Introduction

- Interests
  - Producer groups; business-state interests; electoral coalitions
- Institutions
  - Rules of the game that shape actor behaviour; path dependency
- Ideas
  - Belief systems; cognitive shortcuts; instruction sheets; ideologies

In general, think about how interests, ideas and institutions interact to produce variation in public policy outcomes (varieties of capitalism) between countries.
The electoral politics of advanced capitalism

- In terms of interests, think about voter-party linkages.
- To explain cross-national variation in policy outcomes (varieties of capitalism), consider the “supply” and “demand” of electoral politics.
- Demand = what voters want (attitudes/preferences)
- Supply = what political parties have to offer (party strategies).
- Governments operate under constraints of previous policy choices.

To understand economic policy preferences (the demand side of politics), we need to look at the socio-structural change in the labour market.

This has led to new socio-economic and socio-cultural cleavages amongst voters.
Voter preferences are shaped by education, income, skill-level

Research would suggest that the main long-term driver of labour market change is technology, which transforms the jobs we do (and income received)

In advanced capitalist societies, there are four distinct trends:

- A growth in service sector jobs
- Occupational upgrading
- Increased job polarisation
- Increased female participation rates in the labour force

All four have important socio-political consequences (demand side of politics).
Service sector jobs

- In most advanced capitalist societies, services now constitute 75% of employment. Industry and agriculture makes up the rest.
- High-skilled services in the competitive/traded sector (finance/ICT)
- High-skilled services in the public/non-traded sector (education/healthcare)
- Low-skilled services in the exposed sector (retail/security/leisure/food/care)
- Low-skilled services in the non-exposed sector (transport)

The extent to which each of these social groups benefit or not from globalisation (free movement of goods, people, services) impacts their electoral preferences.
### Table 2: Change in Ireland’s Employment Structure, 2008-2017

| Occupational Groups                                      | % of total 2008 | % of total 2017 | Change  
|----------------------------------------------------------|-----------------|-----------------|--------
| a. Managers, directors and senior officials              | 7.1%            | 8.8%            | +1.7%  
| b. Professional                                          | 17.2%           | 19.9%           | +2.8%  
| c. Associate professional and technical                  | 10.2%           | 12.6%           | +2.4%  
| d. Administrative and secretarial                        | 11.3%           | 9.7%            | -1.7%  
| e. Skilled trades                                         | 17.7%           | 13.8%           | -3.8%  
| f. Caring, leisure and other services                    | 6.9%            | 8.1%            | +1.2%  
| g. Sales and customer service                            | 7.9%            | 7.9%            | +0.1%  
| h. Process, plant and machine operatives                 | 7.8%            | 7.6%            | -0.2%  
| i. Elementary                                            | 13.8%           | 11.1%           | -2.7%  
| j. Not stated                                            | 0.2%            | 0.4%            | +0.2%  
| **Total in Employment (000s)**                           | **2,220.1**     | **2,180.9**     | **-39.2**  

#### Both Sexes

|                                      | 2008 | 2017 | Change  
|--------------------------------------|------|------|--------
| High skilled occupations             | 34.5%| 41.3%| +6.9%  
| Medium skilled occupations           | 36.8%| 31.1%| -5.7%  
| Low skilled occupations              | 28.5%| 27.2%| -1.4%  

#### Males

|                                      | 2008 | 2017 | Change  
|--------------------------------------|------|------|--------
| High skilled occupations             | 32.9%| 40.1%| +7.2%  
| Medium skilled occupations           | 45.4%| 39.3%| -6.1%  
| Low skilled occupations              | 21.5%| 20.1%| -1.4%  

#### Females

|                                      | 2008 | 2017 | Change  
|--------------------------------------|------|------|--------
| High skilled occupations             | 36.5%| 42.8%| +6.3%  
| Medium skilled occupations           | 25.9%| 21.5%| -4.3%  
| Low skilled occupations              | 37.5%| 35.4%| -2.2%  

**Source:** Calculated by the authors from CSO Labour Force Survey  
**Notes:** All data for Quarter 2 of each year. Occupational groups are based on SOC2010 classification. High skilled occupations = a, b and c. Medium skilled occupations = d, e and h. Low skilled occupations = f, g and i.
Table 3: Average Total Annual Earnings by Economic Sector, 2008 and 2017

