK and the US; age, gender, rural/urban location for Australia; age, sex, marital status, region and religion for Canada; age and sex for Italy, Portugal, and Spain.

briefly explore the top-down approach to account for observable differences between these eight countries.

8.2.2 From voters' behaviours to parties' programmatic positions

In order to apprehend the emergence of multiple elites party systems through the lens of party politics, I directly borrow the approach of Geoffrey Evans and his co-authors in a recent contribution, *Political Choice Matters: Explaining the Strength of Class and Religious Cleavages in Cross-National Perspective* (Evans and De Graaf, 2012). Based on post-electoral surveys and data from the Comparative Manifesto Project, the authors attempt to draw parallels between political parties' programs and class-based voting in more than ten Western democracies. I will apply this method to the emergence of multiple elites party systems, focusing on spatial competition along two dimensions.

Bakker and Hobolt (2012) have developed four simple and convincing measures of parties' positions based on data from the Comparative Manifesto Project (table 8.2). First, the economic dimension of political programs is separated into left and right, based on parties' emphasis on issues such as productivity, market regulation, welfare expenditures, protectionism, or social justice. The 'value-based' dimension separates 'authoritarian' emphases (law and order, traditional morality...) from 'libertarian' emphases (environmental protection, multiculturalism, protection of minorities, international peace...), and is therefore a measure of the 'new politics' issues which are arguably connected to the realignment of higher educated voters towards the left of the political spectrum. More precisely, CMP scores correspond to the share of manifestos dedicated to a specific issue. If the 'social services limitation' component takes a value of 20 for party A, for instance, this means that 20% of party A's manifesto focused on the need to cut social spendings.[4]

In order to make simple comparisons between countries and periods of time, I choose to boil down these four measures to two by subtracting the right and left indicators of the economic and value dimensions. More precisely, I define a 'left-right economic position' and a 'left-right value position' as:

$$\begin{aligned}\text{Left-right economic position} &= \text{Economic right emphases} - \text{Economic left emphases}\\ \text{Left-right value position} &= \text{Authoritarian emphases} - \text{Libertarian emphases}\end{aligned}$$

These two measures range theoretically between -100 and 100. A left-right economic position of 100 (-100) means that the corresponding party dedicated its entire manifesto to right-wing (left-wing) economic issues. Conversely, a value of 0 means that it emphasised right-wing and

[4]Electoral manifestos are public texts issued by political parties in which they outline their policy proposals for the forthcoming general election. The Comparative Manifesto Project dataset is coded by splitting manifestos into 'quasi-sentences' which are meant to contain exactly one statement or 'message'. Saying that 20% of party A's manifesto focused on the need to cut social spendings therefore means that 20% of the manifesto's quasi-sentences were dedicated to this issue.

TABLE 8.2: Bakker-Hobolt's modified CMP measures

A. Economic left-right dimension	
Right emphases	Left emphases
Free entreprise (401)	Regulate capitalism (403)
Economic incentives (402)	Economic planning (404)
Anti-protectionism (407)	Pro-protectionism (406)
Social services limitation (505)	Social services expansion (504)
Education limitation (507)	Education expansion (506)
Productivity: positive (410)	Nationalisation (413)
Economic orthodoxy: positive (414)	Controlled economy (412)
Labour groups: negative (702)	Labour groups: positive (701)
	Corporatism: positive (405)
	Keynesian demand management: positive (409)
	Marxist analysis: positive (415)
	Social justice (503)

B. Libertarian-authoritarian dimension	
Authoritarian emphases	Libertarian emphases
Political authority (305)	Environmental protection (501)
National way of life: positive (601)	National way of life: negative (602)
Traditional morality: positive (603)	Traditional morality: negative (604)
Law and order (605)	Culture (502)
Multiculturalism: negative (608)	Multiculturalism: positive (607)
Social harmony (606)	Anti-growth (416)
	Underprivileged minority groups (705)
	Non-economic demographic groups: positive (706)
	Freedom-human rights (201)
	Democracy (202)

