

## Chapter 8: More Likely Paths to Suffrage Reform: Industrialization, Ideology, and Interest Groups

### A. Ideological Change and Constitutional Reform

Overall, the analysis of the previous two chapters suggests that changes in income or in the distribution of income may induce changes in the distribution of policymaking authority between the king and council, but are unlikely to induce suffrage reform. These results suggest that the rise of parliament and the expansion of suffrage are not necessarily connected with each other, although in the nineteenth century both types of reforms were normally adopted by governments that industrialized. This chapter develops two somewhat more plausible, although indirect, rational choice–based links between suffrage and industrialization. First, it is possible that individuals have more complex goals than assumed so far. In particular they may have normative or ideological goals in addition to the economic ones. When normative theories of government used by individuals change, new opportunities for constitutional exchange may emerge. Second, it is possible that industrialization indirectly links both the tax base and the personal wealth of those enfranchised to suffrage reform, and thereby creates a direct material interest in suffrage expansion for those already enfranchised. These two changes in political circumstances may be linked to common changes in organization costs, because both new ideologies and strike threats are more likely to succeed if they are promoted by organized “interest groups.”

#### *Theories of the Good Society and Public Policy*

A good deal of survey evidence suggests that voter assessments of the relative merits of public policies such as suffrage law are not entirely based on their effects on the voter’s own material circumstances, as assumed above and most of the rational choice literature. Rather, policies are at least partly assessed by their effects on their ideological interests or voter conceptions of the “good” or “proper” society. In the medieval world, the “proper

society” place considerable importance on royal families and the national church. Voters and loyal members of parliament naturally accepted and promoted policies that increased the prestige of the church or royal family, even if it somewhat worsened their own material circumstances. For example, during medieval times, very large churches and government buildings were given prominent locations in city plans. The idea that markets should not be open on Sundays was entirely uncontroversial.

This is not to say that ordinary material self interest played no role in policy analysis. When pecuniary and ideological interests tend to counter one another, policies will stop short of the point at which pecuniary marginal costs equal marginal benefits, because other benefits and costs are also taken account of. Changes in the relative importance of ideological and fiscal interests, and in the details of widely shared ideologies will affect public policies and in some cases will also affect the procedures and constraints under which public policies are made by creating a new consensus or new opportunities for constitutional exchange.

For example, core theories of the role of governance and the role of the national church began shifting slowly during the period that is often called the “European Enlightenment.” Ideas about the divine nature of sovereignty were buttressed with popular sovereignty theories (Hobbes 1651). It was subsequently realized that popular sovereignty (the social contract) implied that sovereignty had its limits, because some contracts (laws and privileges) would never be agree to (Locke 1689). At about the same time, ideas about political privileges began to shift as notions of “equality before the law” began to replace theories of family and royal privilege among educated people, including many members of parliament. Such ideas were associated with the Leveler movement in England during the mid seventeenth century, and were taken up by many other politically active persons and groups in the eighteenth century.

Similar shifts in the theory of suffrage took place during the nineteenth century in Europe. Suffrage was widely regarded to be a privilege associated with independence and judgment, rather than an entitlement, at the beginning of the nineteenth century Europe,

although suffrage had already become essentially an entitlement (for adult men) in the northern United States (Steinfeld 1989). During the nineteenth century, qualification for suffrage became more and more liberal, as participation in politics gradually came to be considered an "entitlement," rather than a privilege or a matter of tradition and aristocratic family ties. In the nineteenth century, those qualified to vote were considered to be, at various times, the upper class, the upper and upper-middle classes, all property owners, all gainfully employed adults, all competent adults, and all adults, as the criteria that defined "independence and judgment" changed.

Whenever a polity's current rules are deemed more restrictive than widely believed to be "proper," lobbying for suffrage expansion would be widely considered a praiseworthy activity and public expressions of support for expanding suffrage would tend to be even more widely made than believed (Kuran 1989, Brennan and Hamlin 2000).

