POLITICAL CONSEQUENCES OF ECONOMIC INEQUALITY

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ABSTRACT

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This dissertation consists of three essays that investigate various political consequences of economic inequality in democracies. While focusing on the manners in which political actors, including political parties and voters, respond to rising economic inequality in electoral competition, each essay provides explanations of why voter-party linkages based on redistributive preferences weaken when economic inequality increases.

The first essay investigates why, counterintuitively, the poor do not vote for leftist parties at the ballot box. While previous studies answer this question by focusing on potential factors distracting the poor from their economic interests, they fail to account for the economic and institutional contexts that may affect the poor's voting calculus. In order to fill this gap, this chapter theorizes that poor voters rely on changes in economic inequality to evaluate the performance of leftist governments. Specifically, I demonstrate that the poor support leftist parties only if the leftist government successfully advances the economic well-being of the poor by reducing economic inequality. Employing a hierarchical regression analysis using survey data from 54 elections across 21 advanced democracies, I find that income-based voting decreases when the wealth gap widens under leftist governments.

The second essay focuses on right-wing parties' responses to changes in economic inequality in electoral competition. This chapter argues that the varying degrees of political constraints in advanced and emerging democracies incentivize right-wing parties to respond in different manners to the various levels of economic inequality. Specifically, rightist parties in advanced democracies attempt to politicize social issues in the face of high inequality. The reason underlying this attempt is that in advanced democracies stronger political constraints

imposed on the strategic choice of party leadership curb opportunistic policy moderation of the rightist parties. In nascent democracies, however, the right-wing parties opt for more leftist positions within the economic dimension. I find supporting evidence for the predictions using 1754 party platforms of 475 parties in 44 democracies.

The last essay empirically examines factors that may affect the intensity of ethnic appeals of political parties in electoral competition. In order to investigate the determinants of ethnic appeals, I focus on political and economic conditions that shape the incentive of political parties to engage in ethnic appeals in their pursuit of electoral gain. Relying on previous research studying ethnic politics, I then identify political and economic factors that are argued to incentivize political entrepreneurs to mobilize voters around ethnic issues. I find consistent evidence that economic inequality between (or within) ethnic groups is positively (or negatively) correlated with the intensity of parties' ethnic appeals using the information on party platforms of 386 parties across 27 democracies, whereas I fail to find supporting evidence for the effects of the other factors on ethnic appeals. The results of empirical analysis provide important implications for policy makers to minimize the negative consequences of ethnic politics in ethnically divided societies.

This dissertation contributes to the better understanding of the relationship between inequality and redistribution by offering alternative mechanisms of how greater economic disparity causes the breakdown of programmatic voter-party linkages based on economic preferences. Each chapter demonstrates how rising economic inequality may induce political agents - voters and parties – to respond it in a manner that de-emphasizes a redistribution issue in their pursuit of self-interest in elections. In doing so, this dissertation highlights the importance of dynamics between political actors in electoral politics in understanding the relationship between economic inequality and redistributive outcomes in democracies.

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To My Parents, for Their Relentless Support and Love

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CHAPTER 1

INTRODUCTION

"In a democracy the poor will have more power than the rich, because there are more of them, and the will of the majority is supreme." – Aristotle, The Politics, Book 6

"The flaw in the pluralist heaven is that the heavenly chorus sings with a strong upper-class accent." – E. E. Schattschneider, The Semisovereign People: A Realist's View of Democracy in America

1.1. Puzzle and Motivation

This dissertation examines how economic inequality is associated with the strategic decisions of political agents, including voters and parties, in electoral politics. I investigate impaired programmatic linkages between voters and parties based on economic interests or preferences by addressing the following three questions: (1) why do the poor not support the left?; (2) how do right-wing parties respond to rising inequality in their electoral platforms?; and (3) which factors do motivate political parties to intensify their ethnic appeals?

An election is the principal mechanism through which representative democracy operates. As the "one man, one vote" principle is the bedrock of democracy, any set of individuals to constitute the majority of society, in principle, can secure their demands through their influence in government. In order to influence decision-making, people choose as their representatives those who can best serve their interests at the ballot box. This intrinsic feature of representative democracy gives clout to those forming the majority. This is also why democracy is supposed to be favorable for the poor (Acemoglu and Robinson 2001; Brown and Mobarak 2009; Bueno de Mesquita et. al. 2003; Lake and Baum 2001; Przeworski et. al. 2000; Stasavage 2005). As Tocqueville observed, "the greatest number has

always been composed of those who had no property," and thus "universal suffrage really gives the government of society to the poor" (Tocqueville 2010: 336).

The idea of democracy as a redistribution mechanism is well-reflected in the standard model of the political economy of elections. Meltzer and Richard (1981) provide a concise, but powerful, model to summarize how democracy serves the poor's interests. Their model starts with two plausible assumptions: the preference of the median voter is crucial in determining policy outcomes (Downs 1957) and the income distribution is right-skewed toward the top end. When these assumptions hold, the income level of the median voter is located at a point less than the average income, due to the right-skewness of the income distribution, and thus the median voter, whose preference is decisive in government decisions, always supports redistribution through taxation (Meltzer and Richard 1981). This perspective considering democracy as a redistribution mechanism that favors the poor is reflected in the literature on democratization, where economic inequality is a key factor in democratization due to the inherent promise of redistribution after transition to democracy (Acemoglu and Robinson 2006; Boix 2003). The relationship between economic inequality and redistribution can also be predicted by the Meltzer-Richard (hereafter MR) model. If the logic behind the MR model is correct, greater economic disparity should be associated with more redistribution to ameliorate economic inequality. This association is because the median voter wants more redistribution as the distance between the mean and median voters in their positions in the income distribution increases with economic inequality.

Although the prediction of the MR model is confirmed in a few previous studies (e.g., Kenworthy and Pontusson 2005; Milanovic 2000), the prediction does not always hold in the real world. Not only does democracy sometimes fail to redistribute or enhance the poor's welfare more than non-democracies (see, e.g., Ross 2006; Timmons 2010), but democratic countries with a more unequal income distribution also tend to redistribute less

than those with lower inequality (e.g., Alesina and Glaeser 2004; Benabou 1996; Perotti 1996). The negative association between inequality and redistribution is known as the *Robin Hood Paradox* (Lindert 2004). In particular, recent years have also witnessed growing income disparity in a number of advanced democracies. Gini indices of disposable income inequality have increased in 13 OECD countries, notably the United Kingdom and the United States, from 1978 to 2002 (Beramendi and Cusack 2009). Moreover, less economic disparity has not been necessarily followed by democratization (Bermeo 2009). While democracies have lower levels of economic inequality than autocracies on average, the gap is not that great and the difference disappears if only countries below a $10,000 GDP per worker threshold are compared (Gallagher and Hanson 2009).

Many alternative explanations have been proposed for the discrepancy between the prediction of the MR model and the relationship between inequality and redistribution. First, power resources theory suggests the exact opposite prediction: unequal societies redistribute less than equal ones (Korpi 1983; Stephens 1979). The power resources theory challenges the core assumption of the MR model that every citizen has equal power and influence over decision-making in government. To the contrary, this theory focuses on the importance of organizational resources, such as unions with wider coverages and high densities as bases of strong leftist parties. It argues that policy outcomes, including the size of redistribution, are byproducts of the power balance between classes and power asymmetry increases in favor of the rich as inequality increases. Even though the low-income classes have numbers, they increasingly fewer resources to pursue their interests as inequality rises. As a result, higher inequality tends to produce less redistribution. While focusing on other factors, such as unequal accesses to the policy-making process between the poor and rich or low turnout rates among the low-income voters, another strand of research also proposes an explanation for the negative association between inequality and redistribution (Benabou 1996, 2000; Bartels

2008; Pontusson and Rueda 2010; Stiglitz 2012). There is also another body of research that underscores a social insurance aspect of social policies for high-income citizens (Moene and Wallerstein 2001) or specific skills workers (Iversen and Soskice 2001). This literature argues that the preferences over redistribution are not determined by citizens' relative positions in an income distribution, as the MR model assumes, but by the size of their unpredicted income shocks (Moene and Wallerstein 2001) or the composition of their skills (Iversen and Soskice 2001). Rehm (2009) also recognizes the importance of the insurance aspect, as he finds that the extent to which citizens are exposed to the risk of unemployment is crucial in determining their preferences for redistribution. Lastly, several previous studies focus on electoral institutions to explain redistributive consequences in advanced democracies. In general, they reach the consensus that the PR electoral system redistributes more than majoritarian system. Persson and Tabellini (2000, 2003) find that parties try to draw support from 'swing' electoral districts by targeting government expenditure on public goods toward those particular districts. Iversen and Soskice (2006) develops a model of class coalition among three groups – the rich, the poor, and the middle class. In their model, the PR system tends to produce a left-wing government, since the middle class voters have an incentive to ally with the poor to tax the rich under the PR system. On the other hand, the majoritarian system tends to produce a two-party system with two parties as class coalitions and the election promises of two parties – the center-left and center-right –, which appeal to the middle class are not credible. On this occasion, the middle class voters are more likely to elect the center-right, as they fear the excessive extraction by the left than the right's post-election deviation.

While I agree with the criticisms that the MR model oversimplifies the process whereby citizen preferences over redistribution via taxation are constructed and fails to account for institutional contexts and the power relation between classes, my focus is not on these specific criticisms, but examines instead an important aspect of representative

democracy neglected in deriving the prediction of the MR model: the programmatic linkages between voters and parties based on economic interests or preferences. Ideally, the idea of representative democracy operates based on parties as agents that represent their constituencies' interests or preferences and implement what they promised during their electoral campaigns if elected into office. However, the assumption of the Meltzer-Richard model that there is a strong tie between parties and voters based on income levels does not always hold in the real world as described in the previous section.

The breakdown of programmatic ties between parties and their core constituents is also a significant issue in terms of representation. The concept of representation is widely discussed in the political science literature, but it is a multi-layered term with many different interpretations. What I mean here by representation is substantive representation, where elected officials act as agents of their constituents, promoting constituents' interests (Pitkin 1967). Other forms of representation, such as symbolic or descriptive representation, emphasize the degree of the demographic correspondence or the accuracy of the resemblance between principals and their agents (Pitkin 1967). However, modern political science literature has largely focused on substantive representation, viewing representation as a link between the preferences of the represented and policy measures of the representative. In other words, representation should mean that the representative implement policies on behalf of and for the interests of the represented. In this sense, the empirical research on substantive representation usually focuses on the correspondence between citizens and parties as principals and agents, respectively, using indicators measuring ideological congruence between the median voter and the government (Budge and McDonald 2007; Powell 2000, 2006, 2009; Powell and Vanberg 2000). While the conceptualization and empirical strategy are compelling, I believe representation can be better conceptualized and understood by considering political reality where there are inevitable conflicts of heterogeneous interests

and political parties representing those interests. The heterogeneous interests among citizens lead to different preferences over economic policies (Drazen 2000). Those conflicting interests are sometimes resolved by an appropriate compromise, but, more often than not, they cannot be reconciled. This conflict leads to one economic policy winning over other alternatives. As a result, some groups are represented, but others remain underrepresented.

In addition, representative democracy is a party democracy in which multiple representative parties compete. In representative democracies, the authority of policy decisions usually belongs to political parties in government. Ideally, the political parties are supposed to be an agent of the entire citizenry, but the reality is that they are perceived to represent respective parts of the citizenry rather than representing as a whole, and have particular preferences over alternatives according to their partisanship and the interests or preferences of their core constituents. This idea also accords with the existing literature on power resource theory and the traditional theory of partisan politics regarding political parties as representatives of social classes in the "democratic class struggle" (Esping-Andersen 1990; Korpi 1983; Stephens 1979). Therefore, this dissertation employs the substantive representation concept, which presumes inevitable conflicts of interests among groups with different preferences over policy outcomes represented by divergent political parties. This conceptualization is distinct from one that sees representation as congruence between representatives and the median of the body politic.

1.2. Arguments

In order for the prediction of the MR model to hold in representative democracies, it follows that leftist (or rightist) parties that advocate higher (or lower) levels of redistribution and progressive tax policies are more likely to pursue the poor's (or the rich's) interests when they are governing. However, the programmatic linkages between voters and parties assumed

in traditional partisan politics, oftentimes, gives way. In reality, leftist parties do not pursue the poor's interests once elected in office or the poor do not necessarily vote for parties on the left. Recent studies on partisan politics and the welfare state also indicated that traditional voter-party linkages have weakened, and parties falling along the same ideological dimension choose different goals and policies from one another across advanced democracies (Häusermann et al. 2013; King and Rueda 2008; Kitschelt 1994). In addition, studies on electoral competition have shown that the left can employ tax policies divergent from the poor's preferences (Dixit and Londregan 1996; Roemer 1998). No less significant is the fact that the poor also do not always support leftist parties. In other words, they do not always elect representatives that pursue (or claim to pursue) their interests. Income-based voting is not always substantial even in advanced democracies. There is considerable variation in income effects on vote choice across countries, with the effect of sometimes producing results contrary to expectations in some countries (Norris 2004). Each chapter of this dissertation attempts to provide explanations of how economic inequality is associated with the fraying programmatic ties between voters and parties based on economic preferences. In doing so, my aim is to illuminate the centrality of economic inequality in understanding electoral politics in democracies.

The second chapter establishes the causal mechanism that explains the poor's electoral choice while emphasizing the importance of inequality changes and government partisanship to the poor's evaluation of government performance. More specifically, I argue that the poor do not support the left if leftist parties in government fail to enhance their welfare. While the disadvantaged reasonably expect that a leftist government to improve economic inequality, the poor are not willing to vote for the left if the left in government fails to do so. I hypothesize, therefore, that the prevalence of income-based voting depends on the performance in improving economic inequality when the left is governing.

The third chapter examines how right-wing parties attempt to turn voters' attention away from redistribution issues when facing high economic inequality and how the response of rightist parties can differ depending on the level of political constraints. The MR model provides a parsimonious explanation of how democracy benefits the poor, but it also has an important implication for the electoral strategies of rightist parties. According to the MR model, the extent to which electoral competition is favorable for the left increases with economic inequality, as the number of citizens who prefer redistribution via progressive taxation also increases. Moreover, policy decisions over tax and redistribution are more likely to emerge as central issues as inequality increases. In this chapter, I demonstrate that right-wing parties, in the face of rising inequality, try to improve their electoral fortune by luring the middle- or low-income voters away from the left or drawing voter attention away from economic issues, and that the right's specific strategy differs depending on the degree of political constraints imposed on party leadership.

Finally, the fourth chapter empirically examines conditions which induce political parties to adopt ethnic appeals in their electoral campaign. To this end, I distinguish the political activation of ethnic identities from the social salience of ethnicity and consider ethnic appeals of political entrepreneurs as a primary mechanism that connects those two. In other words, the political activation of ethnicity is a product of political entrepreneurs' efforts to build their support base by appealing to ethnic identities. In order to study conditions that motivate political parties to intensify their ethnic appeals, I draw the political and economic determinants - electoral competitiveness, electoral institutions, the information availability, and economic inequalities between and within ethnic groups (hereafter BGI and WGI) - of political parties' ethnic appeals. I find strong evidence that the intensity of ethnic appeals increases (or decreases) with the level of BGI (or WGI).

1.3. Contributions

Each of the three chapters answers the questions set forth at the very beginning of this introduction, thereby contributing to the extant literature. First, this dissertation offers an alternative explanation to the existing ones for a long-lasting puzzle: why do the poor not vote for the left? The extant literature on this issue has explored various factors that draw voter attention away from economic or redistributive preferences influencing the poor's preferences and voting (e.g., De La O and Rodden 2008; Huber and Stanig 2007). Unlike the previous studies, the second chapter gives particular weight to the political (i.e., government partisanship) and economic (i.e., inequality changes) contexts in which the less well-off make their electoral choices. While many studies focus on noneconomic issues when they investigate voting behavior and policy outcomes, the second chapter highlights the importance of income inequality, which is more directly related to their economic welfare than overall prosperity, in explaining the poor's voting behavior. I provide a compelling explanation for this long-lasting puzzle by focusing on the poor's voting calculus based on government performance relevant to their economic situation. While doing so, the importance of the supply side of redistribution and resulting outcomes in the poor's voting decision is underscored.

My argument in the third chapter is in line with the recent literature on the relationship between party strategies and income disparity (e.g., Tavits and Letki 2014; Tavits and Potter 2015), I contribute to the extant literature by incorporating political constraints on party leadership into my theoretical framework for studying responses of right-wing parties to greater economic disparity. Indeed, the central findings of the second chapter indicate that the varying levels of political constraints lead the right in advanced and nascent democracies to respond to increasing economic inequality, while treating two types of party strategies – position-taking and manipulating issue salience –as substitutes for the right. The central

finding of the third chapter represents a significant expansion of the extant literature, which studies either aspect of party strategies only (Tavits and Letki 2014; Tavits and Potter 2015).

Finally, the fourth chapter is one of the very rare studies to analyze ethnic appeals of political parties from a comparative perspective. This chapter also has important policy implications on how to minimize the negative consequences of ethnic politics. In its investigation of the determinants of ethnic appeals in electoral competition, this chapter underlines the importance of BGI and WGI in preventing the ethnification of politics. The negative impacts of ethnic divisions in a society have been well-documented. Thus, ample political science research suggests various means, such as designing electoral institutions, to prevent ethnic divisions from developing into politically activated cleavages (e.g., Horowitz 1985; Lijphart 1977; Reilly 2001). However, my findings in this chapter imply that it is critical for government to distribute material benefits from economic development across, not along, ethnic lines in order to alleviate ethnic grievances due to economic disparity between ethnic groups. Based on the findings that high BGI (or low WGI) induces political parties to engage in ethnic appeal for their electoral gain, the fourth chapter recommends policy-makers to bend every effort to prevent the socio-economic conditions – high BGI and low WGI – from occurring. This recommendation arises from the importance of controlling extreme ethnic appeals of political entrepreneurs and their efforts for ethnic mobilization.

These dissertation chapters taken as a whole contribute to the literature on the effects of inequality on various political outcomes, such as voting behavior and party strategy. My dissertation also offers mechanisms of how explanations of mechanisms through which increasing economic inequality leads to the non-politicization of redistributive issues. In light of the prediction of the MR model for the association between inequality and redistribution, the findings of this dissertation imply that rising inequality may undermine the programmatic linkages between voters and parties because of the strategic responses of those political

agents in pursuing their interests. Each of the next three chapters derives testable implications by developing theories of the political consequences of economic inequality while focusing on the incentives of key political actors, voters and parties, and their strategic responses to economic inequality. The results from empirical analysis of the theoretical hypotheses are also presented in each chapter. The final chapter summarizes the findings and concludes the dissertation.

CHAPTER 2

WHY DO THE POOR NOT VOTE FOR THE LEFT? INCOME-BASED VOTING AND INEQUALITY CHANGES IN ADVANCED DEMOCRACIES

"A house may be larger or small; as long as the neighboring houses are likewise small, it satisfies all social requirement for a residence. But let there arise next to the little house a palace, and the little house shrinks to a hut." – Karl Marx, Wage-labour and Capital

2.1. Introduction

Why do the poor not vote for the left? The association between an individual's income level and her vote choice has long been of interest to political scientists. The claim of income-based voting echoes the partisan theory of economic outcomes, positing that differing partisan compositions of government produce distinctive social and economic policies and distributive outcomes (Alt 1985; Hibbs 1977, 1987). Given that a left-wing government provides more redistribution via higher taxes for the poor (e.g., Boix 1998; Bradley et al. 2003), leftist parties should be favored by the poor who benefit from redistribution. For this reason, the poor are usually assumed to be a core constituency for left parties (e.g., Iversen and Soskice 2006). The tie between the left and the poor based on redistributive preferences is at the core of the vast literature on the political economy of elections. For example, the seminal Meltzer-Richard model is built on the very assumption that redistributive preferences of citizens are determined by their relative positions in terms of income distribution and that such preferences are decisive in their electoral choices (Meltzer and Richard 1981). Indeed, ample empirical evidence supporting the effect of relative income on redistributive preferences is found in a large number of micro-level studies (e.g., Brooks and Brady 1999; Cusack et al. 2008; Finseraas 2009; Gelman 2008; Iversen 2005; McCarthy et al. 2006;

Schmidt and Spies 2014; Stegmueller 2013).

Yet despite this theoretical plausibility of income-based voting, in actual practice, the poor frequently fail to vote for left parties and instead elect representatives who are not expected to pursue their economic well-being (Alesina and Giuliano 2011). Recent empirical studies investigating individual-level economic preferences also find that the poor do not always prefer more redistribution than the rich (Alesina and Glaeser 2004; Finseraas 2009b; Gaskin et al. 2013; Klor and Shayo 2010; Scheve and Stasavage 2006; Shayo 2009). Moreover, relative income is not a dominant predictor of vote choice. The effect of an individual's income level on her vote choice is known to be weak, especially compared to the effects of other factors, such as ideological position and religiosity (e.g., Dalton 2006; Norris 2004).

The goal of this chapter is to provide an explanation as to why the poor do not choose the left at the ballot box by examining economic factors, particularly income inequality. The effect of income on vote choice has been examined in the comparative literature, suggesting and testing different explanations (e.g., De La O and Rodden 2008). However, the recent literature has generally revolved around proposing and testing potential voting cues which can be substituted for self-interests of poor voters. This branch of research has focused on potential factors on the "second-dimension" distracting the poor, such as religion, national identity, and ethnicity in explaining voting behavior deviating from the expectation of the standard assumption of political economy of elections (e.g., Scheve and Stasavage 2006; Huber and Stanig 2007; De La O and Rodden 2008). This chapter contributes to the existing literature by suggesting instead a simple, but novel explanation based on the poor's rational calculus of voting decisions: other factors may play a major role in the poor's voting decision when their income-based voting is not expected to make differences in their welfare.

This chapter also calls attentions to the rationality of poor voters by testing indirectly whether the poor are rational enough to recognize their personal gain or loss based on changes in economic conditions and, in turn, choose their representative based on it. The poor are depicted in previous studies as irrational voters who do not understand their economic interest and can easily be manipulated to mobilize around other issues and identities because the poor tend to have lower education levels than the rich, and thus are less likely to be well-informed voters (Verba et. al. 1995). This chapter challenges this argument. Scholars studying the relationship between information and vote choices argue that well-informed voters are more likely to make "correct" choices, but it does not necessarily mean that the poor lack the ability to make decisions based on their self-interests (Ansolabehere et al. 2006). The poor may sometimes understand the policy-making process through which governmental policies are determined on the basis of limited information, but they are still rational in that they can make their voting decision by noticing how much their personal economic situation has been improved or declined under a leftist government. In this sense, the poor may not support the left not because they are irrational and easily distracted, but rather because they are aware that the left is not their best choice when considering their economic self-interests.

This chapter also contributes to the literature by incorporating different expectations according to governmental partisanship into the existing literature on economic voting. The literature on the political business cycles theory suggests that macroeconomic outcomes and fiscal policies, including GDP growth, inflation, unemployment rates, and governmental spending, change according to governmental partisanship. As much as the partisan effect on economic outcomes is significant, citizens have expectations on what kind of policy goals are pursued according to the partisan composition of the government. The poor understandably expect they will benefit more from the left in government. When the left fails to serve the interests of the poor, however, how do the poor respond to that failure in upcoming elections?

Will they still support the left if the party pledges to care about the interests of its core constituency during the election period? I further the existing literature on economic voting with new insights by incorporating governmental partisanship and voters' position on income distribution into economic voting theory. While party platforms and expected policy positions work as one of the criteria which help voters decide which party they would vote for, there is inevitable uncertainty of judgment based on party platforms which may not be credible. On the other hand, past performance provides voters with more reliable information on what parties would do when they are in office than party platform does. Therefore, it makes sense to speculate that the poor also decide whether they will support the left again based on past performances of the left during its terms. While the existing literature on economic voting focuses on growth rate and inflation as factors influencing voters' choice, this chapter attempts to show that voters evaluate governmental performances based on different indicators according to their positions on income distribution and they also have different expectations on the government depending on its partisanship. Finally, this chapter links work on comparative political behavior to the literature on comparative political economy by situating individuals' voting behavior in the context of macro-level economic conditions and governmental partisanship (Rueda 2008).

This chapter proceeds as follows. The next section, section two, establishes the argument of this paper based on two well-established bodies of literature on political economy: economic voting and the partisan model of economic outcomes. The third section describes details of the research design and presents a series of results from empirical analyses. In that section, I will also conduct an additional analysis to make sure that the results of empirical analysis are produced by the proposed causal mechanism. Implications of the findings are discussed in the fourth and final section.

2.2. Literature Review: Why Do the Poor Not Vote for the Left (or Support Redistribution)?

Existing literature on the political economy of elections pays substantial attention to turnout rates of poor voters to investigate why politicians do not care about the interest of the poor and explain variations in efforts to ameliorate economic inequality (Franzese 2002; Mahler 2002; Pontusson and Rueda 2010). It is known that the turnout rate is lower among the poor than the rich because they do not have sufficient information and they are not well-educated to make decisions precisely for their own interests. The explanation of underrepresentation of the poor based on their low turnout rate is quite convincing, but this also leaves a large part of the story of underrepresented poor citizens unexplained (Bartels 2008).[1]

Recent scholarly efforts to address this topic emphasize factors which may have an effect on the poor's voting behavior and redistributive preferences. In his seminal work, Roemer (1998) introduces this "second-dimension" argument and demonstrates that when parties compete in the two-dimensional policy space along economic and non-economic dimensions (e.g., social values), the poor face a trade-off between their preferences on economic and non-economic issues. In this case, the poor with religious beliefs vote for right-wing parties, especially if non-economic issues are sufficiently salient around election time. This insight provides fertile ground for empirical research that investigates the discrepancy between individuals' income levels and their redistributive preferences. Subsequent research attempts to test this "distraction" effect of religiosity on the poor's redistributive preferences and vote choices. For example, Scheve and Stasavage (2006) regard religion as a

[1] While electoral democracy is built on the rule of one-man one-vote, the rule does not hold in reality and citizens have proportional political clouts to resources available for them (Alesina and Glaeser 2004). This argument is also in line with the empirical evaluation of the Meltzer-Richard model concluding that the median voter is not benefited from redistribution under democracy (Milanovic 2000).

psychological substitute for social insurance, and posit that this feature of religion leads the religious poor to prefer lower levels of social insurance spending than the secular poor. Their individual level analysis finds evidence that there is a significant negative correlation between religious attendances and preferences for social spending. Similarly, Stegmuller (2013) finds that religiosity leads citizens, regardless of their socioeconomic status, to have more conservative preferences on both economic and moral dimensions. The effect of religiosity on citizens' preferences on the redistributive issue also motivates further research to examine how religiosity moderates income-based voting. For example, De La O and Rodden (2008) argue that preferences on the moral issues dimension matter more for the religious in their vote choices than do their redistributive preferences. They argue that the discrepancy is caused by the fact that the religious vote according to their positions on moral issues rather than economic preferences or interests. They find that the poor are more easily distracted from their economic self-interest than the rich, especially under a PR system and, accordingly, the poor's right-wing voting is caused by their positions on moral issues rather than economic preferences.

There is also a growing body of evidence that various identifications with social groups besides those based on religion affect the preferences of the poor regarding redistribution and their vote choices. First of all, there have been several explanations of how ethnic group loyalty and ethnic fractionalization induce the poor to withdraw support for redistribution and the left. Alesina and Glaeser (2004) argue that the level of redistribution in ethnically divided societies is likely to be low because individuals in one ethnic group do not want to spend revenue on redistribution which may make other ethnic groups better off. As a result, ethnic fractionalization tends to reduce support for redistribution. Antipathy to immigrants also plays a role in determining preferences for redistribution and voting behavior. Finseraas (2009b) investigates an effect of growing immigrant populations on the

Western European welfare system. He attempts to test anti-solidarity and distraction mechanisms that can explain the relationship between increasing ethnic heterogeneity and support for left parties. While he fails to find evidence for the anti-solidarity mechanism, it turns out that even citizens favoring redistribution can be distracted by antipathy to immigrant ethnic groups, which leads them to vote for right parties. Strong national identity is also argued to distract the poor from their economic interests. Shayo (2009) demonstrates that the poor are more likely to have a strong national identity than the rich because, as inequality increases, the poor want to identify with their nation rather than with a lower-income group perceived as a low status group. Moreover, the poor are more likely to demand lower levels of redistribution as they have strong national identity. Klor and Shayo (2010) design an experiment to examine how social identity affects preferences over redistribution and voting behavior. The result of the experiment shows that a considerable number of social identifiers deviate from their payoff maximization incentive to support their ingroup. However, it does not mean that social identity is a stronger factor shaping voting behavior of citizens than economic interests because they tend to support their ingroup only when doing so is not too costly.

The goal of this chapter is to establish and empirically examine an alternative mechanism that drives the poor's right-wing voting. To this end, I emphasize the importance of government policies and economic outcomes to the poor's evaluations of their own economic well-being and their different expectations of the poor regarding economic outcomes conditional on government partisanship. The second-dimension arguments have explored potential factors influencing the poor's preferences and voting, finding convincing evidence that the poor can vote against their self-interest. This approach, however, is not completely satisfactory since it fails to account for the economic contexts in which disadvantaged voters make their voting decisions. These second-dimension arguments

prioritize explanations from the demand side of redistribution (i.e., from citizens or voters), but generally give little attention to the supply side of redistribution policies (i.e., from parties or government).[2] Individuals, however, do not evaluate their personal economic situation in a vacuum. Moreover, while a government is not solely responsible for economic outcomes and, which may have unintended consequences in some cases, government policies implemented during the term of government should contribute to changes in economic outcomes. In particular, various economic and institutional contexts should receive serious attention to understand the poor's electoral choice. In this sense, I argue that the supply side of redistribution policies and resulting outcomes matter. This argument parallels the works of Evans and Tilley (2012a, 2012b) which investigates the decline of class voting in the United Kingdom since the 1980s. They attribute the decline of class voting to an ideological convergence between the two main parties, positing that the effect of left-right values on vote choices depends on the degree of party polarization (Evans and Tilley 2012a, 2012b). While both the works of Evans and Tilley and the present study focus on the supply side of redistribution policies, there is also a major difference. The works of Evans and Tilley account for differences in perceived ideologies and policy positions between parties. In contrast, I emphasize the importance of policy outcomes and voter's expectation on economic outcomes according to government partisanship in the poor's voting calculus.

2.3. Theory

The basic intuition behind my theory is that the core support group for the left (i.e.,

[2] Among studies focusing on religiosity, a notable exception is Huber and Stanig (2011), which suggests a unique causal mechanism of how religion induces the religious poor to prefer lower tax rates and more limited redistribution than do the secular poor. To establish the causal mechanism that explains the poor's voting, they focus on the financial support from the state to religious organizations. They find that, as financial support from the state for that state's religious organizations increases, the religious poor support parties with similar ideological positions favored by the secular poor.

the poor) withdraw their support if parties representing them (i.e., the left) fail to advance their interests. It is reasonable for the less well-off to want a leftist government to enhance their welfare by giving high priority to reducing economic inequality. However, if a leftist government fails to speak to the interests of its core support group, the poor then have less or no incentive to support the left. I expect therefore that the effect of income on voting depends on the performance of an incumbent leftist government in improving economic inequality. Specifically, I predict that income-based voting will prevail when the leftist government produces economic outcomes that meet voter expectations regarding inequality changes. In contrast, we are more likely to see the poor's voting that contradicts their self-interest if inequality increases under the leftist government. To further establish a causal explanation, I mostly rely on two of the most studied ideas of political economy literature: the partisan model of economic outcomes and economic voting.

2.3.1. Building Blocks: Partisan Model of Economic Outcomes and Economic Voting

2.3.1.1. Partisan Model of Economic Outcomes

The vast literature on the partisan model of economic outcomes finds a strong association between government partisanship and various economic outcomes. In his pioneering work, Hibbs (1977, 1987) investigates the effect of government partisanship on inflation and unemployment in the United States, and he finds that leftist governments prefer low-unemployment and high-inflation outcomes. On the other hand, right-wing governments pursue policies that prioritize lower inflation at the cost of higher unemployment in accordance with the preferences of its core constituency (i.e., the wealthy). While both partisan groups prefer lower inflation and unemployment rates, they weigh on those factors differently due to the trade-off between inflation and unemployment. In addition, power resource theory, which was developed in the comparative political economy literature,

suggests that the presence and strength of left-wing parties in government is crucial for redistributive effects of government policies (Korpi 1983; Stephens 1979). Indeed, numerous empirical studies have affirmed a partisan effect on economic outcomes in advanced democracies, including unemployment rates (Alt 1985), redistribution (Bradley et al. 2003), and poverty rates (Brady 2003; Brady et al. 2009), as well as policy instruments, such as labor market policy (Rueda 2005, 2008), fiscal policy (Cusack 1999; Mulas-Granados 2003), tax policy (Beramendi and Rueda 2007), and welfare state spending (Allan and Scruggs 2004; Korpi and Palme 2003). Simply put, left- and right-wing parties prioritize different economic policies congruent with their ideological principles and the economic preferences of their support groups. The left is expected to level the economic playing field and reduce inequality, whereas the right is expected to pursue a balanced budget and keep inflation low. If voters are well aware of parties' ideological principles and their pursued policy goals, a condition which generally holds in advanced democracies, the voters should expect parties to comply with their revealed principles and policy preferences (Tufte 1978).

