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Theoretical Perspectives on Party Polarization in America

On February 28, 2012, Senator Olympia Snowe (R-Maine) announced her decision to retire after eighteen years in the U.S. Senate. Explaining her decision, she said,

I have spoken on the floor of the Senate for years about the dysfunction and political polarization in the institution. Simply put, the Senate is not living up to what the Founding Fathers envisioned ... During the Federal Convention of 1787, James Madison wrote in his *Notes of Debates* that “the use of the Senate is to consist in its proceedings with more coolness, with more system, and with more wisdom, than the popular branch.” ... Yet more than 200 years later, the greatest deliberative body in history is not living up to its billing ... everyone simply votes with their party and those in charge employ every possible tactic to block the other side. But that is not what America is all about, and it’s not what the Founders intended. (Madison 1787, June 7; Snowe 2012)

Senator Snowe was not alone in her frustration with the polarization and dysfunction of the U.S. Congress. In the 2010 and 2012 election cycles, twenty-five senators and sixty-five House members either retired or resigned (Chamberlain 2012), with another seven senators and forty-one House members retiring in 2014 (Ballotpedia 2016). Many of these incumbents expressed sentiment similar to Senator Snowe’s. Referring to the poisonous nature of politics in Washington, Representative Steve LaTourette (R-Ohio) stated, “I have reached the conclusion that the atmosphere today and the reality that exists in the House of Representatives no longer encourages the finding of common ground.” LaTourette told reporters that to rise in party ranks, politicians must now hand over “your wallet and your voting card” to party extremes, and he was uninterested (Helderman 2012). Similarly, Senator Ben Nelson (D-Nebraska) observed, “Public office is a place for public service ... It’s about promoting the common good, not the agenda of the radical right or

the radical left. It's about fairness for all, not privileges for the few" (FoxNews.com 2011). And Representative Jim Cooper (D-Tennessee), one of the last remaining Blue Dog Democrats, noted, "We don't have a Congress anymore, we have a parliament . . . We moderates are an endangered species, but we are also a necessary ingredient for any problem solving" (Steinhauer 2012).

This perceived environment of polarization and dysfunction also had profound impacts for the American presidency. John Dean, former Nixon White House Counsel, wrote shortly after the 2012 election, "Republican partisans (with whom I have spoken) are planning to continue their efforts to frustrate President Obama with ongoing obstructionism and increasingly shrill politics, which they understand will further polarize Americans . . . Making government unworkable is totally consistent with their philosophical feelings towards government" (Dean 2012).

Exasperated over this Republican strategy, President Obama said in a 2012 interview with CBS News, "And, if you asked me what is the one thing that has frustrated me most over the last four years, it's not the hard work, it's not the enormity of the decisions, it's not the pace, it is that I haven't been able to change the atmosphere here in Washington to reflect the decency and common sense of ordinary people – Democrats, Republicans and Independents – who I think just want to see their leadership solve problems" (Rose 2012). Four years later the president echoed the same sentiment in another interview with CBS News when he said, "The one thing that gnaws on me is the degree of continued polarization. It's gotten worse over the last several years" (Cowan 2016).

Popular pundits have increasingly sounded alarms over the extreme polarization and dysfunction in Washington. CNN commentators David Gergen and Michael Zuckerman wrote, "As each of the parties has moved toward ideological purity, our politics have become ever more polarized, our governing ever more paralyzed. Extremists increasingly run the show" (Gergen and Zuckerman 2012). Darrell West, vice president and director of governance studies at the Brookings Institution, remarked, "It's worse now than it's been in years . . . Our leaders are deeply polarized, and 'compromise' has become a dirty word . . . They seem less interested in actually solving problems than in presenting some doctrinaire view that's not getting anything done" (cited in Cohen 2012). And Thomas Mann and Norman Ornstein (2012), co-directors of the Brookings/American Enterprise Institute Election Reform Project, observed "with more than 42 years each of experience immersed in the corridors of Washington at both ends of Pennsylvania Avenue, this dysfunction is worse than we have ever seen it, and it is not limited to Capitol Hill. The partisan and ideological polarization from which we now suffer comes at a time when critical problems cry out for resolution, making for a particularly toxic mix."