#### *A Model of Ideological Preferences for Suffrage*

The model of the support for particular suffrage reform developed in the previous chapter can easily be extended to take account of ideological reasons to favor particular suffrage levels. Ideological interests in suffrage, per se, can be represented by including the breadth of suffrage as an argument in the typical citizen's indirect utility function,  $S = s(T^L, T^K)$ . The median voter's preferred level of suffrage would now maximize:

$$U = u(1 - C(\chi(L_v, K_v, T^L, T^K, Y, Z), Z)/Y) Y_v, \quad \chi(L_v, K_v, T^L, T^K, Y, Z), s(T^L, T^K) \quad (8.1)$$

with first-order conditions:

$$U_{TL} = [U_X(-C_G)Y_v/Y - U_G] G^*_{TL} + U_S S_{TL} = 0 \quad (8.2)$$

$$U_{TK} = [U_X(-C_G)Y_v/Y - U_G] G^*_{TK} + U_S S_{TK} = 0 \quad (8.3)$$

where  $S = s(T^L, T^K)$  refers to the percentage of adults eligible to vote given thresholds  $T^L$  and  $T^K$ .

Note that in the absence of a nonfiscal interest in suffrage, it is still the case that the existing suffrage thresholds are optimal for the median voter. If,  $U_S S_{TL} = 0$  and  $U_S S_{TK} = 0$ , the first two terms in the first-order conditions are always satisfied at the median voter's

ideal fiscal package represented as,  $G^*$ . In the case in which suffrage is less than ideal,  $U_S S_{TL} \neq 0$  and  $U_S S_{TK} \neq 0$ , the median voter may still be content with the overall suffrage-fiscal tradeoff, although the median voter's ideal fiscal package is not obtained.

Applying the implicit function theorem to equations 9.1 and 9.2 allows the typical citizen's ideal suffrage rules to be characterized as:

$$T^{L*} = l(L_i, K_i, T^L, T^K, Y, Z) \quad (8.4)$$

$$T^{K*} = k(L_i, K_i, T^L, T^K, Y, Z), \quad (8.5)$$

where  $T^L, T^K$  are the existing suffrage laws that produced the present median voter and  $T^{L*}, T^{K*}$  are the new suffrage laws preferred by the present median voter. In equilibrium  $T^{L*} = T^L$ , and  $T^{K*} = T^K$ .

Nonfiscal interests in suffrage simply imply the existence of new tradeoffs between the median voter's interest in obtaining his or her ideal pattern of private and public services and that associated with his or her interest in suffrage rules for their own sake. This tradeoff is present whether the median voter's direct interest in suffrage implies that suffrage rules should either be less restrictive or more restrictive than the current rules are. In either case, changes in the median voter's income will *not* cause the present median voter to change the existing suffrage laws.

Changes in the intensity of an individual's nonfiscal interest in suffrage can induce major suffrage reform. For example, equations 8.2 and 8.3 imply that present suffrage laws will be changed if the median voter begins to have a nonfiscal interest in suffrage. For example, as suffrage norms emerge,  $U_S S_{TL}$  and  $U_S S_{TK}$  depart from zero, and the median voter will prefer and adopt a new pattern of suffrage rules. The new rules imply a new median voter.

For the triangular distributions assumed in the previous chapter, the next median voter will have endowments of labor and capital within the new electorate equal to  $L_v - T^{L*}/tw$  and  $K_v - T^{K*}/tw$  respectively, and income:

$$Y_v = (w(L_v - T^{L*}/tw) + r(K_v - T^{K*}/tw))(2 - \sqrt{2})/2 \quad (8.6)$$

which are somewhat below those of the present median voter when suffrage is expanded, as will be the case if  $U_S S_{TL} > 0$  and  $U_S S_{TK} > 0$ .

