

Social Blocs, Political Cleavages and Institutional Change in Switzerland

A Neorealist Approach

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Abstract

What are the relationships between political cleavages, the formation of social blocs and socio-economic characteristics such as income and education? The present master thesis analyzes the links between socio-economic factors, the formation of socio-political groups and social blocs in Switzerland. After assessing the country's political stability in the last decades, a long-run analysis of the socio-economic determinants of voting outcomes for the main Swiss social blocs are conducted. Finally, two latent class analysis are conducted to identify socio-political groups and to what extent the latter conflate with socio-economic groups. This master thesis is the first work to conduct such an analysis for Switzerland, and the aim of this work is to provide a first step into a overall analysis of the political economy of institutional change in Switzerland, from a neorealist perspective.

1 Introduction

1.1 The Swiss model under pressure

Switzerland represents an interesting case study for the analysis of institutional change. Despite some widespread stereotypes, such as the supposed slowness and rigidity of the Swiss political system due to the multiple veto points allowed through direct democracy, the country underwent important institutional, economic, as well as political change in the last decades. The Swiss model of capitalism is also difficult to classify in the varieties of capitalism (VoC) framework. At first glance, Switzerland appears to be a very liberal and economically open economy, but Hall and Soskice (2001) famously ranked Switzerland among the coordinated market economies (CMEs). Despite the structural weakness of the Swiss federal state, the weakness of labor unions and the predominance of business interests, Switzerland's economy developed various non-market and non-competitive coordination mechanisms throughout the 20th century. One can think of, for instance, the cartelization of major Swiss industries which was actively supported by the state through public subsidies in the interwar period (see Boillat 2011 for the case of the Swiss watch industry) or the late creation and expansion of the Swiss welfare state after the Second World war, even though the latter remains small compared to other welfare state regimes (Obinger 1998). Swiss corporate governance also displayed strong differences from a market-based, shareholder-oriented system which typically prevails in Anglo-Saxon countries. Until the mid-1980s, Swiss corporate governance was an “insider-oriented” type of system characterized by self-regulation by private actors with minimal legal framework, “selective protectionism” (*Vinkulierung*) in favor of Swiss shareholders and blockholders and strong cooperation between business actors, associations and networks (Andre Mach et al. 2007).

According to Katzenstein (1985), small European states like Switzerland were likely to develop such coordinated and corporatist institutions and thus form a particular type of capitalism different from the liberal model of Great-Britain and the US and from the statist model of France and Japan. In fact, small domestic markets, international competitive pressure and the economy's dual structure of small states make the latter likely to develop into a “democratic corporatism” type of capitalism. But among democratic corporatism systems, Katzenstein still stressed that Switzerland could be classified as a “liberal variant” due to weak labor unions and the dominance of employer's associations.

Therefore, Swiss capitalism represents a peculiar case with both liberal and non-liberal institutions: weak labor union density and strong business side; labor market flexibility and

weak state intervention are all features that could sort the Swiss case into the “liberal market economy” type of capitalism (LMEs). The uniqueness of the Swiss model, which combined both strong liberal and coordinated elements, led Trampusch and Mach (2011) to talk about the “Swiss hybrid model” (SHM).

However, since the global neoliberal turn of the late 20th, the SHM is under pressure and is gradually mutating into a neoliberal type of capitalism (Trampusch and Mach 2011). The so-called “structural reforms” advocated by international organizations such as the OECD, but also promoted internally by various Swiss actors, led to subsequent waves of neoliberal reforms in almost all institutional areas. In the early 90s, the Swiss government launched the so-called economic revitalization program, largely influenced by publications from neoliberal Swiss economists such as David de Pury and representatives from the big internationalized corporations. The revitalization program’s objectives were to improve the competitiveness of the Swiss economy by increasing competition in the domestic market and by liberalizing and privatizing the public sector. One of the main reforms was the Cartel Law of 1995, which created a competition commission (ComCo), reduced anti-competitive practices and the power of Swiss cartels. Some public sectors such as the telecom sector were liberalized and privatized: *Postes, téléphones, télégraphes* was partially privatized after the creation of Swisscom in 1998 (André Mach, Häusermann, and Papadopoulos 2003).

Regarding the liberalization of corporate governance, the *Stock Corporation law* of 1991 and the *Federal Act on Stock Exchange and Securities Trading* (SESTA) of 1995, by strengthening minority and foreign shareholder rights, strongly liberalized the so-called “*Forteresse des Alpes*” (“Alps Fortress”), a metaphor used by the international finance community to illustrate the protectionist Swiss financial system (David, Mach, and Schnyder 2015). The trade unions crisis of the 1990s facilitated further the reconsideration of collective labor agreements such as wage indexation schemes.

The neoliberal transformation of the Swiss socio-economic model is thus underway, but remains nonetheless far from complete. Trade unions and the Swiss left were partially successful in blocking some of the reforms through referendum. As such, the privatization of the energy sector met some resistance since the *law on the electricity market* was rejected through popular vote in 2002. The future of the Swiss energy sector, which remains partly public, is subject to heated debates given the deterioration of international context since the Covid crisis and the war in Ukraine¹. Other reforms directed towards labor market flexibility (1996), reducing pension rights (1996) and unemployment benefits (1997) also were blocked through referendum. Unions were particularly successful to compromise through the bilateral negotiations with the European Union (EU) and various “flanking measures” were adopted in exchange of unions’ support for Bilateral treaties (Oesch 2011).

As a result, the Swiss advocates of neoliberalism are still unsatisfied with the progress of the reforms and are keen on underlying the remaining rigidities of the Swiss Hybrid Model. In

¹See for example the “seven good reasons” to privatize the electricity sector by *Avenir Suisse* (Grünenfelder 2022).

that respect, Gerhard Schwarz, director of the neoliberal think tank *Avenir Suisse* between 2011 and 2015, and one of the authors, with David de Pury, of the so-called “white books”, which were manifesto promoting a neoliberal transformation of the Swiss model in the 1990s (Leutwiler et al. 1991; Hauser et al. 1996), declared in 2015:

“It is absurd to believe that we live in a liberal society. The Swiss politico-economic system is mixed, as evidenced by the share of the state, compulsory levy, of 40%. The production of norms and reglementations grows exponentially. I am always surprised by the amount of people who still believe that we are in a neoliberal world. This is a *fake news*. The size of the state grows and the autonomy of the individual declines.” (“Gerhard Schwarz: «Une Suisse néolibérale? C’est une «fake news» - Le Temps” 2019, author’s translation)

On the other hand, the OECD still underlines the “barriers to free trade and competition in the domestic market” and the overdue of the pension reforms (OECD 2022, 12). For several years now, neoliberals have persisted with the idea that Switzerland is treading water when it comes to structural reforms, and that this immobility could well mark the end of the country’s advantageous and privileged position. Nicolas Jutzet, liberal activist and project manager in the “Institut Liberté” (*Liberal Institute*) and co-creator of the media *Liber-thé*, deplores this supposed “wait-and-see” attitude, which he believes is the consequence of the erosion of the Swiss “militia spirit”, the professionalization of Swiss politics and the increasing recurrence of social movements that threaten private property, freedom and trade as well as of individual responsibility (Jutzet 2023).

1.2 Research question, theoretical framework and plan

The extent to which the Swiss model will complete its mutation towards a neoliberal model represents thus a fundamental economic, political and institutional issue for the years to come. A thorough and non-normative analysis of the path taken by the Swiss model since the crisis of the 1990s is thus duly needed and is behind the motivation of the present paper. What kind of social base made this neoliberal transformation of the Swiss socio-economic model possible? Is this social base stable enough to complete this transformation? A way to answer these questions is to explore the extent to which the formation of social blocs are influenced by different factors: socio-economic characteristics, institutions or even political mediation. The scope of the present analysis will be limited to the identification of the main Swiss social blocs and the extent to which their composition and evolution are influenced by socio-economic characteristics. The first part will conduct a long-term analysis of voting outcomes for the main Swiss political parties with a special focus on income and educational levels. The objective of this part is to explore the evolution of the social basis for each Swiss party. Then, a second part will conduct two analyses of the compositions and determinants of socio-political groups in 1995 and 2019, using Swiss post-electoral survey data.

The aim of this essay is to conduct an analysis which would constitute a first step into a broader and comprehensive investigation of the political economy of institutional change in Switzerland. Far from the normative approach of mainstream economics, in which structural reforms simply constitute the sole and evident path towards its ideal model of perfect competition purged from rigidities, the methods and theory employed here are extensively based on the political economy of institutional change developed by Amable and Palombarini: the neorealist approach (2005, 2008).

