

Research Proposal

Political Cleavages, social conflict and institutional change in Switzerland: A Political Economy Approach

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Problématique and theoretical framework

What are the relationships between political cleavages and institutional change? In other words, how are political cleavages within a country influenced by its institutions and institutional change and how is the latter in return shaped by political cleavages and socio-political conflict?

A recent trend in political economy has developed a tremendous analysis of the long run transformations and evolutions of political cleavages in almost all democratic countries in the world. Following the well-known success of inequality studies in economics and social sciences since the work of, naturally, Thomas Piketty but also of other renown scholars such as Anthony Atkinson, Amartya Sen or Branko Milanovic, political economists are recently becoming progressively more interested in the problematic of social conflicts and political cleavages within capitalist economies. One possible reason for this sudden interest on this topic is the following paradox: rising inequality and neoliberal structural reforms have not mechanistically paved the way for growing support towards redistribution, taxation of top income and wealth owners, and for political contest against neoliberal reforms in general. The same paradox can also be stressed regarding climate change since green parties have not been relatively so successful despite the growing emergency of environmental issues¹.

This project², mostly done by economists, gave rise to a wide and broad analysis of political preferences as a function of a set of socioeconomic factors such as income, wealth, level of education, gender, ethnic group or even religion (Gethin and al. 2021). Rising inequality within Western democratic countries since the 1980s, including Switzerland (Morgan and Neef 2020), was not followed by an increasing support for redistribution as predicted by standard economic model such as the median voter model or even as deterministic economic theories would predict. According to Piketty (2018), the recent evolutions of social conflicts and political cleavages are not based anymore solely on social class, but rather centered around multiple axis combining for instance a “classist” left-right axis linked to economic issues with a “cultural” axis resembling strongly to the “post-material” axis already highlighted by Inglehart (1971; Inglehart and Norris 2017), with the exception that Piketty gives more emphasis to the education clivage as a source of the cultural clivage. The electoral support for left-wing political parties is supposed to have progressively shifted from the popular classes (low income, low level of education) to the educated classes whereas the support for right-wing parties remains a class-based support positively correlated with wealth and income. Piketty identifies those

¹ For instance, in Switzerland, the green party is still behind the socialist party, the liberal radicals and way behind the Swiss people’s party. The green party is moreover expected to be the biggest loser of the 2023 Federal Elections: <https://www.swissinfo.ch/fre/economie/dans-un-monde-en-crise--la-stabilit%C3%A9-politique-suisse-ne-vacille-pas/48007830>

² The significance and magnitude of this project can be seen directly on their online database: <https://wpid.world/>

transformations as resulting in two distinct and significant social blocs/groups. On the one hand, the support for the left is dominated by the highly educated, labelled the “brahmin left”. On the other hand, the “merchant right” has gathered the most affluent classes in the support of right-wing parties.

To sum up, Piketty (2019) finds that voters within western countries (but above all France, USA and the UK) are divided into four quarters, which can be interpreted as the possible existence of four different social blocs. First, an internationalist-egalitarian (IE) bloc gathers voters who have “internationalist” values (favorable to immigration, against borders, pro-EU...) and are in favor of redistribution (hence “egalitarian”). Second, an internationalist-inegalitarian bloc (II) which share the same internationalist values as the first bloc above, but differs by its disdain for redistribution and rather supports austerity measures. Third, a nativist-egalitarian (NE) bloc which supports redistribution and expansionary economic policies, but is conservative regarding immigration, cultural values and reticent to European integration. Fourth, a nativist-inegalitarian (NI) which is both conservative culturally and economically. Piketty includes strong normative comments in its analysis. In fact, it is straightforward in *Capital and Ideology* that IE is at the top of the author’s personal political preferences whereas the NI ranges at the bottom, the latter being described throughout the book as the “social nativist trap” (2019: 913-919).

Inequality studies have thus given subsequent birth to a renewed interest for political issues in economics. But this revival of interest in political matters among economists is however not only the result of this paradox, it is also a consequence of the willingness of different theories to explain institutional change.

