

Economics For Policy

# Short Articles Series

Political Polarization in the U.S.: The Effect of Globalization

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# **Political Polarization in the U.S.**

The Effect of Globalization

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## 1. Introduction

Democracy has been regarded as the best system of government out of the whole span of imperfect options available. Its beauty comes from the importance given to the free individual contribution towards a wholesome societal growth, which is done in part through the establishment of one of the most sacred rights in any democratic society: the right to vote. Although it thrives from this diversity of opinions, tolerance is key to guarantee societal progress. Nowadays, many scholars argue for the existence of a certain political polarization, with politics in the United States (U.S.) having become a text-book example of such separation. President Trump's mandate brought about a new wave of interest on the subject, with the media often stirring talks about the radicalization of politics as a possible consequence of said separation.

Political polarization is the divergence of ideological beliefs from the median of the political spectrum, representing some kind of continuous movement towards the political extremes. This idea of polarization applied to American politics, meaning that individuals have stopped supporting moderate positions and radically moved towards the extreme of either the Democratic or the Republican side, makes it necessary to understand whether such a separation could lead to an increase in political tension, setting the ground for further fragmentation of the American electorate, or help to better distinguish the candidates and policies of each party. (Layman, et al., 2006; Pierson, et al., 2020)

Although its specificity to a certain individual or community means that there might be many different variables that influence polarization, this possible impact has created the need for further research on its existence and economic consequences. In this short article, the authors look into the increasing imports from China and how this growth may be altering American beliefs, by analysing the typical voter profile of each political position to compare them with the Americans who suffered the most from the Chinese competitive prices and product diversity. (Autor, et al., 2013) The article shows arguments in favour of a small increase of political polarization in the U.S., loosely hypothesized that minorities, due to their high representation in the low-skill labour market and welfare programs, strengthened their support for the Democratic Party as a means to feel socially secure and promote a fight against inequality, ultimately giving the lead to President Biden in 2020.

The starting point is to understand the distribution of the people in need of social support from welfare programs, in which there is a disproportional representation of minorities, and of those most affected by the increasing imports of goods from China. Secondly, these characteristics are then compared with those within each reported political position, focusing on gender, ethnicity, age and education. These create a bridge between global trade, the aforementioned minorities, and voting outcomes. (Autor, et al., 2014; Autor, et al., 2020).

## 2. Globalization's Effect on Voting Intentions

### 2.1. Who Needs Financial Support?

During the last decades, the U.S. has seen an increase in imports from China. Scholars believe this increase has put many jobs in the manufacturing industry in jeopardy due to their competitive prices and diverse goods. This could have created a feeling of job-insecurity in the people within this workforce, leaving many of them searching for jobs in other fields. However, it is challenging to find a different position elsewhere, and it escalates even further when the worker does not present a sufficiently diverse set of skills.

In 2016, the National Center for Education Statistics (NCES) released a report on literacy, numeracy and digital problem-solving skills of adults citizens based on data from the OECD plus additional observations. (U.S. Department of Education: Office of Career, Technical and Adult Education, 2016) These data, values which have remained stagnant for over two decades, provide a reasonable approach to the population's characteristics in low-skilled labour. The report shows that around 62% of the low-skilled workforce is found in the Retail, Health, Hospitality/Food, Manufacturing and Construction industries. Furthermore, most individuals of this section of the labour force are minorities, with only 33% being White, and 33% have less than a high school diploma, with only 11% having a college degree. In other words, minorities and low-skilled individuals are highlighted as the group most affected by international competition. This data fits well with concurrent evidence from other countries mentioning robust evidence of women, older and less educated individuals being negatively impacted by indirect competition from China's global influence. (Cabral et al., 2020)

It makes sense to relate such empirical evidence with the outcomes of this external competition on a family's disposable income and, possibly, their need for social aid. According to the Urban's Institute data, throughout the last 50 years, the average net worth of white families has risen to almost 1 million U.S. dollars, while that of African-American and Hispanic families present a similar evolution but with diverging growth rates. In other words, these families only achieve nearly a fourth of a white families' average net worth, which highlights the great effect of inequality on this topic. Although most families benefiting from welfare programs are White, there's an overrepresentation of minorities in these programs that ties in with the fact that minorities are disproportionately likely to be laid-off and to be on the financial brink during the coronavirus pandemic. (Ward, 2020). An external shock creating instability in the labour market, on top of an already unstable income stream and need for social support mechanisms, are just the latest examples of our unbalanced world, which must be taken into account along with the evaluation of the labour market and their representation in different sectors.

