

Polarized America: An Update

Nolan McCarty, Susan Dod Brown Professor of Politics and Public Affairs at Woodrow Wilson School, Princeton University

In *Polarized America: The Dance of Ideology and Unequal Riches* (published in 2006 and updated in 2016), Keith Poole, Howard Rosenthal, and I document several important trends related to the political economy of the United States. The most important is the tremendous increase in the partisan and ideological conflict in Congress and political elites more generally. During the middle of the 20th Century, both political parties were very heterogeneous with substantial leftwing, moderate, and rightwing factions. Bipartisan compromise on major policies was common as both parties subscribed to the tenants of the Keynesian welfare state. This bipartisan consensus, however, began to break down in the late 1970s resulting in a sharp partisan polarization. This polarization is primarily the result of the Republican party's move towards a more purist free market/small government position.

A second major finding of the book is to note that throughout much of US history, partisan polarization has correlated very strongly with levels of economic inequality. Political polarization and economic inequality had been high during the Gilded Age of the late 19th Century, both were low during the post-World War II years, and both phenomena have been increasing sharply since the 1970s.

Given the conjunction of these two trends, my collaborators and I set out to explain why political polarization and economic inequality seemed so tightly connected. Our argument is that these developments are mutually causal and form a positive feedback loop where polarization begets more inequality and more inequality begets more polarization. The effect of inequality on polarization arises for two reasons. First,

increased inequality leads to increasingly divergent policy preferences across income groups. Correspondingly, we find that income became an increasingly good predictor of voting and partisan identification from the 1970s to the 2010s. Second, increased inequality increases the relative importance of campaign funding from wealthy citizens. Polarization enhances inequality because of its constraining effects on government policies designed to ameliorate inequality. In the US system, large supermajorities are often required for legislative action. Thus, historically, bipartisan cooperation was needed to pass major reforms. Polarization, however, has made it much more difficult to respond to the economic and demographic shocks which have produced our high levels of inequality.

In the 2016 revision of the book, we found that the trends in polarization and inequality had persisted (as would be predicted given the feedback loop). Our arguments about the linkage between inequality and polarization were also validated. Our 2013 book, *Political Bubbles: Financial Crises and the Failure of American Democracy* applies these arguments specifically to the US financial crisis and Great Recession. There were some significant differences, however. Most importantly, we note that beginning in 2010 Republicans were increasingly successful in winning the legislative seats in areas dominated by low-income white voters – perhaps a precursor to the Donald Trump coalition of 2016.

The outcomes of the 2016 election, however, deviated in some important ways from the long-term patterns. The election between Hillary Clinton and Donald Trump was quite different than previous elections including that of 2012. The



2012 election with candidates Mitt Romney and Barack Obama was a contest between a very free market Republican and a center-left Democrat – the pattern that had emerged as the parties polarized. But Clinton and Trump were very different. Clinton was much more identified with the “money wing” of the Democratic Party than Obama. Thus, she was less of an anathema to higher income voters. Trump, on the other hand, was far more populist than Romney. He had distinctively un-Republican views on trade, entitlements, infrastructure, and legal immigration. So many upper-income and college educated voters were not giving up very much when they decided to vote against him on the grounds of ethno-nationalism and misogyny. Thus, the continued polarization of the parties may have considerably less to do with economic policy and redistribution and more to do with racial and ethnic identity politics.