

Political polarization in Switzerland: which socio-economic factors drive it?

Daniele Mantegazzi

Gran Sasso Science Institute (GSSI - L'Aquila)

September 16, 2019

- Recent empirical findings highlight the important role of **economic geography** in explaining current **political outcomes**.
 - ▶ The "**geography of discontent**"
the geographical distribution of discontent, reflecting the spatial distribution of economic inequalities represents an important driver in explaining how people vote (Los et al., 2017; Rodriguez-Pose, 2018; McCann, 2018).
 - ★ **Typically based on weak data**, because presidential elections or single referendums are the results of short-term, candidate-related and party-related factors (Abrams and Fiorina, 2012).

Introduction

- The **aim** of this research is to overcome the limitations of the data typically used in the literature on "the geography of discontent", by investigating the **long-term evolution of political ideologies** in Switzerland
 - ▶ This article contributes to the existing literature by analyzing the validity of various theories explaining voting behavior by studying the evolution of political ideologies in Switzerland with much stronger data.

Introduction

Context - Switzerland

- **Strong institutions, federal republic** with highly decentralized political power and it practices **semi-direct democracy**:
 - ▶ any constitutional change needs to be approved by a **mandatory referendum**;
 - ▶ an **optional referendum** can be demanded for any change in the Swiss law decided by the federal parliament;
 - ▶ any Swiss citizen may propose a **popular initiative** to introduce amendments to the federal constitution.
- Approximately, Swiss citizens vote four times a year and the most frequent topics on which they vote are health-care, taxes, welfare, drug policy, public transport, immigration, political asylum and education.
 - ▶ Rich dataset on many referendums, **independent from short-term, candidate-related and party-related factors**.

Literature Review

- Following the recent **switch in political support away from neoliberalism and globalization** in many countries (particularly in the Western world), there has been increasing attention from scholars, among others, on the topic of "**the geography of discontent**".
 - ▶ **Regions characterized by similar local economic conditions** (unemployment, industrial sector composition, education, migration, or productivity) **tended to exhibit similar voting behavior** (Los et al., 2017; Rodriguez-Pose, 2018; McCann, 2018).
 - ▶ People living in places feeling **left behind and being afraid of having no opportunities have reacted using the ballot box** as a "mean of protest", typically voting against the status quo (Rodriguez-Pose, 2018).

Literature Review

- The literature on the "geography of discontent" is related to the literature analyzing **spatial inequalities**.
 - ▶ The uneven spatial distribution of human capital generates an unequal distribution of productive capital, implying that **productivity and wages are spatially unequal** (Baum-Snow and Pavan, 2013; Baum-Snow et al., 2018).
 - ▶ Moreover, **spatial differences in socio-demographic characteristics**, like gender, ethnicity, and immigration, also help explain spatial wage inequalities (McCall, 1998).
 - ★ The uneven spatial distribution of wages creates incentives for people to move out of regions where there are no opportunities, leaving behind people with even fewer opportunities and **creating a vicious circle reinforcing spatial inequality** (Galbraith, 2012; Ballas et al., 2017).

Literature Review

- The literature on voting behavior highlights how **individual socio-economic characteristics are important predictor of political preferences** (Meltzer and Richard, 1981; Rueda and Stegmueller, 2014).

- The analysis proceeds in two phases:
 - ▶ **Factor analysis** on Swiss federal referenda to **identify the political ideology** of each municipality (as in Hermann and Leuthold, 2001).
 - ★ Underlying idea: referenda are the observed outcome of fewer independent and unobserved dimensions characterizing the political ideology space.
 - ▶ **Multinomial logit** to analyze the evolution of political ideologies in Switzerland.

- **Factor analysis:**

- ▶ yes-share of 312 federal referenda between 1981 and 2017 (divided in four sub-periods).

- **Multinomial logit:**

- ▶ Population, Population density, Foreign population, Age, Education, Median income, Unemployment, Gini coefficient of the income distribution, Distance to the closest city.

- All the data are at the municipal level and obtained from the Swiss Federal Statistical Office.

Results

Factor analysis

- In order to be consistent with the previous literature (Hermann and Leuthold, 2001), the factor analysis identifies **three unobserved factors** characterizing the Swiss political ideology space:
 - ▶ **Left - Right**
This dimension captures the debate between those who are in favor of the welfare state, the protection of the workforce, personal freedom and pacifism on one hand (i.e. with a left-wing perspective), and on the other hand those that have more propriety-oriented values, support the military strength and entrepreneurial freedom (i.e. with a right-wing perspective).

