

## **Chapter 8: Ideology, Interest Groups, and Adult Suffrage**

The analysis of the previous two chapters suggests that the rise of parliament and the expansion of suffrage are not necessarily connected with each other. There are many occasions on which parliaments may gain policymaking authority, without producing similar gains to trade between those eligible and not eligible to vote. Chapter 6 suggests that changes in the distribution of income, new technologies of production (and destruction), and changes in the person holding the royal office may induce changes in the distribution of policymaking authority between the king and parliament. Chapter 7 suggests that those same changes would not produce a majority in parliament in favor of suffrage reform. Revolutionary threats and palace coups may also affect the balance of authority between the king and parliament, without producing suffrage reform. Fear of revolution, for example, may increase executive power, which may be used to discourage participation in politically active interest groups. Shifts of authority between a king and council, consequently, are predicted to be more common than changes in suffrage laws. Conversely, it also bears noting that parliaments may be elected by very broad suffrage without producing democratic rule, if parliament itself has little policymaking authority.

The avenues for suffrage reform examined in this chapter are also ones that may produce new gains from constitutional exchange between the king and parliament, which provides a possible explanation for their correlation in several historical cases, although it is their effect on suffrage that is focused on. The first focuses on normative or ideological interests in suffrage that individuals may have in addition to their economic interests. That norms may influence behavior was discussed in chapter two, when analyzing composite incentive systems. In that chapter, it was shown that some norms can reduce various intra-organizational prisoner dilemma and coordination problems in a cost-effective manner, which induces organizations to use and encourage such norms. How changes in a subset of such norms may induce changes in suffrage laws is examined below.

The other possibilities are also partly a consequences of policy relevant norms, but also of the informational and economic circumstances in which policy choices are made. If norms affect public policy choices and constitutional reforms, normative theories may be promoted as a means of influencing governance. If informational shifts can affect public policy, then the production of some kinds of information may be promoted as a method of influencing public policies.

As noted in the previous chapter, organized interest groups are not always tolerated. Nonetheless, a government that is able to bring new ideas and new facts under consideration is likely

to be able to better adapt to changing circumstances than ones that discourage all policy-relevant debate. In such settings, (limited) internal and external debate can be defended on the pragmatic grounds that it increases a government's net revenues and survival prospects. In polities that tolerate even very limited debate and dissent, formateurs will often have an interest in organizing groups that attempt to influence public policy decisions. There are several non-revolutionary strategies through which organized groups of "outsiders" may be able to influence public policy decisions made by "insiders."

The norms that are relevant to suffrage reform and other constitutional reforms are the subset of normative theories that attempt to characterize "proper" behavior or institutions for groups of persons or for society at large. Social norms tend to be universalist, because they imply that all persons in a given society "should" adhere to them. Normative theories often characterize systematic methods for determining whether a society is a good society or not. Economists use the Pareto principles for the latter purposes. Utilitarians use social welfare functions and contractarians use the veil of ignorance construction for much the same purpose. Theology direct persons to particular authoritative texts. The particulars of the normative theories used are not important for the purposes of this chapter, only that such norms exist and that such norms affect politically-relevant behavior.

### **A. A Digression on Normative Interests and Rational Choice**

There is no conflict between rationality and norm-following behavior, although there may be conflicts between one's normative and economic interests. Ordinary economic interests and normative interests, however, are often well aligned, because many normative theories of "proper" behavior are rules of thumb that allow individuals to more effectively advance their economic interests. That is to say, many norms solve various coordination, externality, and asymmetric information problems. A private work ethic that induces one to be a bit more honest and hard working than other team members, also tends to increase one's marginal productivity and wage rates within most organizations. A private ethic of obeying the law and following the rules may open doors to higher positions in one's organization or community in which one's behavior is less subject to monitoring. A private ethic of "doing to others only what you would want them to do to you" tends to internalize externalities, reduce losses from conflict, and encourage trust relationships.

Normative rules and theories that are well-aligned with economic interests are often culturally supported (e. g. encouraged among children), because the behavior induced by those

norms tends to increase prosperity and reduce unproductive social conflict. Persuading children to adopt such norms is evidently one of the main tasks of parenting and formal education. Good students get their homework done on time, diligently, without cheating. Good work means following the teacher's instructions for the task at hand. Students are encouraged not to be "trouble makers" and about "proper behavior" at the same time that they are encouraged to learn a bit about language, mathematics, and history. Similar lessons are widely taught at home, by religious organizations, and in most other organizations.

As mentioned in chapter two, such norms often are useful for organizations. Team members with particular norms will work hard whether monitored or not, because they have an internal work ethic or internalized norm of promise keeping. Organizations may recruit individuals that have internalized particular norms, because they are easier to motivate and less costly to monitor. Recruiting persons with a "rule following" norm reduces monitoring and enforcement costs within organizations and in society at large. An interest in advancing the application of particular norms can also be the principal aim of an organization, as true of churches and temperance societies.