In fact, long before the research on inequality and cleavages cited above, institutional change was at the heart of Regulation Theory (RT). Originally motivated by the crisis of Fordism in the 1970s, RT developed a theoretical framework aimed at identifying accumulation regime, their mode of regulation as well as their evolution, crises and successions (Boyer 2015). Although the interactions between politics and the economy were not the fundamental focus of RT, some trends in RT moved towards the integration of politics into the theory. In this regard, the decisive step to a consistent and elaborated political economy theory of social conflict and institutional change was made by Amable and Palombarini (2005, 2008) and their neorealist approach.

This neorealism approach will be the cornerstone of the present study. In effect, this approach is an ambitious and very elaborated political economy theory whose main ideas and concepts such as for instance dominant social bloc (DSB), political equilibrium and systemic crisis will be mobilized for an applied and empirical work on Switzerland. An essential premise of neorealism, similar to RT, is the fundamental conflict of interests and of social demands resulting from social differentiation, that is, the fact that agents occupy dissimilar positions within a stratified social structure (Amable and Palombarini 2009: 129). However, neorealism avoids the pitfalls of economic determinism which tends to derive social expectations solely on economic factors such as social class. Social structure has an influence over the formation of social expectation, but the latter is also influenced by the political sphere and institutions. The Gramscian concept of hegemony, for instance, is crucial in distinguishing political and social

demand from economic class and thus to avoid absolute economic determinism. To this “first level of autonomy” of the political sphere adds up the capacity of political actors to form compromise and the recognition of the logic of accumulation of power which is inherent to the political realm (Amable and Palombarini 2022).

Neorealism also provides an interesting distinction between socio-economic and socio-political groups. The former corresponds to the groups which can be identified through the analysis of the productive structure while the latter correspond to agents with similar social expectations. The role of hegemony and ideology partly explain why there is no exact correspondence between the affiliation to a socio-economic and socio-political group. One of the empirical methods of neorealism consists of identifying socio-political groups as well as the socio-economic groups within each socio-political group (Amable 2018). Each socio-political group then competes to gain influence over political power and policy decision, which in return decides which social demands will be favored or not. The socio-political groups whose main social demands are favored and met by political decision constitute the dominant social bloc (DBS). Any other social groups aggregated by a political strategy form a social bloc (Amable and Palombarini 2022). A country is in a situation of political equilibrium when a DBS exist and, conversely, there is a political crisis when the DBS breaks-up. When there is no successful political strategy aimed at aggregating social blocs into a new DBS, the crisis becomes systemic (Amable and Palombarini 2008).

But how do political cleavages incorporate into neorealism? What is the role of political cleavages in this theory? Political divides play an important role because they reflect the formation of conflicting social demands. Furthermore, the analysis of political cleavages through the investigation of policy preferences in a multidimensional perspective is crucial in shading light on possible coalitions and formation of social blocs, as done in Amable and Darcillon (2021, 2022). In fact, Amable and Darcillon (2021, 2022) offer results and insights which contrast Piketty’s Brahmin left vs Merchant right divide. Income levels are found to be still a predominant factor behind the formation of political preferences on a left-right axis. In this study, and more generally in Amable and Palombarini (2018), they notably identified the possibility of a political alliance between the most affluent and educated classes, giving rise to a “bourgeois bloc”, trying to position itself beyond the left-right divide and potentially facing a “nativist” or “anti-bourgeois” bloc. This bourgeois bloc constitutes a new DBS, for instance in France, where the traditional left bloc (aggregating workers, low-skilled employees, public sector employees, intellectual professionals) and right bloc (private sector executives, artisans, merchants, agricultural sector...) broke-up and were followed by a bourgeois bloc unifying the wealthiest components of the former left and right blocs. The emergence of the bloc bourgeois in France is the symptom of an accentuation of class-based political conflict and not of the disappearance of the latter.

