



**The London School of Economics and Political Science**  
Department of Social Policy

# **The Political Exclusion of Poor People in Britain and Israel: THE POVERTY OF DEMOCRACY**

**THESIS SUBMITTED IN FULFILMENT OF THE REQUIREMENTS  
FOR THE DEGREE OF A PH.D. IN SOCIAL POLICY**

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The typical citizen drops down to a lower level of mental performance as soon as he enters the political field. He argues and analyzes in a way which he would readily recognize as infantile within the sphere of his real interests. He becomes a primitive again. His thinking becomes associative and affective... Even if there were no political groups trying to influence him, the typical citizen would in political matters tend to yield to extra-rational or irrational prejudice and impulse... At certain junctures, this may prove fatal to his nation.

**Joseph Schumpeter, 1942**  
Capitalism, Socialism and Democracy

## ***Declaration***

1 June 2009

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Gal Alon

## **Abstract**

Democracy purports to accurately reflect the choices of the general public. It is justly credited with the creation and expansion of modern mechanisms of redistribution. Yet, in recent decades it appears to have become more of an inhibitor than a catalyst in the pursuit of an equitable society. Those treated most unequally were not bystanders. Both in Britain and Israel, roughly two fifths of them did not support the expansion of the welfare state.

This thesis shows their engagement with politics was often different than others. It observes the dynamics in a three-force triangle consisting of poor people, democracy and the welfare state. Even though historically this Triangle fuelled the movement towards progressive redistribution, the findings suggest it is no longer the pivotal engine to mitigate market inequalities. The principal beneficiaries of welfare appear to be incapable of mobilising democracy to expand it.

The research indicates that poor people were alarmingly uncommitted to democracy and/or the welfare state. Although these institutions underpinned their social and political rights, many barely recognised how they serve their interests. In addition, the poor could not identify themselves as a collective, were more vulnerable to fallacies, emotions and traditions, and tended to prioritise other policy domains.

This thesis challenges the operational definitions of political exclusion and illuminates the need to scrutinise and theorise the political behaviour of the underprivileged electorate. Policy-wise, a new strategy is required to revive relationships between poor people, democracies and welfare states. We should be looking at active and inclusive institutional mechanisms rather than technical solutions of postal or compulsory voting.

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I devote this dissertation to my late father and my family.

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## ***List of Abbreviations***

BES	British Election Survey
BSA	British Social Attitudes
CAB	Citizens' Advice Bureau
CBS	Central Bureau of Statistics (Israel)
CEC	Central Election Committee (Israel)
EC	Electoral Commission
ER	Electoral Registry
HCL	House of Commons Library
IES	Israeli Election Survey
ISSP	International Social Survey Programme
NII	National Insurance Institute (Israel)
NMW	National Minimum Wage
NS-SEC	National Statistics Socio-economic Classification
ONS	Office for National Statistics (Britain)
PAF	Postcode Address File

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## 1. ***Introduction***

120 million USA citizens amounting to 60 per cent of the eligible voters, chose to cast a vote in the 2004 US Presidential Elections. After the ballots had been counted, the extent to which the Democratic Party had lost some of its traditional strongholds was revealed. Millions of underprivileged voters were utterly convinced that the Republican Party, committed to tax breaks and free markets, would serve their interests better. It was found that the median family income in "safe red states" was almost 20 per cent lower than that recorded on "safe blue states".

The astonishment at this dissonance crossed the Atlantic. The London *Times'* analyst Anatole Kaletsky was dazed to discover how "people can readily be persuaded to vote in accordance with the economic interests of people much richer than themselves" (2 November 2004). The *New York Times'* columnist Nicholas D. Kristof urged John Kerry's supporters to feel "wretched about the millions of farmer, factory workers and waitresses who ended up voting – utterly against their own interests – for Republican candidates" (3 November 2004). His column's title "Living Poor, Voting Rich" was remarkably apposite. Against all odds, the US Republican party had made the poor favour the rich, revealing a paradox in democracy.

This research was begun a few months earlier, following a notion of intrinsic imbalance in modern democracies. While a reasonable observer would expect the poor to act rationally, promoting their own interests as others do, history tells a different story, of a vicious circle. The "Living Poor, Voting Rich" phenomenon in many ways reflected the age of political poverty which intensified financial inequalities through policy measures. Any decision taken by governments affects the distribution of wealth. That is what governments do on a daily basis, consciously or unconsciously. Therefore, the composition of government as determined by the public has an influence on questions of redistribution and equality.

The patterns of underprivileged voting behaviour as recorded in Britain and Israel indicated a similar phenomenon to that found in the United States, even though the nature of political alienation was different. The recurring symptoms showed that the US is not an exception, hence the alienation of underprivileged populations cannot be treated as a local phenomenon. With this in mind, this thesis will concentrate on the voters' own behaviour, which is the most immediately observable cause of the paradox. Among the indirect reasons are power paradigms and political strategies which will not form part of this research.

In many ways, we face two complementary but distinct analytical paths. Making the political parties and their electoral strategies the dominant factor for political poverty is testament to the parties' role in cutting off the working class from the leftist parties. By doing so, voters are relieved of some of the responsibility and the process is assumed to be reversible, as different political strategies might result in different political ends. Therefore, the choice of focusing on voters' behaviour as the key cause of under-representation entails significant consequences for the entire project.

A focus on political strategies was prevalent in *What's the Matter with America*, written by Thomas Frank (2006). This popular book accounts for the rise of "conservative populism" and the "great backlash" of American liberalism, claiming that the enthusiasm for recruiting white-collar professionals and donors has led liberals to abandon their "class warfare" position. The Republicans, on the other hand, were "industriously fabricating their own class-based language of the right" (pp. 243-244). Kaletsky, in milder language, argued that the "triumph" of the American right has been to "advance relentlessly the economic interests of the country's richest people, while emphasising a swathe of moral, social and foreign policy issues that motivate – and certainly distract – middle-class and poor voters" (2 November 2004).

These are all electoral strategies. One strategy appeals to the privileged by making concessions in economic policy, whereas the other attracts the underprivileged by underscoring a non-economic agenda. It might be that although American voters "choose self-destructive policies... it is just as clear... that liberalism deserves a large part of the blame", since it ceased to speak to its traditional constituencies (Frank 2006, p. 242). On the other hand, it is also accurate to say that precisely those underprivileged citizens to whom social liberalism should speak desperately failed to recognise where their economic interests lay. Therefore, it is no less a question of political tactics than a challenge to human behaviour.

A substantial proportion of the underprivileged electorate in the United States, Britain and Israel voted for neo-liberal parties. Many others refrained from voting at all, turning abstention into a popular choice in itself. The consequences of this cannot by any means be neglected, as the future of any progressive redistribution was put at risk. Even if the welfare state was not "rolled back", its history shows that certain electoral behaviour has resulted in major liberal transformations. Research has unequivocally shown that in a democracy, redistribution *is not* a self-sustaining mechanism.

The debate therefore shifts, in this thesis, from the field of political strategy into the arenas of electoral behaviour and political choice. In this context, an illuminating analogy can be made with economic theory. While the literature has so far

conceptualised subordinate levels of participation in the "commodity markets", there has been no scrutiny of underprivileged behavioural patterns in the "political markets". The parallels between these markets are appealing, as these are the only venues where social choice can be made in liberal democracies. As Arrow put it, there is a "basic set of alternatives... in the theory of consumer's choice, each alternative would be a commodity bundle... in the theory of elections, the alternatives are candidates" (1951/1963, p. 11-12).

There are clearly failures in both markets that prevent certain groups from maximising their utility, creating a non-optimal allocation of wealth. In economics, the preoccupation with market failures such as monopolies, externalities and information asymmetries is central to the entire theory. Nonetheless, the indicators currently used by scholars to monitor the parallel failures in politics are often simplistic and single-dimensional, measuring mostly turnout. Not only is an integrative analytical framework absent, but there has been almost no research focusing solely on the income-deprived population. With no proper and elaborated databases to work with, political "market failure" theories could not be thoroughly developed.

This thesis seeks to fill at least some of this void. It develops a theoretical and operational framework, while pursuing designated research to find out whether and how the poor exercise subordinate levels of political engagement. At least three characteristics make this piece of work unique. First, it focuses on the behaviour of citizens rather than the strategies of parties. Second, it focuses primarily on the underprivileged electorate and monitors their engagement with the apparatus of democracy. Third, it assumes that exclusive patterns in the political market cannot be depicted merely with the binary variable of physical turnout. On route, the concept of political deprivation as part of political exclusion is re-examined.

The analytical frameworks are central to the development and structure of this thesis. History shows that three powerful forces have played a cardinal role in the facilitation of progressive redistribution: poor people themselves, the democratic apparatus and the welfare state. The pattern of dynamic relationships between these three, situated within their wider social milieu, may be diagrammatically represented in the form of a triangle. It is this **Triangle for Redistribution** that has provided both the *theoretical framework* and the boundaries of this thesis, as will be elaborated later in this chapter. However, the assessment of the Triangle's capacity to be the engine that further mitigates market inequalities requires an *operational framework* through which the various dimensions and arguments can be explored in a systematic way. This framework is represented by the **Pyramid of Political Engagement**.

The notion of a pyramid turns political engagement into a multi-dimensional phenomenon by defining three distinctive but hierarchical elements in it. First, there is the commonly used indicator of ballots cast on Election Day. Second, there is the amount and quality of knowledge held by the voters about the past performance of governments, their own present status and the future platforms of parties. Third, the ability of voters to process the knowledge they possess to reach a reasoned and rational voting decision. The Pyramid has its own internal relationship. It may be that seeking to be informed is irrational, but a deliberate rational vote cannot be made otherwise. Accordingly, knowledge has no meaning if no vote is cast. The ultimate level of political engagement under these premises occurs when an informed voter makes a rational choice. These three facets of individual behaviour together form an analytical framework from which to start.

The major hypothesis underpinning this thesis is that poor people are systematically deprived in all three dimensions of political engagement: they vote less, they know less and their reasoning can more often be challenged on grounds of rationality. The methodological challenge is to turn these dimensions into rigorous and assessable indicators. Whereas physical voting can easily be monitored, a structured method of tracking individuals' level of political knowledge and assessing their degree of rational thinking is a harder task. Both concepts, which are widely used by scholars in economic contexts, turned out to be either limited or extremely controversial when used in the political arena. A few focal theories reviewed below have made this challenge feasible.

As for the concept of **rationality**, this research draws upon the "Downsian voter" (1956), who can also be conceptualised as the "substantively rational man", seeking to maximise his personal expected utility from any decision he makes. The foundations of such thinking were laid by Arrow (1951/1963) as part of his attempt to define laws of rational thinking by employing economic tools in the context of social choice. For Arrow, "each individual in the community has a definite ordering of all conceivable social states in terms of their desirability to him... by whatever standards he deems relevant" (p. 17). Thus, a party that can guarantee the highest expected individual utility on the basis of predefined standards becomes the rational choice.

The major conceptual challenge to this approach, aside from theories of uncertainty, was put forward by Simon (1955). He argued that human beings are far from following logical assumptions and concrete alternatives. His theories of "procedural" or "bounded" rationality reframed the concept of rationality as a subjective matter incapable of generalisation. In Contrast to Simon, the psychologists Kahneman and Tversky (1979) did succeed in generalising irrationality after showing that there were systematic

deviations from Arrow's theories which can be mathematically defined. Sen proposed several moral causes for these deviations, such as commitment (1977).

Having noted some of the key reservations, the contribution of rationality to this thesis is twofold. First, it has a major impact on the individual's decision on his/her level of political engagement. Second, if one chooses to participate, rationality is also expected to shape one's preferences.

The correlation with *preferences* is particularly controversial. Some might criticise any attempt to question the rationality of individual political choice, while others might argue that it is paternalistic. Nonetheless, this topic cannot be passed over if one is seriously interested in investigating the depths of political exclusion. The analytical tools developed by rational choice theorists are extremely useful here. They include, among other, utility functions (based on "whatever standards" the voter deems relevant, as Arrow noted) and the concept of transitivity (i.e. if A is preferred to B, and B is preferred to C, then A is preferred to C). There is no reason to ignore individual reasoning just because one is dealing with politics.

Rationality theories have been used in this area, but mostly through the prism of political parties' strategies. Yet, while Downs' revolutionary thesis investigated parties, he also defined the "rational voter" as a future utility maximiser, explicitly giving precedence to substantive rationality theories (1956). Acknowledging the shortcomings, he noted, "such simplification is necessary for the prediction of behaviour, because decisions made at random or without any relation to each other, do not fall into any pattern and therefore cannot be analysed" (p. 2). In many aspects, this research adopted a similar theoretical approach towards rationality.

Using substantive rationality as a prop, several theorists focused on political *engagement*. They ruled out the existence of a "rational voter" by simply arguing that voting is itself irrational (Olson 1965/1971, Ledyard 1984, Palfrey & Rosenthal 1985). Nevertheless, there were serious arguments against this contention even from an economists' perception. Some argued, for instance, that the alternative cost of not voting is marginal, and therefore such decisions are made "at the margins" (Aldrich 1993, Fiorina 1990, Niemi 1976). Other theorists added "civic duty" to the benefit side of the equation, making it perfectly rational to participate (Riker & Ordershook 1968, Coleman 1988). The same argument applies to the accumulation of information, which was compared by Fiorina to football fans who invest time and money to gather any piece of information about their team although they know this behaviour cannot make it win (1990, p. 336). These arguments weaken the contradiction between rationality and political engagement while paving the way towards its measurement.

The methodological challenge of gauging the extent of **knowledge** also proved complex. A wide range of indicators have been employed by scholars seeking to correlate types of knowledge with political behaviour (Kramer 1971, Lewis-Beck 1986, Kinder & Kiewiet 1979, Weatherford 1983). In order to devise an elementary classification of these indicators, this thesis looked for three major elements in each indicator: the data's level of objectivity, its reference group and the period the indicator referred to. Thus, for instance, some studies showed a correlation between voting patterns and retrospective, objective and personal oriented indicators (e.g. past household income), whereas others succeeded in showing a link with prospective, national and subjective oriented ones (e.g. predicted national unemployment figures for the forthcoming year). Nonetheless, such correlations can hardly define the knowledge required by voters seeking to make a rational choice. These are two different matters.

Logically, if the rationality assumption is used to define the elements of a "knowledgeable voter", voters should have the information necessary for maximising their future utility. Arguably, this premise requires three key dimensions of knowledge: information about the past performance of governments, parties or candidates; information about the present status of an individual in society; and information about policy proposals for the future which might affect the voter's utility. In terms of *preferences*, only the integration of these dimensions would allow voters to identify the political alternative that would further their own interests. In terms of *engagement*, the existence of such knowledge reflects a greater degree of involvement in the entire political process. Voting with no knowledge at all is a gamble, which is often no more valuable than abstention.

After laying down some of this thesis' conceptual infrastructure, the unique circumstances that characterise the case of a materially underprivileged electorate must be explicitly acknowledged. In many ways, their relative deprivation can serve as the "manipulation" needed to compare them with the privileged electorate. It is assumed here that in an ideal world of rational voters those at the bottom of the economic pyramid would have a greater interest in promoting a more generous welfare state and more radical income redistribution. The reason for this is purely economic – this group's marginal utility from state benefits is the highest, since their material wealth is the least. We can assess their behaviour after the "veil of ignorance" is removed (Rawls 1971).

Thus, the marginal utility of a poor person from a moderate rise in his income is incomparably greater than the marginal utility of a rich person from the same amount. The poor are therefore expected to benefit more from the victories of pro-welfare parties, given that their pre-electoral pledges materialise. Broadly speaking, this argument means that poverty should not only trigger a higher degree of electoral

*engagement* (to influence the results), but it should also have a major effect on *preferences*. Nevertheless, the statistics do not always support this.

Overall, the findings of this research indicate the depth of political exclusion experienced by the underprivileged electorate, both in Israel and in Britain. Interestingly, this exclusion is channelled in different ways, although the political outcome is the same. Electoral figures suggest that roughly two fifths of underprivileged Israelis supported a neo-liberal candidate (in 1992 and 1999) whereas two fifths of British underprivileged abstained or voted Conservative (in 1992 and 1997). As a consequence, elections could only partially reflect the financial interests of poor people and these interests became overtly under-represented. The isolation of British underprivileged citizens is demonstrated by electoral abstention, showing a major crisis of civic commitment. Their Israeli equivalents face different challenges in the domains of knowledge and reasoning. In both countries, the welfare state has become less of a priority for its main beneficiaries.

A short example will illustrate this. In Israel, it will emerge, almost two thirds of the underprivileged Likud (Conservative) voters cited political solidarity as the major motivation for their party affiliation. In contrast, a similar proportion of the privileged electorate chose the other option, citing the party's proposed policies as the justification for support. However, it is hard to understand how much past solidarity with neo-liberalism will contribute to these underprivileged voters' future utility. In Britain on the other hand, 72 per cent of the underprivileged abstainers stated they "did not care very much" which party won the elections. A turnout gap of approximately 10 to 15 percent put the interests of the lower classes in a subordinate position to begin with. This gap does not include what is defined here as the "invisible group" of unregistered voters who both avoided answering surveys and were more likely to abstain.

When underprivileged voters did have firm views, some interesting divergences were exposed. Ethics of self-reliance and neo-liberal ideas had a strong grip on the disadvantaged. Most of them had alarmingly low expectations of democracy and the welfare state. As a consequence, two elementary commitments that poor people could have had – one to a method of governance that gives them political rights and one to the mechanism that provides them with social rights – rarely existed. In addition, conservative underprivileged voters in both countries were more likely than their Labour counterparts to think inequalities are essential for prosperity. Underprivileged voters in general tended to be more influenced by self-experienced incidents from their close environment. They felt chronically insecure venturing into the arena of national welfare policy. Even if an underprivileged elector eventually voted for Labour, his/her discourse had often nothing to do with inequality, redistribution or social justice.

The evidence shows that underprivileged political exclusion is not a matter of a sporadic and inconsistent trend. This systematic subordinate engagement contributes towards imbalanced political outcomes. These in turn might affect the extent of redistribution in society, making the poor poorer. Consequently, the risk of political marginalisation is further increased. This circle should not be monitored solely through the prism of election results, but also by assessing the shifts in middle ground politics. When the economic interests of underprivileged voters are not spoken of, the national discourse leans further to the neo-liberal right. One could justly wonder whether the so-called middle class welfare state (Le Grand 1982, Hills 2004) has something to do with the preferences of the electorate. It might be that the relative weakness of the underprivileged section has triggered over the years a convergence between the strongholds of the welfare state and its major beneficiaries.

Letting the underprivileged lose the battle for equal political engagement may well generate this vicious circle and result in serious consequences – for the poor themselves, for the rich, and for the legitimacy of democracy as a mechanism to reflect the people's aggregated will. The new dynamics and trends explored in this thesis have already generated an imbalanced representation of interests, which drive a wedge between the "public choice" and the "public aggregated interest". This not only concerns the extent of redistribution but also the merits of our system of government. An imbalanced political outcome calls for a new inclusive approach to regain the engagement of all stakeholders. The systematic alienation of the underprivileged voice is a matter of concern, even if no deliberate action has brought it about.

Theoretically, much of this discussion can be framed in the Triangle for Redistribution in which the poor, the welfare state and democracy represent the three opposing corners. The analysis of each pair reveals several meaningful insights. The structure of the literature review therefore follows this path. Each of the three theoretical chapters examines a different pair and proposes various related theories and research. A brief description of the key theoretical arguments and issues proposed in Chapters 2-4 will define the boundaries of this thesis and its conceptual environment.

**The Welfare State & The Poor** examines the basic distinctions between different types of welfare regimes that were dominant during the last century (Chapter 0, Page 13). The chapter links the policies with the electorate in order to review the impact of various decisions at national level on the citizenry itself. It clearly shows that state policies determined by governments have a significant impact on the underprivileged. The historical review is necessary to provide a solid background for the thesis as a whole, though it is also a practical tool to classify contemporary policy platforms, defining the most beneficial option for the underprivileged electorate.

The chapter explores the welfare regime of two states, Britain and Israel, employing the typologies devised by Titmuss (1974), Furniss & Tilton (1979) and Esping-Andersen (1990). It is interesting to note that both countries based their welfare regimes on principles advocated by Beveridge, but later diverged, pursuing completely different objectives. The study of their development demonstrates the differences between liberal and social-democrat welfare regimes and indicates the major shifts in direction recorded since 1948.

Structurally, a preliminary section analyses the statements and decisions made by Bismarck, Lloyd-George and Beveridge, drawing on ideological continuums developed by Blundell & Gosschalk (1997) and Dean (2002 & 2005). This overview contributes to the conceptualisation of the thesis but not to the development of its argument. It was eventually integrated into the Appendices.

The next chapter looks at the relationship between **The Welfare State & Democracy** (Chapter 3, Page 65). It is mainly concerned with the linkage between suffrage, public choice and social provision, showing primarily that voting matters. First, it revisits the ancient fears of the power of the multitude provoked by the expansion of democracy. Then, it proceeds to discuss various attempts to measure democracy's role in creating the first state welfare regimes. Industrialism, urbanism and modernism are arguably all plausible reasons for the decision taken by national leaderships to nurture the first social reforms. However, it is also clear that inclusive democracy or the will to preserve its absence were also critical for this process.

After centuries during which the wealthiest disenfranchised the property-less for fear of a democratic class war, the franchise was extended, but the multitude has often failed to promote an egalitarian agenda. Rather than debating the dangers of delegating democratic powers to the multitude, today the electorate is widely perceived as incapable of utilising the vote. While historically, many believed democracy was capable of facilitating reform, today many doubt whether it can promote any collective action whatsoever. The evidence presented later about the political behaviour of the underprivileged underscores the observations of Schumpeter about voters' irrational behaviour (1942).

One of the fascinating questions raised in this context is whether capitalism has redefined democracy or democracy has been incorrectly defined by its progenitors. Economic theorists such as Hayek and Friedman passionately argued that the democratic system of government was never intended to curtail economic freedoms for the sake of equality. On the contrary, history shows that the realms of civil and political rights were inseparable. In many ways, Aristotle's prophecy, "in democracies the poor

have more sovereign power than the rich; for they are more numerous and the decisions of the majority are sovereign" (1992, p. 362), has failed to materialise. It is a fact that in an era of universal suffrage inequality is at all-time record high levels. It should be said that redistribution mechanisms do exist in western societies, but they still leave an alarming degree of inequality.

The third theoretical chapter, "**The Poor & Democracy**" puts the individual citizen at the centre (Page 88). Structurally, it defines three axes – economic, political and social – which are analysed separately to highlight the various implications of individual actions. In discussing *political aspects*, an analysis of theories of class voting and economic voting reveals distinct motives behind the making of voting decisions. When exploring *economic aspects*, the concepts of rationality and information are scrutinised, as well as paradoxes suggesting that rational people should not vote or become informed at all. Finally, when *social implications* are assessed, the concepts of inequality, exclusion and rights are all explored and linked to the Pyramid of Political Engagement.

These social concepts merit further elaboration as they constitute an important background to this thesis. In fact, the inspiration for the entire project came during a routine lecture on the measurement of social exclusion. The way in which political deprivation was measured, based almost exclusively on turnout, raised questions as to the traditional definitions of political rights and social exclusion.

Beginning with the concept of *political rights*, the third theoretical chapter recalls Thomas Humphrey Marshall's definition, that it is "the right to participate in the exercise of political power" (1950, pp. 10-11). Interestingly, Marshall himself maintained that since "civil rights are designed for use by reasonable and intelligent persons, who have learned to read and write... education is a necessary prerequisite of civil freedoms" (p. 25). However, while schooling is widely perceived as a prerequisite for successful civil integration, a parallel correlation with politics is rarely expressed. The social right to receive an education and the political right to exercise power were rarely linked in the context of democratic exclusion. Consequently, the entire discussion of political rights is premised on the right to physically cast a vote rather than the right to truly exercise power. These processes are inherently different.

The same logic holds when the concept of *social exclusion* is examined. Anthony Giddens' definition makes the physical act of voting seem almost a non-indicator, as "exclusion is not about graduations of inequality, but about mechanisms that act to detach groups of people from the social mainstream" (1998, p. 104). It can therefore be argued that the true meaning of political exclusion is far broader than the schematic

definition of turnout or even party membership. Whilst this invites momentous methodological challenges, the merits of making citizens fully included in the political process is undisputed. It protects the legitimacy of government no less than it influences the outcomes of the process (see, for instance, Young 2000). It seems as if new indicators will have to be employed in order to enhance the monitoring of this phenomenon and progress from the previous dichotomy of voters and non-voters.

The most crucial social implication related directly to the relationship between the poor and democracy is for the topic of *redistribution*. As several scholars have noted, the role of government as a carrier of equality turns elections into "battlegrounds in the struggle over income redistribution" (Filer et al 1991, p. 64). The rolling back of the welfare state that began in the late 1970s is an example of this struggle. Three grand sets of arguments were developed over the years to explain this fiscal and political "welfare crisis". Each set indicates a different direction of research.

The first set refers to the *economy* in its broadest sense, suggesting that no western state seeking to grow can afford excessive welfare expenditure. Alternatively, it suggests that democracy was never intended to guarantee equality and therefore intervention in markets must be minimised on principle. The second set of arguments refers to the *state*, either in the context of its inefficient and flawed management of welfare provision or in relation to the mounting tensions between solidarity and diversity. Goodhart famously argued that by opening the gates to immigrants, governments turned their civilians into strangers, and ordinary contributors to the welfare state had to "be reassured that strangers... have the same idea of reciprocity" as they do (24 February 2004). The third set of arguments was concerned with the *electorate*, identifying the voters as a key factor in the rolling back of the welfare state. One school of thought seriously doubts the ability of voters in the modern political world to act wisely in order to promote their own interests. Another suggests democracy by its very nature excludes numerous groups of individuals who cannot fully exercise their political power.

The last set of arguments is strongly supported by the work of Schumpeter. He wrote in his *Capitalism, Socialism and Democracy*, "the typical citizen drops down to a lower level of mental performance as soon as he enters the political field... He becomes a primitive again" (1942/1976, p. 262). While the various theories underpinning all three arguments are explored in the theoretical chapters, this research is focused on the electorate.

After briefly exploring the three theoretical chapters, which follow the theoretical framework of the *Triangle for Redistribution*, Chapter 5 deals with the **Research Design**. It reviews the rationale, strategy and design of the study itself, explores the

logic behind it and elaborates on the operational framework of the *Pyramid of Political Engagement* (Page 132). In short, the basic assumption of this project is that the voter is accountable for his/her own decisions and there is a need to better understand his/her choice. This is especially so when an individual in poverty, votes for a party that would apparently cut his "state income". The act is contradictory to the substantive rationality theory, making it a "*counter-class*" vote, which should to be accounted for.

There are two ways to classify these incidents of "counter-class" voting or of total abstention in the framework of substantive rationality. Either such deviations are systematic, as Tversky and Kahneman found in relation to commodity markets, or they are sporadic and cannot be characterised or generalised. In many ways, this research looks for consistencies. It examines whether Conservative underprivileged voters are systematically inhibiting lower levels of knowledge or reason differently in comparison with their underprivileged Labour counterparts or their privileged party comrades. Such conclusions, if verified, could indicate new directions for explanations and ideas.

The study is based on the case studies of Britain and Israel, both selected due to the author's relative familiarity with their culture, history and language. The contextual differences make any comparisons problematic, though similar trends can and will be noted, with the required reservations. The research questions, however, are identical for both countries. The first question is aimed at assessing the differences in terms of political engagement between people living in poverty and those who are not; the second draws a distinction between those who supported the major "welfarist party" and those who supported the major "non-welfarist party", as will be defined later. It was generally assumed that the underprivileged would have systematically lower levels of engagement such as would affect the Triangle for Redistribution.

Methodologically, quantitative analysis, sophisticated as it might be, could not reveal the entire story of the underprivileged "counter-class" voters. Qualitative research was therefore needed to facilitate a comprehensive analysis of this phenomenon. Three methods were used to examine the hypotheses: in-depth interviews with privileged and underprivileged citizens, an exploratory survey gauging personal utilities and a secondary analysis of existing large-scale datasets. Conclusions were drawn from the outcomes derived from all three methods. The reasons for the selection of these methods, as well as the practicalities involved in the field, are discussed in length and two localised methodological references are provided in the Appendices.

The presentation of the findings is split into two chapters, one for **Britain** and one for **Israel** (Chapters 6 & 7, Pages 162 & 204). Both chapters explore the major insights as they relate to the various dimensions of political engagement. Whereas the British

chapter elaborates on abstention, the Israeli report is concerned more with variations in knowledge and reasoning. While appreciating the danger in making comparisons, one should note the different ways in which poor people have lost political power in both countries. Yet, in the end, the linkage between the underprivileged electorate and mainstream politics was found to be fragile in both countries.

After reviewing the key qualitative and quantitative evidence from each country, Chapters 6 and 7 contain a brief conclusion summarising the findings on the relationship between poor people, democracies and welfare states. This brings together the operational and theoretical frameworks of this analysis in each of the chapters. Overall, both demonstrate the mechanisms that propel the underprivileged electorate towards the dark fringes of politics. Thomas Jefferson is famously quoted as saying that “if a nation expects to be ignorant and free, in a state of civilization, it expects what never was and never will be” (1939, p. 231). The integration of evidence and theory echoes the warning implicit in this observation.

The review of both case studies is followed by a **Discussion** chapter which engages with and reflects upon some key studies in the various fields, while synthesising the various arguments into a coherent narrative (Chapter 8, Page 240). Contrary to the research chapters, the discussion relies on the Triangle: it first explores the relationships of the poor with democracy and the welfare state before concentrating on the inter-relationships of the last two. Finally, the **Conclusion** chapter reiterates the key insights explored in the previous chapters, emphasises some key policy implications and proposes a few questions and directions for future research (Chapter 9, Page 8).

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Two preliminary notes are required before reading the thesis. First, the use of the word “underprivileged” is not related in any way to the “underclass” concept nurtured by Charles Murray (1984) and other scholars. I simply preferred to avoid the term “poor”, because it is primarily focused on the distribution of wealth and income, whereas “underprivileged” is multi-dimensional in its sub-text. As will be discussed in the research chapters, methodological difficulties prevented any reliance on household income as the sole indicator in constructing the various samples. Consequently, other socio-economic indicators such as the main *source* of income were integrated into an algorithm. Whereas the resulting “underprivileged” group consists mostly of people with incomes below the poverty threshold, missing data did not allow for empirical verification.

Another necessary acknowledgement concerns the bibliography available. Whereas the empirical research for this thesis was carried out in Britain and Israel, the literature review was based primarily on American literature, which was found to be the most comprehensive and available. Nonetheless, the American literature has two shortcomings. First, it was almost no special emphasis on underprivileged populations. Second, the American underlying concepts and academic terminology are not necessarily compatible with the European ones. Whenever specific studies were conducted in the local context, concrete references were generally integrated into the relevant sections in the research chapter.

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This thesis challenges three premises found in the existing literature. First, it calls into question the traditional definitions of political exclusion and political rights, arguing that inclusive engagement with politics cannot be achieved solely through physical voting. As a consequence, the current estimations of politically isolated citizens should be re-examined and re-assessed. Second, this study integrates political and economic concepts of voting behaviour into social policy discourse, arguing that voting patterns are also capable of shaping poor people's lives. Therefore, if the underprivileged do behave differently from others in the political arena, the politics of the underprivileged should be part of social policy studies. Third, this thesis doubts the ability of democracy in its current form to truly represent "the will of the people" rather than "the recorded choice of the people", considering the unequal level of political engagement.

If there is a "mission statement" for this project, it is that a fair and just society requires equal opportunities for all in all arenas – in the labour market as well as in the political sphere. It is therefore in the interest of all of us to guarantee that the underprivileged have this opportunity in the deepest sense of the word, rather than in its narrow and formal interpretation.

## 2. *The Welfare State & the Poor*

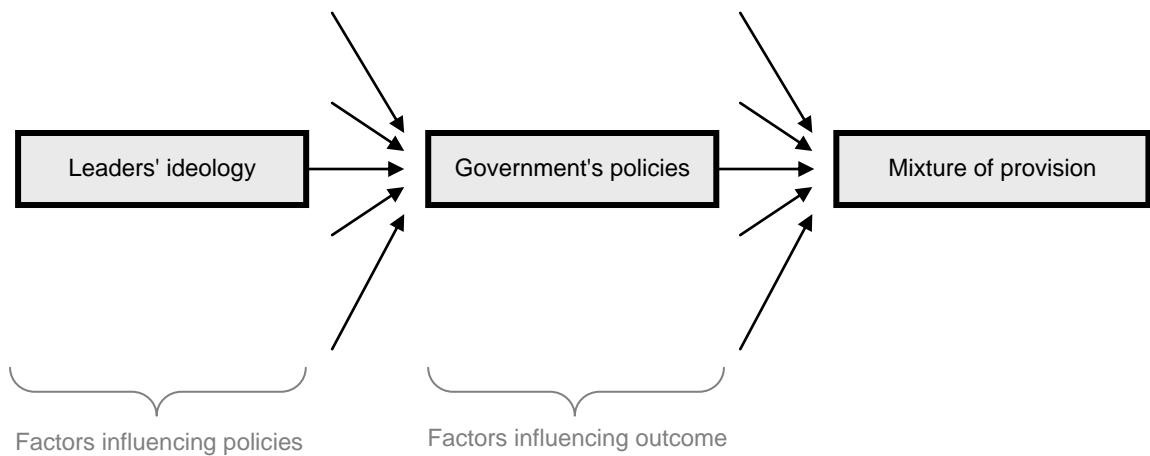
### 2.1 Introduction

The balance between the state, voluntary and private sectors in the provision of welfare has changed significantly over the last two centuries. This transformation has not been the same for everyone; it has varied between social classes as they have been adjusting to a new mixture of welfare provision. Arguably, today the middle class in Britain benefits more from public provision than it has over the previous centuries while the working class in Israel is relatively more dependent on the voluntary sector. Within this framework, this chapter is seeking to review some historical aspects of the relationship between the poor and welfare regimes, in a way that will later enable a critical assessment of the relationship between the poor and democracies.

Leaders and administrations are the key players shaping welfare policies. Yet, a wide range of factors stands at the background, many of which are ideologically constructed. Marxists would focus on issues related to class domination and production relationship, while others might concentrate on equal opportunities, regulated labour markets or political vulnerabilities. Nevertheless, as far as ideologies, leaders and administrations can shape the formation of policies, they have no exclusivity over the final mixture of welfare.

Other factors, which are external to governments and often outside their powers, become more and more powerful. They can take the form of domestic or international economic conditions, demographic forces, cultural developments and even administrative issues at the local level. They do play a role in shaping governmental policies, but their major impact is after such policies are introduced. Although reciprocal influences do exist, a distinction between internal and external powers shaping policy is essential.

Exploring the relationship between the poor and the welfare state, some analytical boundaries based on this distinction should be defined. Figure 2.1.1 illustrates three chronological stages of analysis. The right stage deals with the final mixture of provision; the middle one represents a variety of factors, internal and external to governments, influencing the final provision; and the left stage chronologically takes the analysis one-step backward. It refers to leaders' attitudes toward welfare provision, which arguably possesses a significant internal influence over governmental policies.



**Figure 2.1.1: Relevant factors contributing to the final mixture of welfare provision**

This thesis focused on two aspects of this framework, namely *governmental* welfare policies and *personal* ideological perceptions held by political leaders (as much as they can be defined as ideologies).

The section discussing *personal* aspect looked at the work of three prominent figures who succeeded in profoundly reforming the system: Otto Von Bismarck, David Lloyd George and William Beveridge. Their personal ideological perceptions were evaluated using two typologies developed by Blundell and Gosschalk (1997) and Dean (2002 & 2005). Whilst this work shaped the first cornerstones of this thesis, it did not fit with its final form, not being an essential part of its core argument. Therefore, this piece is to be found in the Appendices (Page 303), and is for the reader's own discretion.

The second section, following this introduction, is a historical review of the two *states*, where the research was carried out, namely Britain and Israel. Their social policies since 1948 will be assessed using three other typologies developed by Titmuss (1974), Furniss & Tilton (1979) and Esping-Anderson (1990). The conclusion will integrate the reviews to provide a framework of evaluating policies from the perspective of the underprivileged.

Working with heuristic typologies is appealing but inherently imprecise. For that reason, the assessment of leaders' perceptions and states' welfare regimes presented in this chapter and in the Appendices can be seen only as an indicative comparative tool between different personal and national attitudes toward welfare. However, to answer the questions of this thesis, typologies albeit inaccurate are essential.

The goal of this chapter is not merely to provide an historical review but also to lay the foundations toward a critical analysis of poor people's political behaviour. A simplistic question as "for whom the poor should vote" cannot be approached without a clear distinction between policies of states. It may not be possible to point decisively to one

recommended alternative, nevertheless, based upon the typologies and the history presented here, it should be possible to point out where the poor are less likely to be better off.

The chronological starting point for the next two sections is 1948. Not only was the Universal Declaration of Human Rights introduced during that year. For Britain it symbolised the beginning of a new era in terms of social provision, while for Israel, it was the year of independence when virtues initially collided with pragmatism. However, by the new millennium, both countries had undergone several welfare reforms. I shall start with a brief theoretical overview as it is required to illuminate the guidelines for the entire analysis.

There is no hegemonic typology for welfare regimes; nevertheless, one can find repetition of distinctive themes in the literature written so far. The general deficiencies in typological analysis, similar to those of other heuristic models, have already been noted. However, for the purpose of this thesis, three distinct models have been chosen: those developed by Titmuss (1974), Furniss & Tilton (1979) and Esping-Andersen (1990). All have broadly distinguished between three major types of welfare state (with no hierarchical order), but only the latest provided a comparative, empirical study underpinning the allocation.

Titmuss asserted that social policy must provide welfare for citizens, include economic as well as non-economic objectives and involve measures of progressive redistribution (1974, p. 29). He then distinguished between three models of policies. The Residual Welfare Model assumed the private market and the family are the "natural" channels for welfare provision as "the true object of the welfare state, for the Liberals, is to teach people how to do without it" (Peacock 1960, p. 11). The Industrial Achievement-Performance Model held that social needs "should be met on the basis of merit, work performance and productivity." The Institutional Redistributive Model premised upon the principle of social equality, is in favour of universal services and, in fact, ignores the principle of need (Titmuss 1974, p. 30-31).

Furniss and Tilton differentiated between the British "Social Security State" aimed at guaranteeing a national minimum for subsistence and the Swedish "Social Welfare State" that aspired to reduce inequalities of income, poverty and power. While the former would perceive the state's role as to "fill the void" of the markets, the latter would broaden its scope to environmental problems and redistributive wages policy. In *The Case for the Welfare State*, Furniss and Tilton presented a third type of "state response" to market failures, the "Positive State", which was intended to solely protect property holders, but was not defined as a *welfare* regime (1979, pp. 14-21).

Esping-Andersen embraced Titmuss' allocation, writing that it "forced researches to move from the black box of expenditures to the content of the Welfare State" (1990, p. 20). In his empirical-based typology, he defined two variables, namely the degree of decommodification and the type of stratification, both determining welfare regimes. The Conservative/corporatist regime sought to turn employees' dependency from the market to the state simultaneously with the preservation of the existing social stratification. The Liberal regime aspired to minimise the state's role, commodify labour and exclusively allow market forces to shape stratification. The Social-democrats approach was in favour of decommodification and substantive egalitarianism.

Titmuss (1974)	Furniss & Tilton (1979)	Esping-Andersen (1990)
Institutional Redistributive Model	Social Welfare State	Social Democratic Regime
Industrial Achievement Performance Model		Corporatist Regime
Residual Welfare Model	Social Security State	Liberal Regime

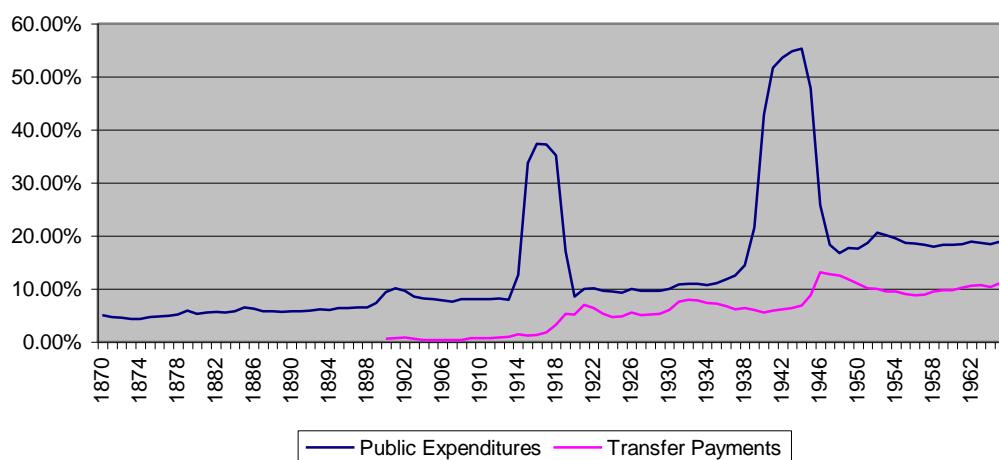
**Figure 2.1.2: Different typologies of attitudes toward different welfare regimes**

As Figure 2.1.2 illustrates, there are significant but not absolute similarities between the three typologies. Titmuss' Residual Model aimed at providing the minimum as a temporary supplement to markets' outcome as Espin-Andersen's Liberal Regime. Furniss & Tilton's "Social Welfare State" sought egalitarianism to change the current distribution of wealth as did Titmuss' Institutional Redistributive Model.

## 2.2 The British Welfare State

Three major periods in its development of the British welfare state will be chronologically explored here. In the three decades after 1948, all governments were generally committed to the Beveridgean model. A clear sign of departure from Beveridge's and Keynes' premises was given by the Labour leaders in 1976, though it was not before 1979 when words were turned into radical actions after Margaret Thatcher entered office. A third period could be identified since the end of the nineteenth, with the rise of the Labour party to power in 1997.

Back in 1948, the creation of the National Health Service, National Insurance and National Assistance establishments signalled the beginning of the Beveridge era in welfare provision. Ironically, the Conservative Party ruled Britain through 17 of these 31 years, contributing its own share to what was later defined as the "golden age" for the welfare state (Peden 1985, p. 156). Figure 2.2.1 clearly shows the rise in public expenditure and transfer payments after the Second World War.



**Figure 2.2.1: Estimates of public expenditure on goods and services vs. transfer payments in Britain as a percentage of the gross domestic product between 1870 and 1965**  
(Source: Feinstein 1972, Tables 2 and 14)

Clement Attlee's government, which held office until 1951, was the first to embark the new age of welfare provision in Britain, showing clear-cut success mainly in massive nationalization. By the end of 1949, the industries of railways, coal, iron, steel, gas, transportation and electricity were all under government control, as was the Bank of England (Butler & Butler 1986, p. 397-399). Whereas this policy could have been linked with socialist aspirations, it was argued at that time, that the intention was to promote efficiency rather than enforce equality (Morgan 1984, pp. 94-141).

On a different frontier, the most significant achievement of the Attlee's government was in the field of health. The creation of the NHS was credited to this government and its dominant Minister of Health, Aneurin Bevan, who virtually succeeded in detaching the insurance principle from health provision. Nonetheless, he resigned a short while afterwards, following the introduction of charges for dental and ophthalmic care. Retrospectively, such a shift was inevitable for the NHS, considering its financial reports.

The NHS exceeded its budget by almost 40 per cent during its first two years, inviting criticism from almost any possible direction (Hill 1993, pp. 41-43; Lowe 1993, pp. 166-179; Timmins 1995, pp. 101-132). Bevan, who declared in the Appointed Day the NHS would "lift the shadow from millions of homes" (Timmins 1995, p. 130), allegedly left an "administratively flawed service" that impeded the development of a more cost-effective and equitably distributed service (Lowe 1993, p. 179; Eckstein 1958, pp. 253-260; Pater 1981, pp. 181-187).

On balance, the Attlee's government was arguably successful in relieving absolute poverty, but it failed in reducing inequality. The third Rowntree survey conducted in York in 1950 found that Labour's new legislation reduced destitution from 22 per cent of households to less than 3 per cent (Rowntree & Lavers 1951, p. 40), and even if the methods were contested, it was clear that during Labour's years, subsistence poverty was dramatically reduced and unemployment ceased to be its major factor (Gazeley 2003, pp. 158-185).

On the other hand, the promised goal of equality was apparently neglected. Regarding the NHS, Eckstein argued that it had no distributive effect at all as, and in contrast to the previous system, it benefited the middle class much more than the working class (1958). Regarding wealth, Callaghan (1948) and Morgan (1984) maintained that Labour egalitarianism of those years was not at all aimed at redistribution from rich to poor (Callaghan 1948, p. 140):

...in 1947/1948 the lower income groups financed the social security schemes through their own direct and indirect tax payment, and in the redistribution of incomes that took place the transfer from rich to poor was much smaller in size than the transfers of income inside the lower income groups themselves.

History shows the return of the Conservative party to office in 1951 was not because it opposed welfare, but because it embraced it. The Conservatives took every opportunity to remind people of their share in the enactment of social legislation and pledged to succeed where the Labour government had failed, most embarrassing of all in the building of 300,000 houses a year (Raison 1990, pp. 26-31). Ironically, all Tories'

manifestos published until 1964 remarkably reflected the high priority given to social services (CCO 1962; CUCO 1963).

An assessment of public expenditure figures revealed that not only did the party accept the pillars of the welfare state during its four terms in office, but it was also responsible for a slight rise in its extent, as shown in Figure 2.2.3 (Page 37). The One Nation Group in their pamphlet "The Responsible Society" proudly proclaimed the Conservatives increased expenditure on social services by approximately 20 per cent as "the Welfare State has added to the freedom of the citizen." According to the group's estimates, the Tories allocated 30 per cent more to pensions, 50 per cent more to education and 10 per cent more to health (1959, p. 33-34).

The success of the Conservative party should not shift attention from its ideological weakness exposed during these years (Hill 1993; Raison 1990). Sewill, for instance, acknowledged it was hard to find a Conservative philosophy that could be applied consistently to the soaring expenditure on social services. In an article published in Bow's group journal, *Crossbow*, he admitted, "both parties claim to have helped in their creation [Social Services – g.a.]; both support them enthusiastically; and both attempt to outbid each other in expenditure on health, on education and on pensions" (1959, p. 57). Raison mentioned that even a governmental research study launched with "a bias in favour of radical change", ended up with a conclusion that "most of the social services... were broadly on the right lines" (1990, p. 52).

Under these conditions, the only strategy available for Conservative leaders was to pledge modernisation, occupy mid-ground politics and scare the electorate by emphasising the socialist aspiration to tax, spend and nationalise. In one of his famous speeches, Harold Macmillan dubbed Socialism as "out of date and out of touch", proclaiming that equality is in contrast to human nature. Elaborating on the dangers of egalitarianism, he said, "when the Fathers of the American Constitution declared that all men are created equal it really never occurred to them... that all men are to be kept equal" (1958, pp. 8-9). Subsequently, he stated that the only position in politics Conservatives can occupy with honour is the "middle ground" (1958, p. 12):

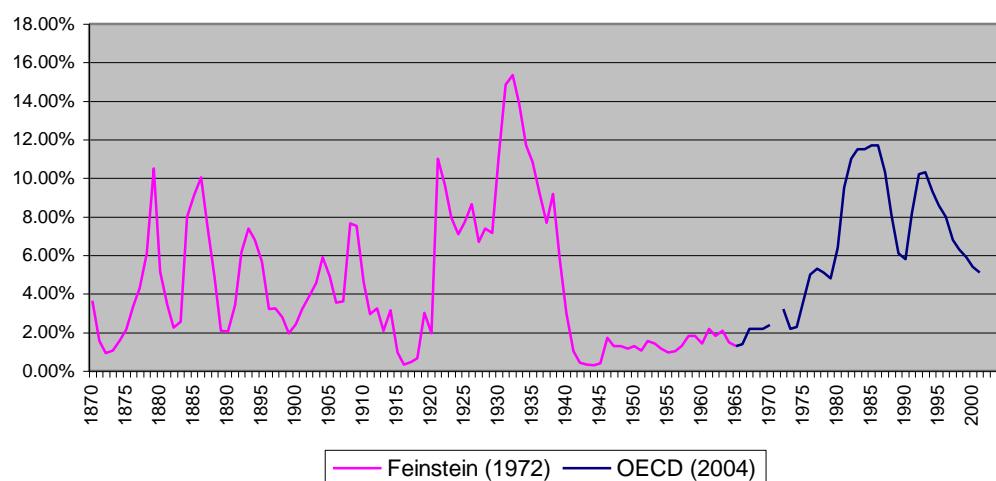
We do not stand and have never stood for *laissez-faire* individualism or for putting the rights of the individual above his duty to his fellow men. We stand today, as we always stood, to block the way to both these extremes and to all such extremes, and to point the path towards moderate and balanced views.

Churchill and Eden as premiers slightly reduced income taxes, abolished food subsidies, expanded technical education and, most important, accelerated housing provision. Among the means used to achieve the housing goals were the controversial

liberalisation of land, the boost of building and rental markets and several financial incentives given to local authorities (Raison 1990, pp. 35-36; Lower 1993, pp. 244-254). While in 1951 only 202,000 new houses were built, in 1956 this figure climbed to 308,000 and in 1966 it soared to 396,000 new houses every year (Butler & Butler 1986, p. 333).

During Macmillan's term, the 1957 Rent Act was introduced, enabling property owners to increase rents in order to finance repairs on their property. Further eminent legislation included the 1959 National Insurance Act, which introduced stronger earning links and encouraged occupational pension schemes to contract out the state system; the 1962 Education Act, which increased student grant provision; the 1958 Local Government Act, which granted greater financial independence to local authorities; and the 1959 Mental Health Act, which improved and integrated provision for the mentally ill (Peden 1991; Thane 1982; Laybourn 1995).

The 1964 General Elections Conservative Manifesto continued to show "little signs of a change from the familiar post-war direction" and consequently led voters to search for other alternatives (Raison 1990, p. 56). Eventually, Harold Wilson came to power after proclaiming benefits "have been allowed to fall below minimum level of human need" and promising to "reconstruct our social security system" (The Labour Party 1964, pp. 18-19).



**Figure 2.2.2: Unemployment rates in Britain between 1870 and 2000**  
(Source: Feinstein 1972, table 57; OECD Quarterly Labour Force Statistics 2004)

Nonetheless, reality fell short of the pledges. Hill described the subsequent seven years under the Labour government as simply "a breach of promise", accounted for mainly by economic difficulties, which limited the scope of government activity (1993, p. 85). As can be seen in Figure 2.2.2, unemployment rates were the lowest for almost ten years and eventually, the excessive demand led to unsustainable deficits in the Balance of

Payments forcing the government to devalue the Sterling in 1967 (Cairncross and Eichengreen 1983). A year earlier, the government declared a standstill on increases in prices and incomes, generating the first but certainly not the last dispute with the TUC (Tomlinson 2004, pp. 53-56). Inevitably, the focus on monetary problems and the move from one crisis to another had a negative effect on fiscal promises given before elections.

In terms of social policies, the National Assistance benefits were replaced in 1966 by "Supplementary Benefits" administered by the new Ministry of Social Security. It reflected a terminological and conceptual shift rather than a substantive one. As from 1966, the means tested benefit was paid as a right for the most deprived, with no contribution requirements (Butler & Butler 1986, p. 336). However, this "re-badging" move was in fact another proof for the abandonment of Beveridge's universalism vision, which relied on means tests as a last resort.

In terms of redistribution, the Royal Commission on the Distribution of Income and Wealth found that, since 1960, the trend toward greater equality continued although "the total wealth remains very unevenly distributed" (1975, pp. 139-140). Although the methods used and data presented were highly contested, Atkinson and Harrison who re-examined the findings concluded that, while the "totals of personal wealth are much higher... the distribution... is not greatly different" (1978, p. 136).

Another major development of that period, in the context of poverty and welfare, is related to the academic field, which gradually adopted a renewed definition of poverty. The process began in the 1950s and accelerated after a growing number of studies focused on relative needs and abandoned the absolute line of definitions (Townsend 1957, pp. 154-165; Abel Smith & Townsend 1965, pp. 13-20). Without implying it is "the end of the line" for poverty, it should be noted that subsistence levels of poverty have indeed been almost entirely abolished. In 1973, only 0.3 per cent of households lived below the "absolute" poverty line, as defined by government (which by itself was highly controversial), in comparison to 6.5 per cent in the 1950s (Fiegehen et al. 1977, p. 27).