Source: Bakker and Hobolt (2012). Numbers correspond to items in the Comparative Manifest Project Database (`https://manifesto-project.wzb.eu/`). The four measures are computed as the sum of percentages that political parties dedicate to each of the corresponding issues in their manifesto. Therefore, they theoretically range between 0 and 100.

left-wing issues in similar proportions. Notice that the method used to build the Comparative Manifesto Project database implies that we are measuring salience and not position. In practice, two parties could dedicate an equal share of their manifestos to proposing increases in welfare expenditures while arguing for very different policies. This is an important limitation to keep in mind. Furthermore, due to specific political contexts, to measurement error and to the fact that we are subtracting sums over multiple dimensions of political programs, the absolute values of these two indicators may not always accurately predict whether a political party's position on a specific dimension was 'left-wing' or 'right-wing'. For this reason, I will focus on comparing relative values, which can provide an estimate of the distance between parties, and therefore of the relative representation of value-based versus economic-based divides in the political space. The following analysis will use these measures to compare the

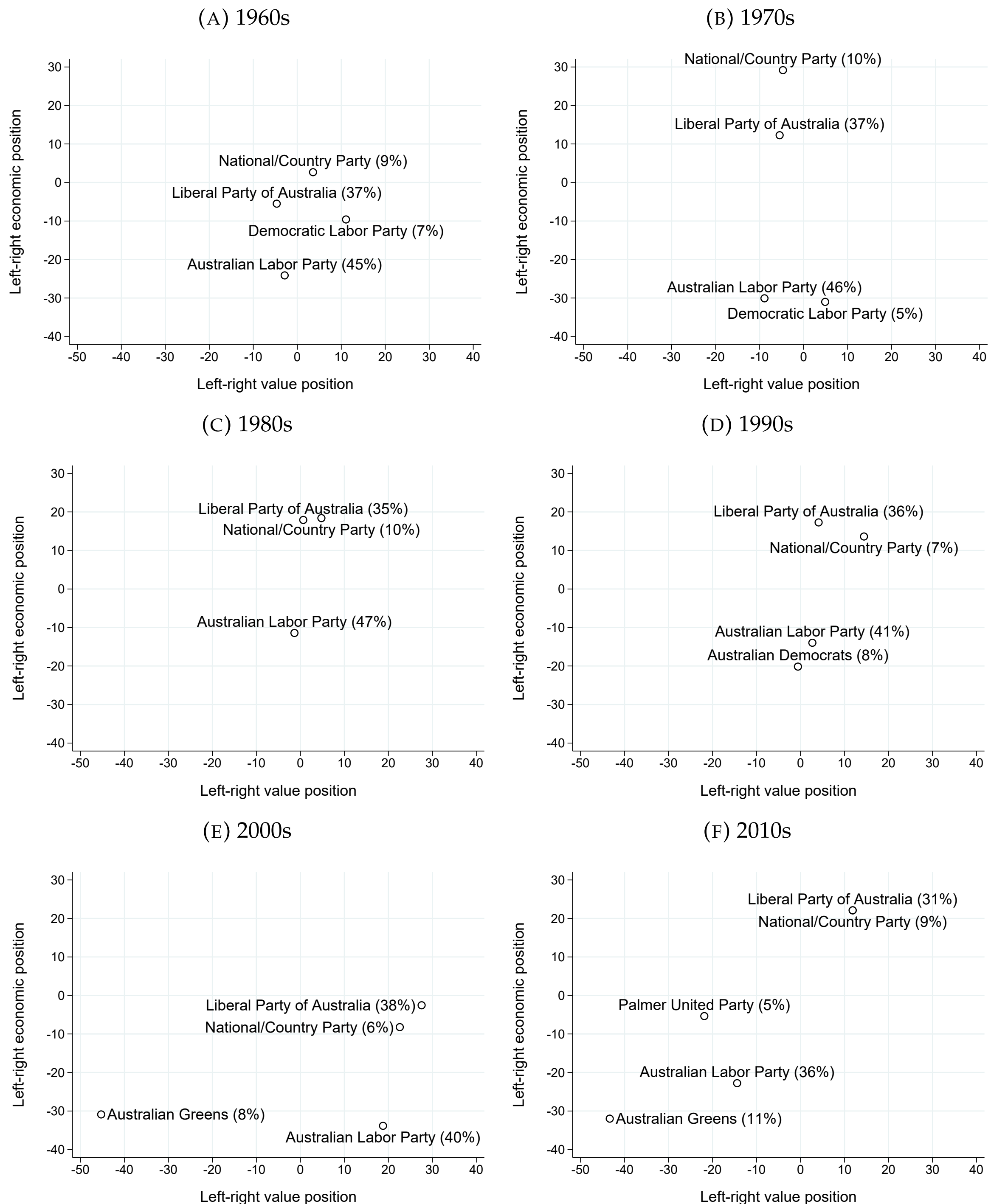
polarisation of party politics over these two dimensions in the eight countries. Despite the limits of such indicators, looking at their distribution across the political spectrum can help understand some of the differences in cleavage structures between these democracies.

