I. Introduction: the Suffrage Revolution of 19th Century Europe

A. Two revolutions occurred gradually in Northern Europe during the nineteenth century and first part of the twentieth century.

i.   First, there was a shift of political authority from kings to parliaments.

ii. Second, parliaments became more broadly grounded in popular suffrage.

iii. These century-long shifts in the locus of political power were major events, although the individual shifts of power and expansions of suffrage were often, themselves, relatively small events.

iv. Nor were these two shifts of policymaking power entirely connected.

   a. For example, European parliaments had occasionally gained power in previous periods without a broadening of their electoral base, which prior to the 1800 were generally limited to well-organized elites.

   b. The democratic parliaments that emerged by 1920 were radically different from the governments that Europe or most of the world had known in previous recorded history.

   c. These new European governments were, thus, revolutionary, although not products of war or sudden breaks with the past.

II. Stable Suffrage Restrictions under Majority Rule

A. In a polity where all citizens are eligible to vote and a median voter exists, two-candidate or two-party competition for office tends to converge to the policy preferences of the median voter.

B. If voters have similar tastes but have different incomes, the median voter tends to be the "*voter*" with the median endowment of capital and labor and public policies tend to be those which maximize his or her net benefits.

C. Note, however, that the median voter is not always *the citizen* with median income, because the distribution of citizenship may differ from the distribution of voters.

i.   For much of the history of parliamentary systems, eligibility to vote was determined by wealth or tax payments, and consequently, the median voter was generally a citizen with substantially more income than that of the median resident.

   ◆ These wealth-based systems of suffrage were extremely durable within Europe.
   ◆ And the concept of wealth-based qualifications for suffrage clearly dates back at least to Greek times. (For example, Aristotle mentions wealth-based suffrage in the *Politics.*)

ii. In modern democracies, suffrage eligibility is generally determined by citizenship and age, with the consequence that the median voter is older than the median citizen.

D. Suffrage restrictions can easily be incorporated into the standard electoral model.

i.   To account for the effects of suffrage law, all that needs to be done is to characterize how the electoral laws affect *the distribution* of voter policy preferences.

   ◆ If restricted suffrage has no affect on the shape or center of this distribution, than suffrage laws will not affect public policy.
   ◆ However, **if suffrage laws affect the identity (interests) of the median voter**, then public policies will vary systematically with the suffrage laws.

ii. (Note that such effects may vary by policy. For example, "rich" and "poor" voters might have similar demands for environmental policy, public education, and economic growth--but quite different demands for airports, public health insurance, and public parks.)

E. If suffrage laws affect public policies, it follows that suffrage reform will also affect public policies.

i.   Consequently, the present median voter will tend to oppose suffrage reform--regardless of the nature of the election law.

ii. Insofar as public policies advance the interests of the current median voter, any reform of election law that changes the median voter (whether expanding or contracting the electorate), will make the present median voter worse off.

iii. Thus, if the median elected representative, cast his or her vote on suffrage reform strictly according to the fiscal interests of the median voter, suffrage reform will never be adopted.

iv. The fiscal effects of suffrage reform make the median voter worse off, and thus, the median voter will oppose all such reforms--other things being equal.

F. Note that this same logic implies that an increase in prosperity will not necessarily lead to expanding suffrage.

i.   As income increases, the median voter's demand for other (normal) goods and services tends to increase, but not his or her demand for suffrage.

   ◆ Suffrage is already at a "bliss point" and additional wealth or income does not affect demands for services that are at bliss points. [draw diagram]

ii. Indeed, the effect of a general increase in wealth tends to be restricted suffrage rather than suffrage expansion.

- Under wealth based suffrage law, economic prosperity expands the electoral roles without requiring new suffrage laws.
  - More people simply qualify to vote under a wealth standard as income and wealth increase.
  - Thus, a median voter that wanted to preserve his or her position as the median voter, would favor raising the wealth or income qualifications for suffrage during periods of rising income--and favor lowering them somewhat during periods of decline.
  - In this sense, democracy is an "inferior" good rather than a "superior" good in strictly economic terms.

iii. In sum, the median voter at any given point in history will be completely satisfied with the preexisting suffrage constraints, at least as far as his fiscal interests are concerned, because those constraints made him the pivotal voter!

   a. The use of majority rule in elections and within parliament does not, by itself, generate a political impulse for universal suffrage.

   b. The present median voter is content to be the median voter and has no interest in enacting laws that will "worsen policy" by creating a new median voter.

   c. In a stable economic and political environment, there can be no *effective* electoral pressure for electoral reform, based on narrow conceptions of self interest.