2.3.1.2. Economic Voting

The other building block of my argument draws on the literature on economic voting. The gist of economic voting theory is that records of government performance in managing the national economy, most notably economic growth, before an election are crucial for citizens' decisions to support the party of the incumbent government (see Lewis-Beck and Stegmaier 2000, 2007, for extensive reviews of the literature). While the early literature on economic voting employs a simple mechanism of reward and punishment on the past performance of the incumbent government (e.g., Fiorina 1978, 1981; Kernell 1978; Key 1966; Kramer 1971; Lewis-Beck 1988; Tufte 1978), there has been the development on the economic voting literature. The recent development of economic voting theory is summarized

by the following three points (Lewis-Beck and Paldam 2000; Lewis-Beck and Stegmaier 2000, 2007). First of all, as many survey data sets are available, it has become possible for political scientists to investigate whether voters choose candidates retrospectively (Norpoth 1996) or prospectively (Erikson et al. 2000; MacKuen et al. 1992). Both types of economic voting are supported by empirical evidence, but Nadeau and Lewis-Beck (2001) find evidence that voters in the United States cast ballots based on retrospective evaluations if the incumbent president is running for reelection and they vote prospectively otherwise. However, subsequent generations of studies also suggest that a retrospective evaluation should sometimes be considered as a guide to predictions for the future performance of the incumbent government (Keech 1995; Duch and Stevenson 2008). Secondly, there have been debates on sociotropic-pocketbook economic voting, but empirical results generally support the sociotropic hypothesis (Kinder and Kiewiet 1979, 1981; Kiewiet 1983). Lastly, cross-national research on economic voting has been conducted extensively during the past two decades. Although early studies investigate economic voting in single-country including the United States and Western European democracies (Alverez and Nagler 1995; Kiewiet 1983; Kinder et al. 1989; Nadeau and Lewis-Beck 2000, 2001), much scholarly work has been done on the topics involving economic voting in the cross-national context recently (Anderson 1995, 2000; Duch and Stevenson 2008; Powell and Whitten 1993; Samuels 2004; Whitten and Palmer 1999). This growing body of literature on economic voting from the comparative perspective also provides us with valuable insights of how various factors, such as institutional features (Duch and Stevenson 2008; Powell and Whitten 1993) and international economic conditions (Kayser and Peress 2012), affect citizens' economic perceptions and voting behavior.

2.3.2. Inequality Changes and the Poor's Vote Choice

2.3.2.1. Inequality Changes and Different Expectations According to Government Partisanship

The ideas and findings of the two theories, -- partisan effects on economic outcomes and economic voting, -- are widely accepted in comparative studies of elections. The argument of this chapter draws on the insights from the numerous research studies related to these two theories. The argument here is that poor voters support leftist parties at the ballot box only if a left-wing government successfully pursue economic well-being of the poor by reducing income inequality. On the other hand, if the leftist incumbent fails to perform well on that matter, then the effect of relative income on the poor's voting decision is likely to decrease. The left is usually perceived as representing the preferences of the lower-income voters, since leftist parties are committed to prioritizing redistribution and equality. Therefore, the poor are expected to support leftist parties given that their economic preferences are commensurate with the economic goals that the left pursues. However, the poor have an incentive to do so only when the leftist government produces outcomes that reflect progress in advancing the economic well-being of the poor. In other words, the poor are less incentivized to support leftist parties if their economic well-being deteriorates under their watch. As a result, a voter's income is no longer a relevant voting cue for the poor if their economic condition worsens or stagnates with leftist parties at the helm.

How do poor voters evaluate the performance of a leftist government in advancing their economic well-being? A general consensus in the economic voting literature is that a GDP growth rate in an election year, which indicates the state of the national economy or the incumbent's competence in managing the national economy, is the most important source for economic evaluations of voters. However, "it makes little sense for voters at the bottom of the income distribution, experiencing relatively flat (or declining) income growth to reward

incumbents for national economic growth" (Linn and Nagler 2014: 4). Rising economic inequality is detrimental especially to the poor (Alesina et al. 2004) and they can be disadvantaged even in prosperous economies. In other words, the poor should base their evaluation of the incumbent less on indicators of overall national prosperity and more on the extent to which the incumbent enhances or undermines their own economic conditions. This argument is particularly relevant in an era of rising economic inequality in advanced democracies. The rise of economic inequality in advanced democracies since the 1980s is well recognized. According to OECD (2011), the average Gini coefficient in OECD countries increased by almost 10% from the mid-1980s (0.29) to the late 2000s (0.316). During this period, the pace of income growth varied across income groups and real disposable household income of the poor grew much more slowly than that of the rich (OECD 2011). In many countries, the poor's average income stagnates or even declines when the national mean income increases. For example, the real disposable household income increased by 0.3 % each year from the mid-1980s to the late 2000s in Japan. Yet those in the bottom decile had suffered income loss by 0.5 % per year during the same period (OECD 2011). Similarly, increasing GDP per capita has not benefitted those at the bottom of the income ladder for years in the United States (Stiglitz 2012). The average income of citizens in the top income quintile has increased by 1.1% per year; those in the lower end of the income distribution have experienced decreases in their income by 0.33% on average for the last three decades in the United States (Linn and Nagler 2014). This significant disparity implies that indicators measuring overall national prosperity, such as the annual GDP grow rate, may not be very informative to the poor in evaluating how much the current government enhances their welfare. If the growth of national wealth does not benefit low-income citizens, why would they decide their vote choices based on the government's performance in terms of the aggregate wealth? Instead, it makes more sense that the poor would look to an indicator that

is more directly relevant to their economic well-being.

Previous studies have questioned the ability of a voter, especially a low-information voter, to make electoral choices that enhance her welfare (e.g., Delli Carpini and Keeter 1996). In other words, many voters do not have sufficient knowledge about pertinent political facts to make informed voting decisions. Even though ordinary people who are uninterested in politics and government affairs are not very knowledgeable when they are asked about questions on political facts in surveys, however, this does not mean that they make their voting decisions without relevant information. Prior and Lupia (2008) demonstrate that even uninterested people lacking knowledge in politics can make informed choices if much is at stake in their decision and there is sufficient time to gather political information for their decision. In other words, such poor performance of voters on survey-based pop quizzes is not "sufficient to infer a general lack of capability at politically charged moments, such as elections" (Prior and Lupia 2008). Another group of research on economic voting also suggests that citizens are fairly competent to evaluate macroeconomic conditions when making vote choice (Duch et al. 2000; Duch and Stevenson 2011; MacKuen et al. 1992).

Given that poor voters can make their decision at the ballot box in an informed way, I highlight the importance of income inequality in the poor's voting decision, since inequality is more directly relevant to the poor's welfare than other economic indicators that represent overall prosperity. I further posit that a change in income inequality between elections, rather than the inequality level itself, better captures performance of the government in addressing economic disparity. As the levels of economic outcomes are generally results of long-term structural factors, such as welfare state system, labor market institutions, and the distribution of power among organized interest groups, it is hard to attribute the level itself to the incumbent's policy or competence (Becher and Donnelly 2013). In this sense, changes in economic outcomes will provide voters with better information on the performance of the

current government. From the simple retrospective perspective based on the rewards-punishments mechanism, unsatisfactory performance of the leftist government in dealing with inequality leads lower-income voters to punish the incumbent in the upcoming election. The economic outcomes that result from the way the leftist government addresses the poor's interests frustrate its core support group, and, consequently, motivate the poor to express their disappointment at the ballot box. From the prospective perspective, they are also more likely to abandon leftist parties in government if the left-wing government fails to ameliorate inequality, since the disappointing past performance of the left incumbent can signal the inability or irresoluteness of the party of the incumbent government to improve the poor's economic well-being in the future.

The question then arises whether income-based voting is also associated with government performance in addressing economic inequality under centrist or rightist incumbent. I speculate that inequality changes will not have the moderation effect on voting under non-leftist government because voters already expect that center or rightist parties place less or little emphasis on reducing inequality. Given that the poor recognize that improving inequality is not high on the priority list of a centrist or rightist government, they are less likely to evaluate government performance in accord with inequality changes. I therefore expect that the prevalence of income-based voting depends on inequality changes only under leftist governments.

2.3.2.2. Sticking to or Defecting from the Left? The Poor's Choice at the Ballot Box

If poor voters abandon the incumbent leftist party in government to blame the incumbent for the subpar performance of leveling inequality, they have a couple of alternatives at the ballot box: they may vote for another left-wing party among the opposition parties or they may vote for a non-leftist party. For example, with respect to the first option,

the poor in Netherlands can decide to support the Socialist Party (*Socialistische Partij*) if they are not happy with the government led by the Labor Party (PdvA). This option is available only in multiparty democracies with proportional representation (PR) electoral system, where there are more than one electorally viable leftist parties and at least one of them remains in opposition. As for the second option, the poor are more likely to choose a non-leftist party when they make choices in the presence of cross-cutting economic and non-economic cleavages (Roemer 1998). For instance, a religious poor voter who seeks an alternative to the left in government may rely on his or her religious orientation if the leftist incumbent ignores the poor's economic interests.

While the poor may choose the first option if certain conditions hold (i.e., multiparty democracy under PR system), I argue that the poor are more likely to defect to the non-left. The first reason is that when a left-wing government is formed, most electorally viable left-wing parties participate in government to form a majority (e.g., Social Democrats-Social Liberal-Socialist People's Party coalition, 2011-2014 in Denmark; SPD-Alliance '90/Greens coalition, 1998-2005 in Germany; Labor-Socialist Left-Centre Party coalition 2005-2013 in Norway; and Social Democrats-Green Party, 2014-present in Sweden). In many cases, even if the largest left-wing party forms a minority government, the minority government is sustained with support of minor leftist parties in the legislature (e.g., Socialist Party minority government supported by Left Bloc, the Portuguese Communist Party, and the Greens, 2015-present in Portugal). A coalition or minority government is very common in multiparty democracies under the PR electoral system, and thus poor voters usually have a very limited menu of left-wing parties in opposition from which to choose at the ballot box.[3]

More importantly, when the parties in government are evaluated poorly by voters due

[3] A single-party majority government is rare in advanced democracies adopting the PR system. In fact, there is only one example of a left-wing single-party majority government since 2000, the Socialist Party (PS) government of Portugal formed in 2005.

to their performance in managing the national economy, it also undermines the reputations of opposition parties that are ideologically close to the parties in government (Williams and Whitten 2015). In other words, the poor performance of a left-wing government in reducing inequality hurts the ideological brand of the left *in general* as well as the electoral fortunes of the leftist parties in government. Consequently, left parties in opposition are likely to lose votes in elections even when they are not responsible for the poor performance of the left incumbent. Furthermore, such "spatial contagion" effects tend to be stronger when the incumbent government is a coalition or minority government (Williams and Whitten 2015). Therefore, poor voters are less likely to choose another left-wing challenger when the poor voters are disappointed with an incumbent left-wing government. On the other hand, electoral competitions in advanced democracies rarely revolve around a single issue, and parties usually tackle multiple issues simultaneously in order to draw support from voters. This presence of multiple cross-cutting cleavages provides voters with alternative voting cues that the voters can rely on other than redistributive preferences. If the left fails to perform well on the inequality issue, then a poor voter is likely to vote for an economically right-wing party, relying on another voting cue related to a non-economic issue. These considerations yield the main hypothesis about the moderation effect of inequality changes on income-based voting:

Hypothesis 2-1: The effect of income on voting should, all other things being equal, decrease with rising income inequality under a left-wing government.

2.4. Data, Measurements, and Model Specification

2.4.1. Cases and Data

The scope of this study is voting behavior in national elections held in advanced democracies. I excluded nascent democracies where voters are less likely to have clear beliefs

about parties' competence and policy positions due to the short period of democratic experience (Keefer 2007; Tavits 2006; Tucker 2006).[4] It is also hard in such cases for voters to identify which party can best represent their self-interest; hence voter-party programmatic linkages, which are generally strong and stable in advanced democracies, are expected to be weak in nascent democracies (Ezrow et al. 2014; McAllister and White 2007). To analyze micro-level vote choice, I used surveys from the *Comparative Study of Electoral Systems* (CSES) data set (CSES 2003, 2007, 2013). The CSES is suitable for the purpose of this study because the three waves of multinational post-election surveys contain pertinent information about respondents' income levels and vote choices in national elections from 1996 to 2011.[5]

As the main hypothesis posits that the moderation effect of inequality changes differs depending on government partisanship, it is also necessary to classify cases into elections under leftist and non-leftist incumbents. I split elections into two groups according to incumbent partisanship based on *the Comparative Welfare States Data Set* (CWS, Brady et al. 2014). This dataset provides information about partisan compositions of the government in 22 advanced democracies between 1960 and 2011. The coding procedure should be straightforward if the government is composed of a single party or multiple parties in the same partisan group. When the government comprises multiple parties from different partisan groups, the procedure becomes more complicated. In such cases, I classified the executive as

[4] Tucker (2006) also points out a lack of consensus on how parties in new democracies are classified among scholars.

[5] Most advanced democracies have adopted parliamentary system except the United States (presidential system) and France (semi-presidential system). It is best to look at answers of respondents to a question asking their vote choices in legislative elections for parliamentary democracies, but this is less clear for the two countries with the other forms of government. In principle, it is more reasonable to focus on elections determining the composition of the executive branch. Therefore, I choose voting records for presidential elections for the United States. This choice is also reasonable in that economic voting in the United States is generally stronger in presidential elections than congressional elections (Erikson 1990; Marra and Ostrom 1989). For French elections, the second wave of the CSES survey provides voting records only for the presidential election in 2002; on the other hand, voting records only for legislative elections are available in the third wave. This data availability practically limits options for French elections.

leftist, centrist, or rightist, according to which group of parties (i.e., left-wing, center, or right-wing) has more than 50% of the legislative seats held by the government or has a plurality *and* more than 40% of the legislative seats held by incumbent parties. Yet if both leftist and rightist parties have more than 40% of the legislative seats held by the government, then the government is coded as a centrist one.

2.4.2. Dependent Variable

The dependent variable is the economic ideology of a party voted by each respondent. Following Huber and Stanig (2009, 2011), I pulled information about the positions of political parties on the tax/redistribution policy dimension from the Party Policy in the Modern Democracies dataset (PPMD, Benoit and Laver 2006). The PPMD provides information on parties' positions on the tax/redistribution issue based on evaluations of country experts on each party.6 The value of this measure ranges from 1 ("raising taxes to increase public services") to 20 ("cutting public services to cut taxes"). I created the dependent variable by matching voting records of respondents from the CSES to positions of parties on the tax/redistribution policy issue from the PPMD. Combining these three datasets, the CSES, PPMD, and CWS, provides the original sample covering 55 elections held from 1996 to 2011 in 21 advanced democracies.[7]

[6] The numbers of country experts responding to the survey vary from 15 (Australia) to 166 (the United States) and these large numbers of responses from the experts provide reliability of this measure (Benoit and Laver 2006).

[7] See the Appendix to this chapter for the list of elections. The list of countries includes Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, and the United States. The Belgian election in 2003 is dropped from subsequent analyses since the Belgian survey does not ask respondents' income levels in that year.

2.4.3. Independent Variables

The primary goal here is to examine how the direction and magnitude of income effects change, depending on inequality changes and government partisanship. In order to test the moderation effect of changes in inequality, I considered three main independent variables: income (*poor*), changes in economic inequality (*inequality change*), and the interaction between the two key independent variables.

I first derived respondents' self-reported relative positions on the income distribution from the CSES to measure the income level, and then, following Huber and Stanig (2011), defined respondents in the two lowest quintiles as the poor. With respect to *inequality change*, there are two options to measure performance of leftist governments in improving income inequality. The first option is to measure *inequality change* with pre-tax/transfer income inequality. Recognizing the extent to which pre-tax/transfer income inequality has been ameliorated through government policy on tax and spending is not easy, however, because pre-tax/transfer income inequality is relatively harder for ordinary citizens to observe (Finseraas 2009a). More importantly, pre-tax/transfer income inequality already reflects the extent to which governments implement policies (e.g., labor market policy) favorable to the poor (Huber and Stephens 2012; Rueda 2008). For these reasons, changes in post-tax/transfer income inequality between elections appears to be the better measure for the poor to evaluate the performance of the leftist government.[8] To measure *inequality change*, I drew Gini coefficients from *the Luxembourg Income Study* (LIS) and *the Standardized World Income Inequality Database* (SWIID, Solt 2009). The LIS dataset has been praised for its reliability and comparability, and was therefore a primary source for measuring economic inequality. Yet there are many missing years in the LIS database, so I utilized the SWIID as a secondary

[8] Post-tax/transfer income inequality also captures inequality in disposal income among the population which ultimately matters for citizens' welfare (OECD 2012).

source to pull Gini coefficients to fill in missing observations. The SWIID is constructed to create inequality measures ensuring comparability of inequality, and also covers the widest range of country-year observations among existing inequality datasets. Specifically, I first pulled Gini coefficients from the LIS wherever they are available, and filled in missing observations using the SWIID.[9] Gini coefficients in a year when incumbent assumed office are then subtracted from Gini coefficients in the previous calendar year before the election for election year studied to measure how well an incumbent government deals with income inequality.[10] I also constructed an interaction term between *poor* and *inequality change* in order to examine the moderation effect of *inequality change* on income-based voting as the main hypothesis suggests. Finally, I control for a set of micro-level variables, such as age, gender, levels of education, religiosity, union membership, employment status (i.e., unemployed and self-employed), and self-placed ideological position, all of which are argued to affect vote choice.[11]

[9] I believe that measuring inequality levels for each year based on the LIS/SWIID is the best available option in terms of comparability of inequality measures and coverage, yet some might fear that the Gini coefficients from the SWIID is not as reliable as the LIS to capture changes in inequality. To test the accuracy and reliability of the inequality measures constructed based on the LIS/SWIID, I calculate the correlation coefficient between the inequality measure used and post-tax/transfer Gini index for 21 countries from OECD Statistics (http://stats.oecd.org/index.aspx?queryid=66670#) for 20 years (1992-2011). Gini coefficients from OECD Statistics are relatively sparse as compared to those from the LIS/SWIID, available only for 221 country-years. I find that the correlation between the LIS/SWIID and the OECD Gini coefficients is extremely high (ρ=0.97), so it is reasonable to conclude that the LIS/SWIID inequality measure ensures sufficient reliability enough to make valid inferences on movements in inequality, though this measure may be imperfect.

[10] I use Gini coefficients in the previous calendar year before the election, instead of figures in the election year, to allow voters enough time to internalize the state of the national economy.

[11] Details regarding the control variables are presented in the Chapter 1 Appendix. While these controls are available in surveys for most countries, one or more question items are not available for 18 election surveys. An additional country-election case (Sweden in 2006) was dropped from the analysis with full controls, since no respondent answered that he or she attends religious services "once a week/more than once a week" in that survey. The percentage of religious respondents are relatively lower in the previous surveys in Swedish elections as compared to the other countries in the CSES, yet the fact that there is no respondent with high religiosity casts doubt on the reliability of the survey. I therefore dropped the Swedish election in 2006, but including the case in the analysis does not change the result in terms of substantive conclusions. As a result, 35 elections from 18 countries are used in the main analysis with full controls.

2.4.4. Model Specification and Estimation Strategy

As for the estimation strategy, the data structure is hierarchical with the income level and other factors specific to individual respondents and the change in inequality specific to each country-election. In other words, the income level is an individual-level variable and the change in income inequality is a country-year level variable, which is invariant across observations within the same country-election. Ignoring this data structure and intraclass correlation between observations in the same clusters may result in smaller standard errors of estimates and overstated confidence over them, especially with large group sizes like national election survey (Angrist and Pischke 2009; Moulton 1986, 1990; Steenbergen and Jones 2002).[12] To address this issue, I specify a linear mixed regression model, which models a structure of a covariance matrix directly by introducing cluster-specific unobserved heterogeneity across elections (Steenbergen and Jones 2002; Gelman and Hill 2007). While estimated coefficients form the statistical model should be unbiased, they can still cause problems in drawing inferences if the variance-covariance matrix is not correctly modeled. To account for this possibility, I also employ a post-estimation adjustment regarding the clustering data structure by estimating more generalized forms of the Huber-White robust standard error, which is consistent even if the correlation structure is misspecified (Huber 1967; White 1980). Specifically, the statistical model is presented as follows:

$$\begin{aligned}\text{Economic Ideology of Party Voted}_{ij} \\ = \ & \beta_0 + \beta_1 Poor_{ij} + \beta_2 Inequality\ \ Change_i \\ & + \beta_3\left(Poor_{ij} \times Inequality\ \ Change_i\right) + [Controls] + c_i + \varepsilon_{ij}\end{aligned}$$

[12] Failing to take the hierarchical data structure with large group sizes into account can lead to significantly deflated standard errors even with small intraclass correlation (Angrist and Pischke 2009).

From the preceding discussion and previous studies, the signs of coefficients on the key independent variables can be predicted. The main goal here is to estimate the coefficient on the cross-level interaction variable (β_3), which represents the moderation effect of *inequality change*. The coefficient on *poor* (β_1) captures the difference in the economic ideologies of parties supported by the poor and the wealthy when there is no change in income inequality between elections. Therefore, β_1 should be negative. I also expect, however, that the income effect diminishes if economic inequality deepens when the left is governing, and thus β_3 should be positive in the case of a leftist incumbent.

2.5. Estimation Results

2.5.1. Main Analysis

Table 2.1 reports the estimation results of the multilevel linear regression models. First, I estimate coefficients for the three main independent variables without controls. The first column of Table 2.1 shows that the effect of *poor* does not depend on *inequality change* if government partisanship is not taken into account. The coefficient on the interaction term is not only very small, but also imprecisely estimated. The insignificance of the moderation effect is expected, since this model does not take into account the poor's different expectations about economic outcomes depending on government partisanship. However, a strong interaction effect supporting the main hypothesis is detected when cases are split according to the partisan composition of the incumbent government. The effect of *poor* decreases with changes in inequality when leftist parties are in office and this effect is statistically significant ($p < .05$).

The last three columns of Table 2.1 report estimation results of models with full controls in 35 elections where all independent variables are available. The coefficient estimates from the model with full controls are similar to the results from the basic models.

The coefficient for the interaction term actually becomes larger in magnitude and this is also precisely estimated ($p < .01$) under a left-wing incumbent and the sign of coefficient also accords with the main hypothesis. Substantively, an increase in Gini coefficient by 1 is associated with a decrease in the effect of *poor* on the economic ideology of the party voted for by 0.147 when leftist parties are in power. This moderation effect is fairly strong, especially if the varying effect of *poor* depending on *inequality change* is compared to the coefficients on the other covariates. Union membership appears to be the strongest predictor among factors in terms of the magnitude of the effect (-0.701), leaving alone ideological position. If the Gini coefficient decreases by 2 under a left-wing government, the point estimate of the effect of *poor* is -0.763, in which the absolute value is larger than that of the union membership effect.

The moderation effect of *inequality change* is also strong enough to eliminate the effect of *poor* on voting. Figure 2.1 plots the different moderation effects of *inequality change* under alternative partisan compositions of government. The first graph shows that the effect of *poor* consistently decreases commensurate with the extent to which inequality deepens under leftist government. Income-based voting virtually diminishes and parties voted for by the poor are not meaningfully different, in terms of economic ideology, from those supported by the rich when the Gini coefficient increases by 2 for the term of a leftist government.

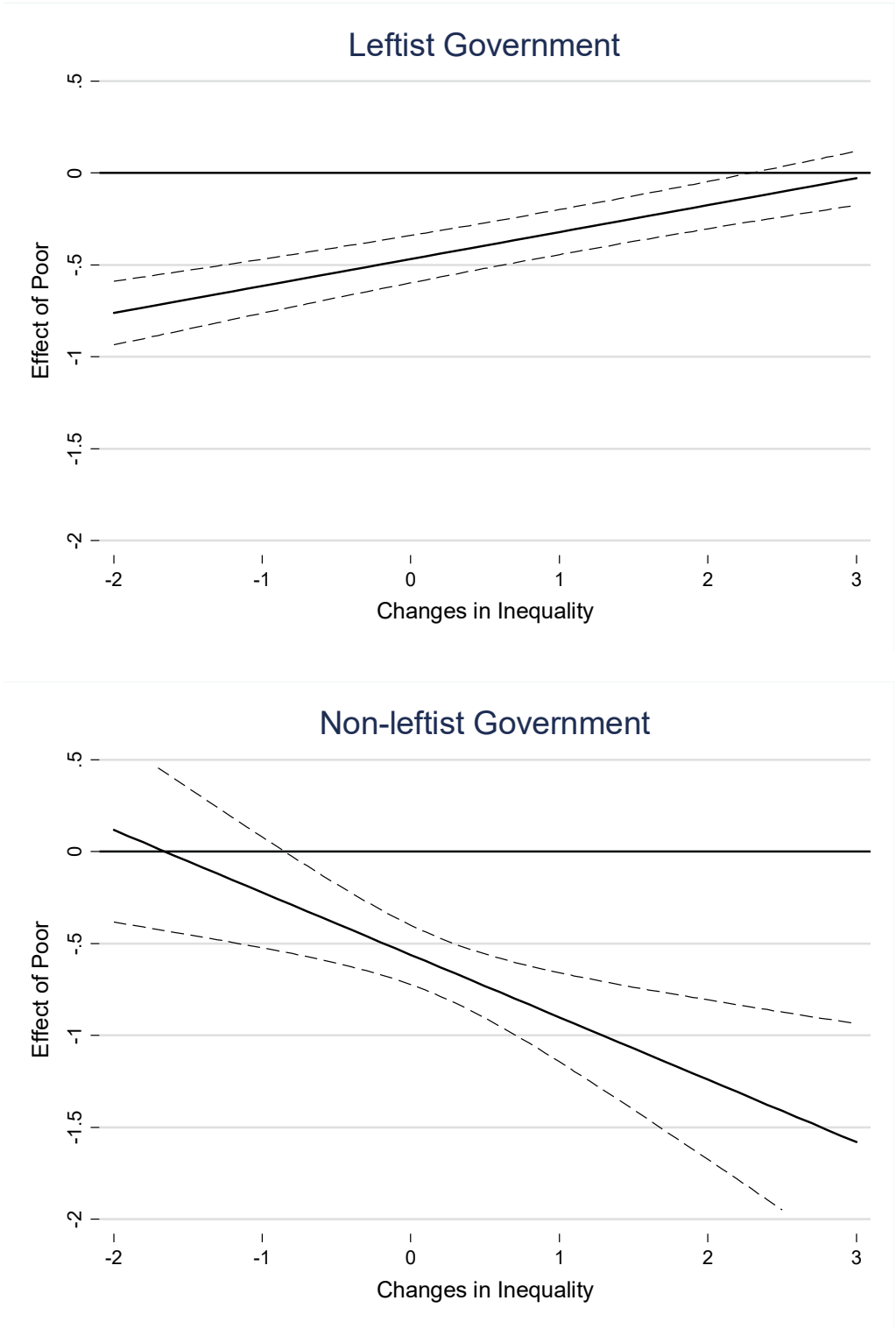
Figure 2.2 shows the predicted economic ideologies of parties voted for by low- and high-income voters depending on *inequality change*. The two graphs on the right-hand side

Table 2.1. Estimation Results of Hierarchical Linear Models

DV: the Economic Ideology of the Party a Respondent Votes for	Model 1: w/o Controls (All)	Model 2: w/o Controls (Leftist Govt.)	Model 3: w/o Controls (Non-Leftist Govt.)	Model 4: w/ Full Controls (All)	Model 5: w/ Full Controls (Leftist Govt.)	Model 6: w/ Full Controls (Non-Leftist Govt.)
Constant	11.042**	11.013**	11.059**	6.228**	5.839**	6.571**
	(0.110)	(0.169)	(0.162)	(0.349)	(0.614)	(0.419)
Poor	-0.572**	-0.643**	-0.452**	-0.550**	-0.469**	-0.561**
	(0.094)	(0.073)	(0.130)	(0.061)	(0.066)	(0.082)
Inequality	0.031	0.093	-0.078	0.051	0.105	-0.030
Change	(0.127)	(0.169)	(0.190)	(0.140)	(0.170)	(0.196)
Poor ×	-0.055	0.126*	-0.408**	-0.008	0.147**	-0.339**
ΔInequality	(0.096)	(0.052)	(0.154)	(0.091)	(0.021)	(0.112)
Inequality Level	0.039	0.025	0.050	-0.003	0.021	-0.024
	(0.025)	(0.030)	(0.043)	(0.033)	(0.043)	(0.054)
Religious				0.191	0.189	0.185
				(0.121)	(0.259)	(0.131)
Age 18-24				--0.057	0.013	-0.132
				(0.153)	(0.240)	(0.196)
Age 25-34				-0.005	0.056	-0.059
				(0.164)	(0.313)	(0.185)
Age 35-44				-0.142	-0.110	-0.161
				(0.140)	(0.217)	(0.185)
Age 45-54				-0.055	0.013	-0.110
				(0.117)	(0.193)	(0.153)
Age 55-64				-0.013	0.032	-0.056
				(0.086)	(0.113)	(0.125)
Age 65 / Older				(omitted)	(omitted)	(omitted)
Male				0.128*	0.196**	0.074
				(0.060)	(0.058)	(0.089)
Education				0.107	0.242	0.021
(Secondary)				(0.082)	(0.149)	(0.094)
Education				0.120	0.198	0.057
(University)				(0.150)	(0.266)	(0.175)
Union				-0.725**	-0.701**	-0.751**
Membership				(0.057)	(0.099)	(0.071)
Unemployed				-0.381**	-0.417*	-0.348
				(0.128)	(0.172)	(0.185)
Self-employed				0.595**	0.554**	0.618**
				(0.100)	(0.171)	(0.116)
Ideology				0.962**	1.007**	0.928**
				(0.052)	(0.094)	(0.062)
σ_e^2	0.655	0.435	0.756	0.597	0.665	0.492
σ_y^2	18.757	18.225	19.055	12.204	12.076	12.259
N (Country-elections)	54	22	32	35	14	21
N	65,693	24,675	41,018	30,916	13,029	17,887

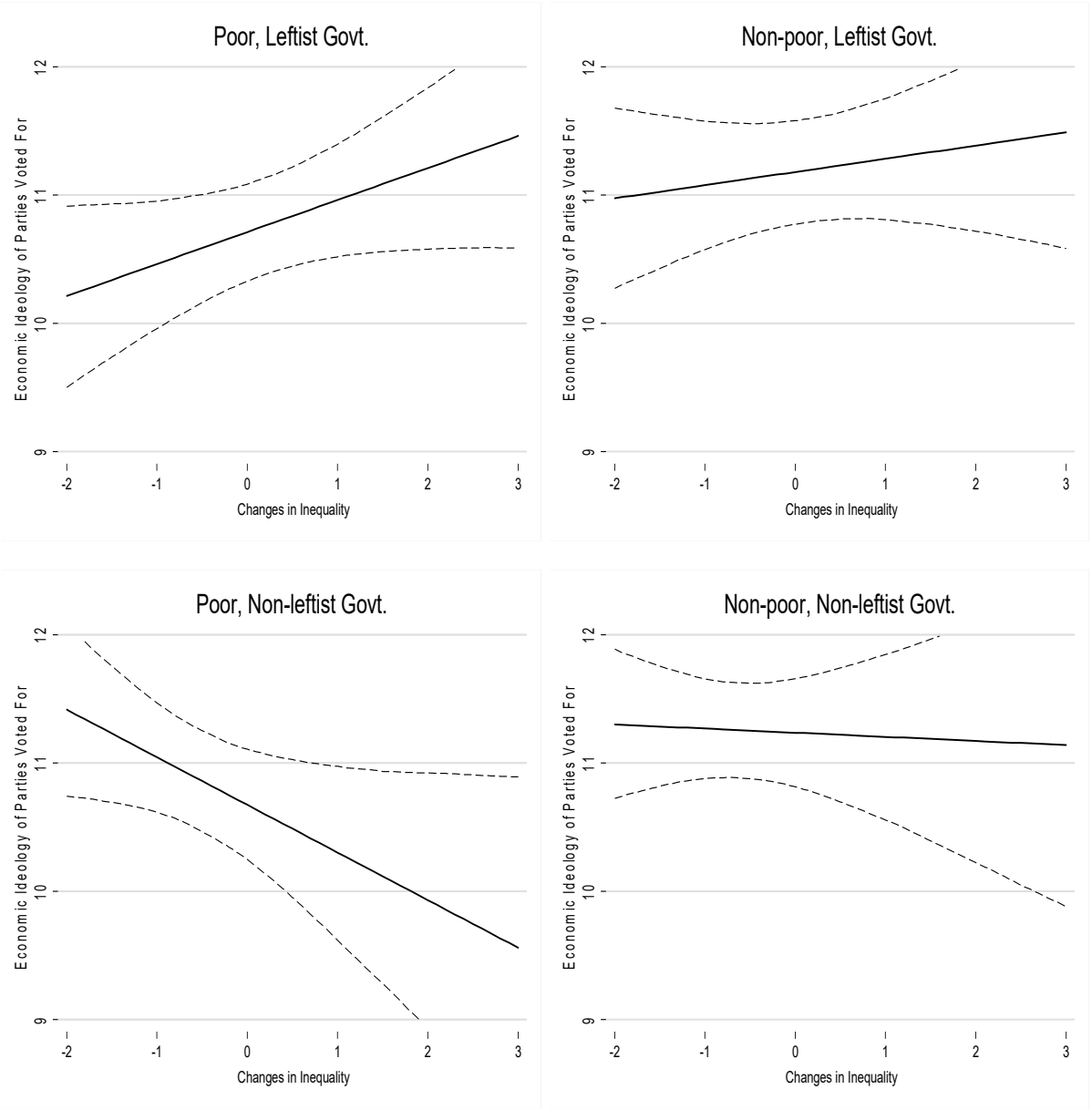
* p<0.05, ** p<0.01 (two-tailed); Cluster-robust standard errors are given in parentheses.

Figure 2.1. Effects of Poor Conditional on Inequality Change under Leftist and Non-leftist Government



Based on Model 5 and 6 of Table 2.1. Dashed lines are 95 percent confidence intervals.

Figure 2.2. Predicted Economic Ideology of Parties Voted for by the Poor and Non-poor under Leftist and Non-leftist Government



Based on Model 5 and 6 of Table 2.1. Dashed lines are 90 percent confidence intervals.

show that high-income voters are not responsive to inequality changes regardless of government partisanship. The poor's voting, on the other hand, is not only strongly affected by *inequality change*, but also the direction of such effects also clearly depends on the partisan composition of government. Overall, the coefficient estimates reported in Table 2.1 provide strong evidence that support the main hypothesis. Indeed, the poor are less likely to

vote for the left if a leftist government fails to reduce economic inequality. These results indicate that increasing inequality depresses income-based voting under leftist governments.