Observing these conditions, political scientists have been highly attentive to party polarization in both Washington and among the public. For example,

a web search of <http://scholar.google.com> on August 25, 2015, for the words “political polarization” and “America” (but not “Latin”) for the years 2009 through 2015 returned 5,410 records. By way of comparison, the same search conducted for years 1971 through 1977 yielded only 195 records. Obviously, there is relatively new and ongoing scholarly discourse about this topic.

Some scholarly work has received more attention than others. For example, McCarty et al. (2008) (*Polarized America: The Dance of Unequal Riches and Ideology*) had been cited over 1,300 times as of August 25, 2015. These scholars studied polarization in Congress. They claimed that congressional polarization was at a peak, and “closely parallels measures of economic inequality and of immigration for much of the twentieth century” (2008, 6). Similarly, Fiorina et al. (2011) (*Culture War? The Myth of a Polarized America*) had a roughly equal number of citations. These authors studied polarization in the electorate. They claimed that it is a myth that the American public is highly polarized. Rather, “a polarized political class makes the citizenry appear polarized, but it is largely that – an appearance” (Fiorina et al. 2011, 9).

This book enters into this scholarly discourse by evaluating the basis of both mass and elite polarization in the United States from both a historical and causal quantitative perspective. Chapters 2 through 6 are largely historical, with some quantitative evidence interspersed within. Shifting rather starkly, Chapters 7 and 8 are primarily quantitative and statistical, measuring modern polarization among the mass public and political institutions for the purpose of evaluating the implications for democracy and representation. Both research styles offer distinctive insights into the nature of party polarization in America.

ACHIEVING HISTORICAL PERSPECTIVE: FORESTS AND TREES

As an initial motivation, this book is partially about gaining a historical perspective on the nature and severity of modern party polarization. As noted above, elected officials, popular pundits, and social scientists alike express great alarm that polarization may be at an extreme. Because of deep philosophical divisions between the political parties, and the nature of American political institutions, leaders are seemingly incapable of resolving the important issues facing the nation. These issues include who should pay for government, how large government should be, how free should markets be, how to rein in a massive and growing federal debt, resolving the impending crises in entitlement spending, protecting American jobs, immigration reform, and gun violence, etc.

If one accepts at face value the widespread belief that the American system is dysfunctional due to polarization, then there would appear to be a need to reform the system. However, are elected officials, popular pundits, and some social scientists missing the big picture? Are they so focused on the present that they are missing the forest for the trees?

Is the current level of polarization really unusual when considered against the larger backdrop of American political history? Or has polarization actually been the historical norm? Relative to history, is modern polarization now at a zenith, as some have argued? Or have there been other periods when polarization was as high or even higher? Is the current level of dysfunction so unusual that the institutions created by the Founders should be reconsidered? Or is the current degree of polarization and dysfunction the norm for a political system that constitutes the oldest functioning democracy in the world?

One theme of this book is that the current alarmist view of polarization lacks historical perspective (see also Brady and Han 2006). Specifically, the historical analyses to follow suggest that if we are currently at a zenith of polarization, then it is probably not all that unusual when considered against the larger backdrop of American political history. Indeed, the historically low levels of polarization that existed from 1933 through the late 1970s were the unusual phenomenon when considered against this backdrop.