1.2.1 Theoretical framework and concept definitions

The point of departure of this approach is the fundamental diversity of social expectations coming from the heterogeneity of the social structure. This diversity leads to a wide variety of social interests which are in perpetual contradiction and discord. Societies are thus characterized by permanent social conflict, which cannot be forever resolved but only temporarily regulated through the interaction between three spheres of social regulations: ideology, institutions and political mediation (Amable and Palombarini 2023).

Common socio-economic characteristics define socio-economic groups, which only partially translate into socio-political groups. The latter are groups which gather individuals sharing common social expectation regarding public policies and the desired socio-economic model. Regarding the relationships between socio-economic and socio-political groups, neorealism avoids the pitfalls of economic determinism. On the one hand, socio-demographic characteristics and thus socio-economic groups are partly captured by socio-political groups: agents with, for instance, low income level have more incentive to be in favour of pro-redistribution policies. However, they may not be in favor of redistribution if they are culturally persuaded by the dominant ideology to not follow their economic interests. Ideology thus mediates the translation of economic interests into explicit social demand. On the other hand, political mediation represents all the political strategies aimed at gathering socio-political groups into social blocs, which are thus almost never homogeneous (Amable 2021).

Finally, social blocs compete in the political arena with the objective to influence public policy towards the satisfaction of their social demands. A social bloc whose main demands are met and favored by public decision-making is the *dominant social bloc* (DSB). Social blocs whose demands are not favored by public policy are excluded from the DSB. In the neorealist framework, a political crisis corresponds to the collapse or destabilization of the DSB. Conversely, a stable existence of a DSB corresponds to a situation of *political equilibrium*. If the break-up of the DSB persists in time and no political strategy is successful in aggregating a new DSB, the crisis becomes *systemic* (Amable 2003; Amable and Palombarini 2005, 2008, 2023). The concept of political equilibrium should not let the reader think that the existence of a DSB leads to an unchanging stable situation. Moreover, periods of systemic crises can persist in time and last several decades, as in France (Amable 2017). The contrasts between Italy and France on the one side, and Switzerland on the other in terms of socio-economic

and political institutions and political stability make the latter particularly interesting for the neorealist approach.

1.2.2 Switzerland: an interesting case study for the neorealist approach

For the analysis of social blocs and institutional change, Switzerland represents an interesting case study. The country is very different from France and Italy in terms of institutional and political institutions. Moreover, relative to Italy and France, which underwent deep periods of political and systemic crises in the last decades, Switzerland's political stability stands rather remarkably. This stability should, at first sight, not constitute a surprise: Switzerland ranks consistently top among the best performing economies in a wide variety of socio-economic indicators: GDP per capita, Human Living Index (HDI), or even the Economic Complexity Index (ECI)². If one considers confidence in government as a good indicator of political stability, and if one looks at the data provided by the OECD on that matter, Switzerland indeed stands out as one of the most stable countries in the OECD.

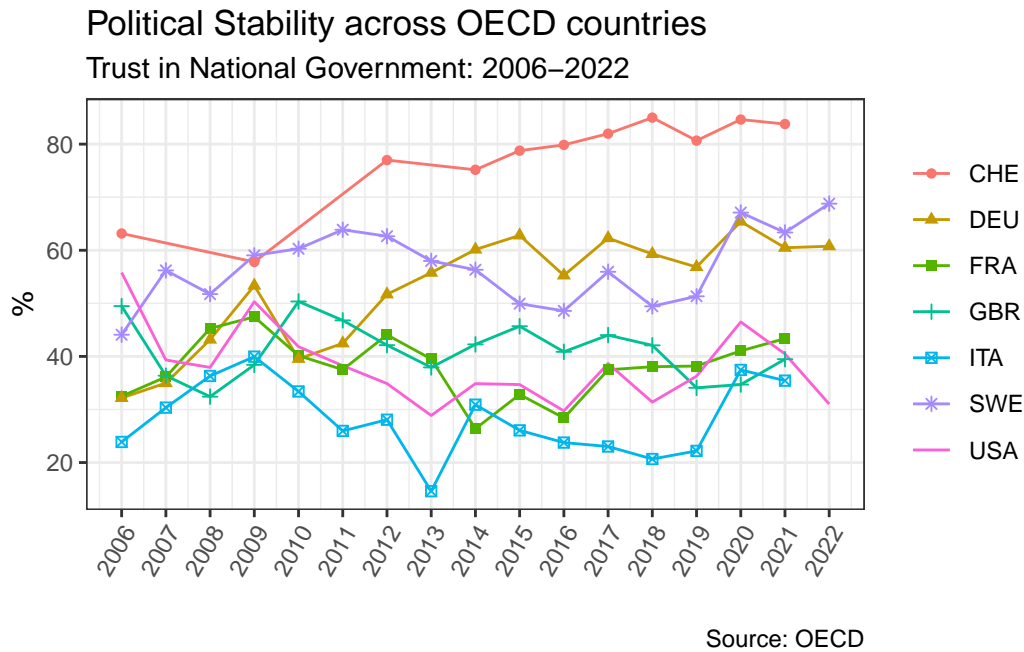


Figure 1.1: Share of people who report having confidence in the national government

²In 2018, Switzerland ranks third in terms of GDP per capita corrected for purchasing power parity among OECD countries (OECD 2019, 14). Switzerland had also the highest HDI in 2021 (Nations 2022, 272) and the second highest ECI in 2021 (“Country Rankings | OEC. OEC - the Observatory of Economic Complexity” n.d.).

Figure 1.1 shows political stability as measured by the share of respondents who declared having trust in national government in a sample of OECD countries from 2006 to 2022. Switzerland shows the highest level of trust among the countries shown in the figure. Swiss trust in government shows an upward trend since 2009 and the share of Swiss respondents declaring trust in government is consistently equal or above 80% since 2016. This stands in sharp contrast with Italy, France or the US, which show low level of trust. The latter can be interpreted as a reflection of the persistent political crisis in which France and Italy are plunged. The origins of the Italian crisis goes back to 1992 after the break-up of the DSB. The latter was constituted by large industrial firms, small firms and their employees, classes linked to rent and transfers and assisted classes whereas large firms' employees were excluded from the DSB. The existence of this DSB was made possible by public debt growth and high interest rates which satisfied the main policy demands of large industrial firms and small businesses (active industrial policy through public debt and not taxation) as well as assisted classes and classes dependent on rent. However, as globalization and European integration put constraints on public debt growth in Italy, and as high interest rates reduced external competitiveness, this DSB collapsed due to the polarization of interests between large and small firms on the one side, and assisted classes, bureaucrats, classes linked to rent and transfers on the other side. (Palombarini 2001).

In France, the crisis started with the instability of the traditional left and right blocs, which used to govern alternately since the post-war period. The left bloc was constituted by the working class and the majority of public sector employees whereas the right bloc gathered self-employed, skilled, semi-skilled and white collars workers from the private sector, and farmers. The destabilization of the left and right blocs was the result of multiple factors such the relative decline of the working class, the economic crisis of the 1970s and European integration. The latter played a decisive role in the division of the left bloc between its neoliberal components, in favor of European integration as a tool to promote structural reforms in France, and its socialist branch still in favor of social and labor protection and state intervention (Amable, Guillaud, and Palombarini 2012; Amable and Palombarini 2014).

Since the break-up of the DSB in France and Italy, both countries experienced successive attempts by political leaders to carry a neoliberal project, with mixed results. These attempts failed at first during the 2000s and 2010s. In France, Chirac and then Sarkozy presidencies were unable to implement a complete neoliberal transformation of the French socio-economic model due to the resistance of the popular components of the right bloc. In Italy, Berlusconi failed due to similar reasons. However, the political strategy carried in France by Hollande and then Macron, which aimed to explicitly disregard the social expectations of the popular groups of the left bloc and extend the coalition to the center, by adopting a clear-cut neoliberal and pro-EU agenda, was successful in aggregating a new social bloc, the *bloc bourgeois*, uniting the wealthiest and most educated groups of both the left and right blocs, which is nonetheless unstable and fragile because of its restricted size (Amable, Guillaud, and Palombarini 2012; Amable and Palombarini 2018).

However, other data sources show a more contrasted picture of Switzerland's political stability.