To say that people have normative aims is not to say that every choice is affected by normative theories, nor is it to say that people have only normative aims. For most people in most settings, advancing normative interests are only a subset of their goals, but this become clear only in cases in which there is a conflict between normative aims and economic, political, or biological ones. In such cases, rational choice models can shed light on the normative-pragmatic tradeoffs that influence decisions made and actions taken. To the extent that norms are internalized, it can be said that advancing normative goals directly increases utility. To the extent that advancing normative goals requires time and attention, there is clearly an allocative problem that can be analyzed using the standard tools from rational choice models. Time, attention, and other resources will be used to pursue normative goals only up to the point where expected (subjective) marginal benefits equal expected marginal costs. In cases in which norms and economic interests are not perfectly aligned, for a given choice setting, there will also be tradeoffs among normative and economic objectives, and even among the norms that might be applied in a given setting.

A very religious person does not normally give all of his or her wealth to the church, because his or her religious goals are only one of many goals and only one of many internalized duties. Such persons have to eat if they are to survive, and feel obliged to take reasonably good care of their children and loved ones as well. Similarly, persons with an ideological agenda are more likely choose to turn out and provide support in favor of policy reforms that advance their ideological goals, when

doing so is likely to be punished, as noted in chapter 7 when discussion revolutionaries. Only zealots, such as suicide bombers, advance normative agenda irrespective of personal costs. At the other extreme, only pure pragmatists are unaffected by normative theories. Most men and women in civilized society trade off normative and pragmatic goals when making day-to-day and long-term choices.

This chapter explores some implications of the subset of normative theories that affect assessments about the proper extent of suffrage. For the past three centuries, there has been a good deal of discussion about just who should be entitled to vote. What qualities entitle one to a vote, or what lack of qualities disqualifies one from casting a vote? Such discussion are nearly always normative in nature. Such norms and discussions can potentially affect a person’s assessment of the “proper” degree of suffrage. When they are eligible to cast votes for members of parliament, they may also affect the suffrage laws that exist in a given society.<sup>66</sup>

## **B. Some Mathematics of Principled Decisions with Respect to Suffrage**

The model of the suffrage demand developed in the previous chapter can be extended to take account of the effects of normative (or ideological) theories of suffrage. For example, one can easily extend the model to analyzed the suffrage laws preferred by a person who favors universal suffrage. This is not the only suffrage norm that one can imagine, but it is relatively easy to model, and analyzing its implications sheds indirect light on other norms.

A person that has internalized the universal suffrage norm has a utility function that increases with the extent of suffrage,  $S$ , *other things being equal*. However, other things are not always equal, so there may be tradeoffs between economic and normative interests, and these will tend to be reflected in both private and public policy choices. To see this, suppose that suffrage levels are again determined by tax thresholds,  $S = s(T^L, T^K)$ , that can be adjusted to secure any suffrage level, and that the “moral voter” is interested in private consumption and public services, as well as universal suffrage. Building on the previous model of the demand for suffrage, such voters will prefer suffrage qualifications that maximize:

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

with first-order conditions:

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<sup>66</sup> See Brennan and Hamlin (2000), Besley (2006), and Congleton (2007c) for a broader analysis of how norms can be taken account of in rational choice–based models of governance and public policy choice.

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

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

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

Individuals tend to disagree about the ideal suffrage law for reasons that are similar to their disagreements about other policies. They may have different normative theories and/or different economic interests at stake. The more important normative theories are for a voter's choice, the more "idealistic" or "ideological" that vote can be said to be. The less such norms affect a voter's assessment of suffrage laws, the more "pragmatic" that the voter can be said to be. In this representation of a person's ideal suffrage law, these tradeoffs are characterized by the relative sizes of the marginal utility of personal income,  $U_X$ , public services,  $U_G$ , and the universal suffrage norm,  $U_S$ . Economic man with his narrow utility function is a pure pragmatist, because, by assumption,  $U_S = 0$ .

The models used in chapter 7 are special cases in which pragmatists determine suffrage levels. The new model includes voters favor universal suffrage, but not above all other goals. Applying the implicit function theorem to equations 8.2 and 8.3 allows the typical citizen's demand for voting thresholds 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.

### C. Suffrage Norms and Optimal Qualifications for Suffrage

In the absence of an ideological or normative interest in suffrage, as shown in chapter 7, the existing suffrage thresholds are optimal for the median voter. In this case,  $U_S S_{TL} = 0$  and  $U_S S_{TK} = 0$ , the first two terms in the first-order conditions are always satisfied at the present median voter's ideal fiscal package represented as,  $G^*$ . In the case in which suffrage is initially less than ideologically ideal, however,  $U_S S_{TL} \neq 0$  and  $U_S S_{TK} \neq 0$ , and there is a tradeoff between advancing normative and economic interests in suffrage qualifications. In such cases, equations 8.2 and 8.3 demonstrate that normative interests in suffrage create a suffrage-fiscal tradeoff analogous to that which was present in the "only voters pay taxes" case explored in chapter 7.

For example, voters that favor universal suffrage prefer suffrage qualifications that are more inclusive (lower) than those which optimize their fiscal package. However, as long as personal interests in consumption and government services are non-trivial, such voters nonetheless prefer qualifications that achieve *less* than universal suffrage. Extending suffrage produces marginal benefits from greater conformity with the voter's own social norms, but also a marginal cost insofar as taxes and government service levels shift away from more preferred levels.