Party polarization viewed dynamically across American history has not been an unbounded trend, continuously moving toward the polar extremes. Rather, it has been a time series random walk. A random walk through time will sometimes increase and other times decrease. Systematic public opinion data on mass polarization are not available before the late 1940s. However, data on both mass and institutional polarization are of reasonably high quality for the period since the late 1940s. These are the data that most scholars use to reach their conclusions. However, these data represent only a short segment of a much longer time series process. If one uses data for only a short segment of a long random walk, as is typical for most analyses of polarization, then the data may appear to be trending. However, that appearance will be deceptive, because the trending short segment will always reverse at some point. Thus, the trend in polarization from the 1980s to present may only appear to have reached a critical zenith. That zenith will at some point reverse toward moderation, as it did in earlier eras.

Of course, the system may well be at a *localized* zenith of polarization and systemic dysfunction. However, one cannot make this judgment without understanding the larger backdrop of polarization through American history. One must make comparisons with earlier eras to make this determination. Accordingly, the next two chapters develop analyses of polarization from the Founding Era up to the Great Depression.

The Founding Era was one of especially high polarization, starting even before the drafting of the Constitution. Indeed, the original Constitution can best be understood as a document intended to protect one segment of a polarized system from the other segment. Even in the absence of political parties, the two poles of the founding system were class-based. During the Founding Era, the patrician class pitted itself against the plebian class in constructing the new American government.

A wealthy faction feared the “too democratic” tendencies of popularly elected state governments, and sought to limit these tendencies through federal

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power. Wealthy property owners feared that the masses might take their property through taxation or inflated paper money. They sought economic advantages through the new form of government, including constraints on popular democracy and a design enabling the accumulation of even greater wealth. One aspect of this effort was establishing a federal government intended more for obstruction than for action. Another was that the new federal government would be supreme in certain economic matters over threatening state governments.

THE PRIMARY THEORETICAL FOCUS: EXPLAINING
 PARTY POLARIZATION

Placing modern polarization in historical context is a worthy endeavor from the standpoint of focusing people and scholars on objective reality. However, the primary motivation for this work is theoretical. This study offers a *general explanation for why party polarization existed in earlier historical eras, as well as in recent history*.

In particular, this work answers the following questions. Why were political parties so polarized during the Founding Era over taxation, tariffs, a National Bank, subsidies for the commercial class, the Jay Treaty, and the war in Europe? Why was party polarization so high during the latter part of the nineteenth century up to 1932 over tariffs, taxation, the gold standard, economic and social regulation, and social welfare? Why was party polarization so low from the New Deal through the late 1970s over many of these same issues? Finally, why has party polarization been so high since the 1980s over taxation, regulation, social welfare, and various cultural issues?

Obviously missing from the preceding list of questions is any treatment of polarization associated with slavery and the slavery events of the nineteenth century. Slavery was clearly a polarizing issue, perhaps the most polarizing issue of all time, as were the events surrounding the Missouri Compromise, the Kansas-Nebraska Act, the Dred Scott decision, and the Civil War. However, *polarization over slavery was not about party polarization*, the subject of this book.

Pulitzer Prize-winning historian Arthur Schlesinger, Jr. (1945b; see also Nichols 1948; Wilentz 2005) showed that slavery did not cleanly divide the political parties during the first half of the nineteenth century. Both Democrats and Whigs, the two major political parties, were internally split on the issue, largely based on regional interests. These internal splits resulted in a party realignment in the 1850s when anti-slavery Democrats and Whigs combined to form the Republican Party. However, even after the formation of the Republican Party, the remaining Democratic Party was unable to establish an official party line on slavery.

In 1860, the Democratic Party held three national conventions (Wikipedia 2016a). The first was unsuccessful in nominating a consensus presidential candidate. At the second convention, the Democrats nominated Senator Stephen A. Douglas of Illinois, and adopted a platform that was noncommittal

on slavery (National Democratic Platform – Douglas Faction 1860). However, many Southerners defected and held yet a third Democratic convention. They selected John C. Breckinridge as their nominee, and adopted a platform that was clearly pro-slavery (National Democratic Platform – Breckinridge Faction 1860). Both Douglas and Breckinridge claimed to be the official Democratic candidate. Later in 1864, President Lincoln selected Southern Democrat Andrew Johnson as his running mate on the National Union Party ticket, again reflecting the split within the Democratic Party.