The VOX studies, which conducted post-ballot surveys after each referendum voting session, were harmonized in a cumulative dataset which offer long-run data from 1981 to 2016. A similar figure as Figure 1.1 can thus be made to have a precise focus on Switzerland:

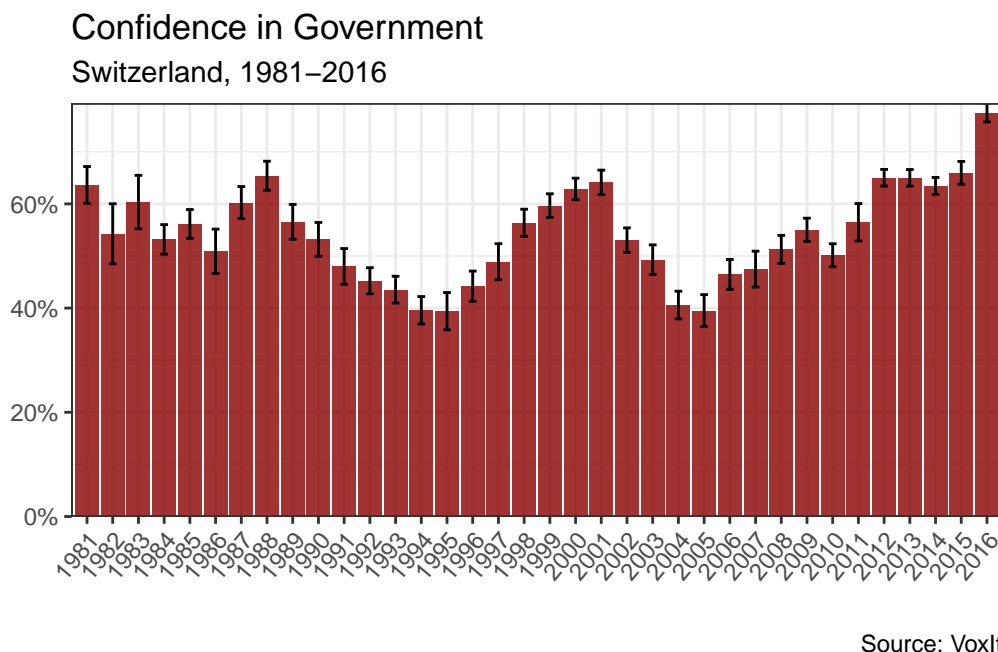


Figure 1.2: Share of Swiss respondent trusting the government: 1981-2016

Figure 1.2 shows that Switzerland underwent contrasted periods of political stability and crises in the last decades. A first period ranging from 1981 to 1987 was rather stable despite some variation in trust. Figure 1.2 also depicts well the crisis of the 90s, which constitutes the most turbulent period in Switzerland’s contemporary history. The crisis of the 1990s can be seen with the fall in trust from 65% in 1987 to a historical low level of 39% of Swiss respondents who declared to not have confidence in the federal government in 1995, three years after the rejection of the referendum for the adhesion to the European Economic Area (EEC). Swiss journalists, political observers, activist and scholars wrote extensively on this period which constitutes a rare case of deep political and economic crisis. Brunner and Sgier (1997) show that Swiss citizens lost confidence in almost all political institutions and organizations during the 1990s. José Ribeaud, famous journalist who was one of the first Swiss television presenters, published the dramatically untitled book *When Switzerland will disappear* (*Quand la Suisse Disparaîtra*) in 1998. Journalists like José Ribeaud or Pietro Boschetti generally emphasize the multiple political scandals that happened during the 1990s. The first scandal was the resignation of the Radical Elisabeth Kopp from the federal council, in which she was the very first woman member, after she secretly tried to protect her husband from judiciary investigations. The “secret files scandal” happened the same year: the mass system of surveillance of the federal authorities was revealed to the Swiss public. The “secret files scandal” revealed that

one twentieth of Swiss citizen and one third of foreign residents were recorded in the public authorities' files. Last but not least, the dormant fund affair also broke out in 1995 and led to the Eizenstat report (1997) and the Bergier commission (1996), which strongly called into question the moral attitude and neutrality of Switzerland during World War II (Ribeaud 1998; Boschetti 2007).

The political crisis of the 90s was preceded by a severe economic crisis. The stock market crash of October 1987 and the Gulf crisis of 1990-91 ended the longest post-war expansion of the Swiss economy which lasted from 1976 to 1981. The Gulf crisis provoked an inflationary shock which led the Swiss National Bank (SNB) to raise the policy rate. The Swiss economy entered into recession in 1991 and economic stagnation persisted throughout the 1990s. This crisis, along with the crisis of the 1970s, marked the return of unemployment in Switzerland, which had disappeared during the post-war period, mainly because the country used to "export" a discriminated foreign labor force, a strategy which became impossible after crises of the 70s and 90s (OECD 1992).

Does the political and economic crisis of the 1990s constitute the sole period of instability in Switzerland? Figure 1.2 suggests that the early 2000s also represent a period of confidence crisis, as shown by the decline in trust from 2001 to 2005. The global 2001 recession which affected Switzerland surely played a role, but also various political and business events such as the bankruptcy of Swissair (2001). The results of the 2003 federal election also profoundly disturbed the Swiss political scene: the Swiss People's Party (UDC) became the first party of Switzerland and gained another seat in the federal council at the expense of the Christian Democratic People's Party of Switzerland (PDC). Nonetheless, the upward trend in trust since 2005, which seems to be only slightly affected by the 2007 crisis and the following eurozone crisis, suggests that there is no notable confidence crisis since the 90s and early 2000s.

In view of the results shown in Figure 1.2, can the confidence crises of the 90s and early 2000s be interpreted as *political crises* in the sense given by the neorealist approach? A loss in confidence is not always synonym of political crisis if there is no break-up of the dominant social bloc. To answer this question, we thus need to explore the evolution of the Swiss social blocs since the post-war period.

Until now, neorealism has been first and foremost applied to Italy and France. The present contribution seeks to expand the scope to the Swiss case by focusing on the links between political cleavages, the formation and evolution of social blocs, and socio-economic factors such as income and education.

The next section traces a short history of the Swiss social blocs. Then, the results from a series of regressions to analyze their evolution since the 1980s and test several hypotheses concerning the social bases of the transformation of political cleavages and party support are presented. Next, the composition and evolution of Swiss social blocs are analyzed through two latent class analysis (LCA) using the Swiss Election Studies (SELECTS) data for 1999 and 2019.

The research and analysis proposed here are new for the following reasons. First, the present research is, to the author's knowledge, the first to apply neorealist methodology and conceptual

framework to Switzerland. Second, a long-term analysis of voting outcomes using post-voting survey data such as VoxIt has never been done in the literature, one possible reason being researchers tend to focus more on post-electoral survey data. Last, this research is the first to conduct LCA using Swiss post-electoral survey data.

2 Social blocs, socio-economic groups and political divides in Switzerland

2.1 The traditional Swiss bourgeois and left blocs: historical perspectives

A striking feature of the history of Switzerland's social blocs is the persistence and resilience of a liberal-conservative bloc since the creation of modern Switzerland in 1848, a bloc that the existing literature on the topic calls the *bourgeois bloc*. Tracing the history of Switzerland's social blocs is therefore essentially a matter of tracing that of the bourgeois bloc. However, we shall see that tracing this history calls into question the extent to which, from the neorealist perspective, this bourgeois bloc can truly be described as bourgeois.

The history of the Swiss bourgeois bloc goes back to the creation of modern Switzerland. The combination of a religious and urban-rural divide between Radicals-Protestants modernizers and Catholic federalists, which was historically one of the most structuring conflicts in Switzerland, led to the Sonderbund civil war (1847) and the foundation of modern Switzerland in 1848. The federal institutions elaborated during and in the decades following the first Swiss constitution of 1848 can be interpreted as a social compromise between the losers of the Sonderbund civil war, the Catholic-Conservative coalition opposed to the centralization and modernization of the Swiss Confederation, and the victorious Radicals who were on average Protestants and bourgeois from urban areas ([Sciarini 2023](#)). However, these two blocs were highly heterogeneous and subject to internal contradictions.

From the outset of their movement, the Radicals were gathered by an unitary illusion: the pretention to transcend cleavages running through Swiss society and unite all its elements thanks to an encompassing goal: the modernization and centralization of the Swiss state. Far from homogenous, the Radical bloc was a kaleidoscopic mass-movement constituted by the working class through the Grütli Union and by an elite gathering entrepreneurs, bankers, journalists, lawyers and teachers, who were nonetheless divided over the role of the Swiss state. The Democrats were partisans of a more centralized and interventionist state while the liberal or “manchesterian” Radicals, were more federalist and in favor of laissez-faire. This divide between interventionists and liberals was made explicit as early as 1852 over the issue of the nationalization of the Swiss railway industries. Supporters of a state-run railroad network, represented by for instance Jakob Stämpfli and Johann Jakob Speiser, were opposed by liberal

Radicals such as Alfred Escher, who were industrialists and bankers close to the private railway companies, when they weren't the owners themselves ([Meuwly 2010](#)).