A third contribution on the transformation of political cleavages and their relation with social conflict can be found in Oesch and Rennwald (2018). They argue that the political space has become a tripolar one: what was once the classic bipolar left-right cleavage centered around economic issues has given way to a tripolar divide and political competition due to the growing importance of far-right parties, the best illustration in this regard being Switzerland. The left

(communist, social-democrat, new left and green parties) preserves the traditional support of sociocultural professionals, but competes with the radical right for production workers' support. Right and center right parties maintain their support among managers, but also compete with the radical right to gain the support of small business owners. The new radical right bloc, which has shattered the traditional opposition between the left and the right, gathers production workers and small business owners who, despite their disagreement over economic issues, are bound their similar social expectations regarding cultural issues.

Regarding shifting political cleavages, social conflict and institutional change, Switzerland is a particular and interesting case to study. In effect, Martinez-Toledano et al. (2021) underline the fact that Switzerland is the country for which the class-based conflict is the less salient whereas the cultural-based divide is the most predominant among Western countries. They explain, among other facts, that the gradual shift of the support for the left from popular classes to the educated was the most dramatic and intense. The Swiss political field is also an important pioneer and forerunner in the emergence of the “cultural-post material” divide with the intensification of the latter since the rise of what have become one of the most successful populists and far right political party of Europe, namely the Swiss People's Party (SVP) as well as the rise and success of the green party. Another Swiss particularity would be the prevalence of the cultural divide over the class divide as a consequence of religious, linguistics and regional divides and the specific Swiss institutions which shaped the long-term evolution of the Swiss socio-political cleavages (Martinez-Toledano et al. 2021: 22).

Research question and hypotheses

The main objective of my research is to mobilize neorealism political economy theory to study the Switzerland case. More specifically, my research agenda for this present study is to test, from a neorealism approach, the empirical validity of these socio-political conflict models (brahmin left vs merchant right for Piketty (2018, 2019); bourgeois bloc for Amable and Palombarini (2018); tripolar poles for Rinnewald and Oesch (2018)) for Switzerland. Consequently, my objective is to analyze the factors influencing the transformation of social conflicts and political cleavages in Switzerland in the last decades. More specifically and to narrow this broad research topic, the main research question is the following:

- To what extent is class-based conflict still affecting Switzerland's political cleavages and social conflicts? In other words, what are the effect of economic issues on Switzerland's political cleavages and conflicts?

This research question can be answered through subsequent questions inspired by the literature reviewed above:

1. Does a situation of political equilibrium exist in Switzerland? What were the periods of political stability and political crisis in the last decades?
2. To what extent is truly the support for the Swiss left linked positively with the level of education and negatively with the level of income (Piketty's brahmin left vs merchant right divide model)?
3. What are the main social blocs in Switzerland? How can they be identified and how did they evolve during the last decades?

4. Did the evolution of social blocs give rise to a “bourgeois bloc” as identified by Amable and Palombarini (2014, 2018) in the case of France and Italy?
5. To what extent are cultural divides more important than economic divides in Switzerland since the 90s?

The research question implies the following hypotheses that will be tested in the study:

1. The support for the left and “social” policies depends positively on the level of education and negatively on the level of income and wealth (the brahmin left vs merchant right hypothesis 1)
2. The preferences on “cultural” issues such as the support for immigration and European Union integration as well as for neoliberal policies depend positively on income/wealth and the level of education (“Bourgeois bloc” hypothesis 2).

Methods and sources

First, the socio-political stability of Switzerland will be assessed. Neorealism is first and foremost focused on the socio-political stability of the country studied. Can Switzerland be considered as a politically and economically stable and successful country, as opposed to France and Italy which underwent major political crises in the last decades? Switzerland is famous for being one of the best performing economies (OECD 2019), but neorealism stresses that economic performance does not guarantee political stability, no more than political stability guarantees good economic performance. One way to assess whether Switzerland underwent some forms of political crisis is to look at the evolution of trust in political institutions. For instance, Amable and Palombarini (2018) show that the growing mistrust toward French political institutions (trust in government, political actors, parliament...) is a sign of France's deep political crisis. Using post-electoral survey data, I will explore the evolution of trust in political institutions in Switzerland, identify the trends and see whether and/or when Switzerland underwent political crises.