The optimal suffrage rule extends suffrage beyond that favored by an otherwise similar pragmatist, but only to the point where marginal benefits from broader suffrage equals its marginal fiscal costs. This is not hypocrisy. It simply reflects the fact that for such persons universal suffrage is one of many goals. In equilibrium, the current median voter's ideal suffrage criteria are in place,  $T^{L*} = T^L$ , and  $T^{K*} = T^K$ , and the actual extent of suffrage is also ideal  $S = S(T^{L*}, T^{K*})$ .

Note, however, that when a universal suffrage norm is widespread among voters, an equilibrium of this sort may not exist. Rather, a slippery slope may exist. Each successive median voter may want to expand suffrage a bit, to include a few more persons in order to advance their theory of the good society. A series of suffrage reforms in the direction of universal suffrage would be adopted until a median voter is reached who considers the existing rules to be optimal, which in this case may require universal suffrage or universal adult suffrage.

Of course, any median voter who recognized the possibility of a slippery slope, and preferred the fiscal-suffrage law combination of the status quo to that associated with universal suffrage, might simply accept the status quo rather than press for his (or her) preferred suffrage rule. The slippery slope provides an additional basis for institutional conservatism. This tends to make the slope toward democracy “sticky” rather than “slippery” if voters are forward looking—especially in settings in which fiscal policies under universal suffrage have never been observed.

### *Normative Support for Limited Suffrage*

Universal suffrage, however, is not the only possible normative theory of suffrage, and it was not until the twentieth century that very inclusive suffrage norms became widespread among voters in the West. Prior to the twentieth century, it was more widely believed that all “qualified” persons should be entitled to vote. The qualifications thought necessary varied among persons, but generally included various attributes that tended to increase the independence and quality of one's votes: education, wealth, experience, residency. Here it bears noting that most persons in the West would be opposed to extending the right to vote to 2 year olds and to persons living on other continents.

19th century arguments against universal suffrage parallel in many ways contemporary arguments against extending the vote to children. Children are not wise enough, nor educated enough to cast meaningful votes. We tend to favor universal adult suffrage rather than universal suffrage per se.

Qualification-based theories of suffrage imply that all those who are properly qualified should be entitled to vote, but no others. Such privilege-based theories allow normative aims to vary significantly among voters (and nonvoters). Merit-based normative theories also allow the possibility that norms may shift through time, as “merit thresholds” are revised in light of experience and shifts in ideology

Analyzing the effects of qualification-based theories of suffrage on the suffrage preferences of voters requires the normative theory to be modeled more explicitly than was necessary for the universal suffrage norm. Suppose that a voter’s ideal suffrage level is  $S^* = s(T^{L*}, T^{K*})$ , where  $T^{L*}$  and  $T^{K*}$  are the tax payments from labor or capital income that indicate sufficient independence, to cast a “meaningful” vote. Normative goals are advanced when the difference between the real and the ideal thresholds diminish. The normative advantages of a more perfect suffrage law can be characterized as  $v = n(|S^* - s(T^L, T^K)|)$  with  $v_{|S^* - s|} < 0$ . The effect of such normative theories on suffrage can be modeled by replacing function  $s$  with function  $n$  in the equation 8.1.

The first order conditions for a voter’s optimal suffrage law are similar to 8.2 and 8.3.

$$U_{TL} = [U_X (-C_G) Y_W / Y - U_G] G^*_{TL} + U_S v_{TL} = 0 \quad (8.6)$$

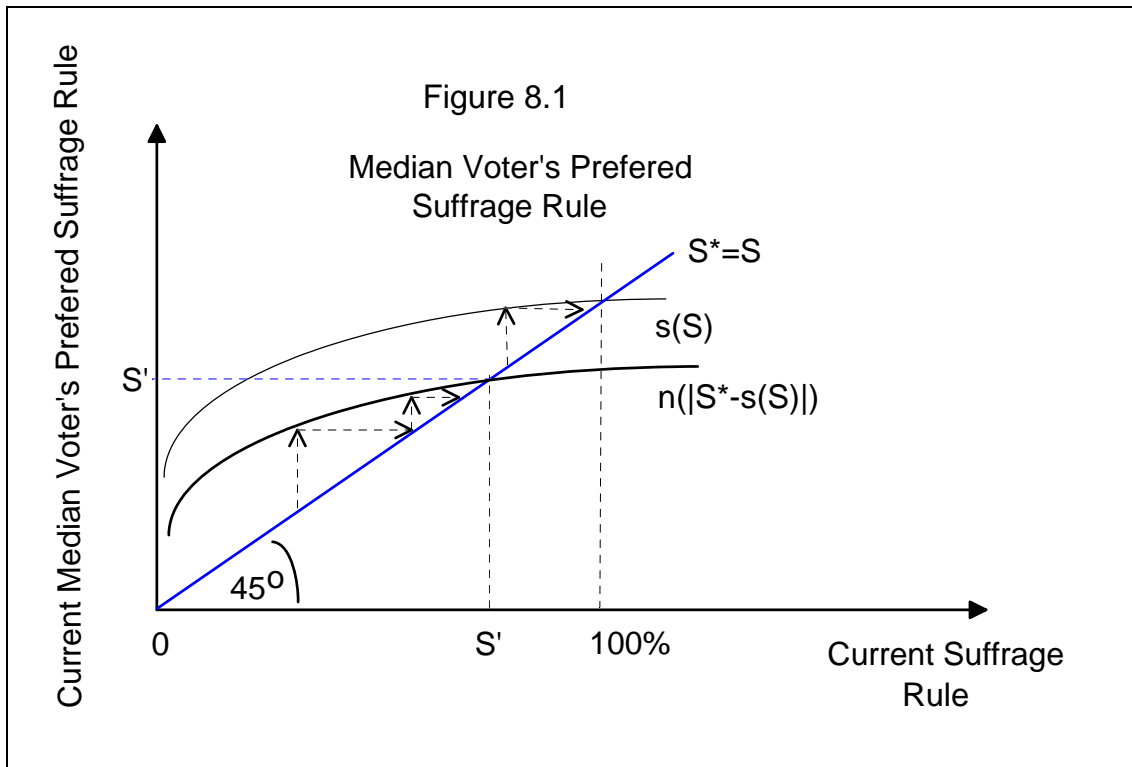
$$U_{TK} = [U_X (-C_G) Y_W / Y - U_G] G^*_{TK} + U_S v_{TK} = 0 \quad (8.7)$$