### Qualified Theories of Suffrage

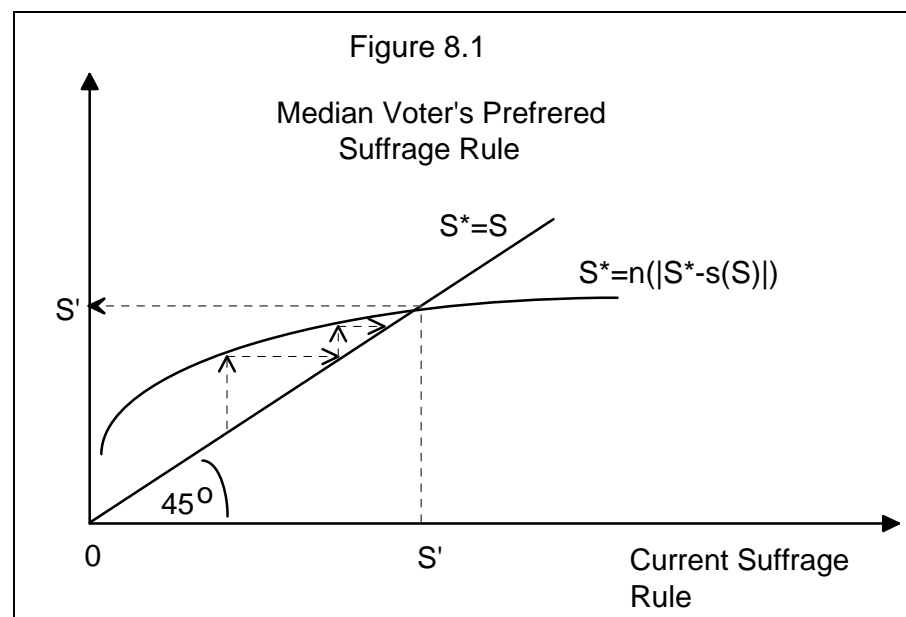
Ideological interests in suffrage often assess existing suffrage law relative to a suffrage ideal based on a specific normative theory, rather than favor suffrage generally as assumed above. For example, it may widely be believed that suffrage should be based on "merit," however defined. Merit-based theories of suffrage imply that those who are properly qualified should be entitled to vote, but no others. An individual voter's nonfiscal utility of suffrage would in this case be judged relative to the ideal level of suffrage associated with a particular norm,  $S^*$ , as with  $S = n(|S^* - s(TL, TK)|)$ . If the median voter were such a person, he or she would face tradeoffs between advancing electoral norms and maintaining control over public policies.

It bears noting that any suffrage reforms favored by the present median voter will take account of the fact that the new median voter may, in turn, favor both a different fiscal package and suffrage. A new median may, for example, favor further extending the franchise by further reducing the wealth and/or income requirements for voting. That is to say, the present median voter's preferred suffrage law may not be politically feasible. He or she can only choose between locally stable suffrage laws.

A new stable suffrage law results when the new median is completely content with the present laws. At the equilibrium suffrage level, the marginal utility of further suffrage reform falls to zero,  $U_S S_{TL} = 0$  and  $U_S S_{TK} = 0$ , and the current median voter's ideal suffrage law,  $S^*$ , is the law of the land. It is clear, however, that this series of suffrage

reforms could generate universal suffrage, as successive median voters extend suffrage entitlements.<sup>76</sup>

Figure 8.1 illustrates the equilibrium patterns of suffrage that tend to emerge under these two different normative theories. The first,  $s(S)$ , depicts an equilibrium at universal suffrage, as tends to be the case when suffrage is an ordinary good or universal suffrage is the norm. The second,  $n(|S^* - S|)$ , depicts an interior solution of the sort associated with intermediate merit-based theories of suffrage.<sup>77</sup> Other functional forms are, of course, possible according to the normative theories employed and the distribution of those theories. There may be, for example, more than one equilibrium (fixed point) set of qualifications for suffrage.<sup>78</sup>



<sup>76</sup> In the case in which suffrage is a bad, as might be the case under some elitist or hierarchical social theories, the marginal utility of suffrage expansion is negative and the same process would lead to dictatorship: one-man vote.