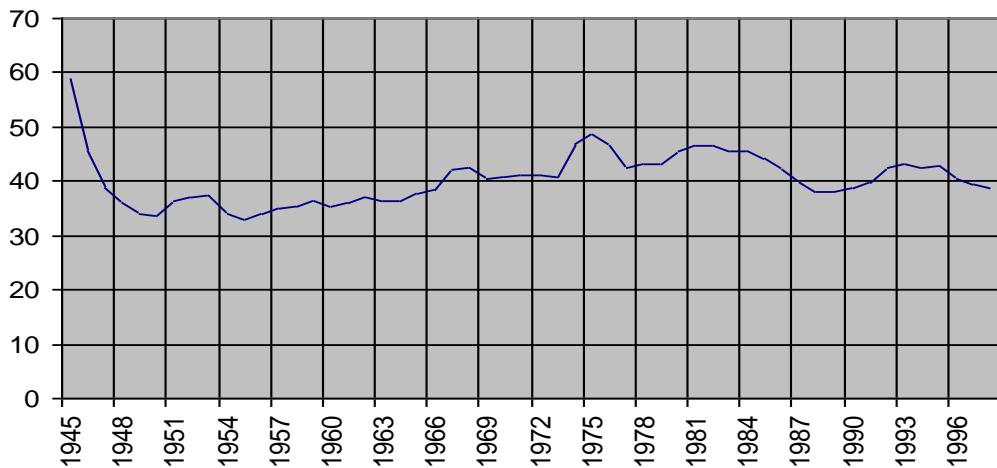
A positive surplus in the Balance of Payments was eventually achieved in 1970 after the electorate, disappointed by the fiscal price Labour paid to cool the economy down, granted a victory to the Conservatives. However, while the new Prime Minister Edward Heath declared, "we were returned to office to change the course of history of this nation – nothing less", his government was quickly required to confront a new phenomenon of rising unemployment (Blackaby 1978, pp. 52-53).

The Chancellor of the Exchequer Anthony Barber eased credit restrictions, increased government borrowing and, by fighting unemployment using Keynesian methods, allowed inflation to rise again (Peden 1985, pp. 162-167 173-179). In terms of public expenditure, the expansion was reduced from 3.5 to 2.8 per cent a year between 1971 and 1974; nevertheless, the government was still not in a position to fulfil its pre-election fiscal commitments (Blackaby 1978, pp. 55, 117-123).

Several significant social reforms were introduced during Heath's years, though many of them relied upon means tests, leaving Beveridge's ideas far behind. The Social Security Act finally approved in 1975 turned the scheme into a completely earnings related one, encouraging people to join private occupational pension schemes. The "basic flat rate" principle, incapable of providing a decent level of payment, was completely withdrawn. The National Insurance Act of 1970 was specifically providing for groups that were ineligible for the state insurance schemes, such as elderly, widows and seriously disabled people. In education, Secretary Margaret Thatcher significantly expanded the scope of provision, but on the other hand limited the provision of school milk to all pupils. It qualified her for the label "Margaret Thatcher, milk snatcher" (Timmis 1995, pp. 280-310; Laybourn 1995, pp. 241-245; Raison 1990, pp. 72-87).

The first oil price crises of 1973 had a crucial influence on the fate of the Conservative government, as well as the miners' strike, following counter inflation policies. In fact, it put an unofficial end to the "golden age" of sustained economic growth, full employment and price stability. Raison wrote that, from this point on, "it was clear that social policy was of minor importance compared with the economic and industrial events of the day" (1990, p. 84). Peden noted that a combination of domestic deficiencies and industrial inefficiencies, insistence on strict indexation and high public expenditure added to the effect of the global turmoil and led Britain into stagflation (1985, p. 199).

Politically, after two landslide elections, in 1974 the Labour government succeeded in winning a fragile majority that was diminished and regained in 1976. Its "Social Contract" with the trade unions was aimed at terminating inflation in exchange for a "social wage", but unfortunately, it had a limited effect on prices. On the other hand, the figures revealed a substantial increase in the level of benefits (Peden 1985, p. 206), as well as a record in government's public expenditure (Figure 2.2.3). The extensive efforts to stabilize the fragile British economy and break the cycle of inflation, Sterling devaluation and higher public expenditure eventually failed. It happened mainly because of economic reasons but also due to political restrictive decisions, press reports fuelling speculative monetary pressures and even crucial human errors in managing the already decided devaluation (Donoughue 1987).



**Figure 2.2.3: Public expenditure as percentage of GDP in Britain from 1945 to 1998**  
 (Source: Office of National Statistics, Social Trends 30)

An important turning point was the 1975 budget in which the Labour government chose not to reflate the economy and introduced voluntary income policies. The inevitable consequence was the creation of unemployment, which symbolised not only the official abandonment of Keynesian demand theory (Burk and Cairncross 1992), but also the end to one of Beveridge's fundamental prepositions (Lowe 1993; Hill 1993). The striking words of Prime Minister James Callaghan a year afterwards were the most profound evidence of a new era in the life of the Labour Party, Britain and old socialism (Quoted in Donoughue 1987, p. 82):

We have lived for too long on borrowed time, borrowed money... we used to think that you could just spend your way out of a recession and increase employment by cutting taxes and boosting government spending. I tell you in all candour, that option no longer exists, and that in so far as it ever did exist, it worked by injecting inflation into the economy. And each time that happened the average level of unemployment has risen. Higher inflation was followed by higher unemployment. That is the history of the last twenty years.

To avoid a collapse of Sterling in 1976, the Labour government was forced to ask the International Monetary Fund for a loan and to declare its fiscal targets in a "Letter of Intent" (Barnett, 1982, pp. 97-111). The Labour "Social Contract" with the unions enabled the introduction of voluntary income policy, but it was gradually eroded and disrespected until its collapse in 1979, following the "day of action" and the "winter of discontent". Nevertheless, it is no less than remarkable that with the exception of a few ministers such as Anthony Crosland, the Labour government was the first to understand the need of monetarism and radical fiscal restriction (Donoughue, 1987, pp. 51-102). This shift was in line with new negative tendencies in public attitudes toward welfare spending: Apparently, the voters preferred a party that would eagerly perform cutbacks

rather than one that was reluctant to do so after it was bound, chained and humiliated by TUC leaders (Witheley 1981).

Having said that, a variety of reasons had brought the Labour government's collapse in 1979. Glennerster asserted the ideological change regarding monetarism was not profound by 1979, and therefore the failure of the income policy "left the Labour party without a policy on full employment or inflation... [while] the Conservative Party adopted a new economic philosophy with enthusiasm." On the other hand, the Chancellor of the Exchequer Dennis Healey blamed the Trade Unions' stubbornness, which "took the distribution of the nation's wealth out of my hands" (1989, p. 392). A similar allegation was made by the Senior Policy Adviser to the Prime Minister Bernard Donoughue, cynically asserting "there is no question that the public sector unions elected Mrs. Thatcher in 1979; indeed, she subsequently said thank you to them in her own individual way" (1987, p. 187).

It cannot be said that Thatcher's intentions were not known in advance, although she did not declare straightforwardly her plans to chop social expenditures. The theme of freedom was eminent in her pre-election speeches, as her attitudes toward "the socialist government" and the collectivist welfare state were clearly stated (Harris 1997). Addressing the Conservative Political Centre in 1968, she vowed to keep only "the basic standards through the state would remain as a foundation for extra private provision" (p. 11). In a column published in 1975 in the Daily Telegraph she wrote, "one of the reasons for our electoral failure is that people believe too many Conservatives have become socialists already" (p. 18). In a speech delivered to young Conservatives in 1977 she stated, "we are not just anti socialist, nor primarily anti socialists; our opposition to socialism is just one corner of our vision." In the Conservative Party Manifesto for 1979 she promised to take from the Trade Unions "the power to abuse individual liberties and to thwart Britain's chances of success, to roll back the state and restore individual freedoms."

Britain before the Thatcher era was indeed far from being equal by any criteria - public expenditure, personal income or the use, cost and outcome of public services (Le Grand, 1982). However, the new Conservative regime was not at all preoccupied with redistribution. Two comments, one made by Thatcher in an interview to Woman's Own magazine and the other by John Moore, her Social Security Secretary, revealed the new governing premises as well as discourses, which dominated Britain from 1979. In her interview published in October 1987, Thatcher repeatedly argued, "there is no such thing as society" (Margaret Thatcher Foundation 3/12/2004):

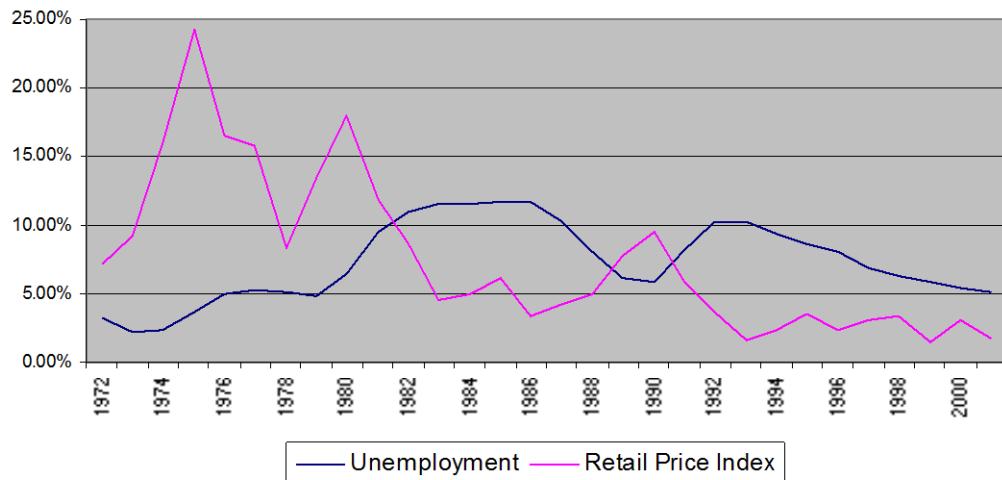
I think we have gone through a period when too many children and people have been given to understand "I have a problem, it is the Government's job to cope with it!"... and so they are casting their problems on society and who is society? There is no such thing! There are individual men and women and there are families and no government can do anything except through people and people look to themselves first...

John Moore complemented this extreme liberal view by arguing it is "the end of the line for poverty" (1989). Developing the "new-right" terminology, Moore urged people to "acknowledge British capitalism's true achievements", among them the disappearance of the "stark want of Dickensian Britain" (quoted in Andrews & Jacobs 1990, p. xvii):

What the new definition of relative poverty amounts to in the end is simply inequality. It means that however rich a society gets it will drag the incubus of relative poverty with it up the income scale. The poverty lobby would on their definition find poverty in Paradise.

Meanwhile, during the Thatcher years, the academic concept of relative poverty became dominant. Both Townsend's *Poverty in the United Kingdom* and Black's *Inequality in Health* should be credited for this conceptual change. The first found that a quarter of British citizens had experienced relative poverty (1979). The second proved that poverty kills, after showing that unskilled employees were two and a half times more likely to die before retirement age. Substantial "death gaps" between classes, it was suggested, had been stable for decades (1982). Ironically, following Thatcher's desire to marginalize the narrative of poverty, the new comprehensive concept of Social Exclusion emerged, extending the notion of deprivation into the various dimensions of participation in society (Hills at all 2002).

In terms of policy decisions, Thatcher was obliged in her first years to meet the fiscal targets set by the IMF in 1976. However, she was less concerned with restricting incomes as her policy was premised on monetary mechanisms, namely the control of money supply through high interest rates (Michie & Wilkinson 1992). In fact, Keynesian scholars "found themselves exiled" from the corridors of power, unlike to Milton Freedman followers who were now warmly welcomed (Peden 1985, p. 219). As demonstrated in Figure 2.2.4, the outcome was extraordinary in terms of stabilizing prices, but devastating in terms of minimising unemployment. While the value of money was successfully retained after the second oil crisis of 1979, the number of unemployed doubled in two years to an historical record of more than 2 million people.



**Figure 2.2.4: Unemployment and inflation in Britain from 1972 to 2001**

(Source: Office of National Statistics 2004, OECD Quarterly Labour Force Statistics 2004)

Two additional major policies were implemented during the two terms of Margaret Thatcher: mass privatisation and sharp raids against the power of the Trade Unions. Following six different Acts and one police crackdown as part of a miners' strike, the TUC had gradually lost power and members. During the 1980s, new legislation abolished trade unions' immunity against liability for damages of unlawful actions, changed the definition of legal strikes, forced a secret ballot in unions' elections and limited the length of tenure to five years (Roberts 1989). In addition, the government embarked on a massive campaign to sell its assets: by 1985, Cable and Wireless, British Telecom, British Airways, British Airports, National Bus, Jaguar, Land Rover, Sealink, Associated British Ports, British Shipbuilders and parts of British Steel – were all sold or planned to be sold (Butler & Butler 1986, p. 397-399).

The radical reforms implemented before the 1987 General Elections finally succeeded to stabilize the Pound. Simultaneously, a Green Paper produced by the government offered to change the system's premises so that, in principle, "social security will be based on twin pillars of provision - individual and state - with stronger emphasis on individual provision than hitherto" (HMSO 1985a, p. 45). The subsequent White Paper, introduced after only six months, stated, "social security must not hinder growth - either in the way the system affects individuals or in the burden it places on the economy generally" (HMSO 1985b, p. 2).

The papers introduced new policies, which included among others the abolition of State Earning-Related Pension Schemes for the benefit of occupational schemes, the introduction a family credit scheme to assist two-parent families, the substitution of welfare benefits with a basic rate of "income support" and the creation of discretionary limited "Social Fund" granting or loaning money to people who "cannot be sensibly

catered" for by income support. Having said that, welfare recipients were now obliged to pay at least 20 per cent of their local taxes (HMSO 1985a; HMSO 1985b).

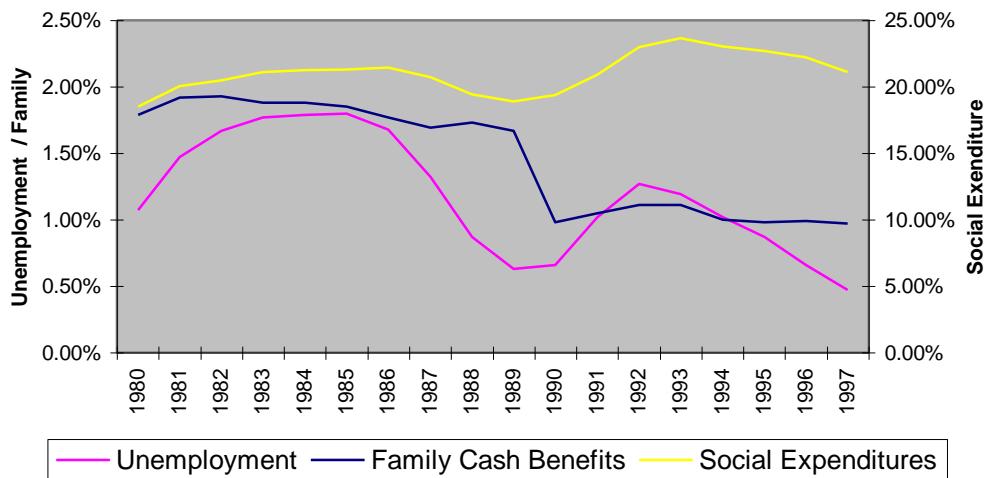
Other policies introduced during the 1980s were the "right to buy", which allowed council tenants to buy their homes at discounted prices to abolish "municipal monopoly"; the creation of a National Curriculum and unified testing system as well as the "opting out" option that enabled schools to receive public funds as semi-autonomous institutions; and the encouragement of private care and self-help in health provision as well as the introduction of self-governing hospitals within the NHS (Close 1992; Kavanagh & Seldon 1989; Glennerster 2000). In general, the goal in all fields of policy was to reduce state involvement and encourage choice for consumers. Regarding public expenditure, the policy was that "finance must determine expenditure, not expenditure finance" (Raison 1990, p. 108).

While at first sight the aggregated social effect of Thatcherism is hard to analyze, a closer look at the figures clearly illustrates the outcome of this period in terms of expenditure, poverty and inequality. In spite of the rhetoric of Margaret Thatcher, social expenditure as a percentage of GDP was not reduced but slightly increased during her period in office. Apparently, the main impact of the reforms had been to reduce the incomes of the poor, with almost no cumulative effect on the total budget (Glennerster 2000, p. 171; Evans et al. 1994, p. 79). An empirical study found the people who suffered the most between 1985 and 1994 were unemployed couples with children and lone parent families (Giles and Johnson 1994).

As demonstrated in Figure 2.2.5, following Thatcher's reforms, the unemployment and family cash benefits' budget was indeed falling, but overall the government spent more money on social provision. In a few incidents, expenditure was shifted from one budget's section to another (thus, instead of subsidizing public housing rent, the money was shifted to housing benefits as part as the social security budget). Overall, public expenditure was slightly reduced as already illustrated in Figure 2.2.3, though the reduction was specifically modest compared to the opening statement in Thatcher's first fiscal White Paper - "Public expenditure is at the heart of Britain's economic difficulties" (HMSO 1979).

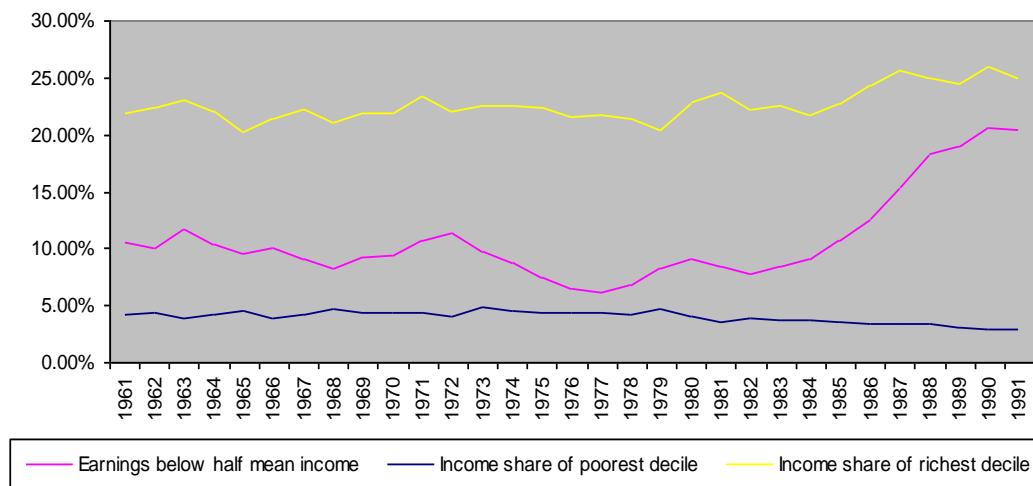
Furthermore, Hills found that despite the significant cutbacks in income taxes, higher VAT rates actually led to a rise in the overall tax burden during 1973 to 1997 (1998, 2000). More striking is the fact that the poorest decile of households paid the highest tax rates in 1998, as VAT had a significant regressive impact. Official statistics show that while the poorest decile paid 55 per cent of its disposable income as National Insurance

Contributions, local, direct and indirect taxes, the richest decile paid only 47 per cent of it (figures taken from Harris 2000, p. 62).



**Figure 2.2.5: Social expenditures in Britain as percentage of GDP between 1980 and 1997**  
(Source: OECD Social Expenditure Database 2004)

At the bottom line, in terms of income distribution, the rich became richer and the poor became larger and poorer during the 1980s (Goodman & Webb 1994). While the Gini coefficient in 1979 after housing costs was 0.257 and the poorest decile earned 4.65 per cent of the total income, in 1991 the Gini coefficient soared to 0.365 and the income of the poorest decile dropped to 3 per cent (pp. a2-a3). There were more than a million new unemployed (p. a1) and the proportion of people earning below half of the mean income soared from 8 per cent in 1977 to 20 per cent in 1991 (p. a12). As Figure 2.2.7 illustrates, during the Thatcher years equality was generally diminishing while poverty was soaring.



**Figure 2.2.6: Shares of the poorest and the richest deciles in income and proportion of people earning less than half of the mean income in Britain from 1961 to 1991**  
(Source: Goodman & Webb 1994, Statistical Appendix, Figures 2.2, 2.3, 2.7)

Hills demonstrated the extreme inequalities with a method first used by the Dutch economist Jan Pen, describing a parade of stretched or squashed people (1995). He found that the person halfway through the parade, representing the median income, is only 4ft 10ins. Nearly two thirds of the parade are below the average while the shortest ones must live below ground as they have negative incomes. At the top, the richest couple have a height of 15ft 8ins and the super rich could have been 4 miles tall.

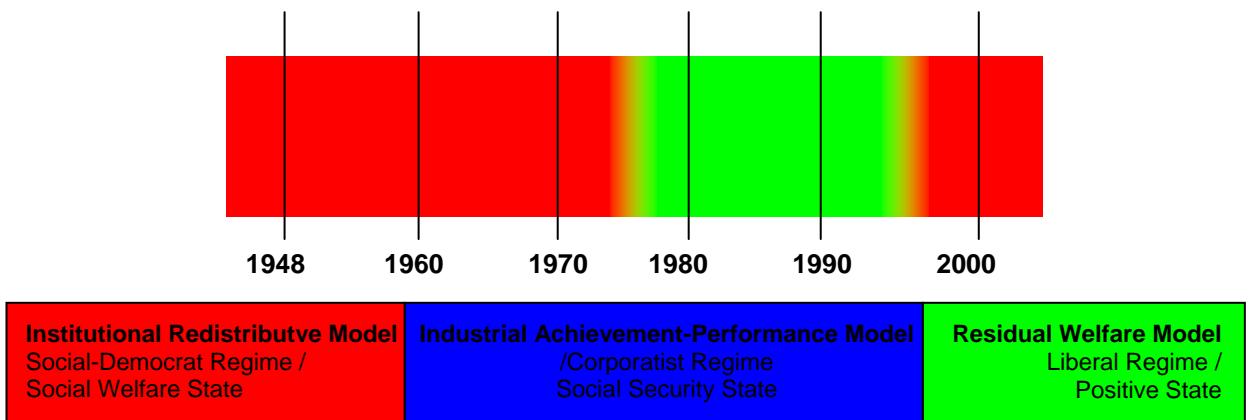
John Major was elected to replace Thatcher following her defeat in the leadership challenge of 1990. However, with very few exceptions, Major followed and implemented the reforms of his predecessor. Old themes such as immigration control, family values, fraud and abuse of the benefits system became eminent again, while a novel "Citizen Charter" defining the citizen as a consumer symbolically reflected another controversial shift towards the terminology, costumes and possibly outcomes of free markets (Glennerster 2000; Ellison & Pierson 1998).

Although there was an overall reduction in unemployment, poverty and inequality remained high throughout Major's period (NOS 2003; DWP 2004). Public spending was significantly reduced, but the overall burden of taxation increased as the government borrowed less money (Hills 1998). The most alarming development was the continual rise in child poverty: by the end of Major's premiership in 1997, one of every three children in Britain lived below the poverty line. Among lone families, the proportion was almost twice as high (Sutherland, Sefton and Piachaud 2003). These figures were not helpful for Major's election campaign, to say the least.

A comparative review of the Labour and the Conservative manifestos reveals the differences in the parties' attitudes toward the poor throughout the 1990s. While the Conservatives' 1992 manifesto pledged to "keep firm control over public spending" and "continue to reduce taxes as fast as we prudently can" (1992, p. 5), the Labour Party vowed to attack poverty, proclaiming that "the most effective way to reduce poverty quickly is to increase child benefits and pensions and take low paid people out of taxation" (1992, p. 12). While the Conservatives believed, "those who create prosperity should enjoy it, through lower taxes and more opportunity to build up personal wealth" (p. 6), the Labour Party wanted employees to "have the opportunity to own collectively a significant stake in the company for which they work" (p. 14). Overall, the Conservatives' discourse rests upon responsibilities, privatisation, tax reductions, free economy and an attempt to "focus" social security, whereas the Labour Party's discourse was that of jobs, fair taxes and public services.

It should be emphasised that the Labour manifesto of 1992 did not mention even once the words "redistribution", "inequalities" and "welfare". In 1997, the slogans of

"Welfare to Work" (pp. 18-19), "prosperity for all" (pp. 10-11) and "tackling inequality" (pp. 2-3) were considerably more dominant. The Tories, on the other hand, continued to emphasise security, choice, low taxes and economic prosperity. In their 1997 manifesto the Conservatives clearly stated that the social security system should take a "steadily declining share of our national income... by focusing benefits on those most in need" (p. 19). Whereas the Labour manifesto's headline was "New Labour because Britain deserves better", the Tories highlighted the sentence "you can only be sure with the Conservatives."



**Figure 2.2.7: Categorisation of the British welfare regimes since 1948**

The transparent manifestos enabled a plain categorisation of the British Welfare Regimes. As demonstrated in Figure 2.2.7, by the end of the 1970s all parties realized the urgency of cutting public expenditure and moving to monetary tools of policy. These inclinations were harmful for the poor of two reasons: they were more dependent on public services and they were in greater need to borrow rather than save money. Hence, if the Beveridgean model served as the archetype of Social Democrat regimes, Thatcher's policies easily entered the place of liberal ones.

In Furniss & Tilton's terminology, while Beveridge resided upon premises of the Social welfare state, Thatcher implemented a stricter model of Social Security State. Benefits were therefore reduced in order not to stifle private initiative and devalue self-responsibility. On the other hand, Tony Blair's policies incorporated universal elements and facilitated redistribution by tax credits and other hidden and unhidden tools. There was a shift in 1997, and Britain has been back on a "new Social Democrat" regime, after 18 years of liberalism. Without entering the debate around the politics of the Third Way (Pierson 2001), several egalitarian policies were implemented under the "New Labour" government. Welfare regimes are always hybrids. Yet, it seems as Britain's direction since 1997 was less liberal and more social-democrat, according to the definitions of Esping-Andersen (1990), Furniss & Tilton (1979) and Titmuss (1974).

## 2.3 The Israeli Welfare State

The Israeli welfare state was founded as a pragmatic compromise of socialism. However, its story goes far beyond competing ideologies held by political parties. It can easily be taken to the tragedy of the socialist Party ("Mapai"/"Labour"), which had been leading to the exclusion of a whole generation of African-Asian immigrants. The social pledges often made by the national right wing Party ("Likud") were eventually found as neo-liberal words. Thus, what began with strong, almost hegemonic, socialist agenda of the workers' party, turned out to be a different regime than expected.

There are many explanations to the breakdown of the socialist agenda. Primarily, security considerations, of the kind that spiritually damages rather than constructs a healthy society, have had a considerable impact on state policies. Too often existential threats preceded desires of distributive justice or even formal egalitarianism. It affected the academy as well. There are only two research centres exploring exclusively issues of Social Policy, and not even one academic department devoted solely to this discipline.

Professor Richard Titmuss, as a member of the Anglo-Israel Association, had visited Israel often during the 1960s. After exploring Britain's failure to redistribute income and wealth he said, "what is needed is a balance of economic and social growth" (1965, p. 14). However, while in the Israeli government, strategic and planning units were largely vanished, a deliberate policy of balancing different sorts of growth could hardly be created. This section aspires to elaborate on these issues, providing an overview of the major occurrences shaping the Israeli welfare state between 1948 and 2001.

Two turning points are identified here, none of which is related directly to the political machinery. The first occurred in 1971 with the establishment of the "Black Panthers Movement", which virtually formed the first grass roots ethnic social resistance. The second point followed a dreadful period of hyperinflation, leading in 1985 to the "Economic Stabilisation Program", which resided on the freezing of wages, prices, money printing and public expenditure. Recent policies imposed by former Finance Minister Benjamin Netanyahu from 2002 might constitute another turning point, but they are out of this study's scope.

Before discussing policies, a focus on two founding sources of power, namely Judaism and Zionism, is essential. Broadly speaking, the former vested its faith in salvation by the Messiah while the latter conceived land cultivation in Israel as the only possible redemption for the Jewish peoplehood. Each is derived from a distinct conceptual world, incorporating different narratives, premises, values and goals. Nevertheless, in 1948 these super-powers constituted the pillars of the newly born state.

Judaism as a religion preaches modesty, kindness, sharing and assisting the poor by charity ("Tsedaka"), as well as cooperation. Linguistically, "Tsedaka" in Hebrew is almost synonymous to the word justice, "Tsedek". The biblical texts themselves sanctify diversity and mutual respect, and they are loaded with social inferences. The Fourth Commandment orders the cessation of any work on the seventh day, referring explicitly to any manservant, maidservant and stranger "that is within thy gates" (Exodus 20:2-14). The People of Israel are also ordered, "You shall not wrong a stranger or oppress him, for you were strangers in the land of Egypt" (Exodus 22:21-24). The Jewish Oral Laws ("Mishna") defined a pious person as one willing to contribute to charity regardless of others' contributions and as one ready to offer his belongings to others for no reward, believing that "what is mine is yours, and what is yours is yours" (The Ethics of Our Fathers, 5:13-16). This is arguably the most ancient form of socialism.

In the 11<sup>th</sup> century, approximately a thousand years after the "Mishna" was signed, the distinguished Jewish Rabbi, Maimonides described the "eight levels of charity". Remarkably, the highest virtue urged the formation of a partnership with the poor, rather than mere contribution, so they will not be dependent on others (Mishne Tora, Sefer Zeraim, 10:7). Another outstanding text was written by Ibn Gabirol in the 16<sup>th</sup> century. Referring to the sin of building the Tower of Babel, the Spanish Rabbi almost anticipated, in detail, a major challenge faced by modern societies (Sefer Ha'Agada):

Originally, man shared one universal language and all their possessions were common to them all. No man had any private property. Everything was in common, just like their language. But when they engaged in building the city and tower and the invention of artificial works, they forsook their universal brotherhood and established private property, through barter and monopolization prompted by their covetousness to take everyone for himself and say "Mine is mine and yours yours."

Contrary to Judaism, modern Zionism as a secular national movement was premised largely on the ethos of Labour and pioneering spirit, although fierce debates about socialism have never ceased. On one hand, were the pragmatic leaders or the "Political Zionists". Theodor Herzl, the founder of modern Zionism, planned the poor would be the first to immigrate and "cultivate the soil", as "only the desperate make good conquerors." He offered a system of "relief by Labour", furnishing every needy person with an easy, unskilled job (1896/1988, pp. 155, 93).

On the other hand, were the idealist groups. One of them, known as the "Spiritual Zionists", were led by the charismatic figure of Asher Ginzburg, better known under his pseudonym of Achad Ha'am, "One of the People" in Hebrew. He maintained the Jewish State must first constitute a spiritual centre for the Jewish Diaspora, before encountering

the physical threat to individuals (1907/1916). Furthermore, he was one of the first Zionists to warn that Palestine is not an empty land and the Jews must not humiliate the Arab population (Avineri 1981). Discussing social issues in his "*At a Crossroad*", Achad Ha'am contended that Herzl was never genuinely interested in resolving the social question, but rather the Jewish one. He argued that the route to redemption must first meet the social challenge if it is to succeed (1902-1913).

Eventually, "Socialist Zionism" emerged as a dominant political force, which "shaped the character of the Zionist movement and subsequently of the State of Israel, to a greater extent than any other group" (Laqueur 1972, p. 270)<sup>1</sup>. The Socialist, Nachum Syrkin and the Marxist, Ber Borochov had succeeded, in fact, in creating a synthesis of Zionism with class ideology. Syrkin asserted Jews were always on the wrong side of the social struggle and, since anti-Semitism was fuelled by class relationships, only a new socialist society with no private property could solve the Jewish problem. Borochov sought to justify Zionism in Marxist terms, contending the social structure of the Jews was an "inverted pyramid", with no proletariat. He argued, therefore, that only when Jews have a proletariat of their own would racial hate disappear (Avineri 1981; Lanqueur 1972).

The "Kibbutzim" (communal villages) and the "Histadrut" (General Federation of Labour) are the two major remnants of this period. Regarding the former, it could be argued that what began with a strong faith in ideological egalitarian revolution, culminated in a total financial breakdown, a privatisation processes, accompanied by continuing requests for public funding (Ben Rafael 1997; Dar 2002). The "Histadrut" began as a humble "pioneering constructivism" of 4,433 workers in 1920. After the Establishment of Israel, it held shares in major industries all over the country. However, it ended up as a bankrupted Labour Union that sold most of its major assets, except a few real estates, rarely capable of reviving their nostalgic memories (Tzahor 1996).

After briefly exploring some of the origins of Judaism and Zionism, the merits and fineness concealed in the Declaration of Independence, which integrated these two worlds, can be better understood. It stated that the new State "will ensure complete equality of social and political rights to all its inhabitants irrespective of religion, race or sex" (Provisional Government of Israel 1948). Yet, whereas a strong sense of universalism could be inferred from the declaration, it was collectivism that prevailed, but to a limited extent and for a limited and privileged group.

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<sup>1</sup> An alternative, radical narrative, coming from non-Zionist or Post-Zionist circles, argued Socialism served only as a rhetorical means to mobilise the masses and legitimize the creation of a Jewish state (Sternhall 1998; Schulman 2003).

Historically, two separate welfare systems operated in the territory before 1948. The *Jewish religious* movement had assisted its own needy affiliates with money donated from abroad in order to allow scholars to study Torah ("Haluka Funds"). In parallel, the *Zionist national* movement channelled its provision through two organisations, The General Federation of Labour ("Histadrut") provided social insurance and health services and the Labour Company ("Hevrat Ovdim") aimed at holding and managing companies "on behalf" of the proletariat.

After the establishment of Israel in 1948, the Welfare Ministry took control of most of the religious provision, as well as the British Mandate's indigent social services. Simultaneously, the "Histadrut" flourished, supported directly by Prime Minister David Ben Gurion, who chaired the union beforehand (Doron & Kramer 1992; Neipris 1984; Doron et al. 1969; Kanev 1945). Until the late 1980s, the "Histadrut"'s assets guaranteed its robust grip on the entire market. On behalf of the proletariat, the Labour Company actively managed the leading commercial bank ("Bank Ha'poalim") and the largest holding company ("Kur"), playing an abnormally dominant part in all markets. Their prominence collapsed within a few years, not least because of corruption, excessive bureaucracy and liberal ideology.

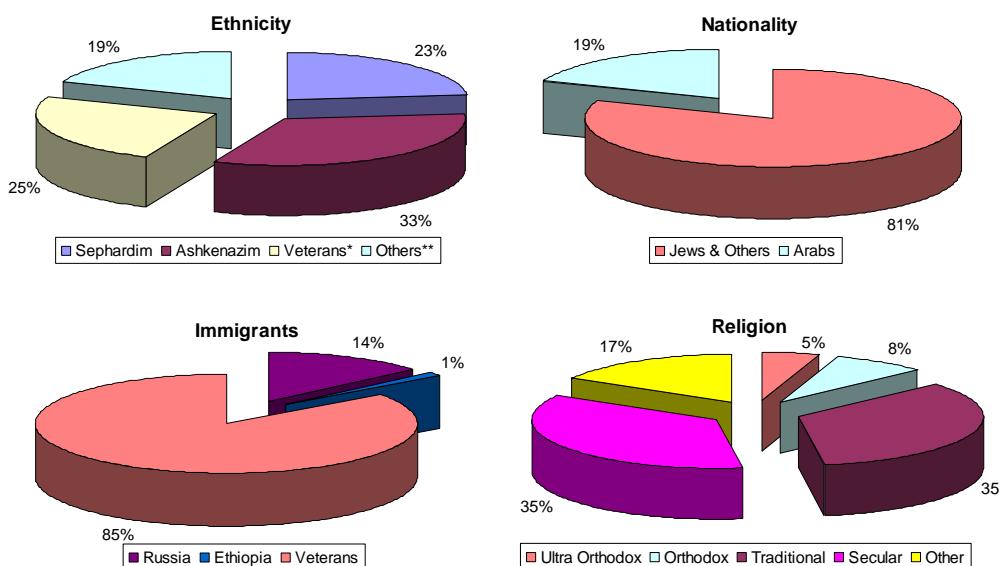
Factually, devastating losses have led to the holding firm's financial collapse by the end of the eighties. Years later, "Kur" was sold to cover the losses of the Labour Union. As for the other major assets, the nationalisation of all commercial banks in Israel following a stock exchange crisis in 1984, had stripped the "Histadrut" from its key financial oxygen mask. The "Histadrut"'s monopoly over health provision had ended by 1995, after a controversial reform shifted the monthly payments from the bankrupted Labour Union's hospitals to the State. The inefficient and non-transparent grip of the "Histadrut" over pension funds has eroded during the 1990s, but reached its final stages during 2002. Today, almost nothing was left from the historic leviathan, except its role as a Labour Union.

Understanding the internal composition of Israeli society is a needed in order to assess the development of welfare policy. Sociologists would argue Israel faces four major cleavages: "Ashkenazi" vs. "Sephardic", Jews vs. Arabs, Orthodox vs. Secular and Immigrants vs. Veterans<sup>2</sup>. Above all, the "Melting Pot" concept reflects an ethos

<sup>2</sup> The pioneers of the State of Israel immigrated from Europe and America ("Ashkenazim") and constituted 89 per cent of the 380,000 Jews who entered Israel between 1919 and 1948. After the creation, massive immigration from poorer Asian and African countries changed the ethnic composition of Israel. In 2003, 29 per cent of the citizens were "Sephardic" and 41 per cent "Ashkenazi" (CBS 2004, Tables 2.1, 2.21, 4.2). The Muslim Arab minority in Israel constitutes 16 per cent of the whole population. Initially, this minority was merely 8.5 per cent, but significant higher rates of birth changed the demographic balance (CBS 2004, Table 2.1). A third cleavage lies in the religious dimension: In 2002, 5 per cent defined themselves as Ultra-Orthodox, 8 per cent as Orthodox, 35 per cent as "traditional" and the others as traditional or secular (CBS 2004, Table 7.4). The fourth minority group consists of new immigrants who arrived after 1990. During this period, 908,000 Russians and 50,000 Ethiopians settled in

of diversity and shared values, enabling the mixture of various groups under one state authority. If pluralism is measured by criteria of language, race, religion and sectionalism then Israel is no less pluralistic than the United States and Britain (Haug 1967).

However, there are *significant* inequalities within these cleavages, generated by State policies as well as cultural, educational, demographic and economic differences. Oversimplifying the state of affairs for the purpose of illustration, Arabs and Orthodox are more likely to be in poverty, but they also have significantly higher birth rates than secular Jews. Sephardic Jews, Arabs, Orthodox and Immigrants are consistently over-represented in the major deprivation indexes (see, for instance, Smooha 1978; Swirski & Konnor-Attias 2004; Lewin-Epstein & Semyonov 1993; Kraus & Hodge 1990; and Lewin & Stier 2002).



\* Veterans: Father was born in Israel; \*\* Others: Mainly the Arab population.

**Figure 2.3.1: Demographic figures of the four major social cleavages in Israel of 2003**

(Source: CBS 2004, Tables 2.1, 2.25, 2.26, 7.4).

Note: All the above pie charts represent the entire Israeli population [6,690,000 people], aside of the Religious pie, which refers to Israelis above the age of 20

Assessing the socio-demographic indicators of the minority groups, many would argue that between 1948 and 1971 Israel, consciously or unconsciously, tolerated wider inequalities. Relatively low resources were allocated for inclusive policies, whereas the ethos was that of work and labour. Stunned by its heroic establishment, blinded by its military superiority and overwhelmed by short periods of prosperity, the apparatus

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Israel, enlarging its population by a fifth (CBS 2004, Tables 2.1, 2.25, 2.26). Broadly speaking, the Muslim Arab and the ultra orthodox minorities do not serve in the army. The ultra orthodox are significantly less engaged in the labour market as most of them receive state funding directly or indirectly.

provided a fragile safety net with no designated treatment to bridge the profound cultural and educational gaps of the new Sephardic immigrants.

The first serious attempt to outline a welfare policy was in 1950. The "Scheme for Social Insurance in Israel", equivalent to the Beveridge plan, advocated universal health services and compulsory social insurance against illness, work accidents, disabilities, ageing, orphanhood and unemployment. The committee, led by Isaac Kanev, paid tribute to the pre-state social provision of Jewish and Zionist institutions, but stated it "observed a fundamental deficit derived from lack of legislation for compulsory insurance" (State of Israel 1950, p. 48). Kanev, although strongly disappointed by the lack of social planning in the following years, noted the unique circumstances that existed in these times (1964, p. 2):

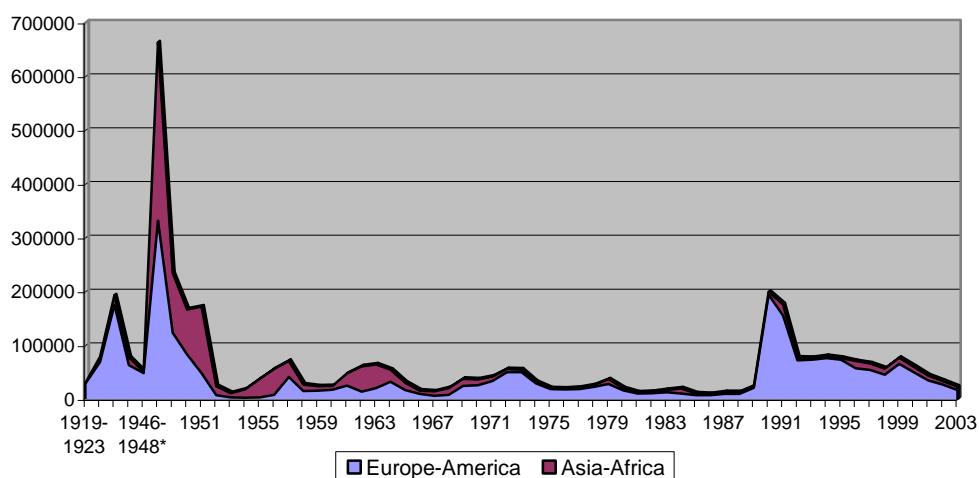
The future historians studying this epoch will hardly be able to understand how it was possible that the leaders of a small country in the midst of a struggle to life and death... had vision and courage to plan and prepare the first social laws, pass them in the Knesset and carry them into practice as early as the summer of 1949.

However, the conclusions of the committee were only partially adopted. The National Insurance Institute was indeed established in 1953, but provided neither health services nor unemployment insurance. While the earlier recommendation faced a robust resistance of the "Histadrut", backed by the ruling Labour Party, the latter reflected the hegemonic premise of that time, according to which labour was the solely acceptable way of life. Hence, it is an individual right as well as a collective duty to guarantee employment opportunities if the markets fail to do so. Another contested area of policy was pensions, leaving the NII to provide a low elderly benefit as the basic pension pillar, to be supplemented by private funds managed almost exclusively by the "Histadrut" (Doron et al. 1969; Neipris 1984; Tzinamon 1964).

Welfare benefits were marginalized during the first decade for ideological reasons as well as scarce resources. In fact, there were neither binding criteria for entitlement to benefits nor any official logic behind their appropriate rate. After his visit to Israel, Titmuss concluded, "this large area of discretion in dealing with the poor... allows moral judgements to operate" (1965, p. 17), and indeed, immigrants, transit camps' residents and the elderly were the major groups suffering from discriminatory decisions of bureaucrats (Klain 1959).

The 1958 Act for Welfare Services was not much of a difference. It imposed several obligations on local authorities but defined neither government's duties toward municipalities nor the rights of the citizens themselves (Kurtz 1968). A professional

committee appointed in 1963 was asked to fill this void by defining the necessities of life, but after four years, it failed to reach conclusions, noting that such definition involves moral and political judgment (Doron et al. 1969). Years later, an inspiring legal challenge endeavoured to overturn a cutback in income support benefits resided on a similar argument, maintaining the government ignores its elementary duty to enable citizens "life with dignity". This bright appeal was eventually overruled by the Israeli High Court of Justice, which was not convinced that there should be an absolute threshold for dignity (HCJ 366/03).



**Figure 2.3.2: Immigration to Israel by ethnic origins between 1919 and 2003**  
(Source: CBS 2004, Table 4.2)

As for decades, no serious effort was made to relieve poverty and reduce inequalities, economic gaps perpetuated, especially between "Ashkenazi" and "Sephardic" Jews, leaving scars that would later turn out to be irremovable. As illustrated in Figure 2.3.2, a significant flow of Asian-African Jews arrived in Israel after 1948, facing similar treatment by the veteran establishment. It can be argued, that while the ultra orthodox and the Arabs were to some extent "voluntary excluded", or isolated according to Barry's distinction (2002), the "Sephardic" Jews were marginalized by state policies, even if the leaders' intentions cannot be verified today.

One of the famous violent episodes motivated by the mounting inequalities occurred in Vadi Salib slum in Haifa on July 1959. Dozens of police officers and Moroccan immigrants clashed following a false rumour regarding the killing of a drunken community member by police gunfire. The official committee appointed to study the looming events was astonished to discover "parts of the Moroccan community are loaded with deep feelings of discrimination and inequality... excluded from the mainstream of the society" (1959). Nonetheless, the first uprising in Israel on ethnic grounds had almost no influence on state welfare policies.

The Income Maintenance Scheme for elderly who were not entitled to NII pensions is a unique illustration of the unfair treatment given to the underprivileged during the 1950s. It was Professor Abraham Doron, who tracked the tactics used by the State to cut its expenditure on benefits. Among other things, information about entitlement was deliberately hidden from the elderly to prevent them from exercising their rights, deprived populations entitled to benefits were intentionally refused, and bureaucracy was deliberately exaggerated on purpose to frustrate and deter potential recipients. Additionally, benefits were significantly eroded over the years, proving once again that welfare for the poor becomes poor welfare (Doron 1997).

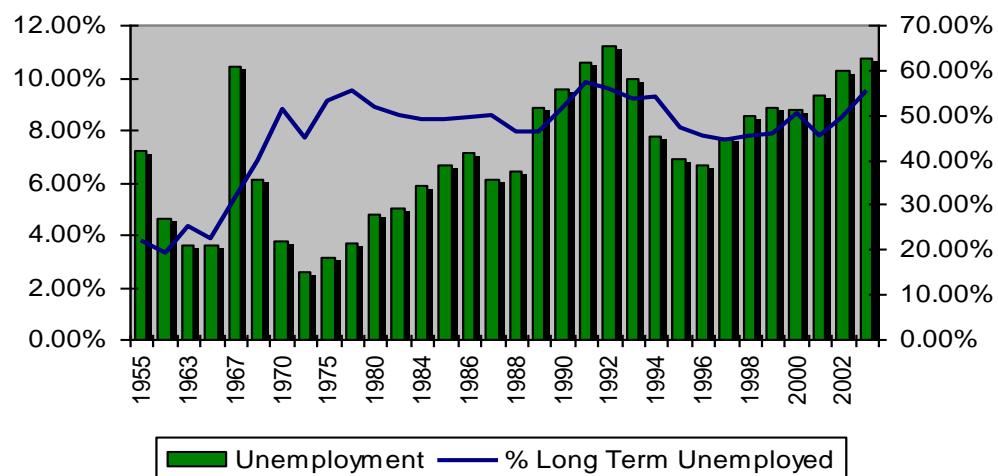
The scheme was an alarming experiment, but it was not exceptional in Israel of the 1950s. Only in 1973, the poor were provided with legal service aimed at raising their awareness of their legal rights. Ongoing neglect dominated other fields as well, harming individuals from specific ethnic origins. Many "Sephardic" immigrants, for instance, were not provided with decent housing for years. Some were forced to stay in transit camps while others were sent to slums in the periphery. Secondary and higher education was not affordable for everyone, especially not within deprived areas, while school meals turned out to be marginalizing and stigmatizing (Doron 1972).

Social mobility within the labour market was very limited considering the educational gaps, cultural differences and poor public transportation infrastructure that prevailed until recent years (Lewin-Epstein & Semyonov 1986). Statistically, 64 per cent of the "Sephardic" Jews were defined in 1961 as "proletariat", double then the proportion of the "Ashkenazi" Jews (Ben-Porat 1992). Consequently, instead of becoming an inclusive society, a dangerous notion of "The Second Israel" (similar in a sense to Disraeli's Two Nations, though still far away from the definition of an underclass) penetrated Israeli society by the end of the decade.

Although the ideological hold of the labour ethos was loosing height during the 1960s, the Welfare Ministry had not reformed its policies. Even after the 1958 Welfare Services Act, benefits were still stigmatizing and often means-tested as the system relied on family assistance, implicitly blaming the poor for their own hardship (Yaffa 1969; Doron & Kramer 1992). In fact, Moshe Kurtz, Director General of the Welfare Ministry, argued himself in 1964, "There are still people who prefer their ignorance upon allowing themselves or their children to acquire knowledge through our open access educational systems" (Kurtz 1975, p. 60). It was another proof of the looming polarization between two nations. Titmuss referred to this issue, apparently exposing some other hidden premises held by the establishment (1965, p. 17, 20):

You cannot have two definitions of poverty in Israel, one for the older immigrants with a different background and different standards of living, and another definition of poverty for the new immigrants and their children... I don't think Israel has yet fully understood what may be some of the psychological consequences to people – the emotional stresses as these children grow up – of the rapidly forced acceptance of different cultural values.

The absence of long-term planning was evident. Ben-Or contested it was a functional process, allowing decision makers to avoid any contested ideological verdicts that could have risked their political future (1973). Doron maintained the entire policy was "more a side effect of historic evolution, inertia and political pressures", contending that "the idleness in social policy was worse than any other field of our government" (Hebrew University 1969, p. 7). Even Kurtz, under his official capacity, urged the government to "revive comprehensive social planning instead of the accidentalness prevailing today" (Histadrut 1965, p. 15). Ben-Zadok put a "secondary blame" on the academy, arguing that a lack of planning is a historical phenomenon in Israel, failing for one hundred years to link ideology and implementation (1985). Nonetheless, during the 1960s the government finally had an opportunity to settle down, develop its existing services and professionalize its staff, as arguably it did (State of Israel 1970, Doron & Kramer 1992).



**Figure 2.3.3: Rates of unemployment and long term unemployment in Israel between 1955 and 2004**  
(Source: CBS 2004, Table 12.1)

Although no radical policy reforms were implemented until the end of the 1960s, the social uprising as well as new academic studies had gradually broken the illusion of an egalitarian society (Doron et al. 1969; Meshel 1970; Elitzur 1969; Histadrut 1965). The share of the poorest fifth in the total income, for instance, dropped from 7 to 4.7 per cent between 1948 and 1968. Only 7.2 per cent of the "Sephardic" Jews were in the wealthy fifth compared to 32 per cent of the "Ashkenazi" Jews (Verter & Shamai 1971). The Gini coefficient rose from 0.30 in 1965 to 0.36 during 1968, before gradually

declining until it reached 0.28 in 1976 (Dahan 2002; Sharel 2002). Nevertheless, it should be emphasised that the overall effect of taxes, contributions and benefits reduced the Gini index by 15.9 per cent during 1969 (Habib 1975).

The years of 1966 and 1967, before the Six Days War, had seen Israel experiencing a grave economic recession. As illustrated in Figure 2.3.3, unemployment soared to a record of 10.4 per cent in 1967 after the government policy of artificially creating jobs outside the private market failed to deliver. The incredible war triumph indeed halted the deterioration, though an institutional effort to legalize unemployment insurance was already underway. Yigal Alon, the Minister for Work, presented the fundamentals of the new policy in the Knesset during February 1967, setting up a historical turning point for the Labour government (Alon 1967):

Members of the Knesset, I shall not conceal my view that initiated employment is preferable by any means to unemployment benefits. Nevertheless, we must provide such awards when we fail to create jobs or when the unemployed physically cannot take the job we offer. Of course, those capable of work will have to accept any offer; otherwise, their benefits will be withdrawn.

The ideological barriers should not be underestimated. The collision of values and the breakdown of old traditions received a rare reflection in the report of a special committee appointed to examine the issue. Submitting its recommendations in 1968, it suggested combining the new insurance with the previous policy of job creation, stating, "Every man must know he has a legitimate right for employment or for an alternative income if our society failed to provide him one... The unemployed should perceive benefits as a right derived from the law rather than a favour out of mercy" (State of Israel 1969). Finally, in 1973, after a period of economic prosperity, unemployment benefits became payable<sup>3</sup>.