8.2.3 Spatial dynamics of party competition in Australia and Canada

I will start by considering the relevance of the top-down approach in explaining the emergence of multiple elites party systems in Australia and Canada. Political competition in Australia during the second half of the twentieth century almost exclusively focused on economic matters, as the distance between parties in their left-right economic positions was much larger than in their libertarian-authoritarian positions (figure 8.3). During the 1960s and the 1970s, the Australian Labor Party and the Democratic Labor Party captured about 50% of vote shares and emphasised more issues linked to market regulation, social justice, or economic planning than the Liberal/National coalition. The Bakker-Hobolt scores suggest that conflicts over economic policy reached extreme levels during the 1970s: the Australian Labor Party dedicated at least 30% of its manifesto to left-wing economic policies, while the National/Country parties dedicated an approximately equal share to right-wing economic policies. This is consistent with the fact that class-based voting – measured by the adhesion to a subjective social class – was particularly strong during this period, concomitantly to the implementation of numerous social reforms under Gough Whitlam's mandate (see chapter five). One may also notice that the political centre of gravity slightly shifted to the right on economic matters from the 1980s to the 2000s, which is consistent with the moderation of the Labor governments from 1983 to 1996. Even if there are some fluctuations, it clearly appears that Australian political parties' scores on libertarian-authoritarian emphases between the 1960s and the 1980s were very close to zero, and that they were not significantly different from each other. In the 1990s, however, the National/Country parties moved slightly to the right on this dimension, and the emergence of the Australian Greens in the 2000s (capturing about 8% of vote shares) created the conditions for new value-based divides. In the 2010s, these divides fully materialised into the party system. Departing from the class-based politics of the 1960s and 1970s, Australian parties seem to have gradually polarised over a new dimension of political conflict.

Similar transformations appear even more strikingly in the case of Canada. From the 1960s to the 1980s, Conservatives, Liberals and the New Democratic Party (NDP) cumulated about 90% of vote shares and were mainly competing on issues concerning the economy (figure 8.4). In the 1990s, however, the explosion of Canada's party system introduced a new dimension to the political space, which is visible from the large difference in the left-right value positions of the New Democratic Party (-25) and the Reform Party (+19). The politicisation of these new divides resisted to the decline of the Reform Party in the 2000s. In the 2010s, Liberals and the NDP dedicated a non-negligible share of their manifestos to libertarian issues, while the Conservatives emphasised on more authoritarian positions.

FIGURE 8.3: Party politics in Australia, 1960s-2010s



Note: author's computations based on data from the Comparative Manifesto Project and on Bakker-Hobolt's modified CMP scores Bakker and Hobolt (2012). *Interpretation*: in the 2010s, the Liberal Party of Australia dedicated a larger share of its manifesto to right-wing economic policies than to left-wing economic policies by 20 percentage points. It also dedicated a larger share of its manifesto to right-wing value-based issues than to left-wing value-based issues by 10 percentage points. Popular vote shares at the first round of general elections are shown in parentheses.