<sup>77</sup> It bears noting that modern ideas about suffrage fall into this intermediate range. Children and foreigners are not allowed to vote in elections, because they are felt not to be sufficiently independent or interested to cast an informed vote. The arguments that we use to justify "disfranchising" children are very much like those used in the nineteenth century to disenfranchise middle-class men and women.

<sup>78</sup> The extent of suffrage as a percentage of the citizenry is always bounded at 100 percent. Consequently, the continuity of functions  $s$  and  $n$  are sufficient to assure the existence of a fixed point. Note that the fixed points characterize equilibrium levels of suffrage; however, as noted above, in many cases, the fixed point will lie along the upper or lower bounds of  $S$ .

A forward-looking median voter will realize that his or her reform is unlikely to be the new prevailing law and will attempt to determine the next equilibrium. This tends to make the slope toward democracy “sticky,” rather than “slippery,” because the present rules may be judged superior to the suffrage law that is most likely to emerge after a modest expansion of the franchise. It also implies that suffrage reform may take place as discrete steps rather than as continuous (infinitesimal) ones as new equilibria emerge.

#### *Absence of an Income Effect on Stable Suffrage Laws*

At every suffrage law equilibrium, the marginal utility of changing suffrage laws is zero, which implies that changes in the marginal utility of other goods and services do not affect the marginal rate of substitution between those goods and suffrage. (Recall that marginal rates of substitution can be expressed as a ratio of marginal utilities and that zero equals zero.) Economic growth and taste changes can affect the rules governing suffrage by affecting the marginal rate of substitution between suffrage and other desired services, but *only at points away from the normative equilibrium* where the marginal utility of suffrage reform differs from zero. Consequently, the present median voter remains entirely content with the existing pattern of election law whether he or she is motivated entirely by pecuniary interests or takes account of ideological ones as well.

Changes in suffrage norms, however, can induce new reforms to be undertaken, because such changes imply that  $U_S S_{TL}$  and  $U_S S_{TK}$  no longer equal zero.

### **B. Ideological Groups, Persuasion, and the Expansion of Suffrage**

The previous section suggests that wealth increases associated with industrialization itself are unlikely to generate directly a new parliamentary interest in suffrage reform, even

in cases in which voters have an ideological interest in suffrage. Nonetheless, rapid industrialization does more than simply increase wealth. It also alters the manner in which economic resources are employed throughout the economy under industrialization. By doing so, industrialization *also changes the relative cost and benefits of organizing politically active interest groups*. Moreover, many of the technological advances required for industrialization to be worthwhile, also reduce the costs of forming and managing large politically active interest groups.

The same improvements in communication, coordination, and transport that allow economic entrepreneurs to assemble and manage large numbers of employees in the pursuit of profit also allow political entrepreneurs to assemble and coordinate the political activities of large numbers of individuals who share ideological or economic interests. The costs of organizing interest groups are further reduced by the successful creation of large industrial enterprises that place large numbers of individuals with more or less common economic interests in close proximity to one or another. Economic development, consequently, tends to increase population densities, which further reduces the costs of organizing politically active groups.<sup>79</sup>

To the extent that political activities are what economists refer to as superior goods (goods that one purchases relatively more of as one's income rises), successful economic growth also increases the resources contributed to politically active interest groups. During the eighteenth and nineteenth centuries a variety of politically active groups promoted the extension of suffrage using a variety of persuasive and lobbying techniques. Consistent with the model developed below, their memberships were not drawn entirely from the unenfranchised, but rather were often financed by and led by those who could already vote, but who had ideological interests in suffrage extension.<sup>80</sup>

<sup>79</sup> Industrialization also induces firms to locate close to one another to reduce the cost of transporting intermediate goods and providing specialized services to large enterprises and their employees.

<sup>80</sup> Suffrage movements throughout Europe during the nineteenth century became increasingly strong during the course of the century. As noted below in part II of the book, these groups were often supported by the liberal and labor movements, each of which attempted to have suffrage extended to their members. In this manner, ideology and narrow self-interest motivated politically active interest groups both supported suffrage reform; however, their success was substantially dependent on "ideological" effects on those with the power to reform suffrage laws. It was the persons that could vote and their elected representatives who adopted suffrage reform.