III. Tax-Base and Ideological Considerations in Suffrage Reform

A. Differences in individual circumstances, tastes, and ideology imply that many citizens will be dissatisfied with the existing rules governing suffrage, including many who are entitled to vote.

i. For example, voters with relatively more wealth tend to prefer more restrictive rules, and voters with relatively less wealth tend to prefer less restrictive rules.

ii. For such dissatisfied citizens, election law reform can generate a new median voter whose preferred policies are closer to their own.

iii. The question addressed in the remainder of this lecture is whether such demands for suffrage reform might indirectly affect election law through legal, although possibly nonelectoral, means.

B. The "tax constitution" implicit in the model used to this point allows the government to tax anyone that it wishes, although all taxpayers must be taxed at the same rate.

i. Suppose, for example, that the "tax constitution" required only those with the privilege of suffrage to pay taxes.

- Such reasoning clearly played a role in the early European and American theories of representation, insofar as only substantial taxpayers were given the privilege of voting or were eligible for positions in parliament--and those not represented were not directly taxed.
- Similar logic also applies to settings where territorial boundaries limit both tax base and electorate.
  - If a group petitions to be included in a polity, it normally negotiates for representation or suffrage rights before agreeing to enter and pay taxes.

ii. In such cases, suffrage rules not only determine the identity of the median voter, but **also the tax base** available to the polity.

iii. When the polity's tax base is affected by the degree of suffrage, the present median voter may have a fiscal interest in suffrage reform.

   a. It remains the case that changes in suffrage laws will generate a new median voter who will have different demands for public services and also for suffrage laws, but in this case there are "benefits" as well as "costs."

   b. In some cases, the fiscal loss from a new median voter tends is less than the fiscal gain associated with a broader tax base.

   - If the anticipated advantage of a lower tax price for services more than offsets the losses associated with a "slightly" less attractive overall fiscal combination, the median voter will favor suffrage reform.

iv. In such cases, it is clear that economic growth would play a role in this process of suffrage reform.

   a. Economic development increases the wealth and tax-worthiness of the presently **untaxed non-voters**.

   b. A large enough increase in the taxable income or wealth of the unenfranchised can induce changes in election law in polities where it is easier to change election law than tax law.

   - Normally the reverse is true: it is generally easier to change tax law than election law, thus normally it will be tax law rather than election law that will be reformed.

   c. Note, however, that one cannot tax persons outside a community of country--short of conquest--unless new territories or countries join the federation.

   - Thus, this case applies most naturally to confederal governance, and to local decisions to merge communities.

v. Ignoring the unusual cases, however, the analysis to this point suggests that changes in income or in the distribution of income are unlikely to motivate suffrage reforms, except in unusual fiscal circumstances.

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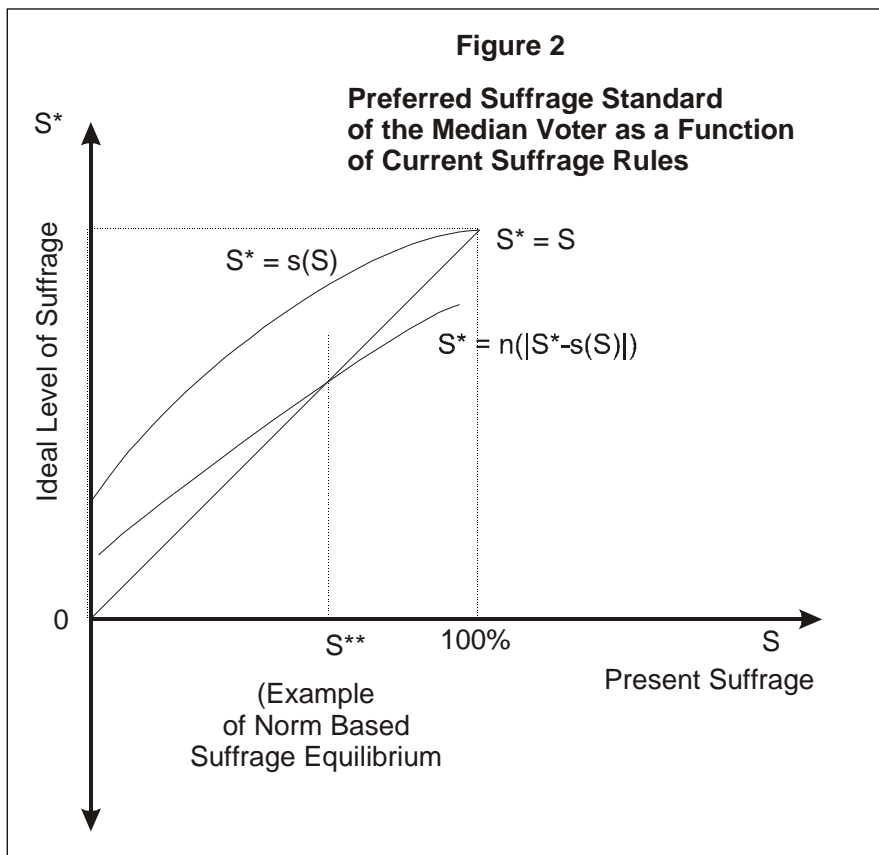   -
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C. Ideological Change and Constitutional Reform

i. We now consider the case in which at least some voters, including the median voter, have a **direct interest in suffrage law**--beyond that implied by its fiscal effects.