<table>
<thead>
<tr>
<th>Economic Sector</th>
<th>2008</th>
<th>2017</th>
<th>% change</th>
<th>No. yrs. of falling earnings</th>
<th>% all employees change since 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Traded Economic Sector</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information and communication</td>
<td>50,113</td>
<td>56,757</td>
<td>+13.3%</td>
<td>3</td>
<td>4.0%</td>
</tr>
<tr>
<td>Professional, scientific, technical</td>
<td>42,197</td>
<td>46,274</td>
<td>+9.7%</td>
<td>6</td>
<td>5.2%</td>
</tr>
<tr>
<td>Industry</td>
<td>41,314</td>
<td>45,204</td>
<td>+9.4%</td>
<td>0</td>
<td>12.8%</td>
</tr>
<tr>
<td>Financial, insurance, real estate</td>
<td>53,502</td>
<td>55,634</td>
<td>+4.0%</td>
<td>6</td>
<td>5.2%</td>
</tr>
<tr>
<td><em>Non-Traded Economic Sector</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human health and social work</td>
<td>38,459</td>
<td>36,313</td>
<td>-5.6%</td>
<td>8</td>
<td>13.5%</td>
</tr>
<tr>
<td>Education</td>
<td>45,119</td>
<td>42,674</td>
<td>-5.4%</td>
<td>8</td>
<td>8.4%</td>
</tr>
<tr>
<td>Arts, entertainment, recreation</td>
<td>25,837</td>
<td>24,563</td>
<td>-4.9%</td>
<td>9</td>
<td>3.1%</td>
</tr>
<tr>
<td>Public admin, defence</td>
<td>50,428</td>
<td>48,907</td>
<td>-3.0%</td>
<td>8</td>
<td>6.7%</td>
</tr>
<tr>
<td>Accommodation and food</td>
<td>18,099</td>
<td>17,607</td>
<td>-2.7%</td>
<td>9</td>
<td>9.6%</td>
</tr>
<tr>
<td>Construction</td>
<td>39,026</td>
<td>38,391</td>
<td>-1.6%</td>
<td>9</td>
<td>5.4%</td>
</tr>
<tr>
<td>Wholesale and retail</td>
<td>26,610</td>
<td>29,316</td>
<td>+10.2%</td>
<td>3</td>
<td>17.2%</td>
</tr>
<tr>
<td>Admin. and support services</td>
<td>25,672</td>
<td>28,490</td>
<td>+11.0%</td>
<td>2</td>
<td>5.1%</td>
</tr>
<tr>
<td><em>Other Economic Sectors</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation and storage</td>
<td>40,148</td>
<td>40,211</td>
<td>+0.2%</td>
<td>8</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>All economic sectors</strong></td>
<td><strong>36,758</strong></td>
<td><strong>37,646</strong></td>
<td><strong>+2.4%</strong></td>
<td><strong>6</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

*Source:* Calculated by the authors from CSO Earnings, Hours and Employment Costs Survey
Job polarisation

- Job polarisation is often described as the “winners/losers” of globalisation.
- The “winners” are those in high-skilled, high-income, business-finance jobs (legal/consultancy/accountancy/managerial), and high-skilled socio-cultural professions (education/healthcare/civil society).
- The “losers” are those in low to medium-skill, median-income jobs such as administrative-clerical workers, and industrial operatives (manufacturing).
- Job polarisation refers to the extent to which there is a growth in high-skill jobs and low-skilled jobs, and a hollowing out of median-skilled jobs.
Changing gender roles

- Perhaps the most important socio-structural change in the labour market over the past generation (30 years) is the increase in the number of women working. This is what’s called the female “participation rate”.
- In most northern European economies, with universal childcare, this is usually 70+. In southern European economies, it is as low as 50%.
  - But these numbers vary significantly when women reach 35+.
- In Ireland, the number is also low, and varies between 58-60%.
- It’s also worth noting that most people who work low-paid precarious jobs in the domestic service sector are predominantly women and immigrants.
Why does this matter?

We need to discuss how these changes in social class are increasingly shaping the socio-economic and socio-cultural preferences of voters.
Social groups

What we are observing is the rise of four different social class groups, with distinct preferences.

- Business-finance professionals (often in ICT/legal accountancy/finance)
- Socio-cultural professional (often in health care/educational services)
- Small businesses/farming (often in construction/agriculture)
- Production workers and the precariat (often in domestic private services such as retail/food/leisure)

These groups are affected by globalisation (liberalised trade, free movement of peoples, capital, goods and services), in very different ways.
Mapping voter preferences

Political economy research suggests that different social groups “win and lose” from the liberalisation of trade, finance, and immigration, in different ways.