It becomes apparent that the critical junctures which led to the emergence of value-based divides in Australia and Canada coincide almost perfectly with sudden changes in the cleavage structures of these two countries. In Australia, the fact that higher educated voters became more likely to vote left at the beginning of the 2000s seems to be directly associated with the creation of the Australian Greens and to the subsequent polarisation of traditional Australian parties along value-based positions in the 2010s. The same shock can be seen in Canada: while university graduates were about as likely as other voters to support the New Democratic Party in the 1980s, they suddenly shifted towards the NDP in the 1990s, at the same time as the Reform Party was created and that Liberals and Conservatives started to oppose on value-based issues. Even if Bakker and Hobolt's scores make comparisons of absolute values difficult, they provide strong support for the idea that changes in cleavage structures are tightly connected to historical shocks to the issue space.

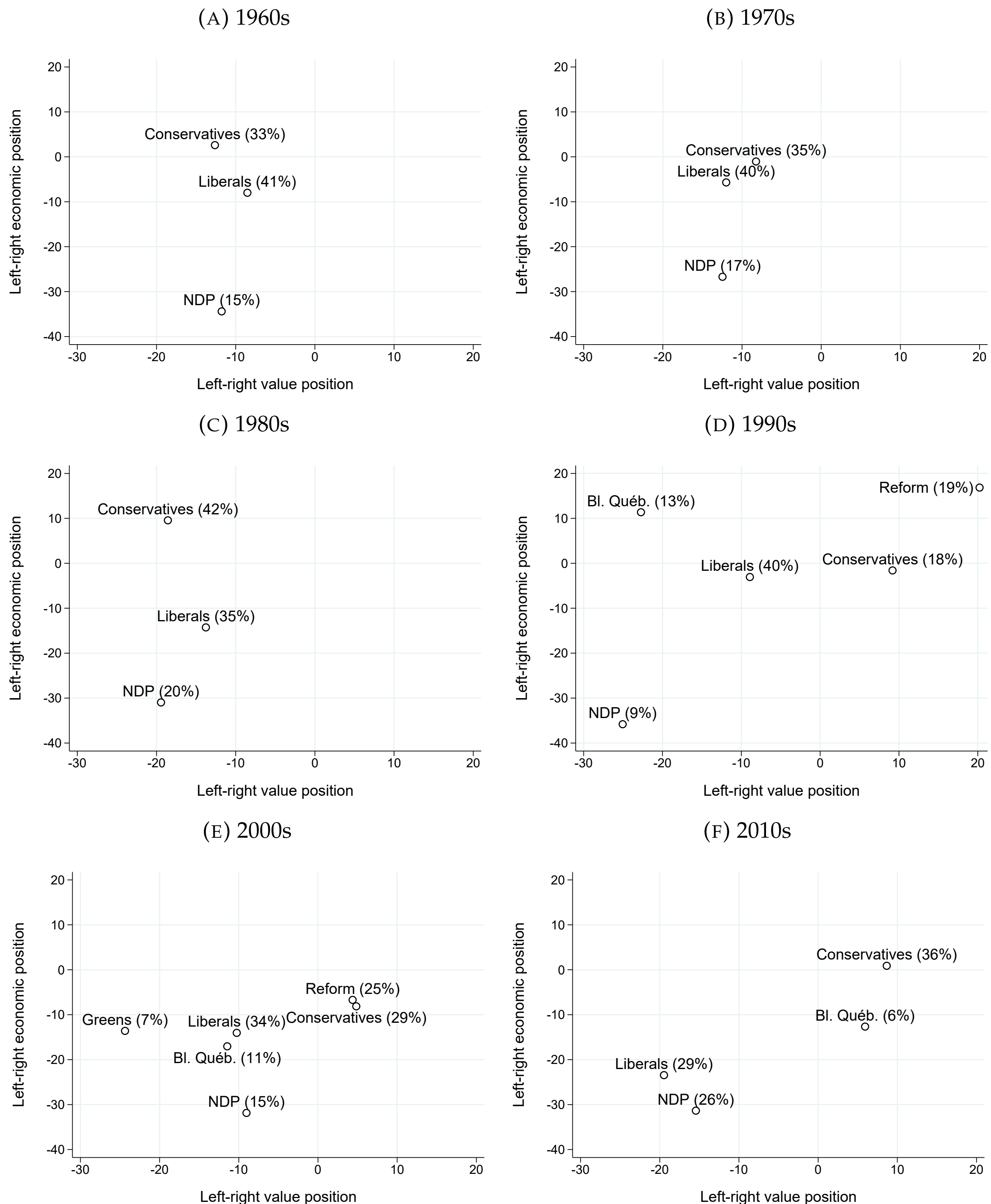
8.2.4 Party competition in the aftermath of the 2008 crisis