The public choice literature on interest groups implies that contributions to interest groups increase with personal income and with the productivity of interest group efforts. The better organized an interest group, the more support it will receive, other things being equal. Within the present model, suffrage groups will be able to induce reforms, if they induce change in the norms that determine the current electorate's assessment of the ideal scope of suffrage.

The relationship between a direct interest in suffrage and contributions to suffrage groups can be analyzed with a minor extension of the model developed above. Suppose that a direct interest in suffrage exists and is sufficiently widespread that the pivotal voter is partly motivated by norm  $S_v^*$ . When election laws are stable, the current pivotal voter is completely satisfied with the existing suffrage laws, so that  $S_v^* = s(T^{L*}, T^K)$ . In equilibrium, the pivotal voter has no interest in supporting suffrage groups as a means of inducing suffrage reform, because he or she is completely satisfied with the status quo.

On the other hand, all those whose combination of suffrage norms and endowments lead them to favor more liberal election laws have an interest in supporting suffrage groups, if there is a chance that the groups may influence the median voter's suffrage norm. Contributions to groups lobbying for suffrage reform, whether in kind or cash, provide individuals with a method of increasing their (expected) utility over the status quo as long as the suffrage movement is successful.

For example, consider the case in which new suffrage level  $S' > S_v^*$  is supported by suffrage groups. A citizen's donation,  $D_i$ , to the suffrage movement in such circumstances will maximize his expected utility:

$$U_i^e = (1-p(\Sigma D_j)) u(X_v - D_i, G_v, n(|S_i^* - S_v^*|)) + p(\Sigma D_i) u(X_v - D_i, G_v, n(|S_i^* - S'|)) \quad (8.7)$$

where  $P = p(\Sigma D_j)$  is the probabilistic success function of the relevant suffrage group's efforts to change suffrage norms,  $D_i$  is citizen  $i$ 's donation, and  $\Sigma D_j$  is the total of all individual donations. In essence,  $p$  describes the probability that the current pivotal

voter(s), are persuaded by the suffrage groups to adopt  $S'$  as their suffrage norm, rather than  $S_v^*$ .

Under the usual Nash assumptions, the expected utility-maximizing donation satisfies:

$$-P_D U^0 + (1-P)(-U'_X) + P_D U' + P(-U'_X) = 0$$

which implies that  $D_i^*$  approximately satisfies:

$$P_D (U' - U^0) - U_X = 0 \quad (8.8)$$

Equation 8.8 implies that an individual's contributions to the suffrage group can be written as:

$$D_i^* = d(Y_i, S', S_v^*, \Sigma D_j, Y, Z) \quad (8.9)$$

with

$$D_i^*_{Y_i} = [P_D (1-t) (U'_X - U^0_X) - (1-t)U_{XX}] / -[(P_{DD} (U' - U^0) + P_D(U^0_X - U'_X) + U_{XX})] > 0$$

(given  $U'_X - U^0_X > 0$ ) (8.10)

and

$$D_i^*_{\Sigma D_j} = [P_{DD} (U' - U^0)] / -[(P_{DD} (U' - U^0) + P_D(U^0_X - U'_X) + U_{XX})] > 0$$

(given  $P_{DD} > 0$ ) (8.11)

Individual contributions increase as personal income increases and with the overall level of contributions, if persuasive campaigns exhibit constant or increasing returns. In this case, Nash contribution levels also increase with personal income and the interest group's prospects of success (Congleton 1991).

Insofar as persuasion and lobbying activities become more effective as more resources are devoted to them, the probability of suffrage reform increases as the resources available to suffrage groups increase, other things being equal. Economic development, consequently, tends to increase prospects for suffrage expansion by indirectly providing suffrage organizations with new resources for use in their persuasive campaigns. Industrialization, however, increases the probability that suffrage-expanding

reforms will be adopted only if the resources flowing to prosuffrage groups increase relative to those flowing to antisuffrage groups.