The effects of qualification-based suffrage norms on voter preferences, however, are less clear cut than a universal suffrage norm, because the tradeoffs depend on whether the existing laws are more or less inclusive than the normatively ideal suffrage law. Some persons may now favor laws that are more inclusive than they consider “ideal,” because including additional voters advance other policy interests.

Under a qualification-based theory of suffrage, as opposed to universal suffrage, stable suffrage law does not require that the median voter be a pragmatist or concerned about a slippery slope. A stable suffrage law under a qualification-based norm occurs when the existing suffrage law is consistent with that voter’s theory  $S = S^*$ . 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. In this sense, it can be said that the median voter is a

normative voter in equilibrium, because the existing laws exactly satisfies his or her normative theory of suffrage.

Figure 8.1 illustrates the equilibrium pattern of suffrage that tends to emerge when either universal or qualification-based suffrage norms are widely accepted by those eligible to vote. The first,  $s(S)$ , depicts a universal suffrage norm, which tends to produce universal suffrage, a corner solution. The second,  $n(|S^*-S|)$ , depicts an interior solution of the sort associated with merit-based theories of suffrage. It is interesting to note that a series of myopic suffrage reforms produces a series of discrete steps toward the equilibrium states, rather than a series of infinitesimal adjustments or great leaps, except in the neighborhood of the suffrage law equilibrium.<sup>67</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>67</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  $S$ .

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

At every suffrage-law equilibrium in figure 8.1, 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.) When the median voter's suffrage norm is the actual law, changes in the median voter's income *will not* induce the present median voter to change the existing suffrage laws.

At a suffrage law equilibrium, the present median voter remains entirely content with the existing pattern of law, whether he or she is motivated entirely by pecuniary interests or takes account of ideological ones as well. Economic growth and taste changes can affect the rules governing suffrage by affecting the marginal rate of substitution between suffrage and other desired services *only at points away from the normative equilibrium*, at which the marginal utility of suffrage reform is not zero.

Changes in the median voter's merit-based suffrage norms, however, can induce reforms by changing the equilibrium, but without necessarily leading to universal suffrage.

### **D. Ideological Groups, Persuasive Campaigns, and the Expansion of Suffrage**

Changes in social norms may, in principle, emerge idiosyncratically as individuals independently revise their norms in light of unique personal experiences, inspiration, or analysis. Alternatively, changes in norms may reflect events that affect a broad cross section of voters. New evidence may undermine some preexisting normative theories, while supporting others. A change in economic or political circumstances may favor persons with particular norms over others, which may induce others to revise their normative rules of thumb to better "fit the times." A new very persuasive book may be published that promotes a particular normative theory and/or challenges a widely held theory.

Norms may also change systematically when organization conduct persuasive campaigns. Campaigns may, for example, suggest that more persons are qualified to vote than previously thought, or that fewer are. In general, persuasive campaigns operate by subsidizing the production and dissemination of information that "demonstrates" the merits of their preferred reforms or shift in norms. Interest groups sponsor or write editorials, pamphlets, and books; they organize public addresses and meetings where information can be easily provided, and subsidize other organizations

and persons that can do so. Persuasive campaigns are educational, in the sense that they change the knowledge base of voters and/or high officials, which changes relevant predictions about future events, assessments of the relative merits of alternative policies, or change the norms used to judge the relative merits of alternative policy proposals.

Persuasive campaigns induce suffrage law reforms, whenever they can change the suffrage norms of the median member of parliament. They may also change the expected policy consequences associated with suffrage reform. To affect suffrage law, such campaigns would require changing the norms of a very broad cross section of voters (and nobles) in the context of the early nineteenth century. Nonetheless, the possibility of influencing day-to-day policy and constitutional decisions together with the effects that such reforms have on private economic and ideological interests creates incentives for those with interests at stake to influence the course of reform. Every country in the West that liberalized its suffrage laws did so after long campaigns by groups organized to promote suffrage expansion inside and outside government.