I will now briefly extend this analysis to all eight countries, by comparing electoral behaviour and party politics in their last general elections. Why has a multiple elites party systems not arisen at all in Portugal? And why do differences in party support between income groups significantly vary across countries?

First, in all the countries where higher educated voters were a majority to support left-wing parties in the last general elections, a value-based divide was clearly materialised by the party system (figure 8.5). This cleavage arose within the existing party system in Canada and in the USA, as traditional parties managed to incorporate these new issues in their programs. In France, Italy, Spain, or the United Kingdom, on the other hand, the political representation of authoritarian-libertarian divides has been associated with a partial fragmentation of the party system. In Italy, for example, the *Movimento 5 Stelle* forged itself a place in the political space putting the emphasis on radical social justice, environmentalist principles, and direct democracy. In the United Kingdom, the UK Independence Party built its popular support from euroscepticism and immigration issues.

The 2017 French election is an emblematic case of a disintegration of traditional class conflicts. The *Front National* emphasised right-wing value-based issues much more than any other competitor, but was actually located closer to the left on economic matters. The political space obtained from Manifesto data maps remarkably well onto Piketty's (2018) finding that French voters converged towards a 'four-quarter electorate' in 2017, opposing on both economic inequalities ('egalitarians' versus 'inegalitarians') and on attitudes towards immigration ('nativists' versus 'internationalists'). While party competition was separating left-wing 'internationalist-egalitarians' from right-wing 'nativist-inegalitarians' in the 1990s and early 2000s, the *Front National* and the *En Marche !* movement have now come to represent the interests of 'nativist-egalitarians' and 'internationalist-inegalitarians'. Concomitantly to the

FIGURE 8.4: Party politics in Canada, 1960s vs. 2010s



Note: author's computations based on data from the Comparative Manifesto Project and on Bakker-Hobolt's modified CMP scores Bakker and Hobolt (2012). *Interpretation*: in the 2010s, the New Democratic Party (NDP) dedicated a larger share of its manifesto to left-wing economic policies than to right-wing economic policies by 30 percentage points. It also dedicated a larger share of its manifesto to left-wing value-based issues than to right-wing value-based issues by 15 percentage points. Popular vote shares at the first round of general elections are shown in parentheses.

disintegration of France's party system and to the unbundling of economic and value cleavages, higher educated voters have massively turned towards the left of the political spectrum while income has lost significance in determining party allegiance (figure 8.2).[5]

The persistent alignment of lower educated voters and low income earners in Portugal was previously considered as puzzling, given that university graduates seemed to have converged in voting for left parties in most of the other advanced democracies considered. This specificity can perhaps be better understood in view of the issues which surrounded the recent legislative elections. In a context of economic crisis, the 2011 election essentially divided voters on the question of sovereign debt and on the application of the European Union's Stability and Growth Pact. The concentration of political conflicts on economic issues is apparent from the indicators computed from Manifesto data (figure 8.5): in 2011, Portuguese parties were highly polarised on left-right economic positions and only the *CDS - Partido Popular* emphasised value-based issues.