Thus, polarization due to slavery was about regional economics and the great moral issue of the time: could human beings be considered property? Because polarization due to slavery was not about party polarization, polarization associated with slavery is left for others to consider and is omitted from analyses below.

The core theme running throughout this book is that *party polarization in American history has always been rooted in economic class conflict over who benefits from government, and at whose expense*. Class conflict has been encouraged during different historical eras by two different interpretations of the American social contract, the Founders' social contract and the New Deal social contract.

Laid out in the original Constitution, the Founders' social contract placed the patrician class at a significant economic advantage at an expense to the plebian class. The benefits obtained by the patrician class were substantial, including very low taxes, high tariffs, monetary certainty, cheap money, and freedom from federal regulation. Through the rules of the game laid down by the original Constitution, the patrician class remained so advantaged through 1932.

Political warfare occurred over these issues from the early American republic, through the nineteenth century, and up to the Great Depression. That warfare was largely about whether previously obtained advantages by the patrician class would be maintained. However, there was never a time during these eras when the patrician class did not have the ability to block change, through either Congress or the courts. Therefore, polarization from 1789 through 1932 was largely about maintenance of the Founders' social contract.

However, the collapse of the American economy between 1929 and 1932 yielded a new interpretation of the American social contract. Under the New Deal social contract, the plebian class began to receive significant benefits of their own through New Deal programs and altered constitutional interpretations. The New Deal social contract also removed significant benefits from the patrician class by instituting higher taxes on the wealthy, reduced tariffs, devalued credit instruments, increased regulation, and greater government intrusiveness. Then, starting in the 1960s, Great Society programs greatly expanded these benefits for the masses, again to the disadvantage of those who had previously been advantaged. Predictably, class conflict subsequently increased as a result of the shift in economic advantage for the American system.

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After a long period of one-party dominance from 1933 through the late 1970s, a confluence of conditions enabled Old Guard Republicans to challenge the New Deal social contract. They sought to restore the Founders' social contract and its advantages for the patrician class. They also sought to remove advantages to beneficiaries of the New Deal social contract. Thus, political warfare since the 1980s has again been about contract maintenance, but now maintenance of policies associated with the New Deal social contract. As in earlier eras, the basis of modern polarization is about who benefits from government, and at whose expense.

The conflicts that have produced party polarization throughout American history *can also be framed theoretically in terms of rent-seeking or rent-maintenance*. Public choice economist Gordon Tullock (1967; 1993) originated the idea of rent-seeking, but Ann Krueger (1974) invented the label. People are said to seek rent from society when they try to obtain benefits for themselves without paying for them and at a cost to others (Henderson 2016). Rent-seekers do so through the political arena by getting a subsidy, a tariff, a tax break, a favorable constitutional or legal provision, or a regulation that gives them a special advantage.

Nobel Laureate economist Robert Shiller (2013) gives a clear example of rent-seeking as that of a feudal lord who erects a barrier across a river that flows through his land and then hires a collector to charge passing boats a fee to withdraw the barrier (i.e., charges rent for a section of the river for a short time). No additional production results from the barrier or the collector, but there is a cost to those who pass. The lord has made no improvements, but is simply finding a way to make money from something that was previously free.

Rent-seeking can be distinguished from investment in a particular economic class using the Pareto criterion (Lockwood 2008). The Pareto criterion states that if there are improvements to one person's welfare while no one is made worse off, then the world is a better place. Applying the Pareto criterion, if the rich get richer through a tax break, and no one is harmed in the process, then this outcome would be fine. However, if a particular economic group obtains advantage by a tax break causing others to pay higher taxes or lose benefits, then this would be rent-seeking. As expressed by another Nobel Laureate economist Angus Deaton, "[I]f no one gets hurt in some other dimension, better off is better. But if people use that money to undermine my well-being – my access to public education or better health care, or there's more military spending and, so, less for social programs – then I have to pay those taxes, live in that system" (Deaton 2013, 2014).