Regarding the Catholic-Conservative bloc, the latter was from the start a cross-class coalition, constituted by, of course, the Catholic elite, but also by peasants, farmers, artisans and the commercial middle class from rural areas. These groups were united by Catholicism, but also by anti-modernism and federalism. This conservative coalition was the first to make extensive use of the constitutional and optional referendum (respectively 1848 and 1874) to block the modernization promulgated by the Radicals. While the Radicals were convinced that the idea of the Swiss nation would transcend divisions and social conflict, the Catholic-Conservative believed that religion, rather than the Swiss state, would endorse this role ([Altermatt 1979](#)).

As industrialization, proletarianization and unionization intensified in the late 19th, the hegemony of the Radical mosaic gradually shattered. Part of the democrats and of the working class joined or even founded socialist organizations, as seen the creation of the Swiss socialist party in 1888 by a former Radical, Albert Steck. The creation of the latter and of the Radical-democratic party (PRD) in 1894 marked the beginning of the Radical shift towards liberal stances, which became clear-cut after the general strike of 1912, after which “a long-denied class conflict became evident” ([Meuwly 2010, 49](#)). Conversely, industrialization and class conflict represented an opportunity for an extension of the social basis of the Catholic-Conservatives bloc towards the working class. The global development of a Catholic social doctrine, beginning with the encyclical *Rerum Novarum* (1881), was integrated by the Swiss Catholic-Conservatives, who then tried to attract parts of the working class ([Altermatt 1979](#)).

This polarization around class conflict between a left and right bloc became even more salient after the second general strike of 1918, which was the biggest strike and social protest in Swiss history. The latter was followed by the introduction of the proportional representation system: the Radicals lost their hegemony in the parliament and the Christian-Democrats and the Socialists became important political actors in the National Council. The Socialist Party (PS) consolidated a left bloc while the Radical-Democrats (PRD), the Christian-Democrats (PDC) and the Agrarians formed an alliance against the left. This coalition between the PRD, PDC and Agrarians and its close links with business association such as the Vorort (1870) led many observers to name this dominant coalition the “bourgeois bloc” ([André Mach 2007](#)).

However, the extent to which this dominant bloc can truly be described as bourgeois must be questioned. In the definition given by Swiss social scientists, the bourgeois bloc refers to a political coalition between the Radical-Democrats, the Christian-Democrats and the Agrarians (now UDC) and its close ties with business interest associations. This bloc is hence bourgeois only because it gathers right-wing parties and business interest associations, a definition which is rather narrow and can be misleading since it does not take into account the social basis of the bloc. Calling the right-wing coalition bourgeois ignores, for instance, the fact that this bloc gathered some popular socio-economic groups such as small-business owners and peasants, mainly through the Agrarian Party. In the sense given by Amable and Palombarini, the bloc bourgeois observed in France corresponds to the aggregation of the wealthiest and

most educated groups of the traditional left and right blocs. I argue that, from a neorealist perspective, the Radical bloc of the 19th century and the right-wing coalition of the 20th cannot be described as bourgeois and that other terms such as “liberal-conservative” or simply “right-wing” bloc are more suited.

In fact, until the post-war period, the evolution of the Swiss social blocs can thus be resumed as follows. From the middle to the late 19th century, the Radicals formed a strongly heterogeneous but dominant social bloc. This dominant social bloc was composed by the working class (mainly through the Grütli Union), and an urban elite composed by the most educated (journalists, lawyers, teachers) and the wealthy industrial bourgeoisie (entrepreneurs, bankers...). This DSB was united by their willingness to modernize the Confederation against the Catholic-Conservatives. A second period, from the late 19th to the second World War, marked the recomposition of the DSB and its transformation into a liberal-conservative political bloc. Part of the working class and of the democrats (educated elite) joined the emerging socialist-left bloc while the Christian-Democrats attracted part of the working class while being progressively incorporated into the DSB, along with the Agrarian party which represented the peasant and farmer classes.

Analyses of the first Swiss post-electoral surveys which were conducted in the 1970s show the heterogeneity of the Swiss “bourgeois bloc” and that the word bourgeois is not valid for the right bloc as a whole. The social basis of the Liberal-Radical party was constituted by large employers/liberal professions and managers. The UDC relied heavily on small business owners’ support while the PDC’s social basis was rather cross-class ([Rennwald 2014](#); [Tawfik 2019](#)). Therefore, of the three right-wing government parties, only the Liberal-Radical party’s social basis can truly be described as bourgeois. Regarding the support for the Socialist party, the latter was neither a bourgeois nor solely a popular party, but a hybrid-class party whose social basis was constituted by socio-cultural professionals and production workers ([Rennwald 2020](#)).

The coalition between the Radical-Democrats, Christian-Democrats and Agrarians against the left bloc took deeply roots into the Swiss socio-political system: it persisted during the post-war period and still shapes Swiss politics to some extent nowadays ([Mazzoleni and Meuwly 2013](#); [Meuwly 2010, 2008](#)). A striking feature of the Swiss DSB is its persistence and resilience since 1848: even though this bloc underwent important transformations, especially after the introduction of the proportional system in 1918, it was always mediated by right-wing parties, first the Radicals and then an extended coalition with the Catholic-Conservative and the Agrarians. Despite its incorporation in the parliament and government, the left bloc never truly became dominant in Switzerland.

However, since the break-up of the post-war Keynesian “historical compromise” between the traditional Swiss left and right-wing parties during the so-called “decade of all dangers” of the 90s ([Boschetti 2007](#)), this so-called bourgeois bloc is undergoing important transformations, that some authors interpreted as various forms of latent political crises. The Swiss political scene is still marked by the rise of the Swiss People Party (UDC), one of the most successful far-right populist parties in Europe. The electoral success of the UDC is often associated with

the destabilization of the traditional bourgeois bloc, which entered a phase of “cacophonous” crisis (Meuwly 2008) which still persists in the early 2020s.

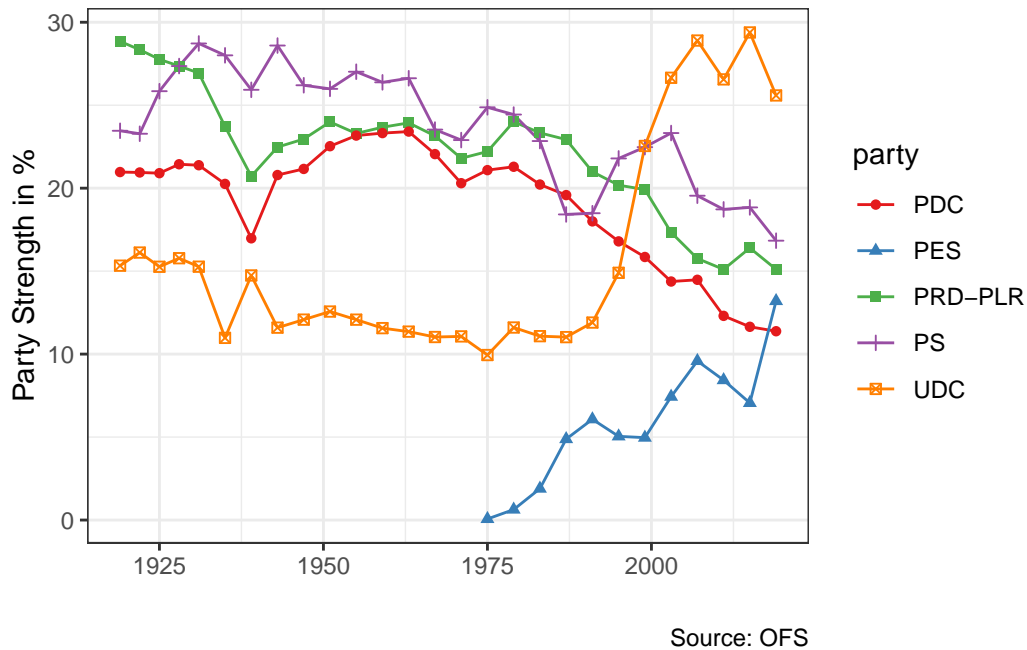


Figure 2.1: Party Strength: 1918-2019

In fact, all the Swiss traditional main parties, the Swiss Socialist Party (PS) The Radical-Liberals (PLR) and the PDC, are in decline since the post-war period (see Figure 2.1). On the right, the crisis can be seen through the fall in vote shares (apart from the SVP); and the increase in party merges and re-configurations. In 2008, the Bourgeois Democratic Party (PBD) was created after a scission from the SVP. One year later, the Radicals, who created the Swiss modern state in 1848 and dominated Swiss politics until the first half of the 20th century, merged with the liberals to create the PLR. The PBD, whose creation disturbed the composition of a reputed unchangeable federal council, then merged with the PDC to create *Le Centre* (the Center) in 2021. The federal election of 2023 led to major historical change for the Swiss right. The PLR, very far from its former hegemonic domination of Swiss politics, is now in the fourth place in terms of low chamber parliamentary seats.