Nevertheless, the revolutionary forces within Israeli society were still bubbling. What begun as sporadic uprisings in Haifa on July 1959, turned into a national movement called "The Black Panthers", established in 1971. It was a rare moment of massive "Sephardic" defiance against the "establishment". Kokhavi Shemesh, a movement leader, described his motives by recalling the story of a family that for twenty years "sat in rotting buildings" in Musrara, a poor neighborhood in Western Jerusalem. As he described it, "all that time [they] were told that the military situation prevented the improvement of their living conditions", while on the other side of the neighbourhood,

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<sup>3</sup> Between 1970/1971 a new policy to subsidize low wage earners was implemented. It was found though that a third of the working poor families were not qualified for subsidy, while many non-poor did receive it. Consequently, the scheme was replaced by family benefits in 1972 (Doron & Roter 1978).

luxury apartments have sprung up, given entirely to "Ashkenazi" new immigrants. Resentment and anger were evident in every quotation of the Black Panthers, and Shemesh himself (Cohen & Shemesh 1976, pp. 21-22):

All the political parties had been talking about doing away with the poverty problem, but since they did nothing, some young people got together to raise the problem... We just have to work for a society with social justice and equality and an opportunity to abolish the private accumulation of capital.

**Isn't that what is called "socialist"?**

I've never leaned what socialism or Marxism are. If what I am describing is socialism, then let it be socialism. Definitions aren't important to me... Many people, including myself, have come to the conclusion that Zionism hasn't solved anything for us... Zionism solved Rabinowitz's problem [a typical Ashkenazi surname – g.a.] without doing a thing for Buzaglo [a typical Sephardic surname – g.a.].

A series of demonstrations and additional violent clashes with the police had forced Prime Minister Golda Meir's agreement to meet the resistance leaders. This famous meeting is still remembered as an embarrassing symbol for arrogance. After Meir offered the Panthers her personal cigarettes, she was interested to know their personal history as well as their criminal record, consistently exhorting them to be patient and stop demonstrating. Meir concluded the meeting with a few words that turned into an idiom in Israel: "They are not lovely."

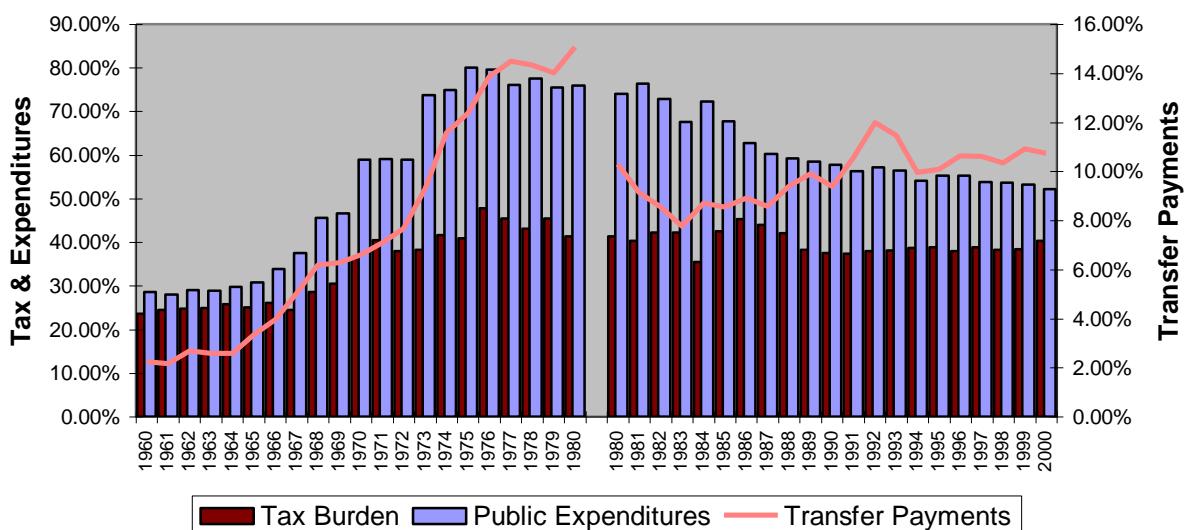
Symbolically, in the Social Science Library at Tel Aviv University there is not even one book covering exclusively the only significant grass-roots struggle for equality in Israel. The wonder becomes even bigger given that the Welfare Ministry itself admitted officially that "during the last two years, Israeli society has been agitated by the recognition that socio economic differences are deepening and social tensions are growing" (1972, p. 3). Dr. Sami Shalom-Shitrit, a Sephardic left-wing scholar, even argued that the Black Panthers' tremendous success was deliberately marginalised and veiled by the Ashkenazi establishment, portrayed as a negative stain in the history of the Jewish State ([www.kedma.co.il/Panterim/Panterim.htm](http://www.kedma.co.il/Panterim/Panterim.htm), Retrieved: 2 January 2005):

Today I am arguing with no doubt: The Black Panthers were the "Big Bang", the generator of a whole social struggle in Israel. They have started and formulated all of it. Israel before March 1971 was a different state, a state in which an economical and cultural depression was received with submission by the Sephardic Jews with the exception of few, sporadic outbursts... It is only a matter of time until the oppressed masses will fight back.

Even though Prime Minister Meir refused to give legitimacy to the Black Panthers, she appointed two professional committees to review governmental policies regarding income distribution and distress among children and youth. Doron & Kramer attributed

this decision, which brought an expansion of the welfare state, to the fear of further uprising (1992). Indeed, public expenditure and transfer payments did soar to a record level, though the devastating loss in the 1973 Yom Kippur War terminated this process. The sudden attack on a holy day of fasting, the scandalous investigation regarding the "conceptual collapse" of the Israeli intelligence, an inconceivable loss of more than 2,000 soldiers and the subsequent peace treaty between Israel and Egypt - all helped to put the "social genie" back in the bottle.

Several reforms did take place during the 1970s. Child benefits significantly increased after they were converted to tax allowances in 1975. A new policy to subsidize low wage earners was implemented<sup>4</sup>, and unemployment benefits were paid from 1973. A massive integration process took place in schools, whereas higher education was dramatically expanded. Most significant was the comprehensive reform of the tax system. Finally, decision makers directed attention to inequality and poverty, easing NII's insurance criteria and expanding its social scope (Doron & Kramer 1992; Neipris 1984; Roter & Shamal 1976). In fact, as Figure 2.3.4 and Figure 2.3.5 demonstrate, social expenditure and transfer payments increased dramatically during the decade, reaching a record of 21.6 per cent in 1977. Kop found an average annual increase of 8 percent in social expenditure over this period (1990, p. 96) while according to Dahan's calculations, in 1976, the Gini coefficient for gross incomes was 0.281, reaching an all-time low (2002, p. 486).



**Figure 2.3.4: Transfer payments, public expenditure and tax burden in Israel as a percentage of the GDP between 1960 and 2000**

<sup>4</sup> The scheme was canceled a short time afterwards, as it was found that about a third of the working poor families did not qualify for this subsidy while many non-poor did. It was therefore replaced by family benefits during 1972 (Doron & Roter 1978).

(Source: BOI 2005, Tables 5:1:1, 5:7).

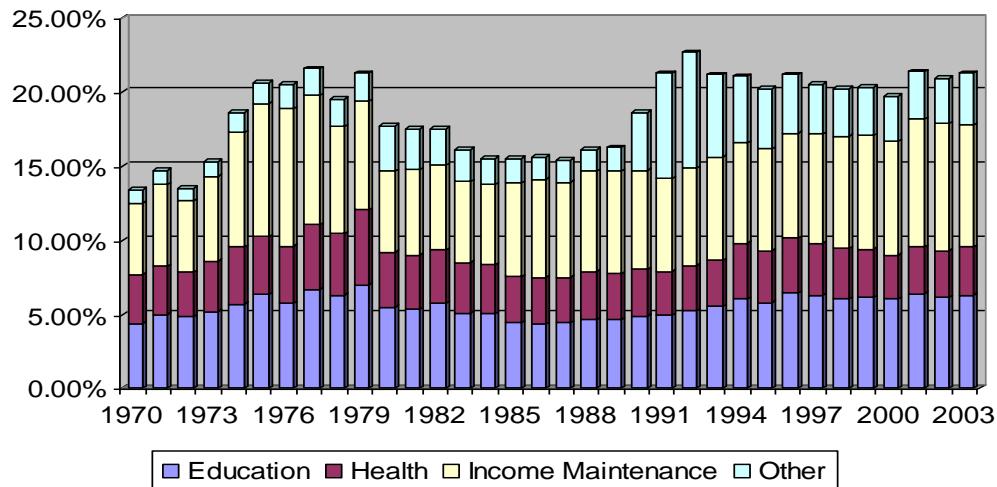
Note: In 1980, the Bank of Israel amended its measurement methods.

These measures were probably too little and too late for the Labour party to regain popularity. Paradoxically, when both social expenditure and inequality levels were at historic record levels, a first political upheaval occurred in Israel. In 1977, The Labour Party ("Mapai") had lost its electoral majority and was replaced by the National Party ("Likud"), which had never been in government before. It was one of the founding moments in Israeli politics, which not only terminated the growth of a "super power" in political terms, but also uprooted an entire hegemony.

The socio-economic pledges of the National right-wing party were hardly sustainable, especially considering the fiscal developments that took place from 1973. Public expenditure financed partially by money printing, soared to almost 80 per cent of GDP and generated inconceivable inflationary pressure. While in 1977 prices went up by 34.6 per cent, in 1980 inflation escalated to 131 per cent and, by 1984, it threatened to crumble the whole economy with an annual inflation rate of 374 per cent (BOI 2005, Table 3:1).

The monetary catastrophe had implications in almost all areas of policy. As happened in Britain to a much lesser extent, it embarked on a vicious circle in which increased salaries and benefits led to higher public expenditure, which, in turn, boosted demand, lifted prices, and induced the Labour Union to demand revision of salary agreements signed the month before. Israel smoothly tumbled into severe stagflation with growth rates of 1.4 per cent in 1982, compared to 12.2 per cent in 1972 (BOI 2005, Table 2:1).

This process was utterly unconstructive for the underprivileged. Indexation of benefits was never designed to be effective in an annual inflation rate of almost 400 per cent, whereas the recession itself froze the pie, leaving fewer resources for progressive redistribution (Kop 1983; Sharel 2002). Time intervals between benefit adjustments were gradually dropped from one year to one month, though even this arrangement began to lag behind the hyperinflation of 1984. Consequently, poverty soared by 19.4 per cent while inequality in net incomes measured by the Gini coefficient rose 8.8 per cent (Achdut & Bigman 1987).



**Figure 2.3.5: Size and allocation of social expenditure in Israel as percentage of GNP/GDP between 1970 and 2003**

(Source: Kop, 1984, Table 1 and 6; Kop, 1993, Table 1 and 4;

Kop, 2000, Table N1 and N4; Kop, 2003, Tables N1 and N4)

Note: There were insignificant, retrospective amendments in some of the data series. The major change relevant for this figure occurred between 1979 and 1980, when the Gross National Product was replaced by the Gross Domestic Product as the comparative indicator.

However, the rapid fiscal and monetary deterioration was only one aspect, unrelated to governmental policies, which shaped the final mixture of welfare provision at that time. As for the newly elected administration, two contradicting trends were shaping policy. On the one hand, it was elected based on its social commitment for cohesive, inclusive and equitable policies. Under this pledge, the 1980 Act for Income Maintenance was finally amended so that the NII administered also non-insured, means-tested benefits to all (Neipris 1984; Doron & Kramer 1992). Remarkably, the Act implicitly stated the right of every individual to welfare after the previous formulation referred only to the duties imposed on the Authorities (Doron, 1985, p. 127). In addition, a Deputy Prime Minister for social provision was appointed in 1977, side by side with the unification of the Labour and Welfare Ministries.

On the other hand, the "Likud" party was also a right-wing party, premised upon principles of free markets and minimal intervention. To an extent, the international discourse of a "welfare state crisis" during the 1980s was largely shared by the new Israeli Government. These liberal trends, as well as the looming economic crisis, eventually created the needed pressure to halt the expansion of welfare provision (Neipris, 1984). As Kop described it, "the question was no longer whether to cut the budget, but by how much and where" (1985a, p. 7). Publicly, it seems as the Lebanon war that began in 1982 attracted more attention than the sudden drop in social expenditures in 1980, illustrated on Figure 2.3.5. Yet, this shift signalled an end to a period of welfare enlargement.

The inflationary spiral, derived and inflamed by money printing to finance extra government expenditure had to be halted. Evidently, the premise that "Israelis, protected by extensive indexation, could live with inflation" and that "unemployment was at all costs to be avoided" had become inconsistent with economic reality (Fischer 1987, p. 275). Retrospectively, it is plausible that this rapid deterioration in the domestic market could have served as a prologue to recent Latin American scenarios, considering the soaring external debts and the rising doubts regarding Israel's ability to repay them.

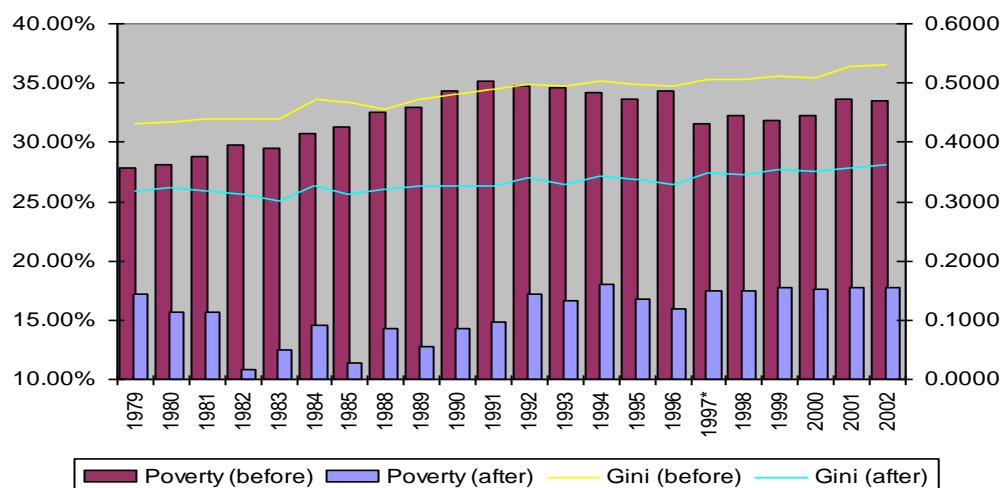
The unity government of 1984 initially refused to impose substantial budget cutbacks. Instead, it had achieved a package deal, in which Labour Unions agreed to a wage freeze and Employers Unions halted price increases. However, inflation returned, as no fiscal changes were conducted, forcing the government to approve a far more decisive and determined plan. The "Economic Stabilization Program" (ESP) was finally introduced in July 1985. It included not only substantial budget cutbacks, mainly in subsidies given, but also a freeze of wages and prices, sharp devaluation, fixed exchange rates and a legal ban on dollar-linked short-term deposits. In addition, the Act of No Printing had forbidden any further injection of money into the markets (Ben-Bassat, 2002).

The outcome in economic terms was impressive: hyperinflation was eradicated, the budget deficit was reduced, credit growth and public debt dropped and unemployment was under control until the end of the 1980s (Fischer 1987). Inflation was kept below 20 per cent until 1992, when it dropped to 12 per cent. The public debt dropped from 288 per cent of GDP in 1984 to 145 per cent in 1990 and 93 per cent in 2000 (BOI 2005, Tables 3:1 and 5:1:3). As illustrated in Figure 2.3.4, the size of the Israeli government expenditure gradually decreased to less than 60 per cent of GDP. Nevertheless, it was still one of the largest in the OECD. From 2001, government expenditure was greater than that of the Swedish, Danish and French governments (MOFA, 2003, Graph 5). Surprisingly, public services were almost unaffected as the reduction in wages compensated for reduced government expenditure (Kop 1985b). Distribution of income was not greatly affected, since the regressive amendments in taxation were compensated by a refund of National Insurance contributions to the poor (Gabbay 1985).

The ESP was defined in macro economic terms as only "the first stage in a longer-term stabilisation process" (Leiderman & Liviatan, 2003, p. 104). Fiscal discipline was indeed maintained over time, possibly due to cutbacks in the defence budgets, allowed by relatively peaceful years on the Egyptian, Jordanian and Syrian fronts (Strawczynski & Zeira, 2002). The Oslo Agreement with the Palestinians signed in 1993, also increased expectation of long-term prosperity and stability. Nonetheless, precisely in 1995, the government failed to approve a comprehensive tax reform, missing an

opportunity to levy capital and inheritance taxes, two avenues that were exempted from paying taxes at all.

From a social perspective, after a period of expansion, the welfare state entered a third phase of fiscal discipline, not to say stagnation. Between 1985 and 2001, only one comprehensive reform was implemented, aggressively detaching the "Histadrut" from health provision by defining a compulsory "package" of services (and an obligatory contribution) to be provided by non-governmental organisations. Choice was finally handed over to citizens, though private funding was gradually replacing state funds. Since then, severe financial difficulties have endangered the "Histadrut". After losing all its major assets, the reform actually abolished its grip on health insurance and cut off the Labour Union from its financial remaining source. While the "Histadrut" was closed to a total bankrupt, a study found the health system has became more egalitarian, but more expensive and less efficient (Adva Centre 1996).



**Figure 2.3.6: Poverty and inequality in Israel before and after taxes and transfer payments between 1979 and 2002**  
 (Source: NII, 2004a, Tables 21 and 22; NII, 2004b, Page 15 and 22)

\* New Sample

During the 1990s, social expenditure gradually increased, largely due to an "automatic pilot" mechanism of government expenditures. Two factors amended this linearity: A massive immigration wave from Russia in 1990 and a second political upheaval that brought the late Yitzhak Rabin to office in 1992. The earlier development, illustrated in Figure 2.3.2 (Page 51), forced the government to allocate a significant budget to absorb almost one million immigrants. The latter development promoted new priorities in public spending, placing education at the top (Kop 1996).

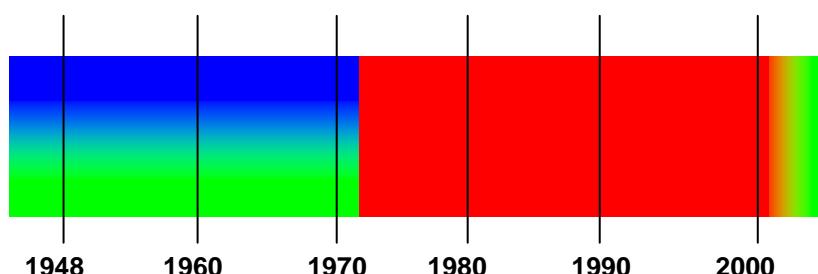
Nevertheless, as expenditure rose, so did poverty and inequality. The soaring unemployment, resulted from the massive immigration, was countered by economic growth, which by itself became possible because of the peace euphoria that prevailed

until 1995 (Figure 2.3.3, Page 53). However, as Figure 2.3.6 demonstrates, the extent to which State intervention succeeded in reducing poverty rates was gradually decreasing since 1989. The increasing levels of social expenditure were not enough, or alternatively, they were taken to the wrong direction (Winblat 1996). From 1985, poverty and inequality have intensified, whereas the tax system turned to be less progressive (Dahan 2002; Sharon 1996; Gabbay 1996). In absolute terms, the number of poor families multiplied by three between 1987 and 2001, whereas the extent of poverty in Arab populations was six times higher (Levitin 2003).

A latest recession, starting in 2000, was defined as the longest since the establishment of Israel. It was fuelled by the failure of the peace talks with the Palestinians in 2000, the violent Intifada, the collapse of the Hi-Tech sector and the world's economic downturn (BOI 2003). A possible governmental reaction was fiscal restriction, of the kind that reduces benefits. This reform did eventually come.

In 2003, Finance Minister Benjamin Netanyahu approved major cutbacks in public services and launched a modified and limited version of Wisconsin's "Welfare to Work" scheme. By significantly lowering the level of benefits for almost all recipients (including pensioners), Netanyahu's aim was twofold: forcing the unemployed to reengage in the labour market and rolling back government's social expenditure. In his words, the "fat" person (i.e. the public sector) has to reduce weight to enable the "thin" person (i.e. the private markets) to grow up. For several years, the discourse of cutbacks dominates the Israeli economic agenda. History is yet to be written, but apparently, the measured rise of social expenditure will not repeat itself in the years to come.

To conclude, the egalitarian ethos of the Zionist movement was not incorporated into inclusive policies between 1948 and 1971. Universal services were provided in theory, but initial inequalities between cleavage and certain state policies systematically prevented certain groups from pursuing their rights and having equal opportunity. The strong economic grip of the "Histadrut" and the State characterise s corporatist regimes. Intervention for the benefit of the underprivileged was very rare, family and private markets were perceived as the natural channels for support and physical labour was almost a myth. The collective ownership of companies by the "Histadrut" created more bureaucracy than solidarity, whereas a major ethnic group was continuously excluded from the stratifying "establishment", whether by the powerful Labour Union or "just" an intervening State. The characterization of this period is therefore a hybrid of corporatist and liberal welfare regimes.



**Figure 2.3.7: Categorisation of the Israeli welfare regimes from 1948**

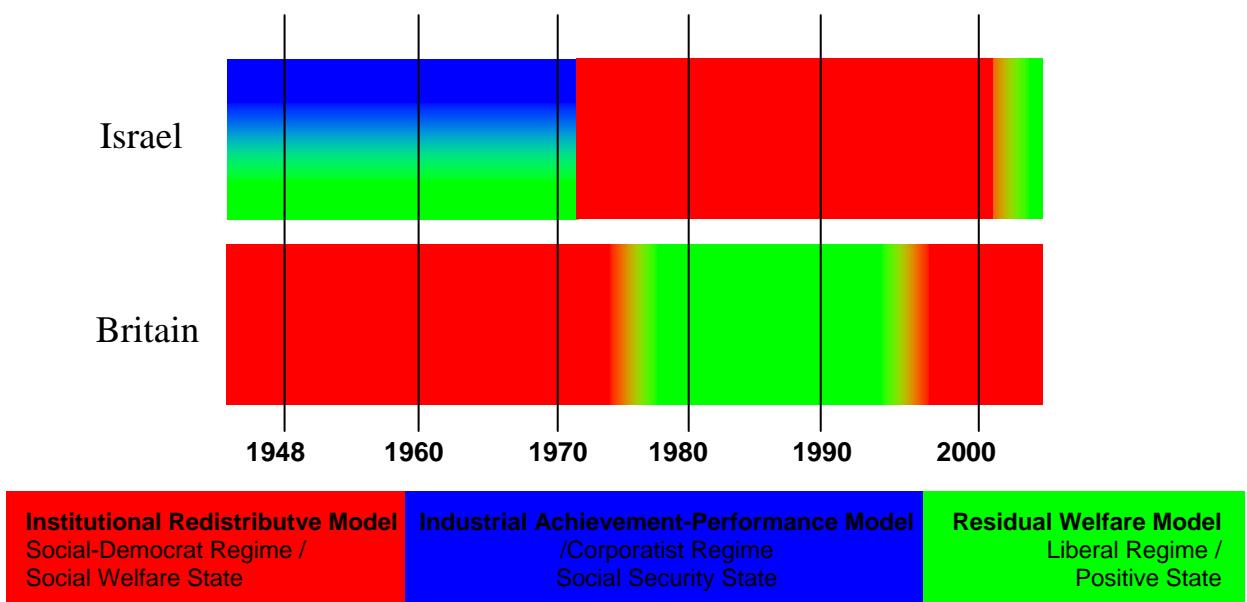
The social uprising had a dramatic impact on the level of public and political awareness. From 1971, the central authorities held themselves responsible for welfare problems and stopped marginalizing policies that were essentially redistributive. Factually, the state increased its direct social intervention to the benefit of large families, unemployed, low-income earners and the underprivileged. The growing pledge for equality categorised this period under Titmuss' Institutional Redistributive Model and Furniss & Tilton's Social Welfare State, although any ideological link between Social Democrats and the Israeli National party ("Likud") is probably accidental.

The process of expansion was halted during the 1980s but the significant point was the 1985 Economic Stabilisation Program. However, even though state intervention was gradually reduced, the discourse and the policies still rested upon progressive goals: there were fewer subsidies, but transfer payments and social expenditure gradually increased. Therefore, although the welfare state entered a new phase of fiscal discipline, the regime has not changed. Such a statement cannot be made with regard to the previous right-wing government led by Ariel Sharon, Benjamin Netanyahu and Silvan Shalom, who had taken Israel back to the arena of residual/liberal welfare regimes.

## 2.4 Conclusion

The aim of this chapter was twofold. First, it sought to explore and categorise the development of welfare provision within the history of the two case studies. Second, it sought to establish an analytical framework that will later allow for critical discussion of the underprivileged's political behaviour. Having considered the shortcomings of taxonomic analysis, it employed several typologies for an indicative categorisation of *national* welfare regimes. The potential of such regimes to affect poor people was exemplified over and again. A similar analysis of *personal* ideological perceptions is provided in Appendix 11.1 (Page 303).

The chronological review of the progress and change undergone by both countries showed that a welfare regime does matter for the poor. Periods of liberal policies noted in both countries were accompanied by cutbacks in the assistance given to those living on the margins of society. Other periods, of rising expenditures, higher benefits and more rigorous redistribution, triggered a decline in socio-economic disparities. Obviously, such a crude perspective is likely to miss crucial elements in the provision of welfare services. Yet, it may be said that the financial interests of those who needed state assistance were better addressed by the social-democrat welfare regime.



**Figure 2.4.1:** National welfare regimes in Britain and Israel from 1948 according to Titmuss (1974), Furniss & Tilton (1979) and Esping-Andersen (1990)'s typologies

Reviewing the contradicting directions of the British and Israeli welfare regimes, as exemplified in Figure 2.4.1, one might ask how two states initially implementing a similar welfare model, have developed it so differently. One explanation is the different circumstances and political cultures on the ground. Many Sephardic Jews immigrating

to Israel lacked a fundamental understanding of, for instance, the importance of education for both genders. Even when this notion existed, several obstacles made it difficult for them to benefit from social provision. The universal services offered by the Israeli welfare state had been adapted to a very specific sector and the residual services were limited to cases of severe deprivation. Consequently, until attitudes and policies were modified during the 1970s, Israel had resembled a residual rather than a universal welfare regime, accompanied with a strong Labour Union.

A few years after the social uprising began in Israel, Britain faced inflationary pressures and abandoned its Keynesian premises. This process was radical and changed the pillars of Britain's economic regime. The welfare state could not escape from the anticipated repercussions. In Israel, a similar need to restrain public expenditure evolved a few years later. Yet the emergency plan did not harm the principle of universalism and the high level of decommmodification. Hence, the third phase in Israel that took place after 1985, was more a halt to the previous state of affairs, followed by a slow process of liberalisation of the financial markets.

Interestingly, whereas in Britain the 1980s and the 1990s were characterised by neo-liberal policies leading to higher poverty and inequality, in Israel a different, softer attitude led to similar outcomes. Whereas in Britain the process was halted with the "New Labour" political upheaval in 1997, the "Thatcherist" type of Welfare Regime gained influence in Israel only after 2001. In Britain, greater expenditure on public services was called for, as well as a new set of policies such as quasi markets and tax credits.

### 3. *The Welfare State & Democracy*

#### 3.1 Introduction

Within the triangle of "The Poor", "Democracy" and "The Welfare State", the relationships between the last two components are most intriguing for social activists. Whereas the previous chapter has shown the impact certain welfare regimes have on the lives of the poor, this one is looking for the capability of democracy to deliver it. All over history, democracy played a central role in promoting (or annihilating) the economic interests of the multitudes. However, while historically this correlation was broadly accepted and even feared of, the development of welfare states during recent decades tells us a different story. Instead of continually supporting the expansion of social services, democracy came to play the opposite role. The fear of the power of the masses was replaced with the need to account for the inability of the underprivileged to utilise democracy for their own benefit.

A pivotal premise of this chapter can be found in Aristotle's writing. When the infant named "democracy" took its first steps two thousand years ago, the Greek philosopher wrote in *Politics*, "in democracies the poor have more sovereign power than the rich; for they are numerous and the decisions of the majority are sovereign" (1992, p. 362). Even after taking into consideration the enormous change humanity has been through, the gap between the vision and its materialization is remarkable. Whether the welfare state is a calculated compromise between Capitalism and Democracy or is a by-product of industrialism, the modern underprivileged electorate is hardly mobilising its political power to shape its design. Independent voting of the poor was indeed essential to preserve social achievements, but it seems that many of them are not interested in advancing their status any further through democratic means.

Exploring the relationship between democracy and the welfare state, the extension of suffrage by the end of the 19<sup>th</sup> century is considered here as a first turning point. The impact of this transformation lasted almost a century. It is broadly accepted therefore that a second decisive moment occurred by the end of the 20<sup>th</sup> century, when the welfare state had arguably reached its peak and democracy failed to enlarge it any further. The exact nature and motives leading to this shift are strongly contested. It could have been a libertarian revival eliminating, in principle, any sort of state intervention, or a liberal takeover creating a legitimization deficit against social provision and the dependency culture. It could also be a case of public antagonism against specific welfare schemes, due to excessive diversity.

An alternative way to analyze the occurrences can be found in the sphere of rights of freedoms. Neo-Liberals such as Hayek (1944/2002) and Friedman (1962/1982) would argue that economic freedom (i.e., radical constraints on welfare provision) is a prerequisite to political freedom, hence democracy should never be perceived as a platform for egalitarianism. Neo-Marxists such as Wood (1995) would insist this was the true objective of democracy until capitalism redefined it and succeeded in detaching the link between political and civil rights. These perceptions will be broadly discussed here.

This chapter therefore aims to analyze the institutional relationship between Democracy and the welfare state. It will first explore some historical debates around the appropriateness of democracy as a governing method, with a specific interest in the role of the poor. Subsequently, it will inquire how the intellectual debate around democracy shifted from questions of desirability (taking the consequences for granted, but doubting their appropriateness) to the sphere of probability (doubting the capability of democracy and the electorate to deliver the outcome previously taken for granted).

Although decisive answers are a luxury in social sciences, the question why did democracy stop being the saviour of the poor and become, in a sense, their new demon would be directly addressed here. The subsequent chapter will move forward from assessing theoretical and national progress to study individual behaviour, exploring several aspects of voting decisions taken by poor people while exercising their democratic rights.

### 3.2 Historical Reflections

The English word "democracy" was born in Greece as "*demokratia*". Its roots are *demos* (people) and *kratos* (rule). In one of the first documented accounts of its ideals and aims from around 400BC, Pericles the Athenian stated that, "our constitution is called a democracy because power is in the hands not of a minority but of the whole people... everyone is equal before the law... [and] what counts is not membership of a particular class" (Thucydides 1972, p. 145). However, although the strong emphasis was on universal participation, suffrage was far from being totally inclusive until recently, and most of the poor found themselves excluded, as will be illuminated later.

The ancient city-states created the distinction between the private and the public spheres of life, where private life became subordinate to the common good (Arendt 1958). Pericles himself said, "we do not say that a man who takes no interest in politics is a man who minds his own business; we say that he has no business here at all" (Thucydides 1972, p. 147). Held explained that the Athenian democracy granted sovereign power to its citizens and demanded they use it to engage in legislative and judicial functions by "participating directly in the affairs of state" (1987, p. 17). Wood argued the Greeks "did not invent slavery, but they did in a sense invent free labour" as the status enjoyed by the citizens was without known precedent and "in many respects has remained unequalled since" (1995, p. 181, 185).

It is stimulating to imagine the discussions held in *polis* assemblies, in the context of wealth and poverty. Approximately one hundred years after Pericles, Aristotle defined the basic principles of a democratic constitution and described the assembly as "the sovereign authority in everything, or at least the most important matters" and "whatever the majority decides is final and constituted justice" (1992, p. 362-3). For him, an elementary principle in democracy was liberty, used to defend the mechanism of "ruling and being ruled in turn." This rotation principle was implemented in ancient Greece but today, with the exception of the judiciary, has completely diminished.

This assertion could easily link politics to wealth distribution. Aristotle went even further, arguing, "equality exists if the poor exercise no more influence in ruling than the rich and do not have sole sovereign power, but all exercise it together on the basis of numerical equality" (p. 364). Under such circumstances, one can grasp Pericles' argument more easily, saying that the Greeks "regard wealth as something to be properly used, rather than as something to boast about" (Thucydides 1972, p. 147). Interestingly, similar notions can be found on Islam, Christianity and Judaism. All, to some extent, sanctify the use of wealth to finance "other" causes, mostly social ones.

Even though it would be far-reaching to deduce any redistributive agenda from these ancient descriptions, the existence of a notion of social justice is beyond doubt. Under the ancient Athenian democracy, poor people (with the exception of slaves and women) were given equal political power, which was clearly reflected in their economic powers as well. In principle, when the poor constituted a majority in the assembly, they could easily distribute "properly" the wealth among all, directly associating different realms of rights.

In light of this reality, the resistance of the better-off to the promotion of some democratic measures in the domestic arena can be understood. Lee suggested that rich people perceived these policies as an "exploitation of the rich for the benefit of the irresponsible masses" (1974, p. 13). However, while the wealthy opposed democracy on allegedly grounds of self-interest, some of the key contemporary philosophers challenged objectively the merits of the idea. On reviewing their arguments, it is important to differentiate between the social and political implications. Direct democracy could constitute, in principle, the best environment for a fairer *social* allocation and distribution of resources, but it could also impede the adoption of the best *political* policies.

The major ancient opponent to the Athenian democracy was Plato, who was chiefly preoccupied with the political implications. He was against any exploitation of the poor by the rich but, nonetheless, he was also disgusted by the mass, rare and populist assemblies in which decisions were taken (Lee 1974, p. 27). In "*The Republic*", he explained that troubles would never cease until philosophers ruled society, adding that, regrettably, these scholars were useless until that moment came.

Plato illustrated his view using the analogy of a well-educated captain and his crewmembers on a ship. He argued that the crewmembers did not know what knowledge a true captain needed and therefore "the sailors on any such ship were bound to regard the true navigator as a word spinner and a star gazer" (Plato 1974, p. 223). From the political perspective, Plato's analogy makes sense. However, if the captain had to *allocate* the resources in a given society, it would be better for powerful crewmembers to stand up for their rights and prevent the captain giving everything to himself or his relatives.

It should be said that ancient Greece was closer to Plato's initial intentions than to Aristotle's ideals, as even there the idea of direct democracy was far from being fully implemented. Women, slaves and immigrants were excluded from the process (Held 1984, p. 23), even though the slaves alone seemed to constitute a majority with an average of about one and a half slaves to every adult citizen (Andrewes 1967, p. 135). It

might as well be argued that the "Athenian democracy was a form of self-government in which the members of the small and elite citizenry took turns to rule and to be ruled by each other" (Dean 1999, p. 73). This way or another, there is no doubt that the first democracy limited the power of the most vulnerable people on purely discriminatory grounds.

These discriminating mechanisms served as a fertile ground for Marxist arguments that emerged in the future, asserting that while "classical republicanism had solved the problem of propertied elite and labouring multitude by restricting the extent of the citizen body... capitalist or liberal democracy would permit the extension of citizenship by restricting its powers" (Wood 1995, p. 208). This contention will get the attention it deserves later in this chapter.

The resistance to universal suffrage was shared by several renewed philosophers who have never lived in Athenian democracy. Ironically, although liberalism was often sought in the economic markets where individuals had a lot to lose, it got only little respect in the political realm, in which they could achieve significant gains. Hobbes, in *Leviathan*, dated 1651, was ready to accept discriminating mechanisms of politics by writing that "Sovereignty is either in one Man, or in an Assembly of more than one; and into that Assembly either Every man hath right to enter, or not every one" (1901, Ch. 19, p. 1291). In his writing, Hobbes argued for a consensual contract between all individuals agreeing to surrender their rights to a sovereign power. Thus, he virtually reinforced the necessity to detach the multitude from the decisions makers in order to prevent a war of all against all, given all men were selfish.

Locke, in his *Two Treaties of Government* written in 1689, excluded the propertyless from the political process by saying "It is necessary supposed and required, that People should have Property [to enter into Society]" (1960, II Par. 138). Locke not only ruled out the slaves and the extremely poor from being equal members of society, but he also strongly rejected any sort of a redistribution of resources. To his approach, "The Supreme Power cannot take from any Man any part of his Property without his own consent, for the preservation of Property being the end of Government"<sup>5</sup>. Locke was generally in favour of a collective action by elected individuals, but it fell far from giving equal political rights to the multitude or allowing any prospect of significant redistribution (Held 1987, Laslett 1963).

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<sup>5</sup> In some of his writing Locke broadly conceived "property" as "Lives, Liberties and Estates" (1960, II, Par. 123, p. 368). Even though he defined slavery as inconsistent with property (II, Par. 174, p. 402), it is clear that Locke did not advocate equal political liberties for all (Held 1987, p. 54).

A significant discourse transformation with regard to equal political rights took place approximately one century after Locke passed away, as the "end" goal of government was opened for different interpretations. Montesquieu in the eighteenth century described the appropriate form of societies and governments, recognising that "the less luxury there is in a republic, the more it is perfect" (1977, Book VII, Ch. 2). In theory, his renowned proposal of separation of powers could expand the distance between the underprivileged and the executive branch (Held 1987, p. 58). However, in practice, the governments should have also reallocated the inherited resources, forming "a revolution in each family... [that] must produce a general one in the state" (Montesquieu 1977, Book VII, Ch. 2). Following this logic, there would be no born-poor left.

Rousseau was apparently also in favour of substantive egalitarianism, though to a certain extent. He interpreted the "social contract" in a different way than the originators of this concept, Hobbes and Locke, did. According to Rousseau, this contract should "establish equality among the citizens in that they... must all enjoy the same rights" (1968, p. 76). Held took the idea one step further by suggesting that Rousseau did not simply mean equal political rights, as "however equal political rights may be in law, they cannot be safeguarded in the face of vast inequalities of wealth and power" (1987, p. 76). One might suggest that this is the reason why equality was defined by Rousseau as "the greatest good of all", although he did not advocate for absolute similarity in the degrees of power and wealth. The balance of interests was achieved in his famous statement, "where wealth is concerned, no citizen shall be rich enough to buy another and none so poor as to be forced to sell himself" (1968, p. 96).

While the discourse of Montesquieu and Rousseau sought equality, Mill's "liberal" ideology took the opposite side. He maintained that there was a constant danger in equal political rights, as it may create an interventionist state. The existence of a representative government and strong patterns of participation in political life were grasped by Mill as vital, though he did fear the wisest and ablest would be overshadowed by the lack of knowledge, skill and experience of the multitude (Held 1987). In his book *On Liberty*, published in 1859, Mill pounced on the masses' "collective mediocrity", proclaiming "no government by a democracy... either in its political acts or in the opinion, qualities, and tone of mind which it fosters, ever did or could rise above mediocrity" (1974, p. 131). He doubted the ability of the masses to fully participate in the political process, although he saw no better alternative to a representative democracy in which "every citizen not only having a voice... but being, at least occasionally, called on to take an actual part in the government" (1993, p. 223).

To resolve this internal contradiction, Mill advocated a varying value for every ballot, where "the wiser and more talented should have more votes than the ignorant and less

able" (Held 1984, p. 94). As a consequent, the power of the underprivileged would have probably been devalued, whereas the chances for significant redistribution from the wealthy to the disadvantaged should have been curtailed. However, while seeking to guarantee that public order and political decisions would not be subjected to the multitude mediocrity, Mill also sought to avoid uncontrolled competition showing great care to the interest of the needed (1987/1989, pp. 236-237):

Cheapness is, so to speak, the hammer with which the rich among the producers crush their poorer rivals. Cheapness is the trap into which the daring speculators entice the hard workers. Cheapness is the sentence of death to the producer on a small scale who has no money to invest in the purchase of machinery that his rich rivals can easily produce.

After reviewing some of the key political philosophers in human history, a few disagreements could be outlined within the framework of democracy, egalitarianism and liberalism. Montesquieu and Rousseau followed Aristotle in their limited acceptance of a relatively wide mode of substantive egalitarianism (although for Aristotle, most of the population was not qualified to enter this field at all). However, it would be justified to argue the acceptance of a relatively egalitarian notion of social justice was generally followed a preliminary acknowledgment of the democratic principle of the equitable vote. Plato, on the other hand, rejected democracy, ruled out equal political rights and was actually giving up the very idea of egalitarianism within Greece. In a sense, Mill walked through the same path by defending liberalism and limiting political rights. His support of restrictions to prevent unlimited competition could hardly lift the poor up.

This entire debate however is premised on an elementary assumption, which has to be explicitly stated: all thinkers of that time presumed political and civil rights were linked to each other. This linkage was almost taken for granted. Borrowing contemporary terminology, the space for compromise between capitalism and democracy was very limited as, at least in the philosophers' mindset, equal political rights were directly linked with equal property rights. Thus, the political economist David Ricardo contemplated suffrage extension only "to that part of them which cannot be supposed to have an interest in overturning the right to property" (Cited in Przeworski & Limongi 1993, p. 52). Lord Thomas Macaulay noted in a speech delivered in 1842 that universal suffrage is "the end of property and thus of all civilization" (ibid.). Esping-Andersen concluded that for the proletariat emerged with industrialization, "democracy was a means to curtail the privileges of property", therefore the liberals feared universal suffrage "would be likely to politicize the distributional struggle, pervert the market, and fuel inefficiencies" (1990, p. 10).

This unchallenged truth was one of the strongest deterrent forces of democracy, making it the "Achilles' heel" of many liberals. In this context, Mill's willingness to limit political rights, side by side with imposing of restrictions on market fundamentalism, was a first, premature and indecisive example of an emerging conceptual detachment between different realms of rights. Wood perceived this detachment as no less than a cornerstone in human history (1995). Indeed, when the similarity premise ceased to exist, one could have sought equality of political rights, without having significant repercussions in the civil realm.

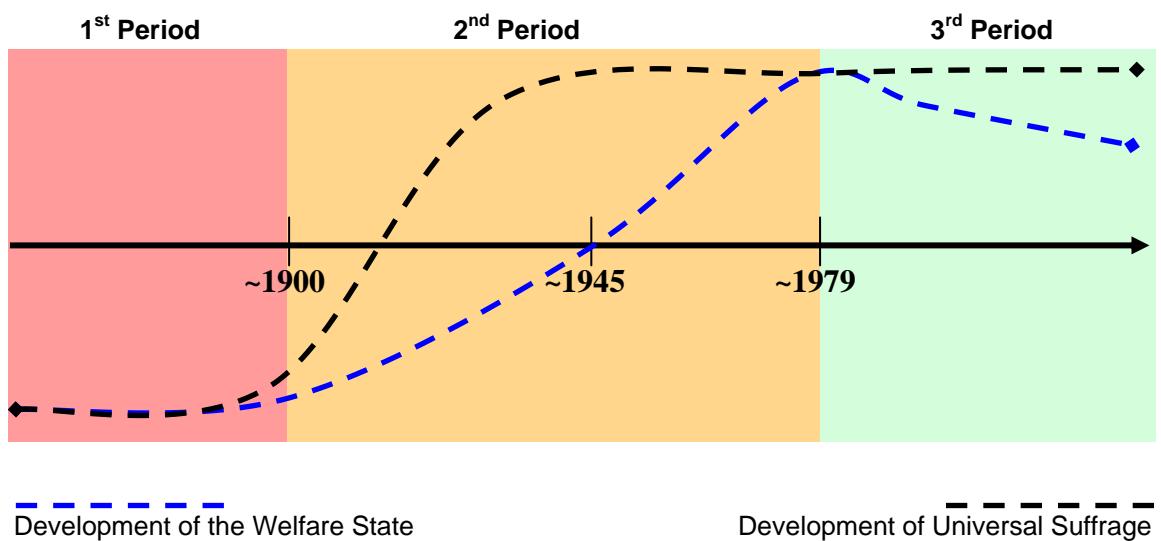
Practically, it allowed scholars and politicians to gain public support by advancing democracy simultaneously with preserving the old social order through the promotion of liberalism. Thus, a new discourse of rights emerged, one that accepts universal franchise but rejects any spilling of political rights into the civil realm. The following debate was fascinating: while Wood accused Capitalism of the "redefinition of democracy" or "its reduction to liberalism" (1995, p. 234), other scholars acknowledging the shift provided inherently different explanations. Rather than portraying the change with colours of class war, they employed the ideology of political liberalism to justify the necessity of a free economy.

Hayek, for instance, ascribed totally different goals to democracy, arguing "our generation talks and thinks too much of democracy and too little of the values which it serves... democracy is essentially a means, a utilitarian device for safe-guarding internal peace and individual freedom" (1944/2002, p. 73). In his *The Road to Serfdom*, Hayek subsequently warned that the abandonment of freedom in economic affairs would tumble personal and political freedom. Not only would democracy diminish but also, he proclaimed, totalitarian regimes like Nazism and Fascism might arise, as had already happened.

Friedman shaped the argument even further, arguing that capitalism is a necessary though not sufficient condition for political freedom. He believed economic arrangements played a dual role in the promotion of a free society (1962/1982, p. 8-9):

On the one hand, freedom in economic arrangements is itself a component of freedom broadly understood, so economic freedom is an end in itself. In the second place, economic freedom is also an indispensable means toward the achievement of political freedom... The kind of economic organisation that provides economic freedom directly, namely competitive capitalism, also promotes political freedom because it separates economic power from political power and in this way enables the one to offset the other.<sup>6</sup>

The disentanglement between political and civil realms of rights brings us closer to the present day. However, in order to place the argument in its historical context, it is useful to describe first the process of democratisation from a welfare perspective. Three major periods can be identified through the centuries, distinguished by two fundamental transformations: the vast expansion of the franchise by the end of the 19<sup>th</sup> century and the legitimisation crisis of the welfare state toward the end of the 20<sup>th</sup> century. A schematic sketch of these processes, merely for illustrative purposes, is outlined in Figure 3.2.1.



**Figure 3.2.1:** A schematic illustration of the enlargement of welfare states and universal suffrage

As for **welfare provision**, during the first period, Poor Laws prevailed and franchise was radically limited as rulers imposed various means to curtail the power of the masses. These were times when people truly believed, "the poor will always be with us", and poverty was perceived as "the normal condition of a substantial proportion of the population in all known societies" (Thane 1996, p. 11). However, this optimistic belief gradually disappeared during the second period, which evidenced the rising

<sup>6</sup> It should be acknowledged that Friedman actually reinforced Wood's assertions by acknowledging that capitalism "separates economic power from political power".

importance of welfare issues, starting from early social insurance schemes and ending with the modern concept of a welfare state (both, in principle, were redistributive mechanisms). Mishra stated this trend was "quite unmistakeable", describing it as a process in which the "nightwatchman state" has been superseded by a form of the welfare state (1977). Dean argued that two different traditions - republican/solidaristic and liberal/contraction - accompanied the public debate since then, although to his view, neither of them was necessarily concerned with issues of egalitarianism (2002). It is beyond doubt however that the third period has seen a partial triumph for the liberal discourse, evidencing a u-turn in attitudes toward social policies. After almost a century of expansion and while, finally, suffrage was universally granted, the welfare development was halted; some would argue it was even reversed (see, for instance, Andrews & Jacobs 1990).

The battle for **universal suffrage** was managed in two major frontiers. The first one challenged the prerequisite of property holding to gain political rights. This restriction, backed by some of the key philosophers quoted earlier, was perceived as natural at that time, so that a Virginia act from 1736 could not have made it brighter: "no person whatsoever shall hereafter have a right to vote at any election of members to serve in the general assembly, for any country, who hath not an estate of freehold, or other greater estate, in one hundred acres of land, at least, if no settlement be made upon it" (quoted in Key 1947, p. 495). In fact, even at the beginning of the nineteenth century in Britain, out of 16 million people only 400,000 were eligible to vote for the Parliament (Kingdom 2003, p. 240).

This successful campaign ended up with franchise to all males, including blacks and slaves, although, as Filer, Lenny and Morton stunningly demonstrate, "equitable" policies such as poll tax and literacy tests had de facto disfranchised the black population (1991). Thus, a president of Louisiana constitutional convention was quoted as saying "Doesn't [the new constitution]... lead the white man vote, and doesn't it stop the Negro from voting, and isn't that what we came here for? [Applause]" (p. 373). Whereas the history of blacks is explored separately on Section 4.4.1 (Page 112), the women were also left disfranchised for several more years.

Women suffrage constituted a major frontier in the battle for universal suffrage. Among the famous petitions urged for equality was that led by Elizabeth Cady Stanton, which was read in 1866 at the Senate and House of Representative on behalf of "fifteen million people... intelligent, virtuous, native-born American citizens." In the petition, the women complained they were "governed without our consent, compelled to pay taxes without appeal, and punished for violations of law without choice of judge or juror" (Stanton 1866). Nonetheless, their call to "extend the right of Suffrage to Women

– the only remaining class of disfranchised citizen” was accepted only fifty years later, becoming the 19<sup>th</sup> Amendment to the US Constitution in 1920, following a series of parliamentary defeats. In Britain, the Representation of the People Act was passed in 1918, though age and property limitations imposed solely on women were removed only in 1928.

The question electoral systems turned relevant in these years, following the failure of the British Fascist Party during the 1930s. The two major alternatives , of Proportional Representation (PR) and First-past-the-post (FPTP), had merits and shortcomings each. Whereas the former system, implemented today in Israel, provides any citizen with an equal chance to have an impact, it has also led politics into never-ending coalition bargains and extreme instability. General elections are called in Israel every two years on average. The latter system, characterizing Britain, is strongly criticized for excluding minorities, but it also offers a clear choice, one authority and stable majorities in Parliament. Some argued it is accounted for a modern crisis of legitimacy, as more people in Britain feel they have no means the influence. The argument around electoral systems has latitudinal effects on the process described here, but it is not at the core of this study’s objectives (for more details, see Kingdom 2003, 262-272).

Back to Figure 3.2.1, the Neo-Liberal and Neo-Marxist schools of thought progressed during the second period, with the expansion of welfare and franchise. Wood questioned the structural features of the newly developed democracy and argued that the expansion of political rights was paralleled by erosion in the privileges attached to it. Hayek and Friedman acknowledged the link between economic and political rights was broken, claiming it was the optimal state of affairs. However, there was a third influential school of thought, which is particularly relevant to this thesis, precisely because it was less concerned with the appropriate relationship between democracy and capitalism. Thinkers such as Schumpeter (1976), Michels (1915/1959), Young (2000) and Offe (1987; 1996) were pursuing different ideas, but all challenged, each in its own way, the very capability of democracy to fulfil the underprivileged’s will for a greater welfare provision.

Their writing reflected implicitly and explicitly a dramatic shift in the image of the multitude. Rather than a strong and threatening force leaders must be afraid of, it was gradually perceived as a variety of weak individuals incapable of collectively pursuing their goals. One cannot exaggerate more the importance of this pivotal change. Whether this premise reflected or distorted the strength of democracies, the resulted atmosphere allowed political leaders to underestimate, as it were, the class struggle. While Lipset proclaimed elections are “the expression of the democratic class struggle” (1960, p. 220), the rising belief according which the multitude was incapable or disinterested in

pursuing its financial interests, could have produced spiral repercussions averting the entire history of welfare states.

In a sense, the seeds of this perception were planted by Marx and Engels. Remarkably, in their *Communist Manifesto* published in 1848, they defied democracy but did not call for a prompt violent revolution, stating that the first step towards a revolution will happen when "the proletariat will use its *political supremacy* to wrest, by degrees, all capital from the bourgeoisie" (1848/1959, p. 144, the italics are mine). Apparently, they were among the first scholars to blame the disadvantaged themselves for the unjust allocation of resources, since "the organization of the proletarians into a class, and consequently into a political party, is continually being upset again by the competition between the workers" (Marx & Engels 1848/1959, p. 131).

Schumpeter not only underestimated voters' capabilities but also questioned the ability of modern democracies to have an impact at all. In his *Capitalism, Socialism and Democracy*, published in the 1930s, he wrote, "democracy does not mean and cannot mean that the people actually rule in any obvious sense of the term 'people' and 'rule'. Democracy means only that people have the opportunity of accepting or refusing the men who are to rule them" (1976, p. 284-284). In his account of the practical mechanisms behind democracies, Schumpeter asserted that in modern democracies, politics will unavoidably become a career and therefore, "we immediately cease to wonder why it is that politicians so often fail to serve the interest of their class" (p. 285). Nevertheless, Schumpeter also put significant blame on the "ignorant" electorate, asserting "the typical citizen drops down to a lower level of mental performance as soon as he enters the political field." Controversially, he ruled out a possibility to cure this deficiency, as "people cannot be carried up the ladder" (p. 262-263).

Michels offered a similar but slightly more radical perception, suggesting that democracy is simply incapable of providing any genuine pluralist outcome as it follows "the iron law of oligarchy". The very mechanism of the democratic method of governing produces, according to Michels, "an inherent preference for the authoritarian solution of important questions" and therefore "class struggles consist merely of struggles between successively dominant minorities" (1915/1959, p. 377-388). Since all political parties want to overthrow the government, they all end up leaving matters as they were beforehand and consequently, creating a situation of oligarchy, in which one dominant class is substituted by another.

