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# The Political Economy of Polarized Pluralism

**Salvatore Babones, Riccardo Pelizzo**
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**Introduction**

It is difficult to overestimate the importance of Sartori's party system typology at least because, as Peter Mair recently pointed out, "there has been very little new thinking on how to classify systems since the seminal work of Sartori" (Mair, forthcoming).

The first important party system taxonomy was proposed by Duverger in his Political Parties (1951). Duverger in this classic study identified three types of party systems: the one party system, the two party system and the multi-party system. By the early 1960s Sartori had become quite unhappy with this typology (Sartori, 1982). Sartori thought that both the one-party and the multi-party categories were more complex that Duverger had at first realized. Sartori went on to improve Duverger's taxonomy. He did so by breaking down the one-party category into three subcategories (one-party system, hegemonic party system and predominant party system) and by breaking down the multiparty system category into two subcategories (moderate pluralism, polarized pluralism)[1].

Sartori refined the multiparty category because he had realized, contra Duverger, that not all multiparty systems are alike. Some multiparty system (moderate pluralism) function like two party systems (and this is why they are said to have a bipolar dynamics), while other multiparty systems function very differently from the two-party dynamics. And for Sartori it was quite obvious that the latter was true in the case of polarized pluralism.

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[1] Sartori broke down the one-party category into three sub-categories: the one-party category, the hegemonic party category and the pre-dominant party category. For Sartori a party system is 'one-party' if only one party exist and is allowed to exist. Sartori noted that 'one-party systems' could be then characterized as totalitarian, authoritarian or pragmatic depending on the party's ideological connotation (Sartori, 1976:222). The USSR or Albania were clear instances of Sartori's one-party systems. For Sartori a party system should be considered as 'hegemonic' if the party in power does not allow real competition and the "other parties are permitted to exist but as second class, licensed parties" (Sartori, 1976: 230). Sartori noted that not all hegemonic parties are alike, some of them are ideological while others are more pragmatic in their orientations. Mexico, under the rule of the Institutional Revolutionary Party (PRI), represented a clear instance of hegemonic party system. We should add that for Sartori it was quite clear that neither 'one-party systems' nor 'hegemonic party systems' were consistent with competitive, democratic politics. Sartori noted however that 'predominant party systems' are instead competitive party systems and they are consistent with democratic politics. For Sartori predominant parties win majorities of seats in the elections because they enjoy considerable electoral/popular support and not because there is "conspicuous unfair play or ballot stuffing" (Sartori, 1976:195). Japan and India provided clear examples of predominant party systems.

Why do some multiparty systems function like two party ones? Why is the functioning of polarized pluralism so different from that of moderate pluralism? For Sartori the answer was to be found in the structural characteristics of polarized pluralist party systems. For Sartori polarized pluralist party systems were characterized by the presence by more than five relevant parties, by high levels of ideological polarization, by ideological patterning, by the presence of anti-system parties, by the presence of bilateral opposition, by the fact that the opposition was irresponsible, by the fact that the center position of the party system was occupied and by the fact that there was a hemorrhage of votes from the center to one or both of the extremes –which is what Sartori refers to as the prevailing of centrifugal drives over centripetal ones. These characteristics were quite important not only because they allowed Sartori to identify a party system family other than that of moderate pluralist party systems, but because they could be used to explain why certain party systems (of the polarized pluralist kind) were unlikely to sustain stable governments and, in the long term, to sustain democracy.

In the words of Wolinetz the importance of Sartori's taxonomy was not simply due to the fact that it provided a better way to categorize party systems but it was also, and more importantly, due to the fact that "it provided an explanation to an important puzzle – why certain kinds of multi party systems had led to cabinet instability and system collapse, while others had not" (Wolinetz, forthcoming). For Sartori it was, in fact, quite obvious that party systems of the polarized pluralist type were unlikely to sustain stable executives (Sartori, 1982:43), and though he was willing to acknowledge that government crises may be effective mechanisms for conflict resolution in the short run, he was aware of the fact that in the long run excessively frequent government crises were very detrimental for the survival of the regime (Sartori, 1994:108). Excessive government instability makes governments highly dysfunctional and this dysfunctionality, in turn, "is self-delegitimizing and conducive, in the long run, to regime crisis" (Sartori, 1994:108).

Interestingly while considerable attention has been paid to polarized pluralism as independent variable (and to what it can explain), relatively less attention has been paid to polarized pluralism as dependent variable and to the conditions that make polarized pluralism possible. For Sartori polarized pluralist dynamics were likely to occur in party systems characterized by fairly large numbers of relevant parties and by high levels of ideological polarization and these characteristics, in turn, were believed to reflect the number and the depth of the political cleavages (Sartori, 1976:135; Sartori, 1982: 9 and 21). In the years following the publication of Sartori's classic work, very little attention has been paid to the determinants of polarized pluralism.