2.2 Swiss social blocs and socio-economic factors: 1980-2016

How have the social bases of the Swiss left, center-right and radical-right evolved since the 70s? How are the support for the main Swiss social blocs influenced by socio-economic characteristics? The objective of this section is to explore the composition of the main Swiss social blocs

in terms of socio-economic characteristics and assess their evolution since the post-war period. The previous chapter asked whether the periods of political instability measured through confidence in the Swiss government in the 1990s and early 2005 can be interpreted as a political crisis. By exploring the support for the main Swiss parties since 1981, this question can be partially answered, as well as the main research question of the present paper, which asks whether a dominant neoliberal Swiss social bloc is possible.

Moreover, a recent trend in political economy developed a tremendous analysis of the long run transformations of political cleavages, social blocs, and voting outcomes in almost all democratic countries around the world. The popularity of inequality studies, after the contributions of renown economists such as Atkinson (2015), Milanovic (2016) and of course Piketty (Piketty 2014), economists recently became interested in the problematic of social conflict and political cleavages. One possible explanation of this sudden interest is the inequality paradox: increasing inequality and neoliberal reforms did not pave the way for growing support for redistribution, taxation of top income and wealth owners, or for left parties. The same paradox could be applied to a “climate change paradox”, that is, the fact that the growing emergency or environmental issues were not followed by increasing support for green parties. For instance, the Swiss green parties were the biggest losers in the 2023 federal elections.

Those paradox thus gave way to a recent literature linking political cleavages and voting outcomes as function of a set of socio-economic factors, mainly income and education level. Trying to explore this inequality paradox, Piketty (2018) underlines the fact that, rather than bringing back class-based divide back to its post-war salience, the global rise in inequality since the 1970s was followed by the emergence of a new cleavage and a multi-elite party system. During the post-war period, the electoral support for the left parties in The US, UK and France was mainly constituted by popular classes with low income and education levels whereas right-wing parties were supported by high income and education voters. The popular element of the support for the left blocs then transformed in the 1970-80s: left parties became the bloc of the highly educated, thus becoming the *brahmin left*, whereas the right kept the support of the wealthy (*merchant right*) (Piketty 2018, 2019). A further project, which gave birth to the World Political Cleavage and Inequality Database (WPID), showed that these transformations affected almost all Western democracies (Armory Gethin, Martinez-Toledano, and Piketty 2021).

Underlying the rise of a new cleavage in the 70s and 80s, Piketty and the WPID tackle a topic which is well-known in political science: the emergence of a cleavage centered around cultural values, that Piketty calls the “nativists-internationalists” divide, which cuts across the traditional class conflict and is the result of the increase in average education level and of globalization. This “cultural cleavage” has been given as many labels as it has analysts among political scientists: “materialist-postmaterialist” divide for Inglehart (1971, 1990; 1987); the “libertarian-authoritarian” cleavage (Kitschelt 1994; Flanagan and Lee 2003); winners vs losers of globalization (Hanspeter Kriesi et al. 2006; H. Kriesi et al. 2008; Teney, Lacewell, and Wilde 2014); the “transnational cleavage” (Hooghe and Marks 2018) or the “universalism–particularism” cleavage (Bornschiefer 2010; Zollinger 2022).

The combination of this new cultural cleavage with the traditional class-based conflict draws a bi-dimensional political space in which four social blocs are possible: the brahmin left, also called the internationalist-egalitarian bloc which is on the left both culturally and economically; an internationalist-inegalitarian bloc (merchant right) on the left culturally but economically on the right; a nativist-inegalitarian bloc on the right culturally and economically; and a nativist-egalitarian bloc which is culturally conservative but economically on the left (Piketty 2018, 2019).

Testing the relevance of the brahmin left vs merchant right divide, Amable and Darcillon (2022b) offer different perspectives over the possible coalitions resulting from this bi-dimensional political divide. On the one hand, preference for redistribution decreases with both education and income levels. On the other hand, support for globalization issues (such as immigration) is not only positively influenced by education level, but also positively associated with income. Amable and Darcillon (2022b) suggest the possibility of a rapprochement between the brahmin left and the merchant right over policy preferences, giving birth to a bourgeois bloc uniting the wealthiest and most educated groups from the left and the right. Amable and Darcillon (2022a) show that the brahmin left vs merchant right divide has not taken place in every country and that the classical popular left versus bourgeois right opposition is still relevant for many countries.

In this context of multi-elite party system and multidimensional political divides, Switzerland is an interesting case study. A widespread idea claims that the class-based cleavage always played a relatively minor role in Switzerland. In Switzerland, class conflict was always cut across a wide variety of other divides: religious, linguistic or regional. Moreover, due to strong standard-of-living increase throughout the 20th century, Switzerland is also often considered as a forerunner in the emergence of this “cultural” cleavage, and in the precociousness and strength of the educational shift.

Durrer de la Sota, Gethin, and Martinez-Toledano (2021) offer a detailed analysis of the links between socio-economic factors and the vote for the main Swiss social blocs. During the post-war period until the 1990s, the left bloc (mainly the PS) was supported by low income and education voters while right-wing parties showed different patterns of class support, which call into question the extent to which this bourgeois bloc can truly be characterized as “bourgeois”. Of the three parties constituting the bourgeois bloc, only one of them, the PRD-PLR party, had clearly a bourgeois composition since it is consistently supported by the most wealthy and educated groups since the post-war period. The PDC and the UDC cannot really be described as “bourgeois” since, according to Durrer de la Sota, Gethin, and Martinez-Toledano (2021), the support for the two parties was negatively associated with income and education. While this negative association tends to decline for the PDC, it became even more strong for the UDC since the 90s. After this period, the left bloc became “brahmin” in the sense that it gathered strong support among the most educated classes, while its popular support moved either into abstention or to the UDC.

This article by Durrer de la Sota, Gethin, and Martinez-Toledano (2021), which is part of the WPID project, shows that Piketty’s brahmin left vs merchant right divide is partially valid in

Switzerland: a Swiss brahmin left indeed exists through the Swiss Socialist Party. However this bloc do not face a merchant right, but rather a bourgeois bloc gathered by the Radical-Liberals and a popular bloc which support the UDC or do not support any party. Rather than being constituted by a brahmin left, a merchant right and a nativist bloc, Switzerland's tripolar political space is rather divided between a bourgeois bloc, a brahmin left and a popular bloc.

Table 2.1: Social blocs in Switzerland. Party classification is based on Durrer de la Sota, Gethin, and Martinez-Toledano (2021) results (see their appendix). Policy preferences are based on Piketty (2018, 2019) and Amable and Darcillon (2022b)

| Income/ Education | High level of income | Low level of income |
|------------------------------------|--|---|
| High level of education | Bloc Bourgeois <ul style="list-style-type: none"> • PLR-PRD • Greens since 2011-2019 Policy preferences: <ul style="list-style-type: none"> • Against redistribution • Against state intervention • For equal rights & chances CH-foreigners | Brahmin <ul style="list-style-type: none"> • PS since the 90s • Greens until 2011-2019 Policy preferences: <ul style="list-style-type: none"> • For redistribution • For state intervention • For equal rights & chances CH-foreigner |
| Low level of education | Merchant <ul style="list-style-type: none"> • None Policy preferences: <ul style="list-style-type: none"> • Against redistribution • Against state intervention • For more rights and better chances for the Swiss | Popular groups <ul style="list-style-type: none"> • UDC • Abstention • PS until the 90s • Christian parties until the 90s Policy preferences: <ul style="list-style-type: none"> • For redistribution • For state intervention • For more rights and better chances for the Swiss |

The transformation of party systems into a multi-elite and tripolar political space came with important change in the structural basis of party support. Oesch and Rennwald (2010) show that, in Switzerland, the cultural cleavage is rooted in the class structure, and caused a realignment between class and party support. Before this shift took place, the traditional left bloc politically represented by the Socialist Party was a hybrid-class coalition gathering socio-cultural professionals (teachers, academics, journalists...) and production workers, but also from technicians, clerks and service workers (Rennwald 2020).

This strong class heterogeneity of the Swiss left declined: an analysis of Swiss post-election surveys for 2003 and 2007 show that the Swiss left was deserted by production workers who directed their support for the Swiss People's party due to cultural issues (Oesch and Rennwald 2010). Using European Social Survey data for 2011 and 2015, Rennwald (2020) show that socio-cultural professionals remain the only "party preserve" of the Swiss left.