Second, the methods employed to test the research questions and hypotheses above will be mostly econometrical and statistical methods applied to survey data. Since most of the dependent variables will be nominal or ordinal (for example political leaning, preference for redistribution and taxation...), I will mostly perform binary logit and ordered logit regressions. Since regional divisions are important in Switzerland, hierarchical/multilevel model can be useful along with the logistic regressions.

Third, latent class analysis (LCA) will be used to identify Switzerland's socio-political groups. The use of LCA is an empirical tool specific to neorealism and has already been applied to France and Italy. LCA is a statistical method used to identify categorical latent classes from indicator treated as continuous. In a neorealist perspective, LCA allows to identify socio-political groups from a set of questions through which individuals can express their social demands. Ideally, the questions should be related to institutional areas such as the labor market (for example: against or in favor of labor market flexibility, unemployment benefits...), social protection, product markets, financial system, education system and economic policy orientation (Amable 2021: 6-7). However, since most surveys do not ask such questions,

Amable (2018) considers four areas compatible with the French election survey of 2012: (1) general orientation of economic policy and structural reforms, (2) European integration, (3) cultural issues, (4) environmental issues. Such an analysis can be done for Switzerland. The Swiss Election Studies make available survey data in which were asked “issue position” questions regarding taxes on high income, job security, distribution of salary, state vs market, EU integration, immigration, social expenditures, and environmental issues. LCA will thus be used on this dataset, I will consider which time frame (years) will be chosen since those questions were not asked for each year available in the dataset.

Moreover, the specific LCA model that will be used must also be assessed. In fact, a simple LCA model only identifies latent classes (in our case the socio-political groups), but one wants also to relate those groups with other socio-demographic characteristics and see how these characteristics (income, wealth, education, age, gender...) affect the probability to belong to a given socio-political group. There are two ways to perform such an analysis in the LCA approach. On the one hand, LCA can include covariates directly in the model (one-step approach). On the other hand, as explained by Vermunt (2010: 451), one-step LCA has multiple disadvantages, and 3-step LCA is now commonly used instead of one-step LCA. However, most common statistical software (R, STATA, SPSS...) cannot perform 3-step LCA directly. One possibility is to use the stepmix package available in Python or to use software specifically dedicated to LCA such as Latent Gold.

My study will thus be an attempt to employ those statistical methods to a specific case study (Switzerland), an approach which is I think original for three reasons. This is a specific approach that, to my knowledge, has not been applied within this research topic yet. First, Piketty (2018) and Gethin et al. (2021) only use linear regressions to assess the evolution of political cleavages and Switzerland is a bit of a leftover among the tremendous set of countries analyzed in their research. Second, Oesch and Rennwald (2018) use generalized linear models, but I will use different data sources and only focus on Switzerland to have a deeper analysis. Finally, regarding Amable and Palombarini and their neorealist approach (2014, 2018), they mainly focus on France and Italy and the latent class analysis they use to identify social blocs in those countries has not yet been applied in Switzerland to identify social blocs and possible political alliances (at least to my knowledge).

For data sources, I envisage two possibilities. First, the International Social Survey Program (ISSP) offers useful social surveys on diverse subjects linked to social sciences for various countries, including Switzerland. Their datasets contain variables which are of interest for my research³. Second, the Swiss Centre of Expertise in the Social Sciences (FORS) offers post electoral surveys for Switzerland. Their “Swiss Election Study (Selects)” covers most of Switzerland’s election and voting since 1971. On the one hand, FORS make available panel electoral survey data which contains different waves as, for example, the “Selects 2019 Panel

³ For a quick overview of the ISSP data and variable, I made recently a website dedicated to graphical visualization of some of their datasets:

https://celalguney.shinyapps.io/Projet_Data_Science/?_ga=2.220552472.1874121342.1679593668-1453518093.1673880491

Survey (waves 1-6)”⁴ (ref. 104584). On the other hand, FORS also offers cumulative dataset which covers a long period from 1971 to 2019⁵.

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