The purpose of the present paper is to argue that polarized pluralism does not simply reflect structural conditions, as Sartori correctly pointed out, but also reflects contingent conditions such as the economic ones. In order to do so, we construct an index of

polarization that captures fairly well one of the basic features of polarized pluralist party systems namely "the enfeeblement of the center, a persistent loss of votes to one of the extreme ends (or both)" (Sartori, 1976:136). After constructing this index we will test whether changes in polarization (as measured by our index) are associated with changes in the macroeconomic conditions in each of the polarized pluralist party systems identified by Sartori, namely the Spanish Republic, the Weimar Republic, the French Fourth Republic and the Italian Republic. And in fact governments in the Spanish Republic, the Weimar Republic, the French Fourth Republic, and post-war Italy were all phenomenally unstable; they were all quite dysfunctional; and in three instances out of four the dysfunctionality of the government created the conditions for a constitutional breakdown.

In the course of the paper we proceed as follows. In the first section we discuss the notion of polarization. In doing so we will point out that the concept of polarization in not univocal but can be used to denote four different phenomena, namely the spread of opinion at the elite level, the spread of opinion at the mass level, the distance between parties on the ideological spectrum and the distribution of votes and/or parliamentary seats along the left-right spectrum. Building on this discussion, we present our index of polarization and we show how this index can be computed for each and every polarized pluralist party system. In the second section we discuss macroeconomic variables and how these variables can be properly operationalized to test whether changes in the levels of polarization are associated with, if not caused by, changes in the macroeconomic conditions. In the third section we present the results of our data analysis. In the fourth and conclusive section we discuss the implications of our research.


**Polarization**

Polarized pluralist party systems are polarized and pluralist because they are characterized by a fairly large number of relevant parties and by fairly high levels of ideological polarization[2]. One of the points that Sartori has more frequently reiterated is that polarization is not a positive, linear function of fragmentation (Sartori, 1982: 254). Low levels of polarization can be found in highly fragmented party systems, meanwhile high levels of polarization can be found in non-fragmented party systems.

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[2] Sartori proposed to basic rules to assess whether a party is relevant. These are his rules: "a minor party can be discounted as irrelevant whenever it remains over time superfluous in the sense that it is never needed or put to use for any feasible coalition majority. Conversely, a minor party must be counted, no matter how small it is, if it finds itself in a position to determine over time, and at least at some point in time, at least one of the possible governmental majorities". This is Sartori's first counting rule. Sartori's second counting rules states that "a party qualifies for relevance whenever its existence or appearance affects the tactics of party competition and particularly when it alters the direction of competition – by determining a switch from centripetal to centrifugal competition either leftward, rightward ot in both directions – of the governing-oriented parties". These quotes are taken from Sartori (1976:122-23).

But what is polarization? For Sartori "the concept of polarization is not unambiguous" (Sartori, 1982: 256). The concept of polarization may refer to the total spread of opinion at the elite level, it may refer to the total spread of opinion at the mass level, it may refer to the (ideological) distance between the position of the parties located at the extremes of the party system and it may also refer to the distribution of parliamentary seats among the various parties located along the left-right dimension. These scenarios are conceptually different and though they may be related to one another, from an analytical point of view they should not be confused.

Interestingly though Sartori (1976) tends to discuss polarization as distance, he often seems to indicate that the polarization of the party system is a function of the strength (measured in terms of the number of parliamentary seats or vote shares) of the parties located at the extremes of the party system itself—which in Sartori's own terminology should instead be defined as the prevailing of centrifugal drives over the centripetal ones.

In any event, building on the work by Sartori, Pelizzo and Babones (2003) have constructed an Index of Polarization that can be used to quantify polarization as distribution of seats along the left-right dimension. Specifically Pelizzo and Babones (2003) have suggested that polarization can be measured by the following formula:

[(extreme left + extreme right) – center]

or more simply

(extremes) -  center.

This formula is fairly straightforward and can be easily applied to each of the polarized pluralist party systems as identified and discussed by Sartori (1976). In the Spanish republic, where the extreme left was made up of  the communists and the maximalists, the extreme right was made up of the monarchists and the conservative catholics, and the center was made up of the radicals, the index of polarization designed by Pelizzo and Babones takes the following form:
[(communists+maximalists+monarchists+conservative catholics)- radicals.