Oesch and Rennwald (2018) show that the rise of the radical-right and of the cultural cleavage transformed the patterns of class voting. The working class, or at least some of its constituencies such as production workers, are still attracted to the left due to their economic interests, but also by the far-right because of cultural issues, leaving socio-cultural professionals as the sole "stronghold" of the left. Small artisans and business owners are also divided between their support to the center-right and the far-right: their economic preferences make them closer to the center-right while their cultural preferences are closer to the far-right.

The empirical agenda of the present study is to test the validity and relevance of the literature reviewed above. More specifically, how are socio-economic factor shaping the composition of each Swiss social blocs? The objective of the empirical analysis conducted here is to test the following hypotheses regarding party support (PS), political leaning (PL), and issue positions (IP), derived from the contributions of the WPID project (Piketty 2018, 2019; Durrer de la Sota, Gethin, and Martínez-Toledano 2021; Armory Gethin, Martínez-Toledano, and Piketty 2021; Amory Gethin, Martínez-Toledano, and Piketty 2022); Oesch and Rennwald (2018); and Amable and Darcillon (2022b, 2022a):

1. *Brahmin left versus merchant right hypotheses*

- PS1. The support for the left should be negatively associated with education and income levels in the first time periods. The negative association with education should then decrease and become positive over time.
- PS2. The support for the right should be positively associated with education and income in the first time periods and the positive association with education should decrease over time.

2. *Bourgeois bloc hypothesis*

- The support for redistribution and state intervention should decrease with education and income. Support for equal rights between Swiss citizen and foreigners should increase with education and income.

2.2.1 Data and empirical strategy

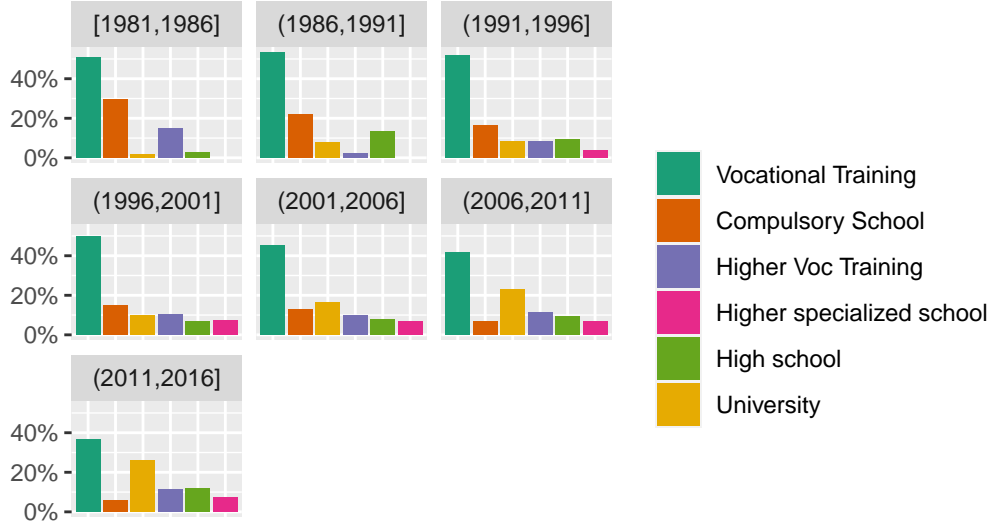
To test the hypotheses above, two types of data sources are especially relevant. The *Swiss Election Studies (SELECTS) cumulative dataset* is a harmonized dataset merging every Swiss post-election (federal assembly elections, which take place every four years) surveys from 1971 to 2019 (Tresch and Lutz 2022). Since SELECTS data are already drastically analyzed by the literature (for instance by Durrer de la Sota, Gethin, and Martinez-Toledano (2021)), I contribute to the existing research by analyzing another data source, the *VoxIt* cumulative dataset which harmonize every post-vote surveys from 1981 to 2016 (Brunner, Kriesi, and Loréan 2017).

In each poll, respondents were asked which party they supported and their self-placement on the left-right axis on a Likert 10 points scale. The main dependent variables are dummy variables for party identification and political leaning computed from these two variables. Three other variables regarding issue position on public policies such as redistribution, state intervention and equal rights between Swiss citizen and foreigners are also considered.

The main independent variables are education and income levels. The variable “educ” is a qualitative variables on the highest achieved educational formation with 6 modalities ranging from primary school to university. It is important here to stress some peculiarities of the Swiss educational system. Switzerland’s education system is strongly based on vocational training. As a result, other education categories tend to be missing for a lot of year-periods of the dataset. To solve this problem, but also to simplify the data structure, years are aggregated into several time periods to avoid separation issues.

Figure 2.2 shows the proportions of each level of education and their evolution over time. In the 1980s, most of the Swiss individuals completed either vocational training or compulsory school. The share of compulsory schooling declined over time, reflecting the overall increase in average education, as seen also by the increase in the share of university graduates. The share of vocational training declined over time, but is still the most widespread education level in Switzerland. For the regression analysis, the categories “university” and “higher specialized school” are merged together since the absence of the latter in the first two time periods could cause estimation issues. This does not pose a major issue since higher specialized schooling is rather similar to university in Switzerland.

Regarding income levels, the dataset contains two variables. The variable “nivmena” represents the household’s standard of living in four categories (high, middle-high, middle-low, low) available from 1981 to 1991 whereas “revenu” is an income bracket variable in five categories available from 1992 to 2016. To harmonize these two variables in order to construct one single income or standard of living variable, I recode the variable “revenu” in order to make it similar to “nivmena” by grouping the income brackets categories 3 (from 5’001 chf to 7’000 chf) and 4 (from 7’001 to 9’000) into the “middle-high” category. This harmonized variable is used only in regressions for party support because political leaning and issue position variables are not



Source: VoxIt

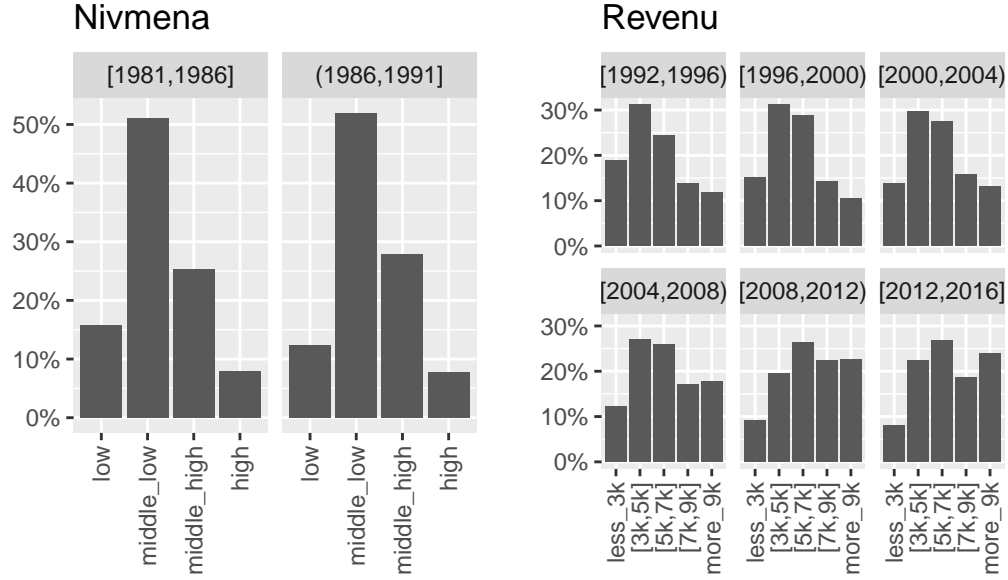
Figure 2.2: Education Levels in Switzerland: 1981-2016

available until 1992 (thus for these variables the variable “revenu” is used as an independent variable for income).