### **C. Suffrage Extension, Political Parties, and Partisan Interests in Suffrage Reform**

An indirect effect of suffrage expansion is that politics gradually becomes depersonalized. Individual voters become less and less likely to know the candidates personally or to know others who do. This, in turn, makes the dissemination of information to voters an increasingly important determinant of electoral success. In addition, the influence of organized “teams” or factions of parliament tends to grow as parliamentary majorities themselves become an increasingly important determinant of public policy. Together, these effects produce new incentives for politically active groups *of candidates for elected office* to organize.

The advantages of such organized candidate groups tend to increase when members share policy agendas; thus, the organizations that form tend to be based more or less on candidate “ideology.” Like-minded politicians may enjoy each other's company, may cooperate to get legislation of mutual interest adopted, and therefore, be inclined to help each other be elected to office. Once political organizations are established, membership in the club also becomes a valuable asset for potential candidates. There are economies of scale in informing voters, of which partisan clubs take advantage.

The club's standing organization, the joint reputation of past members of the club, and the various networks of club members significantly reduce the difficulty and cost of having new candidates taken seriously by voters. Just as there can be “guilt by association,” there is also “reflected glory” as present party members gain some secondary reputation from great reforms of the past. Indeed, parties and party affiliation tend to become electorally more important than candidates themselves. Unaffiliated candidates face much higher informational barriers to mounting a successful campaign and so are much less likely to enter or succeed in contests against organized party slates.

The fact that a political party's slate of recommended candidates must be elected to affect legislation means that parties cannot ignore voter interests.

Nonetheless, political parties may lobby for or against suffrage reform and strategically vote for expanded or contracted suffrage, whenever partisan interests appear to be advanced by such pro- or antireform programs. For example, during the early and mid-nineteenth century, liberal parties generally pressed for suffrage reform, while conservative parties attempted to preserve the medieval order, with its aristocracy and state church. As future suffrage reform became increasingly likely because of ideological and electoral trends, however, conservative parties became increasingly prosuffrage and would sometimes initiate suffrage expansion in order to control the details of the reform. In such cases, partisan interests clearly trumped ideological ones.

Partisan interests in suffrage reforms tends to be aligned with the economic and ideological interests of their current voters, but imperfectly so, because suffrage reform can directly create a new group of supporters by enfranchising or disenfranchising particular groups of voters.

### **D. Economic Interest Groups: Exit, Strike Threats, and Suffrage Reform**

In addition to promoting the growth of political and economic interest groups, industrialization also provides some economic interest groups with more powerful tools for influencing public policy. As industrialization takes place, larger firms tend to become larger and both labor and capital tend to become more specialized. As each citizen's personal income becomes increasingly dependent on the availability of other complementary resources and as the size of interest groups increases, it becomes increasingly possible for an economic interest group to reduce or threaten to reduce the incomes of those outside the group simply by withholding resources from the market, for example, through strikes and strike threats, and through migration.

### *Industrialization and Mobility*

By decreasing information and transportation costs, the technologies associated with industrialization tend to increase “yardstick” competition across firms and across polities at the same time that it tends to reduce exit costs. As a consequence, intergovernmental competition for services, taxes, electoral law, and so on tend to increase, which tends to favor the interests of mobile persons and resources.

Mobility reduces the ability of governments (and their supporters) to “profit” from discriminatory fiscal and regulatory policies. It also increases pressures for institutional reform insofar as differences in political institutions affect decisions to relocate. For example, if a significant pool of labor decides to leave home and take up residence in countries with more representative suffrage laws (as happened throughout much of Northern Europe in the nineteenth century), profits and rents of those represented tend to diminish.

The mobility of inputs (labor and capital) clearly played a role in the emergence of democratic institutions in the British colonies that eventually became the United States of America, as developed below in chapter 18. Both labor and capital could choose among colonies and tended to be attracted to colonies with more democratic governments, because the tax veto of elected colonial parliaments would protect colonists against confiscatory policies that might otherwise have been imposed by the colonial governors. Expanding suffrage in this case may slow or reverse such reductions in personal income.