Offe's decisive manuscript entitled "Democracy against the Welfare State?" was among the first to notice the macro social implications of this course. He defined two assumptions underlying the linkage between welfare and democracy, namely the

existence of a rational collective action through democratic politics and self-stabilizing or self-reinforcing institutional dynamics preserving social achievements. He argued, that when these prepositions failed to materialise, welfare state's defenders were forced to "reformulate" their political vision since democracy could not advance it as it was previously conceived (1987, p. 514). Indeed, Offe noted, "democracy has changed from being a virtue we should adhere to and has become a fact that we have to get by with." Nevertheless, he maintains that its major merit, namely its capability to present the "will of the people", transformed into so many interim stages that "the people themselves are hardly able to recognise the results of their will in the double sense of the word" (1996, p. 90).

Young also recognised the intrinsic deficits of modern democracy but while Offe focused on the needed structural and conceptual changes in the way the welfare state is conceived (1987), Young called for the revival of democracy by restructuring it around principles of inclusion (2000). Today, she argued, "democratic processes do not have the capability to accomplish something... We have arrived at a paradoxical historical moment, when nearly everyone favours democracy, but apparently few believe that democratic governance can do anything" (p. 4-5). In his latter account, Offe joined Young in stressing the necessity of "direct" or "inclusive" democracy. However, while both scholars reflected the growing frustration with democracy's ability to deliver, none of them turned to the voters themselves asking what their contribution to the current state of affairs was.

Historical Level of Consent	Dilemma	Contemporary Level of Consent
Controversial	<b>Desirability of Democracy</b>	Consensus (desirable)
Consensus (equality)	<b>Outcome of Democracy</b>	Controversial
Consensus (capable)	<b>Behaviour of the Electorate</b>	Consensus (incapable)

**Figure 3.2.2: Major changes in the level of consent around major dilemmas of democracy**

Figure 3.2.2 summarises simply the rough changes in the degree of consent around several fundamental dilemmas related to democracy. This also reflects the shift in academic discourse from examining the desirability of democracy to assessing its capacity to deliver. Unlike Figure 3.2.1, it has no time framework, though the turning point between historical and contemporary levels of consent occurred roughly when democracy became a hegemonic concept, when Fukuyama's "End of History" idea started to be materialised (1989, 1992).

Thus, the dilemma around the desirability of democracy that was controversial historically, became under consensus (it is broadly desirable), whereas the outcome of democracy that was historically under consensus (it was thought to promote equality),

has become controversial. The consensus about the capabilities of the electorate remains, although its substance is reversed. Today the electorate is broadly perceived as incapable.

This shift still tells us nothing about the practical reasons behind the emergence of the welfare state, its stagnation or regression. It also does not account for the various causes responsible for it. An interesting direction can be found in Beck's ideas of the crisis of trust, which gradually eroded from the "back stairs" the power of democracy (1998; 1992). However, what remained in vague at this point, is the link between the growth of democracy and social provision during the twentieth century. Two major questions should be asked. Was democracy alone a crucial factor behind the evolution of social provision? If so, what changed during the 1970's prompting the loss of its influence or, more accurately, the emergence of contrary policies? Both questions are to be addressed in the subsequent section.

### 3.3 Contemporary Reflections

The expectations for radical transformation to follow the enlargement of democracy had been through a sea change during the last two centuries. Now, when most of the developed world exercises universal suffrage, it is clear that economic inequalities cannot be eradicated by equal political rights<sup>7</sup>. This truth was employed by different thinkers to justify their own ideological propositions. The followers of Friedman and Hayek suggested that it was a genuine fulfilment of the liberal promise of democracy, perceiving the economic crisis as proof of the unfeasibility of increasing welfare provision. Scholars from the school of Titmuss and Beveridge suggested that something "went wrong" in the development of welfare rights.

Before analyzing *welfare regression*, a comprehensive account of *welfare emergence* is needed. In a sense, the two processes are bonded together. Fair assessment of the distinctive role democracy played, or did not play, in erecting welfare provision should generate more prudent grounds to understand the factors behind its regression.

Several theoretical frameworks were developed to discuss **the emergence and development of the welfare state**. Esping-Andersen endorsed the existence of a paradigmatic schism within social sciences, between power-centred theories linking politics to society and opposite models assuming power relationships played no role in enabling social progress. The latter premise meant the welfare state would have developed regardless of any political processes, as a side effect of industrialization and urbanization (1990, p. 105).

Gough distinguished between three groups of theories: functionalist theories that leave "no room for humans as active, initiating groups"; economic theories which utilised individual methods but focused on liberal policies imposed by the government; and pluralist theories that preferred to deal separately with case studies of policymaking interpreted from the individual perspective (1979, p. 7). Korpi advocated a slightly different allocation that resided upon a distinction between the relevance of class, the nature of the distribution of power resources and the new possibilities that resulted from democratic politics (1989, p. 309).

Korpi also argued that the relative importance of each factor is subjected to ideological interpretations. Thus, for instance, while a pluralist approach might attach principal

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<sup>7</sup> Interestingly, the opposite link between these concepts does exist (i.e., while democracy cannot fully eradicate inequalities, inequalities can strike at the foundations of democracy). While Lipset's seminal work accounted for various economic, cultural and social prerequisites of sustained democracy (1959), Muller has shown that income inequalities are a major explanation for the exceptional cases, in which impressive economic developments were not correlated with stable, strong democracies (1988, 1995).

importance to the emergence of democracy, an industrialist attitude would perceive economic growth as a prerequisite for the expansion of social provision. A neo-Marxist perspective, on the other hand, would emphasise the replication of class hierarchy through any fiscal policy imposed by the government.

The ideological construction can be traced in the literature: O'Connor, for instance, argued that any fiscal decision should be assessed from a class perspective, as eventually any capitalist state faces a "fiscal crisis" inducing government to reduce welfare provision to the minimum necessary in order to preserve legitimacy (1973). Rimlinger attached grave importance to industrialization, supposing the "modern social security is a by-product of the shift from agrarian to industrial society" (1971, p. 7). Gough combined both attitudes by arguing the welfare state consists of an inherent conflict between forces and relations of production, therefore class conflict alone "will not suffice to explain [its]... origins and development" (1979, p. 62).

The unravelling of this analytical framework brings us back to Korpi's pluralistic approach, seeking to correlate democracy and welfare. While significant empirical research was conducted in this direction, one can hardly argue it is over-theorized. As Esping-Andersen explained, "most scholars are less interested in the welfare state than in the validity of their explanatory theories of power, modernization, or industrialization." The renowned scholar also accused the academy of exploiting the welfare state as "another vehicle for testing theories" (1990, p. 107). Although this chapter cannot fill the void, it still seeks to give a fair account of the empirical evidence reinforcing or rebutting the pluralistic premise.

Several empirical studies identified democracy in general, and left representation in particular, as a dominant explanation for the development of welfare provision, overtaking competing dynamics of industrialisation and class conflict. Korpi himself tracked the development of sickness insurance in 18 OECD countries from 1930, showing that "left party government participation clearly has been an important factor during both the prewar and the postwar periods" in the development of social rights in sickness insurance (1989, p. 323). Esping-Andersen, also using a cross-national database, succeeded in explaining a significant part of the variance between structural differences of welfare states, their level of de-commodification and their degree of stratification using working-class mobilisation variables. The "Weighted Cabinet Shares" of left-wing parties was discovered to be highly dominant in shaping welfare regimes, while economic and demographic variables influenced mainly non-structural features of social policy after WWII (1990, pp. 105-138). Pamper and Williamson found social security spending slightly increased in non-democracies between 1960 and 1975, but it doubled itself in developing democracies, benefiting mainly the pensioners

and the sick (1989, p. 91). In addition, Cameron (1978), Hicks & Misra (1993) and Huber, Ragin & Stephens (1993) were all reaching similar conclusions, providing empirical evidence for the existence of a political class struggle and highlighting the contribution of social-democratic parties<sup>8</sup>.

On the other hand, several studies contradicted, at least at first glance, the importance of suffrage on the formulation of welfare rights. Cutright gathered figures from seventy-six countries, showing that the degree of social security coverage was highly correlated with the level of economic development, as measured by energy consumption, urbanization and literacy. Nevertheless, when economic variables were held fixed, the degree of political representation did have a positive influence on the emergence of such schemes (1965). Pryor systematically compared the public expenditure of seven centrally planned economies with seven market economies, demonstrating that when political factors were held constant, the overall expenditure on health, welfare and education was remarkably similar in the period between 1956 and 1962. However, a closer look reveals higher expenditure on health and education in the communist countries and higher expenditure on welfare benefits in the capitalist ones (1968 p. 283). Wilensky focused on the public expenditure of 64 liberal democracies and totalitarian regimes to prove the correlation is better explained by economic factors, either with a regression or by using the method of path analysis. Yet, his findings referred to a static status of welfare provision in the year 1966, a fact that should be taken into account following his firm conclusion (1977, p. xiii)<sup>9</sup>:

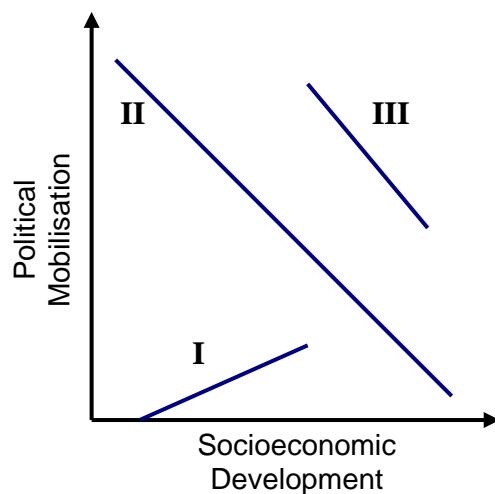
Economic growth and its demographic and bureaucratic outcomes are the root cause of the general emergence of the welfare state... In any systematic comparison of many countries over many years, alternative explanations collapse under the weight of such heavy, brittle categories as "socialist" versus "capitalist" economies, "collectivistic" versus "individualistic" ideologies, or even "democratic" versus "totalitarian" political systems. However useful they may be in the understanding of other problems, these categories are almost useless in explaining the origins and general development of the welfare state.

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<sup>8</sup> A stimulating study linking elections to benefits deserves mentioning as well. Tufte classified the change in the real disposable income growth in 27 developed countries between 1961 and 1972, gathering evidence for significant convergence in 19 states, among them Britain and Israel. Surprisingly, in these countries, average income increased in 77 per cent during election years, higher than the average of 46 per cent during normal years (1978).

<sup>9</sup> The importance of accurate methods cannot be exaggerated. It was overwhelmingly shown in the work of Blais, Blake and Dion, who suggested in 1993, "parties of the left do spend a little more than parties of the right", but the difference "emerges only for majority governments whose party composition remains unchanged over a number of years" (p. 40). However, in their 1996 "reappraisal", published also in the American Journal of Political Science, they abandoned their "majority government" prerequisite after re-defining their dependent indicator from "level of spending" to "change in spending" (p. 514).

A remarkable empirical work was prepared by Flora and Albar (1984) who sought to develop an integrated, multidimensional approach to account for welfare advancement. After identifying periods of social insurance legislation, they looked for distinctive characters of political mobilisation and socioeconomic development for each legislative period. Eventually, three potential regression lines were identified, each referred roughly to a different chronological period. Subset I reflected early social reforms in constitutional-dualistic monarchies such as Denmark and Germany, which implemented between 1880 and 1900. Subset II consisted chiefly of the major social insurance legislation of parliamentary democracies between 1900 and 1920. Subset III represented the latest period of social insurance legislation after 1920.

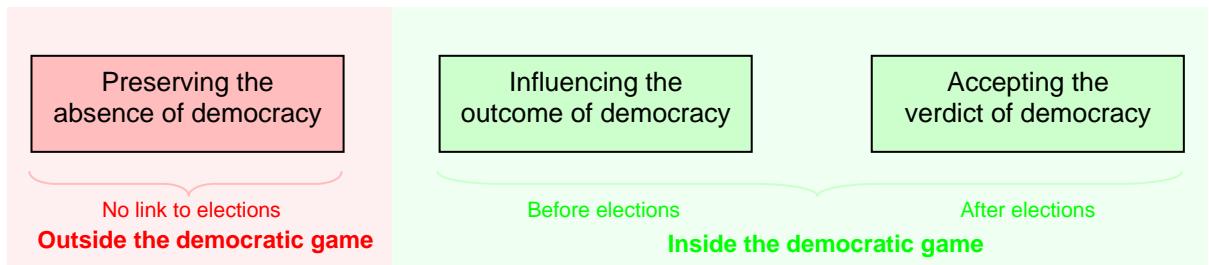


**Figure 3.3.1: Political mobilisation and socioeconomic development in periods of welfare legislation, as monitored within groups of countries**  
(Source: Flora and Albar 1984)

Several conclusions can be drawn from the findings copied in Figure 3.3.1. Clearly, in modern democracies, there was a trade off between the level of *political mobilisation* measured by the percentage of votes for left wing parties and the *socioeconomic developments* measured by the extent of industrialization and urbanization. It was found that that higher political mobilisation, even in conditions of lagging socioeconomic development, induced periods of social legislation in democracies after 1920 and vice versa. However, as subset I demonstrates, the indicators had the opposite correlation in non-democracies implementing welfare reforms years before countries with parliamentary democracy.

The relative importance of democracy and left-wing parties in advancing redistributive mechanisms was contested (Wilensky 1975, Cutright 1965, Pryor 1968), as were the methods used to operationalize the variables in these studies (Shalev 1983). Yet, apparently not one empirical study argued decisively that democracy had no role in the emergence and the development of the welfare state. Gilbert suggests the evolution of national insurance in Britain, was "inevitable" following the enactment of the household

franchise in 1885, as when the poor obtained the vote "the choice of the warden had been turned over to the prisoners" (1966, p. 448). Marshall contended that Lloyd George's reforms were induced by the growing public awareness and the universal franchise (1975). Gough maintained the major social reforms in Germany, Britain and Italy derived all from "pressure of the working class and allied groups" (1979, p. 58).



**Figure 3.3.2: The channels through which democracy can influence social policies from the perspective of political leaders**

The various studies can be placed in a coherent framework. As illustrated in Figure 3.3.2, in addition to direct elections, democracy can be utilised for the benefit of the welfare state through two major institutional routes. The first refers to absolutist regimes where the leader or despot attempts to impede democracy by improving the living conditions of those who might demand it violently. Mishra observed Bismark's policies, suggesting that a strategy in which "reform and repression went hand in hand" eventually ensured "the compliance of the broad masses to the capitalist social order" (1977, p. 107).

A second scenario might occur within existing democracies when politicians struggle to preserve their power. Before elections, they might acquire popularity by benefiting the public (see, for instance, footnote 8 on page 81). A radical outcome of such a strategy might be what the French political philosopher Duverger described as "contagion from the Left", leading middle ground politics leftwards (1954, p. xxvii)<sup>10</sup>. A more moderate outcome can be tracked daily, as modern politics resides on public opinion that "helps to set agendas, limit choices and legitimize policies" (Whiteley 1981, p. 461). This trend has become so radical that occasionally "the elite changes policy directly in response to shifts in opinion" (ibid.). The third scenario would therefore be the most common one, of policy shifts after the public choice is heard.

<sup>10</sup> Interestingly, Duverger conceived this process as one that directly resulted from the extension of the franchise. In his *Political Parties*, he asserted that lifting limitations upon suffrage, as well as the "development of egalitarian feelings" and the desire to "oust traditional social elites", led to the creation of "local electoral committees". In places where such committees secured the confidence of the new electors by relatively left-wing policies, new elites became dominant and the right-wing parties were obliged to "follow the example" if they wished to retain their influence (1954, p. xxvii).

An important distinction that underpins the allocation presented in Figure 3.3.2 is between routes inside and outside the democratic yard. In both, democracy has a role to play, internally or externally. Germany and Britain, for instance, were among the first democracies to implement social insurance reforms, but as Section 11.1 clarified (Page 303), the contribution of democracy as a warning sign to the policies of Otto Von Bismarck was no less significant. Even though the German system emerged outside the boundaries of democracy, the role of democracy as a threat was highly influential.

In the particular case studies of Germany and Britain, historical facts put into question not only the importance of democracy in the welfare development process, but also the role of industrialization and urbanization. In 1900, the GNP per capita in Britain was twice as high as that in Germany: \$3,792 in comparison to \$1,743. Britain was significantly more urbanized, with 78% of its population lived in urban places in comparison to 54% of Germany (Steckel & Floud 1997, Table 11.1). These figures not only rule out the democratic factor as an explanation for the emergence of a German social insurance scheme, but they thwart the argument of economic dynamics as well<sup>11</sup>.

Several routes, examples, theories and studies linking democracy to welfare were explored up to this stage. The focus now shifts to the reasons behind the **welfare state's tumble** during the 1970s. Evidently, it occurred "within" the democratic boundaries and was aggravated by different interpretations of the substance of democracy. Neo-Liberals perceived the welfare crisis as a triumph of democracy, as "capitalism is a necessary condition for political freedom" (Friedman 1962/1982, p. 10), while Fabians or Social Democrats maintained liberal democracy must encompass redistributive policies and universal social services. At least in the British context, the triumph of the earlier ideology was even more radical, as Thatcher did not only reverse the policies of rival parties, but she also specifically broke conventions within her own party.

The fundamental transformation in welfare provision is generally acknowledged, though the factors underlying this change are highly controversial and even the very terminology is under debate. Habermas coined the term 'legitimation deficit' (1976). Moran, on the other hand, argued, "there is no crisis of the welfare state because there is no model welfare state" (1988, p. 412). Golding and Middleton preferred to describe it as an organized assault by right-wing politicians collaborating with the mass media against the welfare state.

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<sup>11</sup> It should be noted that although Germany was the first to introduce social expenditure, the coverage of its social insurance scheme was lower in comparison with that of Britain (Flora & Alber 1995, Figures 2.3 and 2.4). Nevertheless, Germany is repeatedly discussed in the literature as an example of non-democratic state that implemented welfare reforms without democratic pressures. Rimlinger, for instance, mentioned Germany when arguing that "more democratic governments were slower to introduce social protection than the authoritarian and totalitarian governments" (1971, p. 9). However, it seems as democratic inspirations did play a role as a deterrent force. In fact, Rimlinger himself noted that Bismarck "was acting in response to pressure from below", although "the system he created was guided by the interests of the existing political order" (*ibid.*).

In their study, Golding and Middleton found that "there is considerable suspicion of additional public expenditure on social security and welfare among groups who feel they have more to lose as taxpayers, than to gain as beneficiaries" (1981, p. 165). Alt also agreed with some aspects of this view, noting that "on questions of spending on social services, people are supporting an idea which is altruistic: they are supporting a benefit which will largely go to others." Therefore, the Labour party had to "make people feel better off in order to make them feel able to afford altruistic policies" (197, p. 258). Notably, the focus of all these statements is on the electorate and the way the welfare state was operating in relation to the voters' initial expectation.

It should be emphasised that the electorate is not a homogenous group, and different opinions might be held by different sectors. Hence, a more cautious and moderate approach is needed, such as the one presented by Taylor-Gooby. He accepted the existence of a change but argued it "does not amount to a shift into reverse gear" (1985, p. 2). In his *Public Opinion, Ideology and State Welfare*, he defied previous accounts, arguing they were "based on extrapolation from particular areas" or alternatively derived from an "incorrect assumption that support for the market implies antagonism to the state" (1985, p. 52). Nevertheless, he also found evidence for "antipathy to welfare for needy minorities", suggesting that "ideological judgments about the desert of different groups" have a major share in the legitimization deficit evidenced by certain populations (p. 29, 32)<sup>12</sup>.

A different line of thinking is that of power paradigms. In this context, the "legitimisation deficit" can be framed as a tool through which the masses were unintentionally influenced by powerful players. In a way, Offe's arguments fit into this prevalent paradigm of mindset oppression. According to his theory, developed countries had evidenced a process of "structural disintegration", spreading distrust in social policies and generating individualism. Consequently, welfare policies were interpreted in terms of gains and losses held by the individualist "economic man" (1987, p. 528). We are left with a novel discourse but with little altruism and social conscience (p. 535):

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<sup>12</sup> Although Taylor-Gooby concluded that "there has been no strong shift against the welfare state" (p. 51), some of his findings are remarkable. It was found, for instance, that a third of the low-income individuals believed the rich got the best value for money from the welfare state while only one fifth thought the low-income groups benefited the most (Table 4). Two thirds of the population said the system of taxes and benefits did not make people more equal and actually did not affect people much (Table 3). Indeed, the figures reflected the level of complexity in public opinion divided by the type of provision and other relevant factors. Taylor-Gooby describe the findings as an "ambivalence in support for the welfare state", which derived chiefly from a "concern at its practice" (p. 37).

As a combined effect of these structural changes, we may anticipate the rise of behavioural orientations of voters and citizens that give support to anti-welfare policies — not primarily for reasons of bad intentions, irrational drives, or a sudden shift to neoconservative or market-liberal values or attitudes, but because of beliefs and preferences that are rationally formed in response to perceived social realities as well as to the actual experience with the practice of existing welfare states.

Exploring some of the existing theories, it is clear that there can be no decisive answer. Most explanations to the crisis are ideologically constructed. The left followers attached attributes of class relationship to the rise of right-wing politics, whereas the right supporters focused on fiscal constraints. Neo-Liberals argued the soaring public expenditure left no choice to governments, while neo-Marxists accused the liberals of protecting the interests of the wealthy and undermining prospects for a fair society and social justice. Each ideology would probably have its own interpretations to the statistical figures.

These ideologies not only interpret differently the dynamics of the crises, but also propose different solutions on the basis of these interpretations. Whereas the new left learned to accept market liberalism, the new right internalized the importance of social provision. New mechanisms were developed, such as quasi markets and tax credits (see, for instance, Le Grand 1990 and Hills 2000); though the initial inclinations in favour of and against state intervention and public expenditure prevailed.

### 3.4 Conclusion

The philosophical debate was preoccupied for centuries with the desirability of equal political rights for the masses. It almost took for granted the outcome of equal distribution of wealth. However, reality took the opposite course and nowadays, suffrage could not guarantee equality. It was shown in this chapter that the democratic revolution did change the premises of our public debate. We all acknowledge today the detachment between the political and civil realms of rights. The debate was shifted to other domains. One dealt with the desirability of economic liberties, whereas the other challenged the ability of universal political rights to deliver the genuine will of the electorate.

This conceptual shift only distracted the poor from exercising their full political power. Democracy gradually stopped being their saviour and became a facilitator of regressive redistribution. The narratives accounting for the 1970s welfare crisis are ideologically constructed. The neo-Liberals would suggest it was inevitable, following a century of welfare expansion. The neo-Marxists would look for power paradigms. Yet, the ballots (or abstentions) that rolled back the welfare state were cast by the same electorate, which includes also the underprivileged. Their motives are worth careful study.

In theory, Plato's fears can be realised today through the Triangle of poor, welfare states and democracies. If all the low and the middle-income citizens living in the United States banded together and form an electoral majority, they could potentially decide to reallocate all the shares of Microsoft. A more realistic scenario is the emergence of a new political party that will represent the interests of fifth of the British electorate living below the poverty line. This might bring closer Aristotle's vision, that "in democracies the poor have more sovereign power than the rich" (1992, p. 362).

However, at present, the political power of the poor in democracy is barely deterring. The expansion of the franchise assisted the needy until the 1970s, but today, those who are excluded do not embark on an organised fight for their rights, as did the slaves, the needy and women a hundred years ago. In fact, contrary to historical fears of a radical redistribution, modernity has ended up with many underprivileged members of society utilising democracy against their own financial interests. This reality cannot be explained by natural evolutionary forces alone.

## 4. The Poor & Democracy

### 4.1 Introduction

Nothing can be more directly accountable for a distorted outcome of democracy than the voters themselves are, as in an era of universal suffrage voting behaviour stands between "the will of the people" and "the vote of the people". The most simplistic scenario capable of producing a deviation is the low turnout of a specific group. Other scenarios, including systematic political illiteracies or different types of reasoning, are more complex and require deeper analysis. However, we are missing an integrative analytical framework to account for the various aspects of the relationship between poor people and democracies.

This chapter examines several aspects of voting behaviour and establishes a rigorous theoretical basis for the rationale of this thesis. It draws upon concepts and topics related to three different academic arenas – the political, economic and social. First, it will illuminate hypotheses incorporated in the political theory, such as class voting and economic voting. The various nuances underlying the competing motivations leading to party affiliation will be thoroughly explored. Consequently, some concepts employed usually in economic theory to describe market competition would be restructured around electoral competition. The role knowledge and rationality plays in setting up voters' preferences will be critically discussed.

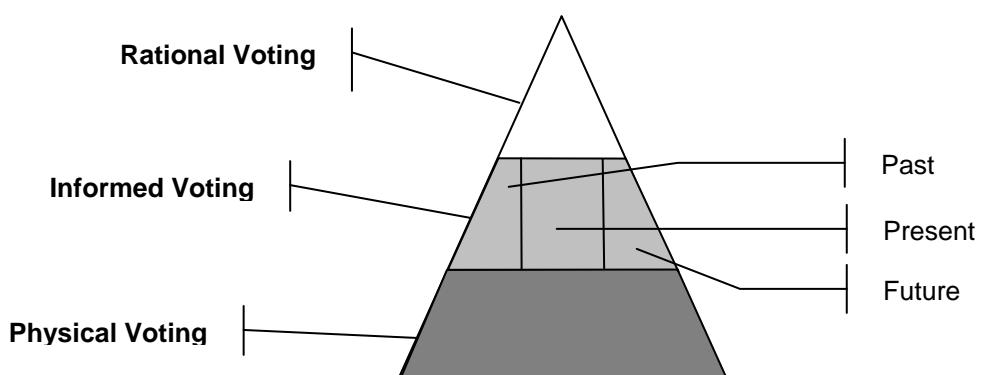
The focus shifts to the social policy arena, which is at the core of this entire thesis. After elaborating on economic voting, class voting, information deficits and different types of reasoning, the questions of equality, exclusion and citizenship will be brought to the fore. Inequalities within the various dimensions of political engagement are examined, as well as the way political exclusion and political rights should be defined. It will be argued that a redefinition of these concepts is needed.

The author believes that poor people should actively pursue their financial interests through democratic means. This premise has two practical implications. First, the concept of rationality employed here is that of the economics-based *substantive rationality* rather than the psychology-derived *bounded (procedural) rationality* (this debate is explored on Pages 100-102). Second, the intentions underlying this thesis were essentially prescriptive. It should be acknowledged that the pioneer of field had completely different ambitions. Anthony Downs conceived his influential work, *An Economic Theory of Democracy* (1956), while running for the presidency of Carleton College Student Union. Aside from obtaining a PhD, his motivation was to find out how political decisions were made, using his own insights.

One of Downs' famous conclusions, which does not fall within the scope of this research, was that parties' policies are likely to converge in order to attract (or, more accurately, appease) the median voter. By applying economic concepts of information costs, utility calculus and uncertainty into the world of voters and politicians, he produced the first systematic account comparing the political and the commodity markets. The seeds of this equation were planted by Down's academic advisor, Ken Arrow, who perceived voting and consuming as the only two methods by which social choices can be made in a capitalist democracy (1951/1963).

However, while economists such as Rubinstein (1988) and psychologists such as Kahneman & Tversky (1979) challenged the validity of conventional rationality assumptions and their logic of utility maximization, very little research was studying the voting behaviour of the underprivileged. If there are systematic deviations from economic rationality in the political market as there are in the commodities market, it is inevitable that distortions and inequalities will deflect the democratic verdict as well. Nonetheless, the reasoning behind conventional economic theories was challenged much more than the reasoning behind the "people's choice" philosophy, although the social significance of the latter is no less important than that of the former.

While this chapter does not intend to invent new econometric calculations, it does seek to consolidate an analytical framework, based on previous works. This is centred on three hierarchical levels of political engagement, namely physical, informed and rational voting. The framework with its various components is described in Figure 4.1.1.



**Figure 4.1.1:** The Pyramid of Political Engagement

Before elaborating on the Pyramid, two important clarifications should be made. First, this chapter is not going to cover the topic of uncertainty although some relevant implications might be raised. Evidently, the consequences of lack of trust in politicians and/or in specific political parties were intensively discussed in the literature (see, for instance, Beck 1992 and Beck 1998). While no strong evidence was found to link trust and physical participation, American scholars did prove distrust was likely to strengthen

third parties (Keefer & Khemani 2003, Peterson & Wrighton 1998, Hetherington 1999, Miller 1974). As for the context of this thesis, when trust levels are low, any rational calculation of gains and losses becomes distorted, as promised policies are less likely to be realised. However, such scenarios should be studied separately in the future.

A second required clarification is that this thesis does not intend to judge voting behaviour on moral grounds. It does however aim to expand the analysis beyond the question of knowledge, into a more sophisticated perception that involves preferences and priorities. Thus, while several studies perceive the decisions of a fully informed voter as "correct" (McKeley & Ordershook 1984, Gilens 2001, Miller 1986), this work also examines whether voters are capable of pursuing their interests after being informed. In economic terms, it looks for coherency and transitivity.

There are two ways of identifying voters' interests. Lau and Redlawsk chose a subjective way and showed that fully informed voters often act against their own stated preferences (1997). They asked for the voters' own preferences and eventually compared it with their voting decisions. The alternative route takes the discussion into the conceptual analysis of power. Thinkers such as Steven Lukes maintained people could not always identify their "objective interests", which were diverted and manipulated by external powers.

In fact, Lukes' third dimension of power is materialised when an individual is entirely unaware of him/her being affected, as "men's wants may themselves be a product of a system which works against their interests" (1974, p. 34). This path leads to the radical conclusion according which the notion of "interests" is an "irreducibly evaluative" one, depending on "normative judgment of a moral and political character" (ibid.). Assuming subjective and objective interests do not always fit, it allows scholars to hypothesize about the latter. Obviously, while certain scholars would perceive it as paternalism, some would argue it is inevitable and others would utterly reject it (Haugaard 2002 integrates the major writings in this field)

In contrast to Lukes, the argumentation of Dahl resided on a study of "actual" rather than "potential" power, or in other words, "nothing could be assumed about power structures prior to analysis of events" (Dowding 1991, p. 25). The focus on conscious decisions, or overt conflict of interests, virtually prevented the analysis of interests that were beyond sight. Polsby, Dahl's colleague, was defining the latter as "perverse", maintaining that "the presumption that the 'real' interests of a class can be assigned to them by an analyst allows the analyst to charge 'false class consciousness' when the class in question disagrees with the analysis" (1963, p. 23). It was also argued that any hypotheses of interests would expose the analyst's own preferences, whereas in general,

the rational choice theory in itself assumes “individual preferences are *exogenous* to the model” (Dowding 1991, p. 31)<sup>13</sup>. Indeed, this debate reflects the open gulf between a “pluralist” or a “liberal” one-dimensional view of power and a “radical” three-dimensional approach.

Nonetheless, in his late writing, Dahl does argue for a superior interest, which is the preservation of the democratic order (1989). His approach might indeed reconcile the radical approaches, defining person’s interests as “whatever that person would choose with fullest attainable understanding of the experience resulting from that choice and its most relevant alternatives” (p. 180). Asked how one can define the interests of others, Dahl replied it is possible, “only by a process of enlightened sympathy through which we try to grasp the desires, wants, needs and values of other human beings, and, by a thought experiment, try to imagine what they would choose to do if they understood the consequences of their choices” (p. 181). This conclusion can directly lead to the examination of political, economic and social aspects of the engagement of poor people with democratic procedures.

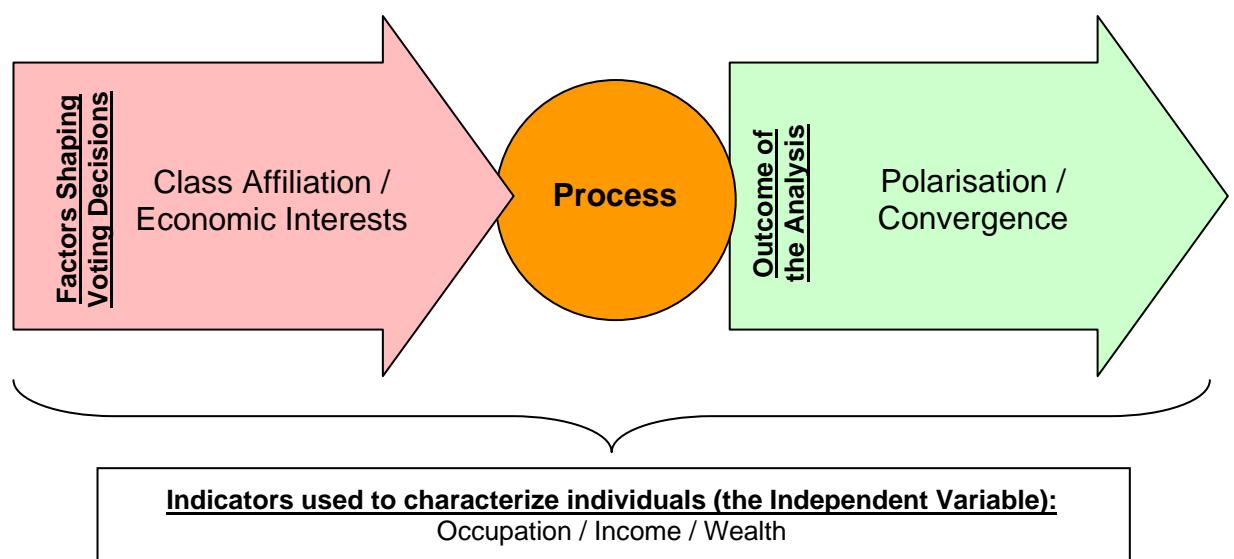
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<sup>13</sup> It should be noted that precisely because rational choice theory is resided on the subjects’ preferences, this research will seek to identify the initial set of priorities held by the individuals themselves. Conceptually, it is still closer to Lukes than Polsby, though empirically, it certainly intends to find the structure of the voters’ own utility function.

## 4.2 Political Aspects

Two major theories dominated the research of voting behaviour during the 20<sup>th</sup> century, those of economic voting and class voting<sup>14</sup>. While the latter perceived social status, often measured by occupation, to be the major factor shaping political decisions, the former concentrated on personal, sectional or national economic developments as the factors possessing the decisive influence. Remarkably, in both cases, the literature seldom portrays voters as future utility maximisers; rather, it usually attaches grave importance to past economic performance or present class affiliation in the formation of individual political inclinations.

Theories of economic and class voting might differ from each other in three dimensions: the *factors* assumed to shape voting decisions, the *indicators* used to classify subjects and the nature of *findings* derived from the entire analysis. Thus, each theory holds different premises of the principal determinant factor of a vote (general class affiliation or concrete economic interests), and each adopts different indicators to categorise voters (occupation, income or wealth). What often unites the theories are the findings derived from time-series analysis, which might point at similar directions (polarisation or convergence). Nonetheless, as illustrated in Figure 4.2.1, even if the findings are similar (green), the hypotheses for the influential factors (pink) and the independent indicators used to classify individuals (white) are probably different.



**Figure 4.2.1: Illustration of differences and similarities in theories of economic and class voting**

<sup>14</sup> There are competing conceptions of class. In the context of this thesis, it is used in the Weberian context rather than the Marxist one. It should also be noted that these two interpretations often match each other in reality.

Obviously, when the personal economic status is similar with that of an entire class, both theories would come up with similar conclusions. This potential similarity might explain why the first scholars studying the political consequences of business cycles or the correlation between voting and income, often did not distinguish between economic motives and class affiliation (see, for instance, Ogburn & Peterson 1916 and Ogburn & Hill 1935). However, with the establishment of the "Columbia School" (Lazarsfeld et al. 1948) and the "Michigan School" (Campbell et al. 1960), both dealing solely with voting behaviour, the entire field developed rapidly<sup>15</sup>.

The most influential finding of Lazarsfeld, Berelson and Gaudet was the political vulnerability of voters who had the lowest interest in politics. Such citizens, to quote the original text, were "available to the person who saw them last before Election Day" (1948, p. 69). According to the Columbia school, class voting was the product of common experience and intra-class networks, which reinforced a continual political identification with a specific party held by an entire class. The Michigan School adopted a different approach, resided on psychological and sociological theory (Campbell et al 1960, p. 18), which conceived certain capabilities such as class awareness as necessary for the formation of class voting. Consequently, the reason for relatively low class voting was not "because people are disinterested in their social class location, but because they fail to translate class interest into political terms" (pp. 351–352).

Aside from these contentions, the invaluable contribution of the Michigan team was in the methodological field. Their first National Election Studies (NES) have become the archetype of hundreds of similar studies performed all over the world. Their methodology has paved the way for a consistent examination of voting behaviour in different countries since the 1960s. The database in itself enabled scholars to ground their arguments regarding the diminishing importance of class politics in industrial capitalism. In the British context, Scarbrough analysed election surveys carried out between 1963 and 1983 and concluded, "the Labour vote among manual workers has suffered the greater haemorrhage... but the non-manual Conservative vote too is a less predictable electoral force" (1987, p. 219–220). In the American context, Campbell and others showed a steady but rapid process of depolarisation after World War II, suggesting its extent is "unduly influenced by superficial aspects of the immediate political situation" (1960, p. 346–348).

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<sup>15</sup> Notably, another fundamental development was in the methods adopted to study the field. Panel studies invented by Paul Lazarsfeld, enabled scholars to trace changes in voters' behaviour over time. This methodological advancement radically changed the academic approach toward election studies.

The new methodological tools monitoring **class voting** fuelled a furious debate, brought to a record by Clark and Lipset publicly asking "*Are Social Classes Dying?*" They argued that "class is an increasingly outmoded concept" for the study of voting due to changes in the nature of social stratification (1991, p. 397). Two years later Clark and others slightly lessen this terminology, stating that "social classes have not died, but their political significance has declined substantially; this justifies a shift from class centred analysis toward multi causal explanations of political behaviour" (1993, p. 293). In these years, scholars expanded the study of class dealignment (Inglehart 1977, Sarlvik & Crewe 1983), and newer types of social cleavage were explored, based on gender, identity, values or other "post materialist" divisions (Inglehart 1981, Dalton 1988, Clark et al. 1993, Kitschelt 1994, Evans 1999). A comparative study found the decline of class voting is global (Franklin et al 1992).

Nevertheless, the academic world was far from unanimously embracing this narrative. Manze, Hout and Brooks proclaimed most of the findings cited above "reflect a misreading of the empirical evidence and/or exaggerate the significance of these developments" (1995, p. 137). They concluded that the empirical studies fluctuated and therefore a solid case can be made for neither of the theories. Alford, who developed a commonly used index to measure class voting, was even more decisive in his arguments. Referring to the American context, he wrote, "no evidence of either a decline of class-voting, or any substantial change in the pattern of class voting... has been found" (1963b, p. 193). Lipset examined the dispute from a different angle and eventually stated, "even though many parties renounce the principle of class conflict or loyalty, an analysis of their appeals and their support suggests that they do represent the interests of different classes" (1960, p. 220).

The debate around the meaning and relevance of class did not hamper the emergence of **economic theories** of voting. As discussed earlier, one of the major dissimilarities between the theories lies in the sphere of measurement, and more specifically the methods used to define and track social stratification. The classical structure developed by sociologists was established on occupational allocation, distinguishing between manual and non-manual workers, or between the working class, middle class and upper class. Thus, the simple but extensively used Alford index for class voting was devised to represent the difference between the percentages of non-manual workers and manual workers voting for left parties (Alford 1963a, pp. 79-86). However, during recent decades, the labour market has been through a profound structural change and occupation has turned out to be a less favourable variable in determining stratification.

It can also be argued, that the growing dominancy of economic theories is related to a renewed belief in individual powers. It seems that Schumpeter's pessimism regarding the eternal failure of citizens to wisely direct their political power (1942/1976) and

Lazarsfeld's assertions about the great power that societies possess in determining political decisions of individuals (1948) gave way to Key's belief in "the responsible electorate" (1966). His landmark paper confronted directly and successfully many of the common wisdoms held until that time. Published in an era of grave concern about voters' capacity, Key defiantly challenged this ruling hegemony at the outset of his book (pp. 7–8):

The perverse and unorthodox argument of this little book is that voters are not fools. To be sure, many individual voters act in odd ways indeed; yet in the large the electorate behaves about as rationally and responsibly as we should expect, given the clarity of the alternatives presented to it and the character of the information available to it... the portrait of the American electorate that develops from the data is not one of an electorate strait-jacketed by social determinants or moves by subconscious urges triggered by devilishly skilful propagandists.

Studying the behaviour of the switching voters in the US General Elections from 1936 until 1960, Key concluded that many of their decisions are "consistent with the supposition that voters, or at least a large number of them, are moved by their perceptions and appraisals of policy and performance" (p. 150). Thus, for instance, he found that after the New Deal was introduced, "business and professional Democratic voters... were far more likely to defect to the Republican candidate at the next election than were unskilled workers" (p. 35–37). Unsurprisingly, they had the most to lose from the emerging redistributive schemes.

After refuting the "older tradition" regarding voters as "an erratic and irrational fellow[s] susceptible to manipulation by skilled humbugs" (p. 4), Key argued that the impact on political leaders is the most dangerous one, as they might believe voters are impotent and act "as though they regarded the people as manageable fools" (pp. 4–5). In a way, the recent emergence of "spin doctors" and "election strategists" only serves to reinforce Key's deep fears. Although various writers reinforced his optimistic perception of the electorate (see, for instance, Page and Shapiro 1992), the concern from political manipulations of the utmost importance is relevant today more than ever.

Theories of economic voting are premised on the assumption that voters are rational actors seeking to maximise their utility. Borrowing Redlawsk and Lau's terminology, voters were expected to vote for candidates they agree with rather than candidates they like (2003). Downs was to pioneer the economic analysis of voting behaviour, forming with his own intuitions new concepts and a new school of thinking that greatly affected this thesis as well (1956). Returning to his original work, his primary objective was to define the actions of a "rational government" under the supposition that voters are selfish utility maximisers (p. 335):

Our main thesis is that parties in democratic politics are analogous to entrepreneurs in a profit seeking company. So as to attain their private ends, they formulate whatever policies they believe will gain the most votes, just as entrepreneurs produce whatever products they believe will gain the most profit for the same reason. In order to examine the implications of this thesis, we have also assumed that citizens behave rationally in politics

While the rationality theory employed by Downs will be explored in the subsequent section, it is vital to identify some cornerstones of his seminal analysis. First, he assumed voters were rational and selfish, asserting that "such simplification is necessary for the prediction of behaviour, because decisions made at random or without any relation to each other, do not fall into any pattern and therefore cannot be analysed" (p. 2). In this way, Downs actually dismissed Lazarsfeld's theory of personal influences as the principal force behind voting behaviour, arguing that such an approach would turn the analysis into a "mere adjunct of primary group sociology".

In addition, he assumed "every government seeks to maximise political support" (p. 12) and supposed no government can restrict freedom of speech or the ability to campaign vigorously. It was proclaimed, that political parties formulate policies in order to win elections rather than winning elections in order to formulate policies. In this context, the voter's ultimate goal was perceived as the maximization of his personal utility. Notably, three contentions were prominent within the analysis itself. First, most utility calculations were based on the subjective observations of voters themselves. Second, economic expectations were driven only from individuals, without a specific reference to national gains and losses. Third, the primary factor was the expected streams of utility rather than past or present indicators.

All these contentions have been challenged by later studies in this field. Thus, objective indexes such as income and inflation rates were used as economic indicators rather than voters' expectations. Three "reference levels" for economic performance, namely the state, the sector and the individual, were set up. In addition, attention was also paid to the historical performance of incumbent parties. A multi-dimensional concept of political knowledge is created by integrating the competing structures. Table 4.2.1 attempts to do that in an illustrative matrix, framing the correlations investigated in some of the major empirical investigations done so far.

		Reference Group Tense	State	Sector/ Class/ Ethnicity / Family	Individual/ Household
Objectivity of Data	Subjective	Retrospective	(1) Lewis-Beck 1986 Kinder&Kiewiet 1979 Sanders 2000	(2) Welch & Foster 1992 Tufte 1978	(3) Campbell et al 1960 Fiorina 1979 Brody 1977
	Prospective	(4)	(5)	(6) Frohlich et al 1978	
	Objective	Retrospective	(7) Rees et al 1962 Tufte 1978	(8)	(9) Kramer 1971 Weatherford 1983 Tufte 1978
		Prospective	NA	NA	NA

**Table 4.2.1: The three different dimensions of economic voting explored in existing research**

Note: The reference to specific studies is based on one or more major hypotheses examined within the research. There could be more hypotheses that were not included.

Within the table, the vertical distinctions between the reference groups form a broad continuum between two extremes (the state and the individual), whereas various sectors are left in between. The horizontal separation is between theories looking for objective indicators of performance and those residing on the subject's own assessments. The subsequent horizontal distinction is between future prospects and past assessment.

Dozens of studies have explored different facets and hypotheses related to the theory of economic voting. Some experiments tested the validity of one cell in the table, while others used regression to assess the relative importance of several dimensions. Lewis-Beck, for instance proved the political significance of voters' subjective assessments of national economic performance in Britain, France, Germany and Italy (1986). Kinder and Kiewiet reached similar conclusions after exploring election campaigns in the United States, noting that "those voters unhappy with changes in their financial circumstances... showed little inclination to punish candidates of the incumbent party for their personal misfortunes" (1979, p. 495). While these studies fit into cell no. 1, the empirical work done by Campbell and others supports cell no. 3, showing that voters saying they were personally affected by economic downturns were more likely to criticize the incumbent government (1960). This subjective personal approach was reinforced in two other papers presented at public meetings, in which Fiorina (1979) and Brody (1977) confirmed the link between personal conditions and shifts in party affiliation (both cited in Weatherford 1983).

Kramer succeeded in providing numerical representation of the importance of objective, personal and retrospective information. He observed, "a 10% decrease in per capita real personal income would cost the incumbent administration 4 or 5 percent of the congressional vote" (1971, p. 141). While Kramer's study fitted into cell no. 9,

Weatherford complicated his analysis by showing the importance of such information varies among voters. Those with lower socioeconomic backgrounds are likely to attach greater importance to their individual financial situation, while the state serves as an anchor for assessments of the wealthier voters (1983)<sup>16</sup>. Frohlich, Oppenheimer, Smith and Young followed Downs' subjective, prospective approach represented in cell no. 6, and explained 68 per cent of the unexpected variance of voting decisions based on expected utilities (1978). Cell no. 7 was the basis for the empirical work done by Rees and others in the US, showing that objective retrospective and personal knowledge of unemployment figures was strongly correlated with a Republican vote (1962).

The middle column of the matrix received relatively little attention in the literature. Therefore, the unique research of Welch and Foster about the voting behaviour of black African-Americans deserves special attention (1992). Their empirical analysis found blacks' retrospective subjective assessment of the status of their ethnic minority group was a significant predictor of their voting behaviour, in addition to the status of their households and their nation. As a result, "those who are more positive about the economic fortunes of the past year are much more likely to vote Republican" (p. 229). Tufte adopted a different methodology to suggest 20 per cent of the variation in the 1976 US Presidential Elections derived from subjective perceptions of voters regarding their family condition while 70 per cent of the variations stemmed from traditional party identification (1978, Chapter 5). As this insight was only one among several influential insights he put forward, his work merits specific reference.

In his *Political Control of the Economy*, Tufte argued that voters were influenced by short-term fluctuations in the economy, but he also managed to establish a solid case to claim politicians are manipulating the economy, mainly through welfare benefits, to gain public support. He showed that in election years, real disposable income was more likely to rise while unemployment was repeatedly more likely to decline. After Tufte succeeded to "establish a motive and to find a pattern" (p. 27), he went on to illustrate how US Presidents cynically directed welfare policies to gain ballots. The evidence he collected reflected "the key role of transfer payments in producing election-year economic stimulation" (p. 44) and served as fertile ground to argue for a deliberate intention of politicians to manipulate the economy through fiscal policies.

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<sup>16</sup> There is a fierce debate around the nature of human beings as self-interested or altruistic. It can be traced back to ancient Greece, where a distinction was made between the virtues of the private and the public realm (Arendt 1958). It was also at the heart of the quarrel between Thomas Jefferson and Alexander Hamilton, debating about the core values of the United States (Sandel 1996). In this context, Downs (1956) and Arrow (1951/1963) assumed people are personal utility maximisers, whilst Titmuss (1997/1971) and Frey (1997), for instance, argued that conventional rationality assumptions are often erroneous in this respect. Generally, it could be said that economic rationality refers solely to private utility.

All the accounts cited above presumed that voters were proficient information processors. This supposition was challenged by Kramer, who argued the ordinary voter could not follow such a model. His proposed model stemmed from cognitive decision rules, suggesting, "if the performance of the incumbent party is 'satisfactory' according to some simple standard, the voter votes to retain the incumbent governing party" (1971, p. 134). Kiewiet and Rivers split Kramer's influential argument into three separate elements, holding that economic heuristic voting is retrospective, incumbency-oriented and based upon the results of economic policies and not upon the actual policies themselves (1984, p. 370). Accordingly, voters can potentially support a failing government if its achievements were above a certain subjective threshold. However, it is vital to note the major difficulty has not been solved, as Kramer's "simple standard" is still not defined decisively.

To summarise, the task of exploring the political dimension of the relationship between poor people and democracies goes through theories of economic and class voting, both derived from entirely different views about the key issues affecting voters. It is possible that both theories would identify the same outcome (i.e. increasing or decreasing polarisation), though the rationale and the disciplines employed to identify the underpinning dynamics are inherently different. In the context of this thesis, both theories can be called descriptive, focusing on the behaviour of the majority rather than of the exceptional minority.

### 4.3 Economic Aspects

Concepts of information and rationality are inseparable from any economic analysis of voting behaviour. Knowledge is essential for establishing a fair assessment of past performance of parties, present circumstances of the individual and future alternatives offered by candidates. Rationality thinking is vital to incorporate these pieces of information into a voting decision that would pursue the voter's own interests, whatever they are and however they are defined by him/her. The Pyramid of Political Engagement distinguishes between physical, informed and rational voting in the sense that at each level, voters can be diverted from casting their optimal vote. As this Pyramid also represents different levels of participation, such a diversion can also imply exclusion from the entire political process.

After exploring theories of voting from the political science arena, this section aims to incorporate economic concepts and economic thinking into the discussion. It will first address the question of rationality, facing theories that suggest rational people never vote or inform themselves, as their chances of casting a decisive vote are virtually zero. After posing some challenges to this popular argument, the concept of information will be thoroughly examined with a specific reference to the theories suggesting that being informed is not necessarily a pre-requisite to voting rationally. The next section will highlight some social reflections on the relationship between the poor and democracies, by integrating the concepts of equality, exclusion and citizenship into the discussion.

The enigma of **human rationality** is far from being fully revealed. Over the years, this field served as a mini-battlefield between economists, psychologists and even sociologists (Wallas 1909/1910, Simon 1955, Shapiro 1969, Chong 2000), who aspired to provide new insights into it. In scholarly terms, two analytical frameworks emerged: the traditional substantive rationality and the contemporary bounded rationality. This distinction created two different discourses, each relied and developed its own premises, methods and outcomes. The concept of bounded rationality tends to be radically descriptive, while theories of substantive rationality were evolving around the "rational man", thus reflecting a strong prescriptive motives. However, one cannot investigate bounded rationality without hypothesising about substantive rationality, as systematic deviations can be recognised only after some definite rules are set.

Assuming that social choices can be made either through commodity markets or through political markets, Arrows outlines the elementary steps necessary to reach a rational decision (1951/1963). These fundamental cornerstones were repeatedly adopted with slight modifications by other scholars from various disciplines (Downs 1956, Goldberg 1969, Kramer 1971, Hogarth & Reder 1986, Osborne & Rubinstein 1990). It suggests individuals should rank their alternatives using a preference/satisfaction/utility

function in a *transitive* way, so that each alternative is either preferred to, indifferent to, or inferior to the other<sup>17</sup>. The transitivity hypothesis implies that a voter who preferred party A to B and party B to C, would also prefer party A to C. Hence, rational voters, when confronting similar scenarios, would *consistently* choose the alternative classified higher according to their individual preference ordering<sup>18</sup>. In practice, this method assumes people are utility maximisers.