ii. Such voters may be said to have an ideological (or normative) interest in suffrage law in addition to the fiscal interests analyzed above.

   a. The normative or ideological theories of such voters imply that the breadth of suffrage--what is often referred to as "scope of democracy"--is an "end" in itself, as well as a "means" to secure public goods and services.

     ◆ It may be widely felt that all property owners, all gainfully employed adults, all competent adults, or all adults should be entitled to vote.

     ◆ Such theories may imply that suffrage is a "right" or an "entitlement" belonging to all "qualified" citizens, rather than a privilege of birth or royal favor.

   b. When the current rules are more restrictive than the suffrage norms, suffrage expansion would be widely considered to be a praiseworthy policy and, consequently, attract public expressions of support, even by those who might privately be opposed. (Kuran 1989 or Brennan and Hamlin 2000).

     ◆ In all such cases, citizens would **maximize a somewhat more complex utility function** than assumed above.

iii. In effect, such ideological theory create another source of demand for suffrage law, which implies that **the present median voter may not be at a bliss point**.

   a. Nonfiscal interests in suffrage law implies a new tradeoff between the median voter's interest in obtaining his or her ideal pattern of private and public services (best fiscal package) and his or her interest in suffrage rules for their own sake--as part of the good society.

   b. 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.

D. Two types of suffrage norms are of interest.

i. First, consider the case in which **suffrage is a good** in the usual economic sense that the marginal utility of suffrage is always positive for the median voter.

   a. This might, for example, arise because voters internalize a democratic ideology or because such views are economically and socially rewarded.

   b. Suppose further, as has been assumed above, that the median voter proposes his or her preferred electoral reform, subject to veto by his or her successor.

   c. The reforms recommended by the present median voter take account of the fact that the new median voter may select a different combination of services and taxes than that preferred by the current median.

   d. The new median will not be inclined to veto the proposed reform, because the new median voter is clearly better off under the new rules. He or she is now able to obtain his or her ideal pattern of public policies.

ii. Alternatively, suffrage norms may not resemble those of ordinary goods or bads, but rather ideal level of suffrage may be judged relative to some widely held **normative theory**.

   a. For example, merit-based theories of suffrage imply that those who are properly qualified should be entitled to vote, but no others.

   b. In polities where suffrage norms are reasonably uniform and widespread, the nonfiscal utility of suffrage can be modeled by characterizing the distance the present laws are from the ideal state.

     ◆ If the current laws are $S = s(T^L, T^K)$ and the accepted ideal is, S^*, then the ideological demand can be written as $I^d = n(|S^* - s(T^L, T^K))$.

iii. A median voter who accepted a merit-based theory of suffrage would still face tradeoffs between advancing electoral norms and maintaining control over public policies.

   a. And, there may again be a "slippery slope," but in this case the sequence of suffrage adjustments would stop when a median voter is reached who considers the present suffrage rules to be ideal--or is himself or herself disinterested in suffrage as an end in its own right.

     ◆ At the ideal suffrage level, the marginal utility of further suffrage reform falls to zero, $U_S S_{TL} = 0$ and $U_S S_{TK} = 0$, and a stable equilibrium obtains.

   b. After reaching such a normative equilibrium, it is clear that increases in income will *not* induce further expansions of suffrage.

     ◆ At the norm-based equilibrium, the marginal utility of changing suffrage laws is zero, and thus, 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.)

   c. 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.

     ◆ Intuitively, the present median voter remains entirely content with the existing pattern of election law. He or she gets the fiscal package that is most attractive under an ideal combination of suffrage laws.

iv. **Changes in the norm**, however, can induce new reforms to be undertaken, insofar as $U_S S_{TL}$ and $U_S S_{TK}$ no longer equal zero.

v. Figure 2 illustrates the equilibrium patterns of suffrage that tend to emerge under these two types of normative theories of suffrage.

   a. These two types of norms have differnet suffrage demand functions associated with them.

   b. 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.

   c. The second, $n(|S^*-S|)$, depicts an interior solution of the sort associated with a merit-based theory of suffrage.

   d. [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.]