This descriptive analysis of party competition in advanced democracies provides strong support for the top-down approach to electoral behaviour. The emergence of multiple dimensions of political conflict in democratic regimes is not a deterministic process caused by long-run evolutions in collective beliefs. It is the result of specific historical conditions which can lead to the complete disintegration of party systems or, on the contrary, to the consolidation of existing class cleavages. Looking at the consequences of party systems' characteristics on welfare policy implementation and on the evolution of social inequalities opens up an entire new field of research. More data and more precise indicators are needed to fully explore how different structures of political conflict can generate the systems of incentives required to politicise economic redistribution and mobilise voters along this dimension.

[5]In joint work with Thanasak Jenmana, we find that the reconfiguration of French cleavage structures goes beyond traditional demographic variables. Individuals considering themselves as left-wing declared lower levels of life satisfaction and satisfaction with democracy than other voters in the 1970s. Since the 2007 financial crisis, 'unhappy' voters are now significantly more likely to locate to the extreme right, in part due to the failure of left parties to effectively provide social justice policies (Gethin and Jenmana, 2017).

FIGURE 8.5: Party politics in eight Western democracies, 2011-2017

Note: author's computations based on data from the Comparative Manifesto Project and on Bakker-Hobolt's modified CMP scores Bakker and Hobolt (2012). *Interpretation*: at the 2017 French election, the Front National dedicated a larger share of its manifesto to right-wing value-based issues than to left-wing value-based issues by 20 percentage points. Popular vote shares at the first round of general elections are shown in parentheses.

Conclusion

This study's main objective was to link the mediation of political conflicts in democracies to the politicisation of economic inequalities, using post-electoral surveys from Brazil, South Africa, Australia, Canada and Japan. One key methodological result is that data on cleavage structures is an invaluable source of information to understand distributive politics. Such indicators allow us to characterize existing political equilibria, which are associated with specific levels of economic redistribution in a country at a given time. In all the countries studied, rising income and wealth inequalities came with a decrease in importance of distributive issues in the political space, creating a self-sustaining dynamic. A striking and visible materialisation of this dynamic is the rapid and sustainable surge in abstention among poorer and less educated voters in some nations, most notably in Canada. Another manifestation of these mechanisms is the general decline in class-based voting, which is extremely salient in Australia for instance.

These results call for further complementary research. Studies estimating relationships between political parties' ideological stances and redistribution are still surprisingly rare, perhaps due to the lack of reliable statistical indicators covering a sufficient number of countries and time periods. When more robust measures of parties' positions and long-run inequality series become available, it will be possible to conduct a deeper analysis on the multiple mechanisms identified in this work, and determine which are the most relevant. Another interesting development would be to develop a formal model bringing together the theoretical elements exposed in chapter eight. A dynamic model connecting party politics, voter alignments, electoral mobilisation and economic redistribution would be especially useful to capture the complex political mechanisms which have led democratic governments to react to rising inequalities in such different ways.

Despite the limitations inherent to this type of work, I hope these results contribute to the body of work on distributive politics and economic inequality from a historical perspective. Detailed country-level studies are especially useful to understand subtle mechanisms, which cannot be apprehended through standard cross-country comparisons that do not account for structural changes and historical specificities.