Rent-seeking virtually always produces economic inequality, which can become an irritant of class conflict. For example, yet another Nobel Laureate economist, Joseph Stiglitz (2012), argued that rent-seeking contributes significantly to income inequality in the United States. He notes that partisan efforts to secure government policies allowing the wealthy and powerful to increase their income, not as a reward for creating wealth, but by grabbing a larger

share of the wealth produced without their effort, is a type of rent-seeking. Similarly, Piketty et al. (2011) analyzed international economies and changes in tax rates, and concluded that much of income inequality across nations results from rent-seeking by wealthy taxpayers.

Of course, rent-seeking is not exclusive to the patrician class. Other examples of rent-seeking include the poor lobbying for welfare benefits; small businesses lobbying for tax advantages; lawyers or doctors lobbying for regulations that restrict competition from unlicensed lawyers or doctors; labor seeking policies enabling easier formation of unions; the elderly lobbying for increased health care or Social Security benefits. The list is extensive.

The historical analyses in this book show that rent-seeking and the class basis of party polarization in America have remained consistent through time. Political parties that developed early in the American republic were based largely on class interests. Most of the Founders said that they detested the idea of political parties, arguing that they were more likely to comprise factions antithetical to representation in the common interest. Nevertheless, from the Founding Era, through the nineteenth century, Progressive Era, Great Depression, and up to the present there have always been two political parties separated largely along class lines.

One political party has consistently pursued the interests of economic elites, arguing that what was good for the commercial class was best for the nation. The name of that political party has changed through time (Federalists, Whigs, Republicans), but the motivations have remained the same. The other political party (Democratic-Republicans, Democrats) rejected this philosophy, arguing that what was good for the larger citizenry was best for the nation and business. Government has a positive obligation to protect the masses from the evils of a wealth-dominated system. Of course, this same philosophical divide has separated Democrats and Republicans since the 1980s.

Partisan behaviors through time have always been strategic and purposeful. The Constitution and the dominant partisan regime from 1789 through 1932 strategically engaged in rent-seeking and rent-maintaining behavior. As will be shown in the next chapter, the Constitution itself was a veiled exercise in rent-seeking by the patrician class (Beard 1913; McGuire and Ohsfeldt 1984). Subsequently, the Washington administration and Hamilton's three plans for the economic development of the nation involved rent-seeking and secured significant economic benefits to the patrician class that became very controversial.

The largely successful battles by the dominant Republican Party from the latter part of the nineteenth century through 1932 over tariffs, the gold standard, taxation, economic and social regulation, and social welfare were rent-maintaining efforts by the dominant partisan regime. Polarization during this era involved the opposition Democratic Party seeking to curtail those rents and obtaining economic advantages for their own partisans, many of whom were an underclass suffering the inequities of a wealth-dominated system.

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Subsequently, the Great Depression realigned the partisan balance of the American system. The result was a purposeful effort by Democrats to change which citizens benefited from government, and at whose expense. The New Deal social contract provided many new rents to the plebian class, now at an expense to the patrician class. These rents were directed toward the poor, jobless, hungry, elderly, unhealthy, and underdeveloped, as well as those seeking union representation, experiencing injury or disability, suffering discrimination, etc. The New Deal social contract also curtailed many rents to the patrician class. Taxes on the upper class increased after 1933, tariffs decreased, the nation removed itself (temporarily and later permanently) from the gold standard, economic and social regulation expanded greatly, etc. Such changes were abrasive to an economic class that had received special treatment by government for almost a century and a half.