- ▶ **Liberal - Conservative**

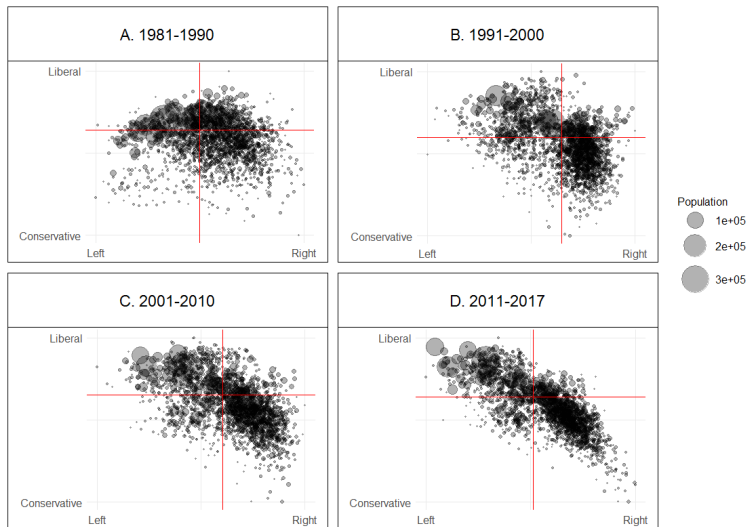
This dimension represents the debate between those who support the opening of the country, are in favor of liberal economic policies and the modernization of institutions (i.e. with a liberal attitude), and those who are more skeptical towards changes and the opening of the country, prefer to preserve the existing regulations and mistrust the political and economic elites (i.e. with a conservative attitude).

- ▶ **Ecological - Technocratic**

This dimension expresses the debate between those who support the protection of the natural environment and are in favor of policies reducing the negative impact of human activities on nature (i.e. with an ecological attitude), and those who believe that the natural environment should be transformed to create more security and comfort, and used to generate technological progress (i.e. with a technocratic attitude).

Results

Factor analysis



Results

Factor analysis

- In the first two decades the positions of Swiss municipalities are spread on all four quadrants, however, in the last two periods (in particular in the last one) the political ideology positions of Swiss municipalities are **mainly concentrated in the 'Left-Liberal' and 'Right-Conservative' quadrants**.
 - ▶ Phenomenon of **increasing polarization**.
- The position on the political ideology space is also a **manifestation of the rural-urban divide**. In fact, in line with Hermann and Leuthold (2003), cities and bigger municipalities are mainly positioned in the 'Left-Liberal' quadrant, while smaller and rural communes are mainly found in the 'Right-Conservative' quadrant.

Results

Multinomial logit

	Probability to move Right Conservative	Probability to move Left Liberal
Population	-0.553** (0.227)	0.975*** (0.203)
Δ Population	0.009 (0.096)	0.077 (0.095)
Population density	-0.382** (0.158)	0.253** (0.127)
Foreign population (in %)	-0.127 (0.128)	-0.113 (0.134)
Δ Foreign population	0.035 (0.070)	0.117 (0.080)
0 - 17 Age (in %)	0.021 (0.127)	0.276* (0.161)
Δ 0 - 17 Age	-0.086 (0.087)	0.016 (0.104)
65 + Age (in %)	0.124 (0.109)	0.094 (0.143)
Δ 65 + Age	0.102 (0.091)	0.023 (0.099)
No education (in %)	-0.057 (0.065)	0.101 (0.079)
International migration (in %)	-0.018 (0.088)	0.183** (0.093)
Median income	-0.910*** (0.162)	0.626*** (0.184)
Δ Median income	-0.335** (0.159)	0.308* (0.143)
Gini of median income	-0.688*** (0.093)	-0.249** (0.099)
Δ Gini of median income	-0.153* (0.092)	0.001 (0.083)
Unemployment (in %)	-0.094 (0.107)	-0.072 (0.117)
Δ Unemployment	0.215*** (0.080)	0.053 (0.088)
Distance to closest city	-0.003 (0.077)	-0.184 (0.117)
Canton fixed effects	YES	YES
Language fixed effects	YES	YES
Decade fixed effects	YES	YES
Akaike Inf. Crit.	2'658.815	2'658.815

*p<0.1; **p<0.05; ***p<0.01

Results

Multinomial logit

- The effects of **population** and **population density** explaining the evolution of political ideologies in Switzerland confirm that this phenomenon is also a **manifestation of the rural-urban divide**.
- Among the local socio-demographic characteristics, **the age distribution of the population and the flow of international migrant** affect the evolution of political ideologies in Switzerland.
- The level and the variation of **median income** is also an important driver explaining the phenomenon of long term increasing political polarization in Switzerland.
- The change in the local **unemployment rate** is also affecting the evolution of political ideologies in Switzerland.

Conclusion

- This study **overcomes the limitations** of the data typically used in the literature on "the geography of discontent" by considering referendum data over a period of almost four decades and, therefore, **analyzing the long-term structure and evolution of political ideologies** in Switzerland, independent of short-term, candidate-related and party-related factors.
- This paper empirically assesses the **existence of a phenomenon of long term increasing political polarization** in Switzerland and the results indicate that this phenomenon is **driven by local socio-economic factors**.
 - ▶ The results of this study interestingly contribute to the literature on "the geography of discontent", by demonstrating with much stronger data, how local economic characteristics are particularly important in understanding how people vote.

Thank you!