In the Weimar republic, the communists occupied the extreme left position of the party system, the nazi occupied the extreme right position and the Zentrum/BPP occupied the center position. Hence in the Weimar republic, the Pelizzo/Babones index of polarization takes the following form:
[(communists+Nazi) – Zentrum/BPP]

In the French Fourth Republic, the extreme left was made up of PCF, the extreme right was made up of the Gaullists and the Populists, and the center was made up of the MRP. In this case, the index of polarization is measured as :
[(PCF+Gaullists+Populists)- MRP]

Finally, in the Italian case the vote for the extreme left corresponds to the vote "for the Italian Communist Party (PCI) for the 1963, 1976, 1979, 1983 and 1987 elections. For the 1968 and the 1972 elections, the vote for the extreme left is calculated by adding the vote of the Partito Socialista Italiano di Unita' Proletaria (PSIUP) to the vote of the PCI. For the 1976, 1979, 1983 and 1987 elections the vote of the extreme left is computed by adding the vote of the Proletarian Unity and the vote for the Party of Proletarians Unity to the vote of the PCI. The vote for the extreme right simply corresponds to the vote of the neofascist Movimento Sociale Italiano (MSI) for the 1963 and 1968 elections, while it corresponds to the vote of the Movimento Sociale Italiano- Destra Nazionale for the elections held from 1972 to 1987" (Pelizzo and Babones, 2003: 60-1). The vote for the center corresponds to the vote for the Christian Democracy (DC).

Polarization values for the Spanish Republic, the Weimar Republic, the French Fourth Republic and the Italian First Republic are presented in Table 1.

[table 1 about here]

Pelizzo and Babones (2003) showed that, at least in the Italian case, the polarization index has greater reliability with respect to multiple economic indicators than does the center, left, or right vote in isolation. Pelizzo and Babones correlated vote proportions with six economic indicators: economic growth, employment growth, and inflation, each operationalized in both contemporaneous and lagged variations. Only polarization was significantly correlated with all six economic series. The center, left, and right votes were all inconsistently correlated with the economic variables. We believe there are two reasons for this superior performance of the polarization index: one technical and the other theoretical.

Technically, the Babones-Pelizzo Index of Polarization reduces measurement error by eliminating from consideration segments of the vote that are orthogonal to the issue of polarization. Votes for the moderate left (e.g., the Social Democrats in Germany) or the moderate right (e.g., the Christian Democrats in France) have little effect on the polarization of the party system, since these parties are capable of forming coalitions both with the center party and with extreme parties on the own wings. Similarly, votes for single-issue parties, such as the Radicals in Italy, are ignored, since such parties can potentially form coalitions with any government. The resulting polarization index focuses only on those vote proportions that are relevant to the object of study.

Theoretically, the polarization index is the single measure best constructed to capture all of the manifestations of polarization identified by Sartori. As cited above, in Sartori's conceptualization political polarization may be manifested by a reduction in the center vote and/or a move to either/both extremes. The polarization index captures all of these possibilities in a single measure. Thus, any polarizing effect of economic performance is captured by the polarization index, while only some effects are captured by the center, left, and right vote individually. The polarization index may not incorporate the votes of all parties participating in each election, but it does summarize the state of the entire party system.

**Macroeconomic Variables**

The selection of economic variables for a study of the political economy of polarization should focus on those aspects of economic performance that a democratically elected government might reasonably be held accountable for. For example, in the broadest terms governments are more likely to be held accountable by the electorate for short-term (year-on-year) changes than for long-term secular trends. Similarly, governments are more likely to be judged on the basis of annual changes in industrial production than on annual changes in agricultural output, since any particular year's harvest is highly conditional on environmental factors. Finally, voters are more likely to judge governments on the basis of variables that closely relate to the state of the economy in the country as a whole then to judge the governments on the basis of their own personal conditions. In the words of Lewis-Beck (1988) the evaluations of the economy are generally "sociotropic" rather than "pocketbook". These examples suggest some guiding principles for the selection of economic series:
1. that they reflect short-term performance
2. that they focus on industry (at least for the period under consideration here)
3. that they reflect as closely as possible the state of the economy

Spain during the interwar period is a particularly data-poor environment. While not an ideal series, we use changes in industrial production as reported in Mitchell (1992). In the absence of monthly or quarterly data, we use the year-on-year percent change in industrial production between the year of the election and the year previous. Since data are not available for the full year 1936 (on account of the Civil War), we use change 1934-1935 as a proxy figure for the 1936 election. While the Spanish data are far from ideal, they are sufficient to give us some indication of the relationship between economic performance and political polarization during the study period.