Figure 2

Preferred Suffrage Standard of the Median Voter as a Function of Current Suffrage Rules

(Example of Norm Based Suffrage Equilibrium)

IV. Suffrage Movements

A. The previous section suggests that industrialization itself is unlikely to generate directly a parliamentary interest in suffrage reform unless industrialization changes suffrage norms or a preexisting link exists between the degree of suffrage and the size of the tax base.

B. Insofar as new suffrage norms are not obvious products of industrialization and suffrage-based tax constraints are not widely observed, the analysis to this point has failed to find a direct causal link between economic growth and major reforms of suffrage laws.

C. Of course, economic growth of the sort generated by rapid industrialization does more than simply increase wealth.

i. It also alters the manner in which economic resources are employed throughout the economy being industrialized.

    ◆ By doing so, industrialization *also changes the relative cost and benefits of organizing politically active interest groups.*

ii. Many of the same technological advances that allow large industrial firms to be created and managed successfully also **reduce the costs of forming and managing large politically active interest groups**.

   a. For example, the same improvements in communication and transport that allow economic entrepreneurs to assemble and manage large numbers of employees in the pursuit of profit also allows political entrepreneurs to assemble and coordinate the political activities of large numbers of individuals who share ideological or economic interests.

   b. 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 another and within a well-functioning network of communication. Industrialization also induces firms to locate close to one another in order to reduce the cost of transporting intermediate goods and providing specialized services to large enterprises and their employees.

   c. Economic development, consequently, tends to increase population densities, which further reduces the costs of organizing politically active groups.

iii. 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.

iv. In addition to promoting the growth of "persuasive" political and economic interest groups, industrialization also provides some economic interest groups with more powerful tools for influencing public policy.

   a. As industrialization takes place, larger firms tend to become larger and both labor and capital tend to become more specialized.

   b. 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 temporarily withholding resources from the market, for example, through **strikes and strike threats.**

D. Perhaps the most obvious of the interest groups that can be expected to influence election laws are groups formed to promote suffrage per se.

  i. Suffrage groups use a variety of means to lobby those with the power to change the laws governing eligibility for suffrage.

  ii. Within the present model, such groups will be effective if they either induce an entirely new preference for suffrage or induce a change in the norms that determine the proper scope of suffrage.

   a. 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.

   b. The better organized an interest group is, the more support it will receive, other things being equal.

  iii. In a setting where a nonfiscal interest in suffrage exists, support for suffrage movements will not come exclusively from those who are currently disenfranchised.

   a. The analysis above suggests that contributions to suffrage groups would be made by all citizens with an interest in broader suffrage.

   b. 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.

  iv. Economic development, consequently, tends to increase prospects for suffrage expansion by indirectly providing suffrage organizations with new resources for use in their persuasive campaigns.

  v. However, industrialization increases the probability that suffrage-expanding reforms will be adopted, only if the resources flowing to suffrage movements increase relative to those flowing to antisuffrage movements.

   ◆

E. Economic Interest Groups: the Labor Movement and Suffrage Reform

  i. Economic growth also empowers economic interest groups for the same reasons and, moreover, provides those groups with additional tools for influencing ordinary public policies and constitutional law.

  ii. By deepening the process of production and making greater use of specialization, industrialization tends to increase the economic independence of all agents within the economy both at the margin and inframarginally.

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

   a. The increase in specialization that occurs during industrialization implies that strike threats become a more powerful tool for influencing public policy, one that will often be more effective than persuasion.

   b. Bargaining with a strike threat differs in several ways from usual characterization economic bargaining where both sides benefit from exchange.

   ◆ A strike threat confronts those being struck with two alternatives, neither of which is as attractive as a no-threat setting.

   ◆ On the one hand, the struck party may accept the economic losses associated with being struck; on the other hand, the struck party may accept an otherwise undesirable contract.

  iv. The bargains reached under strike threats, consequently, do not necessarily make both parties better off in the short or long run and may, in fact, make both parties worse off.

   a. In the conventional economic setting, a new labor contract entails higher wage rates for the striking employees and lower profits for the nonstriking resource owners, often characterized as "firms," that is, employers or owners of the firm's capital.

   b. Firms may accept wage contracts that eventually cause them to become bankrupt, and workers may pay a higher price in lost wages during any strikes that are in fact implemented than they recoup in the subsequent wage contract.

   c. New legislation may similarly cost more than it generates in overall benefits in both the short and long run.

   d. As in a rent-seeking game, the losses generated by conflict can easily make all parties worse off as conflict intensifies.

  v. Nonetheless, a strike threat can be used to obtain 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.