Additional noteworthy, and unexpected, findings of Model 3 and 6 are that the effect of *poor* on left-wing voting strongly depends on *inequality change* and that the effect of *poor* consistently increases with *inequality change* under a non-leftist government. The absolute value of the coefficient on the interaction term is even larger in the opposite direction, and political parties chosen by the poor at the ballot box are more economically conservative as inequality decreases under a non-leftist government. Why does the performance of centrist or right-wing government in addressing income inequality also affect the poor's evaluation of the incumbent government and their vote choice? One possible explanation is that rising inequality under a non-leftist incumbent motivates the poor to want parties that may advance their economic welfare (i.e., the left) to be in power; on the flip side, they may have less incentive to support left-wing parties if the non-leftist incumbent performs well in reducing inequality.

The results of the empirical analysis show that the prevalence of income-based voting depends on changes in inequality, yet it is not clear whether the results are produced through the suggested causal mechanism. The reason is that this empirical analysis does not test the poor's voting for or against incumbents, which is the test more directly linked to the theoretical intuition behind the hypothesis, but rather the poor's voting for more or less pro-redistribution parties. For this reason, it is necessary to conduct an additional analysis to more directly test the causal mechanism, which is whether the poor actually are more likely to vote for opposition parties when inequality rises. To this end, I examine whether the suggested causal mechanism – the poor's economic voting and different expectations on economic outcomes conditional on government partisanship – drives the moderation effects of *inequality change* in the estimation results.

2.5.2. Testing Causal Mechanism: Do the Poor Not Vote for Parties in Government When Inequality Rises?

I construct an additional statistical model to examine the poor's voting for incumbents following the common practice of the economic voting literature. To measure the poor's voting for incumbents, parties in government are identified from the *Database of Political Institutions* (DPI) by Beck et al. (2001). The statistical model includes all the control variables used in the previous section and also controls for annual GDP growth rates in the election years.[13] I estimate coefficients of the following equation to examine whether the probability of voting for incumbent parties by the poor decreases with rising inequality:

$$\Pr(\text{Voting for Incumbent}_{ij} = 1) = \Phi(\beta_0 + \beta_1 Inequality\ \ Change_i + [Controls] + c_i)$$

The causal mechanism driving the moderation effect of *inequality change* suggests that the poor are less likely to vote for incumbents as inequality rises if they evaluate the government based on its performance in improving inequality, and thus β_1 of the equation should be negative.

The estimation results presented in the first column of Table 2.2 provide support for the intuition behind the main hypothesis. The coefficient estimate on *inequality change* under left-wing governments reach a conventional level of statistical significance ($p < 0.05$) and the direction of the coefficient is negative, which indicates that the poor are less likely to vote for incumbent parties when the left is in power as inequality rises. Figure 2.3 plots the probability of the poor's voting for incumbent parties at different levels of *inequality change*.

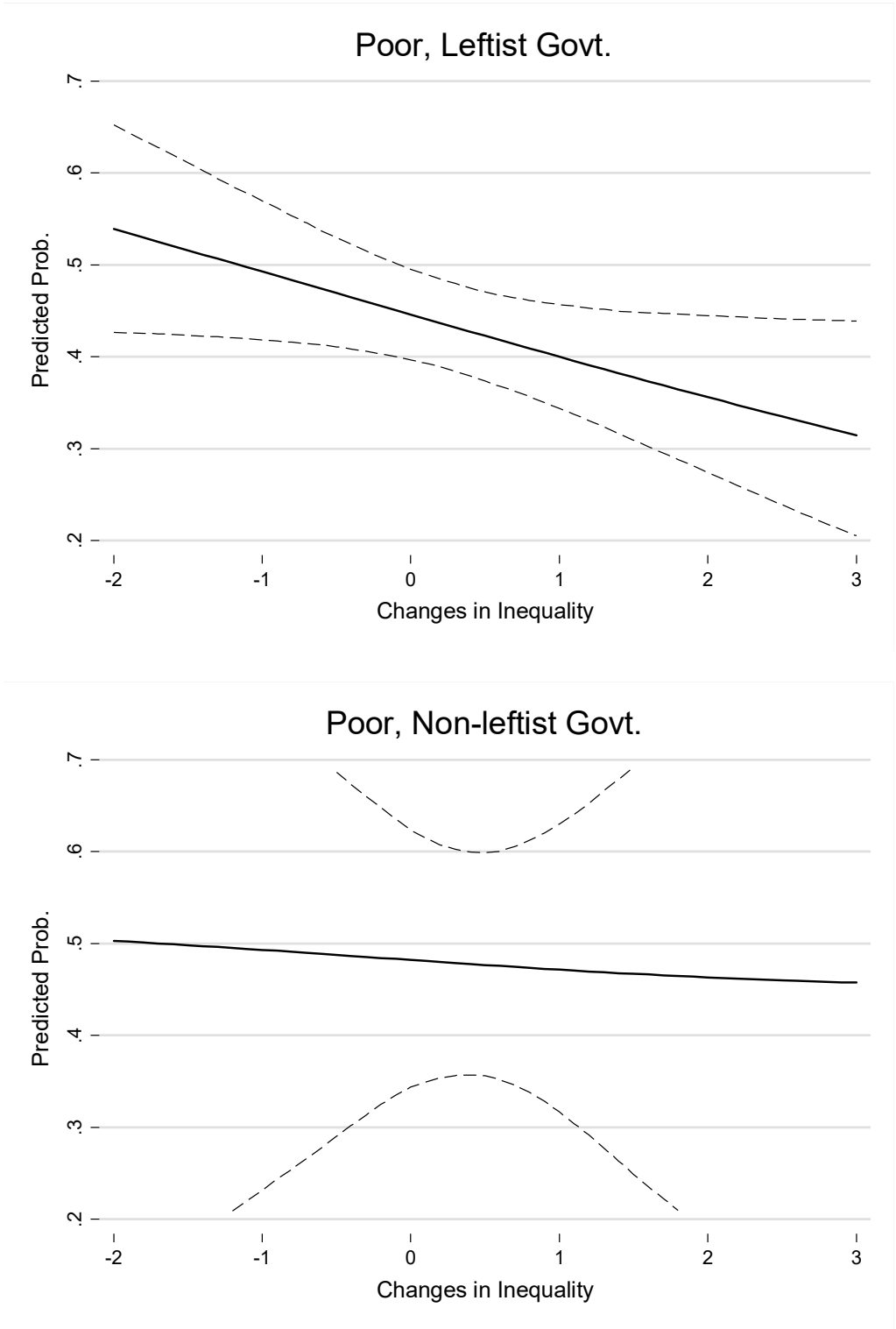
[13] Annual GDP growth rates are pulled from OECD Statistics (https://stats.oecd.org/index.aspx?queryid=350#).

Table 2.2. Estimation Results of Hierarchical Probit Models

DV: Voting for Incumbent	Model 7: Poor, Leftist Govt.	Model 8: Poor, Non-leftist Govt.
Constant	0.703**	-0.799*
	(0.176)	(0.401)
Inequality Change	-0.117*	-0.027
	(0.058)	(0.236)
Inequality Level	0.015	-0.026
	(0.012)	(0.045)
GDP Growth	0.034	-0.033
	(0.033)	(0.075)
Religious	-0.330**	0.110
	(0.121)	(0.082)
Age 18-24	-0.095	-0.284**
	(0.095)	(0.107)
Age 25-34	0.013	-0.255*
	(0.049)	(0.115)
Age 35-44	-0.063	-0.255*
	(0.061)	(0.123)
Age 45-54	-0.116	-0.115
	(0.072)	(0.090)
Age 55-64	-0.081	-0.166**
	(0.063)	(0.050)
Age 65 / Older	(omitted)	(omitted)
Male	-0.065	-0.105*
	(0.036)	(0.052)
Education (Secondary)	-0.102	0.003
	(0.060)	(0.049)
Education (University)	-0.133	-0.048
	(0.136)	(0.103)
Union Membership	0.162**	-0.134**
	(0.047)	(0.048)
Unemployed	0.073	-0.210**
	(0.097)	(0.079)
Self-employed	-0.249**	0.168
	(0.085)	(0.104)
Ideology	-0.145**	0.208**
	(0.031)	(0.035)
Intraclass Correlation (ρ)	0.029	0.284
N (Country-elections)	14	21
N	4,681	6,326

* $p<0.05$, ** $p<0.01$ (two-tailed); Cluster bootstrap standard errors are given in parentheses.

Figure 2.3. Predicted Probabilities of the Poor's Voting for Incumbent Conditional on Inequality Change under Leftist and Non-leftist Government



Based on Model 7 and 8 of Table 2.2. Dashed lines are 95 percent confidence intervals.

When a left-wing government reduces income inequality by 2, the estimated probability that a low-income voter supports an incumbent party is 0.54 approximately, yet the probability of the poor's voting for an incumbent decreases up to 0.31 as *inequality change* approaches its highest level. On the other hand, the poor are also less likely to support incumbent parties when inequality grows under non-leftist governments, yet the estimation results show that the coefficient on *inequality change* is not precisely estimated and the coefficient is also negligible in terms of its magnitude. These results indicate that while the moderation effects of *inequality change* exist under non-leftist governments, such effects are not produced by the poor's economic voting, but rather by another mechanism, or simply due to chance. However, the results with the poor under leftist governments support the logic behind the moderation effect of *inequality change* in the main analysis.

2.5.3. Robustness Tests and Additional Analysis

2.5.3.1. Robustness Tests

While the estimation results of the main analysis presented in Table 2.1 render supporting evidence for the main hypothesis, it is also possible that these estimates may be products of particular choices of measures for each variable and model specification. In fact, there are many alternative ways to test the main hypothesis, and thus I conduct a host of robustness checks to test whether the estimation results are sensitive to alternative measures and model specifications.

I first utilize alternative sources for partisan composition of government, since the results may not support my argument if elections are categorized based on different sources of government partisanship. To entertain this possibility, I collect information about the partisan composition of government from the *Comparative Political Parties Data Set* (CPPD, Swank 2013) and the *Comparative Political Data Set* (CPDS, Armingeon et al. 2013) to

examine robustness of the original results. Table 2.3 reports the estimation results based on those alternative classifications of government partisanship. While the absolute magnitude of the moderation effect under left-wing government slightly decreases, the coefficient estimates are still statistically significant ($p < .01$) and substantively meaningful in expected directions. The moderation effect also remains statistically significant under non-leftist government as the main analysis suggests.

I then redo the main analysis with an alternative measure of income (quintile). The first three columns of Table 2.4 report estimation results of Model 15-17, and the results remain unchanged. In addition, I introduce unobserved heterogeneity at the country level and re-estimate the three-level hierarchical models. The last three columns of Table 2.4 present the estimation results, which are almost identical to the results of the main analysis.

In the next step, I test the main hypothesis with a dichotomous measure of the dependent variable (i.e., left-wing voting). I adopt a continuous measure in the original analysis as the dependent variable, given that classifying parties into two groups is intrinsically arbitrary. While this claim is valid, I also construct a binary variable to capture respondents' left-wing voting and examine whether using the alternative measure changes the original results. Specifically, respondents voting for parties that are placed at less than 10.5 on the tax/spending dimension are regarded to vote for left-wing parties following Huber and Stanig (2009, 2011). The estimation results presented in Table 2.5 still support the main hypothesis. The coefficient estimate on the interaction term for the model under a leftist incumbent reach a conventional level of statistical significance ($p < .01$), and the sign of the coefficient also accords with the theoretical expectation. To facilitate substantive interpretation of the mediating effects, I estimated the effect of *poor* on predicted probabilities of left-wing voting depending on *inequality change* under alternative government partisanship based on coefficients from the estimation results. Figure 2.4 plots

Table 2.3. Robustness Checks 1: Alternative Measures of Government Partisanship

DV: the Economic Ideology of the Party a Respondent Votes for	Model 9: CPPD (Leftist)	Model 10: CPPD (Non-Leftist)	Model 11: CPDS (Leftist)	Model 12: CPDS (Non-Leftist)
Constant	5.960**	6.415**	6.091**	6.337**
	(0.703)	(0.387)	(0.769)	(0.378)
Poor	-0.426**	-0.596**	-0.435**	-0.574**
	(0.070)	(0.071)	(0.072)	(0.077)
Inequality Change	0.115	-0.019	0.140	-0.093
	(0.187)	(0.185)	(0.161)	(0.190)
Poor × ΔInequality	0.141**	-0.280**	0.141**	-0.272*
	(0.019)	(0.106)	(0.020)	(0.107)
Inequality Level	0.028	-0.025	-0.006	0.004
	(0.051)	(0.041)	(0.050)	(0.044)
Religious	0.340	0.127	0.485*	0.092
	(0.252)	(0.131)	(0.217)	(0.130)
Age 18-24	0.207	-0.244	0.192	-0.198
	(0.209)	(0.197)	(0.228)	(0.193)
Age 25-34	0.160	-0.095	0.184	-0.093
	(0.321)	(0.175)	(0.333)	(0.169)
Age 35-44	-0.012	-0.213	0.050	-0.232
	(0.219)	(0.172)	(0.212)	(0.169)
Age 45-54	0.134	-0.159	0.187	-0.171
	(0.164)	(0.150)	(0.157)	(0.147)
Age 55-64	0.038	-0.044	0.085	-0.062
	(0.112)	(0.114)	(0.100)	(0.113)
Age 65 / Older	(omitted)	(omitted)	(omitted)	(omitted)
Male	0.139*	0.118	0.139*	0.119
	(0.061)	(0.086)	(0.065)	(0.083)
Education (Secondary)	0.199	0.050	0.178	0.072
	(0.168)	(0.088)	(0.174)	(0.086)
Education (University)	0.285	0.010	0.252	0.038
	(0.298)	(0.166)	(0.310)	(0.164)
Union Membership	-0.723**	-0.731**	-0.797**	-0.700**
	(0.113)	(0.066)	(0.089)	(0.071)
Unemployed	-0.406*	-0.380*	-0.468*	-0.331
	(0.187)	(0.183)	(0.183)	(0.176)
Self-employed	0.564**	0.603**	0.579**	0.590**
	(0.174)	(0.121)	(0.179)	(0.117)
Ideology	0.960**	0.962**	0.964**	0.960**
	(0.097)	(0.061)	(0.104)	(0.060)
σ_e^2	0.737	0.465	0.555	0.541
σ_y^2	12.213	12.173	12.570	12.001
N (Country-elections)	12	23	11	24
N	10,899	20,017	10,140	20,776

* p<0.05, ** p<0.01 (two-tailed); Cluster-robust standard errors are given in parentheses.

Table 2.4. Robustness Checks 2: Alternative Measure of Income (Quintile) and Introducing Country-level Heterogeneity

DV: the Economic Ideology of the Party a Respondent Votes for	Model 13: Alternative Measure of Income (Quintile, All)	Model 14: Alternative Measure of Income (Quintile, Leftist)	Model 15: Alternative Measure of Income (Quintile, Non-leftist)	Model 16: Three-Level Model (All)	Model 17: Three-Level Model (Leftist)	Model 18: Three-Level Model (Non-leftist)
Constant	5.356**	5.055**	5.734**	6.219**	5.666**	6.585**
	(0.345)	(0.595)	(0.404)	(0.434)	(0.805)	(0.437)
Poor	0.272**	0.240**	0.267**	-0.550**	-0.470**	-0.561**
	(0.028)	(0.033)	(0.034)	(0.066)	(0.064)	(0.082)
Inequality	-0.027	0.294	-0.678*	0.060	0.155	0.044
Change	(0.279)	(0.193)	(0.288)	(0.100)	(0.120)	(0.187)
Poor ×	0.022	-0.045**	0.168**	-0.008	0.147**	-0.338**
ΔInequality	(0.044)	(0.017)	(0.047)	(0.092)	(0.017)	(0.114)
Inequality	-0.003	0.022	-0.026	-0.036	-0.012	-0.039
Level	(0.033)	(0.044)	(0.054)	(0.044)	(0.052)	(0.066)
Religious	0.206**	0.207	0.197	0.191	0.191	0.184
	(0.122)	(0.257)	(0.133)	(0.158)	(0.289)	(0.129)
Age 18-24	-0.095	0.004	-0.199	-0.061	0.015	-0.133
	(0.149)	(0.238)	(0.182)	(0.184)	(0.322)	(0.209)
Age 25-34	-0.053	0.020	-0.118	-0.009	0.057	-0.061
	(0.161)	(0.310)	(0.181)	(0.222)	(0.395)	(0.187)
Age 35-44	-0.229	-0.183	-0.256	-0.146	-0.111	-0.165
	(0.138)	(0.214)	(0.182)	(0.198)	(0.284)	(0.194)
Age 45-54	-0.159	-0.075	-0.229	-0.059	0.012	-0.113
	(0.116)	(0.193)	(0.149)	(0.151)	(0.205)	(0.158)
Age 55-64	-0.078	-0.029	-0.122	-0.016	0.032	-0.057
	(0.084)	(0.113)	(0.123)	(0.112)	(0.129)	(0.127)
Age 65 / Older	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)
Male	0.108	0.178**	0.050	0.128	0.196**	0.074
	(0.061)	(0.062)	(0.088)	(0.067)	(0.063)	(0.109)
Education	0.057	0.206	-0.038	0.110	0.224	0.024
(Secondary)	(0.083)	(0.151)	(0.093)	(0.089)	(0.179)	(0.096)
Education	-0.018	0.096	-0.103	0.122	0.190	0.060
(University)	(0.149)	(0.269)	(0.169)	(0.177)	(0.301)	(0.189)
Union	-0.747**	-0.709**	-0.790**	-0.725**	-0.699**	-0.751**
Membership	(0.057)	(0.098)	(0.074)	(0.075)	(0.112)	(0.085)
Unemployed	-0.293*	-0.338	-0.252	-0.380*	-0.419**	-0.345
	(0.127)	(0.180)	(0.175)	(0.165)	(0.159)	(0.199)
Self-employed	0.578**	0.543**	0.592**	0.595**	0.552**	0.619**
	(0.100)	(0.171)	(0.111)	(0.122)	(0.183)	(0.122)
Ideology	0.954**	1.000**	0.919**	0.963**	1.007**	0.929**
	(0.052)	(0.094)	(0.062)	(0.060)	(0.125)	(0.063)
σ_c^2				0.420	0.702	0.231
σ_e^2	0.592	0.670	0.483	0.141	0.061	0.245
σ_y^2	12.148	12.038	12.180	12.204	12.077	12.259
N (Countries)				18	10	15
N (Elections)	35	14	21	35	14	21
N	30,916	13,029	17,887	30,916	13,029	17,887

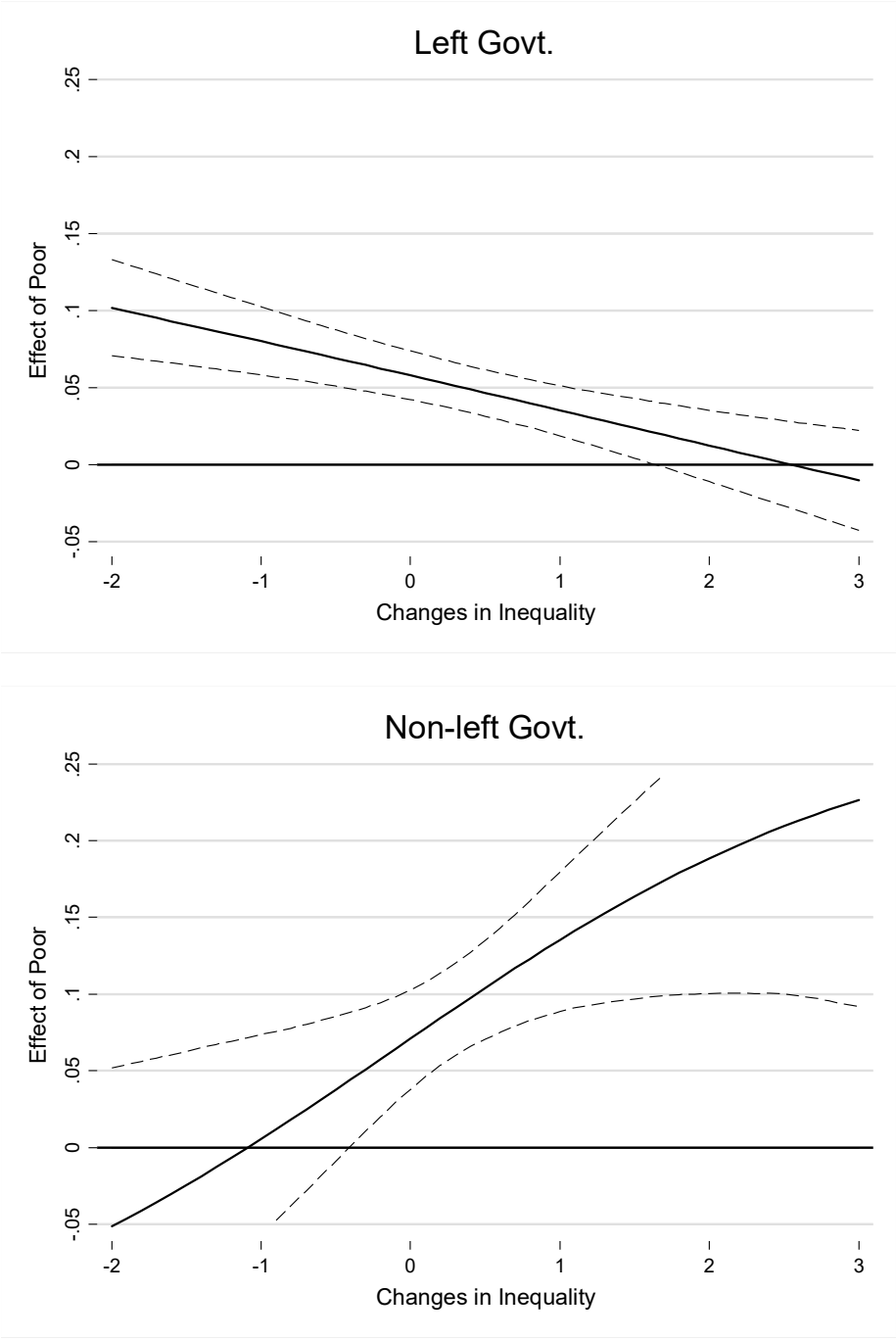
* p<0.05, ** p<0.01 (two-tailed); Cluster-robust standard errors are given in parentheses.

Table 2.5. Robustness Checks 3: Alternative Measure of Dependent Variable (Dichotomous)

DV: : the Economic Ideology of the Party a Respondent Votes for	Model A19: Binary Dependent Variable (Left-wing Voting, All)	Model 20: Binary Dependent Variable (Left-wing Voting, Leftist)	Model 21: Binary Dependent Variable (Left-wing Voting, Non-leftist)
Constant	1.736**	1.970**	1.555**
	(0.152)	(0.279)	(0.212)
Poor	0.181**	0.147**	0.181**
	(0.028)	(0.020)	(0.041)
Inequality Change	0.027	0.005	0.042
	(0.062)	(0.063)	(0.169)
Poor × ΔInequality	0.009	-0.058**	0.168**
	(0.050)	(0.014)	(0.065)
Inequality Level	-0.003	-0.005	0.009
	(0.018)	(0.021)	(0.047)
Religious	-0.106	-0.172	-0.067
	(0.070)	(0.155)	(0.070)
Age 18-24	0.025	-0.014	0.062
	(0.063)	(0.111)	(0.074)
Age 25-34	0.026	-0.033	0.071
	(0.066)	(0.121)	(0.073)
Age 35-44	0.070	0.021	0.106
	(0.064)	(0.103)	(0.079)
Age 45-54	0.037	-0.010	0.074
	(0.046)	(0.087)	(0.050)
Age 55-64	0.020	-0.042	0.065
	(0.042)	(0.071)	(0.050)
Age 65 / Older	(omitted)	(omitted)	(omitted)
Male	-0.010	-0.051	0.024
	(0.026)	(0.034)	(0.033)
Education (Secondary)	-0.079*	-0.145**	-0.037
	(0.032)	(0.051)	(0.036)
Education (University)	-0.118*	-0.162	-0.084
	(0.054)	(0.088)	(0.064)
Union Membership	0.290**	0.290**	0.296**
	(0.026)	(0.043)	(0.032)
Unemployed	0.176**	0.177*	0.178**
	(0.042)	(0.070)	(0.059)
Self-employed	-0.300**	-0.298**	-0.298**
	(0.036)	(0.057)	(0.044)
Ideology	-0.352**	-0.350**	-0.354**
	(0.024)	(0.051)	(0.026)
Intraclass Correlation (ρ)	0.220	0.118	0.268
N (Country-elections)	35	14	21
N	30,916	13,029	17,887

* $p<0.05$, ** $p<0.01$ (two-tailed); cluster bootstrap standard errors are given in parentheses.

Figure 2.4. Effects of Poor on Left-wing Voting Conditional on Inequality Change (Dichotomous, Predicted Probabilities)



Based on Model 20 and 21 of Table 2.5. Dashed lines are 95 percent confidence intervals.

Table 2.6. Robustness Checks 4: Fixed Effects Estimation and OLS with Cluster-robust Standard Errors

DV: : the Economic Ideology of the Party a Respondent Votes for	Model 22: Fixed-Effects (All)	Model 23: Fixed-Effects (Leftist)	Model 24: Fixed-Effects (Non-leftist)	Model 25: OLS with Cluster-robust Standard Errors (All)	Model 26: OLS with Cluster-robust Standard Errors (Leftist)	Model 27: OLS with Cluster-robust Standard Errors (Non-leftist)
Constant	6.304**	6.081**	6.489**	7.546**	7.415**	7.197**
	(0.311)	(0.478)	(0.421)	(0.389)	(0.529)	(0.681)
Poor	-0.548**	-0.470**	-0.557**	-0.550**	-0.465**	-0.573**
	(0.061)	(0.066)	(0.084)	(0.061)	(0.065)	(0.081)
Inequality Change				0.137*	0.087	0.328*
				(0.056)	(0.070)	(0.157)
Poor × ΔInequality	-0.008	0.148**	-0.341**	-0.008	0.142**	-0.303**
	(0.092)	(0.021)	(0.114)	(0.087)	(0.021)	(0.101)
Inequality Level				-0.203**	-0.267**	-0.049
				(0.069)	(0.048)	(0.190)
Religious	0.191	0.189	0.184	0.170	0.199	0.162
	(0.122)	(0.259)	(0.132)	(0.123)	(0.260)	(0.129)
Age 18-24	-0.058	0.014	-0.133	-0.084	0.021	-0.148
	(0.154)	(0.242)	(0.196)	(0.156)	(0.244)	(0.198)
Age 25-34	-0.006	0.057	-0.060	-0.048	0.057	-0.112
	(0.164)	(0.314)	(0.185)	(0.164)	(0.315)	(0.189)
Age 35-44	-0.143	-0.111	-0.163	-0.193	-0.110	-0.226
	(0.141)	(0.218)	(0.187)	(0.140)	(0.218)	(0.190)
Age 45-54	-0.056	0.012	-0.110	-0.100	0.009	-0.169
	(0.118)	(0.194)	(0.153)	(0.119)	(0.194)	(0.157)
Age 55-64	-0.013	0.032	-0.055	-0.048	0.035	-0.092
	(0.086)	(0.114)	(0.126)	(0.087)	(0.114)	(0.129)
Age 65 / Older	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)
Male	0.128*	0.196**	0.073	0.128*	0.196**	0.073
	(0.060)	(0.058)	(0.089)	(0.061)	(0.059)	(0.089)
Education (Secondary)	0.114	0.241	0.032	0.088	0.180	0.025
	(0.081)	(0.146)	(0.095)	(0.084)	(0.148)	(0.096)
Education (University)	0.126	0.196	0.068	0.125	0.176	0.076
	(0.151)	(0.264)	(0.177)	(0.146)	(0.263)	(0.177)
Union Membership	-0.719**	-0.693**	-0.746**	-0.735**	-0.696**	-0.760**
	(0.057)	(0.100)	(0.072)	(0.055)	(0.100)	(0.073)
Unemployed	-0.381**	-0.416*	-0.348	-0.355*	-0.418*	-0.279
	(0.128)	(0.174)	(0.186)	(0.134)	(0.174)	(0.193)
Self-employed	0.594**	0.553**	0.618**	0.600**	0.547**	0.632**
	(0.100)	(0.171)	(0.117)	(0.103)	(0.170)	(0.121)
Ideology	0.963**	1.008**	0.930**	0.962**	1.006**	0.930**
	(0.052)	(0.094)	(0.063)	(0.052)	(0.094)	(0.063)
Intraclass Correlation (ρ)	0.049	0.059	0.042			
N (Country-Elections)	35	14	21	35	14	21
N	30,916	13,029	17,887	30,916	13,029	17,887

* $p<0.05$, ** $p<0.01$ (two-tailed); Cluster-robust standard errors are given in parentheses; Country dummies are included in the models estimated via OLS and coefficients on them are not reported.

the moderation effect of *inequality change* on left-wing voting. While the point where the effect of poor on left-wing voting disappears is slightly different, substantive interpretation of the moderation effect is almost identical regardless of the type of the dependent variable.

Finally, I estimate the models with alternative estimation methods. First, I estimate fixed-effects models by relaxing the assumption of uncorrelatedness between unobserved heterogeneity at the country-election level and independent variables. Then, I re-estimate the models including country dummy variables with OLS. The estimation results in Table 2.6 indicate that the results from the main analysis are robust to these alternative estimation methods. In summary, the moderation effect of *inequality change* on the poor's voting is robust to all the alternative measures and model specifications, and thus it is safe to conclude that the evidence supporting the main hypothesis is very strong and stable.

2.5.3.2. Additional Analysis on the Moderation Effect of Religiosity

While examining the moderation effect of *inequality change* is the primary interest, I also test whether the effect of religiosity on voting is disproportionately stronger for the poor as previous studies suggest. The estimation results for Model 28 show that voters with religious beliefs support more economically conservative parties, yet this effect is not statistically significant. Also, I construct an interaction term between *religious* and *poor* in order to examine the disproportionate effect of religiosity. Previous studies argue that income-based voting is more prevalent among the secular poor than the religious poor (De La O and Rodden 2008; Huber and Stanig 2007), thus the coefficient on the interaction term should be positive. The coefficient estimates in the first column of Table 2.7 show that there is no evidence supporting this argument. The coefficient estimate on the interaction variable between *poor* and *religious* is not only estimated with large error, but also its sign is opposite to the expected direction. This result renders little support for the "distraction" hypothesis

Table 2.7. The Effect of Poor Conditional on Religiosity

DV: the Economic Ideology of the Party a Respondent Votes for	Model 28: Interaction b/w *Poor* & *Religiosity* (All)	Model 29: Interaction b/w *Poor* & *Religiosity* (All, the modest religious)
Constant	6.228**	6.169**
	(0.348)	(0.339)
Poor (Income)	-0.547**	-0.561**
	(0.065)	(0.071)
Inequality Change	0.048	0.052
	(0.161)	(0.164)
Inequality Level	-0.003	-0.004
	(0.033)	(0.033)
Religious	0.207	0.301*
	(0.156)	(0.151)
Poor × Religious	-0.037	0.028
	(0.161)	(0.168)
Age 18-24	-0.059	-0.021
	(0.154)	(0.153)
Age 25-34	-0.005	0.023
	(0.164)	(0.165)
Age 35-44	-0.142	-0.120
	(0.140)	(0.140)
Age 45-54	-0.056	-0.035
	(0.118)	(0.118)
Age 55-64	-0.014	0.002
	(0.086)	(0.085)
Age 65 / Older	(omitted)	(omitted)
Male	0.128*	0.138*
	(0.060)	(0.060)
Education (Secondary)	0.107	0.105
	(0.082)	(0.082)
Education (University)	0.119	0.117
	(0.150)	(0.149)
Union Membership	-0.725**	-0.727**
	(0.057)	(0.057)
Unemployed	-0.382**	-0.377**
	(0.128)	(0.127)
Self-employed	0.595**	0.596**
	(0.100)	(0.100)
Ideology	0.962**	0.959**
	(0.052)	(0.052)
σ_e^2	0.597	0.625
σ_y^2	12.204	12.194
N (Country-elections)	35	35
N	30,916	30,916

* p<0.05, ** p<0.01 (two-tailed); Cluster-robust standard errors are given in parentheses.

regarding the poor's voting behavior. The moderation effect of religious is not detected in the estimation result of Model 28, but this result can be also a product of the measure used in the

original analysis. Following Huber and Stanig (2011), respondents declaring that they attend at religious services "once a week/more than once a week" or identifying themselves as "very religious" are classified as the religious in the original analysis, but I extend this category by including respondents answering "two or more times a month" or "somewhat religious." The estimation result for Model 29 in Table 2.7 shows that the previous result is not mere a product of a particular measure of religiosity. While the result indicates that religiosity *per se* causes voters to support more conservative parties, but I cannot find evidence that this effect is particularly stronger for the poor. The effect of religious on voting turns out to be stronger with the new measure of religiosity, there is still no evidence that the poor are more likely to be distracted from their self-interest than the rich.

2.6. Conclusion

This paper examines the poor's voting behavior with a focus on their economic interests, which interests have been underappreciated in previous studies. The declining relevance of income, economic interests, and class to citizens' voting has been a popular subject of political science research. In particular, numerous political science research studies offer explanations as to why the poor sometimes vote against their own interests. The recent debate on this puzzle has mainly revolved around factors which can be substituted for economic preferences of poor voters. There is also a journalistic argument that cultural and moral issues virtually "outweigh" economic issues in the United States (Frank 2004). While previous research has produced fruitful contributions to the better understanding of the poor's voting behavior, this study is motivated by the observation that very little attention has been paid to the poor's economic interests *per se*. Instead of examining other voting cues, I attempt to offer an explanation for the seeming contradiction by focusing on the poor's economic interests, which should be affected by government policies. Specifically, I demonstrate that

the poor's evaluations of the left-wing government's performance in improving economic inequality are of critical importance to the poor's voting calculus. The findings of this chapter provide strong evidence to support the hypothesis that income-based voting becomes prevalent when the leftist government successfully ameliorates economic inequality. This paper therefore contributes to the existing literature on the poor's right-wing voting by suggesting a simple, but novel explanation for this long-lasting puzzle: the poor do not support leftist parties because of policy outcomes against their self-interest delivered by their representative.