The advantages of scale and coordination imply that organized groups are often able to do so more effectively than individuals. With such organizational advantages in mind, the leaders of existing organizations may create special divisions to engage in a variety of lobbying activities for the organization (firms, unions, sporting clubs, ideological interest groups, etc.). *Formeteurs* may also create new organizations with the aim of influencing particular public policies.

### *A Model of Contributions to Suffrage Groups*

The public choice literature implies that investments in lobbying enterprises reflect the incentives of those who expect to benefit from their activities.

The relationship between suffrage norms and support for suffrage groups can be analyzed with a minor extension of the model developed above. When election laws are stable, the current pivotal member of parliament is completely satisfied with the existing suffrage laws, so that  $S^{v*} = s(T^{l*}, T^K)$ , as noted above. Consequently, the pivotal member and his or her supporters have no interest in supporting suffrage groups, because they are completely satisfied with the status quo. However, the pivotal member of parliament is not the only person that is relevant when interest groups can influence voter or MP choices. Those who favor more liberal election laws have an interest in supporting suffrage groups, if there is a chance that suffrage groups can persuade the median voter to change his suffrage norm. Those who favor more restrictive rules may similarly donate to groups lobbying for a more aristocratic electorate. Support for such groups provide individuals with a

method of increasing their (expected) utility over the status quo as long as such groups have a reasonable chance of affecting suffrage policies.

Consider the case in which new suffrage level  $S' > S_v^*$  is supported by a suffrage group. Individual supporters make donations,  $D_i$ , to the suffrage group in order to maximize their expected utility:

$$U_i^e = (1-p(\Sigma D_j)) u(X_v - D_i, G^v, n(|S_i^* - S^{v*}|)) \\ + p(\Sigma D_i) u(X_v - D_i, G_v, n(|S_i^* - S'|)) \quad (8.8)$$

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

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

which implies that  $D_i^*$  approximately satisfies:

$$P_D (U' - U^0) - U_x = 0 \quad (8.9)$$

Equation 8.9 implies that an individual's contributions to the suffrage group can be written as:

$$D_i^* = d(Y_i, S', S_v^*, \Sigma D_j, Y, Z) \quad (8.10)$$

with

$$D_i^*_{Y_i} = [P_D (1-t) (U'_x - U^0_x) - (1-t)U_{xx}] / -[(P_{DD} (U' - U^0) + P_D(U^0_x - U'_x) + U_{xx})] > 0 \\ (given U'_x - U^0_x > 0) \quad (8.11)$$

and

$$D_i^*_{\Sigma D_j} = [P_{DD} (U' - U^0)] / -[(P_{DD} (U' - U^0) + P_D(U^0_x - U'_x) + U_{xx})] > 0 \\ (given P_{DD} > 0) \quad (8.12)$$

Individual contributions increase as personal income increases and with the overall level of contributions, if persuasive campaigns exhibit constant or increasing returns. Such comparative statics are commonplace in interest group models of lobbying, although most such models do not usually account for ideological interests (Congleton 1991, Olson 1965).

The probability of suffrage reform increases as supporter income and the effectiveness of suffrage organizations increase, other things being equal, because the probability that the current

pivotal voter(s) is persuaded by the suffrage groups to adopt  $S'$  as his (her) suffrage norm, rather than  $S^*$ , is increased by contributions,  $P^* = p(\sum D_j^*)$ . Persuasion and lobbying activities become more effective as more resources are devoted to them, other things being equal.

### *Industrialization and the Effectiveness of Suffrage Groups*

Other things, however, are not always equal. Reductions in censorship, technological innovation, and industrialization in the late eighteenth and nineteenth centuries made effective suffrage groups more likely to emerge than had been the case in previous centuries. Industrialization alters the manner in which economic resources are employed throughout the economy by increasing capital intensity and specialization. Industrialization stimulates technological innovation and tends to increase the average size of commercial organizations. Industrialization thereby changes the relative cost and benefits of organizing politically active interest groups, many of which may have an interest in suffrage and other reforms.

The same improvements in coordination, communication, and transport that allow economic entrepreneurs to assemble and manage large numbers of employees in many locations also allow political entrepreneurs to assemble and coordinate the political activities of large numbers of individuals in many locations. The costs of organizing interest groups are further reduced by the urbanization associated with industrialization.<sup>68</sup> Potential group members are also accustomed to participation in joint enterprises in which rules are to be followed and deference to leaders is routine. Industrialization also tends to increase the incomes of many persons that favor political liberalization, including broader suffrage, and an increase in income among those with an interest in suffrage reform tends to produce better financed and more effective suffrage groups. Both employees and employers often share common economic interests and in many cases ideological interests as well, as often was the case with respect to trade and suffrage liberalization in the nineteenth century.

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 anti-suffrage groups. This tended to be true in the West during much of the nineteenth century, as developed in Part II of the book. For example in England, industrial centers were underrepresented in Parliament, which made it difficult to press for economic policy reforms without first pressing for

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<sup>68</sup> Locating firms close to one another tends to reduce the cost of transporting intermediate goods and providing specialized services to large enterprises and their employees.

electoral reform. The effects of industrialization on interest group activities thus tended to reinforce liberal tides in other policy areas as well, such as education reform, reductions in internal and external trade barriers, and reapportionment.