However, over the years scholars repeatedly challenged this preposition, resided on concepts developed by traditional economists. Daniel Kahneman and the late Amos Tversky identified some of the systematic deviations from conventional rationality calculations and founded the "prospect theory" (1979), which led to Kahneman being the first ever psychologist to receive a Nobel Prize in Economics. Quattrone and Tversky successfully linked this logic to the field of voting behaviour, arguing that risk aversion normally reinforces incumbent parties (1988). Notably, the significance of these findings was their consistency, as random deviations from rationality assumptions were already discussed a hundred years ago by, for instance, Graham Wallas (1909/1910). It was the systematic deviation from *Substantive Rationality* principles that ushered in the dawn of concepts of *Bounded (Procedural) Rationality*.

The idea of bounded rationality was pioneered by Herbert Simon, utilising his knowledge of psychological behaviourism. In an innovative paper he argued that "actual human rationality-striving can at best be an extremely crude and simplified approximation to the kind of global rationality that is implied, for example, by game-theoretical models" (1955, p. 101). Thirty years later, he integrated the terms "procedural" and "substantive" with constitutional law, where "we can judge a person to be rational who uses a *reasonable process for choosing*; or, alternatively, we can judge a person to be rational who arrives at a reasonable choice" (1985, p. 294, the emphasis is mine). In fact, he challenged the then narrow analysis, arguing that academia cannot ground its conclusions merely on outcomes with no reference to the process.

Simon outstandingly succeeded in transforming the hegemony. His novel observation pioneered an entire research tradition focusing on the intrinsic and extrinsic constraints

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<sup>17</sup> Goldberg enhanced this formula by putting forward the concept of "effective rationality", which is "the accuracy of one's expected value calculations" (1969, p. 63). He argued that education enables individuals to lower their information costs and thus improve the accuracy of their probability-based estimations. Hence, a low level of education might interfere with rational voting through lower information levels.

<sup>18</sup> Although this thesis has no ambitions to deal with econometric aspects, it should be noted that several methods and decision rules might apply to utility calculation under conditions of uncertainty. Min-Max Strategies (minimizing the worst possibility, maximizing the best one), Probabilistic Rules (maximizing the expected value of the probability distribution) or Certainty Rules (maximizing the certain pay-offs) are only some of the available alternatives to tackle these equations (Simon 1985). In the context of abstentions, Ferejohn and Fiorina employed an interesting model of "Min-Max Regret", according to which voters minimize their maximum regret that can possibly occur if the worst comes to the worst (1974).

limiting human behaviour in markets. In the decades to follow, Bounded Rationality was extensively studied. As Simon noted in his Nobel Prize Lecture, "economic science has focused on just one aspect of Man's character, his reason... There can no longer be any doubt that the micro assumptions of the theory - the assumptions of perfect rationality - are contrary to fact. It is not a question of approximation; they do not even remotely describe the processes that human beings use for making decisions in complex situations" (1978, pp. 342, 366). Since then, human reasoning was studied differently, as it integrated not only economics and political science concepts, but also themes from sociology and psychology.

Obviously, this approach was not easily endorsed by traditional economists like Arrow (who received his Nobel Prize in Economics in 1972). He admitted rationality might not be always compatible with descriptive empirical evidence, but proclaimed that if one chooses to adopt rationality, one must realize it is "not a property of the individual alone" (1987, p. 201). Therefore, Arrow noted, although "the rationality hypothesis is by itself weak... there is no general principle that prevents the creation of an economic theory based on other hypotheses than that of rationality" (p. 206, 202). This debate has significant practical and tangible implications. One example was specifically analysed in Downs' seminal book (1956, p. 6):

Let us assume a certain man prefers party A for political reasons, but his wife has a tantrum whenever he fails to vote for party B. It is perfectly rational *personally* for this man to vote for party B if preventing his wife's tantrums is more important to him than having A win instead of B. Nevertheless, in our model such behaviour is considered irrational because it employs a political device for non-political purpose.

The rift between these two schools of thought was also in the methodological arena. Essentially, bounded rationality theorists have always sought to avoid monochromatic economic models to allow a wide spectrum of cognitive decisions. On the other hand, economists search for rigorous and consistent models to "expand the scope of the theory" (Rubinsten 1998, p. 5). The practical difference is obvious: while Kahneman and Tversky had developed their "prospect theory" through a series of experiments (1979), economists like Arrow (1951/1963) and Downs (1956) followed a completely different route of proof. Rather than deducing general principles from empirical observations, they imposed from above a theory of rational behaviour that might or might not be grounded in facts (for a furious debate evolved between Simon and Rubinstein, see Chapter 11 in Rubinstein 1998).

Nonetheless, as mentioned earlier, systematic deviations from substantive rationality theory can only be tracked after establishing an empirical starting point, based on

substantive rationality theory. This analytical order is at the core of this thesis, as it was for Kahneman and Tversky's work. However, the decision to use the concept of substantive rationality creates a momentous challenge for this thesis, as the same theory is frequently used by scholars to prove that rational citizens should not vote at all (Olson 1965/1971, Ledyard 1984, Palfrey & Rosenthal 1985). According to this school of thought, turnout should be zero and any systematic comparison of reasoning is essentially meaningless. Logically, if citizens were so irrational as to vote in the first place, rational motives cannot be ascribed to their behaviour afterwards. Being rational and informed are therefore no less irrational than the very act of voting.

Reality constitutes the most solid argument against these theories, as most people do contribute towards collective action by voting (see Sen 1977). However, there are several theoretical explanations, which provide fairly convincing arguments to reconcile the gap between substantive rationality theories and the democratic reality. Prior to elaborating on these counterarguments, basic knowledge about the premises underpinning the original attack is needed. Olson's "Paradox of Collective Action" that underpins the "Paradox of Voter Turnout" and Downs' "Rationally Ignorant Voter" theory is focal to this review.

Olson's paradox holds that there is no natural reason for individuals to support any collective action aimed at promoting the welfare state or other public good (1965/71). In his work, Olson showed the only rational strategy in such scenarios is to "free ride", i.e. to benefit from others' efforts while contributing nothing to the collective. Since everyone can benefit from the public good (due to its non-exclusive character), the utility derived from it cannot be limited to those who actively contributed to its production. Therefore, according to Olson, free riding is the ultimate strategy for minimising costs and maximising utility, and as a result, while everyone waits for others to contribute towards a collective good, the good, although beneficial, will never be produced.

Free riding can intuitively be linked to political activism. Taking the Trade Unions as an example, Olson asserted that "just as it was not rational for a particular producer to restrict his output... so it would not be rational for him to sacrifice his time and money to support a lobbying organisation... In neither case would it be in the interest of the individual producer to assume any of the costs himself" (p. 11). Paradoxically, while "The Invisible Hand" should benefit the collective, the process is proved to be reversed in this context.

Marxism, in many ways, is premised on collective action, which arguably should have been in the interest of all the proletariat players. However, it did not succeed in

delivering its objectives. Two different explanations were put forward by Mills and Olson to resolve this dissonance:

Mills argued that the mistake of Marxism was the wrong assumption that people would be utilitarian and rational enough to see the wisdom of engaging in a class action (1951). According to Mills, "rational awareness and identification with one's own class interests", as well as "awareness of and a rejection of other class interests as illegitimate" were crucial to the materialization of such an action (p. 325). He also argued that Marxists and Liberals made a similar error: they both assumed people would pursue their own interests, and they both were frustrated to discover they do not. With regard to Marxism, the failure was exposed when apathy eclipsed rationality, leading to socialism's collapse.

Olson, on the other hand, asserted it was not "indifference, inaction or pessimism", but a fully rational decision that led people not to join a class war and risk their lives for the collective interest. Hence, although the individual interests of the players were identical, they still had no exclusive benefit in taking a risk. Envisaging the long-term consequences of this paradox, Olson noted, "it is hard to believe that irrational behaviour could provide the motive power for all social change throughout human history" (1965/1971, p. 110). This pessimistic view is probably shared today by many other scholars and politicians.

**The Paradox of Voter Turnout** can be seen as a combination of Olson Paradox and Game Theory. Essentially, when each individual sticks to his own dominant strategies, leading him/her to defect, the interests of the group lose ground. The Prisoner Dilemma demonstrates this paradox in a two-player group. The Paradox of Voter Turnout deals with the political implications for larger groups. Palfrey and Rosenthal followed this reasoning to show that unless voters have full information about all the other players, they derive no utility from voting with uncertainties (1985). Ledyard employed similar logic to proclaim, "if everyone is rational... then, presumably, no one will vote" (1984, p. 12). According to his analysis, "irrational" voters who benefit from the act of voting are no less than an "externality" which interferes with the selection of the socially desirable outcome. The conclusion is strikingly clear: in principle, rational citizens should simply not vote.

The political consequences of low turnout cannot be ignored here. In a comparative study of nineteen countries, Pacek and Radcliff found turnout positively contributes to the "the electoral fate of the left" (1995, p. 142). In the US, Key suggested back in the 1940s that the younger, poorer and less educated, who were less likely to vote, had often been affiliated to the Democratic Party (1942/1947, p. 594). Fenton showed that

sixty percent of the variation in the size of Republican victories could be explained by turnout (1979). In Switzerland, Lutz concluded the strengthening of "government and right wing positions [occurs] when citizens do not vote to a large extent" (2003, p. 16). The conclusion is in line with Lijphart's work, holding the view that the inequalities in physical participation are not distributed randomly, but rather contain a consistent bias in favour of the wealthiest and the best educated (1997).

It should be noted however that some scholars challenged empirically the core of this argument. Studlar and Welch, for instance, showed that the ideological variance between British voters and non-voters is marginal and cannot alter the outcomes of elections (1986). Similar conclusions were found in the US context by Shaffer (1982), Wolfinger and Rosenstone (1980) and Teixeira who proclaimed, "most electoral outcomes are not determined in any meaningful sense by turnout" (1992, p. 96–100). Citrin and others suggested non-voters were more likely to be Democrats, but a very few elections could have been overturned "if everyone voted" (2003, p. 75). Rubenson and others showed similar results when analyzing the Canadian elections (2005). DeNardo, who was leading this school of thought, concluded, "the recent decay of partisan loyalties... has eroded the relationship between turnout and vote" (1980, p. 406)<sup>19</sup>.

Downs, in a way, "left the decision to vote somewhat up in the air" (Ferejohn & Fiorina 1974, p. 525), focusing primarily on the low benefits expected from investment in acquiring information. As quality information is costly, he asserted that voters were expected to become "rationally ignorant", hence, "any concept of democracy based on an electorate of equally well informed citizens is irrational" (1957, p. 236). Downs based his conclusion on the plainest cost-return calculation. His conclusion necessarily brings information asymmetries, which, in economic theory, might lead a consumer to "buy" undesirable "products" in the same way that uninformed voter can choose undesirable parties. Whether such asymmetries were caused by high information costs or deliberate deceit, politics and markets are both subjected to a similar distortion.

Interestingly, this idea of **Rationally Ignorant Voters** stemmed from Downs' own experience as the President of his Student Union. Retrospectively he recalled how his fellow students, who enthusiastically participated in his election campaign, were embarrassingly indifferent to his achievements when in office (1993). This phenomenon taught him that in democracy, people tend to rely on cost-free information, which

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<sup>19</sup> Scholars also wondered whether bad weather supports the Republicans, assuming that rain is likely to reduce turnout. While Merrifield found weather has a significant correlation with participation rates (1993), Knack refuted this link between weather and the Democrat vote (1994).

requires no effort and no time to consume (1956). Another possibility is an overflow of information, which ends up with similar consequences: the knowledge that is eventually held by the individual is usually the poorest and the most inaccurate type available. In contrast to restaurants or supermarkets, in voting such an attribute might challenge the legitimacy of an individual's decisions.

Nevertheless, when voters are faithless in their chance to make a difference, there is allegedly no benefit in seeking to gain even the most simplistic form of knowledge. This is why the reasoning behind the "Rationally Ignorant Voter" is quite similar to the previous paradoxes. As Fiorina put it, "just as most people regard high participation as a collective good, so most people regard a well-informed electorate as a collective good. But just as citizens have no apparent personal incentive to vote, so they appear to have no apparent personal incentive to be informed" (1990, p. 335). Although reality does not necessarily follow (not all are political illiterate), the goal of this section is not to challenge the validity of the paradox empirically, but rather to destabilize its internal logic on theoretical grounds.

The most popular approach adopted by scholars defending the electorate's rationality was to question the structure of the utility function underlying Olson and Downs' accounts. It was usually defined separately, either from the side of the costs or from that of the benefits. Aldrich for instance focused mainly on the costs resulting from voting. He argued that "turnout is not a particularly good example of the problem of collective action... [as voting is] for many people most of the time, a low-cost, low-benefit action" (1993, p. 261). Niemi made the same argument, by stating the cost attached to voting "has been tremendously exaggerated" as the current literature is "using elephant guns to hunt fleas" (1976, p. 115). If indeed such a conclusion is acceptable, one can argue voting decisions are often made 'at the margins' and the utility function of individuals is far from being unbalanced.

Similar reasoning was used to defy the arguments in favour of rationally ignorant voters. Fiorina noted that some theories not only ignored the possibility of accidental and incidental exposure to political knowledge but also paid no attention to scenarios in which no better alternatives were available at the time of gathering information (1990, p. 336). Popkin argued "most of the information voters use when they vote is acquired as a *by-product* of activities they pursue as part of their daily lives" and exemplified this assertion by demonstrating that "one need not be an economist to see which way the economy is going" (1991, p. 23). Ferejohn took the discussion a step forward by wondering whether the character of accidental or incidental knowledge is unequally distributed and is thus leading voters from different backgrounds to be systematically exposed to different types of information (1990, p. 13).

Niemi put forward another creative approach to deal with the cost of voting. He suggested scholars completely ignored the cost of not voting, although it might have a considerable influence on the decision to participate. While the act of voting "usually takes little time" and is "relatively costless in the sense of opportunity costs", it was argued that there is a "psychological cost of saying 'no' when asked whether or not you voted" (1976, pp. 115–117). Similar conclusions can be deduced from his analysis to explain the existence of informed voters, although it was not mentioned in the paper.

Given that decisions of physical participation are accepted "at the margins", one can argue that the bureaucratic costs attached to voting can often possess a decisive influence on voters' decisions. Several studies supported this contention, showing that most citizens in the US would vote if the procedures of registration were different (Brians & Grofman 2001, Highton 1997). Other cross-national studies expanded the argument by showing that the institutional patterns of the political systems have had a significant influence on voter turnout (Powell 1986, Jackman 1987). Nevertheless, other accounts suggested different conclusions. Highton, for instance, concluded that registration requirements have an impact, but they "do not appear to be the main reason for the socioeconomic skew of American voters" (1997, p. 573).

The benefits-oriented explanations are no less powerful than the cost-oriented ones. Among the various scholars defying the dominant paradigm, Riker and Ordeshook stated at the outset that their goal was to "interpret the voting calculus so that it can fit comfortably into a rationalistic theory of political behaviour" (1968, p. 25). They reformulated Downs' theory and complemented it with benefits of intrinsic satisfaction from democratic participation, whereas none was related directly to the possibility of casting a decisive vote. Interestingly, Fiorina compared this political argument to the football arena, noting that although fans can hardly increase the chances of their "favourite team", they are still enthusiastically investing time and money, in probably an irrational way, to gather any available piece of information (1990, p. 336). These utilities certainly do not fall into the classical type reckoned by theories.

Kanazawa suggested analyzing voters not as future utility maximisers, but rather as adaptive learners of the past. According to her empirical study, "actors seem to be looking backward, not forward, and to take decisions on the basis of whether their prior choice was reinforced or punished" (1998, p. 991). Essentially, it was shown that voters derived greater benefits from voting in elections, only if they did not bother to participate previously and their favourite candidate lost. Another relatively radical approach was put forward by Quattrone and Tversky who hypothesized that some people might think their decision is correlated with that of others. Consequently, "each citizen may regard his or her single vote as diagnostic of *millions* of votes, which would

substantially inflate the subjective probability of one's vote making a difference" (1988, p. 733).

A different approach was advocated by Coleman, who focused particularly on the influence of group pressures on defections. He showed how "social networks can overcome free rider activity" and suggested counting also "the rewards provided by the others for helping to achieve that same outcome" (1988, p. 56, 53). Notably, his finding falls within one of Olson's exceptions due to the relatively small-scale group; nevertheless, his analysis of the rational reasons behind zealotry in scenarios of war, terror attack or even sports teams is thought provoking. The conclusions can easily fit into the political arena as well.

Clearly, the exact course of human reasoning is far from being fully revealed. Nevertheless, the argument that rational people should not exercise physical or informed voting at all cannot be perceived anymore as superior, under any of the theories. The motives and methods cited above followed the economic theory and therefore, they could easily be modelled and generalised. By this stage, relatively little attention was given to altruists who would not follow the vigorous economic calculations, not due to their bounded rationality but because of their intrinsic motivation to help people (Titmuss 1970/1997, Frey 1997, Le-Grand 2003). Such thinking facilitated a parallel line of research that sought to identify selfish individuals ("defectors") who were more likely to free ride on others.

The paper of Marwell and Ames, *Economists Free Ride, Does Anyone Else?* achieved this goal by showing economics students were far more likely to adopt "defection" strategies (1981). An experimental, small-scale experience conducted by Leuthold during one of his public finance lectures, found conflicting results, as female and art students free rode more than males and business students (1993). Isaac, McCue and Plott performed a repetitive experiment and confirmed their hypothesis that free riding is a learned behaviour, whose extent increases with replication (1985). Based on their study, one might argue that the elderly are more likely to defect due to their life experience. However, interesting as it may be, this field has been poorly researched and correlations between socio-economic conditions and free riding are still obscure.

After discussing rationality theories and some of their implications and complexities, a challenging question has to be answered: **is it possible for an political illiterate voter to cast a fully rational vote?** There are two major schools of thought whose answer is positive. One is focused on the individual level showing that the personal risk of "getting it wrong" is less than is apparent. The other school comes to similar

conclusions by demonstrating how, on average, the personal deviations from the "right" decision cancel each other out.

The first school of theories was pioneered by Kramer, who suggested voters successfully employ heuristics and shortcuts to deal with complicated informational environments (1971), and was supported by several other scholars. Wittman argued, "efficiency does not require perfectly informed voters any more than efficient economic markets require all stockholders to know the intimate workings of the firms in which they hold stock" (1989, p. 1400). Page and Shapiro stated, "people probably do not need large amounts of information to make rational voting choices" as cues may be sufficient "to permit votes to act as if they had all the available information" (1992, pp. 387–388). All these accounts are based on the pioneering studies performed by McKeley and Ordershook, which produced a meaningful amount of empirical evidence to demonstrate ignorant voters do function reasonably well in complicated environments (1984, 1985).

They found that approximately one fifth of the voters from the "uninformed" group voted "wrong" in the sense that full information would have possibly changed their preferences, whereas "the errors... are concentrated in a few subjects who never learn what is going on in the experiment" (1984, p. 84). A critical assessment would however, suggest all is dependent on the type of information provided to the group. Essentially, if a specific sort of information was found to be insignificant in the sense that it had not shaped voting behaviour, voters are obviously expected to have similar preferences without being exposed to it. Gilens, for instance, showed that lack of concrete details about governments' performance such as unemployment levels and budget deficits "leads many Americans to hold political views different from those they would hold otherwise" (2001, p. 379). Therefore, even though heuristics and shortcuts might be commonly used, decisive conclusions about their precise influence on the political process should be carefully made<sup>20</sup>.

The second school of thought has sought to demonstrate that information deficits do not necessarily divert aggregated public choice. It is argued that as the number of voters rises, so does the probability that individual mistakes would cancel out each other. As Miller explained, "a group of  $n$  voters, each with the same differentials... does as well as a single well informed voter" (1986, p. 186). Wittman was more specific, stating, "if

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<sup>20</sup> Another facet of the same problem can be found in studies which defined "correct voting" as voting under the conditions of full information (see, for instance, Lau & Redlawsk 1997). Information is crucial, but one cannot argue that it can generate "correct" or even "desirable" outcome. The work of Wolders (2002) illustrated the risk in this perception by showing how exogenous factors such as oil prices influenced voting behaviour in oil producing states by benefiting incumbent parties, which arguably contributed nothing to the temporary prosperity.

some individuals make incorrect choices, the law of large numbers is likely to yield the correct majority choice" (1989, p. 1402), whereas Converse concluded, "the process of aggregation drives out noise" and therefore, "the quickest 'fix' for a poor signal-to-noise ratio is to aggregate your data" (1990, p. 378). The mathematical and philosophical origins of these arguments can be traced back to the 1785 seminal work of Condorcet defining the classic Jury Problem (translated by Sommerlad and McLean 1989). All these accounts utilised statistical methods to show, again, information matters much less than we think it does.

This theory was seriously challenged. Miller argued that statistically, "it is inequalities or biases (of a particular sort) in the information levels in the electorate, and not generally low levels of information, that threaten the 'success' of the electoral process" (1986, p. 191). Bartels showed that the actual aggregate preference "deviates in significant and politically consequential ways" from that of a theoretically fully informed electorate and that "these deviations were significantly diluted by aggregation, but by no means eliminated" (1996, pp. 194–195). According to his predictions, the support in the incumbent presidents of the US should have been five percent lower if the electorate was fully informed. These findings fundamentally subvert the ability of the Jury Theorem to portray the democratic outcome as accurate and reliable.

These empirical evaluation studies bring us back to the starting point. While it might be irrational to accumulate information, the presence of it can certainly influence individual and collective preferences. Delli Carpini and Keeter were right to declare, "democracy functions best when its citizens are politically informed", as the link between political knowledge, political power and socio-economic power cannot be denied (1996, p.1). After all, it was Thomas Jefferson who wrote in 1816, "If a nation expects to be ignorant and free, in a state of civilization, it expects what never was and never will be" (1944, p. 648). Although the particular importance of each segment of knowledge might be disputed, one can hardly exaggerate the contribution of information to the proper functioning of the democratic machine. As the Pyramid of Political Engagement shows, this is a major prerequisite to reduce the gap between the "will of the voters" and the "choice of the voters".

The final issue to be addressed in this section is **the relationship between information and rationality**. The political literature did not converge to a decisive conclusion on whether the first is a prerequisite of the second. Fiorina, recalling the progression of the academic debate, noted that several scholars in the 1950s and 1960s assumed that "information is a major indicator of rationality" while others held the view that "to be rational a voter must know certain things... and rely on that knowledge" (1990, p.322). However, it seems that the latter view accumulated more support in the academic world.

Alesina and Rosenthal operationalized rationality for their econometric calculation as the capability of voters to "efficiently use all the available information to disentangle the effects of administrative competence" (1995, p. 189). Simpson contended the triumph of democracy depends not only on open channels of communication, but also on "individual's willingness and skills in utilising the information" (1997, p. 159). Delli Carpini and Keeter noted that "in the absence of adequate information neither passion nor reason is likely to lead to decisions that reflect the real interests of the public" (1997, p. 5). Overall, the observation of hierarchical correlation between information and rationality, and a clear separation of the concepts, as implemented in the Pyramid of Political Engagement, was almost within a consensus.

It seems, however, that the actual challenge lies in the conceptualization of rationality in the political markets. Possibly, since this concept was seldom theorized, the most comfortable way of bypassing the challenge was to exaggerate the importance of information, portraying it as the major prerequisite for "correct voting". Even though full information occasionally failed to address voters' own interests, little was done in academic terms to crystallize a consistent theory of rational voting. Evidently, one cannot study political decisions without confronting the individual capability of reaching rational decisions.

Assessing rationality, this research will follow the elementary framework developed by Arrow (1951/1963) and his initial terminology: there is a "basic set of alternatives... in the theory of consumer's choice, each alternative would be a commodity bundle... in welfare economics, each alternative would be a distribution of commodities and labor requirements... in the theory of elections, the alternatives are candidates" (p. 11-12). Consequently, he wrote, "each individual in the community has a definite ordering of all conceivable social states, in terms of their desirability to him... by whatever standards he deems relevant" (p. 17). Eventually, the party maximising the individual utility is the rational choice of the voter.

## 4.4 Social Aspects

After exploring some political and economic facets of the relationship between poor and democracies, this section intends to redirect the discussion back into the discipline of social policy. A light will be shone on the fundamental concepts of equality, exclusion and citizenship rights. These will then be confronted by the various arguments raised so far. This section will seek to convince that the current "deprivation threshold" of physical voting provides all concepts with a formal solution, rather than substantive one. The scope of political equality, political exclusion and political rights go far beyond the mere presence of a vote in the ballot box on Polling Day.

### 4.4.1 The Discourse of Equality

The unequal distribution of political power is one of the most documented phenomena, though it is also one of the least discussed ones. While it is only reasonable to assume people in need would turn to their government for a solution, the extent to which this faith remains groundless in modern democracies is striking (see, in this context, Feldman 1982). Among the few scholars studying the unequal vote was Lijphart, who concluded political disparities are "not randomly distributed but systematically biased in favour of more privileged citizens" (1997, p. 1). Consequently, he endeavoured to make a case for compulsory voting as the only way to achieve effective equality.

Unlike the integrative framework pursued here, the existing literature about political equality has dealt separately with physical and informed voting, leaving aside the dimension of reasoning. Generally speaking, scholars were concerned more with the unequal political participation of the disadvantaged than with their political preferences. As reviewed earlier, several studies have sought to link participation and electoral outcomes by simulating what would happen "if everyone voted", generating contradictory results.

#### 4.4.1.1 Physical Participation

Voting is the first barrier. Back in 1927, Gosnell linked turnout to socio-economic factors in the US, finding that "the more schooling the individual has the more likely he is to register and vote in presidential elections" (1927, p. 98). A few years later, Tingsten demonstrated "electoral participation tends to increase with the social standard" also in Germany, Denmark, Switzerland and Austria (1937, p. 120), while Key confirmed that in the US, participation was still declining "at each stage down the socio-economic ladder" (1942/1947, p. 590). Eventually, Lipset summarised his wide-ranging comparative research by noting patterns of participation are certainly different

between countries, though they "are strikingly the same" within them (p. 182). His table of key determinant of physical voting is in many ways still relevant today:

High turnout	Low turnout
High income	Low income
High education	Low education
Occupational groups: businessmen, white-collar, government employees, commercial crop farmers, miners	Occupational groups: unskilled workers, servants, service workers, peasants, subsistence farmers
Whites	Negroes
Men	Women
Older people (above 35)	Young people (under 35)
Old residents in community	Newcomers in community
Married people	Single people
Members of organizations	Isolated individuals

**Table 4.4.1: Dominant characteristics of voters and absentees**  
(Source: Lipset 1960/1963, p. 184)

The correlation between socio-economic variables and physical voting was confirmed in many other historical and contemporary studies (see, for instance, Arneson 1925, Olsen 1972, Powell 1986, Abramson and Claggett 1991 and Burchardt et al. 2000b). However, the socio-economic approach was only one of three dominant research traditions that endeavoured to explain turnout. Two other schools of thought, focusing on political mobilisation and institutional barriers, have rarely referred specifically to the poor electorate. All, though, have sought to find the powerful indicators inducing mobilisation or withdrawal of voters. In the context of this thesis, a larger attention would be given to the socio-economic analysis, though the two other explanatory theories will be subsequently explored, starting from page 116.

Rosenstone raised three possible explanations for the systematically lower turnout of the poor and the unemployed (1982, pp. 41-44). First, he argued, the opportunity cost is significantly higher for those desperately seeking to guarantee their very own future. Second, the sudden breakdown of social interactions, generated by the misery of poverty, also depresses the intrinsic incentives to participate. Third, the unemployment shock and the survival anxiety might breed psychological complexities, capable of deterring voters from the ballot polls. After Rosenstone confirmed his withdrawal hypothesis by showing the worse off financially were more likely to abstain in 1974 US elections, he suggested the deprived citizens had spent their scarce resources solely on "holding body and soul together – surviving – not on remote concerns like politics" (p. 26). Eventually, he concluded, "when economic adversity strikes, withdrawal from politics is the likely result" (p. 41).

Brody and Sniderman conceived a different theory to explain the disparities. They assembled individual troubles into three groups — self-located, personal economic and socially located problems — and examined the likelihood that these problems would influence individuals' physical participation (1977). Eventually, it was found that citizens suffering from problems of the second type showed the least interest in politics. They were desperate to find "a way to deal *now*, or as soon as possible, with the most immediate and pressing of 'bread-and-butter' problems" rather than devoting time to determining preferences (p. 346). Similarly, those with socially located problems were found to be more interested and involved in politics. This conclusion, however, prompts the question of whether one group was *motivated* to vote due to its social concerns or the other was *inhibited* due to its personal difficulties. Brody and Sniderman, by calculating the "expected turnout" of voters, supported the hypothesis of an "inhibitory effect" rather than the "activation/stimulation effect" (pp. 350–351).

Another noteworthy observation referred to the enormous divergence of self-reliance levels between those reporting personal economic problems and those suffering from socially located difficulties. While three quarters of the first group relied solely on themselves or on private assistance, the majority of the second group continued to put their faith in the government. This phenomenon was not sporadic, and was even reinforced in another paper by Sniderman and Brody, *The Ethic of Self-Reliance* (1977). It was shown that two thirds of those who faced problems of unemployment or an unbearable tax burden were not even expecting assistance from the government, although "candidates stumping for public office have insisted for decades that jobs and process are a prime responsibility of government" (p. 507). Paradoxically, families with medium incomes relied on governments more than those who were left behind did.

The unique ethos of the US, of private initiative as well as private handling with difficulties, is certainly reflected (Kinder 1981, p. 404). It was already shown, that the "dream" was embedded so deeply within the souls of the unemployed that it ruled out completely the emergence of a working class consciousness (Scholzman and Verba 1979, Chapter 5). The evidence for robust self-blaming was astonishing: two thirds of the unemployed believed "hard work is the most important factor in getting ahead" (p. 141) and their support in redistribution was not even correlated with their personal troubles (p. 205). Politically, the consequences were all but surprising: partisan loyalty was higher than 80 per cent all the time, although at the margins Republican unemployed were more likely to switch sides (p. 307).

Unless radical change emerges, it seems as social mobilisation would never materialise along the lines of personal economic conditions, and not only due to a sophisticated conspiracy of capitalism. As Scholzman and Verba noted, "the unemployed are kept out

of the political arena not only – and perhaps not primarily – by their lack of political resources, but also by their failure to politicize fully the stresses they undergo" (1979, p. 352). Two major causes can explain this perverse outcome. Either, as Kinder and Kiewiet observed, "economic discontents and political judgments inhabit separate mental domains" (1979, p. 523), or, as Rosenstone suggested, government schemes might "have reduced the pain of poverty and other economic problems to the point that they no longer produce enough sting to generate a political effect" (1982, p. 27, see also Radcliff 1992).

The political silence of this group is louder than any protest. It might be that the unemployed "quite rationally decide the most effective expenditure of their limited resources... would be in redoubling their effort to find work or to raise financial resources" (Scholzman and Verba 1979, p. 238), but the implications of such a decision cannot be promptly accepted by leaders concerned for the virtues of democracy. Even though several studies utilised mathematical simulations to suggest election results would not be much affected if "everyone voted" (DeNardo 1980, Citrin et al. 2003, Runebson et al. 2005), one should be genuinely naïve or a fool to consider systematically biased participation as unrelated to the unequal distribution of political power.

Implications can be identified in two distinct though correlated arenas. The most abstract influence is in the sphere of electoral competition. As explored on page 104, not all scholars accepted the wisdom that biased turnout could not determine electoral results, and many firmly argued for a substantial influence on left representation (see, for instance, Pacek and Fenton 1979, Radcliff 1995, Lutz 2003). A second sphere of influence is directly related to the level of welfare expenditure, and in particular social security benefits. Whereas the correlation between democracy and welfare spending were already explored on Page 80, several studies have succeeded to directly link turnout and social expenditures. As Krueger wrote in the context of black's disenfranchisement, "since decisions on the direction of public investment are made through the ballot box, white labor might, through its majority position, attain effective decision-making power" and consequently, pursue its interest by investing "as much public capital in itself, and as little in Negroes as possible" (1963, p. 483).

The list of empirical studies that were not cited earlier is particularly long. Schneider and Ingraham's study pointed out that between 1919 and 1975, "the most important determinant of program enactments is voter participation" (1984, p. 115). Crepaz correlated higher turnout and stronger political consensus with the extent of decommodification, maintaining, "inclusive political institutions... tend to increase welfare expenditures" (1998, p. 76). Pamper and Williamson found social welfare

spending in 18 advanced industrial democracies from 1950 to 1980 was strongly correlated with the proportion of the aged and the level of turnout (1989, p. 62). Hicks and Swank accounted for 90 per cent of the unexplained variance in welfare expenditure among 18 capitalist democracies, concluding decisively, "electoral turnout, as well as left and centre governments increase welfare effort" (1992, p. 658). Interestingly, they also pointed out that during the 1960–1982 period in countries where the social-democrats were in opposition, their functioning created "contagion from the left", discovered to possess immense influence also on right wing governments (p. 669).

In a way, these studies revitalized politics by reinforcing the obvious: voting matters. They also disentangled the weakest link: abstention counts. Within the Triangle of poor people, welfare states and democracy, a systematically biased participation probably does entail policy implications<sup>21</sup>. However, if up to this point the socio-economic tradition was explored, two competing arguments should be assessed as well. The *mobilisation hypothesis* perceived turnout as dependent on the political atmosphere and the parties' campaigns, whereas the *institutional hypotheses* looked at government mechanisms and policies shaping turnout.

The mobilisation hypotheses rested on the assumption that "rather than simply reinforcing individuals' pre-existing vote intentions, the campaigns served mainly to activate existing political predispositions and make them electorally relevant" (Finkel 1993, p. 1). Notably, negative campaigns were found to be more likely to mobilise voters, as they reinforced the "civil duty", created electoral anxiety and fuelled expectation of a close race (Martin 2004, p. 549). Empirically, Hillygus found, for instance, that 56 per cent of the previously non-voters who had the highest exposure to the 2000 US election campaign showed up at the polls, compared to 16 per cent of the least exposed electors (2005). In the context of political atmosphere, special attention was given to policy differences between the parties and the perceived closeness of the contest, two factors that might account for the all-time-low turnout in the 1997 election in Britain, where a landslide victory for "New Labour" was anticipated (Pattie & Johnston 2001a, Heath and Taylor 1999).

A third hypothesis links abstention to institutional arrangements hampering physical participation by increasing its cost and setting up certain conditions. Burnham maintained, "no one can doubt that rules of the game have major effects on electoral behaviour" (1987, p. 105), and drew on two types of institutional influence. The first

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<sup>21</sup> It should be noted that there is an ongoing debate around the evolution of class biases in turnout. Some scholars showed the predispositions of political exclusion have been stable in the last decades (Leighley and Nagler 1992, Shields and Goodel 1997), whereas others argued the bias soared and contaminated new clusters (see, for instance, Reiter et al 1979, Burnham 1987 and Bennet 1988).

referred to the mechanisms through which votes are translated into political representation (such as postal voting), whereas the second dealt with the measures imposed by the establishment to control or monitor citizens' access to ballot boxes. Institutional arrangements of the second type include registration requirements, paperwork needed for voting and any other prerequisites that may inhibit elements of the electorate (Powell 1986; Tingsten 1937; Gosnell 1930).

The history of black voting, discussed already in a different context (Page 74), is an extreme example of turnout arrangements, which were "equal for all" but deliberately targeting and oppressing a specific group. Data gathered by Kousser suggests that in eight out of eleven US Southern states the turnout rate of the African-Americans was as high as that of the whites in 1880 US presidential elections (1974, p. 15). Filer and others showed how measures of voter literacy tests, poll taxes and complicated registration procedures, quickly changed these records (1991, p. 372).

Having said all that, one insight of Rosenstone and Wolfinger merits reiteration. Discussing the influence of institutional barriers of voting, they noted the "modern peak of voter turnout was reached in 1960, when one and two-year residency requirements, poll taxes, and literacy tests were common; and when millions of southern blacks were disenfranchised through maladministration of the laws" (1978, p. 41). In recent years, the cost of voting has become marginal and suffrage has become universal, but turnout has slumped. This observation might induce some readers to doubt the importance of institutional differences, as the obstacles of today can hardly be compared to those of the past.

After exploring three major hypotheses of the key causes behind abstention, the proposition of compulsory voting requires examination. Apparently, the fate of "cost reforms", which lowered the institutional barriers for electoral participation, reinforced the proposals for compulsory voting, promoted in recent years by Lijphart. In his words, "citizens should not be allowed to be free riders" (1997, p. 9), although their right to abstain should remain, since their forced presence at the polls "does not mean an actual duty to cast a valid ballot" (p. 11). Based on studies showing high correlation between individual participation in various arenas (Almond & Verba 1963/1989, Olsen 1972, Greenberg 1986, Peterson 1992), Lijphart contended that compulsory voting would be inclusive and beneficial in many different facets.

However, the policy of compulsory voting has nothing to do with pouring substance into citizens' democratic engagement or creating any new benefit. It does not even aspire to tackle problems of ill-informed and irrational electorate, as it presupposes turnout is the key to inclusive democracy. If one assumes abstention is often

accompanied by political illiteracy, he may well conclude that higher participation of uninformed voters might fall short of advancing those voters' interests. There will be one fundamental difference: the visibility of the political disparities would probably fall dramatically, not because class bias will strikingly disappear, but only due to the superficial level by which political engagement is currently measured.

#### 4.4.1.2 Informed Participation

As discussed earlier, the aggregate consequences of individual information deficits have the potential to distort electoral outcome no less than biased turnout. After all, "if people are to pursue actions that promote individual or collective interests, they first must understand what choices are available to them, and what implications are likely to be associated with those choices" (Mondak & Canache 2004, p. 539). A few empirical and econometrical attempts to undervalue the role of knowledge were already explored on pages 108-110, raising two arguments: that rational choice can be made in cases of imperfect information and that the role of large numbers guarantees a rational group choice despite individual deviations.

In the context of this chapter, it should be stressed that information plays a greater social role than merely shaping voting behaviour. It was found for example that federal assistance to low income households during the 1930s was greater in countries that had more radios, enabling citizens to be better informed about governmental policies (Stromberg 2001). The conclusion is highly relevant: it is not only that less-informed citizens might cast a sub-optimal vote, but also that the governments of those voters might be less concerned with satisfying their needs. If one group ceases to hold its governments to account, one can easily argue there is no reason the rational government would take its desires seriously. Despite relatively low research around the consequences of political illiteracy, the suggestion information does not matter at all seems to be flawed.

There have been long debates around the measurement of knowledge, and specifically around the inclusion of a "Don't Know" alternative in questionnaires (Mondak 2001, Mondak & Davis 2001). However, what matters for this thesis is whether inequalities along lines of the familiar social cleavages exist here as well. In the US context, Delli Carpini and Keeter defined three relevant domains of knowledge; one refers to the rules of the game, the second to the substance of politics and the third to people and parties (1996, p. 65). After summarising their results, socio-economic and demographic variables, such as education, gender, race and income, were found to have a significant role in all three domains (p. 144). If one allocates the sample to three classes (30:40:30) according to their knowledge, the mean of correct answers among the "lower class" was 26 per cent while the "upper class" reached a mean score of 71 per cent (p. 154). Out of

the 68 questions asked, there was not even one case in which the poorest citizens passed the wealthiest ones, or the white group overtook the black (p. 157). Generally, voters were more likely to be informed than abstainers were.

Knowledge shapes preferences. Delli Carpini and Keefer found it is not only a good predictor of opinion holding, but also influences the "quality of opinion" by leading citizens "to develop more numerous, stable, and internally consistent attitudes" (1996, p. 228). It was found, among other things, that the degree of conservatism among people suffering from financial problems was linked to the knowledge they possessed. This correlation makes it clear that "group opinions about government's role in promoting social welfare are affected by how much citizens know about politics... [as] political knowledge appears to facilitate a closer linkage between group interests and political attitudes" (p. 242).

These insights have led Delli Carpini and Keefer to forecast correctly nine out of ten presidential votes among the well-informed voters, based on their scores on a liberal/conservative attitude scale. Unsurprisingly, the prediction rates of the least informed voters did not exceed 15–20 per cent. They concluded, "issue voting is alive and well", but "the voter's information level is the key factor in determining who engages in it" (p. 258).

#### 4.4.1.3 Rational Participation

The idea of knowledge as a facilitator of better reasoning can be tracked in some analyses, although it has never been subjected to a systematic evaluation. As already demonstrated on page 110, several scholars were aware that informed voting is a prerequisite for a superior end in terms of decision-taking (Alesina and Rosenthal 1995, Simpson 1997, Wolfers 2002). However, the socio-economic disparities represented in the "quality" of preferences remained an enigma.

The study of Sniderman, Glaser and Griffin illustrates this vagueness. Although it was presumed that "information assists rational choice" and that a "well-informed voter may be capable of it but the poorly informed one may not", the discussion did not enter the contentious sphere of rational voting (1990, p. 118). The empirical work attempted to trace the different reasoning of less-educated and well-educated voters and succeeded in identifying the various factors taken into account by each of the groups. This approach generated a trajectory analysis of differences rather than of deviations from a defined way of thinking.

The results are nonetheless intriguing: the dominant consideration of the less educated group was "whether the incumbent is doing a satisfactory job, not whether the

challenger will do a better job" (p. 124). In addition, "the well educated accentuate the differences between the parties and between the candidates, whereas the less educated minimize them" (p. 130-131). These two phenomena reduced the chances that a satisfactory prediction of policies would occur and turned the voters into a "systematically heterogeneous" group (p. 133-134). Although these observations are appealing, they still avoided confronting the rationality question. Additionally, they defined formal education rather than income as their independent variable.

Overall, it seems that Burnham's conclusion is the most accurate one, although, again, it does not rely on any empirical evaluation. Evidently, "if people are left to their own devices in a society with marked inequalities on all relevant dimensions of political consciousness, education and information, some people will remain far better positioned to make accurate utility calculations than others" (1987, p. 132).

#### 4.4.1.4 A Multi-Dimensional Inequality

After separately unfolding the social implications of the three levels of political participation for analytical purposes, they can and should be re-integrated. This section has sought to prove inequalities accompany the entire political process, starting from physical participation and going through political knowledge to the endpoint of the "quality" of the vote. While the causes and the implications of each of these layers were analysed here separately, there were almost no studies employing multi-dimensional techniques to identify systematic inequalities in all levels of participation along socio-economic lines. The two integrative works found merit particular attention. It is Toka's account was published in the *Review of Sociology of the Hungarian Sociological Association* (2003, 2004) and Keefer and Khemani's working paper was issued by the World Bank (2003).

Toka looked for repeating inequalities in two of the three levels of participation defined here, namely physical and informed voting. His intentions were to demonstrate that substantive inequalities exist although "formal equality of all citizens before the law is rigorously upheld" (p. 51-52). Eventually, he showed the political behaviour of some voters did violate the democratic principle of equality but the electoral impact was defined as "rather small". In his local study, the cumulative effect of unequal participation and unequal information ended up being marginal. Nonetheless, Toka's work was by far the most significant attempt to employ a multi-dimensional approach for the analysis of political deprivations in the context of social inequalities.

A second integrative paper was put forward by Keefer and Khemani who drew their conclusion from the arena of developing countries and showed how, in certain countries, democracy diverted government resources from the poor to the wealthy.

Providing several concrete examples, they noted, "the same formal institutions of democracy can sustain very different forms of electoral competition", which depends largely on the imperfections of political markets (2003, p. 26). Thus, in developing countries in which democracy failed to improve services for the poor (such as Pakistan and northern states of India), the authors pointed at the absence of information about politicians' performance, the flourishing of identity based voting and the underprivileged's habit of setting up past performance thresholds rather than assessing utilities. The critical conclusion conditioned the success of democratic "empowerment" with the tackling of the imperfections in the political markets.

If inequalities are replicated in the political market, one cannot avoid the thinking of a "vicious circle of democracy". A process in which social inequalities are replicated into political ones that in turn preserve or even deepen the existing social disparities - is a blow to the virtues underlying the democratic ideal. While some used to believe democratic regimes distributed the resources according to the "will of the people", it seems that the existing unequal conditions are replicated with the "choice of the people", leaving the underprivileged in a political and social trap.

#### 4.4.2 The Discourse of Exclusion

Unlike the concepts of rights and equality, the concept of exclusion is elusive and controversial. Different scholars with different goals adopted various definitions and emphasised different facets of it (Gore 1995, Silver 1995, Levitas 1998, Sen 2000, Hills et al. 2002, Lister 2004). Dean warned against the manipulation of the concept in a manner that "subordinates concerns with structural inequality to a concern for social cohesion" (2004, p. 182). However, as the scope of "exclusion" has never ceased to grow, it might be beneficial to recall the original intentions of its inventor, Rene Lenoir, who served as the French Secretary for Budget and Social Action between 1974 and 1978.

In *Les Exclus* (1974), Rene Lenoir used "exclusion" to describe "mentally and physically handicapped, suicidal people, aged invalids, abused children, substance abusers, delinquents, single parents, multi-problem households, marginal, asocial persons, and other social 'misfits'" (translated and summarised in Silver 1995, p. 63). Despite the broad parameters, the definition was virtually technical, categorizing into one-group individuals who were unprotected by the social insurance system of that time. The correlation between exclusion and poverty evolved after both concepts were redefined by scholars and political leaders.

Commencing his research in the late 1960s, Peter Townsend redefined poverty as a relative concept, contributing indirectly to the conceptualization of exclusion as a multi-dimensional phenomenon. By linking poverty with the resources needed to "participate in the activities and have the living conditions and amenities which are customary, or are at least widely encouraged or approved" in a specific society (1979, p. 31), Townsend had a vital share in the eradication of the absolute threshold of subsistence. His deprivation indexes, though being absolute and mechanistic in their own nature, incorporated for the first time various social activities rather than mere physical conditions.

The European Commission adopted a similar approach in December 1984, stating, "The poor shall be taken to mean persons, families and groups of persons whose resources (material, cultural and social) are so limited as to exclude them from the minimum acceptable way of life in the Member State in which they live." Remarkably, although both definitions intended to outline poverty, their wordings paved the way toward the re-conceptualization of social exclusion as a phenomenon in its own right, far from being linked to any technical consideration as occurred in France<sup>22</sup>.

Following the integration of the concept into mainstream European discourse, the last few years have produced a flood of definitions and interpretations. The United Nations Development Programme, for instance, preferred to locate Social Exclusion in the domain of rights, suggesting it is the "lack of recognition of basic rights, or where that recognition existed, lack of access to political and legal systems necessary to make those rights a reality" (Burchardt et al. 2002a, p. 3). The Labour Party led by Tony Blair conceptualized exclusion using primarily a Redistributive Discourse, which was arguably turned after its electoral triumph into a combination of the Moral Underclass Discourse and the Social Integration Discourse (Levitas 1998, pp. 7–28). However, the Social Exclusion Unit established by Blair defined exclusion as "a shorthand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime, bad health and family breakdown" (SEU 2001, p. 11).

Amartya Sen grasped exclusion as a "capability deprivation", utilising Adam Smith's interpretation of deprivation as the inability to appear in public without shame (2000, pp. 6-9). Anthony Giddens wrote "exclusion is not about graduations of inequality, but

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<sup>22</sup> It was suggested several times that the concept of "social exclusion" was planned to replace "poverty" in the EU following the pressures from the British government led by Margaret Thatcher, who then denied the existence of poverty in the developed world (Atkinson 1998, Dean 2004). Ironically, while Thatcher's intentions were to minimize the debate by diluting the relevant terminology, both concepts have been widely used jointly by scholars and politicians to describe completely different phenomena.

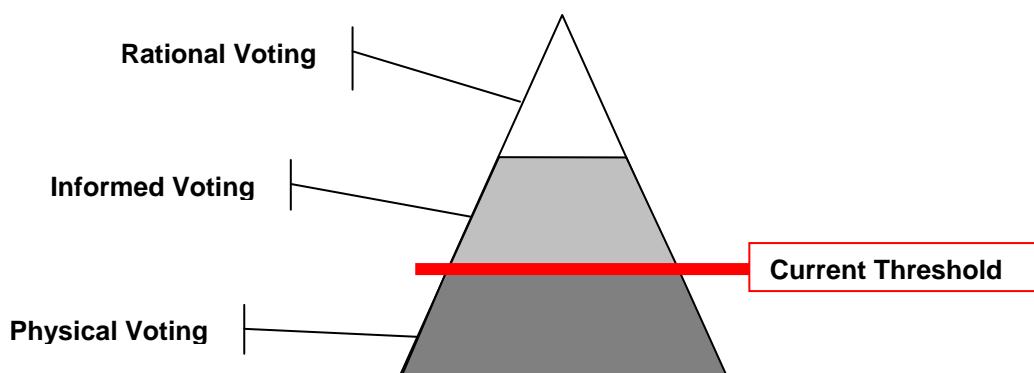
about mechanisms that act to detach groups of people from the social mainstream" (1998, p. 104). Walker and Walker in their *Britain Divided* defined exclusion as a "dynamic process of being shut out, fully or partially, from any of the social, economic, political or cultural systems which determine the social integration of a person in society" (1997, p. 8). Atkinson noted three recurring elements appearing in all definitions of exclusion: *relativity*, as people are excluded from a particular society; *agency*, as people are excluded by an agent or agents; and *dynamics*, as people are excluded because they have little prospect for the future (1998, pp. 13–14).

As in the case of academic definitions of poverty, the linkage between these definitions and the original meaning of the concept of exclusion is limited. However, a proper working definition was still missing. Room refined the entire analysis by describing the move from poverty to exclusion as entailing three conceptual shifts (1995). Instead of focusing solely on income, it required the adaptation of a multidimensional approach to measure disadvantage. Instead of static analysis, it required the utilisation of dynamic methods to track changes. Instead of looking at the individual level, a focus on the broader community was required. However, the most prominent working definition was put forward by Burchardt, Le Grand and Piachaud, stating "an individual is socially excluded if he or she does not participate in key activities of the society in which he or she lives" (2002, p. 30, for an earlier version of this paper see 1999). As for the "key activities", four major domains were defined as dimensions of exclusion: consumption, production, political engagement and social interaction. This operational definition has been generally adopted by scholars.

Amid the various interpretations of social exclusion, it should be emphasised that not all theoretical definitions cited above explicitly referred to political engagement. However, the political/civic domain was almost unanimously integrated into the empirical assessment, as an inseparable dimension for social inclusion. Thus, in *Social Exclusion in Britain 1991–1995*, political activity was defined as "engaging in some collective effort to improve or protect the immediate or wider social or physical environment" and operationalized as voting in the general elections or membership in a "political or campaigning organisation" (Burchardt et al. 1999, p. 231-233). In *Poverty and Social Exclusion in Britain*, "lack of civic engagement is sometimes deemed to be an important aspect of social exclusion", whereas physical voting in local and in general elections was the most popular indicator to measure "disengagement" (Gordon et al. 2000, p. 65). In *Monitoring Poverty and Social Exclusion 2001*, involvement of individuals in civic organisation was one of the indicators for "social cohesion", ranging "from political parties, trade unions and tenants' groups to social groups and sports clubs" (Rahman 2001, p. 76).

Notably, the latest two definitions referred to civic engagement, whereas political deprivation was most prominent in the earlier endeavour to operationalize the concept. As the general trends, correlations and occasionally even the numbers found in all studies were more or less similar, the work of Burchardt, Le Grand and Piachaud will receive greater attention here. After defining four dimensions of social exclusion, the authors found that between 1991 and 1998 the degree of political exclusion varied from 17 per cent to 21 per cent, while approximately 10 per cent of the British population were excluded in two or more dimensions (2002, p. 35). It was also shown that 28 per cent of the lower income quintile group were politically excluded compared to 14 per cent among the top group. The earlier paper noted that 10 per cent of the politically unengaged individuals were excluded for five subsequent years, whereas 85 per cent were excluded for the first time (1999, p. 238). Overall, it was maintained, the developed working definition of social exclusion "yields a workable, if crude, multidimensional measure of the concept", although "no clear-cut multidimensional category of socially excluded people can be identified" (p. 240–241).

This research challenges this working definition of political deprivation. Burchardt, Le Grand and Piachaud constructed their concept primarily on the condition of physical engagement. In fact, their definition does not measure the more sophisticated dimensions of political engagement and makes no distinction between abstainers of different types. The idea that inclusion can be measured merely by a physical action raises tough questions, and justifies a re-evaluation.



**Figure 4.4.1: Current threshold of deprivation on the Pyramid of Political Engagement**

The appropriate threshold of exclusion is a matter for judgment, though there are elementary questions guiding us when theorising exclusion. One of them is why at all should we care about politically excluded individuals. The particular case study of voluntary exclusion stimulated a constructive debate around this question. It emerged after Le Grand disqualified voluntary isolated individuals from his definition of social exclusion (Burchardt et al. 1999, p. 230). His approach prompted reservations from

other scholars, arguing that "even if social exclusion is preferred by the individuals themselves, it is not good for the wider society..." (p. 230).