### *Industrialization and Strike Threats*

Similar effects may be generated by organized groups of people who do not emigrate, but who organize to temporarily withhold resources from production. Industrialization tends to increase the economic independence of all agents within the economy, both at the margin and inframarginally, through its greater use of specialization and capital

intensive production. This increase in interdependence allows organized economic interest groups to reduce national tax revenue and the income of all within the economy of interest by threatening to “strike” occasionally.

Such temporary “input boycotts” have increasingly large effects on the personal income of others throughout the economy as specialization increases. Strikes and strike threats, thus, become a more powerful tool for influencing public policy, one that will often be more effective than persuasion. Note that a strike threat (by organized labor or organized capital) is an example of an organization attempting to impose rules on others by threatening to withhold a service, an important mechanism in the initial formation of territorial governments, as noted above. A strike threat confronts those being struck with two alternatives, neither of which is as attractive as a no-threat setting. As in the case of territorial governance, the bargains reached under strike threats, do not necessarily make both parties better off in the short or long run relative to a setting in which services cannot be withheld, and may, in some cases, make both parties worse off, but it is clear that new rules may be adopted nonetheless.

A strike threat by a sufficiently large enough organization can induce changes in legislation favored by those striking or, in the case of interest here, to induce changes in political institutions favorable to the striking group.

Consider the following model of bargaining between the present median voter and an economic interest group using a strike threat. Recall that the quasi-constitutional rules governing suffrage determine the identity (total income) of the median voter, which along with the available tax base and cost of government services determines the level of government services. In the absence of a strike threat, the median voter under a given electoral set of rules  $(T^L, T^K)$  realizes after-tax consumption level  $C^* = (1 - C(G^*, Z)/Y) (w(L_M - L_V) + r(K_M - K_V))(2 - \sqrt{2})/2$  and government service level  $G^* = C(L_V, K_V, T^L, T^K,$

Y, Z). As noted above, at this political equilibrium, the suffrage laws will maximize the welfare of the pivotal voter.<sup>81</sup>

In the usual neoclassical production function, production exhibits constant returns to scale and each factor is paid its full marginal product. In such an economy, a strike threat has fiscal effects only. A group that temporarily withholds their factors of production from the economy suffers a loss in income and nonstrikers suffer a reduction in the tax base, which either causes tax payments to rise for nonstrikers, public services to fall, or some combination of the two. (Recall that Y is an argument in  $G^*$ .) In an economy in which substantial specialization exists or where there are increasing returns to scale, a group that withholds its factors of production from the economy may also reduce the incomes of nonstrikers by reducing the marginal product of their productive resources. (It is difficult to make automobiles without steel, steel without coal, and any of these without labor or transport.)

A strike threat makes nonstrikers worse off. Even with fiscal effects alone, the strategy of threatening to withhold temporarily labor and/or capital from the market potentially allows the unenfranchised to bargain with the enfranchised for electoral reform. In the absence of franchise reforms, the present pivotal voter will face higher taxes, lower government services, and reduced private consumption.

In effect, the interest groups using the strike threats place the median voter in a situation similar to that analyzed above in which the tax base was partly determined by suffrage levels.<sup>82</sup> The pivotal voter will be willing to vote for the suffrage expansion

requested by the strikers whenever the expected losses from more frequent strikes exceed those associated with extending the franchise.

If the present median voter's tradeoff between suffrage and fiscal stability is known beforehand, organized labor can select the probability of strikes that elicits the desired constitutional response, for example, extending the vote to union members, but perhaps not to peasants, persons on relief, women, or children. Any constitutional bargain reached, however, depends somewhat on the particular sequence of offers and counteroffers that take place. For example, in the case in which the median voter is able to anticipate or elicit a menu of strike probabilities from the economic interest group (as within a Grossman and Helpman [1996] model), the present median voter will propose the suffrage reform that equates his or her expected marginal gains from increased income and tax-base security with the cost of the less appealing combination of government services that will be adopted by the new median voter.