The number of politically active groups increased throughout the nineteenth century. Many late nineteenth century, politically-active, interest groups had relatively narrow policy agendas in education, trade, public health, trade, debt, and labor law. Such groups often had overlapping supporters and members, and many also supported modest (or radical) suffrage expansion. Consistent with the model developed above, their memberships were not drawn entirely from the unenfranchised. They were often financed by and led by those who could already vote, but who had normative interests in policy reforms.<sup>69</sup>

Reductions in organization costs allows a broad range of new interest groups to be formed and a broad range of persuasive campaigns to be undertaken. The new groups will include supporters and opponents of reform, and the public policy debates may be quite intense, as opponents attempted to attract the attention of officeholders, voters, newspapers, and the public at large. However, persuasive campaigns inside and outside government are not the only methods used by the interest groups that attempted to influence public policy.

### **E. Emergence of Political Parties and Partisan Interests in Suffrage Reform**

When prosuffrage movements succeed, politics gradually becomes depersonalized in the sense that fewer voters personally know the candidates running for office. Voter assessments of candidates, consequently, become more and more indirect, as secondary sources of information substitute for direct knowledge. News accounts, pamphlets, the recommendations of knowledgeable persons, and gossip, thus, increasingly determine voter assessments of the relative merits of candidates. These indirect sources of news can be manipulated (and augmented), which allows candidates and groups to conduct “campaigns” for office, rather than passively away election results once nominated.

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<sup>69</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.

Candidate efforts to engage in persuasive campaigns exhibit the many of the same economies of scale that other persuasive campaigns do. And, those same economies of scale imply that a single organization can organize campaigns for several candidates at a lower average cost than for a single candidate. Average campaign costs are further reduced when the candidates supported have similar policy goals and sponsors. Similar arguments and speakers can be used to promote several candidates.<sup>70</sup> It is thus sensible for candidates or other formeteurs to form organizations to orchestrate the political campaigns of candidates with similar policy agendas.

Through time such political clubs may gain a reputation for supporting talented candidates with particular policy aims, which further reduces the cost of informing voters about candidates.<sup>71</sup> Campaign organizations may also engage in a variety of loyalty building and promotion activities among voters, such as organizing parties and festivals at which candidates or their supporter's speak, particularly at or near election days. Simply being a participant at such parties provides voters with useful information about the candidates. Indeed, parties and party affiliation can be electorally more important than the candidates themselves in settings in which electoral politics becomes a mass marketing affair. 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.

To the extent that the pool of "partisan" voters can be increased through suffrage reform, the political parties that expect to profit (or lose) from those voters have *organizational* reasons to support (or oppose) suffrage expansion in addition to the fiscal and ideological ones mentioned for voters. Suffrage reform can sometimes create a relatively stronger base of future electoral support.

During the early and mid-nineteenth century, liberal parties generally pressed for suffrage expansion, while conservative parties defended the medieval order, with its 5-10% suffrage, noble chambers, aristocracy, and state church. As suffrage reform became more likely because of ideological and electoral trends, conservative parties also became increasingly prosuffrage. Indeed, "conservatives" would sometimes initiate suffrage expansion in order to control the details of the

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<sup>70</sup> There are other advantage in creating and joining organizations that promote candidates with similar ideological positions. 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.

<sup>71</sup> 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.

reform. In such cases, partisan interests clearly trumped ideological ones. Towards the end of the nineteenth century, liberals were joined by social democrats in their efforts to expand suffrage. The fact that a political party's slate of recommended candidates must be elected to affect legislation means that parties must be sensitive to changing voter interests *and also to those of nonvoters who may one day be able to cast votes.*

The influence of organized "political clubs" (parties or factions) tends to grow as the number of votes required to win office increases and as parliamentary majorities become an increasingly important determinant of public policy.

## **F. Specialization, Labor Unions, and Suffrage Reform**

Another manner in which organizations may influence policy outcomes involves direct trades of money or support for policy changes. For example, completely legal bribe-like transactions can be arranged. A high-paying part-time jobs may be provided for high officials who favor the "proper" policies. Such jobs were offered by kings and industrial interest groups during the eighteenth and nineteenth centuries. Illegal bribes and threats can also be used, although only at the margins, insofar as laws against such deals were actively enforced. These techniques extend back to medieval times, as noted above, and the emergence of new wealthy persons and organizations increased the number of the persons in positions to offer such trades during the nineteenth century.

Conversely, one may threaten to withhold support or reduce someone's income in exchange for support on particular policies. When the threat is violence, this bargaining technique (extortion) is illegal; however, many similar threats are perfectly legal. As industrialization takes place, specialization increases, and personal income becomes increasingly dependent on the availability of other complementary resources and on the presence of a more or less reliable demand for their employer's outputs. Farmers need seeds and farm animals. Farmers that ship their produce to market via railroads need, railroad engineers, efficient steam engines, track, coal, water, and steel as much as they need seeds and farm animals. The more specialized production becomes, the more interdependent are the incomes of persons engaged in production. That interdependency allows organized groups to threaten to reduce the incomes of those outside the group by collectively withholding their inputs (labor or capital) from the market, as with boycotts, strikes, and strike threats.

*Industrialization and the Effectiveness of Strike Threats*

Consider the following model of bargaining between the present median voter and a prosuffrage group with a credible 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>72</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.