Data for Weimar Germany is far more detailed and complete. We use quarterly unemployment figures from the *Statistisches Jahrbuch fuer das Deutsche Reich* for the relevant years. Economic performance relevant to each election is operationalized as the percent change between the average level of unemployment is the calendar quarter

of the election and the calendar quarter one year previous. Quarter averages are used instead of monthly figures to reduce volatility. Where available and applicable, employment/unemployment series are preferred to indices of industrial production since they more directly reflect voters' immediate experience of the economy. One of the reason why we decided to use percent change in the level of unemployment instead of using unemployment rate is that the statistical series for unemployment is characterized by a strong secular trend. Unemployment rises almost monotonically between the 1925 and 1933. This means that if we regressed the level of unemployment versus the percent of the Nazi vote or against the Index of Polarization, we would find very strong but possibly very spurious coefficients[3]. Using percent change in unemployment rate allows us to minimize the risk of getting spurious coefficients.

France in the post-war period should also be a data-rich environment, but the fact that the three of the five elections under study occurred in the immediate aftermath of World War II is a major complicating factor. Detailed monthly or quarterly employment figures are not available for 1945, nor very relevant for 1946. Thus, for France as for Spain we rely on annual percentage changes in the industrial production figures reported by Mitchell (1992).

For post-war Italy we use industrial employment data from the International Monetary Fund (1998). As for Germany, we compute the percent change between the average level of unemployment is the calendar quarter of the election and the calendar quarter one year previous.

The resulting economic performance indicators used in each country for each election are reported in Table 2. Note that for Germany, positive numbers represent *poor* economic performance, while for the other three countries positive numbers represent *good* performance.

[table 2 about here]


**Results**

We have two sets of findings to report. The first concerns role of polarized pluralism in constitutional breakdown, while the second concerns the effect of economic variables on polarized pluralism itself. Our discussion of results draws on the data presented graphically in Figures 1-4.

[figures 1-4 about here]

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[3] The correlation of the Nazi vote versus the unemployment rate yields a Pearson r = .931, statistically significant at the .002 level. The unemployment series is taken from Arends and Kuemmel (2000:201).

We begin with a discussion of constitutional breakdown in polarized pluralist party systems. In three of the four cases, the polarization of the parliamentary party system made governments so unstable and dysfunctional that the series of government crisis led in the end to a regime crisis and a constitutional breakdown. Only the Italian case is somewhat exceptional in this respect.

The Italian case is exceptional because although the Italian governments had been notoriously unstable and ineffective, the crisis of the First Republic was more the result of the Clean Hands (Mani Pulite) investigations than a breakdown induced by polarized pluralism on the European continent. In fact, by the time the Italian transition begain with the crisis of the First Republic and its parties, the Italian party system could no longer be considered a case of polarized pluralism. The Italian party system had been a case of polarized pluralism because, for more than forty years, the Christian Democratic party had occupied the center position, the Italian Communist Party had occupied the extreme left position and the (neo)-fascist Italian Social Movement had occupied the extreme right position. But by the time the Italian transition started in 1992, the Italian Communist Party (PCI) did not exist anymore. The PCI, in the course of two very tumultuous years, had transformed itself into a party consistent with the values and the principles of the social-democratic tradition, had joined the Socialist International and had changed its name into Party of the Democratic Left (Partito Democratico della Sinistra, PDS). With the transformation of the PCI into the PDS, the Italian party system no longer had an anti-system party located at the extreme left of the political spectrum or left-ward centrifugal pull. In sum, the Italian party system by 1992 was still pluralist but no longer polarized.

In the other three cases under study, the constitutional breakdown occurred under the pressure of polarization. In the Spanish case the constitutional breakdown occurred at the point of maximum polarization. Similarly in the case of the Weimar republic the constitutional breakdown occurred exactly when polarization had reached its peak, while the French constitutional system collapsed under the fairly high levels of polarization recorded throughout the 1950s.

Turning to our second question, does polarization increase because of changes in the economic conditions? Three cases out of four are consistent with the hypothesis that polarization increases in times of economic hardship, while the case of Spain 1931-1936 does not follow the expected pattern of increasing polarization in times of economic stress.

The case of the Weimar Republic provides some support for the hypothesis that poor economic performance leads to polarization of the electorate. The correlation between the change in unemployment in Germany and political polarization is .43, which is non-significant but in the right direction. This is consistent with the findings of the recent studies of economic voting in the Weimar Republic (Stogbauer, 2001). The case of

France 1945-1956 also follows the expected pattern. The correlation between changes in industrial production and the index of polarization is -.83, which is significant at the .05 level (one-tailed) and in the correct direction. The post-war Italian First Republic (1963-1987) remains the clearest example of political polarization driven by economic performance. This is not surprising, given the relative stability of the country over the study period (compared to the other three cases) and the superiority of more recent economic statistics. The correlation between changes in industrial production and the index of polarization is -.82, which is significant at the .05 level (one-tailed) and in the correct direction. Moreover, in every election but one (1976), the direction of movements in the polarization index mirrors the direction of movements in economic performance.