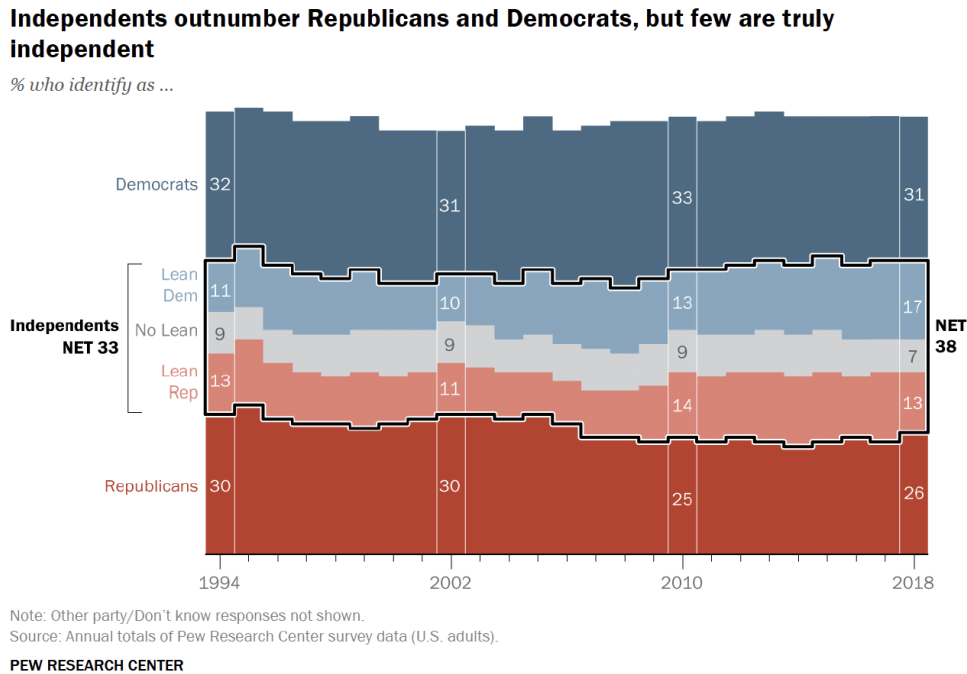
As previously expressed, voting gives one the right to actively participate and contribute to society through its governing bodies, representing their wishes for future policies, reflecting their wants and needs. Thus, it is important to take their financial background, current situation regarding social safety and their satisfaction with their own level of welfare into consideration when analysing voting intentions. Given the presented data, it logically follows that minorities and individuals with lower education levels have incentives to use their voting right to help policies that nurture the social support they need, by either voting in favour of their maintenance, when they are already in place, or expressing dissatisfaction with their situation and preoccupation regarding the evolution of social inequality, when they feel those measures to be lacking. It follows that, if in fact there is some kind of political polarization, and if that it is damaging the American society, it would make sense for it to come from a sentiment such as the latter, with citizens taking on more extreme positions as a "cry for help".

## 2.2. Who Votes?

For the purposes of the present analysis, one should now proceed to understanding how reported political affiliations have evolved through time in America, searching for any effects possibly related to the abovementioned groups and the previous mechanism.

In fact, the percentage of Democrats, Republicans and generally Independent individuals has not suffered any major changes since 1994, with a slight shrinkage of the share of Independents around the beginning of the XX century and a subsequent increase thereafter. The key takeaway is the clear decrease in the percentage of fully Independent

and Republican voters, with a parallel increase from 11% to 17% in the share of individuals reporting to lean towards supporting the Democratic Party. Nonetheless, this shift does not seem to provide enough statistical evidence supporting the existence of a sizeable movement towards extreme political positions in a way that could dictate the results of an electoral act.