This paper also highlights the importance of contextual factors in studying micro-level political behavior. Political scientists studying political economy and political behavior have argued that macro-level contextual factors, including economic conditions and political institutions, should be taken seriously in order to advance understanding of political behavior at the individual level (e.g., Anderson and Singer 2008; Rueda 2008). This paper echoes this argument and emphasizes the importance of parties in government as suppliers of economic policies that influences citizens' political behavior. The voluminous literature on the partisan model of economic outcomes suggests that economic policies and macroeconomic outcomes should differ according to government partisanship. If this argument is correct, citizens should expect that different policy goals will be pursued depending on the partisan composition of the government (Duch and Stevenson 2008). It follows that the poor expect they will benefit more from the left in government. However, if a leftist government falls short of these expectations by failing to produce expected economic outcomes, the outcome will disappoint its core constituency – the poor. In this case, the less well-off may explore different criteria for their voting in the upcoming election. The findings of this chapter contribute to the literature by properly locating micro-level behavior in the context of the macro-level economic condition (i.e., inequality changes) and the institutional features (i.e.,

government partisanship).

Finally, this paper calls attention to the rationality of the poor by indirectly testing whether the poor are able to understand their personal loss during a time of growing economic inequality. Previous research assumes that the poor are readily mobilized around other politicized issues. That argument mainly relies on findings that the poor tend to be less educated and ill-informed (e.g., Verba et al. 1995). The extant literature on the poor's right-wing voting also tends to depict the poor as somewhat irrational agents who tend to be easily distracted from their material interests (e.g., De La O and Rodden 2008) or receive greater psychological benefits from religious beliefs than the wealthy (e.g., Scheve and Stasavage 2006). My findings in this chapter present a different story. While it is argued that well-informed voters are more likely to make "correct" choices, it does not necessarily mean that the poor lack the ability to consider their voting choices based on their self-interest (e.g., Ansolabehere et al. 2006). My findings suggest that the poor decide to support non-leftist parties not because they are irrational, but rather because they recognize that the left is no longer a valid or competent advocate of their interests. In other words, they have a good reason for not voting for the left. These findings illuminate the rationality in the political behavior of the poor. The assumption that the poor have ill-informed opinions on politics is widely accepted, yet the findings in this chapter calls this assumption into question and invites further scholarly investigation of the rationality of the poor's political behavior in future research.

APPENDIX

Table 2.8. List of Country-elections, Partisanship of Incumbent Governments, and Missing Variables

Country/Election	CWS	CPPD	CPDS	Missing Variables
Australia 1996	Left	Left	Left	
Australia 2004	Right	Right	Right	Self-employed
Australia 2007	Right	Right	Right	
Austria 2008	Center	Center	Center	
Belgium 1999	Center	Left	Center	Self-employed
Belgium 2003	Center	Left	Center	Income
Canada 1997	Center	Center	Right	
Canada 2004	Center	Center	Right	
Canada 2008	Right	Right	Right	Self-employed
Denmark 1998	Left	Left	Left	Religiosity
Denmark 2001	Left	Left	Left	Unemployed
Denmark 2007	Right	Right	Right	Religiosity, Self-employed
Finland 2003	Left	Left	Center	
Finland 2007	Center	Center	Center	
Finland 2011	Center	Center	Right	
France 2002	Left	Left	Left	Self-employed
France 2007	Right	Right	Right	
Germany 1998	Right	Right	Right	
Germany 2002	Left	Left	Left	
Germany 2005	Left	Left	Left	
Germany 2009	Center	Center	Center	
Greece 2009	Right	Right	Right	
Ireland 2002	Center	Right	Right	
Ireland 2007	Center	Right	Right	
Italy 2006	Right	Right	Right	
Japan 1996	Right	Right	Right	Ideology, Religiosity, Unemployed, Self-employed
The Netherlands 1998	Left	Center	Center	
The Netherlands 2002	Left	Center	Center	
The Netherlands 2006	Center	Center	Right	
The Netherlands 2010	Center	Center	Center	
New Zealand 1996	Right	Right	Right	
New Zealand 2002	Left	Left	Left	
New Zealand 2008	Left	Left	Left	
Norway 1997	Left	Left	Left	
Norway 2001	Left	Left	Left	Religiosity
Norway 2005	Right	Right	Right	Religiosity
Norway 2009	Left	Left	Left	Religiosity
Portugal 2002	Left	Left	Left	
Portugal 2005	Right	Center	Right	Self-employed
Portugal 2009	Left	Left	Left	Self-employed
Spain 1996	Left	Left	Left	
Spain 2000	Right	Right	Right	Religiosity
Spain 2004	Right	Right	Right	
Spain 2008	Left	Left	Left	Union Membership, Self-employed
Sweden 1998	Left	Left	Left	
Sweden 2002	Left	Left	Left	
Sweden 2006	Left	Left	Left	Religiosity
Switzerland 1999	Right	Right	Right	

Table 2.8 (cont'd)

Switzerland 2003	Right	Right	Right	Self-employed
Switzerland 2007	Right	Right	Right	Self-employed
United Kingdom 1997	Right	Right	Right	
United Kingdom 2005	Left	Left	Left	
United States 1996	Center	Center	Right	
United States 2004	Right	Right	Right	
United States 2008	Right	Right	Right	Self-employed

* Comparative Welfare State Dataset (CWS, Brady et al. 2014): cases are coded as leftist (or rightist) government if leftist (or rightist) parties as a group have more than 50% of the legislative seats held by the government, or have more than 40% of the legislative seats held by incumbent parties and a plurality of the legislative seats; if both left-wing and right-wing groups have more than 40% of the legislative seats held by the government, then it is considered as centrist government even though one of the two have more than 50% of the seats, or have more than 40% of the seats and a plurality of the seats; if centrist parties hold more than 50% of the legislative seats held by incumbent parties, or have more than 40% of the legislative seats held by the government and a plurality of the seats, then it is coded as centrist government.
* Comparative Political Parties Dataset (CPPD, Swank 2013): cases are coded as leftist (or rightist) government if leftist (or rightist) parties as a group have more than 50% of the seats, or have more than 40% of the seats and a plurality of the seats in the cabinet; if both left-wing and right-wing groups have more than 40% of the seats in the cabinet, then it is considered as centrist government even though one of the two have more than 50% of the seats, or have more than 40% of the seats and a plurality of the seats in the cabinet; if centrist parties hold more than 50% of the seats in the cabinet, or have more than 40% of the seats and a plurality of the seats in the cabinet, then it is coded as centrist government.
* CPDS (Armingeon et al. 2013): Governmental Partisanship coded from 1 to 5

Table 2.9. Details Regarding Control Variables

Variable	Description	Survey Items
Religiosity	1 if a respondent attends church weekly, 0 otherwise; if this question is not asked (Canada, Finland, and Spain), another question asking about respondents' religiosity is used. I assigned 1 if a respondent self-describes as "very religious," 0 otherwise	A2015/A2016 (the 1st wave), B2023/B2024 (the 2nd wave), and C2023/C2024 (the 3rd wave)
Age	Six dichotomous variables are created for "age." For each dichotomous variable, if a respondent belongs to the range for the variable, 1 is assigned to her (or him), 0 otherwise.	A2001 (the 1st wave), B2001 (the 2nd wave), and C2001 (the 3rd wave)
Male	1 if a respondent is male, 0 otherwise.	A2002 (the 1st wave), B2002 (the 2nd wave), and C2002 (the 3rd wave)
Education (Secondary)	1 if a respondent has completed secondary school or has an experience of higher levels of education, but fails to complete university degree, 0 otherwise.	A2003 (the 1st wave), B2003 (the 2nd wave), and C2003 (the 3rd wave)
Education (University)	1 if a respondent has completed a university degree or has an experience of higher levels of education, 0 otherwise.	A2003 (the 1st wave), B2003 (the 2nd wave), and C2003 (the 3rd wave)
Union Membership	1 if a respondent or someone in household other than respondent is a member of union, 0 otherwise.	A2005/A2006 (the 1st wave), B2005/B2006 (the 2nd wave), and C2005/C2006 (the 3rd wave)
Unemployment	1 if a respondent is unemployed, 0 otherwise.	A2007 (the 1st wave), B2010 (the 2nd wave), and C2010 (the 3rd wave)
Self-employed	1 if a respondent is self-employed, 0 otherwise.	A2009 (the 1st wave), B2012 (the 2nd wave), and C2012 (the 3rd wave)
Ideology	Self-placement of a respondent on a scale from 0 (left) to 10 (right).	A3031 (the 1st wave), B3045 (the 2nd wave), and C3013 (the 3rd wave)

Table 2.10. Summary Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Economic Ideology of Voted Party (Continuous)	75,771	10.797	4.411	2.1	18.7
Left-wing Voting (Dichotomous)	75,771	0.510	0.500	0	1
Poor	86,276	0.403	0.490	0	1
Income (Quintile)	86,276	2.967	1.387	1	5
Inequality Change	102,147	0.160	0.940	-2.017	3.368
Inequality Level	102,147	-0.027	4.116	-6.931	8.000
GDP Growth Rate	102,147	2.187	2.250	-5.6	5.9
Religiosity	81,598	0.164	0.370	0	1
Religiosity (Moderate)	81,598	0.274	0.446	0	1
Age 18-24	101,397	0.091	0.287	0	1
Age 25-34	101,397	0.161	0.368	0	1
Age 35-44	101,397	0.196	0.397	0	1
Age 45-54	101,397	0.188	0.391	0	1
Age 55-64	101,397	0.167	0.373	0	1
Age 65 or Older	101,397	0.197	0.398	0	1
Male	101,950	0.482	0.500	0	1
Education (Secondary)	99,215	0.455	0.498	0	1
Education (University)	99,215	0.182	0.386	0	1
Union Membership	93,054	0.317	0.465	0	1
Unemployed	98,512	0.048	0.215	0	1
Self-employed	67,812	0.098	0.297	0	1
Ideology	86,271	5.176	2.279	0	10

CHAPTER 3

CHANGING POSITION OR PLAYING FIELD?

THE DISTINCT EFFECTS OF ECONOMIC INEQUALITY ON STRATEGIES OF RIGHT PARTIES IN OLD AND NEW DEMOCRACIES

"The new conflict can become dominant only if the old one is subordinated, or obscured, or forgotten, or loses its capacity to excite the contestants, or becomes irrelevant." – E. E. Schattschneider, The Semisovereign People: A Realist's View of Democracy in America.

3.1. Introduction

The aim of this chapter is to explain the manner of response by right-wing parties to the growing economic inequality by right-wing parties in advanced and emerging democracies. The central finding is that when faced with a high level of economic inequality, the political right in new democracies opt to profess more leftist positions on the economic policy dimension. On the other hand, right-wing parties in advanced democracies are more inclined to emphasize social issues compared to left-wing parties even though taking issue positions closer to the median voter is a more attractive option than politicizing social issues. The reason is that in advanced democracies stronger political constraints on strategic choices of party leadership curb opportunistic policy moderation of the right-wing parties. Thus instead, right-wing parties in advanced democracies attempt to politicize non-economic issues, including moral values, religion, and national identity, in order to draw voter attention away from economic issues.

Optimal choice of policy positioning has been one of the central issues in political science research. Ample research has been conducted to investigate how political parties adjust their positions in response to various environmental factors, such as public opinion

(Adams et al. 2004, 2006; Ezrow et al. 2011), past election records (Somer-Topcu 2009), and economic conditions (Adams et al. 2009; Barth et al. 2015; Haupt 2010; Ward et al. 2011). In addition, several recent empirical studies also recognize that party competition usually takes place in the multidimensional policy space and analyze how parties manipulate the salience of economic and non-economic issues in their platforms in response to changing economic conditions (e.g., Tavits and Letki 2014; Tavits and Potter 2015; Ward et al. 2015). While I develop my theoretical arguments building on the extant literature, I also seek to contribute to the current understanding of party competition in the three following ways.

First, previous studies generally focus on either the party strategies on position or salience in response to various exogenous factors, but they fall short of incorporating those options available for parties into a single theoretical framework. For instance, several recent studies explored the effect of economic inequality on party positions on the welfare state policy (Barth et al. 2015), or on the amount of emphasis parties place on the "values" dimension (Tavits and Potter 2015); meanwhile, those studies focus only on a single aspect of party strategies – issue emphasis or issue positioning – and fail to account for the other option available to the parties (cf. Tavits and Letki 2014). However, it is reasonable to believe that parties are able to employ both strategies in the pursuit of their electoral success (Meguid 2005, 2008; Wagner 2012; Ward et al. 2015). Given this understanding that both strategies are considered, I regard the two strategic options as substitutes for each other in the parties' efforts in pursuing their electoral gains.

Second, while there are notable attempts to explain how economic inequality affects party competition (e.g., Barth et al. 2015; Tavits and Letki 2014; Tavits and Potter 2015), they fail to take into account different political environments that confront parties in advanced or nascent democracies. To address this void, I analyze how the contextual differences between the old and new democracies lead their right-wing parties to choose distinct strategies. In

doing so, this chapter complements the literature by accounting for the varying degrees of political constraints on strategic party decisions that bear on the contextual differences between advanced and emerging democracies.

Finally, this chapter offers an important implication for understanding the class politics in emerging democracies. While growing economic disparity entailed by economic liberalization and globalization promotes the formation of interest-based preferences over economic policies among citizens (Kitschelt 1992), these preferences sometimes fail to translate into citizens' vote choices (Gijsberts and Niewbeerta 2000). My findings in this chapter suggest a theoretical possibility for the discrepancy. Specifically, rising inequality creates incentives for right parties to move leftwards, thus making it difficult for voters to identify representatives who best represent their interests. Furthermore, the party convergence on the economic dimension reduces the salience of economic issues, thereby discouraging voters to base their electoral choices on their economic preferences (Evans and Tilley 2012a). In this regard, this chapter contributes to providing a better understanding of why the development of certain social cleavages are not reflected in the political realms in new democracies.

The next section provides a review of the literature on party strategies on position and salience, and exploration of various factors that may affect parties' electoral strategies. Then, in the third section, I draw a set of hypotheses based on a discussion of party strategies and the political constraints imposed on strategic choices of party leadership in both advanced and emerging democracies. The fourth section presents a series of results from the empirical analyses. I also conduct additional analyses to test whether the results that confirm the hypotheses are driven by the proposed causal mechanism. Concluding remarks and a discussion of the implications of the findings are presented in the last section.

3.2. Literature Review: Party Competition in the Policy Space

A political party can be defined as an institution that aims to seek positions in government as well as shared particular policy goals (e.g., Strøm and Müller 1999; Ware 1996). For this reason, parties' electoral platforms reflect their broad ideological principles, but they are also products of strategic considerations of electoral and political environments that may affect their fortunes in the elections. In this sense, the extant literature on party competition in democratic elections generally regards the drafting of party platforms as an attempt to speak to citizens and maximize the party vote shares.

This sizable literature portrays electoral competition as efforts of political parties, as unitary agents, to position themselves properly on the unidimensional policy space in order to draw support from a larger segment of citizens (Downs 1957; Enelow and Hinich 1984; cf. Budge et al. 2010; Schumacher et al. 2013). Based on this theoretical framework, ample empirical research provides explanations of how parties decide their positions within the policy space in response to environmental incentives. First, parties shift their positions in response to a change in the distribution of voter preferences on the policy dimension (Adams et al. 2004, 2006). Yet parties also respond to different groups of citizens depending on the parties' programmatic profiles (i.e., mainstream or niche). Mainstream parties respond to opinion shifts in the mean voter position in the whole of the electorate, whereas niche parties are more responsive to their core supporters (Ezrow et al. 2011). Election results in the past also motivate parties to shift their positions. Somer-Topcu (2009) finds that only those parties that lost votes in the past election change their policy positions in the current election, but this effect fades between current and past elections (cf. Adams et al. 2004; Adams et al. 2011). Lastly, economic conditions, such as economic globalization and inequality, are also proposed as factors that are taken into consideration in understanding parties' position-taking. Adams et al. (2009) find evidence that non-leftist (i.e., centrist and rightist) parties change

their ideological positions in response to globalization, whereas leftist parties are generally unresponsive to economic conditions related to globalization. However, Haupt (2010) finds that rightist and leftist parties behave similarly in response to economic openness. In addition, Ward et al. (2011) argue that the effect of globalization on party positions depends on the position of the median voter. In particular, the influence of globalization on policy positions of social democratic parties takes effect only when the median voter is leftist, since the parties face pressure to move rightward, created only by the advent of globalization and otherwise nonexistent. There are also notable attempts to uncover the mechanisms behind party response to domestic economic conditions in electoral competition. For instance, Pontusson and Rueda (2010) find that increase in inequality induces left-wing parties to move leftward only when the poor are politically mobilized. On the other hand, Barth et al. (2015) find that leftist parties in OECD democracies advocate less generous welfare state policy when faced with higher inequality.

While numerous studies focus on parties' policy positions in the unidimensional policy space, electoral competitions rarely center around one single issue (e.g., De Sio and Weber 2014; Miller and Schofield 2003; Roemer 1998; Schofield and Sened 2006; cf. Hix et al. 2006). Therefore, a substantial body of literature on party competition assumes a multidimensional policy space that comprises the two main policy domains: economic ("interests") and social ("values") issues dimensions (Miller and Schofield 2003; Roemer 1998; Schofield and Sened 2006; Tavits and Potter 2015). Such multidimensionality of the policy space encourages political scientists to study issue emphasis as well as position-taking (e.g., Green-Pedersen 2007; de Vries and Hobolt 2012; Hobolt and de Vries 2015; Meguid 2005, 2008). First, one branch of research focuses on the fact that parties are inclined to politicize issues on which those parties are recognized as competent or credible (Budge and Farlie 1983). For example, U.S. voters believe that the Republican Party is more capable of

fighting inflation, whereas the Democratic Party is better at dealing with unemployment (Petrocik 1996). On the other hand, recent studies find that parties also emphasize issues that are central to the public debate (Klüver and Sagarzazu 2016; Spoon and Klüver 2014). In particular, the strategy to emphasize issues of priority may be successful only if those issues are salient enough (Bélanger and Meguid 2008). Vote-seeking parties with greater resources are also more likely to engage in "riding the wave" of public concern by addressing issues that are central in the public debate (Wagner and Meyer 2014).

Several recent studies have direct relevance to the research question here. Tavits and Letki (2014) investigate how economic inequality affects the polarization of party systems in post-communist democracies, basing their theory on the literature regarding the relationship between inequality and party polarization witnessed in advanced democracies. Their argument, specifically, is that the rise in inequality leads to an increased prevalence of economic interests among the citizens and, accordingly, party-system polarization within the sphere of economic issues. Moreover, Tavits and Potter (2015) demonstrate that right-wing parties attempt to politicize issues pertaining to the social values in order to draw voter attention away from economic issues as inequality grows, while leftist parties, in constrast, are incentivized to emphasize economic issues in the face of growing economic disparity.

3.3. Theory: Party Strategies, Political Constraints, and Economic Inequality

3.3.1. Policy Space: Definition

In accordance with the previous studies, I define the two-dimensional policy space as one that is constituted by the dimensions of economic and social issues (Miller and Schofield 2003; Tavits and Letki 2014; Tavits and Potter 2015). Issues within the economic dimension include the classical conflict of economic interests, such as redistribution, progressive income/property taxes, social welfare, and state regulation/deregulation. On the other hand,

issues related to national identity and patriotism, immigration, moral values, religiosity, and the degree of punishment for criminals to preserve public order are categorized as social issues.

3.3.2. Issue Positioning versus Issue Emphasis

When competing in a two-dimensional policy space, political parties have to decide, first, where they position themselves along each of the policy dimensions, and second, which issues they want to emphasize. This also implies that when encountered with adverse circumstances during electoral competitions (i.e., being positioned farther away from the median voter than their competitors), parties have two options to turn the situation around to their favor. First, parties can take an issue position that is closer to the median voter rather than the positions they prefer in the policy dimension. This idea is very much in line with the classical proximity model of party competition in which voters choose parties close to their ideal points in a one-dimensional policy space (Down 1957). In addition, the multidimensional policy space allows parties to manipulate the salience of each policy dimension. In other words, parties are also able to politicize issues on the other dimension to divert voter attention to the policy dimension in which they are more likely to win. This strategy echoes Riker's concept of *heresthetics*, which is defined as the strategic manipulation of the political structure (e.g., dimensional salience) to construct a winning majority (Riker 1986).[14]

The process of formulating party strategy profiles consequentially leads to the question of determining which option is better in terms of a costs and benefits analysis. Both

[14] According to Riker, among three varieties of heresthetical maneuvers – agenda control, strategic voting, and manipulation of issue dimensions –, the latter is "just about the most frequently attempted heresthetical device" (Riker 1986: 150).

strategies – position-taking and manipulating salience – can be used as substitutes for each other in pursuing electoral gains (Meguid 2005, 2008; Wagner 2012), yet they are not completely interchangeable in that they vary in effectiveness and availability. I argue that, given that both are successful, position-taking is more effective than emphasizing issues on the other dimension for achieving electoral gains. The prime expected benefit of position-taking is a proximal gain by attracting voters who would have voted for the rival parties. In addition, another concomitant benefit of position-taking is drawing voter attention away from the issue dimension disadvantageous to the party. This mechanism can be explained by the fact that convergence of political parties on an issue reduces the importance of that particular issue at the ballot box (Green and Hobolt 2008; Meguid 2008; Miller and Schofield 2003; Wagner 2012). Emphasizing issues on the other policy dimension, however, may not be as effective for electoral gains compared to the strategy of positon-taking, since the outcome of this option constitutes only one aspect of expected effects by position-taking – drawing voter attention away from a particular policy dimension. Moreover, if the issue that the party desires to downplay is already established as a prominent issue for the voters, manipulating issue salience by politicizing alternative issues is less likely to have an effect (Bélanger and Meguid 2008).

3.3.3. Political Constraints to Strategic Choice of Parties

Position-taking may be a more attractive option in the pursuit of electoral advantages than manipulating issue salience. Nevertheless, it should also be noted that due to various political constraints, this strategy may not always be feasible. In order to analyze what constitute such political constraints, I borrow two concepts from Meguid (2008): organizational and reputational constraints. First, I define organizational constraints as agents or institutions that restrict the autonomy of party leadership in the decision-making process.

Organizational constraints usually take effect within the party organization in the forms of factions and party activists; party strategies to seek popular support are sometimes constrained by the dynamics of interactions between various agents within the party (Bäck 2008; Budge et al. 2010; Pedersen 2010; Strøm and Müller 1999).[15] Especially in comparison to party leaders, party activists are generally more committed to a certain ideological identity and less willing to abandon policy principles for votes or office (Aldrich 1995; Miller and Schofield 2003; Garand 2010; Panebianco 1988; Schumacher et al. 2013; Strøm 1990). Therefore, intraparty decision-making in selecting a party position over a certain issue sometimes involves a considerable amount of time, and, in some cases, it is even possible to be unable to reach an agreement (Meguid 2008). Consequently, it is challenging for parties that have decision-making power dispersed among various internal units to change their issue positions in accordance to the median voter position or in response to office-seeking incentives (Pedersen 2012; Schumacher et al. 2013; Strøm 1990). In addition, parties' strategic choices may be also constrained by citizens with partisan attachments to each party. Parties that have participated in electoral competitions throughout a long period have core supporters and usually enjoy stable and strong long-term partisan ties with such supporters. In order to achieve electoral gains, parties may attempt to make opportunistic moves at times, but changing issue positions always involves considerable uncertainty in terms of effectiveness (Budge 1994). As Petrocik posits, "a Democrat's promise to attack crime by hiring more police, building more prisons, and punishing longer sentences would (…) provoke (decisive) distress among Democratic constituents" (Petrocik 1996: 829). Therefore, it is likely that such parties will be reluctant to change their political stance for uncertain

[15] To take into account organizational constraints, I relax the popular assumption of a party as a unitary agent in the literature on party competition (see Budge et al. 2010; Miller and Schofield 2003; Schumacher et al. 2013).

short-term gains while risking the loss of assured support from their core constituencies, and, for this reason, such long-standing ties between parties and their core supporters act as constraints to parties' attempts to pursue opportunistic position-taking.

Yet the organizational aspect is not the only factor that imposes constraint on the strategic decisions of parties. Policy reputation can also deter parties from carrying out opportunistic positioning. First, the intertemporal policy inconsistency can cause a party to lose its programmatic credibility (Kitschelt and Rehm 2015). Voters tend to "discount" a party's policy that contradicts its previous stance, given that voters have a priori knowledge regarding the party's ideological principle and policy position in the past elections (Kitschelt and Rehm 2015; Tomz and van Houweling, 2014). Furthermore, as Meguid posits, "a party that pursues consistent policy objectives will be considered more responsible and trustworthy than one that vacillates between opposing policy positions" (Meguid 2008: 106). This implies that parties lacking intertemporal policy consistency are more likely to suffer reputational cost in terms of valence evaluation (DeBacker 2015; Lupu 2014; Tomz and van Houweling 2014). The intertemporal inconsistency of policy positions can be detrimental to the general reputation of a political party, especially if a rightist party take a leftist position or, inversely, if a leftist party takes a rightist one (Meyer and Müller 2014; Tomz and van Houweling 2014). Therefore, the reputational constraint from past issue positions also discourages parties from implementing strategic position-taking.[16]

The decision to enforce the issue salience strategy is relatively free, however, from these constraints mentioned above. As Wagner states, "positional decisions precede salience choices in party strategies" (Wagner 2012: 66). His statement implies that party activists, who

[16] To be clear, I do not argue that parties are always forced to take policy positions that are identical to their previous positions, and that there is no intertemporal variation in party position-taking under strong political constraints. My argument is that stronger organizational and reputational constraints should allow considerably smaller sets of points within a policy space for party position-taking. Opportunistic position-taking is also much more costly when political constraints are strong.

possess stronger preferences in regard to their desired policy positions, are generally less adamant about parties' choice of issue salience than about policy positions (Wagner 2012). Moreover, voters usually identify and support parties based on which stance the parties take on specific issues rather than on how much importance the parties give to those issues. For this reason, congruence in issue position between voter and party, in most cases, is a prime condition for forging a programmatic tie between the two. However, the programmatic tie formulated through issue salience should be subject to a certain degree of issue congruence. "If an individual does not share a party's issue stance, then it is irrelevant that she finds that particular party to be the owner of the policy position" (Bélanger and Meguid 2008: 483). This is the case even for niche parties, whose issue salience is a core element of party identity (Wagner 2012). For example, French voters who prioritize multiculturalism and assimilationist policies are least likely to vote for the far-right Front National (FN), even if the FN places its anti-immigrant stance on its highest priority in its election campaign.

To summarize, issue positioning can be a much more effective option for political parties in the pursuit of electoral gains. Nevertheless, party leaders are reluctant to employ this strategy when they are constrained by well-institutionalized party organization or policy reputations developed throughout history.[17] In such cases, party leadership will opt to manipulate issue salience in its electoral platform, which enables party leadership to protect its reputation and easily secure the approval of party activists and core supporters.

3.3.4. Political Parties and Electoral Competitions in Old and New Democracies

Both issue emphasis and issue positioning are tools that are utilized by parties in

[17] In fact, the organizational and reputational constraints are to some extent interrelated. For example, vote-seeking party activists may try to hinder strategic position-taking to maintain programmatic credibility or the general reputation of their party (Kitschelt and Rehm 2015).

order to improve their electoral fortunes, but the effectiveness of each tool depends on the strength of organizational and reputational constraints being imposed on the strategic choice of parties. I emphasize the importance of environmental differences in advanced and nascent democracies in understanding the degree of constraints imposed on parties' strategic choice during electoral competition. Three key differences between advanced and nascent democracies that are relevant to the varying degree of political constraints are summarized in the following discussion.

First, party organization and decision-making process in emerging democracies are not as well-institutionalized as those in advanced democracies. Literature on party organizations and party systems in new democracies in Southern and East-Central Europe shows that weak party organizations allow party leaders to exercise stronger authority in the decision-making process (van Biezen 2003, 2005). This low level of party institutionalization enables parties to make timely programmatic response to changing environments around elections (Lupu and Riedl 2013). Moreover, political parties in nascent democracies are sometimes characterized as personalistic or flexible, meaning that they operate according to the individual decisions made by party leaders rather than by an institutionalized decision-making bodies (Bader 2008; Choi et al. 2014).[18] In short, party leaders in nascent democracies are usually less constrained by party activists or strong organizational units, and as a consequence, possess greater autonomy in intraparty decision-making process.

Second, new democracies generally show weak and unstable voter-party linkages (Ezrow et al. 2014; Lupu and Riedl 2013; McAllister and White 2007; Rose 1995). Citizens

[18] Lupu and Riedl (2013) emphasize the effects of uncertainty in new democracies on the low degree of party institutionalization. Specifically, party elites in emerging democracies intentionally maintain a flexible (or uninstitutionalized) party organization and restrain intraparty contestation in order to cope with uncertainties inherent to new democracies. Ware also notes that "(parties) would want an organization that can be modified to be effective in new circumstances (Ware 1996: 140)" in regimes with chronic instability.

of new democracies are less likely to be attached to particular parties due to their lack of past experience of democratic elections. The linkages between parties and voters are usually established and maintained by voters' support for prominent figures associated with specific parties rather than by programmatic appeals or ideological commitments (Mainwaring and Tocal 2006). Such lack of party roots in the society is closely related to weakly institutionalized party systems in new democracies (Mainwaring 1999). In contrast, voter-party linkages based on voters' organizational and psychological attachments to parties are more durable and stronger in advanced democracies. The stability of voter-party linkages in advanced democracies is evident, especially compared to the linkages in nascent democracies where citizens are less likely to have inherited partisan attachments to particular parties due to the experience of shorter democratic episodes (Dalton and Klingerman 2007; Dalton and Weldon 2007; Mainwaring 1999). Moreover, frequent splits and mergers among parties and changes in party labels also prevent citizens from building long-lasting ties to particular parties in emerging democracies (Rose and Munro 2003).

Finally, political parties in emerging democracies are more likely to lack policy reputations among voters. Voters in nascent democracies generally find it hard to associate certain parties with their positions on the policy spectrum due to their lack of experience in observing how parties behave once they are in office (Tucker 2006). Keefer (2007) demonstrates that underdeveloped policy reputations of parties and subsequent low-credibility in their electoral promises encourages political parties to invest in patron-client relationships rather than in programmatic appeals aimed at a broad group of citizens. He also presents evidence that politicians in emerging democracies prefer clientelistic networks with targeted good provision because of such low credibility and the lack of policy reputations. The correlation between the level of political credibility and the age of democracy may not be deterministic. In addition, parties in nascent democracies sometimes inherit their reputations

from the period prior to democratization during which such reputations have developed. Nevertheless, policy reputations of parties in advanced democracies are more likely to develop and are in better form, since policy reputations take time to build (Keefer 2007; Kitschelt 1995) and party systems tend to stabilize as a democracy matures (Lupu and Stokes 2010). These differences in political environment between old and new democracies indicate that political constraints on opportunistic position-taking of parties are stronger in advanced democracies.

3.3.5. Economic Inequality and Right Parties' Strategies in Old and New Democracies

With the increase in economic inequality, economic interests gain greater significance in electoral choice in both advanced democracies (McCarthy et al. 2006; Leighley and Nagler 2013) and nascent ones (Tavits and Letki 2014). For instance, growing inequality creates fertile ground for the ensuing formation of class cleavage and its subsequent increase in importance to the electoral competition within Central and Eastern European countries (Evans 1997; Gijsberts and Niewbeerta 2000). Rising inequality also increases the right-skewedness of the income distribution, and therefore the proportion of the population below the mean income also increases (Finseraas 2009a). This implies that electoral competition that focuses on economic issues will be detrimental to the rightist parties; while left-wing parties are willing to take their preferred positions in the economic dimension, right-wing parties are faced with the necessity of overcoming the challenge. The previous discussion about party strategies implies that the efforts by right-wing parties to achieve electoral gain can take two forms. First, right-wing parties can try to highlight social issues to draw voter attention away from economic issues. The other option is to position themselves more towards the left than their preferred positions in the economic dimension as a means to reduce the distance between themselves and the median voter (and also the left-

wing parties).[19]

Of the two options, which is a more effective strategy? The former should be a more attractive option to the right, as discussed above. Shifting to the left helps the right secure partial support from the middle-income group, but the convergence in the economic dimension also mitigates the importance of economic issues in the electoral competition. As a result, the importance of income as a voting cue will be reduced in the minds of voters (Evans and Tilley 2012a). Importantly, it is risky for parties to downplay economic issues in their policy platforms in the face of high inequality given that this entails a high salience of economic issues in voters' perception and polarized preferences over redistribution (Spoon and Klüver 2014).