Note that fiscal effects allow 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, strike threats place the median voter in a situation similar to that analyzed in chapter 7 in which the tax base is partly determined by suffrage levels. The pivotal voter will be willing to vote for the suffrage expansion requested by the

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<sup>72</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.

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.<sup>73</sup>

During the late nineteenth century, labor unions representing unenfranchised blue collar laborers were normally more interested in higher wage rates, improved working conditions, and limiting work weeks than in suffrage extension, although they normally advocated broader suffrage rights along with their main interests. There were a few occasions in the early twentieth century (in Sweden and Belgium) in which strikes played a significant role in negotiations to reduce tax/income thresholds for suffrage rights. Suffrage reforms in such cases are a consequence of fiscal-suffrage bargaining between outsiders and insiders analogous to those discussed in chapters 6 and 7. Similar effects can be generated through output boycotts and threats to migrate to other polities. Any credible threat to reduce tax revenues or the income of fellow taxpayers can have an effect on public policy and constitutional bargaining because it changes the tradeoffs among policy options.

Large scale boycotts or strike threats, however, are not easy to organize and, as true of many interest group activities, may be suppressed by those whose interests are advanced by the status quo. Suppression, however, is more difficult in highly industrialized settings, because of the same economic interdependency that makes such threats effective. There are various "choke points" at which a relatively small organization can have large effects on the economy as a whole, as with rail road strikes in the late nineteenth century.

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

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<sup>73</sup> 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.

incomes, as is true of women, consumers, environmentalists, farmers, steel mill owners, and laborers in different industries. There are several contemporary non-class-based economic interest groups that have considerable influence over contemporary public policy including the American Association of Retired Persons (AARP) and the Organization of Petroleum Exporting Countries (OPEC). In the case of interest here, however, the constitutional interests of *unenfranchised men* 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 class.

In the nineteenth century and most earlier periods, income, wealth, religion, and sex had all been used to determine what might be called one's civil status.

### **G. Conclusions: Western Democracy as a Consequence of Constitutional Reform**

We now have three series of models that together provide explanations for a largely peaceful and gradual emergence of parliamentary democracy. The first accounts for the emergence of policymaking institutions and for the widespread use of the king and council template. The second demonstrates that when applied to territorial governance, the king and council template provides a continuum of governmental types and distributions of policy making authority. Within that template, kings may gradually bargain away their authority in exchange for tax revenues and other support. The third suggests that the basis for membership in the parliament tends to be somewhat less flexible, but nonetheless demonstrates that suffrage can be gradually expanded by parliament when suffrage norms change or interest groups press for liberal economic and political reforms. Rules for selecting members of parliament and kings may also be adjusted through time.

The analysis suggests that these are substantially, although not entirely, separate processes. Many of the "shocks" that can produce new gains to organization will not produce constitutional exchange between the king and council. Many of the "shocks" that produce constitutional gains to exchange between the king and council will fail to produce parliamentary support for reforms of the rules through which members of parliament are chosen. On the other hand, there are changes, such as shifts in widely-held normative theories, that can produce support for suffrage expansion, new opportunities to shift authority from the king to the parliament, and encourage the formation of new nongovernmental organizations.

The constitutional bargaining models of chapters 5 and 6 imply that the politics of constitutional reform is in many ways similar to the politics of ordinary legislation. New gains to trade tend to emerge when a king's need for new taxes is greater than his wish for control over particular areas of public policy, and parliament's interest in additional authority in those areas is greater than the opportunity cost of additional taxes. Similar gains to trade also emerge when the theories of governance of the king and pivotal members of parliament shift in the same direction. Chapter 7 and 8 demonstrate that similar bargains over suffrage tend to be less common, because non-voters lack political property rights that can be traded to those who can vote. The median voter under a given suffrage law normally want to remain the median voter. This allows "him" to obtain the best fiscal package that is possible (given the authority of the parliament relative to the king). Suffrage law and other selection procedures, thus, tend to be more stable through time than the distribution of policymaking authority between a king and council or between a king and parliament.

Nonetheless, there are occasions at which members of parliament will have an interest in changing suffrage laws. Three such cases were explored in chapter 8. The first involved changes in the normative theories of governance that can induce the median member of parliament to favor electoral reform. These are not changes in "tastes" in the sense used by economists, but changes in the theories used to understand and assess the relative merits of alternative reforms. Such changes can occur spontaneously as theories are adjusted at various margins to account for new possibilities or new evidence. They may also be induced through organized persuasive campaigns of interest groups.

The second reason that suffrage laws might be reformed involves changes in the organizational interests of the political parties. Political parties that expect to obtain the electoral support of new voters, or that hoped to reduce the increase of their rival, will often press for suffrage reform for entirely pragmatic reasons. The third involve constitutional bargains analogous to trades between kings and parliaments with veto power over taxes. An organized interest group that can engineer an "input boycott" can reduce tax revenues for persons already entitled to vote and thereby reduce the value of the present fiscal package. Expanding suffrage in this case may improve the fiscal package relative to that associated with a long strike or a long series of strikes. Similarly, a coalition within parliament that favors suffrage expansion for ideological or pragmatic reasons may provide support for other policies in exchange for support on suffrage reform.