A series of binary logit regressions for party support, political leaning, opinion on redistribution, state intervention and equal rights between Swiss and foreigners are conducted. The results presented in this section come from the following model:

$$Y_{it} = \alpha + \beta_I I_{it} + \beta_E E_{it} + \beta_{I_{it}E_{it}} I_{it}E_{it} + \gamma X_{it} + \eta_1 Year + \eta_2 Year I_{it} + \eta_3 Year E_{it} + \epsilon_{it} \quad (2.1)$$

With I_{it} and E_{it} the income and education level of individual i in period t and X a vector of socio-demographic characteristics control variables which were available in the dataset for all time periods. The controls are for age (grouped into 4 categories), gender, religion, linguistic region (french, german, italian and romanche), marital status and a dummy for house ownership. $Year$ are dummy variables for the time periods and ϵ_{it} is the error term. The models include interaction terms between education and income as well as between income, education and time period in order to assess the temporal evolution of the correlation between the dependent and main explanatory variables. Income and Education are treated as categorical variables, with vocational training and low income as reference levels. The results presented below are essentially average marginal contrasts which allow to compare the differ-



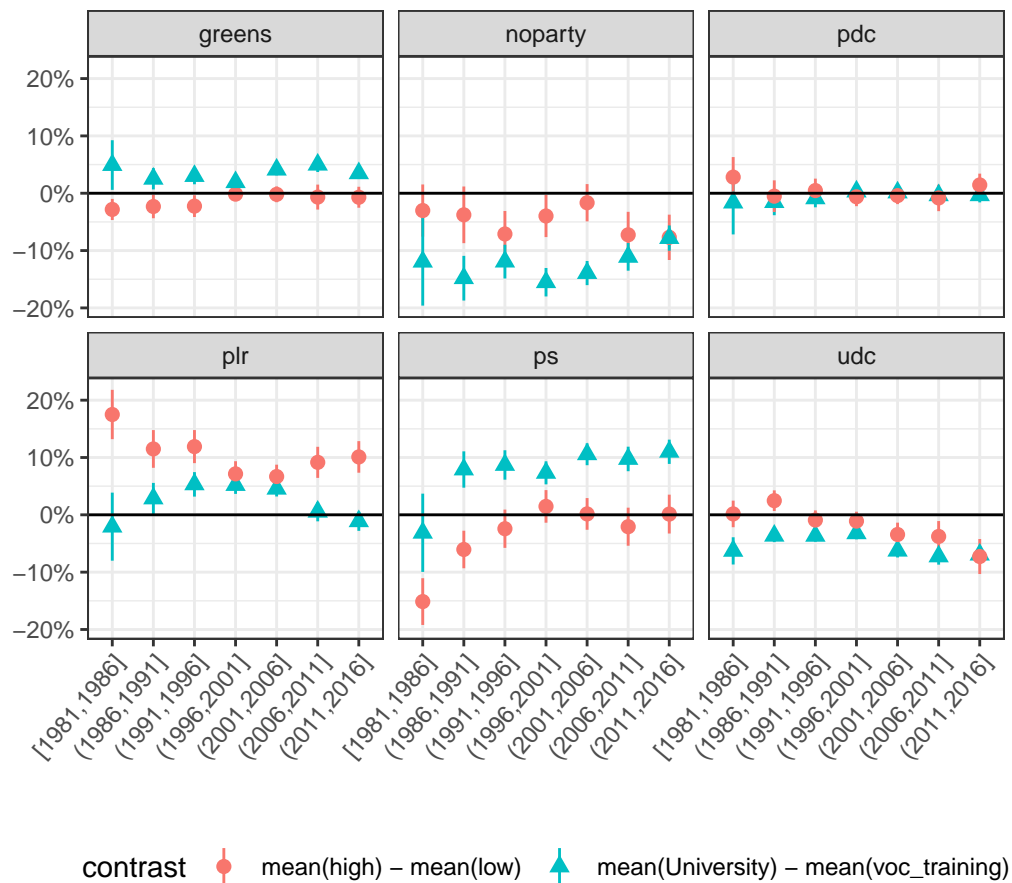
source: VoxIt

Figure 2.3: Descriptive statistics: variable nivmena and revenu

ence in predicted probabilities between groups of interests, in our case, between highest and lowest income groups and between university graduates and vocational training graduates.

Figure 2.4 show average marginal contrasts for each party or no party support in each time periods. The results partially confirm those of Durrer de la Sota, Gethin, and Martinez-Toledano (2021). First, the Swiss Socialist party (PS) used to be supported by relatively low education and income groups in the 1980s and became indeed a brahmin left party over time: the difference between the highly educated and vocational training graduates became positive in the second half of the 1980s and continued to increase in almost all time periods while the negative difference between the highest and lowest income groups decreased, indicating that the party's social basis became more educated and wealthier over time. However, the results show that the educational shift took place already in the 80s: university graduates already supported more the PS compared to vocational training graduates. This is an important result because it indicates that the PS became the party of the most educated in the 80s, before the economic and political crisis of the 90s and, most importantly, before the vote on the adhesion to the European Economic Area (EEA) in 1992, events which are often associated with the final stage of the educational shift and the PS's loss of popular support.

Second, the Liberal-Radical party (Radical-Democratic and Swiss Liberal Party before the latter merged in 2008) (PLR) shows a clear bourgeois basis for almost all time periods. The PLR is thus indeed the party of the wealthiest and most educated groups and is the only party that shows this pattern. However, the PLR seems to gradually become a merchant right party



Source: VoxIt

Figure 2.4: Party support in Switzerland: 1981-2016. Average difference in predicted probabilities between the highest and lowest income groups and between university and vocational training graduates.

in the last time periods. In Durrer de la Sota, Gethin, and Martinez-Toledano (2021), another party, the Greens, also became bourgeois between 2011-2019, with the difference between the top 10% income and bottom 90% income voting Green becoming positive during this period while the difference between the top 10% and bottom 90% educated was positive since the 80s. The results shown in Figure 2.4 rather indicate that the Greens was a brahmin left party from 1981 to 2016.

Third, the results show that the Swiss People's Part (UDC) was a merchant right party whose social basis became popular both in terms of education and income levels. Before the 90s the party gathered the less educated, but also the wealthiest income groups (hence “merchant” in Piketty’s terms). Here the results contrasts with those of Durrer de la Sota, Gethin, and Martinez-Toledano (2021) which show that the UDC was already a popular party gathering the less educated and poorest income groups in the 70s. Finally, we can see that popular groups, both in terms of education and income levels, are likely to not support any party relatively to the wealthy and most educated.

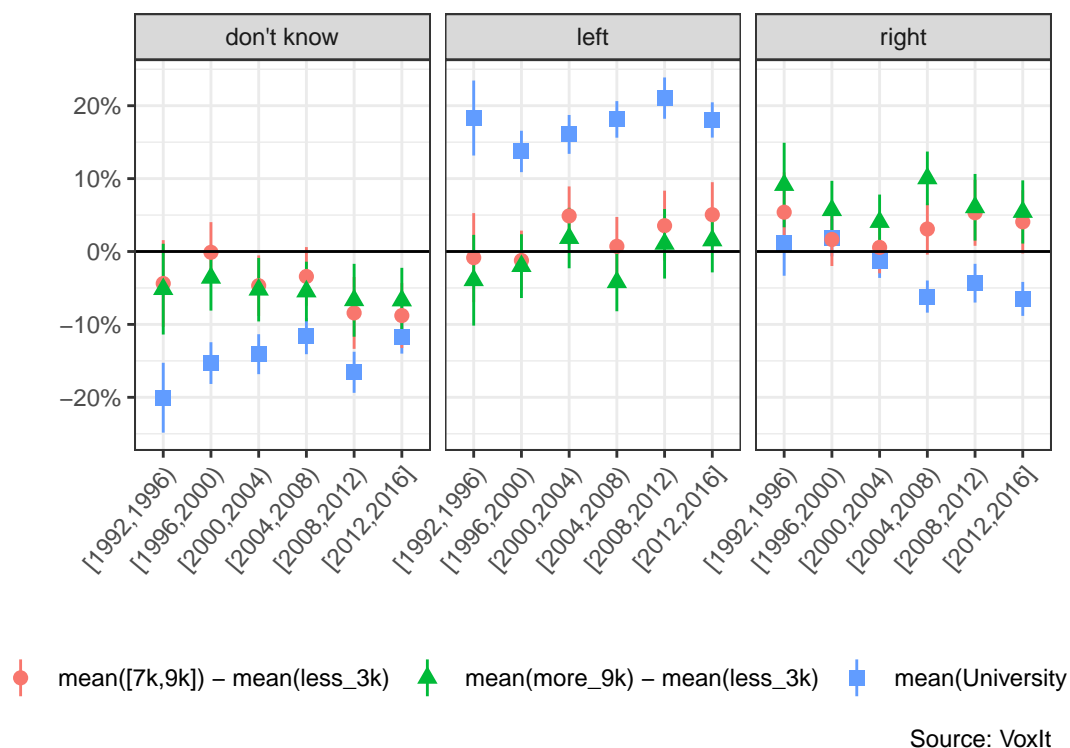
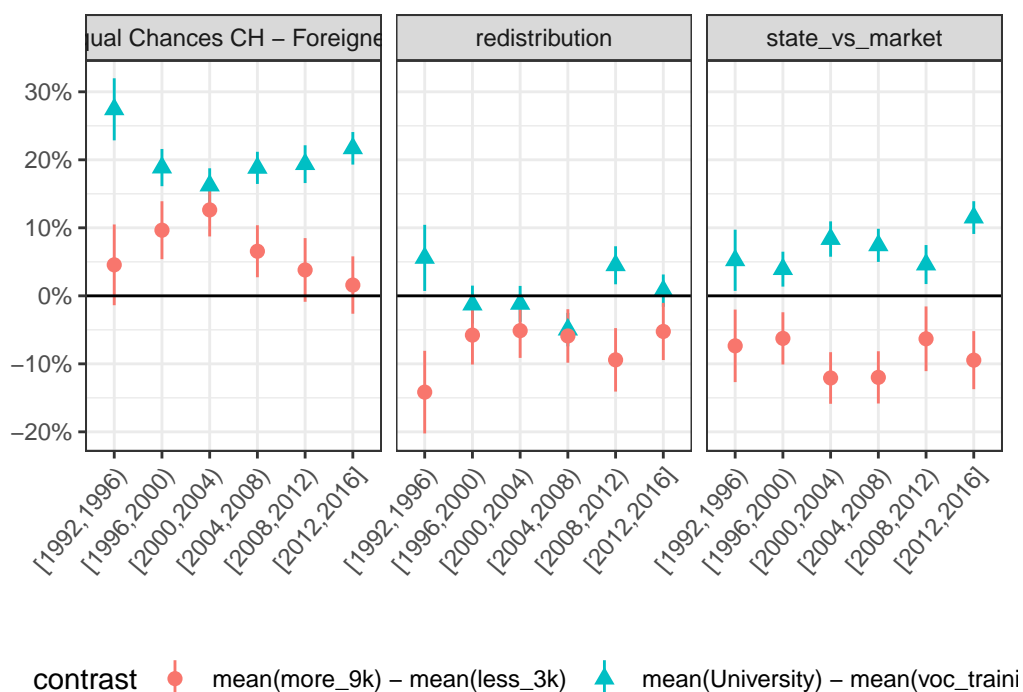