Appendix

The following code contains the Stata program used to approximate deciles from brackets (see chapter 2), as well as an example of application with the *auto* dataset.

```
// ******************** PROGRAM ************************** //

cap program drop deciles
program define deciles, nclass
syntax, variable(namelist) by(namelist)

// Generate identifier
cap drop identifier
bys `by': gen identifier=_n
lab var identifier "Identifier (individual)"
drop if mi(`variable') | `variable'==0
tempfile data
save `data'

// Generate cumulated frequencies to create new decile weights
gen x=1
collapse (count) x [pw=weight], by(`by' `variable')
sort `by' `variable' x
bys `by': egen tot=sum(x)
replace x=x/tot
bys `by': replace x=sum(x)
ren x freq
drop tot
bys `by': gen freq0=freq[_n-1] if _n>1
bys `by': replace freq0=0 if _n==1
order `by' y freq0 freq

* First decile
bys `by': gen d1=1 if freq<0.1 | _n==1
bys `by': replace d1=(0.1-freq0)/(freq-freq0) if freq0<0.1 & freq>0.1 & _n!=1
```

```
* Deciles 2 to 9
forval d=2/9{
local lower=(`d'-1)/10
local upper=`d'/10
bys `by': gen d`d'=1 if freq0>`lower' & freq<`upper'
bys `by': replace d`d'=(freq-`lower')/(freq-freq0) if freq0<`lower' & freq>`lower'
bys `by': replace d`d'=(`upper'-freq0)/(freq-freq0) if freq0<`upper' & freq>`upper'

bys `by': egen x=nvals(d`d')
replace d`d'=1 if x==1
drop x
}

* Upper decile
bys `by': gen d10=1 if freq0>0.9 | _n==_N // decile in good bracket
bys `by': replace d10=(freq-0.9)/(freq-freq0) if freq0<0.9 & freq>0.9 & _n!=_N

* Distribute proportionally weights to brackets
egen x=rowtotal(d*)
egen count=rcount(d*), cond(@==1)
forval d=1/10{
replace d`d'=(1-(x-count))/count if d`d'==1
}
egen x2=rowtotal(d*)
assert inrange(x2,0.99,1.01)
drop x count x2

tempfile weights
save `weights'

// Duplicate dataset and merge with new weights by variable level
use `data', clear
gen id2=1
forval i=2/10{
preserve
use `data', clear
gen id2=`i'
tempfile temp
save `temp'
restore
```

```
append using `temp'
}
merge m:1 `by' `variable' using `weights', nogen

// Reweigh dataset and drop useless observations
forval d=1/10{
replace weight=weight*d`d' if id2==`d' & !mi(`variable')
}
drop if mi(weight) & !mi(`variable')
drop if mi(`variable') & id2!=1

// Generate deciles, quintiles, bottom 50\% dummy
forval d=1/10{
gen d`variable'`d'=(id2==`d') if !mi(`variable')
lab var d`variable'`d' "Decile `d' of `variable'"
}
cap drop d`variable'
gen d`variable'=.
forval d=1/10{
replace d`variable'=`d' if d`variable'`d'==1
}
lab var d`variable' "Decile of `variable'"

gen q`variable'=1 if inlist(d`variable',1,2)
replace q`variable'=2 if inlist(d`variable',3,4)
replace q`variable'=3 if inlist(d`variable',5,6)
replace q`variable'=4 if inlist(d`variable',7,8)
replace q`variable'=5 if inlist(d`variable',9,10)
lab var q`variable' "Quintile of `variable'"
forval i=1/5{
gen q`variable'`i'=(q`variable'==`i') if !mi(`variable')
lab var q`variable'`i' "Quintile `i' of `variable'"
}

gen b50=(inrange(d`variable',1,5)) if !mi(`variable')
lab var b50 "Bottom 50% of `variable'"

// Drop useless variables and add second identifier
drop freq0 freq d1-d10
lab var id2 "Secondary identifier (decile of `variable')"
end
```

```
// ******************** EXAMPLE ************************* //

sysuse auto, clear
set scheme s1color

// Weight and survey required by program
drop weight
gen weight=1
gen survey="Auto"

// Graph price by headroom space
graph bar price, over(headroom) name(g1, replace) ///
        t("Price by headroom space")
graph close g1

// Compute deciles of headroom space and graph
deciles, variable(headroom) by(survey)

graph bar price, over(dheadroom) name(g2, replace) ///
t("Price by decile of headroom space")
graph close g2

// Compare the results
graph combine g1 g2, ycommon
```

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