However, political constraints can discourage rightist parties from moving to the left on the economic policy dimension. Party elites or activists usually have heterogeneous policy preferences, and by using some degree of their possessed power they may exert influence on important decision making of the party. In general, the intraparty decision-making process in advanced democracies are well-institutionalized through prescribed party regulations. This

[19] Tavits and Letki (2014) predict that increasing inequality is positively associated with party-system polarization in post-communist democracies, but it is not clear from their study why right-wing parties move further rightward on the economic dimension as inequality increases. The reason is that increasing party polarization within the economic dimension is likely to create an attraction of voters' attention toward economic issues, and as a consequence, increase their income-based voting (e.g., Evans and Tilley 2012; Green and Hobolt 2008; Hobolt and de Vries 2015; Miller and Schofield 2003; Wagner 2012). In a similar vein, Meguid (2005, 2008) also points out that mainstream party's decision to take a position on the opposite side of the issue taken by a niche party increases the perceived relevance of that issue, in turn, enhancing the niche party's fortune in electoral competition. The argument that inequality and party polarization are positively associated with each other is developed in the context of established democracies where citizens have relatively clear information on the policy positions of individual parties, and where links between voters and well-institutionalized parties are established based on programmatic ties (e.g., Garand 2010; Pontusson and Rueda 2008). However, this condition is less likely to hold in most nascent democracies, especially if citizens have not had any experience in electoral competition and if most parties of the regime are less institutionalized or newly founded after democratization. In this sense, it is more reasonable to speculate that as inequality increases, right-wing parties want to move toward the position of the median voter in order to appeal to a larger segment of citizens, while downplaying the significance of economic cleavage.

constraint makes it difficult for party leaders to make opportunistic decisions in regard to party positioning within the economic dimension in response to contextual factors. On the other hand, party leadership in emerging democracies tends to exert much stronger control over the party's important decisions. In particular, strong autonomy of party leadership is a feature that is more prevalent in center-rightist parties in younger democracies (Enyedi and Linek 2008). In addition, weak voter-party linkages in new democracies allow parties more freedom in changing their policy positions.[20]

Parties in advanced democracies must also endure the risk of losing their reputation when they attempt opportunistic position-taking. While right-wing parties should calculate the cost (i.e., losing policy credibility and general reputation) and benefit (i.e., proximal gains) expected from their policy shifts toward the left, opportunistic position-taking will not produce an effective outcome once the voters become aware of the low credibility of the election promise (Kitshelt and Rehm 2015). In advanced democracies, in fact, parties that moderate their policy positions between elections are likely to suffer falls in their vote shares (Somer-Topcu 2015). Therefore, it is more reasonable for the rightist parties in advanced democracies to seek alternative options to enhance their electoral fortunes. Rightist parties in emerging democracies, in contrast, face relatively weaker reputational constraints, thanks to meager experience in democratic elections and lack of policy reputation (Dalton and Klingemann 2007). Parties in emerging democracies are not as strongly constrained by their past issue positions as their counterparts in advanced democracies, and citizens in emerging democracies are also less likely to have solid beliefs or information on the parties' policy positions. This weak reputational constraint imposed in the emerging democracies allows rightist parties to utilize a more effective option in the electoral competition.

[20] Dalton and McAllister (2015) find that parties in advanced democracies are less likely to change their policy positions between elections than those in new democracies.

In sum, I predict that the varying degrees of the two political constraints – organizational and reputational – in advanced and emerging democracies incentivize rightist parties to behave differently in response to greater economic disparity. Specifically, the difference between rightist and non-rightist parties in the degree in which they emphasize social issues will grow in tandem with inequality in advanced democracies. In nascent democracies, on the other hand, high levels of inequality that challenge the rightist parties incentivizes them to take more leftist policy positions in the economic dimension. An integrative understanding of these relations leads to the formulation of the main hypotheses set forth below regarding the different effects that inequality have on the strategies of rightist parties in old and new democracies.

Hypothesis 3-1 (Changing Playing Field in Old Democracies): In comparison with non-rightist parties, rightist parties in old democracies should, all other things being equal, put greater emphasis on issues pertaining to the social dimension when economic inequality is high.

Hypothesis 3-2 (Changing Position in New Democracies): In comparison with non-rightist parties, rightist parties in new democracies should, all other things being equal, position themselves to the left in the economic dimension when economic inequality is high.

3.4. Data, Measurements, and Model Specification

3.4.1. Data and Cases

To test the main hypotheses, I take the information on parties' platforms from the *Comparative Manifesto Project* (CMP) dataset (Volkens et al. 2015). The CMP data, which covers more than 50 countries, contains quantified information regarding the relative attention parties pay to individual issue categories. Since the CMP data also includes the

information on parties in non-democracies, elections that were held in non-democratic years are excluded according to classifications by the Boix-Miller-Rosato (Boix et al. 2013) and the Cheibub-Gandhi-Vreeland (Cheibub et al. 2010) datasets. Specifically, elections held in years that are classified as non-democracy in either dataset are dropped from the analysis. Furthermore, small parties are unlikely to draft their policy platforms based on office-seeking motivation when faced with environmental changes (Pedersen 2012), and thus parties with less than three percent of total votes are also excluded.

The main hypotheses expect that the effect of inequality will be different in old and new democracies. Therefore, all observations in this analysis are split into two groups. Following Tavits and Potter (2015), five consecutive country-elections after democratization are coded as new democracies. In cases where countries had experienced authoritarian interruption between democratic episodes, five consecutive democratic elections after three or more years of authoritarian rule are classified as elections in new democracies.[21]

3.4.2. Dependent Variables: Issue Emphasis and Issue Positioning

Based on the frequency of rhetoric in electoral platforms, the CMP provides the information that enables measuring of a party's emphasis on individual issue areas. In order to test the main hypotheses, two dependent variables are constructed: (1) the extent to which each party gives importance to social issues, and (2) party positions within the economic dimension. I measure party emphasis on social issues using the sum of scores which measure the parties' relative attention to 16 policy categories related to social issues (Tavits and Potter 2015). I also identify 25 policy categories related to economic issues in both old and new

[21] Termination of democracy due to foreign occupation during the Second World War is not take into account here. List of country-elections in the sample and details on how they are classified into old and new democracies are presented in Table 3.8 in the Appendix to this chapter.

democracies.[22] To measure left-right positions in the economic dimension, the sum of scores given to 15 leftist issues are subtracted from the total scores from the 10 rightist policy categories.[23] For this measure, smaller values indicate positions that are more left-leaning.

3.4.3. Independent Variables

I construct three key independent variables: *right*, *inequality*, and the interaction term to test the moderation effect of *inequality* on both issue positioning and issue emphasis by right-wing parties. Based on the CMP, liberal, Christian democratic, conservative, or nationalist parties are classified as rightist parties consistent with previous studies (Burgoon 2013; Tavits and Potter 2015). In order to measure the level of economic inequality during each election, the gross (pre-tax/transfer) Gini coefficients are taken from the *Standardized World Income Inequality Database* (SWIID; Solt 2009). The Gini coefficients from the years prior to the election years are used to for the elections held during the first half of the election year.[24]

3.4.4. Control Variables

I also include a set of control variables which may potentially affect the estimation of the moderation effect suggested by the main hypotheses. First of all, ethno-linguistic and religious fractionalizations are argued to have an effect on both party decisions – on issue positioning and issue emphasis. In societies with high levels of ethnic fractionalization, citizens are more likely to support less redistribution since individuals with affiliation to specific ethnic groups do not wish to spend revenue on other ethnic groups (Alesina and

[22] Valence issues (Stokes 1963; e.g., economic growth) are not used in constructing the dependent variable that measures party positions on economic issues.
[23] Policy categories used to construct the dependent variables are presented in Table 3.9 and 3.10 in the Appendix to this chapter.
[24] As for the elections held after June 30th, the Gini coefficients in election years are used.

Glaeser 2004). Support for leftist policies also tends to decrease when ethnic fractionalization increases because even those who favor redistribution are influenced by their antipathy to other ethnic groups (Finseraas 2009b). As for the strategy of emphasis on social issues, parties are more likely to appeal to social issues, including ethno-linguistic identity and religiosity, when such social cleavages are present. I therefore include ethnic, linguistic, and religious fractionalization measures in the statistical models to control for their rightward (or positive) effects on position-taking in regard to economic issues (or emphasis on social issues). Fractionalization indexes are taken from Alesina et al. (2003).

Economic globalization is another factor that is argued to have an effect on the election platforms. Previous studies have also examined the effect of economic globalization on policy positioning, but the resulting evidence is mixed in terms of the direction of effect. Various economic indicators that measure economic globalization tend to have significant effects on party's policy position, but the direction of effect varies depending on which indicator is used (Adam et al. 2009; Haupt 2010). While economic globalization is claimed to push parties to converge on neoliberal economic policies by creating competitive pressure (Steiner and Martin 2012; Ward et al. 2015), it should also be noted that the debate on the neoliberal convergence is far from settled (e.g., Garrett and Mitchell 2001; Plümper et al. 2009; Rodrik 1998). For this reason, I remain open to the direction of effect that economic globalization has on positions within the economic policy dimension. At the same time, Ward et al. (2015) demonstrate that economic globalization is positively associated with the party implementation of emphasis on non-economic issues during elections. Following this argument, I predict that economic globalization intensifies parties' emphasis on social issues in electoral platforms. The measure for economic globalization is taken from the KOF Index of Globalization (Dreher 2006; Dreher et al. 2008).

The effect of unemployment rates on party positioning is unclear. Intuitively, as

unemployment rate rises, parties would propose more aggressive labor market policies and promise greater job protection. However, as Petrocik (1996) posits, a right-wing party may have its own way to deal with unemployment. For example, a rightist party may address the problem of a growing unemployment rate by stressing "the importance of stimulating business opportunities through investment credits and less regulations" (Petrocik 1996: 829). To measure the unemployment rates, information on harmonized unemployment rates for advanced democracies are drawn from the *Comparative Welfare States data set* (Brady et al. 2014). I utilize the information from OECD and the World Bank's World Development Indicators (WDI) database to fill in the missing observations. I also control for the three party-election level variables (new party, niche party, and party size) and the three additional election-level variables (GDP growth, turnout rates, and the effective number of electoral parties) following Tavits and Potter (2015).[25]

3.4.5. Model Specification and Estimation Strategy

I construct models with the two dependent variables to test the main hypotheses. The data structure is hierarchical, as party-election level observations are clustered at the party level as well as the country-election level. Both clusters are nested within each country. While the dependent variables are measured at the party-election level, the key independent variables, *right* and *inequality*, are measured at the party level and country-election level, respectively. Ignoring this data structure can lead to overconfidence in the accuracy of the estimates (Angrist and Pischke 2009; Steenbergen and Jones 2002), so I estimate multilevel linear models while allowing random intercepts both at the country and party levels with

[25] All economic variables, including unemployment rates, economic globalization index, and annual GDP growth rates, are lagged for elections held in the first half of the election years. Details regarding the coding schemes of these control variables are presented in Table 3.11 in the Appendix to this chapter.

cluster-robust standard errors at the country level as was done in previous studies (Tavits and Potter 2015; Ward et al. 2015). Observations with at least one missing value for any independent variables are dropped out, and therefore the main hypotheses are examined using 1754 observations from 475 parties in 44 democracies. Specifically, the statistical models are presented as follows:

(1) $\text{Emphasis on Social Issues}_{cpe} = \beta_0 + \beta_1 Right + \beta_2 Inequality + \beta_3(Right \times Inequality) + [Controls] + \varepsilon_{cpe}$

(2) $\text{Position on Economic Issues}_{cpe} = \beta_0 + \beta_1 Right + \beta_2 Inequality + \beta_3(Right \times Inequality) + [Controls] + \varepsilon_{cpe}$

$$\beta_0 = \gamma_0 + \delta_c + \delta_p$$

where δ_c and δ_p are country- and party-level random intercepts of which estimates of variances, σ_c^2 and σ_p^2, will be derived. The main goal is to estimate β_3, which represents how discernable issue emphasis or issue positioning of right-wing parties is from that of non-rightist counterparts given the level of economic inequality. As for the first model that uses issue emphasis as the dependent variable, it is expected that as inequality increases right-wing parties in old democracies will lay more emphasis on social issues than other parties. However, the rightist parties in younger democracies are expected to take more leftist positions when challenged by increasing inequality. Therefore, while the sign of β_3 in the first model should be positive for advanced democracies, β_3 in the next model is expected to have a negative sign only for emerging democracies.

3.5. Estimation Results

3.5.1. Main Analysis

The estimation results for the two main models are presented in Table 3.1. The results of the first two columns confirm my hypotheses about issue emphasis of right-wing parties in response to the different levels of inequality. The coefficient for the interaction term between *right* and *inequality* statistically significant ($p < .01$). This implies that in advanced democracies rightist parties are inclined to emphasize social issues more than non-rightist parties when economic inequality rises. Substantively, an increase in the Gini coefficient by 1 is associated with an increase in the difference in emphasis on social issues between rightist and non-rightist parties by 0.301. This result is in line with the first hypothesis. On the contrary, the effect of economic inequality on party's emphasis on social issues is not statistically significant in new democracies. In terms of the magnitude, the coefficient for the interaction term is not much smaller than that in advanced democracies, but the coefficient is not precisely estimated. On the other hand, the estimation results in the rightmost column show the rightist parties takes a closer position to the left as inequality rises. The interaction term between *right* and *inequality* is statistically significant ($p < .05$), and as a result, the difference between rightist and non-rightist parties in new democracies regarding their positions on economic issues decreases with increasing economic inequality.

Even though the directions of coefficients on multiplicative interaction terms are consistent with the theoretical predictions and the coefficients are precisely estimated, it is also necessary to calculate the effects of *right* and their standard errors in order to enhance the validity of inference and substantive interpretations (Brambor et al. 2006). To this end, I create graphs to display the effect of *right* on each dependent variable depending on the different levels of inequality. Based on the estimation results, Figure 3.1 and Figure 3.2 graphically present the effect of *right* over all possible ranges of inequality. The solid line in

each graph represents the point estimate of the effect and the dashed lines indicate the 95% confidence interval. The above graph in Figure 1 shows that the difference between rightist and non-rightist parties in their emphasis on social issues is not statistically significant when the Gini coefficient is less than 30. However, as inequality grows, the gap between the two groups consistently increases throughout the ranges of inequality level. The bottom graph in Figure 3.1 plots the effect of *right* on the emphasis on social issues in new democracies. At all possible values of inequality, the effect of *right* holds values that are not significantly different from zero. More importantly, the solid line shows an upward inclination overall, but we cannot conclude that the effect of *right* consistently increases or decreases over the range of inequality levels as there exists great uncertainty in the estimates. On the other hand, the bottom graph in Figure 3.2 shows that the difference between rightist and non-rightist parties within the economic dimension in new democracies consistently decreases with inequality. While the right-wing's position within the economic dimension is clearly distinct from that of other parties when inequality is low, the difference slopes downward with the rise of inequality and effectively diminishes as inequality approaches its highest level. This moderation effect is non-existent in advanced democracies. The above graph in Figure 3.2 shows that right-wing parties take more conservative positions in the economic dimension throughout the entire range of inequality levels.

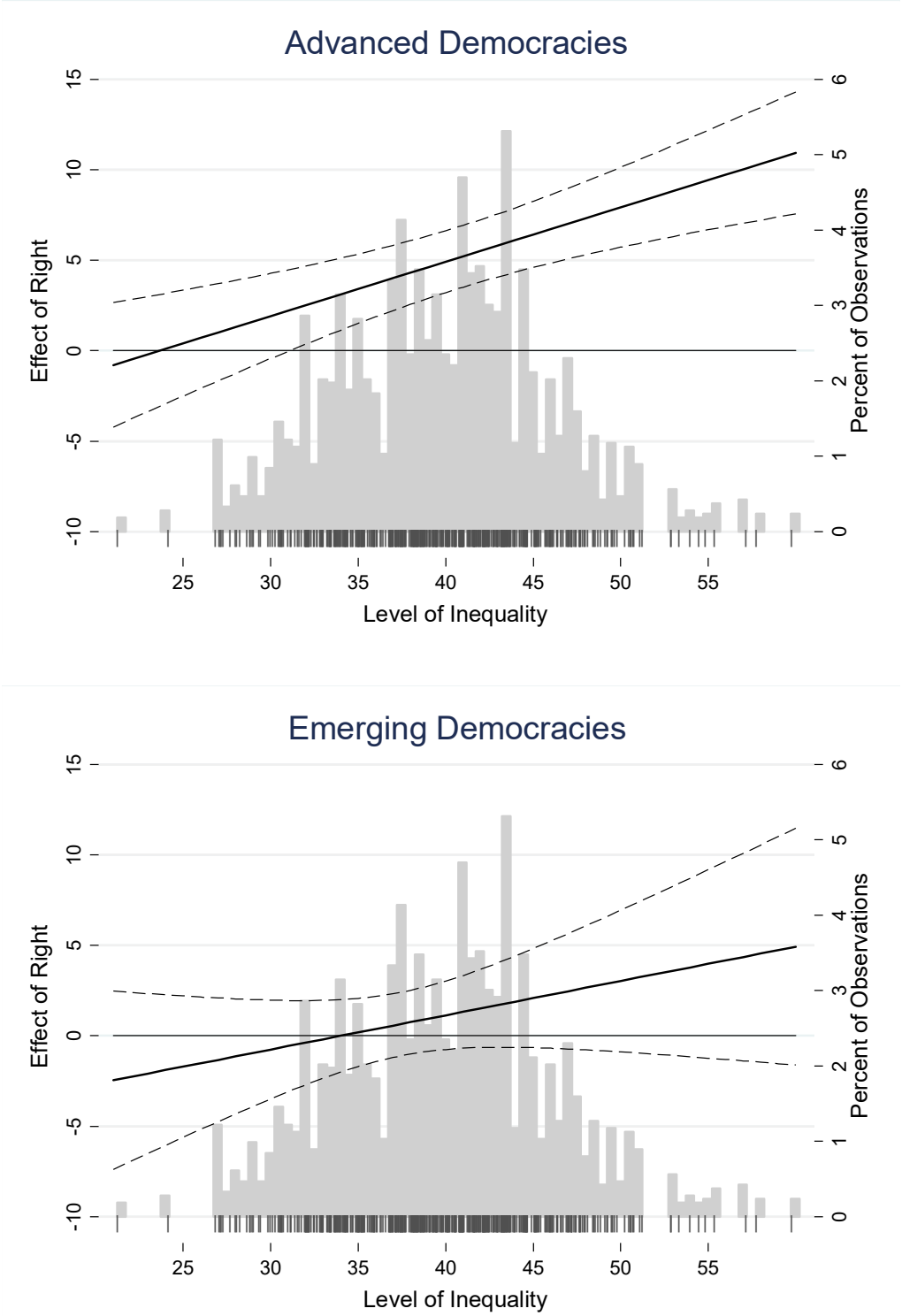
The findings strongly support the main hypotheses. Higher economic inequality encourages right-wing parties to make attempts to turn electoral competition to their advantage, albeit in different manners. The results confirm that specific strategies of the right-wing groups diverge according to different environmental incentives in advanced and emerging democracies.

Table 3.1. Regression Analysis of Emphasis on Social Issues and Positions on Economic Issues in Advanced and Emerging Democracies

	Model 1: Emphasis on Social Issues (Old)	Model 2: Emphasis on Social Issues (New)	Model 3: Positions on Economic Issues (Old)	Model 4: Positions on Economic Issues (New)
Constant	7.629	9.915	-18.028*	-4.496
	(7.095)	(7.719)	(8.708)	(15.998)
Right	-7.101*	-6.441	3.699	18.973**
	(3.256)	(5.428)	(6.693)	(5.127)
Economic	-0.186	-0.073	-0.345**	0.108
Inequality	(0.100)	(0.116)	(0.129)	(0.175)
Right × Inequality	0.301**	0.189	0.211	-0.265*
	(0.077)	(0.143)	(0.159)	(0.133)
GDP Growth	0.017	0.036	-0.332*	-0.023
	(0.050)	(0.099)	(0.164)	(0.147)
Unemployment	-0.036	-0.150	0.363*	0.298*
	(0.093)	(0.084)	(0.160)	(0.146)
Economic	0.169**	0.015	0.012	-0.179*
Globalization	(0.052)	(0.055)	(0.079)	(0.080)
Effective Number	-0.512	0.177	0.468	0.352
of Parties	(0.342)	(0.268)	(0.546)	(0.319)
Turnout Rates	-0.000	0.023	0.073	-0.086
	(0.036)	(0.047)	(0.063)	(0.101)
Niche	3.449**	5.063**	-0.810	-0.138
	(1.282)	(1.301)	(2.008)	(1.482)
Size	-1.497	-1.689	4.947	2.574
	(1.855)	(1.800)	(3.120)	(3.190)
New Party	0.077	0.042	2.664*	-0.031
	(0.509)	(0.872)	(1.232)	(1.090)
Ethnic	-3.004	5.478	-6.706	-4.587
Fractionalization	(7.063)	(4.635)	(8.439)	(7.121)
Religious	0.926	5.403	2.054	-3.192
Fractionalization	(3.791)	(4.088)	(3.335)	(7.508)
Linguistic	11.236	2.502	12.558	-1.720
Fractionalization	(10.808)	(4.506)	(7.487)	(5.251)
σ_c^2	13.678	2.404	12.901	13.703
σ_p^2	32.231	7.116	82.580	37.763
σ_{cpe}^2	40.257	45.976	105.505	46.305
N (Country)	36	23	36	23
N (Party)	310	229	310	229
N	1359	395	1359	395

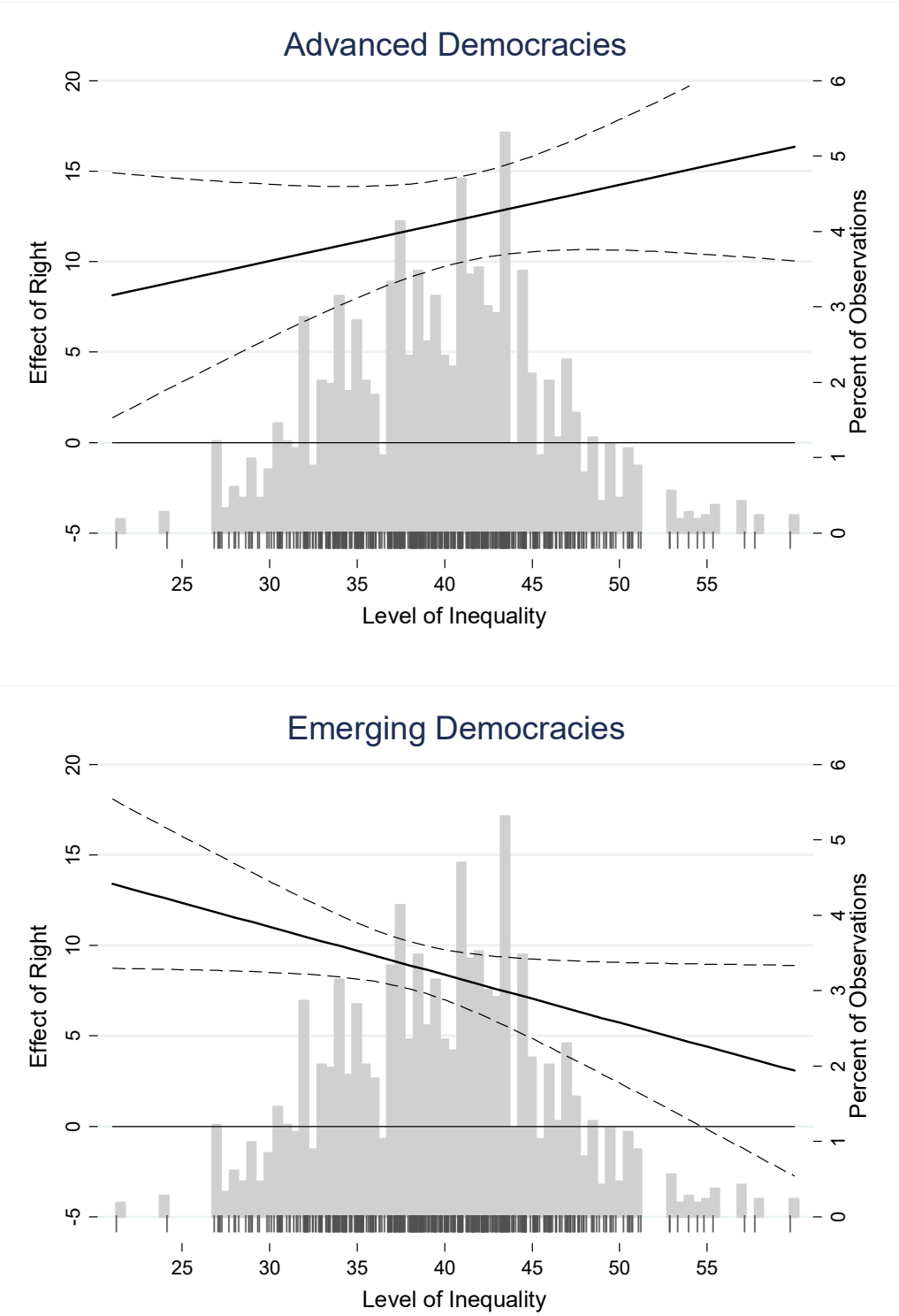
*p<0.05, ** p<0.01 (two-tailed); Cluster-robust standard errors are given in parentheses.

Figure 3.1. Effect of Right on Emphasis on Social Issues Conditional on the Level of Inequality in Advanced and Emerging Democracies



Based on Model 1 and Model 2 of Table 1. Dashed lines are 95 percent confidence intervals.

Figure 3.2. Effect of Right on Positions on Economic Issues Conditional on the Level of Inequality in Advanced and Emerging Democracies



Based on Model 3 and Model 4 of Table 1. Dashed lines are 95 percent confidence intervals.

3.5.2. Testing the Causal Mechanism: Do Political Constraints Really Matter?

Although the key findings in the previous section are consistent with the main hypotheses regarding different responses of right-wing parties to economic inequality, the results should still be interpreted with caution because it is possible these results were produced by mechanisms other than the varying degrees of political constraints. It is therefore important to conduct an additional investigation that tests the moderation effect of the political constraints in order to substantiate the suggested causal mechanism. To capture the degree of political constraints, I draw four continuous measures that are related to the extent to which the autonomy of party leadership is constrained from the *Varieties of Democracy* (V-Dem) database (Coppedge et al. 2016). Next, I create an additional independent variable (*constraint*) to measure the degrees of political constraints by adding up the values of those four variables.[26] To test whether the moderation effect of inequality is conditioned on the degree of political constraints, I estimate the following two equations with the three-way interaction term between *right*, *inequality*, and *constraint*. As Braumoeller (2004) and Brambor et al. (2006) prescribe, all constitutive terms of the three-way interaction term are included in the equations as follows:

$$(3)\ \text{Emphasis on Social Issues}_{cpe} = \beta_0 + \beta_1 Right + \beta_2 Inequality + \beta_3 Constraint + \beta_4(Right \times Inequality) + \beta_5(Right \times Constraint) + \beta_6(Constraint \times Inequality) + \beta_7(Right \times Inequality \times Constraint) + [Controls] + \varepsilon_{cpe}$$

[26] The mean and standard deviation of *constraint* are 6.997 and 2.641 respectively, and this variable ranges from -1.589 to 11.988. Higher values indicate stronger constraints. The prime and unique advantage of employing measures from the V-Dem is that the measures change over time, thus reflecting the development of party institutions and programmatic ties between voters and parties as a democracy matures. Table 3.12 in the Appendix to this chapter lists the indicators used to construct *constraint*.

(4) Position on Economic Issues$_{cpe} = \beta_0 + \beta_1 Right + \beta_2 Inequality +$

$\beta_3 Constraint + \beta_4(Right \times Inequality) + \beta_5(Right \times Constraint) +$

$\beta_6(Constraint \times Inequality) + \beta_7(Right \times Inequality \times Constraint) +$

$[Controls] + \varepsilon_{cpe}$

$$\beta_0 = \gamma_0 + \delta_c + \delta_p$$

The estimation results of the models are presented in Table 3.2, but the estimated coefficients and their statistical significances tell little about the moderation effects of political constraints. Instead, I estimated the effect of *right* on each dependent variable conditional on the level of inequality at different degrees (i.e., strong or weak) of political constraints based on the coefficient estimates in the two equations.[27]

Figure 3.3 provides a depicted explanation of the estimated effect of *right* on the emphasis on social issues throughout all possible ranges of inequality under strong and weak political constraints. The first graph plots the conditional effect of *inequality* under strong constraints, which shows an upward slope that is quite similar to that observed from the effect of *right* in advanced democracies in Figure 3.1. As inequality grows, right-wing parties place increasingly greater emphasis on social issues compared to non-rightist parties under strong political constraints. The solid line representing the effect of *right* is almost flat in the bottom graph of Figure 3.3, in contrast, and the difference in social issue emphasis between rightist and non-rightist parties is not statistically significant over the entire range of inequality.

Figure 3.4 plots the effect of *right* on positions within the economic dimension at different levels of inequality under strong and weak political constraints. The bottom graph

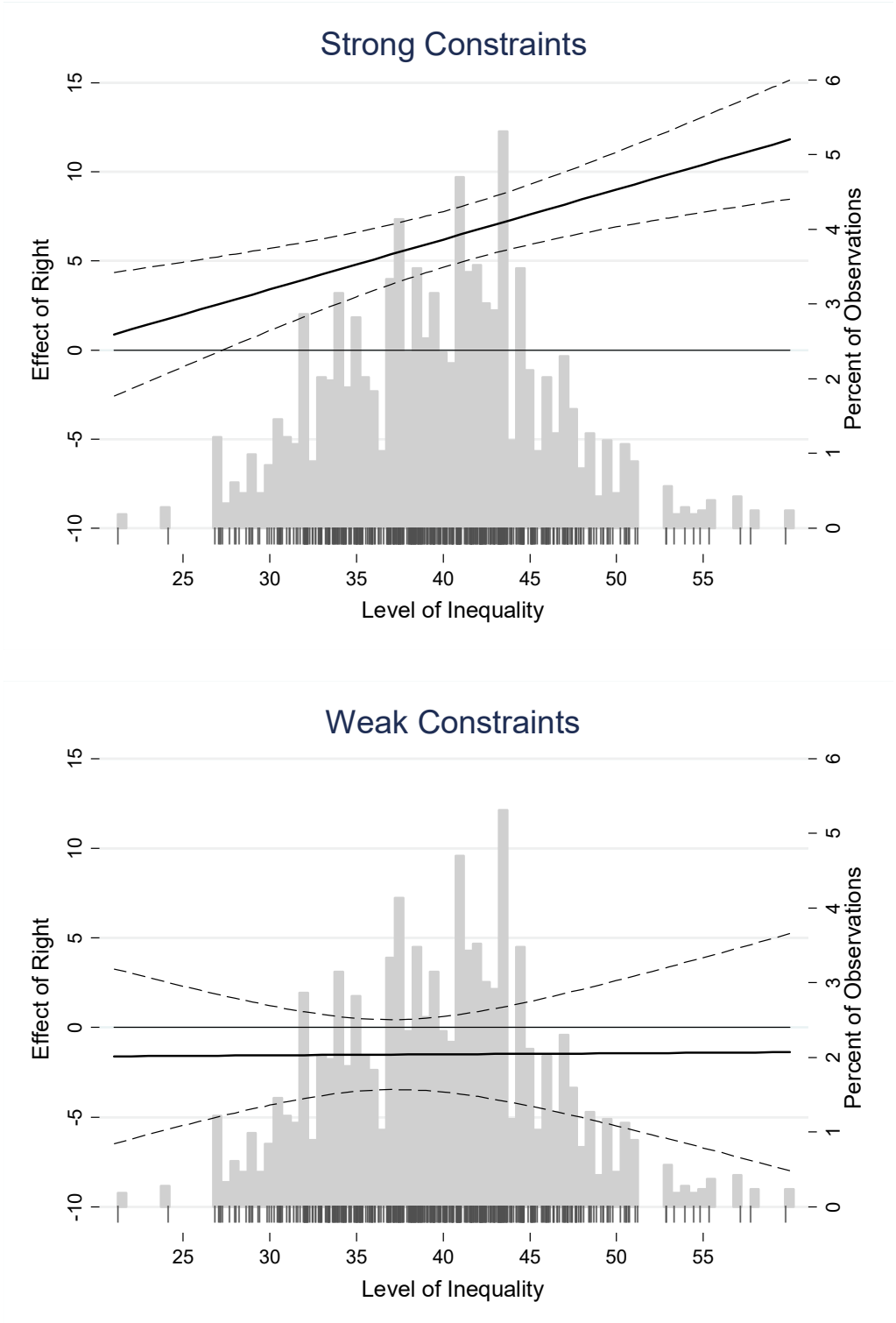
[27] The values for strong and weak constraints are set to the integers closest to the value of one standard deviation away from the maximum and minimum of *constraint* (i.e., strong=9 and weak=1).