By contrast, in the Spanish case polarization exhibited a secular increase over the three elections studied, irrespective of economic performance. The correlation between polarization and change in industrial production is nominally .82 (non-significant and in the wrong direction), but this figure is rather meaningless. It is based on just three data points, for one of which (1936) the economic figure is not of the appropriate date. These findings are not surprisingly for a very simple reason. The polarization of the Spanish party system was due to structural conditions, that is to the cleavage structure in the country (Berneker, 2000). To use the terminology devised by Lipset and Rokkan (1967), the Spanish republic was crossed by three cleavages, namely an economic cleavage (which opposed the economic interests of the latifundia in the South-West to the economic interests of the medium-sized farms in Catalonia and the Basque Countries), a religious cleavage (which opposed the secular urban middle class and the rural proletariat on the one hand to the Catholic land owners) and a center-periphery cleavage (which opposed the economically advanced and politically weak parts of the country, such as Catalonia and the Basque Countries, to the central government in Madrid). The social divisions produced by these cleavages were profound, were politically salient, and were insensitive to contextual factors such as short term fluctuations in macroeconomic conditions. The social divisions or cleavages that polarized the Spanish party system, that made the governments of the Spanish republic so unstable, and ultimately led to the collapse of democracy in 1936 had also been responsible for the government instability of the 1917-23 period, for the crisis of the state and for the establishment of "a dictatorship of notables" in 1923 when Primo de Rivera took power and established an authoritarian dictatorship. Hence, since the polarization of the Spanish party system was due to long-term, historical conditions, it is not so surprisingly that polarization was not affected by short term fluctuations in the economy.

**Conclusions**

The main purpose of the present paper was to show that polarization may not only reflect, as Sartori (1976) suggested, structural conditions such as the number and the depth of political cleavages, but that it may also reflect some contextual factors such as fluctuations in the macroeconomic conditions. The results of the data analysis provide evidence consistent with our claim. In fact, with the exception of the Spanish case, in which polarization is entirely due to structural conditions, the other three cases of polarized pluralism analyzed in the paper do show that the polarization of the party system increases as macroeconomic conditions worsen.

The importance of this finding is twofold. At the theoretical level, it is important because it sheds some light on the determinants of polarization – Polarization is affected by changes in the macroeconomic conditions. This finding is also quite important at the practical, or policy level. If polarized pluralism undermines the effectiveness of democratic governments leading, in the end, to the collapse of a constitutional regime, and if, as we have shown, polarization reflects changes in the macroeconomic conditions, then a major implication is that in order to secure the consolidation and the survival of a democratic regime it is vital to maintain good economic conditions.

This conclusion is not terribly important in Western Europe which has now experienced, with few exceptions, five decades of democratic rule, but it may be quite important for all those newly established democratic regimes that have emerged in the course of the third wave of democratization (Huntington, 1991) and which are characterized by some of the characteristics (high number of relevant parties, presence of a center party, ideological polarization, etc.) that according to Sartori (1976) may be conducive to polarized pluralist party system dynamics. To make democracy work, work well and survive, it is necessary to preserve the pluralism and to get rid of polarization, and maintaining good macroeconomic conditions is a way to achieve this result.

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Table 1. Political Polarization

|  | Extreme Left | Extreme Right | Center | Polarization |
|---|---|---|---|---|
| Spain |  |  |  |  |
| 1931 | 0 | 3.6 | 26.5 | -22.9 |
| 1933 | 0.2 | 8.4 | 27.2 | -18.6 |
| 1936 | 14.7 | 4.8 | 8.6 | 10.8 |
| Weimar |  |  |  |  |
| May 1924 | 12.6 | 6.6 | 16.6 | 2.6 |
| Dec. 1924 | 8.9 | 3 | 17.3 | -5.4 |
| May 1928 | 10.6 | 2.6 | 15.2 | -2 |
| Sep. 1930 | 13.1 | 18.3 | 14.8 | 16.6 |
| July 1932 | 14.6 | 37.3 | 14.2 | 37.7 |
| Nov. 1932 | 16.9 | 33.1 | 15.3 | 34.7 |
| May 1933 | 12.3 | 43.9 | 14.1 | 42.1 |
| France |  |  |  |  |
| Oct. 1945 | 26.1 | 0 | 36 | -9.9 |
| Jun.1946 | 26.2 | 0 | 39.6 | -13.4 |
| Nov. 1946 | 28.6 | 1.6 | 40.3 | -10.1 |
| Jun.1951 | 25.9 | 21.3 | 22.5 | 24.7 |
| Jun.1956 | 25.9 | 16.6 | 24.6 | 17.9 |
| Italy |  |  |  |  |
| 1963 | 25.3 | 5.1 | 38.3 | -7.9 |
| 1968 | 31.3 | 4.4 | 39.1 | -3.4 |
| 1972 | 29.1 | 8.7 | 38.7 | -.9 |
| 1976 | 34.4 | 6.1 | 38.7 | 1.8 |
| 1979 | 30.4 | 5.3 | 38.3 | -2.6 |
| 1983 | 29.9 | 6.8 | 32.9 | 3.8 |
| 1987 | 26.6 | 5.9 | 34.3 | -1.5 |