Barry tried to define the ideological justifications for any preoccupation with social exclusion (2002). He identified two types of rationale: the damage caused by exclusion to **social justice** created by the unequal distribution of opportunities, and the damage caused to **democracy** due to the inability of the excluded "to participate as equals in politics... making it easier for ambitious politicians to advance their careers by demonizing and ultimately dehumanizing" the minorities (p. 25). Since the dynamics of contemporary politics often generated a virtual "median voter" politicians endeavour to appease, Barry maintained that "the more attenuated the bonds of social solidarity become, the less inclusive the concerns of the median voters will be" (p. 26).

Le Grand's response was no less provocative. Taking the argument back to the Roman distinction between "deserving" and "undeserving" poor, he argued that voluntary exclusion violates neither of these justifications (2003). In the context of social justice, he insisted that an "individual who makes a conscious, properly informed decision not to go to university... and in consequence ends up unemployed" does not infringe the values of social justice if conceptualized as equality of opportunities (p. 3). In the context of social solidarity, Le Grand noted that policies that promote inclusion but do so in violation of individuals' expressed will "are likely to involve a measure of coercion; and that is unlikely to foster feelings in the people concerned of social solidarity" (p. 4). Hence, if social exclusion is a matter of concern due to its implications on social justice, Le Grand maintained that voluntary exclusion does not pose a serious threat at all<sup>23</sup>.

Nevertheless, Le Grand suggested a third justification for preventing exclusion. Essentially, he argued, long-term externalities caused by individual exclusion, even when it is voluntary, might easily reduce **the social aggregate welfare**. In addition, there might also be long-term personal implications. In this respect, the role of a responsible society is to prevent such damage from materializing. The simplest example is myopia: "a 65 year old may be poor because of myopic decisions taken by her 25 year old self" as essentially, she did not give at the time "her future self" the appropriate weight in the balance of interests. Eventually, this behaviour generates decisions "that are not 'optimal' from the point of view of aggregate welfare" (p. 9).

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<sup>23</sup> Atkinson's work also singled out voluntary exclusion by arguing personal responsibility is vital to measure exclusion and assuming the presence of one or more agents is necessary to "exclude" an individual from the social mainstream (1998).

We end up with three types of explanations why social exclusion should concern us: its negative impact on social justice, on democracy and on the aggregate welfare. If there is a justification to re-examine the borders of political exclusion, and lift the current threshold from its basic bank position of physical participation, it must converge with these root causes. I shall argue that a higher threshold of political exclusion addresses better all three arguments.

In terms of *social justice*, if individuals choose voluntarily not to vote, although they had an equal opportunity for doing so, one can hardly argue that they were subjected to an unjust policy. However, the unequal distribution of information certainly inhibits equality of opportunities for those poorly informed, as their political power will be exercised differently from that of the others. Knowledge is power, and when the level of political knowledge is systematically lower in a specific sector, social injustice may occur. As Le-Grand suggested, those who prefer to stay ignorant or abstain voluntarily, do not fall within any definition of social injustice. However, one can hardly argue that all ignorant voters choose to be ignorant. Therefore, we are no longer concerned with unequal physical participation, but with unjust political illiteracies.

In the context of *democracy*, unequal physical participation might pave the way for politicians to ignore minorities, relying on their inferior political power. Consequently, electoral competition ceases, formally and informally, to follow the existing socio-economic allocation, leaving one sector under-represented. If turnout is the only factor taken into account here, the problem could not be solved, as politicians may as well neglect, and consequently mistreat, minorities that vote with no awareness to their alternatives. A reasonable and knowledgeable vote would not only improve the quality of any democratic decision, but would also force candidates to consider the needs and interests of all voters. Physical participation is therefore insufficient, and voting in favour of an "anti-welfare" party could even aggravate the irony.

The same argument holds for the *aggregate welfare* calculus. If the powerless minorities exercise uninformed and irrational voting, redistributive policies will cater only for the politically empowered sectors. The residual increase in the general welfare would therefore derive only from the privileged sector, whose marginal utility from money is supposed to be the lowest. The reallocation of wealth through redistributive mechanisms will not be optimal.

This section attempted to provide the theoretical justification for expanding the borders of political exclusion. It was argued that the current deprivation threshold is not satisfactory as it does not account for the full range of exclusionary circumstances. Defining where the appropriate "inclusive" threshold should be set entails a sort of

moral judgment by the definer. Sen has already written, "the language of exclusion is so versatile and adaptable that there may be a temptation to dress up every deprivation as a case of social exclusion" (2000, p. 9). Nonetheless, the concept in its current form is so narrow, that it does not address the concerns that turned social exclusion into an academic concern at the first place.

In *Inclusion and Democracy*, Young argued that the normative legitimacy of democracy "depends on the degree to which those affected by it have been included in the decision making process and have had the opportunity to influence the outcome" (2000, p. 6). Hence, "what counts as a just result is what participants would arrive at under ideal conditions of inclusion, equality, reasonableness and publicity" (p. 31). Embracing the current definition of political deprivation could hardly bring these ideal conditions. The way in which problems are defined constitute the world of reference for policy makers. Hence, by limiting the discourse of exclusion and focusing it on the lower layer, comprehensive attempts to advance knowledge and reasoning might be thwarted before they were even conceived. If concerns are solely devoted to physical participation, we might end up with compulsory voting and a continuing neglect of other dimensions.

#### 4.4.3 The Discourse of Citizenship

The integration of citizenship rights into the discussion of poor people and democracies seems to be natural. In fact, citizenship rights can be linked to each of the previously explored discourses. Sen, for instance, argued that each theory of social arrangement demands equality of certain rights to defend its concept of justice, though the nature of these rights varies (1992, p. 12). Walker and Walker linked rights and citizenship to the discourse of exclusion, proclaiming that social exclusion may be seen "as the denial (or non-realisation) of the civil, political and social rights of citizenship" (1997, p. 8).

The entire conceptualisation of citizenship rights is widely attributed to Alfred Marshall. During his speech at the Cambridge "Reform Club" in November 1873, Marshall introduced the first (albeit ambiguous) notion of equal citizenship by arguing that working men will never be all equal, but they must all become "gentlemen" (1873, p. 102). Although he was strongly in favour of free markets, he proposed compulsory education as a necessary instrument, since "the society bounds to compel children and to help them to take the first step upwards" (p. 117). An intriguing contention was put forward by Thomas Humphrey Marshall, who suggested almost eighty years later that, in a way, Alfred Marshall sacrificed the campaign against inequality of the class system for equality of citizenship (1950).

However, the contribution of the sociologist T.H. Marshall was no less influential than the interpretative comments of Alfred Marshall's remarks. If the latter conceived the idea of social rights, the former pioneered the first synopsis of contemporary citizenship. By dividing the concept into three realms of rights—civil, political and social—Marshall not only succeeded in defining an elementary pillar of democracy but he also depicted the chronological development of contemporary humanity. He assigned civil rights to the eighteenth century, political rights to the nineteenth century and social rights to the twentieth century (1950, p. 14).

At the core of his entire concept was the belief that all, including the poor, are an integral part of the state and therefore entitled to various provisions, not due to kindness but as of a right. This whole narrative, which had prominent and revolutionary implications on social rights, was in clear contradiction to the Poor Laws. While citizenship guaranteed a certain set of rights to each citizen, the dominant discourse of the Poor Laws forced the poor to metaphorically cross the road and exclude themselves from the community in order to get support.

The reciprocal relationships between different realms of rights were noted both by Alfred Marshall and by Thomas Humphrey Marshall as both perceived the social right of education as a prerequisite for the materialization of other rights. Alfred Marshall stated, "it is abundantly clear that, unless we can compel children into the schools, we cannot enable multitudes of them to escape from the life of ignorance so complete that they cannot fail to be brutish and degraded" (1873, p. 117). Thomas Humphrey Marshall maintained that since "civil rights are designed for use by reasonable and intelligent persons, who have learned to read and write... education is a necessary prerequisite of civil freedom" (1950, p. 25). Later, he noted that the right to freedom of speech "has little real substance if, from lack of education, you have nothing to say that is worth saying, and no means of making yourself heard if you say it" (p. 35). It was also mentioned that even when the franchise was relatively wide by the end of the nineteenth century, "those who had recently received the vote had not yet learned how to use it" (p. 41).

These contentions pave the way to this thesis' premise, according to which political rights cannot be exercised in a void. The role of social rights in fostering civil rights, enterprise and economic prosperity is equally important to role of education on the exercise of political rights. Many scholars showed the correlation between education, political illiteracy and political participation (one of the earliest examples is Gosbell 1927). However, as the definition of political rights was preoccupied merely with physical voting, the link between social rights and deeper layers of political inclusion was rarely made. Consequently, conventional wisdom linked social and civil rights (as

education was needed for engaging the private market), whereas the functioning of citizens exercising political power was to some extent left neglected.

Dean linked the three spheres of rights in a different way. He maintained that both political and social rights were aimed at minimising the inequalities derived from civil rights. Thus, education, welfare and universal suffrage were in a way an intermediary that eased the polarization of civil liberties. Dean argued that social and political rights were probably not enough. Even though social rights were the only basis "on which all citizens ought to be equally able to participate in the spheres of civil and political society", political rights were incapable to "equip the powerless" on their own due to existing inequalities (p. 84). This observation essentially reinforces a core argument pursued in this thesis: unequal citizens can hardly exercise equally their political rights. Social rights are vital for the equal implementation of the political ones.

The exact definition of political rights lies at the centre of this debate. Here, again, one should recall T.H. Marshall, who described this specific component of citizenship as "the right to participate in the exercise of political power" (1950, pp. 10-11). This definition can be interpreted in at least two ways: the "exercise" of power can be portrayed simply in superficial terms of physical participation, or it can be taken to represent much deeper involvement in the political domain. If one recalls the Pyramid of Political Engagement (Figure 4.1.1, Page 89), it can easily be argued that the mechanical action of putting a ballot into a box is worthless unless real substance is behind it. By the same token, Marshall has already argued that there is no true meaning to the freedom of speech, if you have nothing to say. The question is what *can be* defined as "real substance" and who has the patronizing right to determine it.

It is argued here that political rights cannot be defined merely as formal universal franchise. Therefore, certain knowledge about politics is not only a citizen duty, but also a citizenship right, exactly as literacy ceased to be a matter of luxury. If an information deficit prevents an individual from fully exercising his political power, then at least part of the responsibility departs from his own domain to the collective one. Marshall himself accepted that education "is a necessary prerequisite of civil freedom" (1950, pp. 25-26), but, as noted earlier, the context often related to civil rights than to political ones. Obviously, the exact definition of political rights entails a strong ideological dimension, and is highly sensitive to nuances.

The Universal Declaration of Human Rights of 1948 and the International Convention on Civil and Political Rights ratified in 1966 exemplifies that. The UDHR stated, "the will of the people shall be the basis of the authority of government" (Article 21), whereas the ICCPR proclaimed "every citizen shall have the right and the opportunity...

to vote and to be elected at genuine periodic elections... guaranteeing the free expression of the will of the electors" (Article 25). Remarkably, both documents referred specifically to the *will* of the electorate, though each does it differently, and none refers to the need to guarantee the will of the people is conveyed through democracy.

Another intriguing perspective of rights and citizenship can be found in the individual interpretation of the concepts, which was found to be correlated to socio-economic disparities. By developing a "street terminology" of citizenship discourses, Dean aspired to assess the inclinations of ordinary citizens toward their citizenship rights (1999). Eventually, approximately a third of the sample attached no particular meaning to their citizenship and a quarter perceived it only as a certificate of their nationality. However, while respondents from "lower" occupation groups were more likely to have no concept of citizenship and embrace either nihilistic or nationalistic approaches to it, wealthier respondents tend to reflect solidaristic definitions of citizenship. Dean, seeking to explain why poor people act against their own interests in running away from the latter definitions, suggested that the rich are actually the frightened sector, as "they have the most to fear from the poor!" (p. 108). The underprivileged harm themselves again by adopting a citizenship discourse that only increases their isolation, as monitored by the "proxy" terminology developed to minimise biases.

The way political rights, as an inherent part of citizenship, are conceived by individuals, scholars and policy makers is therefore of crucial importance. Jointly with the discourses of equality and exclusion, the perception of rights has a significant share in portraying the appropriate relationship between poor people and democracies. As of today, political rights are narrowly defined by most scholars, implicitly allowing the one-dimensional mechanistic definition of political participation. The findings regarding the unequal distribution of knowledge, and the political implications attached to it, reinforce the case for a broader perception of political rights. Those who already assume political rights cannot be exercised in void, should follow this logic also in the re-definition of political deprivation and political exclusion.

## 4.5 Conclusion

The integration of concepts from several academic disciplines was intended to provide a multi-disciplinary overview of the relationships between poor people and democracies. Functional relationships could empower the Triangle for Redistribution. Distorted ones are expected to disturb the delicate balance between the three forces constructing it. Several issues were explored in this chapter: economic voting, class voting, rationality, knowledge, equality, exclusion and rights. Elements shaping the political behaviour of the underprivileged are reflected in or derived from all of them. I reviewed these relationships and the limited way they have been monitored so far.

As for the issues relating to political theory, the conflict between theories of class voting and economic voting is an ongoing one. While some assume that class affiliation is the dominant power behind voting, others prefer the more pragmatic explanation of selfish interests. Since this thesis takes the latter route, it explores several utilitarian considerations capable of influencing voters. The various dimensions of economic voting were integrated here into one coherent matrix, and the insights were used to refine the operational framework underlying my own research.

The parallels drawn here between the political and commodity markets helped with the construction of a critical review of the current engagement of poor people with democracies. Theories of substantive rationality enabled the pursuit of systematic deviations from it and paved the way towards an assessment of individual decisions. The electoral consequences of political illiteracy were also addressed. While some scholars have doubted the potential of a fully informed electorate to shape election results, others have arrived at contradictory findings.

As for the concepts relating to the social policy arena, significant inequalities were found in the layers of physical and informed voting, which had a cumulative impact on the “public’s choice”. The explanations ranged from the replication of existing inequalities through institutional barriers and the absence of mobilising campaigns. The outcome incontrovertible, and it calls for a re-definition of political exclusion. Arguably, this concept aims higher than the narrow threshold of turnout.

This chapter leads to the research itself. In many ways, the dependency of political rights on the social right of sound political education is reflected both in Britain and in Israel. The fieldwork and the secondary data analysis have sought to identify why and to what extent the underprivileged find themselves excluded from the democratic process. Whereas the State has a substantial role to play in this field, the responsibility of individuals, as discussed here at length, cannot be undervalued or ignored.

## 5. Research Design

In the late nineteenth century and early years of the twentieth century, the key objectives of social research included the empirical description of the living conditions of certain groups in society (Moser & Kalton 1971). Two papers published then met this objective: "Map Descriptive of London Poverty" drawn by Charles Booth (1889) and "A Study of Town Life" written by Benjamin Seebohm Rowntree (1902). Not only did these manuscripts become seminal works on the measurement of poverty, but they also helped to shape a new period in social research, in which the desire to enumerate social phenomena was made possible using concrete methods and practices.

The tension between plain statistical figures and data derived from critical research was a matter of time. In 1935, Wells passionately argued that social survey "as a rule" must not be concerned with "evolving any comprehensive sociological theory", suggesting its sole goal was "the collection of facts relating to social problems and conditions in order to assist directly or indirectly the formulation of practical measures with reference to such problems" (p. 18).

Some might argue that the desire to detach numbers from theories and ideologies has never ceased to exist. However, the aspirations of contemporary scholars go far beyond the philosophy of their predecessors. It is therefore necessary to define explicitly the ruling paradigm of this thesis, noting also that the choices "researchers make about paradigms shape the research strategies they think they should use" (Esterberg 2002, p. 9). The literature points to a few dominant paradigms, beginning with the oldest one of *positivism*, which are briefly reviewed here.

Scholars affiliated to the *positivist* school of thought assume, that "the social world is inherently knowable and that we can all agree on the nature of social reality" (Esterberg 2002, p. 10). Their motivation is to predict human behaviour, which may enable them to control, modify or advance it. On the contrary, the *post-positivists* might acknowledge the existence of one reality, but they would be sceptical of their ability to capture it objectively. Biases and prejudices are thought to be inevitable, since the characteristics, thoughts and intentions of the researcher herself are believed to be inherently in her subjective interpretation of reality. Any reflection of reality is therefore, by definition, imperfect.

While the positivists are divided on whether reality can be objectively sketched, they are probably all *realists*, as defined by Miles and Huberman. This definition of realism perceives social phenomena to exist not only "in the mind but also in the objective world" (1994, p. 4). The reverse view is held by the *social constructionists*, who argue social actors are those who create reality, and therefore, there is no reality apart from that constructed by those creating and depicting it. This assertion shifts attention to an

entirely different arena, sending scholars to study the interactions between actors and their subjective interpretation of reality.

This perception correlates to the *symbolic interactionism theory*. Simplifying its complexities, three elementary assumptions are put forward: humans act towards things based on the meaning those things have for them; the meanings of things arise out of social interaction; meanings are created through a process of interpretation (Blumer 1969, Denzil 1978). These assumptions had led Esterberg to argue constructionists "should begin by immersing themselves in the world inhabited by those they wish to study" (2002, p. 19), in order to understand how subjects construct and interpret their reality.

This research strategy is also shared by the *naturalists*. Under the paradigm of realism, and with a close association with symbolic interactionism, this school of thought demands "the researcher actively enter the worlds of native people", to truly understand their world in relation to "behaviours, languages, definitions, attitudes and feelings" (Denzil 1978, p. 78). Evidently, if one acknowledges the vital importance of understanding human interactions, there is no other alternative to immersing oneself in the group under investigation.

In addition to summarising the underlying tenets of *positivism, post-positivism, realism, constructivism* and *naturalism*, the approach of *critical social research* deserves special attention. Its supporters are motivated by a desire to challenge the premises of the current social order. They are loaded with motivation, which unlike others, turn them into "intrinsically critical" scholars (Harvey 1990, p. 3). A detailed list of premises held by a "criticalist", drafted by Kincheloe and McLaren, shows the rather radical side of this definition. It assumes, among other things, that all thoughts are fundamentally mediated by power relations, that certain groups in society are more privileged than others and that oppression is "more forcefully reproduced when subordinates accept their social status as natural, necessary, or inevitable" (1998, p. 263).

As a line of defence, it should be noted that not all "criticalists" conform to this radical definition. Esterberg, for instance, preferred to focus on the scholars' motives rather than any radical preliminary belief. He wrote, "whereas the goal of positivist research... is to 'predict and control' and the goal of interpretive research is to understand and interpret, the goal of critical social research is to work toward human emancipation" (2002, p. 17). This view softened the Marxist argument about a bourgeoisie dispossessing the masses, clearing the way for the modification of critiques striving to promote emancipation rather than study oppression.

Having reviewed some of the principle approaches to research, a deterministic classification of this study would not do justice to its underlying intentions. It is critical in the sense that it focuses on the continuous political deprivation of those who have

not, aiming to empower them. However, these underlying motives were influential in determining the research questions but did not affect the professional tools employed to examine the derived hypotheses. The realistic tradition was followed in practice by assuming objective reality does exist, and could be described through systematic and multi-disciplinary research.

The author is disinterested and unable to predict and control the behaviour of individuals, although he assumes political behaviour can be generalised in a way that would enable prediction. On the other hand, this thesis does acknowledge the merits of the post-positivist approach, by which the biases and prejudices of the researcher are inevitably influential. Precisely because of that, the strategy adopted here integrated various research methods capable of contributing towards the rigorousness of any theory and thereby reducing the effect of external interventions. However, if any theoretical model can do justice to this thesis, it is that of "critical realism".

Having placed this thesis in a broader framework, this chapter will first link the theories discussed in the previous chapters with the broad rationale and the research strategy. The questions, hypotheses and methods employed will be explored subsequently, as well as the problems experienced and the methods of data analysis adopted. Further details concerning the methods adopted when the fieldwork was carried out in both countries can be found in Appendices 11.3 & 11.4 (Pages 338 & 354).

## 5.1 Rationale

This thesis has navigated so far around the Triangle of poor people, democratic procedures and welfare provision, discussing separately each pair of elements. If one conclusion can be drawn, it is probably that in an ideal world, rational and selfish poor citizens should have employed their electoral capacity to advance their welfare interest.

This conclusion is premised on three assumptions:

- (1) The utility function of poor people facing income deprivation is more predictable than that of others, as their dependency on benefits is greater.
- (2) Certain welfare regimes are capable of assisting the needy by direct income transfers or other in-kind provision.
- (3) The formation of welfare regimes is very dependent on democratic decisions taken by the electorate.

However, when a considerable proportion of the underprivileged electorate abstains or votes contrarily, questions should be asked.

The earlier chapters have shown the validity of these assumptions. In "**The Welfare State & The Poor**", the effects of liberal welfare regimes on poverty and inequality was described, in addition to the politics behind different levels of redistribution, decommodification and stratification. The history of the British and Israeli welfare states shows that there is a social price to be paid when conservative governments are in power.

This correlation however is not exceptional, as shown in the subsequent chapter, "**The Welfare State & Democracy**". Research shows that democracy, turnout and left-wing representation all correlate with the emergence and expansion of welfare provision. Evidently, voting matters, abstention counts, and democracy started to facilitate regressive redistribution at the end of the 1970's. On a different level, thinkers were no longer concerned with the desirability of democracy, but started to question the method and the capacity of the electorate to deliver.

The previous chapter, "**The Poor & Democracy**", raised further questions. It showed that systematic deviations from rationality theories are intensively studied in economics, whereas there is almost no parallel research on reasoning in the political arena. Employing economic theories of voting, the problem of underprivileged abstention was found to be on the "benefit-side" of the utility function. Therefore, compulsory voting might improve superficially turnout figures, but will not remediate the uneven distribution of knowledge and the dissimilar patterns of reasoning.

Delving into the moral underpinnings of social exclusion would show at least one of these elements within the boundaries of political exclusion. Bearing in mind the discussion of citizenship rights, it is necessary to ask why the social right for education is widely perceived as a prerequisite for successful engagement in the private markets, but is usually neglected in the exercise of political rights.

Whilst focusing on the economic aspects, political exclusion can be classified as a failure of collective action. However, contrary to the propositions made in Olson's theory (1965/71), personal self-interests in this case tend not to overcome group ones. Given a framework of substantive rationality and utilitarian materialistic behaviour, the interests of the underprivileged individual should overlap with the interests of their class, generating a pro-welfare vote. In reality, many of the British underprivileged electorate do not bother to vote at all, whereas within the Israeli underprivileged electorate, their voting is not necessarily in favour of greater welfare provision. In certain cases of abstention and counter-class voting, coherent reasoning and rational thinking (in one direction or another) can be identified, but in other cases, a disturbing vacuum is revealed.

As shown earlier, this is not an isolated phenomenon. It can be placed within a broader framework and linked to several concepts within the discipline of social policy, political economy and governance. Thus, it seems odd that after a long battle for the expansion of the franchise, at a time when the masses have the right to vote, a more generous welfare provision is blocked either by abstention or by objection. It is also disturbing to note the high level of political illiteracy and detachment of those dependent on the state.

In order to address these questions more accurately, a different approach towards political exclusion and political rights is needed. Enhancing the theoretical and practical distinctions between different types of political engagement is a first step. In line with this approach, the scope of political deprivation and social exclusion might be widened to address information or rationality deficits. Accordingly, the concept of political rights should also be enlarged, to incorporate additional layers of political rights, above the elementary level of equal suffrage.

The issue of redistribution lies at the core of this thesis. As discussed at length in Chapter 3, the outcome of unbalanced political representation in modern democracies can hardly be detached, in theory and in practice, from the extent of income redistribution, as well as indirect social provision. Distorted representation of interests can only hamper the utility of all welfare clients as a group and as individuals. In Filer's words, "government is a vehicle for income redistribution" and "elections are

reasonably assumed to be battlegrounds in the struggle over income redistribution" (Filer et al 1993, p. 64).

Based on the existing literature, two major arguments constitute the rationale of this thesis. One converges with micro observations whereas the other resides in the macro arena.

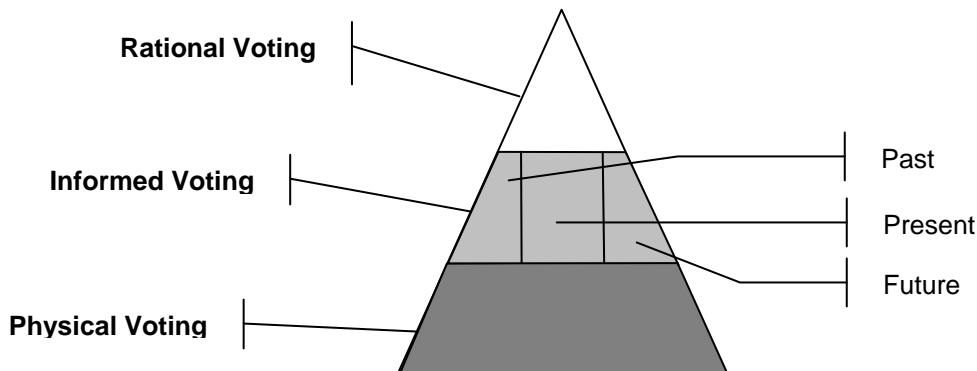
<b>Micro Level</b>	Unlike other groups, the utility function of underprivileged citizens is more predictable, as their marginal utility from money is the highest. Substantively rational poor people are therefore expected to support a more generous welfare state to maximise their future utility. Any other decision should be accounted for, noting that it might reflect a form of political deprivation.
<b>Macro Level</b>	A systematically lower level of political engagement among underprivileged populations signals a serious imbalance and might lead to a distorted democratic outcome, given a higher level of engagement by wealthier people. When the extent of poor political behaviour crosses the level of randomness and becomes predictable, it might as well dilute redistribution and promote neo-liberalism more than would happen under different circumstances.

**Table 5.1.1: Major arguments**

Having put forward the major arguments, the operational framework of this thesis need to be described. It should first be noted that elections were conceived here as the primary channel for engagement. Therefore, many other channels such as party affiliation and conference participation were ignored. Concentrating on voting as a hub had led to the re-structuring of it into three hierarchical levels of engagement, defined here as the Pyramid of Political Engagement. This framework, which was briefly mentioned in Section 4.1 (Page 88) turned the empirical assessment of participation into a feasible task. Concrete arguments and definitions can be made in every layer.

1. **Physical voting** is the basic level of engagement. Turnout of poor people are thought to be lower than those of wealthier voters.
2. **Informed voting** is an indicator of advanced engagement. It could be argued that an unequal balance of power exists in favour of the wealthier electorate.
3. **Rational voting** is perceived as the highest mode of engagement. The applicability of substantive rationality theories is believed to vary in each group.

Having noted the general framework, each of the concepts is to be explored here separately, based on the literature and arguments made so far.

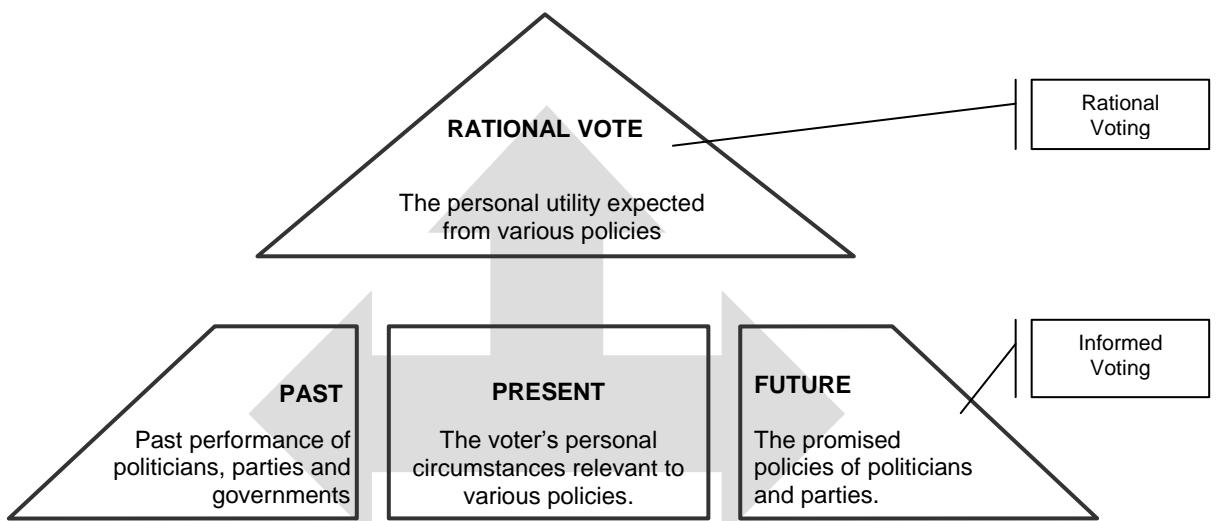


**Figure 5.1.1: The Pyramid of Political Engagement**

Physical voting is conceived as the fundamental pillar. Without it, no "counted" contribution to democracy can be obtained. It is relatively simple to measure and interpret, as turnout figures are usually made public shortly after elections. Nonetheless, there is a need to deepen the understanding of abstention within different groups. Explanations for this phenomenon varied from a utilitarian calculation on one side depicting participation as a no-benefit or high-cost act, to sociological arguments emphasising social exclusion and political isolation on the other. It is clear that the logic leading to abstention can only be identified through data analysis and unmediated discussions with voters and abstainers from various socio-economic groups.

The rationale underpinning informed voting is more sophisticated. Arguably, the participation of voters in elections does not necessarily mean that they hold the elementary knowledge needed to cast a rational vote. The premise that a certain level of knowledge is required for a conscious vote cannot be disputed. If one is to draw comparisons with the business realm, a decision to purchase a flat with no market orientation or awareness of the relevant regulations might result in a financial loss at best or the physical loss of the entire flat at worst. The same applies to voting, justifying the focus on levels of information.

Three dimensions of knowledge are conceived here as essential for a rational political choice. As discussed on Section 4.3 (Page 100) and illustrated in Figure 5.1.2 (below), the first dimension is *past-oriented* knowledge, which is needed to assess politicians, parties and incumbent governments based on their functioning. The second is *present-oriented* knowledge, referring to the subject's own circumstances, as self-awareness is a prerequisite to value the personal implications expected from the implementation of policies. The third dimension of knowledge is *future-oriented*. It includes the various platforms and policies advocated by each party. Integrating these three dimension should enable the voter to cast a deliberate rational vote, according to the dominant principles exist in theories of rationality.



**Figure 5.1.2: Informed voting and rational voting in the Pyramid of Political Engagement**

*Rational voting* is the most complicated and controversial concept, as already shown in the literature review. The rationale underpinning the effort to concretise and monitor reasoning is premised on the different justifications people themselves put forward for their voting decision. Whereas some justifications are based on a level of logic, others scarcely show reason or coherent judgment. Thus, for instance, traditional voting as the sole explanation for a counter-class vote can hardly be justified from a rational perspective in comparison with a solid set of principles and beliefs as to what government should do to advance the State and its citizenry. It should be stressed that solidarity does occasionally converge with utility, intentionally or unintentionally, but an element of reasoning, stronger than general feelings, is needed for a rational vote.

Integrating the voter's utility function and his/her political reasoning takes this logic one-step forward. As the marginal utility from money is the highest among those who have least, one would expect an underprivileged rational voter to place redistributive welfare regimes top on his/her list of considerations. Any systematic deviation by individuals away from what is perceived to be their utilitarian preferences merits further study. It might be found that rational reasoning is beyond them, or preferably, that there is an informed and reasoned account of their decision.

The analytical framework of the Pyramid of Political Engagement, and specifically its top level of rational voting, is not trivial. However, a firm strategy that acknowledges the weaknesses but employs rigorous and diverse tools to examine these concepts is needed. The theoretical debate around rationality, information and abstention lasts decades and will not be solved here. However, this thesis does intend to put forward a coherent strategy of various methods capable of validating or refuting this research's hypotheses.

## 5.2 Questions & Hypotheses

This research neither focuses deliberately on the environmental circumstances breeding political deprivation, nor on the consequences of such deprivation. These aspects had already been explored in several earlier studies, explored in the literature review. The questions defined below put the spotlight on voters themselves, seeking to monitor the mechanisms influencing individual behaviour. While the quantitative methods should generate a macro assessment of several positivist hypotheses, the qualitative research employs an interpretive approach expected to enable better understanding of individual thinking. The first question compares characteristics of poor and wealthier individuals, whereas the second is focused solely on people living in poverty casting a "counter-class vote", as defined below. The independent variables in all questions are the voter's degree of wealth and his political affiliation, whereas the dependent indicators are from the realm of political engagement.

1	What are the differences in Britain and in Israel, in terms of political engagement, between people living in conditions of poverty ("Underprivileged") and people not living in such conditions ("Privileged")?
2	What are the differences in Britain and in Israel, in terms of political engagement, between people facing poverty who support the major "welfarist party" and others who support the major "non-welfarist party"? Alternatively, what differentiates the "counter-class" underprivileged voters?

Table 5.2.1: Research questions

- "**Underprivileged**", as opposed to "**privileged**", are either individuals sampled in the British/Israeli Election Surveys and categorised as members of the lowest class **or** individuals sampled/interviewed in poor areas, whose income group, when reported, is roughly below the poverty line.
- "**Welfarist Party**" is the major political party competing in the general elections, whose official manifesto contains elements approximating to social-democratic welfare regime principles **and** whose leader articulates views that can be perceived as more egalitarian and beneficial to the less privileged, in relation to other candidates.
- "**Non-Welfarist Party**" is the major political party competing in general elections, whose official manifesto contains elements approximating to liberal welfare regime principles **and** whose leader expresses views that can be perceived as more conservative and liberal, in relation to other candidates.

- "**Counter-class voting**" exists when a citizen defined as underprivileged votes for the non-welfarist party, given that classes are defined mainly by income and class voting promotes the collective economic interest of each group.

As discussed in the previous section, the Pyramid of Political Engagement serves as the analytical framework to assess the differences in voters' engagement. Its three hierarchical levels, namely physical, informed and rational voting, serve as fields for comparison. Due to their key role in the research, concise definitions of the three levels are also desirable:

- "**Physical Participation**" is exercised when an individual who is entitled to vote registers himself/herself and casts his/her vote in the general elections.
- "**Informed Participation**" is achieved when a voter holds a reasonable level of knowledge as measured in three dimensions: past performance of politicians, parties and incumbent governments; present personal circumstances of himself/herself; and future policy platforms of the candidates.
- "**Rational Participation**" is attained when a voter shapes his voting decision in accordance with principles of substantive rationality, i.e. he acts to maximise his/her expected utility in elections, based on the knowledge s/he holds and the political alternatives open to him/her.

After defining the research questions and generating an analytical framework, the research hypotheses are to be explored. The matrix below resulted from the integration of the three degrees of political engagement with the two comparisons defined in the research questions.

	<b>Research Question No. 1</b> Privileged vs. Underprivileged voters	<b>Research Question No. 2</b> "Counter-class" underprivileged voters vs. other underprivileged voters
<b>Physical Participation</b>		It is assumed by hypothesis that underprivileged voters who are in favour of non-welfarist regimes tend to vote in larger numbers than their equivalents who support the major welfarist party. In both countries, it is argued that the intrinsic forces leading poor voters to cast an counter-class vote are stronger than the drive of other voters to participate in the political process. Therefore, whereas the latter group is more likely to alienate itself from the political process, the former would reflect greater motivation to vote.
<b>Informed Participation</b>	It is assumed that underprivileged citizens in both countries would be less likely to exercise physical, informed and rational voting in the general elections. Even though their utilitarian interest in exhibiting higher level of participation is higher than the average, they are expected to be lagging behind the wealthy voters in terms of turnout and knowledge, and have different pattern of reasoning.	It is assumed that voting preferences are very much dependent on the level of knowledge and type of reasoning voters develop. Countr-class voting is expected to correlate with information or rationality deficits, whereas welfarist underprivileged voters would probably have a better level of knowledge and elements of substantive rational reasoning.
<b>Rational Participation</b>		In Israel, there might be a similar correlation in terms of knowledge, though security concerns might rationally overtake financial considerations, prompting an counter-class vote.

**Table 5.2.2: Research hypotheses**

It should be noted that two of the three hypotheses defined here are identical in both countries, as generally, the mechanism of political marginalisation in this thesis is viewed as universal. The circumstances underlying the third hypothesis are different, due to the unique security threat that the Israeli electorate has faced for decades.

### 5.3 Strategy

A few strategic decisions were taken at the outset of this project. It was decided to carry out the research in Britain and in Israel, two countries familiar to the author, from which intellectual comparisons could be drawn. It was also agreed that qualitative and quantitative research methods had to be integrated, in order to enrich the conclusions inferred from the data. This understanding required intensive fieldwork in both countries, contributing to the rigour of this study. Another strategic decision was to confront the issue of rational voting, even though the operationalisation of this concept would probably attract firm criticism. Income was taken as the lead indicator for poverty, after a few empirical tests.

Research is based on trade-offs. As Denscombe wrote in *The Good Research Guide*, there is no "one right" direction to take, though there are "some strategies which are better suited than others for tackling specific research topics" (1998, p. 3). King, Keohane and Verba argued that the process of any social research is by definition "imperfect", whereas the substance is at best a "social enterprise" (1994, pp. 8-9). Considering the inevitable imperfections, an evaluation of the background leading to the adoption of these strategies is required.

The focus on two case studies derived from the premise that political deprivation ought to be found globally, although each country would have its unique mechanisms and reflections. Aside from considerations of reliability, this decision also enabled an evaluation of two different societies, identifying their merits and shortcomings. The choice of Britain and Israel to be case studies was prompted by the author's relative familiarity with both states and languages. While each country has its own political history that was thoroughly reviewed in Chapter 0, a crucial element in any fieldwork is the ability to have unmediated contact with native citizens.

After the two states had been selected, the next strategic decision was to combine various research methods to guarantee rigorous and reliable results. Noting the tension between qualitative and quantitative methods, this study opted to use both, making no assumptions as to the superiority of either. Personal inclinations had also contributed to this decision. The author thought that opting for one over the other would result in unnecessary imperfections. It is assumed that quantitative findings cannot replace fine, unmediated and qualitative insights, whereas qualitative methods are inherently imperfect without numerical supervision. The need to research in various channels increases in those instances where the arguments were not previously explored.

These decisions are open to criticism of several kinds. Obviously, the preliminary selection of two states as case studies omitted many other democracies, which might be

found to be better field-studies. Paradoxically, precisely due to the author's personal familiarity with both States, the research might be unbalanced by the type of raw data collected. Additionally, the author's accented English might pose difficulties in the engagement with British native respondents. If this research was to be repeated, it might be advised to focus only on one country, double the number of subjects sampled and hire local staff to guarantee smooth and fluent communication.

Yet, the major criticism is probably of the operationalization of political reasoning. While the empirical definition is still heuristic in nature, it might be the subject of prejudice and misperceptions. The reliance on the concept of substantive rationality, as developed by Arrow (1951) and employed by Downs (1956), turns the challenge of enumerating rational thinking into a feasible if controversial objective. This criticism would exist under any circumstances, as the existence of political reasoning is a fundamental tenet in this work.

The reliance on income as a measurement of poverty directly or by other socio-economic indicators, was also a tough decision taken. However, it was found to be the only practical indicator around which the various research methods could merge. Family income is still the most accurate indicator of poverty as it correlates with most other indicators of need. Factually, there is no other single indicator capable of "fencing" a multi-deprived population. It should be noted that lack of data forced a partial shift from individual to local indicators of poverty, as will be discussed in depth later.

## 5.4 Methods

In light of the decision to integrate qualitative and quantitative elements in the research itself, three methods were chosen to monitor political engagement. **Large-scale surveys** were the first to be re-analysed, in order to generate a quantitative orientation of the general phenomenon. Consequently, an experimental **exploratory survey** assessing personal utilities of voters was distributed in designated areas, to track certain trends and inclinations. A series of **in-depth interviews** with citizens from the top and bottom of the social ladder was conducted in parallel, creating the required elements to increase understanding of various patterns of behaviour.

As the research hangs on the concept of poverty, the definition of underprivileged citizens employed here (Page 140) deserves specific attention. Initially, this study intended to adopt a strict definition of income poverty to focus on the most deprived populations striving for money. However, an examination of the existing datasets revealed a serious shortage of data. Notably, each existing survey had different questions relating to family income, but also the sample of the bottom income group (when it was possible to calculate it) was often too small. The fieldwork, on the other hand, concentrated on certain locations, known to host underprivileged populations, although interrogation of family income of those willing to participate was believed to be inappropriate. Despite these issues, the income threshold defined generally matched the official poverty line in each country.

What follows are specific references to each of the research methods employed, the rationale behind its selection and the various practicalities involved. The subsequent section will elaborate on some major aspects of data collection, including sampling and ethics.

### 5.4.1 Exploratory Survey

The exploratory "personal utility survey" was intended to apply Arrows' concept of substantive rationality with all the theoretical complexities involved. Its final aim was to assess future subjective utilities of voters from different policy arenas, based on standards and assessments given by the voters themselves. The survey was completed by 137 subjects, 70 from Britain and 57 from Israel. It preceded the in-depth interviews, and was conducted at the same locations, as detailed in Section 5.5.2 (Data Collection \ Locations, Page 156). Roughly speaking, approximately half of the subjects approached were willing to take part in the survey.

Initially, the survey was conducted on a laptop, as a computer-administered questionnaire (the slides and the hard copies are in Appendix 11.1, Page 303). After a short time, the laptop was replaced with hard copies of the questionnaires in both languages. Unfortunately, the technology was found to be unhelpful, instead of providing an element of entertainment for the participants and making the engagement more attractive and less intrusive. The underprivileged were found to be unfamiliar with such technology and were even scared of it. The privileged spent enough time in front of their own electronic equipment to feel utterly untouched. The catalyst for modifying the attitude was a frightening incident, involving a warning that the laptop would be stolen, made in an underprivileged neighbourhood.

The survey first inquired about the voter's political preferences, before moving on to ask about his/her expected utilities. The ranking of the various policy arenas by their level of importance to the voter was conducted through an allocation of a dummy budget pie. This was believed to be an effective method of defining the "standards" for selection. Subsequently, specific inquiries about the expectation from each party in each policy field were made. After answers were entered, the computer (when it was used) compared the subject's actual voting with his calculated relative preferences from each party, showing whether the two were compatible. The entire process was generally successful.

The sample was initially planned to be a non-representative one, due to the exploratory nature of the project and the limited resources available to manage it. Indeed, several locations were selected to target specific groups, though overall random selection was made only in these specific and unrepresentative locations. Purposive sampling has its own merits, as well as its own deficiencies. Under the general framework of this study it seems as its unique characters were well integrated.

#### 5.4.1.1 Rationale

Arguably, if voters are utility maximisers, one can assume they vote in favour of a party that on average, is expected to perform better than others will, in the voters' eyes. Hence, by asking voters to rate the importance of different fields of policy by their own interest, and then comparing the subjective expected utilities from different parties in each field, one can indicate which party would maximise the voters' expected utility. Clearly, most of the voters had never made such a rational calculation to decide on their vote. However, precisely because of that, this experimental method might facilitate some intriguing findings about the systematic deviation of a certain group from its "substantively rational vote".

There are many other factors capable of influencing voting behaviour. These factors might have nothing to do with personal subjective utilities. However, if they influence only certain groups, this is a proof of the groups' "bounded" rationality, which can be generalised into a concrete theory applicable for certain populations. Interestingly, Marwell and Ames were among the few scholars who sought to classify groups vulnerable to such "systematic" deviations, as hinted in their seminal study's title - "Economists free ride, does anyone else?" (1981). The exploratory "personal utility survey" does aspire to apply this technique to non-economic markets as well, or more specifically, to the underprivileged electorate acting in political markets.

#### 5.4.1.2 Questionnaire

The challenge of drafting survey questions was already labelled as a major cause for errors in the entire fieldwork (Sudman & Bradburn 1974). The literature is packed with advice as to how to construct each sentence. For instance, Hoinville and others stressed the need to generate a "clear, unambiguous and uniformly workable" questionnaire, which is capable of "engaging [subjects']... interest, encouraging their co-operation, and eliciting answers as close as possible to their truth" (1977, p. 27). Fowler suggested defining a concrete objective for each question so that the inquiry falls "only within the context of an analysis plan, a clear view of how the information will be used to meet a set of overall research objective (1998, p. 346).

The final questionnaire, to be found on Appendix 11.2.2 (Page 326), incorporated three major blocks of questions. First, there were general questions about physical participation and voting preferences, on Election Day. There were, secondly, a series of inquiries assessing informed participation, through past performance, present status and future policies. The last section evolved around questions of rational participation, which included the allocation of a budget pie and the ranking of various parties in various policy fields. The final question was about the subject's personal income, asking him/her to circle one income group out of five.

All questions were carefully formulated to avoid any preliminary leading, and some questions were taken from existing large-scale surveys. The integration of such questions contributes to the vigoroussness of the questionnaire, as their validity and reliability were already verified in experiments and significant studies. Nonetheless, the methodological challenges of assessing information and rationality merit further study, as the empirical aspects of both were not found in existing literature or large-scale surveys.

As for specific blocks of questions, a study of the topic of **informed voting** would show that in Israel scholars blatantly ignored it to focus solely on views and positions. The state of affairs regarding the British Election Surveys was not dramatically better, but questions were still severely limited in their scope. In the American context, however, the seminal work of Delli-Carpini and Keefer advocated the use of a Five-Item Knowledge Index, which inquired about the positions of dominant figures, the name of the most conservative party and procedural or civic issues. Their goal was different though, as they intended to deal with the concept of political knowledge rather more than they sought to define types of knowledge needed to maximise the voters' expected utility.

This paper maintains that familiarity with legal procedures or political figures does not necessarily breed a rational voting decision. It is therefore seeking to monitor the existence of a conscious understanding of what happened in the past, where the voter stands at the present and what the alternatives are for the future. As discussed extensively earlier, the questions selected represented this approach.

To measure **rationality**, the individual's utility function from government activities was gauged, in order to assess the degree of utilitarianism. Since the entire topic is complex, a blunt question would probably fail to bring satisfactory results. Therefore, the technique developed depends on the subject's ability to allocate the national budget, based on his or her own personal utility. The sums given in each field were counted as the relative coefficients of the individual utility function, whereas a different set of questions would obtain the expected utility in each field from each party. This is how the overall weighted expected utility was calculated.

This method is vulnerable to several shortcomings (e.g. not all types of utility are counted; utility itself is an abstract concept; voters might ignore their own benefits etc.). However, these shortcomings are common in relation to all parties and all interviewees, leaving a solid (though not perfect) basis for comparison. This technique seems to be theoretically feasible as the only goal of this exploratory part is to compare expected utilities from all parties, rather than reach deterministic conclusions related only to one of them.

### 5.4.2 In-depth Interviews

No true understanding of political deprivation is possible without considering the roots of this phenomenon. In social research, the origin of most phenomena can only be touched upon during an unmediated contact with the key players, namely the involved human beings. Interviews in general are expected to examine the roles that "attitudes, values and beliefs play in leading people to behave as they do" (Hoinville et al 1977, p. 11). Therefore, this method is particularly suitable for instances where the research is centred on "individual motivation" and when "the psychology and circumstances of respondents need to be interrelated" (p. 15). Having said so, interviews are often affected by the biases of the interviewer himself.

These biases and prejudices are the most disturbing of all. The influential sociologist Norbert Elias noted, "Scientists engaged in the study of nature are, to some extent, prompted in the pursuit of their task by personal wishes and wants... They may hope that the results of their inquiries will be in line with theories they have enunciated before" (1956, p. 228). It is inevitable, he continued, that the course of discovering "the inherent order of the social development of mankind" would not be diverted because of the "hopes and the fears, the enmities and beliefs resulting from their role as immediate participants in the struggles and conflicts of their own time" (p. 234-235). Without challenging these truths, some biases can and should be tackled in advance.

In 1954, Hyman emphasised the damaging impact that the personal characteristics of the interviewer and his/her predefined expectations might have upon the interviewees (1954). In this instance, the researcher had consistently sought to sustain neutrality from the research hypotheses while interviewing. In addition, he also manipulated his appearance by wearing a suit, shaving and using an after-shave when looking for privileged interviewees and vice versa when seeking out underprivileged ones.

More useful advice was also provided by Moser and Kalton. They maintained that a structured interview minimises the risk of biases (1971). While a fully structured interview could have inhibited some fine arguments, the interviews were eventually semi-structured. This allowed communication to flow, enabling authentic conclusions to be made and reducing the risk of biases. An interview schedule, which included a list of topics to be covered and some standard answers, was carefully constructed and is provided in Appendix 11.2.4 (Page 336).

Nonetheless, these steps have not completely eradicated biases. The awareness of their existence was however always to the fore, during the interviews themselves, during the analysis and during the writing-up phase. It is assumed that such awareness did lead to second thoughts, additional doubts and particular caution at all times.

#### 5.4.2.1 Selection of Interviewees

Certain districts were selected for locating and approaching fieldwork participants (See Section 5.5.2, Page 156). In these locations, contact with potential interviewees was made at random, given that their external appearance matched the general intentions. Thus, not all visitors to Starbucks were presumed to be wealthy, and not all clients at the Citizens' Advice Bureau were presumed to be needy. However, the weeks spent in both locations led to prudent identification of privileged (wearing costly suits, smart watches and polished shoes), and underprivileged interviewees (often wearing worn-out clothes). Eventually, after subjects had undertaken the exploratory survey, and based on their declared income, voting preferences and willingness to cooperate, some were approached for an in-depth interview. This created a diverse group of interviewees.

Initially, interviews were scheduled to take place immediately after the exploratory surveys, either at the location itself or at a different venue at a different time. This plan worked mainly for the underprivileged interviewees, who often expressed a strong desire to share their views. On the contrary, only a few of the privileged interviewees, consented immediately to participate in a longer session. The majority were reluctant to do so. As a result, half of the privileged interviewees were contacted directly, through personal contacts and not random selection. Nonetheless, the socio-economic gaps between the selected underprivileged and privileged interviewees were still significant, and the selection process was directed to guarantee a diverse cadre of interviewees.

#### 5.4.2.2 Approaching Subjects

Being approached for an interview is not a common experience for most people. The difficulties faced in the field could be grouped into linguistic and non-linguistic ones. As to language aspects, some failed attempts to gain cooperation demonstrated that the very first words uttered greatly affected a potential interviewee. As a result of this, the introductory section was modified, so that privileged interviewees were told that the research was being conducted by "a PhD student from the LSE" studying political behaviour of individuals. Underprivileged interviewees were told of a "student" inquiring about voting. The latest form was less deterring, whereas the earliest was much more impressive.

As to the non-linguistic aspects, appearance was certainly a key attribute attracting cooperation or prompting rejection. An elegant suit with a tie clearly contributed towards a smooth interaction with privileged interviewees, whilst jeans and t-shirt were essential in underprivileged locations. When these dress codes were not maintained, cooperation was dramatically lowest. It would not be an exaggeration to perceive the external outlook and the wording adjustments, accompanied by a different intonation and rhythm, as key decisions that advanced the entire fieldwork.

#### 5.4.2.3 Conducting Interviews

A few aspects, related to the way in which interviews were conducted, merit a reference. First was the venue for the interviews. Obviously, the respondent's willingness to talk freely about herself can evaporate in the presence of a familiar person. Therefore, the venue had to be isolated from external interventions, and be as intimate as possible. Under these terms of reference, the ultimate venue was the respondents' own home. However, when the question was presented to some of the underprivileged interviewees, most selected different places. In the case of privileged interviewees, dialogues were held at either private houses, offices, isolated tables in coffee shops, or in one exceptional case, an exclusive members' club in Central London. In the case of underprivileged interviewees, most discussions took place at the initial point of interaction, such as the Citizens' Advice Bureau or coffee shops in town squares.

The interviews themselves were semi-structured, based on the interview schedule. Two major principles were maintained during the entire process. First, the questions were "as open-ended as possible to encourage respondents to talk spontaneously about their behaviour and opinions" (Hoinville et al 1977, pp. 11). Second, the questioning technique included some verbal and non-verbal probing, as well as indirect references about "others' behaviour". The latest tactic intended to encourage respondents to communicate honestly their genuine beliefs.

#### 5.4.2.4 Recording & Transcribing

After the location of the interview had been set up, the interviewees were asked whether tape or video recording were acceptable. The intention was to film all interviews in order to capture authentically all interactions. Time showed that the presence of a DV camera was almost forgotten after a short while. Eventually, most interviewees agreed to be filmed after their confidentiality was guaranteed, and no exceptional events were noted. However, the management of Hackney's CAB was immensely concerned with the interviewees' privacy, and allowed only tape-recording to take place. In all interviews, subjects were told the recording was solely for academic purposes and the tapes would not be distributed or shown in public.