Table 3.2. Regression Analysis of Emphasis on Social Issues and Positions on Economic Issues Depending on Inequality Level and Degree of Political Constraints

	Model 5: Emphasis on Social Issues	Model 6: Position on Economic Issues
Constant	10.368	-7.111
	(7.626)	(14.224)
Right	-1.313	26.229**
	(6.089)	(9.563)
Economic Inequality	-0.131	-0.328
	(0.138)	(0.280)
Political Constraints	-0.247	-0.640
	(0.998)	(1.754)
Right × Inequality	-0.029	-0.475*
	(0.161)	(0.237)
Right × Constraints	-0.412	-2.538
	(0.843)	(1.524)
Inequality × Constraints	-0.003	0.009
	(0.025)	(0.038)
Right × Inequality × Constraints	0.034	0.079*
	(0.021)	(0.036)
GDP Growth	0.019	-0.238*
	(0.050)	(0.121)
Unemployment	-0.016	0.336**
	(0.079)	(0.115)
Economic Globalization	0.115**	-0.019
	(0.042)	(0.059)
Effective Number of Parties	-0.268	0.288
	(0.212)	(0.380)
Turnout Rates	0.013	0.013
	(0.026)	(0.053)
Niche	4.480**	-0.395
	(1.033)	(1.463)
Size	-1.201	4.746*
	(1.421)	(2.310)
New Party	0.551	1.557
	(0.469)	(0.874)
Ethnic Fractionalization	2.283	-4.125
	(4.741)	(6.687)
Religious Fractionalization	-1.215	-0.905
	(3.405)	(3.433)
Linguistic Fractionalization	9.695	8.134
	(7.950)	(5.853)
σ_c^2	9.249	13.078
σ_p^2	23.333	66.017
σ_{cpe}^2	42.964	97.378
N (Country)	43	43
N (Party)	466	466
N	1726	1726

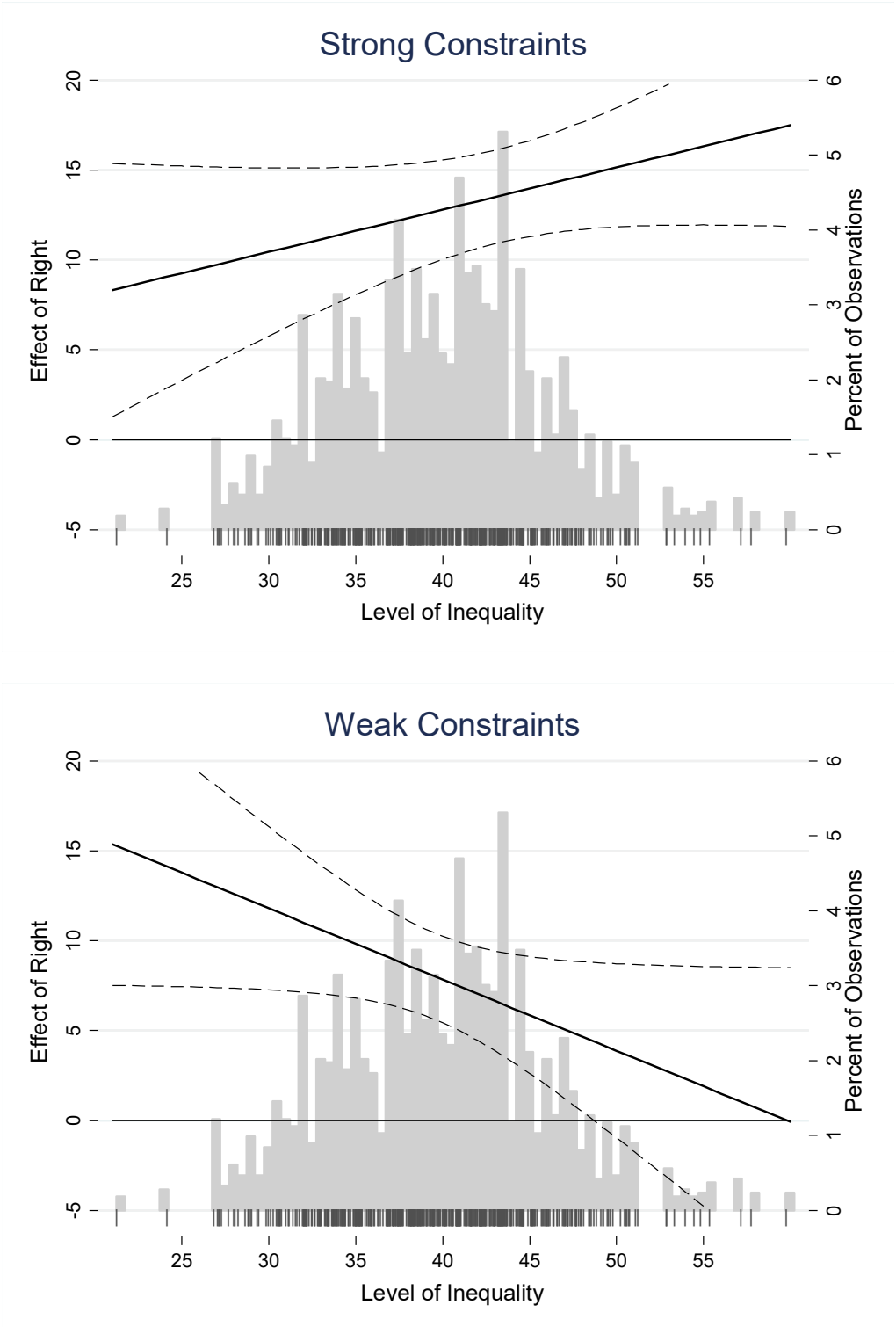
*p<0.05, ** p<0.01 (two-tailed); Cluster-robust standard errors are given in parentheses.

Figure 3.3. Effect of Right on Emphasis on Social Issues Conditional on the Level of Inequality under Different Degrees (Strong or Weak) of Political Constraints



Based on Model 5 of Table 3.2. Dashed lines are 95 percent confidence intervals.

Figure 3.4. Effects of Right on Position on Economic Issues Conditional on the Level of Inequality under Different Degrees (Strong or Weak) of Political Constraints



Based on Model 6 of Table 3.2. Dashed lines are 95 percent confidence intervals.

shows that the effect of *right* consistently decreases as inequality increases under weak political constraints and the effect effectively diminishes when Gini coefficient is above 48. On the other hand, when strong political constraints restrict the autonomy of party leadership in the decision-making process, the effect of *right* slightly increases with the rise of inequality. In this case, however, the conditional effect of inequality fails to reach the conventional levels of statistical significance, and the estimated position of right-wing parties is more conservative than non-rightist parties regardless of inequality levels. The results are in line with the estimation results from the main analysis. When faced with strong political constraints, right-wing parties attempt to politicize social issues as inequality rises. Right-wing parties take more leftist positions within the economic dimension as inequality rises under weak political constraints; however, there is no discernable effect of *right* on the strategy of social issues emphasis. These findings validate the suggested causal mechanism, which links the degree of political constraints with the different responses of right-wing parties to economic inequality in advanced and nascent democracies.

3.5.3. Robustness Tests

The results that support my theoretical arguments may be driven by particular measurements or model specifications. In order to ensure that the results are not products of those particular choices, I conduct a series of robustness checks. First, I adopt different criteria to classify old and new democracies. I split elections into two groups with a criterion of five consecutive democratic elections. As this process is intrinsically arbitrary, I estimate the same models with both expanded (six consecutive elections) and restricted (four consecutive elections) categories of new democracies in order to ensure that this arbitrary procedure does not affect the results. The estimation results are presented in Table 3.3. While

Table 3.3. Robustness Checks 1: Alternative Classifications of Old and New Democracies (Four or Six Elections)

	Model 7: Emphasis on Social (Old, 4 Elections)	Model 8: Emphasis on Social (New, 4 Elections)	Model 9: Position on Econ. (Old, 4 Elections)	Model 10: Position on Econ. (New, 4 Elections)	Model 11: Emphasis on Social (Old, 6 Elections)	Model 12: Emphasis on Social (New, 6 Elections)	Model 13: Position on Econ. (Old, 6 Elections)	Model 14: Position on Econ. (New, 6 Elections)
Constant	6.442	13.603	-16.107*	2.419	7.586	11.534	-14.275	-8.023
	(6.507)	(8.584)	(8.016)	(17.799)	(7.889)	(6.477)	(10.292)	(12.837)
Right	-7.213	-5.991	3.941	21.427**	-7.239*	-4.996	4.012	19.591**
	(2.869)	(5.806)	(6.165)	(5.549)	(3.295)	(4.680)	(7.130)	(4.396)
Economic Inequality	-0.170	-0.124	-0.360**	0.029	-0.201	-0.073	-0.374*	0.129
	(0.100)	(0.148)	(0.126)	(0.222)	(0.103)	(0.091)	(0.145)	(0.135)
Right × Inequality	0.293**	0.168	0.197	-0.338*	0.306**	0.166	0.217	-0.285*
	(0.070)	(0.150)	(0.148)	(0.149)	(0.079)	(0.122)	(0.167)	(0.111)
GDP Growth	0.075	0.034	-0.291*	-0.035	-0.003	0.030	-0.332	0.050
	(0.053)	(0.106)	(0.144)	(0.175)	(0.053)	(0.094)	(0.191)	(0.109)
Unemployment	-0.002	-0.133	0.360*	0.177	-0.025	-0.123	0.460*	0.278*
	(0.091)	(0.090)	(0.146)	(0.185)	(0.102)	(0.079)	(0.182)	(0.116)
Economic Global.	0.159**	0.021	0.004	-0.212*	0.174**	0.013	0.008	-0.205**
	(0.049)	(0.062)	(0.074)	(0.088)	(0.055)	(0.046)	(0.082)	(0.071)
Effective N of Parties	-0.414	0.107	0.624	-0.036	-0.545	0.104	0.556	0.446
	(0.318)	(0.273)	(0.460)	(0.412)	(0.393)	(0.258)	(0.558)	(0.310)
Turnout Rates	0.006	0.008	0.066	-0.093	0.006	0.006	0.036	-0.038
	(0.031)	(0.052)	(0.058)	(0.112)	(0.042)	(0.037)	(0.079)	(0.089)
Niche	3.628**	5.372**	-0.442	-0.305	3.561**	5.181**	-0.686	0.003
	(1.260)	(1.290)	(1.827)	(1.888)	(1.322)	(1.357)	(2.260)	(1.098)
Size	-1.096	-3.686	5.101	2.959	-2.488	-1.209	4.744	1.479
	(1.727)	(2.016)	(2.792)	(3.241)	(1.884)	(1.833)	(3.357)	(2.899)
New Party	-0.031	0.035	2.422*	-0.344	-0.081	0.007	2.349	0.210
	(0.491)	(1.118)	(1.043)	(1.315)	(0.575)	(0.855)	(1.275)	(0.957)
Ethnic Frac.	-3.133	7.551	-4.254	-1.907	-2.322	4.359	-8.137	-0.250
	(6.612)	(4.662)	(8.015)	(5.952)	(8.391)	(4.923)	(9.300)	(6.137)
Religious Frac.	1.799	4.019	1.247	-0.468	1.305	3.667	1.909	-4.420
	(3.356)	(3.327)	(3.347)	(7.299)	(4.083)	(3.989)	(3.715)	(7.111)
Linguistic Frac.	10.291	2.011	8.163	-2.692	10.883	3.925	12.271	-0.216
	(10.130)	(5.212)	(6.907)	(5.103)	(12.985)	(4.509)	(8.335)	(4.992)
σ_c^2	11.942	1.011	13.680	9.701	15.681	2.203	15.911	12.303
σ_p^2	29.323	5.523	76.671	50.180	32.958	9.389	86.797	31.449
σ_{cpe}^2	39.871	52.519	102.076	40.747	40.826	44.607	106.665	53.262
N (Country)	40	22	40	22	31	23	31	23
N (Party)	347	189	347	189	274	240	274	240
N	1453	301	1453	301	1287	467	1287	467

*p<0.05, ** p<0.01 (two-tailed); Cluster-robust standard errors are given in parentheses.

Table 3.4. Robustness Checks 2: Alternative Classifications of Old and New Democracies (Years of Democratization)

	Model 15: Emphasis on Social Issues (Old, Democracy b/a 1980)	Model 16: Emphasis on Social Issues (New, Democracy b/a 1980)	Model 17: Position on Economic Issues (Old, Democracy b/a 1980)	Model 18: Position on Economic Issues (New, Democracy b/a 1980)
Constant	8.009	9.927	-12.956	-12.984
	(7.315)	(6.704)	(9.449)	(13.696)
Right	-7.622*	-2.159	4.905	22.775**
	(3.021)	(4.593)	(6.512)	(4.252)
Economic	-0.219*	-0.008	-0.399**	0.232
Inequality	(0.091)	(0.084)	(0.135)	(0.127)
Right ×	0.312**	0.092	0.201	-0.359**
Inequality	(0.071)	(0.122)	(0.153)	(0.105)
GDP Growth	-0.081	0.136*	-0.271	-0.031
	(0.071)	(0.058)	(0.174)	(0.134)
Unemployment	-0.078	-0.059	0.441*	0.143
	(0.112)	(0.084)	(0.202)	(0.139)
Economic	0.169**	0.027	0.003	-0.159*
Globalization	(0.052)	(0.042)	(0.082)	(0.078)
Effective N of	-0.522	0.021	0.615	0.168
Parties	(0.405)	(0.218)	(0.545)	(0.321)
Turnout Rates	0.013	0.012	0.030	-0.073
	(0.041)	(0.043)	(0.073)	(0.112)
Niche	3.284**	4.758**	-0.502	-0.069
	(1.179)	(1.823)	(2.397)	(1.287)
Size	-0.611	-5.034**	4.994	2.652
	(1.759)	(1.761)	(3.062)	(3.194)
New Party	0.455	-0.192	1.598	1.232
	(0.569)	(0.871)	(1.158)	(1.298)
Ethnic	-0.285	1.493	-10.702	2.970
Fractionalization	(8.374)	(4.043)	(8.961)	(8.802)
Religious	3.064	0.719	5.726	-2.071
Fractionalization	(4.368)	(3.221)	(3.339)	(7.971)
Linguistic	9.132	5.436	10.416	-0.658
Fractionalization	(13.561)	(3.662)	(8.395)	(6.731)
σ_c^2	20.184	0.014	13.136	17.519
σ_p^2	30.523	8.954	88.019	28.711
σ_{cpe}^2	40.545	50.477	104.728	62.487
N (Country)	25	19	25	19
N (Party)	252	223	252	223
N	1320	434	1320	434

* p<0.05, ** p<0.01 (two-tailed); Cluster-robust standard errors are given in parentheses.

Table 3.5. Robustness Checks 3: Alternative Setup of Three-level Hierarchy (Country and Country-election Clusters)

	Model 19: Emphasis on Social Issues (Old)	Model 20: Emphasis on Social Issues (New)	Model 21: Position on Economic Issues (Old)	Model 22: Position on Economic Issues (New)
Constant	5.701	11.500	-13.398**	1.135
	(5.916)	(7.720)	(8.281)	(18.248)
Right	-6.081*	-6.736	-0.610	17.751**
	(2.413)	(4.825)	(5.412)	(4.059)
Economic Inequality	-0.110	-0.080	-0.351**	0.081
	(0.103)	(0.110)	(0.116)	(0.176)
Right × Inequality	0.256**	0.196	0.366**	-0.234*
	(0.062)	(0.129)	(0.124)	(0.103)
GDP Growth	0.029	0.033	-0.375*	-0.000
	(0.043)	(0.091)	(0.164)	(0.139)
Unemployment	-0.005	-0.146	0.285*	0.288*
	(0.090)	(0.081)	(0.131)	(0.139)
Economic Globalization	0.135**	0.012	-0.058	-0.186*
	(0.050)	(0.050)	(0.071)	(0.077)
Effective N of Parties	-0.234	0.202	0.053	0.292
	(0.290)	(0.269)	(0.593)	(0.282)
Turnout Rates	-0.011	0.007	0.102	-0.115
	(0.029)	(0.047)	(0.056)	(0.119)
Niche	3.101*	5.191**	1.639	0.115
	(1.250)	(1.275)	(2.174)	(1.243)
Size	-0.036	-1.398	3.814	-1.349
	(1.689)	(1.938)	(3.610)	(2.439)
New Party	0.321	-0.211	2.647	-0.868
	(0.731)	(0.851)	(1.408)	(1.219)
Ethnic Fractionalization	-1.584	5.390	-8.600	-4.605
	(7.079)	(4.829)	(8.712)	(7.779)
Religious Fractionalization	1.673	5.063	3.142	-4.027
	(3.076)	(3.969)	(3.638)	(8.009)
Linguistic Fractionalization	10.789	2.539	15.446*	-2.587
	(10.318)	(4.766)	(7.724)	(5.361)
σ_c^2	15.611	2.229	15.580	16.671
σ_l^2	5.320	4.393	19.613	0.177
σ_{cle}^2	56.579	49.112	170.010	77.971
N (Country)	36	23	36	23
N (Country-Election)	260	79	260	79
N	1359	395	1359	395

*p<0.05, ** p<0.01 (two-tailed); Cluster-robust standard errors are given in parentheses.

there are slight changes in the magnitudes of coefficients for the interaction terms, all estimation results are not substantively different from the results of the main analysis. In

addition, I classify old and new democracies with an alternative criterion based on the year of democratization. Specifically, I classify countries whose current democratic episode began in 1979 or afterward as new democracies (Scarrow 2010). A list of old democracies includes Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Romania, Spain, Sweden, Switzerland, the United Kingdom, and the United States. Albania, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Macedonia, Mexico, Moldova, Poland, Serbia, Slovakia, Slovenia, South Korea, Turkey, and Ukraine are coded as new democracies. Table 3.4 presents the estimation results, and the main results are robust.

Next, I introduce an alternative random intercept into the statistical model. The data structure can be understood as hierarchical, as party-election level observations are clustered at the country-election level, instead of the party level, and those country-election clusters are nested within each country. I also estimate the same model with an alternative setting of a hierarchical data structure (i.e., the country and country-election levels) in order to entertain the possibility that this particular setup of data structure affects the results. The estimation results of the multilevel linear models are presented in Table 3.5 and all the key results remain robust.

I also exclude non-partisan parties (i.e., parties which are neither left-wing nor right-wing) and re-estimate the statistical models following Tavits and Potter (2015). Therefore, the coefficient estimate on (*right* $\times$ *inequality*) represents the extent to which the difference in the outcome variables between rightist and leftist (instead of non-rightist) parties in conditional on economic inequality. The estimation results are presented in Table 3.6.
The estimation results of Model 3 in Table 3.1 indicate that non-rightist parties are more likely to take leftist positions when inequality increases. This was not an expected result of

my theoretical discussion, and, therefore, I conducted an additional analysis to determine which segment of non-rightist parties - left-wing (social democratic, communist, and ecologist) parties or non-partisan (agrarian, ethnic-regional, special issues, and coalition/alliance) parties – drives this effect. I excluded those non-partisan parties which do not fall into the left-right dichotomy from the sample, and examined whether the effect of inequality on leftist parties' positions on economic issues can still be detected. The result showed that the effect of inequality on the leftist parties is only half the magnitude of the result yielded by an analysis on non-partisan parties and, moreover, the effect itself was not statistically significant. Additionally, the difference in positions within the economic dimension between leftist and rightist parties did not display meaningful changes over the various ranges of inequality. Indeed, it can be noted that as inequality increases, those non-partisan parties take more leftist positions. Thus, it is reasonable to conclude that a statistically significant coefficient for inequality is a product of opportunistic position-taking by parties that are neither leftist nor rightist.

Lastly, I estimate the two main equations using an alternative measure of *niche*. While I believe that my measure of *niche*, which focuses on the salience theory, is more appropriate to control for a "nicheness," other empirical studies also use an alternative definition and measure of *niche* based on the ideological extremity of parties (Adams et al. 2006; Tavits and Potter 2015). In particular, introducing this alternative measure into estimation may affect the results for parties' position-taking. Therefore, I redo the main analysis using this alternative measure of *niche*. Specifically, I classify ecologist, communist, and nationalist parties as niche parties based on the information on party family from the CMP. The estimation results with this variable are presented in Table 3.7. The results still render as strong support as the original results, so it is safe to conclude that the main results are robust to the alternative measure of nicheness. The series of robustness tests of the main

Table 3.6. Robustness Checks 4: Excluding Non-left and Non-right Parties

	Model 23: Emphasis on Social Issues (Old)	Model 24: Emphasis on Social Issues (New)	Model 25: Position on Economic Issues (Old)	Model 26: Position on Economic Issues (New)	Model 27: Position on Economic Issues (Old, Neither Left nor Right Only)
Constant	7.040	3.058	-26.354**	-18.375	27.096
	(7.483)	(8.156)	(8.059)	(12.084)	(38.847)
Right	-6.367	-2.728	10.513	26.020**	
	(3.434)	(5.534)	(7.273)	(5.837)	
Economic Inequality	-0.184	0.011	-0.241	0.240	-0.574*
	(0.107)	(0.127)	(0.145)	(0.172)	(0.259)
Right × Inequality	0.290**	0.106	0.134	-0.406**	
	(0.080)	(0.144)	(0.178)	(0.146)	
GDP Growth	0.032	0.043	-0.330*	-0.008	-0.633
	(0.052)	(0.102)	(0.156)	(0.151)	(0.452)
Unemployment	-0.050	-0.167	0.269	0.310*	0.843
	(0.090)	(0.103)	(0.149)	(0.137)	(0.429)
Economic Globalization	0.183**	0.029	-0.000	-0.113	0.026
	(0.055)	(0.057)	(0.067)	(0.071)	(0.201)
Effective N of Parties	-0.541	0.371	0.488	0.369	-2.510*
	(0.357)	(0.252)	(0.573)	(0.310)	(0.955)
Turnout Rates	-0.008	0.045	0.100	-0.035	-0.119
	(0.036)	(0.054)	(0.056)	(0.073)	(0.256)
Niche	3.036*	3.633*	-0.618	-1.868	0.080
	(1.419)	(1.442)	(1.786)	(1.341)	(5.014)
Size	-1.636	-1.283	7.200*	3.937	-12.564
	(1.901)	(2.003)	(3.012)	(2.745)	(29.915)
New Party	-0.212	-0.311	1.750	0.625	10.156
	(0.522)	(1.093)	(0.937)	(0.985)	(6.305)
Ethnic Fractionalization	-3.421	5.975	-4.298	-5.233	-86.587**
	(7.485)	(5.465)	(7.162)	(7.496)	(15.686)
Religious Fractionalization	1.709	6.015	2.545	-5.921	2.834
	(4.077)	(4.318)	(3.267)	(6.964)	(13.527)
Linguistic Fractionalization	10.164	1.840	9.658	0.961	89.237**
	(11.531)	(4.467)	(5.915)	(5.622)	(24.397)
σ_c^2	16.162	1.991	11.084	11.497	100.502
σ_p^2	33.000	5.556	49.488	22.122	90.277
σ_{cpe}^2	40.325	44.688	101.842	46.832	119.736
N (Country)	36	23	36	23	19
N (Party)	272	195	272	195	38
N	1197	338	1197	338	162

*p<0.05, ** p<0.01 (two-tailed); Cluster-robust standard errors are given in parentheses.

Table 3.7. Robustness Checks 5: Alternative Measure of Niche Party

	Model 28: Emphasis on Social Issues (Old, Niche)	Model 29: Emphasis on Social Issues (New, Niche)	Model 30: Position on Economic Issues (Old, Niche)	Model 31: Position on Economic Issues (New, Niche)
Constant	7.552	8.870	-15.095**	-3.650
	(7.208)	(8.273)	(8.999)	(16.138)
Right	-7.825	-5.328	3.152	18.863**
	(3.369)	(6.275)	(6.422)	(4.863)
Economic Inequality	-0.198*	-0.065	-0.324*	0.104
	(0.100)	(0.134)	(0.133)	(0.171)
Right × Inequality	0.319**	0.169	0.181	-0.265*
	(0.078)	(0.159)	(0.147)	(0.127)
GDP Growth	0.015	0.030	-0.352*	-0.024
	(0.051)	(0.100)	(0.163)	(0.150)
Unemployment	-0.035	-0.132	0.363*	0.295*
	(0.093)	(0.081)	(0.165)	(0.148)
Economic Globalization	0.172**	0.015	0.020	-0.186*
	(0.052)	(0.056)	(0.078)	(0.080)
Effective N of Parties	-0.497	0.206	0.391	0.377
	(0.339)	(0.274)	(0.559)	(0.323)
Turnout Rates	0.002	0.038	0.075	-0.080
	(0.036)	(0.045)	(0.064)	(0.107)
Niche	1.450	0.889	-8.776**	-2.962*
	(1.194)	(0.927)	(1.661)	(1.459)
Size	-1.884	-3.263	0.844	2.135
	(1.962)	(2.051)	(3.478)	(3.091)
New Party	0.122	-0.245	2.727*	-0.233
	(0.507)	(0.878)	(1.204)	(1.047)
Ethnic Fractionalization	-2.413	6.998	-8.143	-3.890
	(6.982)	(4.921)	(8.193)	(7.506)
Religious Fractionalization	1.227	5.048	1.239	-3.492
	(3.792)	(4.107)	(3.360)	(7.680)
Linguistic Fractionalization	11.461	2.230	12.979	-2.107
	(10.641)	(4.468)	(6.979)	(5.363)
σ_c^2	13.012	2.453	14.544	14.567
σ_p^2	33.703	10.636	71.129	35.414
σ_{cpe}^2	40.252	45.435	105.167	46.751
N (Country)	36	23	36	23
N (Party)	310	229	310	229
N	1359	395	1359	395

*p<0.05, ** p<0.01 (two-tailed); Cluster-robust standard errors are given in parentheses.

results confirm that my findings are not products of particular choice of cases, measures or estimation methods. Therefore, it is safe to conclude that the main arguments of this chapter are strongly supported by empirical evidence.

3.6. Conclusion

This chapter examines different responses of rightist parties to the increase in inequality in advanced and nascent democracies. Relevant literature has already pointed out how rising inequality creates adverse conditions for rightist parties in electoral competition and identified how economic disparity affects the electoral strategy and election platform of each party (e.g., Tavits and Letki 2014; Tavits and Potter 2015). This chapter shares the argument that the level of inequality plays an important role in parties' strategic decisions on which position they wish to take within the economic dimension and on how much emphasis each party places (or is willing to place) on social issues. This chapter contributes to the extant literature concerning the effect of inequality on party strategy in the three following ways.

First, the literature regarding the effect of inequality on party strategies has overlooked political constraints which may potentially act as limitations to the strategic options of party leaders. However, the contextual differences between advanced and nascent democracies create differences in the degrees of political constraints imposed on the strategic choices of parties. I demonstrate that those constraints lead the right-wing parties in advanced and emerging democracies to choose different options despite the fact that position-taking is a more attractive option. This is a major improvement on previous studies, which focus exclusively on nascent democracies (Tavits and Letki 2014) or treat the age of democracy as one of the control variables (Tavits and Potter 2015).

Second, this chapter attempts to offer a better understanding of the two party strategies – issue positioning and issue emphasis – by treating them as substitutable responses to changes in the conditions surrounding electoral competitions. Specifically, I investigate how right-wing parties respond to rising inequality by considering both issue positioning and issue emphasis together as the parties' efforts to achieve electoral gains. Using the dataset

covering party platforms in 44 electoral democracies, I find evidence that supports my theoretical predictions.

Finally, my findings in this chapter also have an important implication for emerging democracies with underdeveloped class politics and an absence of credibility: the findings imply that nascent democracies with a highly unequal income distribution are more likely to experience policy-shifting and convergence of political parties in the economic dimension. Such frequent policy-shifting and convergence prevent voters from identifying parties that would best represent their interests, and thus will likely lead to unstable voter-party linkages and a delay in party system institutionalization (Lupu 2013, 2014). Even though parties tend to develop policy reputations as parties and voters accumulate electoral experiences, parties will inevitably suffer through hardship in building long-term policy reputations if their economic policies are not discernable from those of their rivals. If establishing stable policy reputations for political parties is a prerequisite to ensuring the credibility of electoral promises in new democracies (Keefer 2007), high inequality can be a major obstacle that prevents nascent democracies from evolving into well-performing democracies with stable voter-party linkages based on programmatic appeals. While I do not tackle this issue in-depth, my findings call for further scholarly investigation on various mechanisms of how economic inequality hinders the development of stable partisan politics grounded on programmatic linkages in emerging democracies.

APPENDIX

Table 3.8. List of Country-elections (Old and New Democracies)

Country	Election-year	
	Old Democracies	New Democracies
Albania		1997, 2001
Australia	1961, 1963, 1966, 1969, 1972, 1974, 1975, 1977, 1980, 1983, 1984, 1987, 1990, 1993, 1996, 1998, 2001, 2004, 2007, 2010	
Austria	1986, 1990, 1994, 1995, 1999, 2002, 2006, 2008	
Belgium	1981, 1985, 1987, 1991, 1995, 1999, 2003, 2007, 2010	
Bulgaria	2005, 2009	1991, 1994, 1997, 2001
Canada	1962, 1963, 1965, 1968, 1972, 1974, 1979, 1980, 1984, 1988, 1993, 1997, 2000, 2004, 2006, 2008, 2011	
Croatia		2000, 2003, 2007, 2011
Cyprus	2011	1996, 2001, 2006
Czech	2006, 2010	1992, 1996, 1998, 2002
Denmark	1964, 1966, 1968, 1971, 1973, 1975, 1977, 1979, 1981, 1984, 1987, 1988, 1990, 1994, 1998, 2001, 2005, 2007, 2011	
Estonia	2011	1999, 2003, 2007
Finland	1962, 1966, 1970, 1972, 1975, 1979, 1983, 1987, 1991, 1995, 1999, 2003, 2007, 2011	
France	1962, 1967, 1968, 1973, 1978, 1981, 1986, 1988, 1993, 1997, 2002, 2007, 2012	
Georgia		2004, 2008
Germany	1976, 1980, 1983, 1987, 1990, 1994, 1998, 2002, 2005, 2009	
Greece	1989 (November), 1993, 1996, 2000, 2004, 2007, 2009, 2012 (May), 2012 (June)	1974, 1981, 1985, 1989 (June)
Hungary	2010	1994, 1998, 2002, 2006
Iceland	1995, 1999, 2003, 2007, 2009	
Ireland	1977, 1981, 1982 (February), 1982 (November), 1987, 1989, 1992, 1997, 2002, 2007, 2011	
Israel	1977, 1981, 1984, 1988, 1992, 1996, 1999	1961
Italy	1968, 1972, 1976, 1979, 1983, 1987, 1992, 1994, 1996, 2001, 2006, 2008	
Japan	1963, 1967, 1969, 1972, 1976, 1979, 1980, 1983, 1986, 1990, 1993, 1996, 2000, 2003, 2005	
Korea, South	2008, 2012	1992, 1996, 2000, 2004
Latvia		1998, 2002
Lithuania		2008
Luxembourg	1989, 1994, 1999, 2004, 2009	
Macedonia	2008, 2011	1994, 1998, 2002, 2006
Mexico		2000, 2003, 2006, 2009
Moldova	2010	1994, 1998, 2001, 2005, 2009
Netherlands	1963, 1967, 1971, 1977, 1981, 1982, 1986, 1989, 1994, 1998, 2002, 2003, 2006, 2010	
New Zealand	1978, 1981, 1984, 1987, 1990, 1993, 1996, 1999, 2002, 2005, 2008, 2011	
Norway	1961, 1965, 1969, 1973, 1977, 1981, 1985, 1989, 1993, 1997, 2001, 2005, 2009	

Table 3.8 (cont'd)

Poland	2005, 2007, 2011	1991, 1993, 1997, 2001
Portugal	1987, 1991, 1995, 1999, 2002, 2005, 2009, 2011	1979, 1980, 1983, 1985
Romania		1992, 1996, 2000, 2004, 2008
Serbia		2007, 2008
Slovakia	2006, 2010, 2012	1994, 1998, 2002
Slovenia	2011	1996, 2000, 2004, 2008
Spain	1993, 1996, 2000, 2004, 2008, 2011	1982, 1986, 1989
Sweden	1964, 1968, 1970, 1973, 1976, 1979, 1982, 1985, 1988, 1991, 1994, 1998, 2002, 2006, 2010	
Switzerland	1983, 1987, 1991, 1995, 1999, 2003, 2007, 2011	
Turkey	2002, 2007, 2011	1987, 1991, 1995, 1999
Ukraine		1998, 2002, 2006, 2007
United Kingdom	1964, 1966, 1970, 1974 (February), 1974 (October), 1979, 1983, 1987, 1992, 1997, 2001, 2005, 2010	
United States	1964, 1968, 1972, 1976, 1980, 1984, 1988, 1992, 1996, 2000, 2004, 2008	

Table 3.9. Policy Categories for Emphasis on Social Issues

Variable	Content
per601	National Way of Life: Positive
per602	National Way of Life: Negative
per603	Traditional Morality: Positive
per604	Traditional Morality: Negative
per605	Law and Order: Positive
per606	Civic Mindedness: Positive
per607	Multiculturalism: Positive
per608	Multiculturalism: Negative
per705	Underprivileged Minority Groups
per706	Non-economic Demographic Groups
per2022	Restrictive Citizenship: Positive
per2023	Lax Citizenship: Positive
per6072	Multiculturalism pro Roma: Positive
per6081	Multiculturalism pro Roma: Negative
per7051	Minorities Inland: Positive
per7052	Minorities Inland: Negative

Table 3.10. Policy Categories for Position on Economic Issues

Left		Right	
Variable	Content	Variable	Content
per403	Market Regulation	per401	Free Market Economy
per404	Economic Planning	per402	Incentive: Positive
per406	Protectionism: Positive	per407	Protectionism: Negative
per409	Keynesian Demand Management	per414	Economic Orthodoxy
per412	Controlled Economy	per505	Welfare State Limitation
per413	Nationalization	per702	Labor Group: Negative
per503	Equality: Positive	per4011	Privatization: Positive
per504	Welfare State Expansion	per4012	Control of Economy: Negative
per701	Labor Groups: Positive	per4013	Property-Reinstitution: Positive
per4121	Social Ownership: Positive	per4014	Privatization Voucher: Positive
per4122	Mixed Economy: Positive		
per4123	Publicly-Owned Industry: Positive		
per4124	Socialist Property: Positive		
per4131	Property-Reinstitution: Negative		
per4132	Privatization: Negative		

Table 3.11. Details Regarding Control Variables

Variable	Description
GDP Growth	Annual GDP growth taken from World Bank's World Development Indicators (WDI) database.
Effective Number of Parties	The effective number of electoral parties taken from Gallagher (2015); as for missing observations, figures are taken from Bormann and Golder (2013) wherever they are available.
Niche Party (Megiud 2005, 2008)	1 for ecologist, ethnic-regionalist, and nationalist parties, 0 otherwise.
Niche Party (Adams et al. 2006)	1 for ecologist, communist, and nationalist parties, 0 otherwise.
Party Size	Each party's seat share in the legislature ((N of seats)/(Total N of Seats)) based on information from the CMP
New Party	1 for parties competing in a democratic election for the first time, 0 otherwise

Table 3.12. List of Indicators in V-Dem Database for Political Constraints

Indicator	Question
Party Organization (v2psorgs)	How many political parties for national-level office have permanent organizations?
Party Branches (v2psprbrch)	How many political parties have permanent local party branches?
Candidate Selection (v2pscnslnl)	How centralized is legislative candidate selection within the parties?
Party Linkages (v2psprlnks)	Among the major parties, what is the main or most common form of linkage to their constituent?