**1 EVOLUTION OF THE PERCENTAGE OF INDIVIDUALS REPORTING TO SUPPORT OR LEAN TOWARDS A CERTAIN PARTY BETWEEN 1994 AND 2018**

Taking this relative stability, bearing in mind that there is only a very slim evidence of increase support for the Democratic Party and that general stability does not guarantee the stability of the distribution within each group, one can look at the latest available data in order to take a closer look into the individual profiles supporting each position throughout the whole spectrum. Data shows that ages over 50 years old reporting to lean or support the Great Old Party account for 21% of the sample, Independents for 3% and Democrats for 16%. Moreover, the majority of the non-caucasian individuals reporting to support the Democratic Party (23%) or Independents (4%), while most white individuals (22%) declare to support or lean towards the Republican Party. Regarding education, respondents that present higher levels of education seem to be more supportive of Independents and Democrats, relative to Republicans.

Even with the reduced evidence in favour of political polarization, and although the available data says nothing about how the profile of the majority of individuals reporting to support each political position changes overtime, it is interesting to see once again the relative relevance of minorities in support of the Democratic Party. This example from 2018 allows for the comparison between such findings and data on individual needs of social support or labour abilities, uncovering what could be the effects of some form of political polarization or another effect creating interconnecting the different facets of social life analysed in this article.

**Distribution of characteristics within each reported political position, weighted by the relative size of each party's representation in the sample**

*Source: Annual total of 2018 Pew Research Center survey data (U.S. adults)*

2018	Republican	Lean-Republican	Independent	Lean-Democrat	Democrat	Total Population
Sex	26%	13%	7%	17%	31%	94%*
Male	13%	8%	4%	9%	17%	51%
Female	13%	5%	3%	8%	14%	43%
Ethnicity	26%	13%	7%	17%	31%	94%*
White	22%	9%	4%	10%	19%	63%
Black	1%	1%	1%	2%	3%	7%
Hispanic	2%	2%	2%	3%	6%	14%
Other	1%	1%	1%	2%	3%	8%
Ages	26%	13%	7%	17%	31%	94%*
18-29	4%	3%	1%	5%	8%	21%
30-49	8%	4%	3%	6%	11%	33%
50-64	8%	4%	2%	3%	7%	23%
65+	7%	2%	1%	2%	4%	16%
Education	26%	13%	7%	17%	31%	94%*
High-School or Less	11%	5%	3%	6%	12%	37%
Some College	9%	4%	2%	5%	10%	30%
College Graduate	5%	3%	1%	4%	7%	21%
Postgraduate	1%	1%	0%	2%	2%	7%

\* Other party/Don't know responses not shown

### 3. Conclusion

The United States has a long history of discord that has transpired into the notion of a greatly divided electorate. The general image of the American political system usually depicts a constant fight between the two major parties, which brings about the notion, fear, and scientific interest regarding a possibly irreparable divide between them.

International trade, and more particularly the damaging effects of the Chinese influence on American firms, is only one more topic that has been hypothesised to influence one's living

conditions, working status and, ultimately, their need for social support, or lack thereof. In this context, there seems to be a correlation between the those in need of aid and those negatively impacted by Chinese competition, focusing mainly on minorities and low-skilled individuals. Although this correlation does not provide a causal effect, it brings to light a matter that requires further investigation and that could allow for a better understanding of the determining factors of fluctuations within a political system.

Although minorities and low-skilled individuals are also most of those supporting the Democratic Party, the most salient advocate of State support for minorities and those in need, there is only small statistical evidence pointing towards a polaritation in their favour. Nonetheless, a more robust approach should be employed in order to provide more precise information.

These facts create a possible logical pathway connecting the negative impacts from globalization and Chinese competition, the need for the redistribution of the welfare and gains from international trade, and the voting outcomes of the past few years. However, further and less superficial research is required to attain more robust results.

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