Kowal and O'connel already stated that transcribing work, is not merely a technical procedure, as "the creation and use of transcripts are theory-loaded constructive processes" (2004, p. 249). Aside from being aware of the risk of biased interpretations, efforts were made to include full quotes within the thesis itself, in order to allow the reader to draw his/her own inferences. Notably, even though the analytical emphasis was on verbal statements rather than on paralinguistic communication, the non-verbal elements captured during the filming usually reinforced previous impressions. Therefore, the additional effort invested in videotaping the interviews was often unjustified.

### 5.4.3 Secondary Analysis

Quantitative deductions about political behaviour cannot prevail in a statistical vacuum. Secondary analysis of large-scale datasets becomes a crucial element in reaching conclusions and crystallizing this research's findings. Obviously, the terminology and aims underlying the existing election surveys do not perfectly fit the core premises of this thesis, but nonetheless, insights and inferences relevant to this study can be deduced from the professional databases compiled by top scholars.

There was a distinction between two types of quantitative data. The first type were official **public choice** statistics conducted at the *national or local level*, taken from government agencies and complemented with elementary socio-economic indicators. The second type was drawn from **public opinion** surveys conducted at the *individual level* by academic institutes and polling firms. Table 5.4.1 summarises some of the distinctive characteristics of each data source, reflecting implications in terms of data reliability and data perfection:

	"Public Choice" Sources	"Public Opinion" Sources
<b>Sampling</b>	All registered voters	Probability Sample
<b>Locations</b>	All Polling Stations	Random Homes
<b>Content</b>	<u>Recorded</u> voting patterns and socio-economic indicators	<u>Reported</u> voting patterns, socio-economic indicators and positions
<b>Level of Measurement</b>	Constituency/Town	Individual
<b>Source of Data</b>	Official Records	Respondents' Answers

**Table 5.4.1: Major characters of public choice & public opinion qualitative data**

Each type of data had advantages and disadvantages. However, precisely the integration of both types of data guaranteed reliability, as the aggregated figures of both types could be compared to each other.

Technically, the statistical analysis was conducted using with SPSS software (version 13.0). The graphs and the tables were produced using Excel (2003 edition). The various datasets relevant to the 1992 & 1997 General Elections in Britain and 1992 & 1999 General Elections in Israel were all analysed.

The selection of these years took into account the political upheavals in both countries (1997 in Britain, 1992 & 1999 in Israel). In Britain the 1992 elections was perceived as an influential campaign before the upheaval, and in Israel the 1995 elections were exceptional, due to the murder of Prime Minister Rabin.

### 5.4.3.1 Public Choice (Constituency Level)

In both countries, election results divided by constituencies or towns were available free of charge, either as a hard copy or electronically as an Excel file. The challenge though was to create the statistical correlation between the division of votes and the socio-economic indicators taken from a different data source. In Israel, the Central Bureau of Statistics officially classified all towns in accordance with their population's socio-economic indicators. Methodologically, 14 key socio-economic variables from various fields and sources were reduced down to ten categories, which reflected the local standard of living. In Britain, Parliament initiated the breakdown of Census data into constituencies, illuminating the socio-economic composition of each locality. Among the various indicators, data on occupation and employment was taken as a leading indicator, alongside voting and turnout patterns.

Below are the major datasets analysed as part of the "public choice" analysis. Further bibliographic details are provided in Section 0, Page 264.

Year	Source	Dataset
1992	Central Bureau of Statistics	Results of Elections to the Thirteenth Knesset
1999	Central Election Committee	Results of Elections to the Fifteenth Knesset by Cities
2001	The Electoral Commission	Election 2001: The Official Results
2004	Central Bureau of Statistics	Characterization and Classification of Local Authorities by the Socio-Economic Level of the Population in 2001
2004	House of Commons Library	2001 Census of Population: Statistics for Parliamentary Constituencies

**Table 5.4.2: Major "public choice" datasets analysed**

### 5.4.3.2 Public Opinion (Individual Level)

The British Election Surveys, conducted since 1964, and the Israeli equivalents carried out since 1969, were the major "public opinion" datasets analysed. Both took representative samples, although in Israel some minority groups (Settlers / Arabs / Kibbutzim residents) were occasionally omitted.

Below are the major datasets analysed as part of the "public opinion" analysis:

Year	Source	Dataset
1992	Israel Social Science Data Centre	Israeli Election Survey of 1992
1993	UK Data Archive (SN: 2981)	British General Election Study, 1992
1999	UK Data Archive (SN: 3887)	British General Election Study, 1997
1999	Israel Social Science Data Centre	Israeli Election Survey of 1999
2001	UK Data Archive (SN: 4318)	British Social Attitudes Survey, 1999

**Table 5.4.3: Major "public opinion" datasets analysed**

#### 5.4.3.3 Defining an Underprivileged Group in "Public Opinion" Datasets

When analyzing public opinion surveys, classifying respondents in accordance with their personal socio-economic status proved challenging. In both countries, it was clear that a single-variable was not appropriate. Poverty was far too complicated to be captured in one indicator and in many of the "public opinion" datasets the socio-demographic questions did not fit with each other, and there was a need to overcome the inconsistencies.

As a consequence, a multi-variable approach was used to create an underprivileged group. The process of selecting the new variables was based on three principles – their reliability in measuring poverty, their applicability in all datasets explored and the extent the entire algorithm is practical and can be implemented. However, due to the lack of repeating indicators, and the need to create a separate but homogenous underprivileged group in all datasets, data collected at the local level had to be carefully linked to that collected individually.

Full explanations of the algorithms are provided in Appendices 11.3.3 (Page 340) and 11.4.3 (Page 357). In **Israel**, five variables were used: *the adjusted family income*, as low income is still the major indicator of the presence of poverty; *the socio-economic classification of the city*, because when details of family income are absent, the official categorisation based on the local population characteristics is the most appropriate alternative; *age*, as it is unreliable to group perceptions of young voters with pensioners only because their incomes are temporarily similar; *years of schooling*, as normally higher education increases the probability of permanently high incomes and vice versa; and *household size*, as singles or couples are less likely to suffer from enduring poverty than large families.

In **Britain**, four variables were eventually employed in the algorithm. *The main source of household income* distinguished between those living on benefits, residing on pensions or working to earn their living. The *time passed since the last job* separated out respondents experiencing long-term unemployment from those working until recently. The *Standard Occupational Classification (SOC 1990)*, which was applicable for members of the labour force, indicated the quality of the respondents' occupation. The *age* range was fixed at 26-65.

By examining the socio-demographic distributions of all underprivileged groups in both countries, the algorithms were found to be statistically rigorous. The characteristics of the groups created were generally comparable and workable, as shown in the Appendices. These manipulations had an empirical price. This was inevitable, as all datasets needed to be grounded for comparisons.

## 5.5 Data Collection

After describing in details the various methods employed to gather qualitative and quantitative data, several "horizontal" topics of data collection deserve special attention. While the statistical analysis of large-scale datasets had almost no implications in terms of sampling, ethics or language barriers, the fieldwork conducted for a period of more than a year, did face methodological questions, which had to be addressed.

### 5.5.1 Sampling

The mixture of qualitative and quantitative methods allowed a certain level of flexibility in terms of sampling. While qualitative methods deepened the understanding of individual behaviour, quantitative tools looked at macro hypotheses using a representative sample, and thus strengthened the rigorousness of the entire research findings. The disadvantages of one method were balanced with the advantages of the other. Noting this equilibrium, and considering the financial and practical obstacles, the qualitative fieldwork was proclaimed as unrepresentative, even though its focus on certain locations created a "sampling frame" of individuals from certain backgrounds, which were then randomly selected.

This technique of purposive sampling, in preliminary defined locations, was used mainly in the exploratory surveys. Half of the interviews took place after the survey, whereas the other half were set up separately through personal contacts (which might be defined as a "convenience sample" by Henry [1998, p. 105]). It should be emphasised however that the selection of locations generated group homogeneity, whereas the random selection within each location formed the needed heterogeneity within the sampling frame. Thus, not all Hackney citizens had an equal probability of asking for assistance from the Citizens' Advice Bureau, but the principle of randomness was generally applied to all those visiting the Bureau.

A major task was to define the appropriate size of the sample. Hoinville and others argued it must be "broadly enough based to allow for comparisons not foreseen as important at the planning stage" (1977, p. 17). Henry noted, "the challenge of sampling lies in making trade-offs to reduce total error while keeping study goals and resources in mind" (1998, p. 125). The flexibility advocated by both scholars was fully implemented here. Whereas the initial plan was to hold 12 in-depth interviews and collect 120 filled surveys in both countries, there were 25 interviews and 137 surveys. The decision to extend the sample was taken spontaneously during the fieldwork, as there was an apparent need to broaden the scope of it.

### 5.5.2 Locations

The question of locations where subjects would be approached was crucial, as wrong locations could divert the entire findings. After considering several alternatives, luxury and exclusive coffee shops were chosen to "capture" the privileged, whereas public places or specific locations in underprivileged neighbourhoods served for finding the needy. Table 5.5.1 summarises these places and gives the rationale underpinning their selection. Examination of other locations ended up with failure. Thus, Israeli hotels were toured for a few days but were abandoned, as most visitors were foreigners. Manchester's Moss Side neighbourhood was visited for two days, without success.

	<b>Locations &amp; Dates</b>	<b>Description &amp; Reason for Selection</b>
Britain	Starbucks Branches (City of London, 2005-2006)	Luxury coffee shop chain that usually serves wealthy customers spending their free time during the working day; the branches' locations guaranteed representation of businessmen, lawyers and accountants.
	JobCentres (Hendon & Hackney, 2005)	Government agency where benefits are claimed and jobs are sought by the unemployed; the relatively underprivileged neighbourhood selected guaranteed a high representation of dependent customers.
	Citizens' Advice Bureau (Hackney, 2005-2006)	NGO that assists ordinary citizens in contacting the authorities, often in order to claim welfare benefits; the nature of these services and the Bureau's location shaped the type of clients seeking assistance.
Israel	Arcafe Branches (Tel Aviv & Herzliya, 2005)	Luxury coffee shop chain located usually in wealthy commercial areas; the high pricing and the carefully selected locations generated an exclusive group of customers, usually from the upper classes.
	Business Conference (Tel Aviv, 2005)	The Annual Israeli Business Conference organized by Globes (equivalent to the British Financial Times); the entire conference is directed at senior business men who can afford the high fees.
	Town Squares (Netivot & Ofakim, 2005)	Public areas in developing cities suffering from high proportion of poverty and unemployment; presence in the city squares at midday could be attributed to those with no permanent employment.
	JobCentres (Netivot & Sderot, 2005)	Public service, though privately provided in Sderot, assisting unemployed and authorizing their benefit claims; due to the socio-economic characteristics in both towns, most visitors are living in poverty.

**Table 5.5.1: Locations and reasons for the selection**

Whereas the selection of sites was based on logic, the focus on cities and neighbourhoods was based largely on official statistics. In Israel, the national socio-economic ranking placed the towns of Netivot, Ofakim and Sderot at the third and forth clusters, namely at the bottom of the pyramid of Jewish towns. Herzliya and Tel Aviv, on the other hand, were among the largest cities at the top ten clusters ladder (CBS 2001). Eventually, practical considerations, such as the size of commercial areas and the public reputation of each city also influenced the selection process.

In Britain the research was conducted only in London, where neighbourhoods of severe poverty coexist with areas of tremendous wealth. Statistically, whereas the Cities of London and Westminster were in the top ten constituencies for their proportion of workforce holding managerial and professional positions, Hackney North was in the top ten of constituencies whose inhabitants had never worked at all (HCL 2004). Notably, the reputations of Hackney and the City were a key factor as well, even if they cannot be backed up statistically.

### 5.5.3 Language

The language barrier had several implications for data collection, far beyond the anticipated difficulty of a foreigner communicating with English people. Surprisingly, communication was gruelling also with underprivileged Israelis, though at least ostensibly, both sides had spoken the same language. Too often, the underprivileged subjects did not understand the questions, the expressions, and the tasks presented, forcing the interviewer to simplify entire sentences. In London, the non-native accent certainly influenced the interactions, though the colloquial terminology of the poor often seemed to pose a greater challenge.

The long days of surveys and interviews had taken the author back to Disraeli's observation of "Two Nations", with different discourses and distinctive levels of understanding. The inability of some underprivileged interviewees to complete a sentence, to understand a question and to make a structured argument was, to the author, astonishing. Nevertheless, the original meaning of the questions is believed to have been understood after a process of "phrasing down" the sentences.

The British interviewees, privileged and underprivileged, have certainly noticed the interviewer's different accent. However, within the framework of London's multi-cultural society, it seemed as this difference was not perceived as dominant. Paradoxically, there were some positive implications attached as well, especially when interviewees felt they had to explain themselves thoroughly in order for the non-native to understand, or when they felt their anonymity was guaranteed. The privileged interviewees probably recognised the different accent immediately, although it was only mentioned explicitly by one of them.

### 5.5.4 Ethics

The engagement with deprived populations, taking place precisely because of their deprivation, demanded careful consideration of the ethical implications of each method. As Miles and Huberman put it, "qualitative data analysis is more than a technical matter... [therefore] we must also consider the rightness or wrongness of our actions... in relation to the people whose lives we are studying" (1994, p. 288). Unfortunately, existing works on ethics, such as the 12 ethical dilemmas included on the "Handbook on ethical issues in anthropology" (Cassell & Jacobs 1987), do not address the concrete difficulties of social researchers.

Flinder set forward four major attitudes towards social surveying. Each has its own implications in relation to recruiting subjects, studying their behaviour and reporting the findings (quoted at Miles & Huberman 1994, p. 290). Whereas deontological scholars

would manage their fieldwork to avoid *wrongdoing* while seeking *fairness* in their report, utilitarian scholars are said to avoid *concrete harm* whilst focusing on *confidentiality* rather than fairness. This research, posing and addressing questions of utilitarianism, adopted a utilitarian approach to ethical dilemmas.

There was however a unique problem. Aside from seeking the subject's informed consent and protecting his/her confidentiality, the quest for political reasoning could have left some interviewees disappointed. In Flinders' terminology, a utilitarian scholar would seek the "avoidance of harm" during the fieldwork, but that can hardly happen if an interviewee understands during an interview he was behaving irrationally. This harm can take the form of lower self-esteem, a blow to well-established beliefs or simply bad feeling. Such outcomes were unacceptable.

Therefore, some safeguards were built into the fieldwork itself. The phrasing of the questions often referred to "others' behaviour", to enable respondents to express their thoughts without personalizing them. Several "evasion" avenues of understanding and sympathy were kept open by the interviewee throughout the interview, and arguments such as "I intended to vote differently anyway" or "I just can't trust him" were often made and noted. All replies were given legitimacy during and after the interview, prompting further inquiry as for the justified reasons leading to a specific voting decision. The exploratory surveys and the in-depth interviews never ended with a judgemental remark, and often the question of rationality was addressed in the midst of the discussion and not at the end of it. The intention was to facilitate the calmest and most relaxed atmosphere, which would leave the interviewee feeling satisfied and happy with his/her replies.

All engagement began with a short declaration of intentions by the interviewer, in order to avoid any misunderstanding by the interviewee (the declaration is integrated in the questionnaire). Even though the interviewer did not elaborate the detailed objectives of the thesis, the introduction was honest and trustworthy. Informed consent was asked for recording or taping the engagement, after confidentiality was guaranteed. The interviewer confirmed that the recording would not be shown in public and would be used solely for academic purposes. Eventually, all files were saved in one private computer and the raw data were deleted from the camera. If footage is to be used for academic purposes, as part of a short movie summarising the entire fieldwork, faces and voices of interviewees will be distorted to avoid their identification.

### 5.5.5 Problems in Data Collection

The field work revealed the need to change certain practices for greater efficacy. Here are some suggestions for future research in this area:

- All interactions with interviewees should start in “meeting places”, such as waiting rooms or coffee shops, where cooperation is more likely. The outcome of interactions initiated at other places was insignificant, especially since underprivileged voters often "have no time" for such dialogues to take place
- Interviews were much more effective than exploratory surveys. It might be the case that surveys should be undertaken while the interview is in progress, rather than before it begins. Having said that, the direct confrontation with utility questions enriched the discussion and it should not be disposed of.
- Voters tend to justify their voting behaviour. Even if a short interrogation revealed regrets, the automatic response to survey questions was to validate their choice. This instinct occasionally turned the ranking of expectations of the major parties into a useless tool, which replicated the voters' existing choices rather than their current feelings.
- The survey expressions have to be simplified, in order to avoid any potential misunderstandings. The removal or replacement of some intellectually complicated features such as the budget pie should be considered. The unequal capabilities of different voters must be taken into consideration when constructing surveys.

## 5.6 Data Analysis

Three stages are usually outlined in the process of analyzing data: reducing it, presenting it, and drawing inferences from it. While one might argue these are chronological phases, they can also take place throughout the life of the entire project. Miles and Huberman had already noted that data reduction always occurs, as in each phase decisions are taken as to the issues to be examined (1994, p. 10). It is therefore argued that the reduction, as well as the presentation and the inferences-drawing, are all part of the daily work, and they are all needed to generate the final report.

The process of quantitative analysis commenced with a comprehensive exploration of all potential correlations between the relevant variables. Aside from employing several descriptive statistic tools in SPSS 13.0, all relationships with the socio-economic indicators were carefully examined. Cross tabs and Pearson Coefficients were executed, as well as logistical and linear regressions when needed, in order to validate or refute the hypotheses. When consistent trends were identified, efforts were made to strengthen the rigorousness of the findings, by analyzing parallel questions in different datasets.

All datasets included separate references to physical, informed and rational participation. The findings were therefore eventually classified under one of the three categories. Subsequently, the figures were processed and presented in bar charts, pie charts or plain tables. In order to enable the smoothest reading possible, almost all the major findings were accompanied by graphic illustrations, from which inferences and deductions were typically possible.

The analysis of qualitative data, and the crystallisation of qualitative inferences, was based on first and second level coding. All interviews were transcribed into a Word processor and were printed in turn as hard copies. Interesting citations were marked first by their general context, classified into physical, informed or rational participation, and subsequently, by the specific discourse they reflected. A quote could have been classified under two "primary" categories. However, the true challenge was to "read through the quotes" and look for trends and insightful inferences. The entire process was carried out manually.

It should be noted that discourse analysis entailed a few methodological risks, which should be addressed in advance. Clearly, "discourses do not simply describe the social world, but categorise it, they bring phenomena into sight" (Parker 1992, p. 4). The danger though is in falling hostage to discourses and overlooking their reflection of existing power relations in society. The wide use of citations and quotes from the interviews should enable the reader to re-examine the conclusions.

## 5.7 Conclusion

The previous chapter has reviewed the various methods employed in this project, and referred specifically to issues of data collection and data analysis. It also touched upon the difficulties in defining a homogenous underprivileged group in all datasets analysed. In addition to the general information provided here, specific and localized references to all of these topics are included in the Appendices section as well. They are not part of this thesis' general narrative, but they can certainly be of assistance if one is interested in exploring in details the way in which this research was carried out.

The subsequent two chapters constitute the core part of this thesis, summarising the outcomes of the entire research. The closing chapter draws upon the various inferences, generating an comprehensive assessment of the relationship between poor people living in Israel and Britain and their democratic apparatus.

## 6. *Britain*

This chapter deals with Britain. It asks why relatively few underprivileged electors vote in this country and it scrutinises their patterns of political engagement. The reviews of the relationship between the poor, the welfare state and democracy are preceded here by a systematic evaluation of individual political behaviour. The findings will be used later to illuminate new dynamics in the triangular relationship between the forces facilitating redistribution.

During the 1990s, 40-45 per cent of the British underprivileged electorate did not support the "pro-welfare party" as defined in Chapter 5. Most of them chose not to vote at all. There is no doubt that the question of abstention is salient in the British case and it will be addressed in this chapter first. The physical barrier however is accompanied with other phenomena such as political illiteracy, blurred class identity, low expectations and different priorities of voters, all of which will be explored in the second part of the chapter. After the findings from Israel are presented in Chapter 7, the insights from both countries will be synthesised and discussed in Chapter 8.

Technically, the findings presented here rely on the empirical analysis of several large-scale surveys and datasets, recorded engagements with dozens of electors and in-depth interviews with ten UK citizens from diverse backgrounds. The fieldwork itself was carried out between October 2005 and May 2006. This was a relatively stable period in Britain. It saw the election of David Cameron as leader of the Conservative Party in December 2005 and the Local Government Elections of May 2006. Former Prime Minister Tony Blair had won a third consecutive term of office in May 2005 with a significantly reduced majority in Parliament. Whereas the in-depth interviews and the exploratory surveys may have been affected by these developments, the secondary analysis relied on earlier large-scale studies carried out during 1992, 1997 and 1999. These surveys corresponded to the periods before, during and after the defeat of the Conservatives by "New Labour".

A distinction has been made in this thesis between privileged and underprivileged voters. These terms have been adopted mainly due to their multi-dimensional nature, which better reflects the suboptimal method of categorising subjects. Rather than relying on the conventional poverty threshold, I had to rely on several socio-economic indicators because of data constraints. Unfortunately, several surveys omitted the questions required to calculate household equivalised income. As a consequence, the conceptual construction of the groups had to take into account factors such as the source of income, occupation and age. Whilst the algorithm could not perfectly match the income distribution, it succeeded in isolating most subjects at the bottom of it (61-75 per cent of the "underprivileged" had a household income of less than £8,000 a year).

These subjects were also among the key beneficiaries of a generous welfare state, as the algorithm intended to reflect mainly financial poverty. It should be stressed that subjects whose status could not be adequately verified were excluded from the analysis to guarantee reliability [see the Appendices for a detailed explanation].

The analytical prism of this thesis is that of rational choice theory. It is consistent with the writings of Downs (1956), Arrow (1951/1963), Olson (1965/1971), Key (1942) and Delli Carpini & Keeter (1996), who sought formal rather than bounded rationality and applied market features to the political arena. According to their precepts, which can of course be challenged, physical voting can be measured by turnout; the concept of informed voting is determined by the knowledge needed for players to act rationally; and the tracking of reasoning engages with questions of consistency and transitivity. Some of these indicators were monitored quantitatively in the personal utility survey (Section 5.4.1, p. 145) and the secondary analysis of large-scale datasets (Section 5.4.3, p. 152). Others were also tracked qualitatively in the in-depth-interviews (Section 5.4.2, p. 149).

## 6.1 The Question of Abstention

Turnout in Britain is often discussed as the key barrier to political inclusion. Survey figures suggest that 20-32 per cent of the underprivileged electorate in Britain chose not to vote during the nineties, whereas 11-21 per cent voted Tory. Whilst both decisions fell short of active support for greater redistribution, abstention was clearly more common among the underprivileged. The table below summarises these aggregated figures and shows that *inter alia* a similar proportion of respondents were classified as underprivileged (roughly 16-17 per cent), an indication of a well-functioning algorithm. The qualitative work in the field showed the depth of political alienation. Unlike the Israeli case, where turnout was relatively high, the engagements with British disadvantaged citizens found they were consistently insulating and detaching themselves from the very idea of politics. After presenting the evidence and its shortcomings, several theories and explanations will be explored here.

	BES 1992*		BES 1997*		BSA 1999*		
Overall Sample	2,855		2,906		3,143		
Privileged (%)	1,209	84%	1,233	84%	1,398	83%	
Underprivileged (%)	223	16%	230	16%	286	17%	
Unavailable	1,423		1,443		1,459		
	Political Question:	Retrospec' 1992	Retrospec' 1997	Retrospec' 1997	Retrospec' 1997		
Privileged	Conservative Voters (%)	554	46%	312	25%	336	24%
	Labour Voters (%)	275	23%	433	35%	552	39%
	Liberal Democrat Voters (%)	211	17%	181	15%	149	11%
	Other / Refused / DK (%)	57	5%	68	6%	82	6%
	Didn't vote (%)	110	9%	240	19%	277	20%
Underprivileged	Conservative Voters (%)	47	21%	25	11%	43	15%
	Labour Voters (%)	86	39%	105	45%	128	45%
	Liberal Democrat Voters (%)	32	14%	15	6%	14	5%
	Other / Refused / DK (%)	13	6%	14	6%	14	5%
	Didn't vote (%)	45	20%	73	32%	87	30%

\* All datasets are weighted. Consequently, the number of respondents in each category might vary.

**Table 6.1.1: Selected statistical figures of the three datasets analysed in Britain**

I should start with a warning. Survey figures tend to underestimate underprivileged abstention. Therefore, two methodological constraints with a disproportionate effect on the underprivileged should be explicitly acknowledged. One is derived from the existence of an "invisible group" in British society and the other from the "over-reported voting" phenomenon. Whereas the latter has been studied extensively (see, for instance, Clausen 1968, Silver et al 1986 and Bernstein et al 2001), the former has rarely been researched. A partial attempt was made by Swaddle and others 1989, though it did not

refer to the socio-economic impact. Clearly, these phenomena have the potential to distort studies relying *only* on surveys.

Two structural anomalies account for the existence of an "**invisible group**", whose proportion is systematically downgraded in surveys and official turnout figures. First, neither the Postcode Address File (PAF) nor the Electoral Register (ER) used in surveys represents all eligible voters (registered and unregistered). Second, due to multicollinearity, there seems to be an a-priori probability of an underprivileged member of society being eligible to vote but unregistered, un-cooperative in surveys and abstaining in elections. As both samples are not representative and the probabilities are not independent, underprivileged abstention is likely to be underestimated. A detailed explanation with a graphical illustration is provided in Appendix 11.4.4 (Page 369).

The "**over-reported voting**" phenomenon also has an adverse socio-economic impact. It was repeatedly shown that voters tend to misreport their physical involvement in elections, increasing the risk of biased turnout figures. In the British context, this concern was partially addressed by the verification of subjects' answers with the official register whenever possible. Consequently, approximately 5 per cent of the total verifiable reports were refuted. In the BES of 1992, 4 per cent of the "voters" did not vote according to the records, whilst 10 per cent of the "abstainers" appeared to participate. Although these figures partially balance each other out, Silver and others have shown in the American context that privileged citizens, who are most likely to vote, are also more likely to over-report voting (1986). It might be that in Britain this phenomenon is also not equally common in all classes.

Both the "invisible group" and the "over-reported voting" phenomena have increased the risk of measurement errors in turnout figures, specifically among the underprivileged electorate. By analysing the figures of authentic election results, as recorded by the Election Committee, it is possible to arrive at an indicative assessment of the level of error, noting that the ER data might be imperfect but it is a tolerable baseline. Table 6.1.2 shows that the "invisible group" generated greater deviation than the "over-reported voting" phenomenon. The consequence might be that significant analyses and multi-variables regressions would fail to recognise the variables affecting this group, in this study as well as in previous ones.

If the three columns are compared – original *sample* turnout, verified *sample* turnout and recorded *national* turnout – the validation process reduced errors  $\{(3)-(2)\}$ , but it was still far from the official figure  $\{(2)-(1)\}$ . Significant gaps remained between column 1 (*national* turnout) and column 2 (the *sample* verified turnout), making it plausible that the "invisible group" was not adequately represented in the total number of survey respondents or that other errors had occurred. Evidently, when registered

abstainer citizens declined to undertake the questionnaire, they left the BES with a biased sample to start with. However, an abstaining voter can still "escape" from the Electoral Register by not registering, which is why the ER is also imperfect. Individuals could "wipe" themselves off public opinion statistics intentionally and unintentionally.

		Official Turnout (HCL 01) (1)	Official Records (BES)* (2)	Subjective Reports (BES)** (3)
1992	England	78%	86.1%	88%
	Wales	79.7%	78.5%	82.6%
	Scotland	75.5%	78.3%	85.2%
1997	England	71.4%	80.7%	80.7%
	Wales	73.5%	78.4%	79.5%
	Scotland	71.3%	78.8%	83.1%
		<b>Average Gap</b>	(2) - (1) 5.2%	(3) - (2) 3.0%

\* In the BES of 1997, turnout according to official records refers to subjects found on the registry and whose turnout was positively verified. The BES sample of 1992 was already drawn from the ER (i.e. turnout was already positively verified).

\*\* In the BES of 1997, turnout according to subjective reports represents subjects who revealed their turnout and stated a name that did appear on the ER, making it verifiable. As the BES sample of 1992 was already drawn from the ER, the figure refers solely to subjects who affirmed their participation.

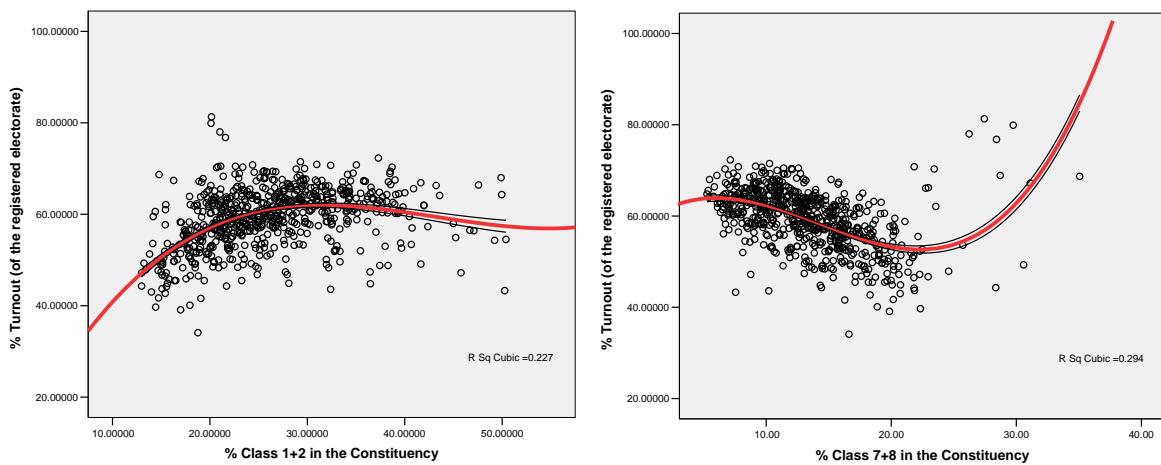
- It should be noted that not all subjects counted here were classified as privileged or underprivileged by the algorithm.

**Table 6.1.2: Comparison of official turnout figures (HCL 2001, p. 15), subjective reports of the BES' respondents and the official validation figures (BES 1992 & 1997)**

The measurement constraints require empirical evidence beyond what was gathered by individual testimonies. Official records of voting patterns at the constituency level are indeed missing eligible voters who have not registered, but the potential for error is still the lowest possible. Thus, these records were integrated with the census data, enabling the assessment of abstention in 2001 elections, as well as the social background and the circumstances surrounding it<sup>24</sup>. The new algorithm classified 110 constituencies as privileged and 103 as underprivileged, according to their concentration of wealth or poverty. Eventually, it was found that electoral participation was 53.8 per cent on average in underprivileged localities, compared to 61.6 per cent in privileged ones.

The statistical correlation was strong and significant, with a Pearson coefficient of 0.486. However, when the dichotomist classification was replaced with numerical representations of the proportion of wealthy and deprived populations, a parabolic correlation better described the relationship between class domination and abstention. As illustrated in Figure 6.1.1, a regression line with a cubic slope best fitted the data, accounting for 23-29 per cent of the unexplained variance in turnout.

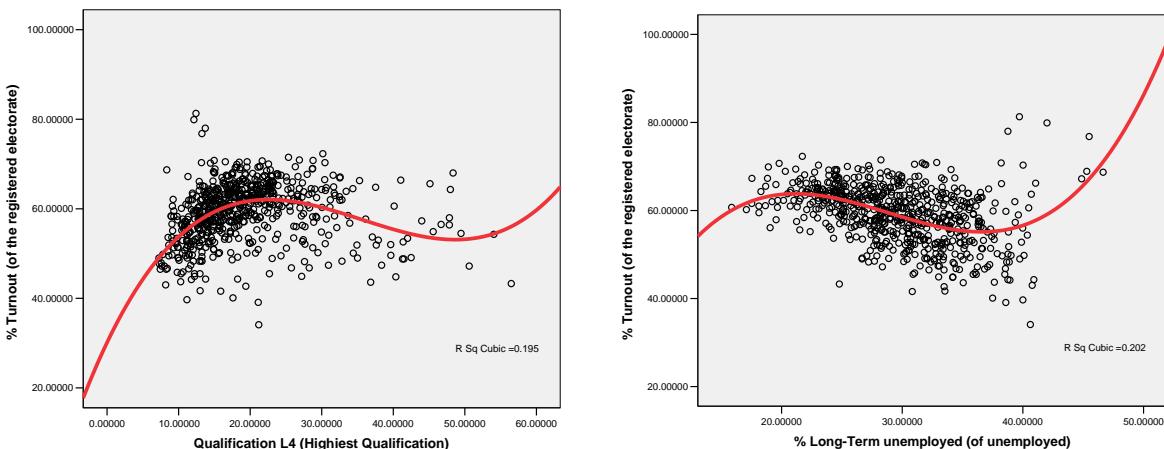
<sup>24</sup> Technically, the distinction between constituencies rested on the eight-category scale NS-SEC (National Statistics Socio-Economic Classification, ONS 2005). Constituencies in which more than 17.8 per cent of the population were officially classified in the two lowest classes were defined here as underprivileged, whereas constituencies in which more than 33.4 per cent of the population were classified as members of the top two classes were marked here as privileged. These thresholds were calculated by adding one standard deviation to the mean score of each unified category ( $\pi + \sigma$ ). This was necessary due to the ordinal nature of the NS-SEC.



**Figure 6.1.1:** Scatter plot and regression line of turnout in the 2001 General Elections by the proportion of citizens in the bottom and top socio-economic classifications (HCL 2004 & EC 2001)

The right-hand figure, based on the concentration of underprivileged populations, contained only a few outliers from extremely poor constituencies. The left figure was premised on a more solid foundation. Even though the statistical correlation is relatively weak, it suggests there is a critical turning point where the proliferation of wealthy individuals did not contribute towards higher turnout and perhaps even reduced it. Overall, a statistical prediction would suggest turnout decreases or freezes above this threshold, which is roughly a proportion of 26 per cent of the top two classes. Put simply, when the concentration of the top two classes in the constituency is above average, the social fabric and the local environment are probably incapable of improving turnout rates any further.

Two additional variables also support the existence of such a turning point. Figure 6.1.2 portrays the relationship of turnout figures to educational attainment and long-term unemployment. In the context of educational qualifications, turnout has risen as more citizens gain high-level degrees, until a point where the more educated the local population was, the less likely it was to vote. Turnout decreased when long-term unemployment increased, until a certain degree of enduring unemployment was attained, when the stagnation of unemployment was no longer an impediment to higher electoral turnout.



**Figure 6.1.2: Scatter plot of turnout figures in the 2001 General Elections by the proportion of citizens with the highest level of qualifications and the proportion of long-term unemployment of total unemployment in the constituency level (HCL 2004 & EC 2001)**

It is plausible, meriting further study, that constituencies at the edge of the socio-economic distribution react differently from those in the middle of it with regard to turnout. This artificial turning point, in which a further rise in the independent indicators failed to deliver the expected change in turnout, was found in all the regressions above. One explanation might be that saturation breeds complacency among the rich, but despondency among the poor. However, the extent and the causes underpinning this phenomenon should be further explored.

So far, I have brought empirical evidence based on large-scale surveys and voting records of constituencies. Even though the limited capabilities of face-to-face questionnaires to gauge abstention accurately have already been demonstrated, the findings indicate sizeable socio-economic disparities, which are probably larger than any methodological imprecision. These disparities were also verified in the largest series of polls conducted in Britain by MORI (2001). Turnout among the bottom social classes (DE) was found to be 53 per cent, compared to 68 per cent among those from the top (AB). Using an extraordinary sample of 18,657 individuals, a turnout gap of 10 to 15 per cent remained stable, similar to that found in the independent secondary analysis of the BES and BSA datasets.

In addition, several socio-economic indicators could be ranked by their level of impact on turnout, based on constituencies' voting records. The order copied into Figure 6.1.3 reflects separate analyses for underprivileged, privileged and all constituencies together, based on the Beta coefficients. The indicator of population density is significant, and might stand for other economic indicators. Whereas the average age of the population was found to be insignificant, the proportion of children in each constituency had a positive impact. This possibility resonated with one of the interviews carried out with an underprivileged voter in Hackney, who justified her participation by mentioning her children's future.

<b>High Turnout</b> (Underprivileged Const')	<b>High Turnout</b> (All Constituencies)	<b>High Turnout</b> (Privileged Const')
More 1 <sup>st</sup> & 2 <sup>nd</sup> classes (***) Low density (**) More children (0-15) (*) More lacking qualific' (^)	Low density (**) More highest qualific' More 4 <sup>th</sup> class (*) More 1 <sup>st</sup> & 2 <sup>nd</sup> classes More children 0-15) More elderly (65+) More Christians (^)	Low destiny (***) Less medium qualific' (*) More children (0-15) Less 7 <sup>th</sup> & 8 <sup>th</sup> classes More white (^)
(Adjusted $R^2=0.708$ )	(Adjusted $R^2=0.669$ )	(Adjusted $R^2=0.689$ )

Beta values: (\*\*\*) $>0.5$  ; (\*\*)  $>0.4$  , (\*)  $>0.3$  , (^)  $<0.2$  , (^)  $<0.1$  ;  $\alpha < 0.05$

**Figure 6.1.3: Regressions results for all / privileged / underprivileged constituencies by the explanatory variables' order of importance (HCL 2004 & EC 2001)**

The correlation of socio-economic deprivation and political abstention is therefore salient when examining both constituencies' aggregated records and public opinion surveys. This is the same historical correlation first explored in the US by Key (1942/1947, p. 594), verified in several other countries by Lijphart (1977) and proved persistent also in Britain by Swaddle and Heath (1989, p. 550) and Crewe and Payne (1971). The latter analysed the census to show turnout was higher in seats with more professional and managerial workers. This consistently unequal distribution of the vote distracts democracy from producing an accurate representation of the public's will. Having said that, I shall now focus on the different kinds of abstention and its underlying causes.

The literature explored in previous chapters suggests two major lines of theory. One follows the economic approach of individual rationality (see Section 4.3, p. 100), while the other focuses on the sociological background (see Section 4.4.1, p. 112). Other schools of thought accounting for unequal turnout include theories of political efficacy, voter mobilisation, neighbourhood effects and registration requirements (see Denver 2003, Ch. 2). What emerges in this study's fieldwork, and is reinforced by previous research, is the decisive role of **civic commitment**. All things being equal, a sense of duty and citizenship is often the difference between voting and abstaining. Before looking at my own findings, I shall summarise some of the key studies in this field in Britain, to establish a solid conceptual background.

Two key works, based on the British Election Surveys, deserve elaboration. Pattie and Johnston compared several turnout theories by using both opinion surveys and aggregated constituency data. They found a weak correlation between turnout and social status or constituency marginality, defining the latter as a "fallacy" whose influence had constantly decreased since 1959 (1998, p. 277-8). Consequently, they questioned the validity of rational choice theories and concluded that "it was those who felt the greatest

sense of commitment to the result and to particular parties who were most likely to vote" (p. 279). Voting, according to their research, depends on the voters' degree of commitment and interest in politics.

This "commitment factor" was also evident in the study of Clarke and his colleagues. The analysis of the 2005 BES brought them to conclude that "similar to 2001, a person's sense of civic duty was an especially important factor in the skein of forces affecting turnout" (2006, p.31). Their estimations showed that this commitment boosted the probability of voting by 47 per cent (Table 3). This work is based on Clarke's 2001 publication, in which six models of turnout were developed and compared (perceived equity-fairness, social capital, civic voluntarism, cognitive mobilisation, minimal rational choice and general incentives models). He showed that, on aggregate, "turnout is basically about incentives and mobilisation" (p. 261), and alerted to the declining sense of civic duty among younger people. Remarkably, demographic variables – except age – had a very limited influence.

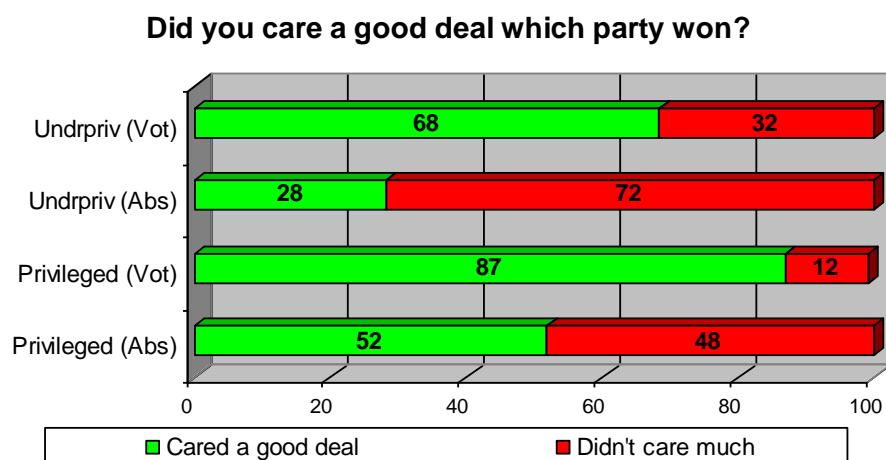
The correlation of turnout with social background is therefore under dispute. The two key studies mentioned above focused mainly on duty and motivation. A third one even noted "voters and non-voters share very similar sociological characteristics" (Crewe et al, 1977, p. 52). Nevertheless, other British scholars did identify empirically socio-economic disparities (Brody and Sniderman 1977, Swaddle and Heath 1989). Methodologically, my research is unique in basing its conclusions on dozens of non-mediates engagements and interviews. Its fieldwork could not enrich the aggregated figures cited above, but it could clarify the decisive role of commitment in the articulation of citizens.

This approach accommodates Amartya Sen's critique on individual rationality theory. In his famous "rational fools" essay, Sen shows that individuals often do not follow egoistic assumptions set by economists, among others because commitment "drives a wedge between personal choice and personal welfare" (1977, p. 229). The same principle of non-egoistic behaviour was also explored by Titmuss in his investigation of the altruism of blood donors (1970/1999), and by Le-Grand who studied its magnitude within public services (2003). Assimilating commitment as a utility in the political arena, it can structure a bridge to account for voters' rationality and accommodate Ledyard's argument, according to which "if everyone is rational... then, presumably, no one will vote" (1984, p. 12).

But where does this commitment come from? One possibility is the political campaigns and public atmosphere that might mobilise (or demobilise) the electorate. This was the conclusion of Butler & Kavanagh (1997, p. 300) and Pattie and Johnston (2001a) in their analysis of the 1997 General Elections, and was also considered significant in the study of Clarke and others (2004). Funding and canvassing are key variables in this respect. Another is to look at the voters' themselves and their preliminary degree of inclusion. This individual approach requires a synthesis of ideas from the disciplines of

social policy and political science, as the question of exclusion is mostly absent from the current scholarship of electoral studies.

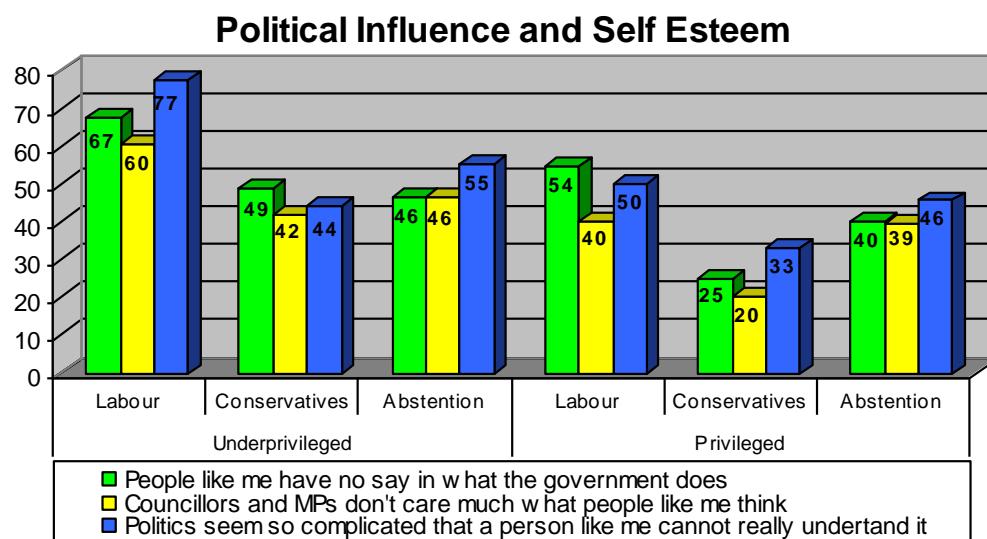
The individual-level analysis better portrays the gaps between privileged and underprivileged individuals. This difference is meaningful, as most studies refer to poverty as a factor in turnout regressions without looking separately at the behavioural aspects of different socio-economic backgrounds. This research shows the nature of underprivileged abstention to be fundamentally different than that of others. It was fuelled by different motivations and could be characterised by different signs. Whereas underprivileged abstention was correlated with scepticism and isolation, privileged non-attendance had more to do with technicalities or dissatisfaction – both being temporary triggers rather than permanent causes. The findings indicate that any classification of all abstainers in one category of political exclusion is futile, as it ignores vital differences.



**Figure 6.1.4:** Interest in the election results by turnout and wealth (BES 1992)

As noted earlier, the focal principle, around which the figures and the in-depth interviews can be constructed, is that of civic commitment. It serves as a powerful indicator, capable of wedging two common narratives of abstainers. Whereas physically, both ended up outside the electorate, technical and temporary issues experienced by the one are fundamentally different from a voluntary segregation and lack of commitment experienced by the other. Thus, in 1992, 72 per cent of the underprivileged abstainers stated that they "did not care very much" which party won the elections. As demonstrated in Figure 6.1.4 above, this proportion was a 24 per cent lower among privileged abstainers, and 40 per cent lower compared to underprivileged voters. In 1997 and 1999, 57-66 per cent of the underprivileged abstainers asserted that they had no interest whatsoever in politics.

The election surveys also show varying degrees of self-esteem, demonstrated in statements such as "people like me have no say in what the government does." Underprivileged abstainers were more vulnerable to feelings of irrelevancy and inadequacy, compared to privileged ones. Curiously, Labour underprivileged voters were found to be the most fragile of all. This variation, as mirrored in the three statements assembling Figure 6.1.5, raised another query: if among the underprivileged, the sense of worthlessness was at its peak among Labour voters, what differentiated them from the abstainers? Why did Labour voters succeed in channelling their emotions to different ends?



**Figure 6.1.5:** Responses to statements regarding political engagement and self esteem by wealth, voting and turnout (BES 1992)

A definitive answer to this difference is still to be found, but clearly a commitment to democracy has a role to play. When individuals were asked in the BES of 1997 whether it is "everyone's duty to vote" or whether it is an issue only for those who "really care who wins", only 50 per cent of all abstainers thought it was a duty, compared to 85 per cent of all voters. Among voters, there was almost no distinction between privileged and underprivileged voters, implying this civic commitment is in the hearts of affluent and unfortunate alike. A dedication to democracy plays a key role in mobilising underprivileged voters to the ballot boxes, even when low esteem and low expectations prevail.

The in-depth interviews allowed these trends to be examined independently on the ground. They exposed firsts and foremost the extent of perceived worthlessness prevailing in underprivileged localities. The negative sentiment of individuals channelled itself through many avenues, and often emerged as a firm declaration - "I don't vote." This dogmatic statement signalled a deadlock. It contained no time framework and no substantive argumentation. It renounced voting almost in principle, exposing the emptiness behind any technical pretext for abstention given in reply to

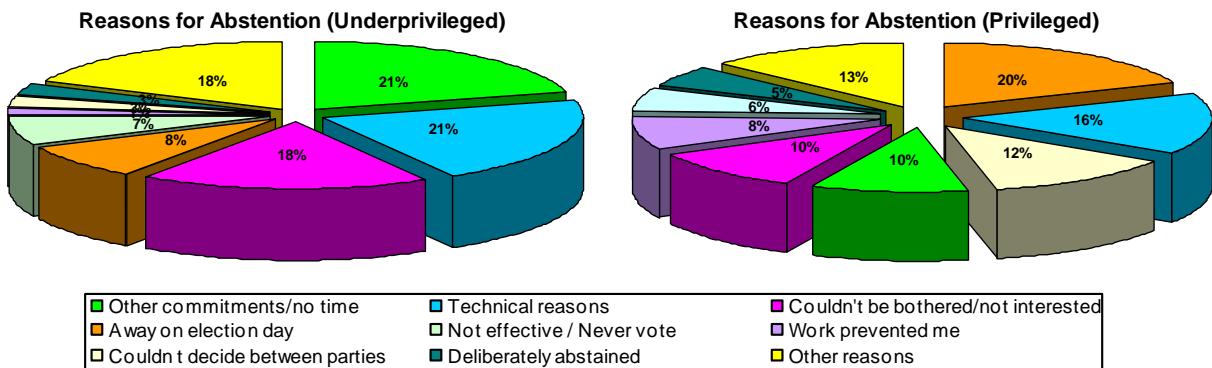
surveys. Most importantly, the interviews showed abstention had little to do with the costs attached to voting. It reflected mainly the lack of foreseeable benefits or sufficient trust in the apparatus.

Prompting those who "don't vote" or "have no time" to elaborate their thoughts, quickly revealed a utilitarian calculation ending up with the selfish question "what would I get out of it?" This approach was shared mostly by underprivileged who refused to be interviewed at all, and perhaps were not part of the large-scale surveys analysed earlier. In many aspects, the way they reacted told the story better than their answers.

In Manchester's Moss Side Job Centre, one unemployed man stated, "I don't vote, I don't benefit from that... they are all \*\*\*... people are dying because of them" (29/9/2005). Another subject who was asked whether his welfare benefits are not a state benevolence, answered, "Everyone coming to this country gets benefit; they don't give a \*\*\* for me;... I am in this job centre for a month and they have no job for me" (29/9/2005). In Hendon Job Centre, one subject replied, "I have no time to answer surveys as I am searching for a proper job", and immediately after asked, "will you pay me for these 5 minutes?" (3/10/2005).

Similar replies and comparable tones, were found in Hackney Job Centre. One unemployed man stated he "does not believe in voting"; another maintained she does not vote "as they help the rich... [and] they have nothing to do for people like me" (4-5/10/2005). When asked whether it had something to do with her abstention, this woman replied, "A lot of people do vote; do they get something?" These feelings were also supported with empirical evidence. In the BES of 1997, 62 per cent of the disadvantaged abstainers agreed that, "it does not really matter which party is in power, in the end things go on much the same." Among privileged abstainers and underprivileged voters, this statement was less acceptable.

The fieldwork showed a very weak motivation of underprivileged to participate in the collective action of voting. This was theorised by Rosenstone, who maintained an individual fighting for her survival is likely to experience "a withdrawal from politics" (1982, p. 41). Yet, a different reality was portrayed by the secondary analysis of opinion surveys. The comments collected in the fieldwork did not repeat themselves. As demonstrated in Figure 6.1.6, the two dominant reasons for underprivileged abstention in 1997 were "other commitments" or "lack of time" (21 per cent). On the other hand, among the privileged, the predominant reason for abstention was "being away on Election Day" (29 per cent in 1992; 20 per cent in 1997). The statements "I never vote" and "my vote would not have affected who won" were rarely recorded by respondents. Only 10-18 per cent said they were not interested in voting.



**Figure 6.1.6: Reasons for abstention among privileged and underprivileged voters (BES 1997)**

The fact remains that civic commitment, salient in the fieldwork, was rarely mentioned by abstainers in the surveys. This could be explained by the study of Swaddle and Heat, according to which voting is "part of acceptable civic behaviour that most people are ashamed to admit not having done it without having some good cause" (1989 p. 544). Yet, the pretexts given as part of the BES were still different for privileged and underprivileged abstainers. The latter were less likely to abstain due to technical reasons (being away / work constraints). This brings us back to the question of civic commitment, and its correlation with poverty.

The engagement with two British underprivileged interviewees cited below strengthens Rosenstone's theory about this link (1982). The two admitted their troubles were so acute that any abstract duty was irrelevant for them. The first was an old woman, who voted until several years ago, saying that after her dismissal "domestic things that caused a lot of grief", made her "not available to go and vote". The second example was given by a European immigrant who had lived in Britain for eight years and had never thought about registering to vote. Declaring that if he gets "the legal right to vote, I will vote, it is not a problem for me", he did nothing to acquire this right due to his hardship.