Table 3.13. Summary Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Emphasis on Social Issues	2255	14.444	9.632	0	88.889
Left-Right on Economic Issues	2255	-10.992	14.924	-68.182	66
Right	2263	0.490	0.500	0	1
Economic Inequality	2128	39.823	6.154	21.221	59.740
New Party	2263	0.186	0.389	0	1
Niche Party (Meguid 2008)	2263	0.137	0.343	0	1
Niche Party (Adams et al. 2006)	2263	0.200	0.400	0	1
Party Size	2263	0.190	0.162	0	0.871
GDP Growth Rate	2115	2.487	3.620	-11.403	18.621
Effect Number of Party	2257	4.822	1.841	1.91	13.82
Turnout Rates	2241	72.699	13.713	34.94	95.43
Ethnic Fractionalization	2263	0.254	0.199	0.002	0.712
Religious Fractionalization	2244	0.415	0.221	0.005	0.824
Linguistic Fractionalization	2244	0.257	0.198	0.002	0.644
Unemployment Rate	2200	7.120	5.392	0	36
Economic Globalization	1999	67.788	15.649	25.75	98.2
Political Constraints	2208	6.994	2.637	-1.589	11.988

CHAPTER 4

WHICH FACTORS MOTIVATE POLITICAL PARTIES TO ENGAGE IN ETHNIC APPEALS IN ELECTORAL COMPETITION?

"Ethnicity offers political leaders the promise of secure support. Politicians who can count have something they can count on." – Donald L. Horowitz, Ethnic Groups in Conflict.

4.1. Introduction

When and why do political parties attempt to appeal to ethnic identities of voters? Under what conditions are parties more likely to emphasize ethnic issues in their electoral campaign? This study discusses these questions and attempts to answer them.

In order to answer the questions, I focus on the incentive of political parties and leaders to mobilize voters around ethnic issues in their pursuit of electoral success and various political and economic conditions that shape these electoral incentives of political entrepreneurs. To this end, this chapter investigates the effect of political and economic conditions, including electoral competitiveness, electoral institutions, information shortage, and economic inequalities between and within ethnic groups. The central findings are that political elites and parties are incentivized to appeal to ethnic identities when BGI is high and WGI is low. The reason is that the social salience of ethnicity increases under those conditions. More specifically, a large wealth gap between ethnic groups leads to the accumulation of ethnic grievances, and, in turn, creates distributional conflicts along ethnic lines. In addition, the low economic disparity within an ethnic group increases homogeneity in economic interests among members of the ethnic group, which leads to high internal cohesion of the ethnic group. Political elites are then incentivized to exploit the high social salience of ethnicity for their electoral benefits by emphasizing ethnicity in their pursuit for

electoral gain. On the other hand, I fail to find supporting evidence for the other factors, including electoral competitiveness, electoral institutions, and information shortage.

The various aspects of the ethnicization of politics, or the degree to which ethnicity is salient in politics, including ethnic voting, ethnic conflicts, and party system ethnicization, have been popular subjects of political science research for decades. The effects of ethnic divisions in society on various political phenomena and economic outcomes and the political significance of ethnic diversity have been also well documented in previous studies (e.g., Alesina et al. 2003; Alesina and La Ferrara 2005; Bates 1974; Cederman et al. 2010; Habyarimana et al. 2007; Horowitz 1985; Ordeshook and Shvetsova 1994; Petersen 2002; Rabushka and Shepsle 1972). Another strand of political science research also shows that the mere existence of multiple ethnic groups does not necessarily lead to the political salience of ethnic cleavages (e.g., Dunning and Harrison 2010; Posner 2004, 2005). This implies that it is important to understand the conditions under which ethnic cleavages are more likely to gain political significance. Moreover, if ethnic identities are socially constructed and the salience of ethnic cleavages are endogenous to the efforts of political mobilization, as the constructivist view of ethnicity argues (Chandra 2004; Posner 2005), it is necessary to study the role of political entrepreneurs in the politicization of ethnicity and the logic behind ethnic appeals of political leaders and parties in the pursuit of electoral gain (Gadjanova 2013). However, ethnic appeals of political parties during electoral campaigns have remained underexplored, despite their ubiquity and their potential significance in understanding the politicization of ethnic identities (Gadjanova 2015).

The remainder of this chapter will proceed as follows. The next section briefly reviews the comparative politics literature on different perspectives on ethnic politics and politicization of ethnicity. In the third section, I draw a series of hypotheses based on a discussion of the conditions under which ethnic identities are more likely to be activated. A

series of estimation results of the statistical model are presented in the fourth chapter, in which additional robustness tests, conducted to check that the results that confirm the hypotheses are not produced by the particular choices of model specifications or measurements, are also discussed. The last section offers concluding remarks and discusses the implications of the findings.

4.2. Literature Review: The Different Perspectives on Ethnic Politics and the Politicization of Ethnicity

4.2.1. Primordialism versus Constructivism

Scholars commonly define "ethnic identity" as "a subset of categories in which descent-based attributes are necessary to determine eligibility for membership" (Chandra 2012: 58). Importantly, ethnic divisions have been long argued to be negatively associated with various political and economic outcomes, including the stability of democracy (Horowitz 1985; Rabushka and Shepsle 1972), economic growth (Easterly and Levine 1997; Norris 2012), inter-group violence (Fearon and Laitin 1996; Posen 1993) and public goods provision (Alesina et al. 1999). This family of research assumes, either implicitly or explicitly, that ethnic categories are fixed and exogenously given (Chandra 2012). This view of ethnic politics, commonly known as the primordialist view (e.g., Geertz 1973; Gellner 1983; Rabushka and Shepsle 1972), considers ethnic divisions or heterogeneity to be exogenously determined (Ordershook and Shvetsova 1994), and ethno-cultural identities to originate from "the givens of social existence" (Geertz 1973). According to this perspective, inter-group animosities and conflicts between ethnic groups are prone to exist due to the inherent differences in kinship, race, religions, or cultures.

While the primordialist perspective reflects the popular notions that describe ethnic politics and conflicts, the constructivist approach rejects the primordialist assumptions about

ethnic identities (Chandra 2012). First, constructivists argue that ethnic identities can change as opposed to what primordialists assume. Moreover, while primordialists argue that each person is characterized by a singular ethnic identity, constructivists demonstrate that individuals may have multiple ethnic identities. Therefore, not only do ethnic identities changes in terms of their strength, but they can also change within "repertoires" of multiple ethnic identities which are ascribed to individuals. Which identity is recognized by individuals and politically activated at a certain time and place also depends on various political and economic contexts. The findings of constructivists imply that the political salience of ethnic divisions does not stem from innate cultural differences, and the relationship between ethnic groups is in large part determined by political and socio-economic contexts.[28] In other words, constructivists have demonstrated that ethnic identities are not exogenous, but instead endogenous to political and economic conditions.

4.2.2. Why Study Ethnic Appeals?

The constructive perspective, which has been the dominant view on ethnic politics, not only considers the political salience of ethnicity to be determined endogenously from political and economic conditions, but also underscores the role of political entrepreneurs in driving voters to identify with their in-group members in the process through which ethnicity is politically activated. Here, I define "political activation" of ethnicity as an individual's

[28] For example, in his natural experimental study, Posner (2004) demonstrates that the relationship between the same pair of ethnic groups can be dramatically different depending on the political conditions they face. Specifically, he designs a natural experiment that examines the relationship between Chewas and Tumbukas, who reside in both Zambia and Malawi, and finds that the two groups have maintained an amicable relation in Zambia, but they are in bitter political competition in Malawi. The reason is that the political salience of the ethnic cleavage is determined by the relative sizes of those ethnic groups to the political arena of competition in each country: Chewas and Tumbukas are too as small groups for political elites to mobilize for their political gains in Zambia, but the relative sizes of those two ethnic groups are large enough to be attractive bases of political support in Malawi.

political choice, including participating in violence or conflicts, choosing a party affiliation, and voting, relying on her professed or assigned membership in an ethnic category.[29] While the existence of ethnic divisions within a society and self-recognition by individuals of themselves as members of a particular ethnic group are prerequisites for the political activation of ethnic identities, those necessary conditions do not automatically lead to high political salience of ethnic identities. In other words, the political salience of ethnicity is not a necessary consequence of its social salience, especially when there exist other social cleavages that cross-cut ethnic identities (Dunning and Harrison 2010), and the political activation of ethnicity usually requires a certain level of efforts on the side of political leaders to seek support on an ethnic basis.

A subset of constructivists also assumes that political elites strategically activate a certain nominal ethnicity category and target particular ethnic groups (e.g., co-ethnics) to mobilize them to build their political support (e.g., Bates 1974; Brass 1974, 1991; Chandra 2004, 2005; Huber 2014; Posner 2004, 2005). As Posner suggests, "viewing one's group as a unified cultural entity may be a prerequisite for the development of a political salient cleavage between one's own group and one's neighbor. But it in no way guarantees that the cleavage between the two groups will become salient" (Posner 2004: 537). Political parties and leaders are assumed to be "instrumentally rational" in the sense that they want to maximize popular support, so they weigh costs and benefits of ethnic mobilization. If this logic of ethnic mobilization holds true, the strategic consideration of politicians to draw electoral support at the ballot box should also provide the micro-foundation of their efforts to mobilize voters around ethnic cleavages for electoral gain.

[29] Here, I use the term "political activation" of ethnicity based on Chandra's (2012) definition. She defines the activation of ethnicity as "the act of choosing membership in some category or being assigned membership in that category" (Chandra 2012: 115). Activated ethnic identity is distinguished from "nominal" ethnic identity, which is an inactivated identity category or decent-based attributes by which an individual is characterized.

One of the major tools for politicians' ethnic mobilization efforts is to appeal to members of a particular ethnic category in their electoral platforms. Previous studies find that ethnic identities become more salient as an election date approaches. The ethnic mobilization effort of political leaders to garner support at the ballot box is suggested as the core mechanism for the increasing ethnic salience around elections (Eifert et al. 2010; Higashijima and Nakai 2016). In other words, ethnic appeals of political entrepreneurs around election time significantly promotes the political activation of ethnic identities and they also operate as catalysts for the political activation of ethnic categories. While the repertoire of ethnic appeals is not limited to engaging in ethnic favoritism or specifying policies that benefits a particular ethnic group in election manifestos,[30] these are all important components of appeals to the targeted ethnic group, as parties' explicit ethnic messages and policy statements regarding ethnic issues in their official platforms can be interpreted as strong signals of what they want to propose to voters (Gadjanova 2015).[31]

In order to fully understand the process of the political activation of ethnicity, it is also necessary to investigate various conditions that incentivize political entrepreneurs to engage in expressive ethnic appeals and promise policy favors to particular ethnic groups. While the political activation of ethnicity is subject to manipulation of political elites seeking electoral benefits, it is important to recognize that the attempt of politicians to capture electoral support by appealing to voters' ethnic identities are also constrained by ongoing socio-economic conditions related to the structure of ethnic divisions.[32] In other words, elites

[30] The list of ethnic appeals can include recruiting and advertising co-ethnic candidates, holding large-scale rallies for the targeted ethnic group around election time, and organizing intra-ethnic gatherings to promote a party's position at the grossroot level (Higashijima and Nakai 2016).
[31] In this sense, ethnic appeals have both programmatic components (support for a set of policies and issue positions) as well as expressive ones (symbols and emotions). The former component can be more important, especially because blatant discrimination or overly exclusive ethnic appeals against certain ethnic groups are sometimes neither acceptable nor effective (Gadjanova 2015).
[32] Chandra defines "ethnic structure" as "any concept that describes nominal descent-based attributes that characterize individuals or populations or the nominal categories generated from these attributes"

can take advantage of existing ethnic cleavages for their electoral benefits, but they cannot create ethnic identities which are not already in place. Even though the extent to which individuals identify with a certain ethnic category is subject to change when exposed to ethnic mobilization by political leaders, the repertoire of descent-based attributes for their recognized ethnicity is generally bounded in the short term. It also takes long for certain ethnic identities to change due to their stickiness (Horowitz 1985; Chandra 2012).[33] For example, the repertoire of ethnic identities created during the British colonial period in Zambia has persisted even after Zambia's independence and democratization (Posner 2005). Therefore, as a strategic agent, each political entrepreneur should take into account existing ethnic demography and related socio-economic conditions in a society to make her ethnic appeals effective in seeking electoral support. This reasoning is in line with Posner (2004), who underlines the importance of politicians' efforts to understand ethno-cultural demography to be successful in electoral competition.

In sum, the role of ethnic appeals around elections is critical for understanding the political salience of ethnicity, since they are the key mechanisms that develop nominal or socially activated ethic categories into politically activated one. By using ethnic appeals in their electoral campaigns, political entrepreneurs manipulate ethnic categories or the degree to which voters identify with a certain ethnic group. However, the effort of political entrepreneurs for ethnic mobilization are also constrained by existing distribution of decent-based attributes and related political and economic conditions. To explore this issue, the next

(Chandra 2012: 11). Here, I use this term as "the distribution of attribute and category repertoires in a population" (Chandra 2012: 11).

[33] It is also quite rare for new ethnic categories to be created through recombination of existing ethnic groups (Ferree 2012). These boundedness and stickiness are why political support based on ethnic categories is stable and more rigid in loyalties (Geertz 1973; Gellner 1983; Horowitz 1985) and less vulnerable to short-term factors than class- or income-based support (Alonso 2008).

section will investigate the determinants of political entrepreneurs' ethnic appeals involving conditions in ethnically divided societies.

4.3. Ethnic Appeal and Its Determinants: Conditions under Which Ethnic Identities Become Salient

The main constructivist criticisms of primordialism is that it fails to explain variations in the political salience of ethnic cleavages across countries and over time. Therefore, constructivists pay close attention to factors, including political institutions, information shortage, and economic inequality, that are conducive or unfavorable to the politicization of ethnic identities.

First, competitive elections crucially determine the salience of ethnic identities. For example, Eifert et al. (2010) argue that citizens in ethnically heterogenous societies are more likely to politically identify themselves as members of their own ethnic group during the periods around closely fought national elections.[34] In a similar vein, Wilkinson (2004) suggests that political leaders sometimes utilize anti-minority events to mobilize their co-ethnics when they appeal to voters in highly competitive elections. He also finds that politicians, when they do not need electoral support from minority groups, precipitate ethnic violence against ethnic minority groups by allowing violence against minorities to happen, using data on Hindu-Muslim riots in India and other case studies of Ireland, Malaysia, Romania, Bulgaria, and the United States.[35] Therefore, I speculate that political parties are motivated to appeal to ethnic identities in closely fought elections:

[34] Technically, Eifert et al. (2010)'s argument is that citizens identify with their ethnic group more strongly as an election date approaches and the effect of electoral proximity is conditional on electoral competitiveness. However, election manifestos are generally issued around elections, so I assume that an election date and a time when election manifestos are issued are in close proximity.

[35] Competitive elections at the national level also shape incentives for political elites to decide which ethnic cleavage they want to mobilize voters around to enhance their electoral fortunes. Posner (2005) demonstrates that salient ethnic cleavages changed due to democratization and the subsequent

Hypothesis 4-1: Political parties are more likely to strongly appeal to ethnicity when parties intensely compete in the election.

Configurations of electoral institutions, majoritarian or proportional representation (PR) electoral systems, are also argued to affect the degree to which ethnicity is politicized. While the consociationalist model of democracy recommends ethnically divided societies to adopt PR electoral systems for equal representation of minorities (e.g., Lijphart 1977, 1999), PR has been also criticized on the grounds that it can reinforce ethnic identities and aggravate ethnic divides within the society (e.g., Horowitz 1985, 1991; Reilly 2001). For example, the political salience of ethnic divisions and ethnic tensions between dominant "whites" and minorities, including Maori and Pacific Islanders, has increased after New Zealand adopted mixed-member proportional system (Norris 2008). The latter argument favors majoritarian systems that incentivize political parties to engage in inter-group compromise and vote pooling to form electoral coalitions (Horowitz 1985; Reilly 2001). On the other hand, Huber (2012) finds that PR is actually negatively associated with the ethnicization of politics using his newly designed measures for the extent to which politics is ethnicized. While there are many compelling explanations for the effects of electoral institutions on the political activation of ethnicity, there is no clear consensus on the direction of the effects. As there are two competing arguments on the possible relationship between the ethnic salience and electoral system, I derive the following two hypotheses:

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introduction of competitive elections in Zambia. Specifically, ethnic entrepreneurs try to mobilize voters by appealing to voters' tribal identities under single-party rule, but they attempt to organize electoral support along linguistic lines in multi-party system where electoral competition takes place at the national level. As a result, citizens were more likely to identify themselves as members of one of the 73 tribes before democratization, and the language categories, consisting of the four main language groups, became politically salient under multi-party rule where party labels at the national level are significant for political entrepreneurs to be successful in electoral competition at the district level.

Hypothesis 4-2-1: Political parties are more likely to strongly appeal to ethnicity under majoritarian electoral system.

Hypothesis 4-2-2: Political parties are more likely to strongly appeal to ethnicity under PR electoral system.

The extent to which information on parties or candidates are available for voters affects the political salience of ethnicity. In democracies where voters are linked to political parties or elites based on the patron-client network rather than on programmatic appeals or ideological commitments, electoral competition is more likely to revolve around ethnic issues. In her seminal work, Chandra (2004) explains the logic of "ethnic head counts" behind party politics and electoral competition in India. She argues that an individual's ethnic identities are much more "costless" information than other non-ethnic identities in a limited information situation, and thus people are more likely to refer to the information on ethnic category when they distinguish between candidates. This mechanism of ethnic politics is self-enforcing, as voters expect political leaders to favor co-ethnics in the distribution of state benefits and elites expect co-ethnic voters to support them at the ballot box. In a similar vein, Carey (2015) demonstrates that the increasing information about candidates decreases voting along ethnic lines in Sierra Leone. Ferree (2006) tests the three mechanisms of ethnic voting, including expressing identities, policy and performance evaluations, and racial heuristics, and finds that voters use race as an information shortcut for their electoral choice in South Africa. Along these lines, Conroy-Krutz (2013), based on his survey experiment in Uganda, supports the argument for the role of information shortage in explaining ethnic voting.

These findings can be generalized for other nascent democracies where it is difficult for voters to collect relevant programmatic information to their vote choice and clientelistic

networks are prominent forms of voter-party linkages (e.g., Posner 2005). The prevalence of voter-party linkages based on clientelistic networks is closely associated with voters' difficulty in obtaining information on parties' programmatic positions (Keefer 2007). Chandra (2004) focuses on limited information settings in patronage-democracies to explain ethnic politics in India, and argues that political entrepreneurs have an incentive to mobilize voters along ethnic lines in order to effectively secure electoral support in those settings. Birnir (2007) finds that voters tend to cast their votes relying on ethnic cues, since ethnic identities, such as race, languages, religions, or traditional clothes, are much more identifiable or visible than any other social categories like income and social status in information-poor nascent democracies. As a result, ethnic cleavages are more likely to become salient in new democracies, but ethnic salience also decreases as democracy matures. Thus, I establish the two hypotheses on the relationship between the information availability and ethnic appeals:

Hypothesis 4-3-1: Political parties are more likely to strongly appeal to ethnicity in new democracies.
Hypothesis 4-3-2: Political parties are more likely to strongly appeal to ethnicity when a clientelist network is a prevalent form of a voter-party linkage.

The final condition is economic inequalities between and within ethnic groups. There has been a general consensus that high BGI is the main source for members of disadvantaged ethnic groups to feel a sense of deprivation (Gurr 1970; Hechter 1975), and the resulting grievances sometimes lead to ethnic conflicts (Bates 1974; Horowitz 1985). Recent studies in ethnic politics has underscored economic disparities between and within ethnic groups as factors that play major roles in various aspects of ethnic politics, including ethnic conflict and

civil war (Cederman et al. 2011; Cederman et al. 2013; Esteban and Ray 2011; Gubler and Selway 2012; Kuhn and Weidmann 2015; Østby 2008a; Stewart 2000).

Building on the previous studies, I suggest that ethnic identities become easier to be politically activated by ethnic appeals of political entrepreneurs as BGI increases and WGI decreases. First, ethnic grievances among members of poor ethnic groups are expected to become prevalent when BGI is high. As group identity is an essential part of individual's identity, they usually evaluate their status by comparing their group to others (Horowitz 1985). Therefore, as BGI increases, members of the disadvantaged ethnic groups are more likely to feel frustration and, at the same time, be antagonistic toward outgroup members, especially members of rich ethnic groups. In other words, collective grievances of disadvantaged ethnic groups against relatively rich ethnic groups increases with the wealth gap between ethnic groups. Higher BGI also creates distributional conflicts along ethnic lines, as class conflicts over redistributive policies are likely to develop into strife between ethnic groups. As a result, tension between members of the rich and poor ethnic group over material benefits increases with BGI, and ethnic cleavages are likely to be more socially salient under this condition (Cedermann et al. 2011; Houle 2015; Østby 2008a, 2008b).

On the other hand, Houle (2015) argues that low WGI leads members of the ethnic groups to share similar living conditions and policy preferences. As a result, individuals of the ethnic group are more likely to identify themselves with their ethnic groups and in-group loyalties increases under low WGI.[36] Low WGI also increases internal cohesion of the ethnic

[36] Actually, the effect of WGI on political phenomena involved in ethnicity can differ depending on a dependent variable of interest. For example, high WGI "can lead to intra-group resentments which group leaders buy off by directing animosity against other groups" (Stewart 2000: 253). One strand of research on the effect of WGI argues that WGI is positively associated with the likelihood of ethnic conflicts or civil war onset, since political elites find it easy to recruit in-group rebels, thanks to high WGI, as the opportunity costs of participating in violent conflicts for regular group members decrease and the elites have more resources to use for mobilization (e.g., Esteban and Ray 2011; Kuhn and Weidmann 2015). Huber and Suryanarayan (2016) also test the effect of WGI on party system ethnification, but the effect of WGI is neither significant nor consistent in terms of its direction.

group, as the group members are more likely to have homogenous economic interests and preferences (Houle 2015). Political entrepreneurs, then, find it more attractive to appeal to the ethnic group with high internal cohesion.

As BGI increases or WGI decreases, economic and ethnic cleavages reinforce rather than cross-cut each other (Gubler and Selway 2012; Østby 2008a, 2008b; Selway 2015). Consequently, an ethnic group is more likely to resemble, in the words of Rabushka and Shepsle, "a consensual corporate group in conflict with similar corporate entities" (Rabushka and Shepsle 1972: 68) under high BGI and low WGI.[37] Under those conditions, ethnic appeals of political entrepreneurs will be most effective, as members of ethnic groups targeted by the appeals have strong prior attachments to the ethnic group (Valenzuela and Michelson 2016). Therefore, political parties are induced to target certain ethnic groups using ethnic appeals in their electoral campaigns when BGI is high and WGI is low:

Hypothesis 4-4-1: Political parties are more likely to strongly appeal to ethnicity as BGI increases.

Hypothesis 4-4-2: Political parties are more likely to strongly appeal to ethnicity as WGI decreases.

4.4. Data, Measurements, and Model Specification

4.4.1. Data and Cases

To test the main hypotheses, I pull the information on parties' election platforms from the *Comparative Manifesto Project* (CMP) data set (Volkens et al. 2015). The CMP

[37] Rabushka and Shepsle defines "intracommunal consensus" as "the members of an ethnic community perceive and express preferences about political alternatives identically." "Intercommunal conflict" is also a situation where "communities are in disagreement on all issues that face the collectivity" (Ragushka and Shepsle 1972: 67). Under high BGI ("intercommunal conflict") and low WGI ("intracommunal consensus"), ethnic groups and ethnic relations are more likely to achieve, at least on redistribution issues, those two conditions.

data, which covers more than 50 countries, provides quantified information on party platforms by disaggregating documents into quasi-sentences, which are assigned to one of the policy categories. One potential problem with using the CMP dataset is that it contains very little information on party platforms in African countries where ethnicity plays a critical role in electoral politics. However, the CMP dataset is still the best option in terms of its coverage and the logic of ethnic appeals suggested in the previous sections can be applied to many democracies in other regions, including most European democracies. Moreover, the fact that in advanced democracies party platforms generally better reflect the actual policy positions of political parties also justifies studying ethnic appeals using the CMP.

In order to exclude the information on electoral platforms in non-democracies, elections that were held in non-democratic years are ruled out based on the Boix-Miller-Rosato (Boix et al. 2013) and the Cheibub-Gandhi-Vreeland (Cheibub et al. 2010) datasets. Specifically, I drop the information on platforms in elections held in years that are coded as non-democracy in either dataset.

4.4.2. Dependent Variable: Measuring Ethnic Appeals

The dependent variable is the intensity of ethnic appeals. In spite of the importance of ethnic appeals for understanding ethnic politics, there are only very few attempts to rigorously measure ethnic appeals (e.g., Gadjanova 2013, 2015; Protsyk and Garaz 2013) and there is no consensus on how to measure ethnic appeals. The CMP data set also contains policy categories which can be used to measure parties' ethnic appeals in their election manifestos (Gadjanova 2015), though they may not be exhaustive and are imperfect (Protsyk and Garaz 2013). The problem making the measurement of ethnic appeals based on the CMP dataset more complicated is that the interpretations of policy statement that belongs to the same policy category can also vary depending on where or when the statement is proposed.

This implies that it would be "conceptual stretching" to include policy categories, such as decentralization and industry protection, which may or may not be linked to the welfare of certain ethnic groups, in the construction of measurements for ethnic appeals without specifying ethno-cultural contexts where the policy statement is suggested (Gadjanova 2015; Satori 1970).

To avoid this problem, I attempt to include only policy categories with explicit and direct relevance to ethnic issues. For this purpose, I refer to Protsyk and Garaz (2013) and identify nine manifesto categories for five "multicultural" appeals (i.e., positive attitudes towards the preservation of ethno-cultural diversity) and two categories for "integrationist" appeals (i.e., negative attitudes against multiculturalism).[38] Then, I add up all scores on the seven categories relevant to ethnic appeals to come up with the measure of ethnic appeals at the party-election level.[39] In addition, the average of parties' ethnic appeals is also calculated in each election to see if the hypotheses are supported at the election level.

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[38] Details on the policy categories for each group are presented in Table 4.3. Protsyk and Garaz (2013) design their own coding scheme with new policy categories as an alternative to the CMP policy categories. As they make clear, measuring ethnic appeals based on the CMP policy categories is never perfect and this may cause the problem of "undercounting" ethnic appeals (Protsyk and Garaz 2013). However, their measures cover only four East-European countries (Bulgaria, Moldova, Romania, and Ukraine), so while their coding efforts are very sensible, it is also hard to use their measures for a cross-national analysis with a much larger number of countries. Their study finds that the other CMP policy categories, such as "National Way of Life: Positive," are also relevant to measuring ethnic appeals depending on context, but "definitions of such relevant categories are, as a rule, too inclusive for them to be considered valid measures of party position on issues related to titular group identity" (Protsyk and Garaz 2013: 300). For these reasons, I take a conservative approach to avoid the problem of "overcounting," rather than undercounting, and conceptual stretching.

[39] I measure the dependent variable by simply adding all relevant policy categories to ethnic appeals, unlike Gadjanova (2015) who use principal components factoring to come up with the two measures of ethnic appeals. The reason why I do not follow her approach is that the scores on the seven policy categories are not strongly enough correlated to conduct principal components analysis (PCA). In general, the correlation between the variables should be stronger than 0.3 to conduct factor analysis or principal components analysis (Tabachnik and Fidell 2001; Yong and Pearce 2013), but the pairwise correlation coefficients between the nine variables are pretty weak. The largest correlation coefficient is 0.31, which is between "Cultural Autonomy: Positive" and "Minorities Abroad: Positive," but most of the correlation coefficients are smaller than 0.1, with the next largest one as 0.12 (between "Multiculturalism: Positive" and "Cultural Autonomy: Positive"). For this reason, I adopt the simplest scheme to measure the strength of ethnic appeals, as the CMP data is also uniquely appropriate for

4.4.3. Independent Variables

The first hypothesis suggests that parties are more likely to engage in ethnic appeals as elections are more closely fought, so I measure electoral competitiveness using vote shares of parties in each election. Specifically, I compute the gap in vote shares between the two parties with most votes, the winner and the runner-up, and multiply the gap by minus one following Eifert et al. (2010). Therefore, this measure is larger, the more competitive the election is. The information on vote shares of each party is obtained from the CMP dataset.

Previous studies also underscore the role of electoral institutions in the politicization of ethnic identities, but they are still divided on which allocation rule - PR or majoritarian system - induces politicians to appeal to ethnicity. To test the effect of electoral institutions on ethnic appeals, I construct a dichotomous measure, PR, based on the information on electoral system from Bormann and Golder (2013). They classify electoral systems into three categories, PR, majoritarian, and mixed systems. As for the last category, I classify mixed-member proportional (MMP) systems as PR and mixed parallel systems as majoritarian systems. I also pull the information on the mean district magnitude of the lowest electoral tier from Bormann and Golder (2013). As the marginal effect of district magnitude is expected to decrease as its value increases, I take the log of the mean district magnitude to account for this logic.

Ethnic appeals are more likely to be effective when voters lack the relevant information on parties' policy positions or ideological dispositions. While it is hard to measure the information availability, I adopt two proxies for the amount and features of information on parties for voters. First, I draw the information on the features of voter-party linkages from the Varieties of Democracy (V-Dem) database (Coppedge et al. 2016). The V-

measuring the intensity of emphasis on policy issues (Klingemann et al. 2006).

Dem data set provides the information ("Party Linkage") on whether parties are linked to their constituents based on programmatic/policy preferences or clientelistic networks. When the common feature of voter-party linkages is clientelistic, parties are more likely to further develop their support bases relying on ethnic categories, rather than invest in building ties to voters based on programmatic preferences. Therefore, I use this measure, linkage, as the first proxy for the information availability. Larger values indicate the higher prevalence of programmatic linkages. Second, voters in new democracies do not have as much information for electoral choices as those in advanced democracies due to the lack of past electoral experiences. Policy reputations of political parties are also underdeveloped in new democracies which leads parties to rely on the patron-client networks because their programmatic promises are less likely to be credible (Keefer 2007). Therefore, I construct a dichotomous variable for new democracy. Specifically, I classify five consecutive country-elections after democratization as nascent democracies (Tavits and Potter 2015). As for countries who experienced democratic breakdown and reinstatement, I code five consecutive democratic elections after three or more years of authoritarian interruption as elections in new democracies.

In order to measure BGI and WGI, I draw BGI and WGI measures from Houle (2015).[40] He uses a series of survey datasets, including Demographic and Health Surveys, World Values Survey, Latinobarometer, International Social Survey Program, and Comparative Study of the Electoral Systems, to construct BGI and WGI measures. The information on monetized income (WVS, Latinobarometer, ISSP, and CSES) or asset-based wealth (ABW, DHS) is utilized to measure BGI and WGI for each ethnic group and country.

[40] I am very grateful to Christian Houle for his generous permission to use his dataset.

Only ethnic groups listed in the Ethnic Power Relations (EPR) dataset are included for his calculation.[41] The formula for BGI for a given ethnic group is as follows:

$$BGI = \left[\log\left(\frac{g}{G} \right) \right]^2$$

where g refers to the average income (or ABW) of members of the ethnic group, and G refers to the average income (or ABW) of the country. This formula is designed to capture deviations of the average income (or ABW) of a given ethnic group from the country average income (or ABW). BGI should be 0 if the average income (or ABW) of an ethnic group is equal to the country average (Cederman et al. 2011). WGI is measured by the Gini coefficient in the income (or ABW) among all members of that group. Houle (2015) also calculated country-level indicators for BGI and WGI by calculating the averages of group-level BGI and WGI weighted by the size of the ethnic groups for each country. Therefore, the country-level BGI indicates the average level of income disparity between ethnic groups of each country. Likewise, the country-level WGI captures the weighted average of the Gini coefficients for all groups of a country. The resulting measure captures the average level of inequality among members of ethnic groups in that country.

4.4.4. Control Variables

I also include a set of control variables which may potentially affect the estimation of the effects of the independent variables. First, I include three party level control variables, including ethnic party, leftist party, and rightist party, and one party-election level control

[41] Wimmer et al. include an ethnic group in EPR dataset only "if at least one significant political actor claims to represent the interests of that group in the national political arena, or if members of an ethnic category are systematically and intentionally discriminated against in the domain of public politics" (Wimmer et al. 2009: 325).

variable, which is party size. Based on the party family variable in the CMP data, I classify ethno-regional parties as ethnic party. Following previous studies, ecologist, communist, or social democratic parties are coded as leftist party, and liberal, Christian democratic, conservative, or nationalist parties are classified as rightist party (Burgoon 2013; Tavits and Potter 2015). I also control for party size, measured by the proportion of legislative seats to the total number of seats, as larger parties are more likely to try to appeal to broader constituencies. Therefore, party size is expected to have a negative impact on ethnic appeal.

Two country-level variables, ethno-linguistic fractionalization and Western democracies, are also controlled for. The high level of ethno-linguistic fractionalization provides multiple bases for electoral support which political parties can appeal to, and thus ethnic appeals are expected to be prevalent as the ethnic fractionalization index increases. The ethnic fractionalization index is taken from Alesina et al. (2003). A dummy variable for Western democracies is also included, since the frequency of extreme or violent ethnic conflicts in Western democracies is not as large as that in other regions.

In addition, a battery of country-election level controls is also controlled for. The number of ethnic parties can affect the strength of ethnic appeals at both country-election and party-election levels and the increasing number of ethnic parties should have a positive effect on ethnic appeals, but the direction of effect is not clear for the party-level analysis. If other parties attempt to "outbid" ethnic parties by taking more extreme parties (Rabushka and Shepsle 1972), then ethnic appeals should increase with the number of ethnic parties. On the other hand, mainstream parties may ignore ethnic appeals proposed by ethnic parties in order not to increase the political salience of ethnicity in electoral competition (Meguid 2005, 2008). The direction of the effect of economic development is also indecisive. According to modernization theories, economic development and ensuing societal modernization creates various social cleavages cross-cutting each other (Deutsch 1961; Lipset 1959, 1960).

However, Bates (1974) also argues that economic development may also create distributional conflicts between ethnic groups if economic cleavages develop along ethnic lines. Therefore, while the number of ethnic parties and log of GDP per capita are controlled for in estimation, I do not specify any clear expectations regarding the directions of the effects here. Other than these two factors, country-election level controls that may affect the political salience of ethnicity, including turnout rates and the effective number of parties, are also included.