Promises to reduce the probability of striking in the future are somewhat more creditable for radical suffrage reforms than for minor reforms. Once universal suffrage is obtained ( $T^L = T^K = 0$ ), no further increase in suffrage can be secured via strike threat. Peaceful but major reforms can thus be a consequence of this economic form of constitutional bargaining between outsiders and insiders.

It bears noting that the present analysis is not class based, but rather interest group and production based. Many economic groups that can be organized within a polity do not have similar incomes, as is true of farmers, or similar occupations, as true of national labor federations, yet still exercise considerable power. A non-class-based economic

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<sup>81</sup> Although satisfactory to the pivotal member of parliament, the existing suffrage laws are not necessarily Pareto efficient. For example, unrealized gains from political exchange may exist in equilibrium if transactions costs are significant. The unenfranchised might well be willing to pay enough to induce the median voter to change suffrage rules, but may be unable to raise the money to deliver the necessary side payment to alter the "median voter's" position on the suffrage (recall equations 9.1 and 9.2).

If strikes are easier to arrange than side payments, the constitutional bargain achieved with a strike threat could generate a Pareto-efficient constitution, although it is unlikely to be one that is Pareto superior to the initial constitutional setting.

<sup>82</sup> Historically, the disenfranchised also sought changes in specific labor and property regulations as well as changes in suffrage laws. The present analysis focuses on positive, rather than normative, issues and in particular on the use of strike threats to generate changes in suffrage laws. The "rent-seeking" aspect of strike threats has been analyzed in previous research.

interest group that currently exercises considerable political power is the Organization of Petroleum Exporting Countries (OPEC). In the case of interest here, however, the *constitutional interests of the unenfranchised were largely a result of their similar incomes, because the electoral rules that strikers wish to change are income or class based.* Wealth- and income-based rules for suffrage discriminate against those who have low income and wealth, which is, of course, often used by sociologists as a method of defining socioeconomic classes.

### **E. Economic Growth and Democracy**

This and the previous chapter have explored several mechanisms through which suffrage law might be liberalized in response to economic development. The results suggest that the connections among majority rule, economic growth, and liberal democracy are less direct than might have been expected. Economic growth does not cause democracy, because increases in the median voter or the median member of parliament's income does not induce new, more inclusive rules for suffrage, even in cases in which the median voter has a direct ideological interest in suffrage. Democracy does not arise because it is a "superior or normal" good in the usual economic sense, because *the current median voter is normally content with the election laws that made him or her pivotal, regardless of how restrictive they are,* and regardless of the pivotal voter's income level and occupation.

Rather, the analysis suggests that democracy may be indirectly produced by economic development, insofar as technological change and rising incomes empower interest groups that favor suffrage expansion.

Organized ideological groups may persuade others that proper qualifications for suffrage are broader than those incorporated into current suffrage law and, if successful, such arguments may induce significant changes in suffrage. Organized economic groups may also use strike threats to secure an expanded suffrage in exchange for a larger and more stable supply of productive inputs, not for ideological reasons, but to obtain greater influence over the course of public policy.

Suffrage is not an all-or-nothing area of constitutional law. The continuum of suffrage laws allows the reform of election laws to take place incrementally through a series of relatively small reforms. The possibility of marginal adjustments allows negotiation, compromise, and moderate extensions of suffrage to be undertaken without the necessity of civil wars or wholesale reform.

This theoretical possibility is clearly evident in the constitutional histories of Northern Europe, Japan, and the United States. For example during the period between 1800 and 1925, the United Kingdom, Sweden, Belgium, and Netherlands gradually moved from electoral systems with very limited suffrage to ones that assured universal adult suffrage. In none of these cases were revolutionary civil wars necessary. In all these cases, suffrage movements and strike threats produced a series of electoral reforms that, in conjunction with other parliamentary reforms, completely revolutionized governance in Northern Europe.