Table 2. Economic Indicators

| | Industrial Production Annual % Change | Unemployment Quarter vs. Year Previous % Change | Industrial Employment Quarter vs. Year Previous % Change |
|---|---|---|---|
| Spain | | | |
| 1931 | -10.3 | | |
| 1933 | -1.1 | | |
| 1936 | 3.4 | | |
| Weimar | | | |
| May 1924 | | 4.1 | |
| Dec. 1924 | | -15.6 | |
| May 1928 | | -0.9 | |
| Sep. 1930 | | 12.5 | |
| July 1932 | | 10.6 | |
| Nov. 1932 | | 4.5 | |
| May 1933 | | -3.8 | |
| France | | | |
| Oct. 1945 | 28.6 | | |
| Jun.1946 | 68.9 | | |
| Nov. 1946 | 68.9 | | |
| Jun.1951 | 13.3 | | |
| Jun.1956 | 7.8 | | |
| Italy | | | |
| 1963 | | | 3.02 |
| 1968 | | | -0.56 |
| 1972 | | | -1.81 |
| 1976 | | | -0.94 |
| 1979 | | | -0.16 |
| 1983 | | | -3.74 |
| 1987 | | | -3.29 |

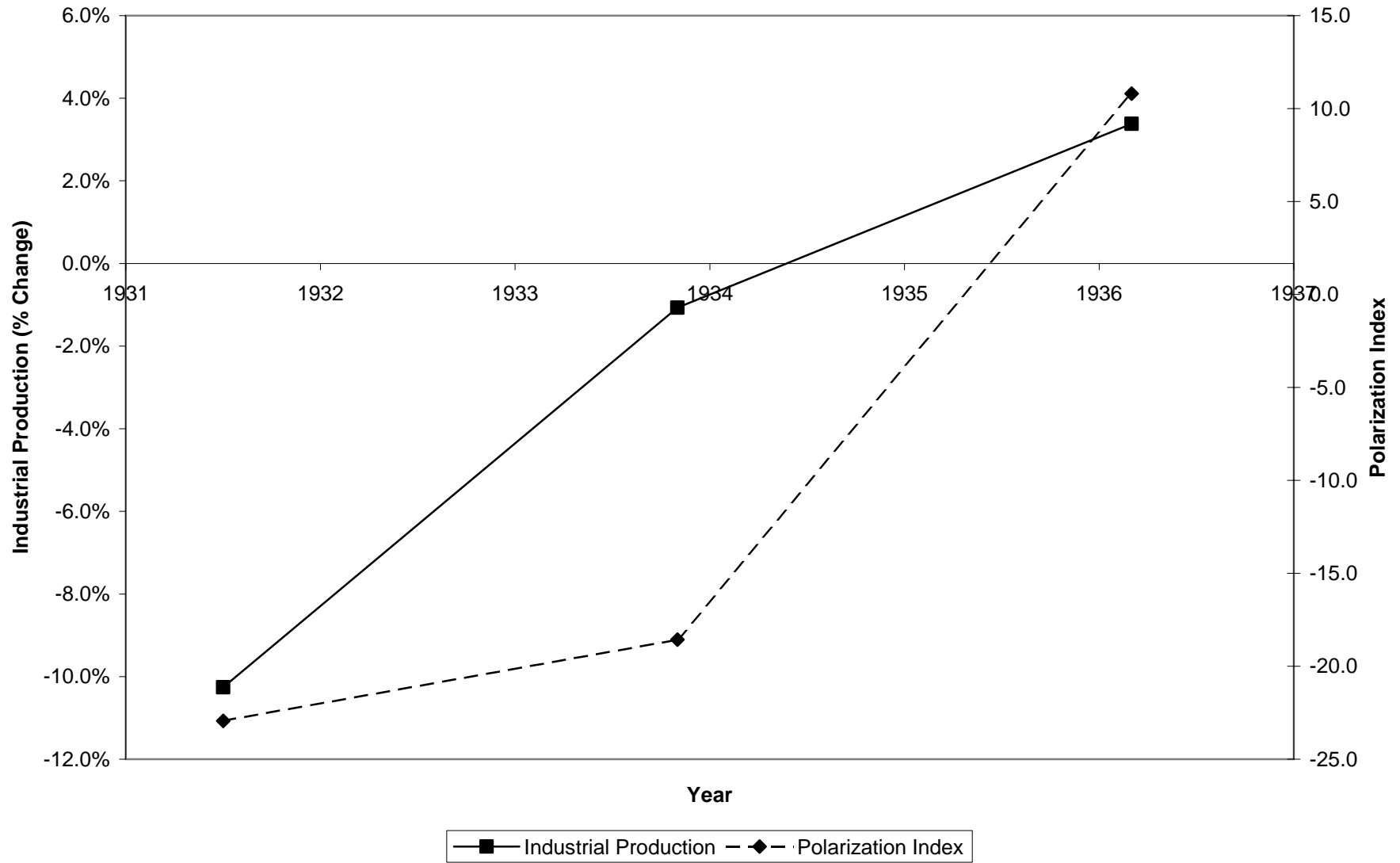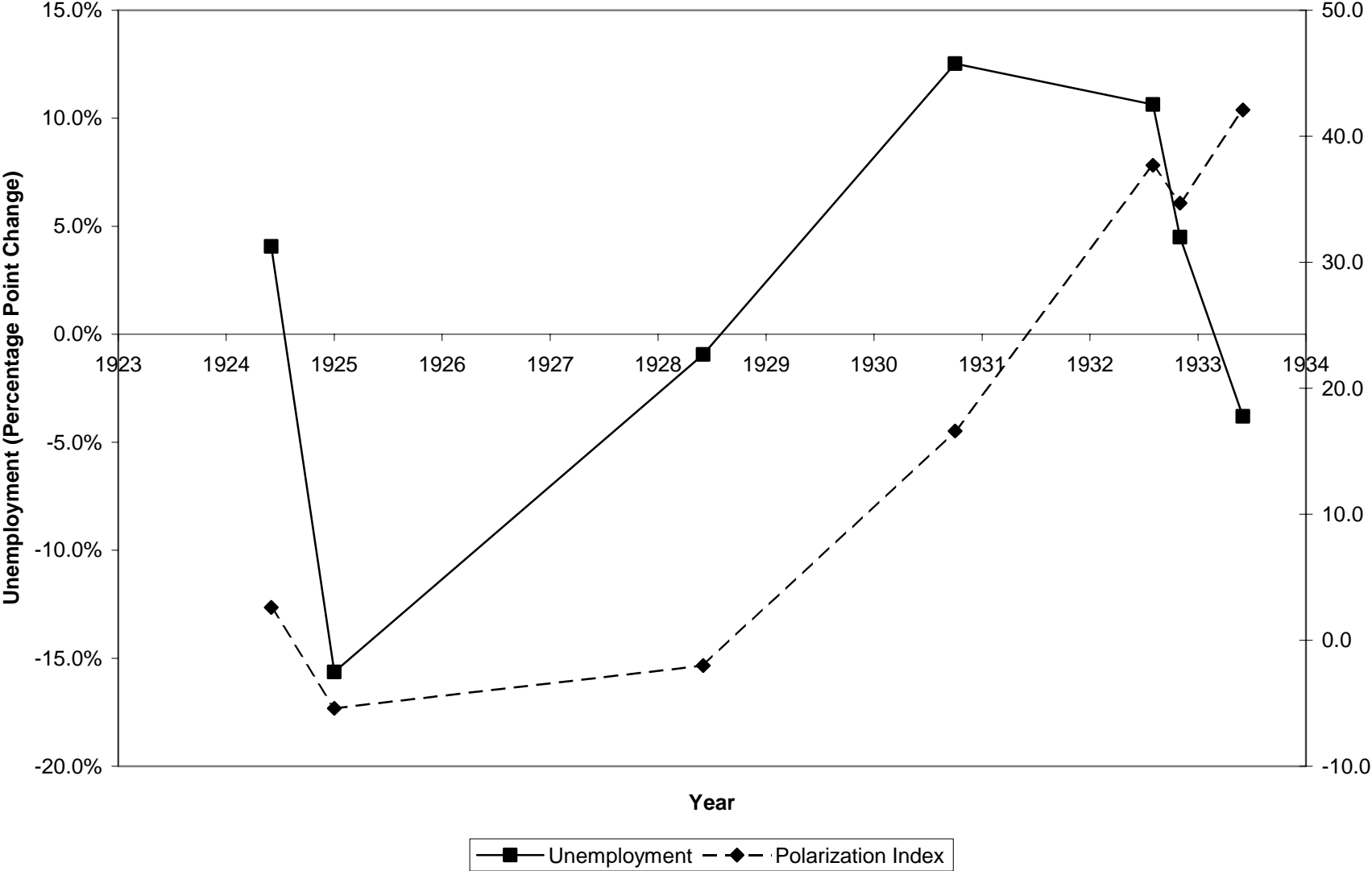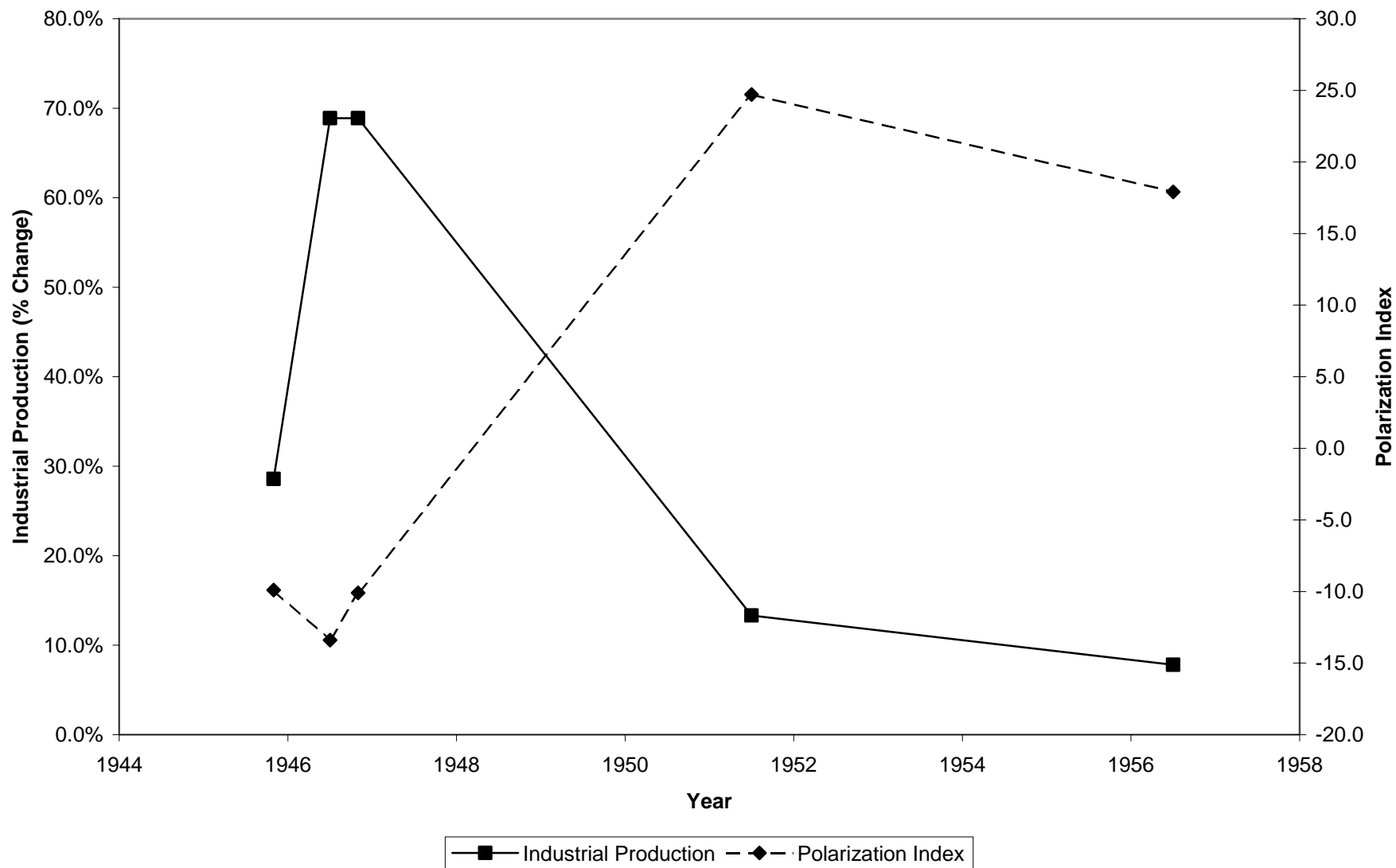**Figure 1. SPAIN (r = .82)**

**Figure 2. GERMANY (r = .43)**

**Figure 1. FRANCE (r = -.83)**

**Figure 4. ITALY (r = -.82)**