4.4.5. Model Specification and Estimation Strategy

In order to test the main hypotheses, I construct statistical models with the two dependent variables, which are ethnic appeal at the party-election level and the average of ethnic appeal of parties at the country-election level. The data structure is hierarchical, as party-election level observations are clustered at both the party level and country-election level, and the party level clusters are also nested within each country. Failure to take into account this hierarchical data structure can lead to underestimation of the uncertainty in the estimates (Angrist and Pischke 2009; Steenbergen and Jones 2002). For this reason, I estimate multilevel linear models while allowing random intercepts at the higher levels, the country and party levels, and also measure the uncertainty of the estimates with cluster-robust standard errors at the country level following previous studies (Tavits and Potter 2015; Ward et al. 2015). Observations with at least one missing value for any independent variables are dropped out, and as a result, the full models are estimated using 215 and 1,279 observations at the country-election and party-election level, respectively, from 27 democracies. Specifically, the statistical models are presented as follows:

(1) Election Level: $Average\ \ Ethnic\ \ Appeal_{ce} = \beta_0 + \beta_1 Competitiveness +$

$\beta_2 PR + \beta_3 District\ \ Magnitude + \beta_4 Linkage + \beta_5 New\ \ Democracy + \beta_6 BGI +$

$\beta_7 WGI + [Controls] + \varepsilon_{ce}$, where $\beta_0 = \gamma_0 + \delta_c$;

(2) Party-election Level: $Ethnic\ \ Appeal_{cpe} = \beta_0 + \beta_1 Competitiveness + \beta_2 PR + \beta_3 District\ \ Magnitude + \beta_4 Linkage + \beta_5 New\ \ Democracy + \beta_6 BGI + \beta_7 WGI + [Controls] + \varepsilon_{cpe}$, where $\beta_0 = \gamma_0 + \delta_c + \delta_p$

where δ_c and δ_p are country- and party-level random intercepts of which estimates of variances, σ_c^2 and σ_p^2, will be derived. Other than β_2 and β_3, the signs of the coefficients can be predicted based on the discussion on the relationship between ethnic appeal and each independent variable. As elections become more competitive, parties are expected to appeal to ethnicity more strongly, and thus β_1 should be positive. A higher linkage indicates that parties are tied to voters based on programmatic preferences, so β_4 is expected to be negative. On the other hand, β_5 should be positive as ethnic appeals are expected be prevalent in new democracies. As for the coefficients for BGI and WGI, the sign of β_6 should be positive as ethnic appeal is expected to increase with BGI, whereas the hypothesis 4-2 predicts that β_7 has a negative sign.

4.5. Estimation Results

4.5.1. Main Analysis

The estimation results for the two main models are reported in Table 4.1. The first two columns of Table 4.1 present the estimation results of the first model with the dependent variable as average ethnic appeal. The results confirm my hypotheses about the effects of BGI and WGI on ethnic appeal at both election and party levels. The coefficient for BGI equals 0.068 when control variables are not included, and this magnitude even increases up to 0.076 with the controls included in the model. The uncertainty in the estimate also decreases after the effects of control variables are controlled for, and the coefficient is precisely enough

estimated to be confident about the positive effect of BGI on ethnic appeals ($p < .01$). These results show that political parties, on average, emphasize ethnic issues more to appeal to certain ethnic groups as BGI increases. In addition, WGI turns out to have a negative effect on average ethnic appeal, which is consistent with the other hypothesis. Even though the magnitude of the coefficient on WGI also increases when the controls are included in the model, and the coefficient is significantly different from zero ($p < .01$). Therefore, we can conclude that, on average, high WGI tends to discourage political parties from appealing to ethnicity during campaigns.

While the estimation results confirm the effects of BGI and WGI in the expected directions, I fail to find consistently supporting evidence for the other hypotheses. While the signs of coefficients for variables measuring electoral systems are consistent across the models, the coefficients are not estimated with sufficient precision to conclude that they are statistically different from zero. As for variables representing the information availability for voters, the coefficients for those variables not only fail to reach statistical significance, but are also inconsistent in terms of their signs. The effect of competitiveness is most consistent in terms of its direction among the independent variables besides BGI and WGI. The positive coefficients for competitiveness implies that political parties tend to appeal more to ethnicity as the gap in the vote shares between the winner and runner-up decreases, and this result is consistent with the hypothesis regarding electoral competitiveness. However, the coefficient reaches conventional statistical significance only in one estimation result, and it is hard to safely conclude that the coefficients for competitiveness are statistically different from zero due to large uncertainty in the estimates.

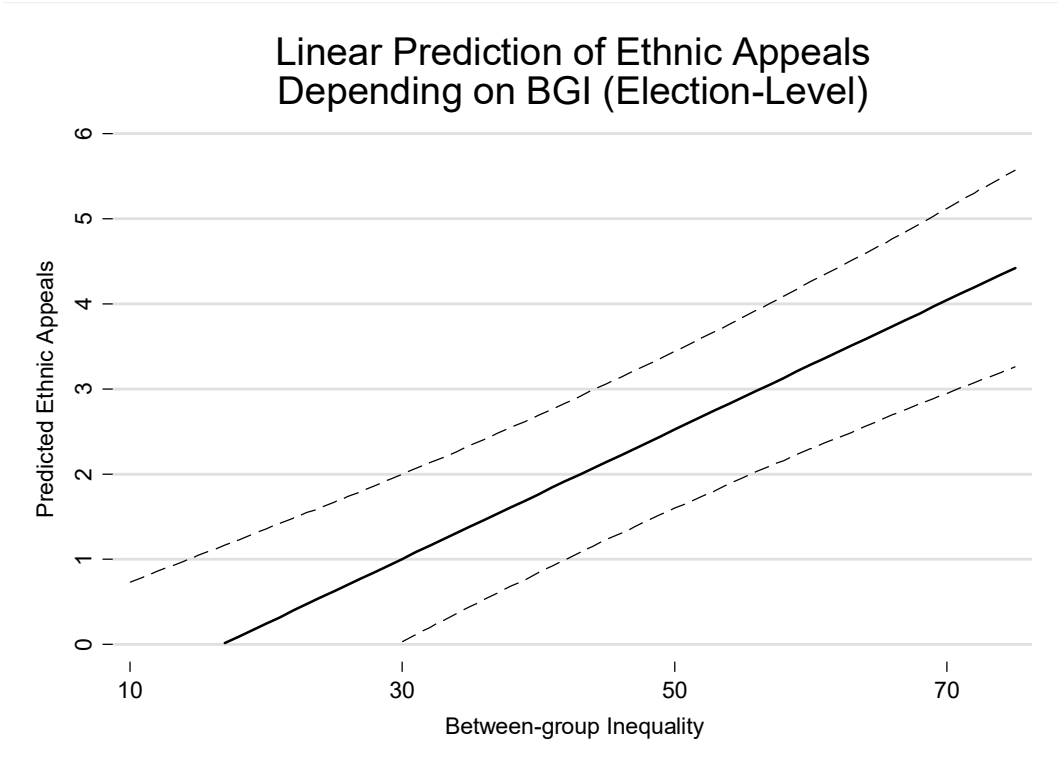
The effects of BGI and WGI are not only statistically significant, but also substantively meaningful. Substantively, an increase in BGI by one standard deviation at the election level (24.44) changes the predicted value of the average ethnic appeal by 1.853,

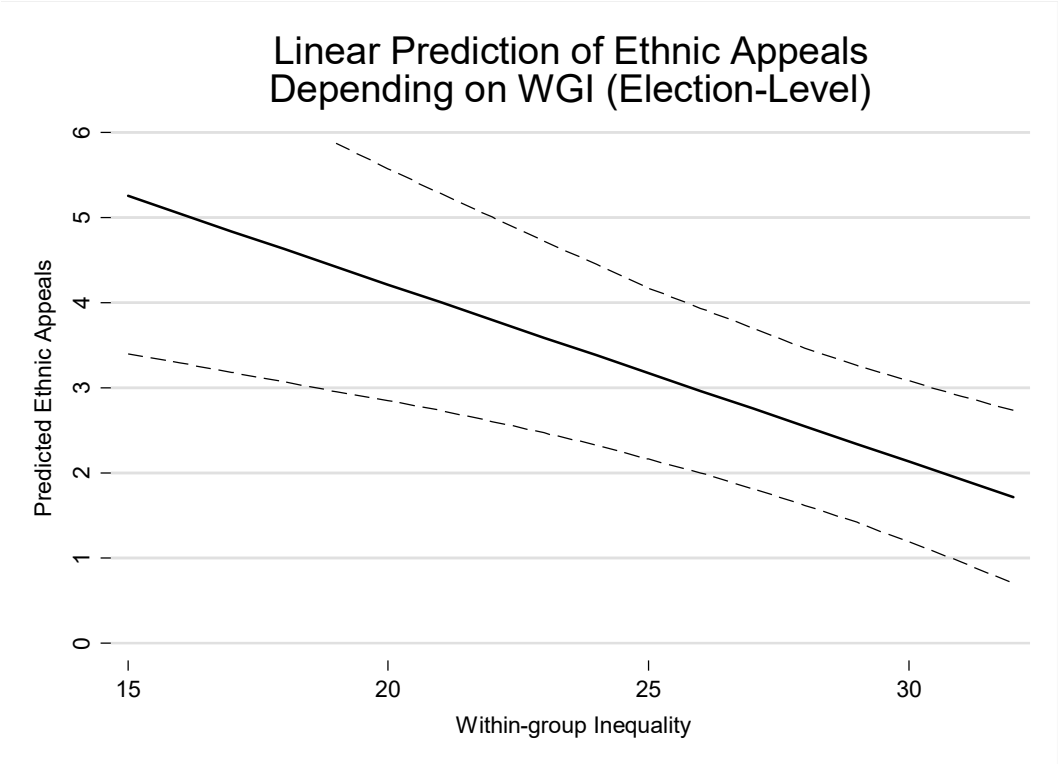
Table 4.1. Estimation Results of Hierarchical Linear Models

	Model 1: Country-election Level (Basic)	Model 2: Country-election Level (Full Controls)	Model 3: Party-election Level (Basic)	Model 4: Party-election Level (Full Controls)
Constant	3.469*	5.339	3.246	3.841
	(1.635)	(4.286)	(1.234)**	(4.045)
Electoral Competitiveness	0.004	0.017	0.014	0.028
	(0.015)	(0.016)	(0.014)	(0.014)*
Electoral Institutions				
PR System	0.294	0.428	0.237	0.429
	(0.338)	(0.293)	(0.299)	(0.363)
District Magnitude (Log)	-0.103	-0.059	-0.111	-0.108
	(0.127)	(0.112)	(0.134)	(0.145)
Information				
New Democracy	0.155	-0.141	0.187	-0.070
	(0.391)	(0.437)	(0.412)	(0.553)
Voter-party Linkages	-0.046	0.396	0.172	0.503
	(0.192)	(0.277)	(0.219)	(0.258)
Inequality				
BGI	0.068**	0.076	0.051	0.059
	(0.016)	(0.012)**	(0.015)**	(0.012)**
WGI	-0.182*	-0.208	-0.147	-0.183
	(0.076)	(0.061)**	(0.064)*	(0.059)**
Ethno-linguistic Fractionalization		3.046		1.219
		(1.385)*		(1.147)
GDP per capita (Log)		-0.319		0.066
		(0.508)		(0.489)
Western Democracies		-0.814		-1.228
		(0.505)		(0.664)
N of Ethnic Parties		0.233		-0.133
		(0.136)		(0.123)
Effective N of Parties		-0.168		-0.259
		(0.073)*		(0.095)**
Turnout Rates		0.010		0.006
		(0.014)		(0.013)
Ethnic Party				4.282
				(1.267)**
Leftist Party				-0.432
				(0.470)
Rightist Party				-0.336
				(0.479)
Party Size				-0.737
				(0.352)*
δ_c	0.512	0.229	0.000	0.075
ε_{ce}	1.705	1.640		
δ_p			6.844	4.609
ε_{cpe}			4.351	4.307
N (Country)	27	27	27	27
N (Party)			386	386
N	214	212	1,286	1,279

*p<0.05, ** p<0.01 (two-tailed); Cluster-robust standard errors are given in parentheses.

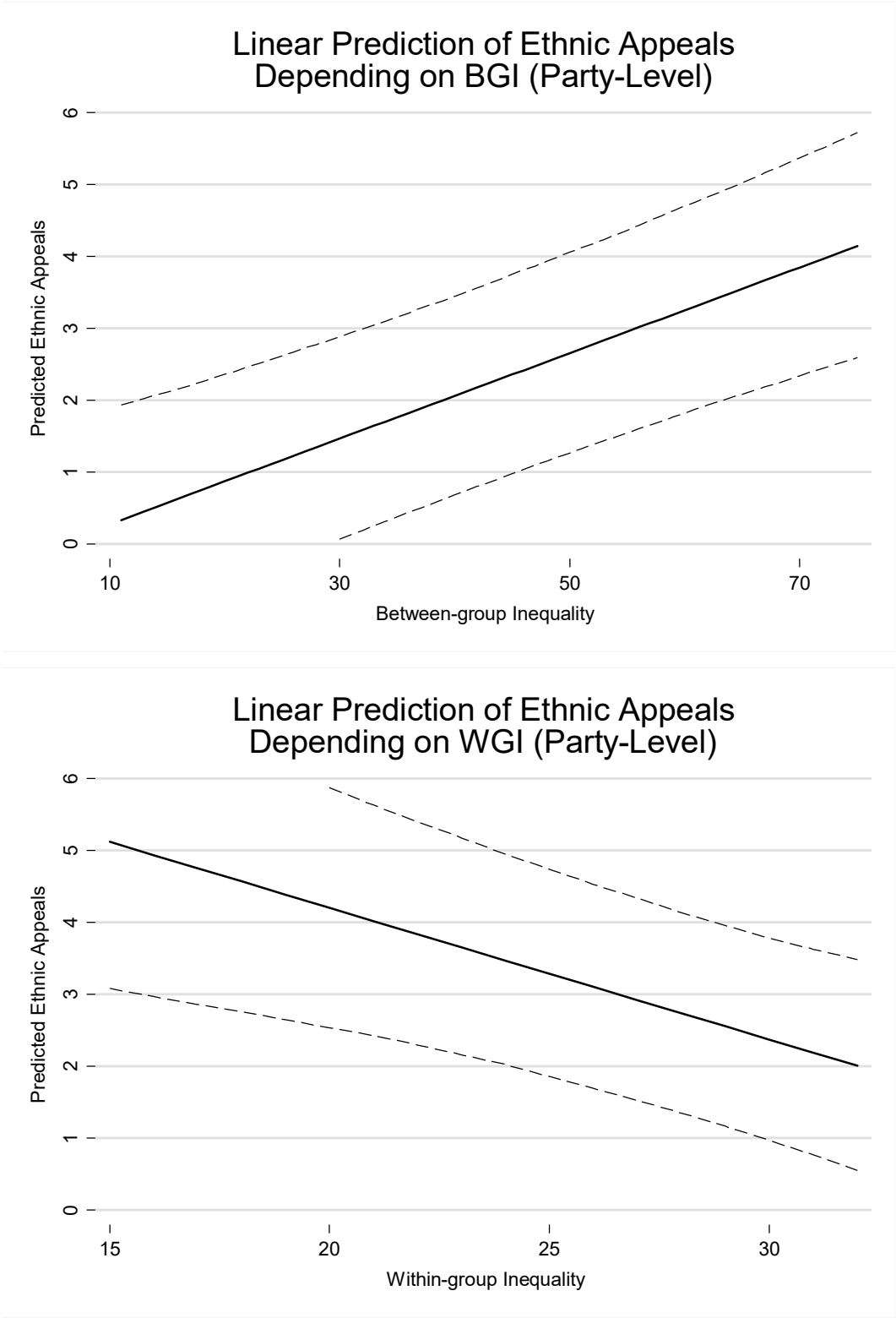
Figure 4.1. Predicted Ethnic Appeal at the Election-level Conditional on the Levels of BGI and WGI





Based on Model 2 of Table 1. Dashed lines are 95 percent confidence intervals.

Figure 4.2. Predicted Ethnic Appeal at the Party-level Conditional on the Levels of BGI and WGI



Based on Model 4 of Table 1. Dashed lines are 95 percent confidence intervals.

which is larger than the standard deviation of the average ethnic appeal, when other variables are set at the mean or the median. The change in WGI by one standard deviation (4.217) also decreases average ethnic appeal by 0.877. The estimation results at the party-election level presented in the right columns of Table 1 also consistent with the results of analysis at the country-election level, in terms of both magnitude and statistical significance of the coefficients.

The supporting evidence for the hypotheses on BGI and WGI are graphically presented in Figure 1 and 2. Based on the estimation results of the models with full controls, Figure 1 and Figure 2 graphically present the linear prediction of average ethnic appeal and ethnic appeal at the party-election level depending on the level of BGI and WGI. The solid line in each graph represents the point estimate of the linear prediction and the dashed lines are the 95% confidence interval of the point estimate. While the point estimates of the linear prediction of ethnic appeal in Figure 1 are more precisely estimated, the two pairs of plots are similar in terms of substantive interpretation. The linear predictions of ethnic appeal in the two figures consistently increase (or decrease) with BGI (or WGI). These results suggest that higher BGI or low WGI encourages political parties and entrepreneurs to strongly appeal to ethnicity as they expect that ethnic appeals are more likely to be electorally rewarded under those conditions, since they increase the social salience of ethnicity. High BGI and low WGI together create an attractive environment for political entrepreneurs to mobilize voters by appealing to their ethnic identities as the social salience of ethnicity increase under those conditions.

4.5.2. Robustness Tests

I also conducted additional robustness tests to check the sensitivity of the main results. First, I estimated the models with an alternative measure of ethnic appeal. While I

Table 4.2. Robustness Checks: Alternative Measure of Ethnic Appeals and Excluding Outliers

	Model 5: Country-election Level (Ethnic Appeals)	Model 6: Party-election Level (Ethnic Appeals)	Model 7: Country-election Level (Outliers)	Model 8: Party-election Level (Outliers)
Constant	5.526	1.664	9.421	7.831
	(6.259)	(5.492)	(5.212)	(5.656)
Electoral Competitiveness	0.019	0.022	0.030	0.034*
	(0.016)	(0.016)	(0.016)	(0.015)
Electoral Institutions				
PR System	2.331**	1.641*	0.279	0.150
	(0.548)	(0.640)	(0.319)	(0.414)
District Magnitude (Log)	-0.298	-0.197	-0.028	-0.056
	(0.174)	(0.187)	(0.117)	(0.155)
Information				
New Democracy	0.757	0.847	0.094	0.100
	(0.577)	(0.715)	(0.514)	(0.596)
Voter-party Linkages	0.449	0.343	0.411	0.483
	(0.354)	(0.391)	(0.278)	(0.270)
Inequality				
BGI	0.084**	0.066**	0.070**	0.052**
	(0.020)	(0.018)	(0.018)	(0.014)
WGI	-0.282**	-0.272**	-0.324**	-0.296*
	(0.085)	(0.091)	(0.112)	(0.114)
Ethno-linguistic Fractionalization	3.201*	2.744*	2.887*	0.837
	(1.496)	(1.149)	(1.373)	(1.225)
GDP per capita (Log)	0.381	1.052	-0.302	0.114
	(0.714)	(0.668)	(0.500)	(0.497)
Western Democracies	-1.849*	-2.187*	-0.759	-1.162
	(0.890)	(1.088)	(0.613)	(0.736)
N of Ethnic Parties	0.164	-0.365**	0.249	-0.127
	(0.164)	(0.114)	(0.133)	(0.127)
Effective N of Parties	-0.448**	-0.568**	-0.158*	-0.255**
	(0.135)	(0.119)	(0.077)	(0.096)
Turnout Rates	-0.021	-0.003	0.002	-0.002
	(0.021)	(0.017)	(0.015)	(0.013)
Ethnic Party		3.750**		4.482**
		(1.244)		(1.355)
Leftist Party		-2.081**		-0.476
		(0.644)		(0.513)
Rightist Party		-0.188		-0.294
		(0.731)		(0.518)
Party Size		-3.484**		-0.731
		(0.948)		(0.410)
δ_c	0.864	0.000	0.153	0.020
ε_{ce}	3.437		1.705	
δ_p		13.743		4.908
ε_{cpe}		11.340		4.443
N (Country)	27	27	24	24

Table 4.2 (cont'd)

N (Party)		386		354
N	212	1,279	196	1,199

*p<0.05, ** p<0.01 (two-tailed); Cluster-robust standard errors are given in parentheses.

take a conservative approach to measure ethnic appeals, the two policy categories regarding "National Way of Life" may include statements that are directly related to ethnic groups (Protsyk and Garaz 2013). To entertain this possibility, I include the two policy categories and calculate the sum of scores again. Next, I redo the main analysis by excluding four countries, Albania, Moldova, Sri Lanka, and Turkey, that are the biggest outliers in terms of BGI and WGI. Both BGI and WGI for Sri Lanka are extremely large and those for the other three countries are also outliers in the opposite direction. To see whether the results are products of those outliers, I exclude the four countries from the analysis and re-estimate the models. The estimation results are presented in Table 4.2 and all the main results regarding the effects of BGI and WGI are robust to these changes. It is noteworthy that PR has a positive effect on ethnic appeals with the alternative measure of ethnic appeal and the effect is statistically significant. In addition, competitiveness also has an expected positive impact on ethnic appeal when outliers are excluded as it does in the main analysis.

4.6. Conclusion

This chapter has investigated conditions under which political entrepreneurs are induced to appeal to ethnicity. A relatively recent development in the literature regards ethnicity as socially constructed and the mere existence of multiple ethnic categories in a society does not necessarily result in the politicization of ethnic identities. Rather, the political activation of ethnic identities results from political entrepreneurs' strategic considerations of political and economic conditions that shape politicians' incentive to build

their political support based on ethnic groups. In this regard, ethnic appeals of political parties during their electoral campaign deserve more attention from political science research as ethnic appeals are major tools for parties to draw support from certain ethnic groups at the ballot box. While underscoring the crucial role of political entrepreneurs and their ethnic appeals in the process through which ethnic identities are politically activated, I investigated the political and economic determinants - electoral competitiveness, electoral institutions, the information availability, and BGI and WGI - of political parties' ethnic appeals. The central findings are that ethnic appeals during electoral campaigns are positively (or negatively) associated with the level of BGI (or WGI). These findings are in line with recent comparative studies that have focused on distributional conflicts and asymmetries between and within ethnic groups in studying ethnic politics (e.g., Alesina et al. 2016; Baldwin and Huber 2010; Cederman et al. 2011; Cederman et al. 2013; Houle 2015; Huber and Suryanarayan 2016; Kuhn and Weidermann 2015). These conditions, high BGI and low WGI, raise the social salience of ethnic cleavage, and thus motivate political entrepreneurs to appeal to ethnic identities of voters in electoral competition. On the other hand, I fail to find empirical evidence for the effects of other political correlates on ethnic appeals, and if there is any supporting evidence, it is at most mixed. This is the first cross-national study, to my best knowledge, to investigate the determinants of political parties' ethnic appeals, which have been unexplored so far in spite of their importance for understanding ethnic politics.

The implications of this study are clear. The vast literature on ethnic politics has found plenty of evidence that ethnic divisions have negative impacts on various political and economic outcomes, including the stability of democracy, public goods provision, economic development, and civil war onset. While the existence of multiple ethnic categories is a fact of life in most countries, political scientists have long studied how to minimize the negative consequences of ethnic divisions in ethnically divided societies. The first suggested tool is to

design electoral institutions that are able to deal with ethnic divisions by allowing minorities to be represented in the legislature (e.g., Liphart 1977) or motivating political parties to draw support across ethnic groups (e.g., Horowitz 1985). Or, the politicization of ethnicity is argued to be prevalent in new democracies where the ethnicity of candidates is the most accessible information for voters, but ethnic politics is also expected to fade away as a democracy matures (Birnir 2007). My findings, however, suggest that designing institutional mechanisms may not be the best way to prevent the political activation of ethnic identities. I also fail to find any compelling evidence of the relationship between the maturity of democracy and the effort of ethnic mobilization on the politicians' side.

Rather, the central findings imply that government should find a way to alleviate economic disparity between ethnic groups and make every effort, especially in developing countries, to distribute the fruit of economic development across ethnic groups in order to keep ethnic divisions from developing into politically activated social cleavages. If certain groups are favored in the distribution of government benefits, then the wealth gap between rich and poor ethnic groups increases and ethnic and economic cleavages reinforce each other. This condition will invite political entrepreneurs, regardless of whether they are ethnic-minded or not, to appeal to voters' ethnic identities to exploit the conditions for their electoral gain. Regulations of ethnic politics on the side of the elite by outlawing ethnic parties or banning particular forms of electoral campaign are very common in Africa (Moroff 2010), but these measures have not been actually effective as violent ethnic conflicts remain prevalent in many African countries and ethnic politics is still the most prominent aspect of African politics. In this sense, policy recommendations for deterring politicians from engaging in exclusive and extreme ethnic appeals should focus on the socio-economic conditions that may cause political entrepreneurs to rely on ethnic mobilization.

APPENDIX

Table 4.3. Policy Categories for Ethnic Appeals

Multicultural	Integrationist
Per 607 Multiculturalism: Positive Favorable mentions of cultural diversity and cultural plurality within domestic societies. May include the preservation of autonomy of religious, linguistic heritages within the country including special educational provisions.	**Per 608 Multiculturalism: Negative** The enforcement or encouragement of cultural integration. Appeals for cultural homogeneity in society.
Per 6071 Cultural Autonomy: Positive Favorable mentions of cultural autonomy.	**Per 6081 Multiculturalism pro-Roma: Negative** Negative mentions of cultural autonomy of Roma.
Per 6072 Multiculturalism pro Roma: Positive Favorable mentions of cultural autonomy of Roma.	
Per 7051 Minorities Inland: Positive References to manifesto country minorities in foreign countries; positive references to manifesto country minorities.	
Per 7052 Minorities Abroad: Positive References to ethnic minorities living in the manifesto country such as Latvians living in Estonia.	

Table 4.4. Summary Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Ethnic Appeals (Election)	218	1.593	1.822	0	9.675
Ethnic Appeals (Party-Election)	1296	1.703	3.227	0	35.29
BGI (Election)	218	49.760	24.436	0.252	220.555
BGI (Party-Election)	1299	48.291	17.743	0.252	220.555
WGI (Election)	218	28.090	4.217	13.603	43.817
WGI (Party-Election)	1299	28.132	3.807	13.603	43.817
Electoral Competitiveness	1293	0.918	0.081	0.6213	1.000
PR System	1295	0.726	0.446	0	1
Linkage	1299	1.853	1.018	-1.372	3.130
New Democracy	1299	0.382	0.486	0	1
Number of Ethnic Parties	1299	1.079	1.611	0	8
Effective Number of Parties	1299	4.976	1.955	1.97	10.28
Average District Magnitude (Log)	1295	1.795	1.534	0	6.109
Turnout Rates	1292	71.369	14.855	34.94	94.31
Ethnic Fractionalization	1299	0.356	0.187	0.093	0.712
GDP per Capita (Log)	1299	9.235	0.630	7.158	10.278
Western Democracy	1299	0.646	0.478	0	1
Ethnic Party	1299	0.120	0.325	0	1
Leftist Party	1299	0.333	0.471	0	1
Rightist Party	1299	0.451	0.498	0	1
Party Size	1293	0.162	0.169	0	0.871

Table 4.5. List of Countries and Election Years (28 Countries)

Country	Election Years
Albania	1992, 1996, 1997, 2001
Australia	1961, 1963, 1966, 1969, 1972, 1974, 1975, 1977, 1980, 1983, 1984, 1987, 1990, 1993, 1996, 1998, 2001, 2004, 2007
Belgium	1961, 1965, 1968, 1971, 1974, 1977, 1978, 1981, 1985, 1987, 1991, 1995, 1999, 2003, 2007
Bulgaria	1991, 1994, 1997, 2001, 2005
Canada	1962, 1963, 1965, 1968, 1972, 1974, 1979, 1980, 1984, 1988, 1993, 1997, 2000, 2004, 2006
Croatia	2000, 2003, 2007
Czechoslovakia	1990, 1992
Estonia	1992, 1995, 1999, 2003, 2007
Finland	1962, 1966, 1970, 1972, 1975, 1979, 1983, 1987, 1991, 1995, 1999, 2003, 2007
Greece	1977, 1981, 1985, 1989, 1990, 1993, 1996, 2000, 2004, 2007
Hungary	1994, 1998, 2002, 2006
Latvia	1993, 1995, 1998, 2002
Lithuania	1992, 1996, 2000, 2004
Macedonia	1994, 1998, 2002, 2006
Mexico	2003, 2006
Moldova	1994, 1998, 2001, 2005
Netherlands	1963, 1967, 1971, 1972, 1977, 1981, 1982, 1986, 1989, 1994, 1998, 2002, 2003, 2006
New Zealand	1960, 1963, 1966, 1969, 1972, 1975, 1978, 1981, 1984, 1987, 1990, 1993, 1996, 1999, 2002, 2005
Romania	1992, 1996, 2000, 2004
Slovakia	1994, 1998, 2002, 2006
Slovenia	1992, 1996, 2000, 2004
Spain	1979, 1982, 1986, 1989, 1993, 1996, 2004
Sri Lanka	1960, 1965, 1970
Switzerland	1963, 1967, 1971, 1975, 1979, 1983, 1987, 1991, 1995, 1999, 2003, 2007
Turkey	1965, 1969, 1973, 1977, 1987, 1991, 1995, 1999, 2002, 2007
Ukraine	1994, 1998, 2002, 2006, 2007
United Kingdom	1964, 1966, 1970, 1974, 1979, 1983, 1987, 1992, 1997, 2001, 2005
United States	1960, 1964, 1968, 1972, 1976, 1980, 1984, 1988, 1992, 1996, 2000, 2004

CHAPTER 5
CONCLUSION

This dissertation project has explored the various political consequences of economic inequality in electoral democracies. According to the MR model, greater income disparity creates favorable conditions for left parties in electoral competition, which is likely to result in more redistribution in democracies. While the voluminous literature has addressed the discrepancy between the predictions of the MR model and electoral and redistributive outcomes in the real world, this project approaches this puzzle by focusing on the overlooked aspect of representative democracy in the MR model: the programmatic party-voter linkages based on economic preferences. The findings of each chapter in this dissertation have important implications on how programmatic ties between parties and citizens are severed when economic inequality rises. Specifically: (1) rising inequality under a leftist government induces poor voters to choose the right at the ballot box; (2) right-wing parties attempt to politicize non-economic issues or make economic issues irrelevant to vote choice in the face of rising inequality; and (3) inequality along ethnic lines incentivizes political entrepreneurs to intensify ethnic appeals.

The second chapter examines why, counterintuitively, the poor do not vote for leftist parties at the ballot box. While previous studies answer this question by focusing on potential factors distracting the poor from their economic interests, they fail to account for the economic and institutional contexts that may affect the poor's voting calculus. Relying on the extant literature on economic voting and the partisan model of economic outcomes, I theorize that poor voters rely on changes in economic inequality to evaluate the performance of leftist governments. More specifically, I demonstrate that the poor support leftist parties only if the leftist government successfully advances the economic well-being of the poor by reducing

economic inequality. Employing a hierarchical regression analysis using survey data from 54 elections across 21 advanced democracies, I find that income-based voting decreases when the wealth gap widens under leftist governments. This result is driven by the poor's voting for opposition parties in the face of rising inequality when the left is in office.

The third chapter investigates how economic inequality affects the electoral platforms of right-wing parties in democratic elections. I argue that the different degrees of political constraints in advanced and emerging democracies induce right-wing parties to respond in different manners to rising economic inequality. Rising inequality increases the right-skewedness of the income distribution and this creates the adverse condition for right-wing parties in electoral competition; the more right-skewed the income distribution is, the more voters are located below the mean income. Rightist parties have two options to overcome this situation: a leftward shift within the economic policy dimension and emphasis on non-economic issues in their platform. While the former option is more effective to enhance electoral fortune, rightist parties in advanced democracies choose to politicize social issues in the face of high inequality. The reason is that in advanced democracies stronger political constraints imposed on the strategic choice of party leadership curb opportunistic policy moderation of the rightist parties. In nascent democracies, however, the right-wing parties are able to opt for more leftist positions within the economic dimension due to weak political constraints. I find supporting evidence for the arguments using 1754 party platforms of 475 parties in 44 democracies from the CMP dataset.

The fourth chapter focuses on whether rising economic inequality creates mutually cross-cutting or reinforcing ethnic cleavages of economic interests and ethnic identities. Specifically, this chapter empirically examines political and economic conditions under which political entrepreneurs, who seek to build electoral support bases, are incentivized to appeal to ethnic identities, relying on previous studies on ethnic politics. I fail to find

consistent support for hypotheses on the effects of other determinants, whereas evidence indicates that high BGI (or low WGI) induces political parties to intensify ethnic appeals in their electoral platforms. The findings of this chapter imply that rising inequality does not necessarily result in the salience of a redistribution issue. Rather, if economic inequality increases in a way that aggravates distributional conflicts between ethnic groups, this leads electoral competition to revolve around ethnic issues, instead of redistribution.

All the conclusions reached in this dissertation indicate that higher economic inequality does not result in more redistribution. Although a voluminous body of literature addresses this topic, each chapter of this dissertation contributes to the extant literature by offering alternative mechanisms of how greater economic disparity causes the breakdown of programmatic voter-party linkages based on economic preferences. In each chapter, I demonstrate how rising economic inequality may induce political agents - voters and parties – to respond it in a manner that de-emphasizes a redistribution issue in their pursuit of self-interest in elections. If elections do not revolve around redistribution and economic issues, unlike the assumption made in the MR model, then representative democracy fails to operate as the redistribution mechanism that many theories of democracy predict. In this sense, this dissertation highlights the importance of dynamics between political actors in electoral politics in understanding the relationship between economic inequality and redistributive outcomes in representative democracy.

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