This means they will want different types of public policies from government.

If you have data on the following, you can predict a lot about voter behaviour:

- Age
- Income
- Skill level (proxied by educational attainment)
- Occupation

It is this intersection between education/occupation that shapes social class.
Socio-cultural

Political economists use a variety of indicators to analyse the socio-cultural preference of voters, and how these are impacted by liberalisation.

These are usually captured by measuring people's attitudes toward:

- Immigration
- European integration
- Family values

Older voters, with median levels of income, but relatively low levels of educational attainment often - on average - have more conservative-nationalist values.
Political economists use a variety of indicators to analyse the socio-economic preference and attitudes of voters, and how they are impacted by liberalisation. These are usually captured by attitudes toward the state-market relationship (redistribution and attitudes toward economic inequality):

- Taxation
- Expenditure

Business-finance professionals, with relatively high incomes, and high educational attainment, often - on average - have a preference for less income taxes.
Attitudes to the welfare state

This becomes even more complex when we split the socio-economic variable (more/less tax) into two dimensions (type of tax, and type of expenditure).

Different socio-economic groups (the four quadrants earlier) typically want the government to spend their taxes (public expenditure) on very different things.

- Social protection (social welfare state)
- Social investment (social investment state)

Higher income voters, paying higher taxes, regardless of their preference toward taxation, generally want government to prioritise social investment, not welfare.
Welfare chauvinism

These different attitudes toward the “welfare state” increasingly overlap with attitudes toward immigration, leading to “welfare chauvinism”.

Think Brexit, and Trump.

Low-to-middle income voters, with relatively conservative-nationalist attitudes, and who are more insecure about the liberalisation of trade/immigration, also tend to have increasingly negative attitudes toward the welfare state.

It matters “who” voters think resources are being distributed toward.
Mapping the party landscape

It’s for all of these reasons that the political landscape in the advanced capitalist democracies have become much more fragmented:

- Higher parliamentary volatility
- More political parties
- Rise of left-libertarian (green) parties
- Rise of right-authoritarian (far-right) parties

The parties that have suffered the most from the socio-structural changes brought about by global liberalisation are centre-left, social democratic parties.

The parties that have benefited the most, tend to be on the political right. Why?
Mapping party strategies

In response to the changing demands of the electorate, political parties will increasingly target their policies at building different electoral coalitions.

Think about this concretely in the Irish case. It gives rise to the following coalitional possibilities (next slide), which in turn, shapes the type of public policies pursued:

https://drive.google.com/open?id=0B8XXih2ReeuKX29jdTIXeFp6SHAxb1d4dHpweEZURzhBVFZZ

Note that the volume effect of jobs/voters will always be in the bottom two quadrants. No political party can form a government by only targeting one group.
Mapping part strategies

In terms of tax/spend policies (fiscal policies, which are central to the social contract governing the relationship between citizens and state), the supply/demand of politics would suggest the following coalitional possibilities:

https://drive.google.com/open?id=0B8XXih2ReeuKckxISmNIVmthY3JUUkF5Q0Itdl1S0NjdjJz

In Western Europe, research suggests that Left parties have lost political support among the traditional working class (bottom left quadrant), but have expanded their support among the professional middle class (top left quadrant).

This is often described as the “middle-class shift” in comparative politics.
Is Ireland an outlier?

Ireland is qualitatively distinct from the rest of Western Europe in that it has not witnessed the rise of a populist authoritarian right-party.

This is partially explained by the fact that on the “supply” side of politics, it’s a left-nationalist party (SF) mobilises voters in the bottom right/left quadrants.

Ireland is also qualitatively distinct in that it never had a clear left/right divide within parliament (again, this is on the “supply” side of politics).

Ireland’s welfare state was constructed by a popular centre-right nationalist party (FF), and not a Christian Democratic, or Social Democratic party.
Conclusion

Why does this matter? For scholars of power resource theory, (in particular, *Three Worlds of Welfare Capitalism*), the electoral foundations of working-class power were crucial to the longevity of the welfare state. This has been transformed by social change.

But despite the decline in what was traditionally called the “working class vote”, the welfare state remains in place, and it remains stable. In 2 weeks we will discuss why this is the case, with reference to the *path dependent and historical effect of institutions*.

The decline in working-class support for left parties has been replaced by a pro-welfare move by right-wing parties, but also a leftward move among liberal middle class voters.

The result is shifting welfare state coalitions that look quite different from those of the past. The core constituency of the Left today are the professional middle class.