Figure 2.5: Political leaning in Switzerland: 1981-2016. Average difference in predicted probabilities between the highest and lowest income groups (less than 3000CHF per month vs more than 9000CHF), the second highest ([7'000chf-9'000chf]) and lowest income groups, and between university and vocational training graduates.

Figure 2.5 show average marginal contrasts for left leaning, right leaning and no leaning. In-

terestingly, we can see that right leaning used to be bourgeois in the 80s and 90s while left leaning used to be brahmin. Over time, left leaning became bourgeois and right leaning became merchant. In the 80s and 90s, left leaning was positively associated with education, but not with income level while right leaning was positively associated with both. The positive difference between university and vocational training graduates declined for right leaning whereas it stayed rather stable for left leaning, indicating that the most educated support the left for all time periods while their support for the right declined over time. Popular groups tend to not identify with either the left or the right.



Source: VoxIt

Figure 2.6: Opinion on several social issues in Switzerland: 1992-2016. Average difference in predicted probabilities between the highest and lowest income groups (less than 3000CHF per month vs more than 9000CHF) and between university and vocational training graduates.

Finally, Figure 2.6 show average marginal contrasts for issue positions regarding equal rights between foreigner and Swiss citizen, redistribution and state intervention. The support for equal rights is positively associated with both education and income levels. However, the positive difference between highest and lowest income groups tend to decrease since the 2000s, indicating a decline of the “progressive attitude” of the wealthiest income groups towards foreigners. The difference between income groups in the support for redistribution is negative for all time periods whereas the difference between education groups was declining from 1992

to 2008, but tend to increase since in 2008-2012, but is not significant in 2012-2016. Regarding support for state intervention, the difference between education groups and income groups are respectively positive and negative: university graduates tend to be relatively more in favor of state intervention and the highest income groups tend to be relatively against for all time periods, indicating a brahmin left vs merchant right divide over state intervention.

To sum up, the results overall confirm the brahmin left vs merchant right hypotheses, even more than the results of the WPID project. The support for the Swiss Socialist party evolved from a traditional popular support towards a brahmin left support in the 80s. The results confirm the bourgeois composition of the PLR, since the latter seems to be gradually transforming into a merchant right composition since the beginning of the 2010s. The greens belong to the brahmin left since the 80s and there is no clear trend that the party evolved into a bourgeois party. Regarding the UDC, the latter used to be a merchant right party in the 80s, and evolved into a populist or, in Piketty's terms, a nativist party in the 90s. Thus, unlike Durrer de la Sota, Gethin, and Martinez-Toledano (2021) and the classification presented in Table 2.1, the social basis of the PLR seems to be transforming into a merchant right, while the Greens have kept their brahmin elements.

However, if one looks at political leaning on a left-right axis instead of party support, self-identification to the right used to be rather bourgeois in the 90s, and then went merchant afterwards. Self-identification to the left used to be brahmin in the 90s and even became bourgeois in recent time periods, if one looks at the difference in predicted probabilities between the upper-middle income and lowest income groups.

Finally, regarding policy preferences, preferences for equal opportunities and rights between foreigners and Swiss citizen for the highest incomes and the most educated seemed to converge until the mid-2000s, and have been diverging ever since. The divide over state intervention shows a brahmin vs merchant opposition in all time periods, with the highest income group being in favor of free market (relatively to the lowest income group) and university graduates being relatively more in favor of state intervention (relatively to vocational training graduates). The divide over income redistribution is less clear-cut than the state vs market divide: the cleavage appears to be brahmin vs merchant for some time periods (mostly 1992-1996 and 2008-2012), solely negatively correlated with income (1996-2004) or show a bourgeois vs anti-bourgeois opposition (2004-2008), with both the most education and wealthy being relatively opposed to redistribution.

Overall, the regression analysis conducted in this section, using a different data source from the WPID project and from Oesch and Rennwald, offer a new way to describe the evolution of the Swiss social blocs, which is summarized in table 2. However, this analysis suffers from several limitations.

On the one hand, one possible methodological issue of *VoxIt* dataset is the clustering structure of the data. Swiss citizen are clustered into several geographical levels, the most important ones being the cantonal and communal (district) levels. Switzerland is a highly decentralized and federalist country: every day political life as well as economic and political institutions

can be substantially different across cantons. Every canton has its own party system and some Swiss parties, such as the *Lega Ticinensi* or *Mouvement Citoyen Genevois* (*Geneva Citizen Movement*) exist only at the cantonal level. A possible methodological solution, which would take into account both the time periods and the cantons as levels in which data are clustered, was considered by the author: a series of multilevel logit regressions. However, the results from these multilevel regressions showed that the variations between canton were negligible and thus a more simple model, the one presented in this section, was chosen. Moreover, the results between the multilevel model and the model of this section give overall similar results.

On the other hand, the perspective adopted in this section is essentially a top-down approach, in which social blocs are derived from the relationships between party support, political leaning or policy preferences taken as dependent variables to be explained by a set of socio-economic characteristics. This is the method which is the most widespread in the literature, but it suffers from having an oversimplified view of social conflict, which is almost always reduced to two dimensions (the so-called cultural and economic divides). One important contribution of the neorealist approach is to underline the fact that social conflict is multidimensional ([Amable and Palombarini 2023](#)) and that a bottom-up approach can be more suited to analyze the formation of social blocs. The next section will therefore adopt this bottom-up approach which is specific to the neorealist approach by conducting two latent class analysis for two different periods: 1999 and 2019.

2.3 The transformation of the Swiss social blocs during the crisis of the 90s: between recomposition and resilience

Table 2.2: Social blocs in Switzerland during the 70s and 80s.

| | Socio-political groups | Policy demands |
|---------------------------|--|--|
| Liberal-conservative bloc | <ul style="list-style-type: none"> • Large industrial and internationalized firms | <ul style="list-style-type: none"> • Low employment protection • Limited redistribution • Low tax level |
| | <ul style="list-style-type: none"> • Medium and small firms, farmers | <ul style="list-style-type: none"> • Free-trade • Low tax level • Public transfers (subsidies) • Protection from international competition |

| | Socio-political groups | Policy demands |
|-----------|--|--|
| Left bloc | <ul style="list-style-type: none"> • Skilled workers from the private sector | <ul style="list-style-type: none"> • Competitiveness |
| | <ul style="list-style-type: none"> • Socio-cultural professionals, workers from the public sector | <ul style="list-style-type: none"> • Lower taxes • State intervention • Increase in real wages |
| | <ul style="list-style-type: none"> • Production workers from the private sector | <ul style="list-style-type: none"> • Expansionary macroeconomic policy • Increase in real wage • Social and employment protection • Protection from external competition |

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