Starting in the early 1980s, Old Guard Republicans represented by Ronald Reagan deliberately and strategically sought to restore earlier rents to the patricians. Of course, Democrats sought to maintain rents for the plebian class, resulting in ever increasing polarization. Post-1980, Old Guard efforts involved cutting taxes for the wealthy, deregulation, curtailing social welfare, and generally making free markets, small government, and deregulation “holy” again. The Old Guard also cunningly attempted to bring new adherents into the Republican Party by connecting economic and cultural issues. Republicans partially succeeded in no small measure because of their efforts to expand the Republican base through the emotional appeal of cultural issues. At the core, however, party polarization since 1980 was about restoring rents for the privileged class and removing rents from the masses.

THE OTHER THEORETICAL FOCUS: DEMOCRACY
AND REPRESENTATION

For a significant part of this book, attention is directed toward showing that the explanation for party polarization throughout American history has been class-based economic conflict and shifting economic advantage due to the transition between the Founders’ and New Deal social contracts. However, party polarization is also theoretically interesting because of its potential implications for democracy and representation. From a theoretical standpoint, *polarization may (or may not) weaken American democracy and representation*. In the later chapters of this book, this matter will be the primary concern.

The dominant theory of party representation among political scientists and economists has always been the centrist theory, also called the median voter theory. The centrist theory argues that elite partisan actors strategically move toward the ideological center in order to maximize their chances for reelection and effectuate their policies. Under this theory, political parties do not stray too far from the median voter for fear of losing political support.

Downs (1957) first proposed the centrist theory using a simple graphical depiction showing that it was rational for political parties to move toward the political center. Davis and Hinich (1966) subsequently initiated the mathematical modeling literature from this perspective, which became manifest through numerous formal and empirical analyses (see, e.g., Aldrich 1983; Austin-Smith and Banks 1988; Davis et al. 1970; Enelow and Hinich 1981, 1982, 1984; Riker and Ordeshook 1973; Wittman 1983). Indeed, the notion that politicians move toward the median voter to maximize their political support is so embedded in scholarly thinking that it could be called an established paradigm of elite political behavior.

Consistent with centrist theory, a large body of empirical research has stressed the importance of mass political preferences to policy outputs from American political institutions (e.g., see Canes-Wrone 2006; Canes-Wrone and Shotts 2004; Canes-Wrone et al. 2001; Erikson et al. 2002; Page and Shapiro 1985, 1992; Stimson et al. 1995; Wlezien 1996). For example, Erikson et al. (2002; see also Stimson et al. 1995) claimed that mass preferences affect policy stances by all three major U.S. political institutions.

Others have argued that partisan elites cater to the median voter only when they need to. According to this perspective politicians are calculating actors who use their knowledge of public opinion to pursue their own objectives and evade responsiveness to mass political preferences. For example, Jacobs and Shapiro (2000, chapter 2) use case study evidence to argue that a sophisticated understanding of public opinion combined with a variety of factors enabled politicians to engage in “crafted talk” to manipulate, rather than respond to the public. Partisans often face a tradeoff between pursuing partisan policy goals and pleasing the public. Thus, Jacobs and Shapiro (2000, 42–44) assert that only intermittently prior to elections and when they require broad public support do politicians pursue a centrist strategy (see also Canes-Wrone and Shotts 2004; Kriner and Reeves 2015). At other times, their cost–benefit calculations are weighted toward pursuit of policy goals and appeasing fellow partisans.

Regardless of whether elite partisans always or only sporadically move toward the political center, political parties that seek advantage for a particular economic class, whether patrician or plebian, hold implications for American democracy and political representation. Specifically, political parties advocating for a particular economic class suggests that a more appropriate theoretical model would be one in which elite political actors cater to the median partisan in the electorate.

Wood (2009, chapter 4) provides empirical evidence that presidents cater to the median partisan, rather the median voter. More generally, observing contemporary party politics it is easy to see that modern election campaigns have featured increasingly extreme candidates and that once party representatives are in office their policy positions are also extreme. These facts seem more consistent with the idea that party elites are ideological, catering to their fellow partisans, rather than to the median voter.