Liberalism and industrialization tend to be associated under these mechanisms, because the liberal reform agenda tended to advance the economic interests of industrialists and many of their

employees. A liberal trend can be produced when industrialization produces new support for politically-active, liberal, interest groups. Industrialization tends to gradually increase the income of likely supporters. Such trends may be reinforced by technological advances associated with industrialization. Interest groups become easier to organize as communication and transportation costs fall and as techniques for managing large groups improve through time. The urbanization associated with industrialization further reduce organizational costs at the same time that it produces new interests in policy reform, many of which involve local services rather than constitutional issues.

### *Absence of Revolutionary Threats*

The intensity of some debates and associated “revolutionary rhetoric,” over constitutional reform is not usually evidence of revolutionary organizations or threats, but simply evidence of the importance of particular reforms for politically active organizations and their supporters. What Tilley (2004) calls contentious politics is a predictable consequence of disagreements over reforms in which the stakes are high. Revolutionary rhetoric was used by organizers throughout the period of interest, but few true revolutions were in the offing. Such rhetoric clearly helped motivate members of pro-reform interest groups, but it was only a subset of the factors that produced the long series of reforms leading to Western democracy.<sup>74</sup> It takes more than rhetoric for reforms to be adopted.

For the most part, as demonstrated in part II, Western democracy emerged gradually over the course of a century or so, as a consequence of a series of fairly small reforms. Revolutionary threats were rarely very important, although public demonstrations of support were often associated with reforms. It bears noting, for example, the last and largest group enfranchised were woman, who lacked organizations that could easily disrupt economic activity or provide a credible revolutionary threat, but who organized peaceful demonstrations and who were increasingly considered able to cast an independent and sensible vote. Similar expansions of suffrage took place among all the Western democracies in the years before and after World War I. Women were enfranchised by persuading male voters to extend the franchise the them, rather than by overthrowing a dictatorial regime through force of arms.

Chapters 7 and 8 note that many of the same conclusions hold concerning suffrage, although the impulse for suffrage reform tends to differ somewhat from that of parliamentary reform. The reforms of suffrage is also choice along a constitutional continuum, rather than a choice between

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<sup>74</sup> As noted above and in chapter 19, the direction of causality does not appear to be unidirectional. As suffrage was extended in northern Europe, additional economic liberalization tended to take place as well.

“democracy” and “dictatorship,” as is often claimed. Suffrage can become more and more inclusive and still not be universal. Again small changes are more likely to be adopted than large ones. These tendencies are reinforced by the constitutional conservatism that a factor in most organizational reforms. Every reform can produce surprise results; the smaller the reform, the less likely unpleasant surprises are to be the smaller they tend to be. Gradual, but discrete, reforms are implications of the analysis. Because shifts in authority are adopted through constitutional means, the models suggests that the reforms will tend to be relatively small in magnitude and that a relatively small number of reforms is likely to be adopted at a given time.

Chapters 7 and 8 imply that democracy does not arise, because it is a “superior or normal” good in the usual economic sense. The current median voter of a narrow electorate is normally quite content with the election laws that made him or her pivotal, regardless of how restrictive they are, or how high their income is. Rather, the analysis suggests that democracy may be indirectly produced by shifts in the theory of government and an increase in the relative effectiveness of prosuffrage interest groups.

It bears noting that liberal ideas and industrialization are not the only factors that can produce pressures for political and economic liberalization within the models developed in part I. For example, the exit options of citizens and yardstick competition may encourage liberalization. The exit options of labor and capital can induce liberal economic reforms. Policies that are demonstrated to increase tax revenues are of interest to most governments. Strategies for increasing parliamentary control and organizing more effective liberal interest groups are of interest to all members of parliament and all potential formeteurs of interest groups. The exit options of large blocks of voter-citizens may encourage political liberalization, when public policies induce sufficient emigration. Knowledge of the constitutional reforms of other governments were widely known and copied among the countries that liberalized in the late nineteenth century.

Such factors clearly played a role in the emergence of relatively liberal economic and political institutions in the seventeenth century in both the Netherlands and in the British colonies that eventually became the United States of America, as developed below in chapters 15 and 18. Both labor and capital could choose among provinces and colonies. They tended to be attracted to those with more open political and economic systems. In this manner, competition for productive resources encouraged substantial economic and political liberalization among the Dutch provincial and American colonial governments.

In those cases as well, successful liberalizations tended to be accomplished through gradual—piecewise—reform, rather than revolutionary—whole cloth—reinventions of governance. No sudden enormous breaks with the past were necessary for democracy to emerge from medieval parliamentary regimes in Western Europe and Japan, nor were class consciousness and civil war necessary preconditions for liberal reform.

*Empirical Support Is Needed*

The models of part I provide a schema for thinking about transitions to Western democracy that allows the possibility that a long series of reforms could have gradually produced Western democracy. Part I has included several illustrating examples from European history that suggest that the models can account in broad terms for some of the institutions and reforms that led to parliamentary democracy. These demonstrate that the analysis has at least some relevance, but are not enough to prove the models are broadly applicable. With the pursuit of more evidence and applications in mind, part II provides a series of much more detailed constitutional narratives written with the implications of the models of part I in mind, and with a focus on constitutional negotiations and reforms.