"If anyone manages to find me when they come to my door and like me to get registered... If life could be a little easier, I maybe find time to concentrate on things like that... [now] I have enough problems to throw myself over the border or under a tree, so that takes priority."

**Quotation 6.1.1: Interviewee No. 22 (Underprivileged, 11/5/2006)**

"I don't know if I have the right to vote or not... I am not in politics, I know nothing about it. [Q] Why actually? [A] Well, you are working class, you do your job, and your head is distracted from this and from that... you just focus on the work and the job... there is no time for politicians or talking about politicians."

**Quotation 6.1.2: Interviewee No. 21 (Underprivileged, 11/5/2006)**

Remarkably, the fieldwork also showed that even when disadvantaged individuals eventually voted, civic duty was not always one of their motives. One voter said that his bank clerk had told him, "if you do not vote (or more likely register to vote – G.A.), you have no right to take any mortgage or any loan" (Interviewee No. 20, underprivileged, 8/10/2005). Another voter, quoted in Quotation 6.1.3, initially thought she had to vote by law, but her argumentation quickly went on to describe future utilitarian expectations, noting on two separate occasions her role as a mother.

"When I have got children, and they come and say they gonna help, and I am a mom, I think I have to go and vote... [Q] What [did voting change] for instance? [A] Schools and everything, parks and everything... I am a mom with two kids, you know? Maybe if you vote something will change, to help to have parks, new schools and everything."

**Quotation 6.1.3: Interviewee No. 24 (Underprivileged, 9/5/2006)**

The privileged voters, on the other hand, tended to explicitly reiterate their civic commitment, even if they held libertarian views. Nevertheless, under the moral auspices of collective commitment, there were at least two distinct narratives. The first was concerned with social justice whereas the second was largely preoccupied with social unrest. Thus, while one kind of articulation had almost ignored personal interests, the other did precisely the opposite. Interviewee no. 18, for instance, articulated a strong commitment to democracy as, "if you don't vote... you don't deserve to have a democracy", though after proclaiming that abstention leads to undesirable "extremism", some deeper reasons were revealed:

"If I want to live well, and I reckon I live very well, I don't want to have people on my back attacking me because I am living well and they are living in extreme poverty. I would rather have a degree of levelling out... I want them to live well, and I want them to let me live well. If you have a huge diversity between rich and poor you will at some stage have civil disturbances, so to me it is very critical that people are happy... At the end of the day, it benefits me."

**Quotation 6.1.4: Interviewee No. 18 (Privileged, 9/5/2006)**

In fact, one could argue that what began with "the ability to live in freedom" and the duty each citizen had to democracy was soon turned into a utilitarian narrative. On the contrary, Interviewee No. 17, a veteran Labour supporter, seemed to be genuinely motivated by a pure pursuit of the "public good". Her "civic duty" discourse carried an altruistic message, demonstrated in Quotation 6.1.5. There might indeed be hidden motives, but several replies clarified her view of the importance of citizenship on its own merits, rather than from a desire to keep social unrest smouldering.

"Voting is like a massive big moving shoal of fish, isn't it? I would rather be more with that shoal out of millions than be the fish who is hiding or say this isn't happening... we are all stakeholders in this system that we have got... [and] I am a happier British person if I think the party I voted for is spending tax payers' money as closely as possible to what I would like to spend if I was in government."

#### Quotation 6.1.5: Interviewee No. 17 (Privileged, 6/3/2006)

The most remarkable reflection of civic commitment was made by a senior financial advisor, who "realised I have been insulating myself from government as much as I could... since I did not believe it can change something" (Interviewee No. 19, privileged, 10/5/2006). Nevertheless, while labelling his readiness to pay taxes as a "pact with the devil", he embraced voting as "one of the rules of the game", adding that "democracy can only be seen to be working if sufficient number of us actually vote." Thus, even though government was perceived as destructive, the advisor put his commitment to democracy above any egoistic utilitarian calculation and belief.

These three examples show different kinds of civic commitment and different positions on the continuum between national and personal interests. The gulf between levelling out inequalities to prevent "social disturbances" and supporting redistribution to become a "happier British person" was evident among privileged voters, just as a strong sense of estrangement consistently dominated the underprivileged articulation. Most privileged voters referred to their "civic duty", though each had his own view of how best it could be delivered. On the other hand, such an approach was missing from almost all transcripts of the underprivileged interviewees. Their narrative was typically devoid of any reference to citizenship in general and civic commitment in particular.

I shall return to the difference between the utilitarian and civic-duty discourses later on, with the analysis of Israeli interviews. By now, one can recall the theories explored in the literature with regard to abstention. What this study can contribute to the existing scholarship, is the rigorous linkage between economic deprivation and lack of civic commitment. This has apparently made the underprivileged the most utilitarian players in the political arena: given that the very satisfaction from performing a civic duty is absent in their set of considerations, their utility function fully accounts for and justifies their decision to abstain.

Where should we look for solutions? Obviously, pure economic theory (like the one referred to by Ledyard in 1984) would not perceive abstention as abnormal at all – but the opposite. Unless one accepts Sen's argument (1977) and refers to commitment as a benefit, the anomaly is to be found among those who vote. However, a multi-disciplinary approach, integrating economic theory, political science and social policy, would look for the "**benefit**" side of the utility equation, even though the causes given by the poor in surveys had more to do with the "**costs**". The pretexts of time and

technicalities seem to conceal the basic sentiment that often stands in between privileged and underprivileged.

Several proposals aimed at increasing turnout in elections have been mentioned by scholars. Two of the most popular ones are probably postal voting and compulsory voting. It should be noted here that both policies affect the "costs" side of the equation, either by reducing the cost or by setting a price for abstention. These solutions might therefore be effective in changing a utilitarian voter, assuming that the "cost treatment" is needed to increase physical attendance. They by no means treat the lack of benefits, which can be identified as the key challenge of modern democracies, and ignore the spill over of economic disparities to higher levels of political engagement. The ideal solution would tackle the problem, not the symptom, by instilling a sense of belonging and commitment, which might lead to a cultural change.

Which party benefits from preserving current reality? Clarke and others maintained there was no significant correlation between Labour support and abstention, but confirmed that "the most poorly motivated of non-voters are consistently and clearly pro-Labour" (1977, pp. 99). Based on the BES data, they also claimed that a more energetic Labour campaign might be counterproductive, as its major impact would be on "the more strongly motivated non-voters", who are probably Conservatives. Butler and Kavanagh, showed the linkage between Labour support and abstention in the 1997 elections was much more influential. They concluded that "despite the rapid growth of Labour Party membership... the party still appears to have a significant problem in mobilising some of its traditional support into the polling station" (1997, p. 300). This issue was extensively researched, as summarised in Section 4.3 (see also Pacel and Radcliff 1995, Shaffer 1982, Fenton 1979 and Lutz 2003).

The key insights presented in this section generally converge with the existing research even though its methodologies were different. Other studies relied heavily on empirical analysis to investigate turnout in one country (e.g. Crewe et al 1977, Pattie and Johnston 1998 and Clarke et al 2004 & 2006) or in several (e.g. Lijphart 1977 and Franklin 2004). This study benefitted significantly from a series of in-depth interviews and individual engagements. They have enabled new light to be shed on the issue of physical voting, both in terms of voters' narratives and their unique motivations.

Eventually, the evidence suggests the phenomenon of abstention is beyond the basic question of attendance and has a solid socio-economic bias in favour of the wealthy. Underprivileged abstention is fuelled by emotions of worthlessness, detachment and even desperation. What differentiated privileged and underprivileged abstainers was usually their sense of civic commitment.

## 6.2 Dimensions of Political Engagement

The analytical shift from turnout to other dimensions of political engagement enables a different understanding of voters' behaviour. During the research, new trends and inclinations were revealed, and the impact of several phenomena was better assessed. Their presentation here follows the original hierarchy of the Pyramid of Political Engagement, which referred to informed voting as a prerequisite for any rational engagement in politics. Hence, the key findings and inferences with regard to political illiteracy and identity are to precede the insights on voters' reasoning (including commitment, tradition, ideology and priorities). It should be noted that the order has nothing to do with relative importance: all dimensions explored here were found focal during the data-analysis.

In Sections 5.1 and 4.3 (Pages 135 and 100), I developed a distinction between three dimensions of **knowledge** needed for a rational vote: *past-oriented*, which is required to assess politicians, parties and incumbent governments based on their previous functioning; *present-oriented*, projecting on the subject's own status in society assuming self-awareness is a prerequisite of any evaluation of personal implications of policies; and *future-oriented*, which includes the various platforms and policies advocated by each party. Integrating these three dimensions was supposed to construct a solid basis for casting a deliberate rational vote, according to rational choice theories.

During the analysis of the results, this typology was modified to better reflect the key facets of voters' engagement. The *past and future* dimensions of political knowledge were referred to a single dynamic in the relationship of poor people and democracy, namely political illiteracy. It prevented certain voters from assessing their available alternatives when casting their votes. The *present* dimension of knowledge was correlated with a different mechanism, which shaped the way voters perceived themselves as a group. This question of identity – how people situated themselves as political actors – had a fundamentally different impact. Whereas political illiteracy could distort the assessment of concrete political alternatives, a blurred identity would affect the personal evaluation of each alternative. The latter also had a different impact on the underprivileged, as any mistaken assessment of economic interests projected directly and uniquely on those who need state assistance the most.

I shall start with the question of **class identity**. Its importance derives from the critical role self-consciousness plays in enabling voters to assess their political alternatives. A contradictory assessment of interest would necessarily lead even the most wise and engaged voter to make a wrong choice. This was exemplified in the exploratory survey. Noting its limited scope, most British underprivileged voters (69 per cent) thought they would benefit from an income-tax reduction, although they paid no taxes at all.

Following this logic, they would probably welcome any pledge to cut taxes, even though economic rationality would expect them to do the exact opposite.

The fate of class voting discussed here and in Section 4.2 (page 92) is nowadays the subject of fierce dispute. Professor Herbert Kitschelt was one of the leading scholars to argue that today, "the work and market experiences of blue collar workers and white collar workers are often not significantly different" (1994, p. 6). Sarlvik and Crewe, in their *Decade of Dealignment*, also noted the "gradual replacement of manual labour by machinery, and of manufacturing industry by the service sector" (1983, p. 88). Even the historical statistical dichotomies have evolved through the years, and classes are defined and monitored differently today (see, for instance, the NS-SEC in ONS 2005).

However, the subjective assessment of class and its association with political affiliation is not necessarily related to objective definitions. Butler and Stokes' ground-breaking work referred to a "normative bond of class and party", absorbed by electors since childhood, which resulted in the acceptability of party allegiance as a "natural element" of class culture (1969, p. 91). Pulzer's statement, according to which "class is the basis of British party politics; all else is embellishment and detail" (1967/1978, p. 102) cannot be promptly dismissed. However, as long as the correlation between class and economic interests remained stable, both on the side of the electorate and that of the major parties, these sociological accounts coincided with rational-choice theory<sup>25</sup>.

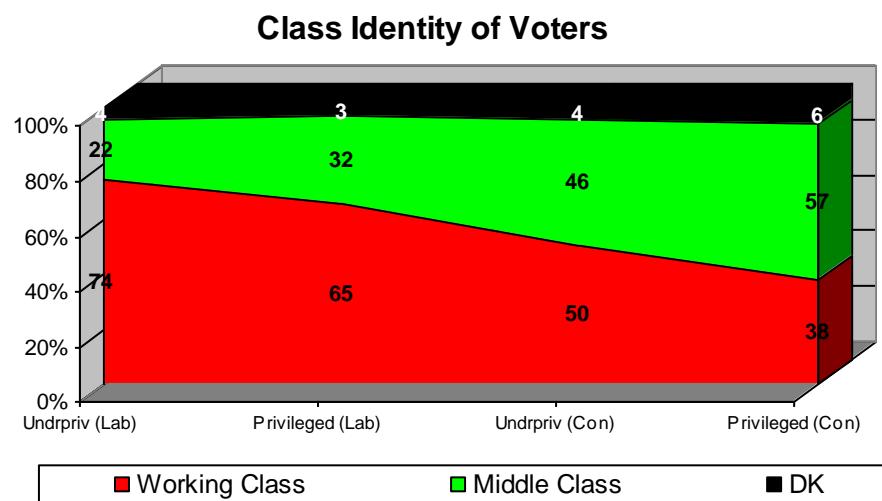
Class dealignment reshuffled these old alliances. What was identified by Butler and Stokes as the weakening of Labour's identification with distinctly working class goals (p. 121-2) ended up in large swings of "manual workers" to the Tories during the 1970s. Sarlvik and Crewe found that the class basis of the vote remained, "but clearly it is not as important as it once was" (1983, p. 86). Franklin maintained the British electorate is now "more open to rational argument" and no longer constrained "by characteristics largely established during childhood" (1985, p. 152). Later, in a comparative study, he and his colleagues confirmed a global decline of political cleavage voting and a parallel rise in issue voting (1992, p. 399). Yet, the debate on whether "social classes are dying" had shaken British academia for several years (Clark and Lipset 1991, Clark and others 1993, Manze, Hout and Brooks 1995, Bartle 1998, Evans 1999, Andersen & Heath 2002). What is widely agreed is that the ideological notions of left vs. right intersected with other dimensions of identity, including attitudes to authority (Inglehart 1977, Kitschelt 1994).

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<sup>25</sup> Remarkably, even then, Conservatives drew more than half of their total support from the working class (Butler and Stokes 1969, p. 105).

The relevancy of these debates to this research lies in voters' ability to identify their interests in an era of "issue voting". These interests are no longer solely connected to occupation, whose meaning was blurred by sociological and demographic processes. Consequently, voter's income becomes the key indicator defining today whether a voter would benefit or lose from certain welfare policies. As long as the "lower" class classification converges with this dichotomy, voting by class or voting by economic interests would make no difference. However, if there is a gap between the two, economic theory would look for the indicator of income as the sole predictor of financial gains and losses from any future policy imposed by government<sup>26</sup>.

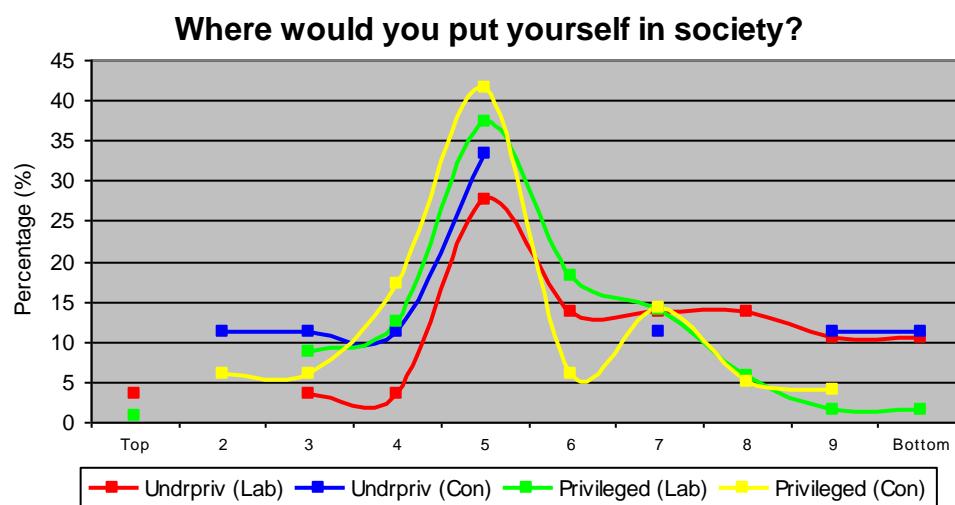
Based on the distinction between privileged and underprivileged voters, a comparison could be made between objective financial deprivation, subjective class identity and partisanship. It was found, for instance, that Labour voters generally classified themselves as "working class" and Tory supporters, even if classified as underprivileged, tended to opt for a "middle class" label. A contradictory identity was often correlated with a "counter-class" vote. Also in the BES of 1997, 74 per cent of Labour underprivileged supporters classified themselves as "working class", compared to only 50 per cent among those voting Conservative. Since both groups had a similar socio-economic composition, it seems as the subjective definition of class identity weakened the support for the pro-welfare party among some of its natural supporters.



**Figure 6.2.1: Class identity of voters by wealth and political affiliation (BES 1997)**

<sup>26</sup> This was the key difference between the "underprivileged group" as constructed here by an algorithm (see Appendix 11.4.3, p. 372) and the commonly used "working class" typology based on occupation. As elaborated in the appendix, the algorithm, validated in a trial and error process, tended to reflect mainly financial poverty. Household income figures, which were not always available, were used to validate the algorithm's rigour.

Significant deviations also exist in the particular point at which individual voters locate themselves on the social scale. The nine Conservative disadvantaged voters sampled in the ISSP of 1999 tended to overestimate their income group, and a majority of them located themselves in the top half of the scale. On the contrary, as Figure 6.2.2 shows, most Labour underprivileged placed themselves in the bottom groups. The Labour voters also argued that they earned less than they deserved (58 per cent), whilst Conservative underprivileged voters showed less resentment, with only 30 per cent making a similar statement.



**Figure 6.2.2: Self-rated social group of voters by wealth and political affiliation (BSA 1999)**

These misconceptions were first identified forty years ago. Butler and Stokes have shown that lower class voters who conceive of themselves as middle class were far less likely to vote Labour (1969, p. 78). Assuming that a "working class" identification is synonymous with a lower position in the socio-economic ladder, a significant proportion of underprivileged (among them the recipients of benefits) do not perceive themselves as such. In light of the mounting evidence for stronger class dealignment, the negative impact of blurred identity on the assessment of individual interests is significant in itself.

While the interviews could not project on national trends, they did reflect the different capacities needed today in order to make a sound political choice. Quotation 6.2.1 exemplifies the intuitive way choice was made in the past. However, as issue voting replaces old class alliances and the parties' manifestos are changing, an informed voting entails a different kind of effort. The comfortable reliance on class is problematic, and issues of social policy, being crucial for those dependent on welfare, have gradually become one of many.

"I don't really know the ins and outs of what Labour wants to do.... I suppose... they are more like the working class government... the traders in a way... and a kind of the human government; where I suppose the Conservatives are kind of... I don't know if I am right. The idea of the Conservatives is more I suppose for middle England middle class, British people who are working or can work."

**Quotation 6.2.1: Interviewee No. 25 (Underprivileged, 11/5/2006)**

This apparent trend is further exemplified in Quotation 6.2.2 and Quotation 6.2.3. Both show that class affiliation still matters but that its impact has declined and the "automatic reliance" is no longer trivial. Thus, the second quote was made by an underprivileged voter who subsequently added she "no longer felt that Labour was for low-income people".

"I don't think that's necessarily a very wrong thing... I think in this country we have got such a... Actually we haven't anymore, I was going to say in this country we have got such a Labour-Conservative thing. Of course we haven't really now, but if you are from a place where I am from, which is an industrial place, people gravitate to Labour. That's the way it is, and being Northern equates for me with being a Labour person."

**Quotation 6.2.2: Interviewee No. 17 (Privileged, 6/3/2006)**

"I think I voted Labour, partly because I was very young, very new voter, family tradition etc... I was brought up in a northern working-class background and in a northern working-class background back in the seventies and eighties you voted Labour by and large.... My family voted Labour. They were the working-class vote."

**Quotation 6.2.3: Interviewee No. 23 (Underprivileged, 9/5/2006)**

The loosening of these historical frameworks, as acknowledged by the voters cited above, requires the underprivileged electorate to contemplate alternatives. The new capacities required for any such process of deliberation, as well as the blurred identity of voters discussed earlier, further weaken the stand of left-wing parties seeking to attract votes from their natural basis of support. As Downs anticipated (1956), and Butler and Stokes (1969) have already argued, the parties themselves were not passive in their actions and their manifestos also reflected this new reality. Under these circumstances, the question of identity becomes crucial. Any misreading of personal economic interests, when choice is required and old alliances are not a "lighthouse" anymore, might result in adverse selection.

After elaborating on the role of voters' identity, it is time to focus on the past and future dimensions of political knowledge. Economic theories of decision-making perceive **political illiteracy**, or information a-symmetries, as a cause for non-optimum behaviour

of markets. Yet there was a debate, mainly in the US, around two questions - the ability of heuristics to help voters to make the "right" choice and the aggregated impact of illiteracy on election results. As explored in Section 4.3 (p. 100), there is no unanimous agreement on the second question (Miller 1986, Wittman 1989, Converse 1990, Bartels 1996). As for the first question, the debate on the level of knowledge needed for a rational vote and the place of heuristics is ongoing (Kramer 1971, McKeley & Ordershook 1984 & 1985, Page & Shapiro 1992, Sniderman et al 1992). In the British context, Sanders showed that the voters' "general perceptions about unemployment and inflation correspond, with a considerable degree of accuracy, to actual variations..." (2000, p. 275 & 290). He argued that the "overall sense" of economic improvement or decline enabled voters to make well-informed political judgments. Yet, his study used only aggregated data and did not analyse deprived electorates separately.

Attention should be paid to the various methodologies used to monitor knowledge, as the literature has mostly ignored the socio-economic dimension. Sanders integrated figures of inflation and unemployment with Gallup monthly surveys tracking the economy (2000). By comparing the two, he showed that British voters "are remarkably astute" in recognising objective economic trends (p. 290). Frazer and Macdonald classified knowledgeable voters differently, relying on the "political knowledge quizzes" of the BES, which focus mainly on leaders' names and constitutional rules (2003). However, they severely criticised the poor level of data available, arguing that the BES is restricted in scope and asks "no questions about really important aspects of 'political knowledge'" (p. 68).

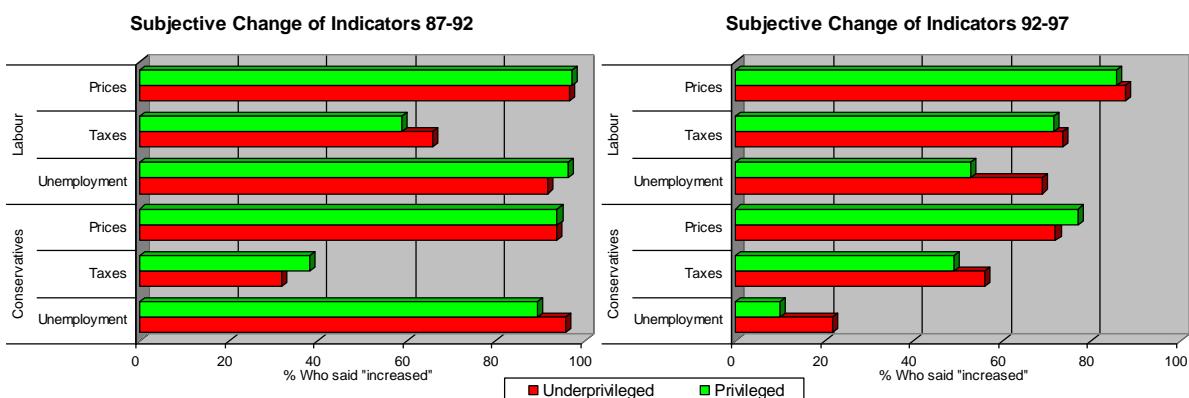
A third technique to operationalise political knowledge was used by Heath and Tilley to examine "how well people can place parties on key policy dimensions" (2003, p. 2). Their research also drew on the BES, though it analysed a different section of it. By identifying those who correctly noted the difference between the three parties in nationalisation/privatisation and taxation/spending dilemmas, they showed how "low-knowledgeable voters are simply more reluctant to change their vote" (p. 13). This method of operationalising knowledge followed the methods of mainstream American literature (see Delli Carpini and Keefer 1989).

A forth method was used by Pattie and Johnston who distinguished between different groups of voters, in line with the strategy of this research (2001b). They noted that "conventional models of electoral choice more often than not try to account for the behaviour of all voters at the same time", arguing that the impact is *not* homogenous (p. 374). Later on, they unravelled evidence to show that "abstract ideological thinking was more prevalent among the most highly educated" and that "the perceived gaps between

the parties were greatest for those with post-school qualifications and smallest for those with no qualifications" (p. 378, 384).

My study examines the political literacy of voters both with regard to their awareness of future parties' policies and of government's past performance. It assumes that these two types of knowledge, monitored by different sets of questions, equip voters with essential information for assessing political alternatives. Two findings were eventually identified: the chronic insecurity of underprivileged voters when facing issues of national policies and significant information gaps. These gaps were occasionally linked to poor socio-economic conditions. For instance, 55 per cent of underprivileged Conservatives claimed the Tories would redistribute income, double the proportion among their privileged fellows. However, most other misunderstandings were better explained with partisanship. Not surprisingly, supporters of each party tend to colour government performance differently, depending on their political loyalty.

As for the *past performance* of the British government, partisanship was the predominant variable differentiating between voters' assessments of economic progress. This trend was verified in relation to two sets of indicators: quantitative ones like inflation, taxation and unemployment and qualitative ones such as satisfaction and individual standards of living.



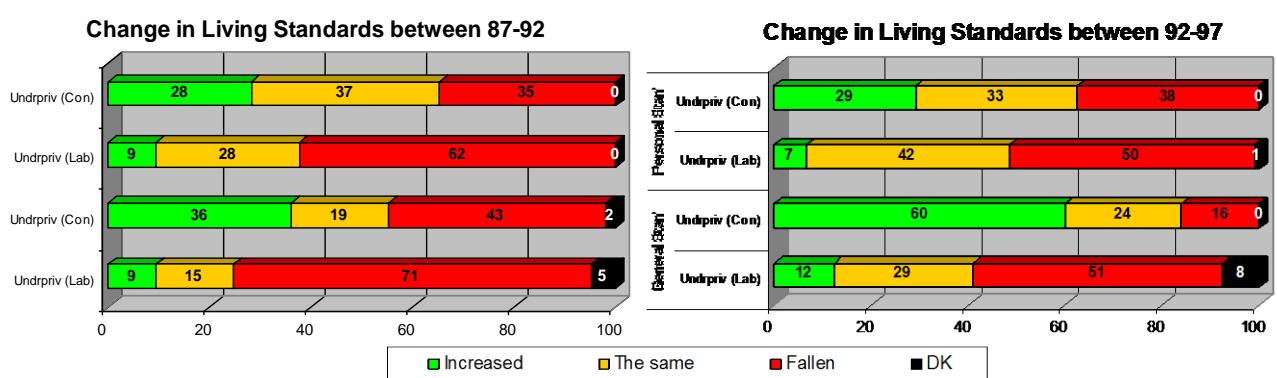
**Figure 6.2.3: Subjective assessments of the change in level of prices, taxes and unemployment since last election by wealth and political affiliation (BES 1992 & BES 1997)**

With the subjective evaluation of quantitative indicators, it was found that:

- Underprivileged citizens in general and underprivileged Labour supporters in particular, were more likely to emphasise the extent of inflation between 1988 and 1992. 79-87 per cent of them maintained that *prices* had increased "a lot", compared to 53 per cent of Conservative underprivileged supporters. Prices did increase, but different groups perceived differently the severity of this change.

- In 1992, when voters were asked about changes in *taxation* since the last General Election, Labour disadvantaged voters were twice as likely (66 per cent) to argue that taxes had increased compared to their Conservative counterparts (32 per cent). The burden of taxation in Britain as a whole had fallen during this period (HCL 2003, pp. 30-31), although the composition of progressive income taxes vs. regressive expenditure taxes had changed as well.
- When asked in 1997 about the change in *unemployment*, Labour underprivileged voters were three times more likely (69 per cent) to claim a rise compared to Conservative disadvantaged voters (22 per cent). The reality, however, is in line with the Conservative electors. The 1993 recession drove unemployment to a peak of more than 12 percent, before it gradually decreased, reaching 8 per cent in 1997 (ONS 2006, pp. 30-31).

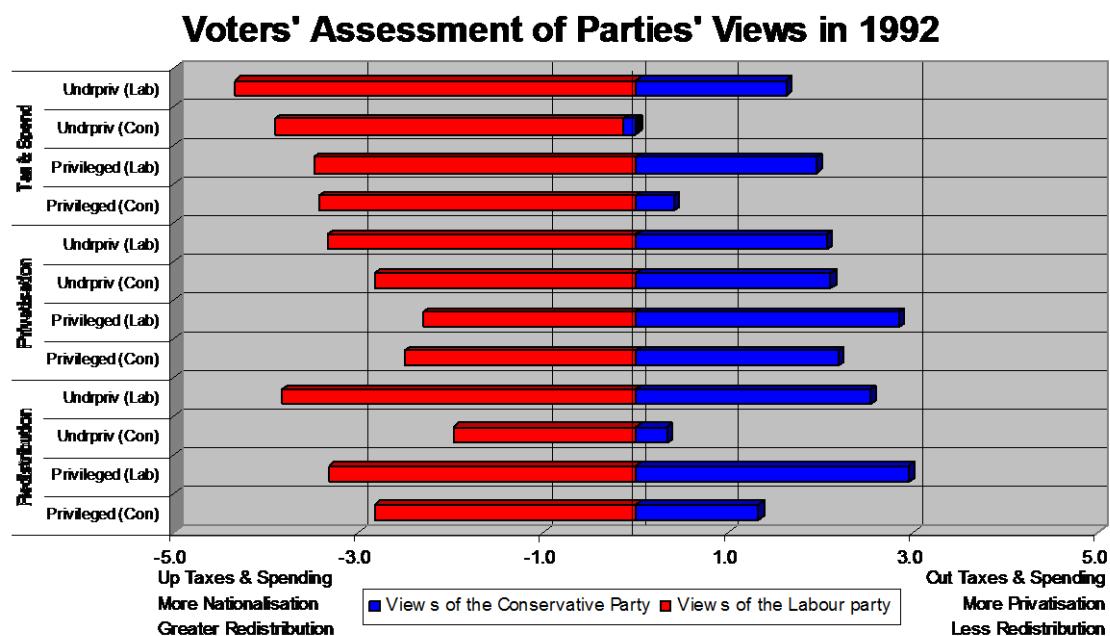
Overall, these measurable indicators show partisanship was better correlated with voters' perceptions than financial deprivation. The findings were similar when qualitative indicators were monitored. When considering satisfaction with the National Health Service (NHS), Conservative voters, and in particular the underprivileged Conservative supporters, were categorically happier with the progress made. 38-48 per cent of them thought NHS standards had improved since 1987, compared to 6-9 per cent among Labour supporters. 62 per cent of Labour supporters reported a deterioration in their standard of living between 1987 and 1992. Those holding this belief amongst the Tory electorate were in a glaring minority of only 35 per cent. In addition, there was a sharp polarisation in perceptions of living standards, as shown in Figure 6.2.4<sup>27</sup>.



**Figure 6.2.4:** Assessments of Conservative and Labour underprivileged voters of the change in personal and general standards of living since the last General Election (BES 1992 & BES 1997)

<sup>27</sup> The right graph referring to the 1997 questionnaire revealed an interesting dissonance. The proportion of Conservative underprivileged who praised the British economy was double that of those satisfied with their personal conditions. In the eyes of these voters, their personal stalemate (or deterioration) occurred while the State flourished.

The *future dimension* of political knowledge is concerned with the voters' assessment of their political alternatives. The questions used to assess knowledge are similar to the ones used by Heath and Tilley, who asked "how well people can place parties on key policy dimensions" (2003, p. 2). Yet the challenge is to overcome the inherent and almost natural interest of political parties to blur their intentions in order to gain support. Arguably, parties can hardly hide the solid convictions and ruling ideologies underpinning their very existence. Therefore, this section will look at the voters' awareness of these fundamental differences rather than of other details.



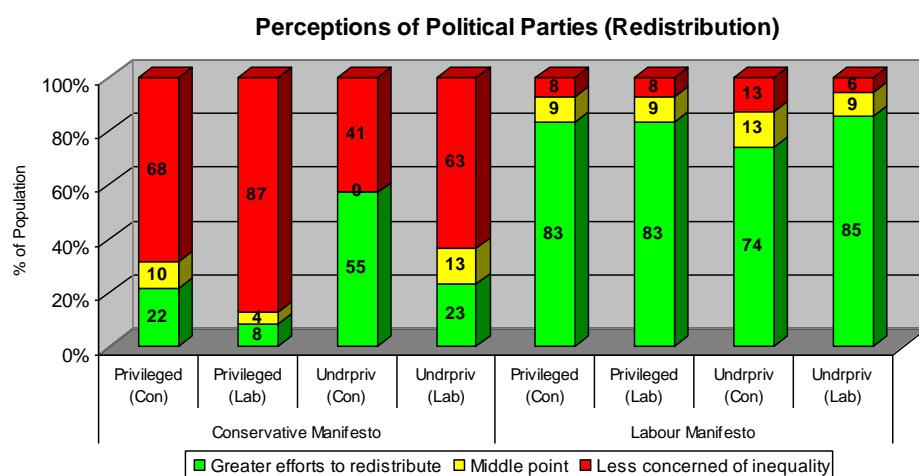
**Figure 6.2.5:** Voters' assessment of the positions held by the major political parties in three controversial domains, by political affiliation and wealth of voters (BES 1992)

The assessment of voters' awareness of the political parties' platforms is based on the BES "eleven-point scale". Generally, each end of the scale represented an extreme position taken on a controversial topic, and voters were asked to indicate their position and that held by the major political parties. Figure 6.2.5 shows the average score recorded in 1992 regarding taxation, privatisation and redistribution. While Labour's positions were found to be generally clear and understandable, discrepancies were identified with the Conservative stance on taxation and redistribution.

Tory underprivileged voters misconstrued their party's position in comparison with their underprivileged opponents and even their privileged associates. In 1992, most of them (60 per cent) denied that their party was in favour of "cutting taxes and spending less". Half (52 per cent) ascribed to the Tories a commitment to guarantee "every person has a job and a good standard of living". Third (30 per cent) argued that it was committed to

make "greater efforts to make people's incomes more equal". In 1992, not even the neo-liberal manifesto accommodated all these pledges.

The domain of redistribution is particularly interesting and deserves elaboration, due to its importance for any personal utility calculation. The belief held by most Tory underprivileged voters, according to which their party is in favour of income redistribution, was found to be consistent and repeated itself in 1997. A majority of them (55 per cent) maintained that the Tories would make "greater efforts to make people's income more equal", double the proportion among their privileged fellows. Figure 6.2.6 illuminates another key insight: there were almost no doubts as to Labour's intention to redistribute income. Nevertheless, this understanding did not suffice to change underprivileged Tories' voting behaviour.



**Figure 6.2.6: Voters' perception of the conservative and labour manifestos in the domain of redistribution and equality of income by wealth and political affiliation (BES 1997)**

My in-depth interviews and variety of interactions during the fieldwork could not contribute to the empirical assessment of these trends, but they did reflect several behavioural patterns found mostly among underprivileged subjects. First, whereas privileged interviewees were far more concerned with macro implications of future policies, disadvantaged voters were more often than not focused on micro issues and tangible changes in adjacent fields. Starting with the privileged electorate, this was blatantly demonstrated in Quotation 6.2.4, made by an interviewee who earlier described an unpleasant encounter with the police, but quickly pursued a conclusion about national policy, based on his personal experience.

"There is no point in paying for something simply because the country has been paying for it mechanically since 1830... Why spend the money? Because it keeps policemen in employment? Well, I suppose it stops some of them of becoming crooks... but couldn't we call that social security? They are an underprivileged group actually. They really are in need of remedial help, and they don't get that. All they get is salaries."

**Quotation 6.2.4: Interviewee No. 19 (Privileged, 10/5/2006)**

Privileged voters tended to employ personal stories to support macro assertions. Interviewee no. 18 recalled that he established a firm advising on legal tax avoidance schemes in the 1970s, before placing this experience into a broader context, arguing that lower taxes brought "more taxes" so "entrepreneurs stayed in this country" (privileged, 9/5/2006). Interviewee no. 17 admitted that she "didn't have a wealthy upbringing", but precisely because she had studied at local state schools, she was a staunch supporter of macro investment in education, since "to think that children are not being given an opportunity is a horrible thought" (privileged, 6/3/2006).

However, this smooth shift from personal encounters to policy inferences rarely repeated itself among the underprivileged electorate. The British have-nots relied heavily on their personal experiences, hardly transcending beyond these concrete interactions. This can be exemplified in Quotation 6.2.5 made by a disadvantaged voter who highlighted the changes he observed in his locality as reasons to support the incumbent. Quotation 6.2.6 was made by a disadvantaged abstainer who backed the Tories because of their pledge to fight smoking in the street. This interviewee, who had just lost his job, admitted he was unaware of the Conservatives' economic policies, but vowed to support David Cameron as he "tries to promote the future of this country".

"I think personally for me, like a person, I like Tony Blair more: intelligent man, gentleman, and what he says – he is doing. He said about the police in the street, and there is more police in the street. He said about the NHS hospitals, and it is cleaner now. I mean, it changes from last year to this year; there is so much changing."

**Quotation 6.2.5: Interviewee No. 20 (Underprivileged, 6/10/2005)**

"I would like to vote for Cameron, for the Conservatives... [A] I think he looks good personally... He tries to improve the environment so people won't smoke in the streets. If you smoke, you should put your cigarette on the bin. [Q] What about welfare? [A] Well the welfare and the benefits are not... I have not heard him saying anything about it."

**Quotation 6.2.6: Interviewee No. 21 (Underprivileged, 11/5/2006).**

Analysing these citations, it seems as in every case when underprivileged interviewees were invited to step into the arena of national policy, elements of **chronic insecurity** were revealed in their behaviour. Their dependence on feelings, accidental interactions or intermediate agents was clearly higher than others. Unlike privileged voters, who integrated these insights into a broader argument, the underprivileged seemed to walk blind in the darkness when facing questions of welfare policy. This disability might be linked to their a-priori lower level of education or to the impact of the media, which can also account for the political illiteracy of voters.

I shall discuss the role of the media in the relationship between the poor, democracy and the welfare state in Chapter 8. In the context of this chapter, the seminal work of Lazarsfeld et al (1948) might explain the difficulties underprivileged voters encounter when they venture into the macro arena. The study found the media first affects "opinion leaders", who then filter the knowledge to the less active sections of the population. Without coming to any firm conclusions, the fieldwork has found very few "opinion leaders" among the underprivileged electorate. This has emphasised the role of canvassing in persuading underprivileged voters, which was found to be highly influential in one of the interviews (Interviewee No. 24, 9/5/2006).

The fieldwork has also shown that voters of all socio-economic backgrounds automatically rejected official information published by rival parties. Thus, an underprivileged voter referring to one manifesto said, "I haven't read anything about it, so I am not saying this is what they say; I am just presuming" (Interviewee No. 25, 11/5/2006). Another voter, from an affluent background, admitted selective consumption and noted, "if there was a newspaper article saying this is what the Conservatives want, I probably would not read it, and if Conservatives are on TV... I assume that whatever they want is not going to be what I want" (Interviewee No. 17, 6/3/2006).

Overall, the focus on **voters' knowledge** identified two key barriers hindering a rational vote, namely blurred identity and political illiteracy. Both inhibit voters from properly assessing their future utilities, either due to deficiencies in evaluating alternatives or because of misjudgements in predicting their effects. Both seem to be overrepresented among underprivileged Tories. Pattie and Johnston's study, linking educational qualification to voters' capacity for ideological thinking, might explain these findings with existing socio-economic deprivations (2001b). The fact remains that voters, often Tory underprivileged, cast their ballots when they were not fully informed about the available policy alternatives and the potential impact on their individual future utility.

If all votes knowledgably, democracy more accurately represents the people's will. Nevertheless, it is argued here that in order for the "right" individual choice to be made, it is not enough to vote and to be informed. As these two prerequisites have been explored earlier, I shall now leave them aside and focus on the **question of reasoning**. Having reviewed (in Section 4.3) theories of rationality, my focus will be on the different patterns of logic and the distinct types of influences affecting privileged and underprivileged electors. In this context, the concepts of consistency and transitivity are the only ones that can allow judgments to be made. Thus, if an underprivileged elector acts rationally and deliberately supports the "pro-welfare" party as defined in Chapter 5, at least three preconditions should be fulfilled:

- {A} S/he should acknowledge that the welfare state guarantees future returns, which will benefit his/her own future utility.
- {B} S/he should associate the "pro-welfare" party as the one that will pursue the welfare state model s/he desires in {A}.
- {C} S/he should prioritise the question of welfare above other policy domains, to the extent needed to offset all competing utilities.

The evidence of voters' political illiteracy explored earlier showed precondition {B} was only partially fulfilled. However, both the {A} and {C} assumptions are fragile as well, especially among the Tory underprivileged electorate. Those at the bottom of the income distribution might be heavily dependent on the welfare state, but some of them do not prioritise it in their set of considerations. Their commitment to welfare policy is tremendously weak and ethics of self-reliance have permeated their political perception. In Feldman's words, "instead of asking why personal economic grievances appear to have no political consequences, the question now is *why* so few people hold the government responsible for their economic well-being (1982, p. 455). In addition, underprivileged voters were found to be more vulnerable to traditions and emotions, and their agenda reflects other priorities. The cumulative picture provides a rigorous and consistent explanation of support for neo-liberal parties.

I will start with the evidence collected with regard to precondition {A}, which required voters to expect at least some future gains from government through the welfare state. The findings of this research suggest not only that underprivileged voters are often devoid of such expectations, but also that their **personal commitment** to the welfare state, to the virtues of equality and to the mechanism of redistribution is glaringly weak. This might stem from two correlated causes. The interviews found underprivileged voters have almost no expectations that government will deliver for them. The

secondary analysis showed the Tory underprivileged often hold ideological positions opposed to the very idea of progressive redistribution.

As for their perceptions of government, the underprivileged interviewees expressed no faith in the ability of government social policies to change things and affect their lives. One underprivileged abstainer declared "I just don't believe anyone can change" (9/10/2005) and another said, "what I know about politics is that they promise things but nothing happens" (8/3/2006). Interviewee no. 21 in Quotation 6.2.7 showed how deep (and often unjustified) this disconnect between government and welfare can become.

"[Q] Have you ever seen any link between politics and your personal welfare? [A] ... Well I don't know. This is nothing to do with the government really. This is something to do with the job centres, not with the politicians or the government. This is the people working there (at the Job Centre – G.A.) and they have to decide."

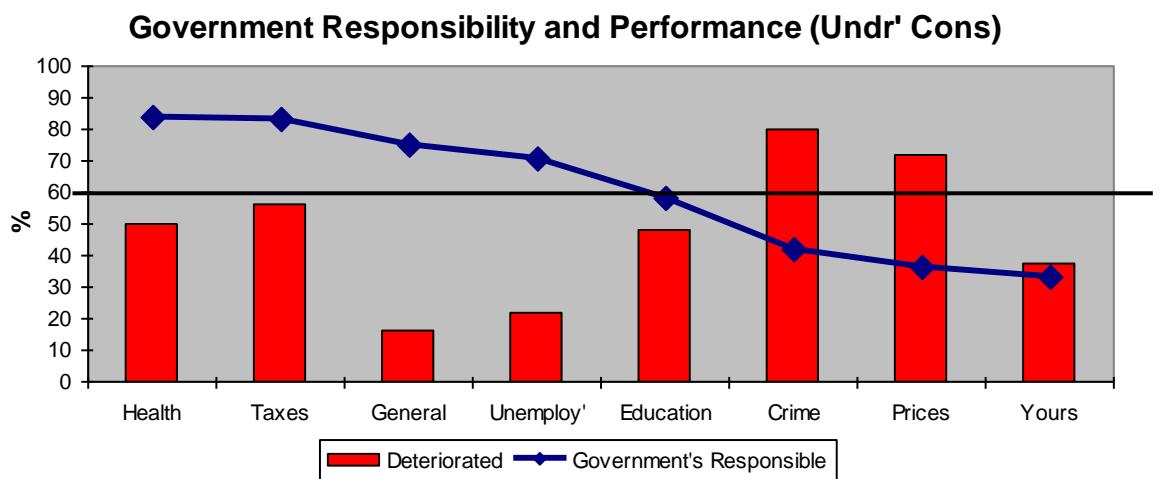
**Quotation 6.2.7: Interviewee No. 21 (Underprivileged, 11/5/2006)**

The interviews were insightful not only because of what the voters said, but also because of what they did not say. Apart from one underprivileged interviewee, none used **welfare terminology** or advocated greater redistribution. The answers were extremely self-centred and the outlook was mostly limited to the interviewees' own day-to-day concerns. Thus, interviewee no. 21 was asked about macro policies and channelled his anger towards people smoking in the streets (11/5/2006). Interviewee no. 25 urged government to provide "what people really need", without elaborating further (11/5/2006). In fact, in almost all interactions with underprivileged voters, the word "inequality" was not mentioned. Even though "welfare" ideals could have been communicated in diverse ways (Dean 1999), they were noticeably absent from the underprivileged articulation. There is a vast difference between the extent to which these issues are taught and debated and the void found among those who should be the most interested in promoting them.

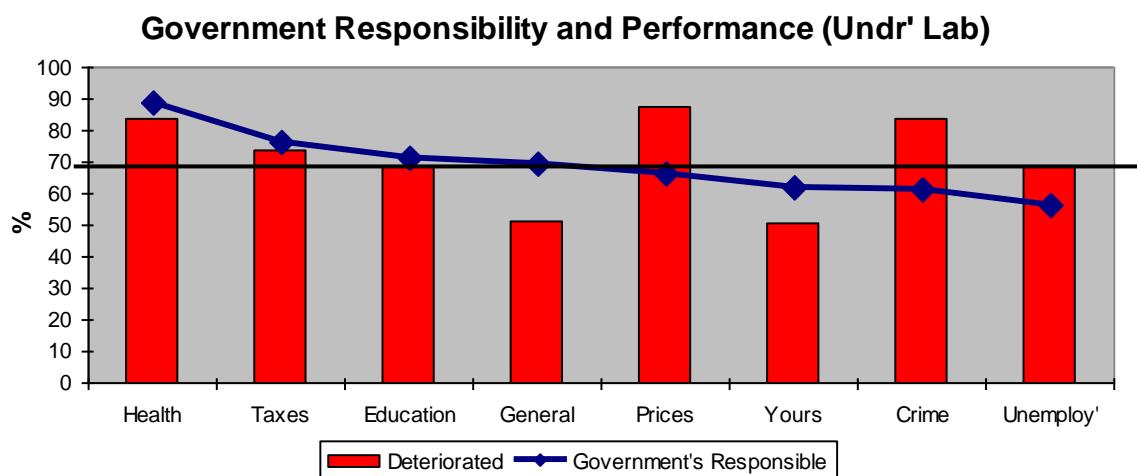
The empirical analysis of voters' expectations from government revealed the gulf between Labour and Conservative voters. In the BES of 1992, a majority of Labour underprivileged voters (81 per cent) maintained that "it is the government's responsibility to provide a job for everyone who wants it." Approval rates among Conservative equivalents were almost half (45 per cent). When voters were asked to indicate who was responsible for the change in their household income over the last 10 years, 77 per cent of Labour underprivileged voters stated the government, compared to only 30 per cent of Tories experiencing similar hardship. In 1997, too, a majority of Labour underprivileged voters held the government responsible for the change in their

living standards since the previous elections (62 per cent), unlike Tory voters who projected it on others (33 per cent).

Figure 6.2.7 and Figure 6.2.8 integrate data on government performance in various domains and the professed degree of government responsibility in each. Tory underprivileged voters virtually absolved government of responsibility for what they defined as the most acute problems, i.e. rising crime rates and escalating prices. Even though most voters did expect the state to act on health, Labour underprivileged voters tended to have constantly greater expectations. On average, 68 per cent of them attributed performance in all fields to government action, compared to 60 per cent of their Tory equivalents. One of the salient differences was the assessment of government responsibility for one's own standard of living ("yours"). Labour voters were twice as likely as Conservatives to hold government accountable.



**Figure 6.2.7:** Proportion of Conservative underprivileged voters holding government policies responsible for changes vs. proportion of voters claiming deterioration (BES 1997)



**Figure 6.2.8:** Proportion of Labour underprivileged voters holding government policies responsible for changes vs. proportion of voters claiming deterioration (BES 1997)

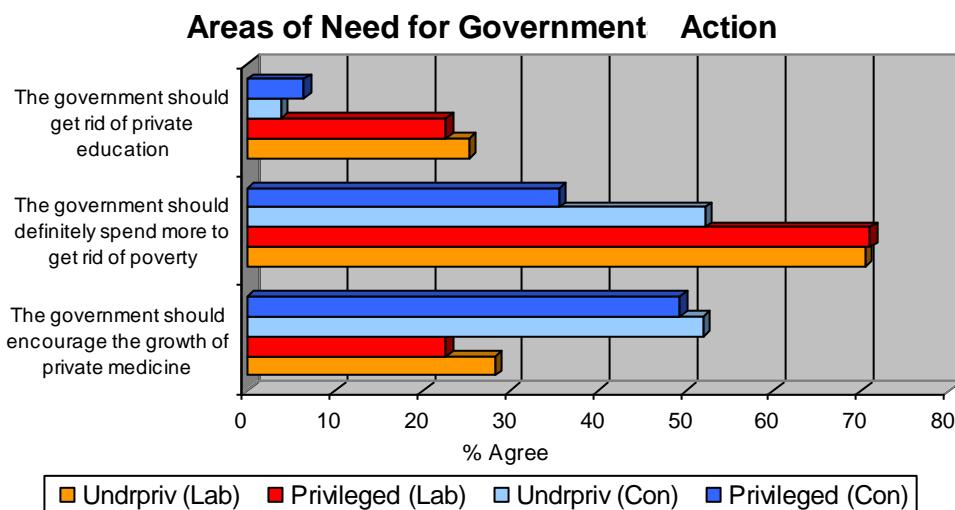
What do these findings tell us about the voters? Generally, that some of them disengage from government. The work of Feldman, who investigated the relationship between self-interest and political behaviour, can offer some insight here. Like this analysis, he presumed that "in order for personal economic welfare to affect political behaviour, people must perceive that political events and decisions have some impact on their financial well being" (1982, p. 448). Subsequently, Feldman argues that the rise of economic individualism and ethics of self-reliance, especially in the American context, might have reversed this connection. He therefore identified the core barrier for economic voting not as behavioural, but as the disinclination of citizens to hold their government accountable. In a later publication, he looked for the environmental conditions that allowed such a process to happen (1984).

In the context of this study, the lower the expectations Conservatives have of government the lower their expectation that a particular vote would be personally beneficial for them. Intuitively, when such expectations exist, they fuel voters' commitment: if an underprivileged voter does not expect the welfare state (or the government) to deliver for him, why should he commit himself to it politically? Having said that, privileged voters were also sceptical of government's ability to deliver, but still endeavoured to pursue their agenda through it despite these constraints.

Privileged voters were still willing to give government a chance (and were utterly against giving it up). Thus, for instance, Interviewee no. 19 was enormously upset about the "incompetent" government, which he admitted he had tried all his life to "insulate" himself against (privileged, 10/5/2006). Nonetheless he perceived voting and politics as a "necessary evil" and felt committed to participate. Another Tory voter sought to bring about a healthier society that would enable him "to live in freedom" and not suffer "significant restrictions in civil liberties" (Interviewee no. 18, 9/5/2006). The interviewees reflected scepticism, but also a strong sense of commitment – to the state or to certain virtues and ideals.

Voters' commitment to the welfare state cannot be separated from the ideological question of what governments should or should not do. Puterman developed three potential explanations for why the electorate should "forget radical distribution of property": the opposition of the majority on grounds of self-interest, an ideology that justifies inequality and the disproportionate political influence of the wealthier (1997, p. 359). **Neo-liberal ideas** automatically lower expectations from the welfare state and justify less dependence on its assistance. This might cause voters to perceive any enlargement of social budgets as damaging, thus rationally opposing any "pro-welfare" party. In that case, broken relationship will emerge between the welfare state and those who are assumed to benefit the most from it, despite their economic grievances.

Figure 6.2.9 demonstrates how different voters perceive government intervention. Only half of Tory underprivileged supporters thought in 1997 that "government should definitely spend more to eradicate poverty", whereas Labour voters, regardless of their economic background, were strongly in favour. In the 1992 BES, nine out of ten Labour underprivileged voters thought "there should be far greater equality" in Britain, compared to six out of ten of their Conservative counterparts. The likelihood of Labour underprivileged voters urging government to "make much greater efforts to make people's income more equal" was three times higher (60 per cent vs. 19 per cent).



**Figure 6.2.9: Voters' perceptions as to the need of government action in various fields by wealth and political affiliation (BES 1997)**

These perceptions explain the support for particular policy tools. Tory disadvantaged voters, who played down the problem of poverty, were correspondingly less keen on solutions. In the 1999 BSA study, 63 per cent of them maintained that "the welfare state makes people nowadays less willing to look after themselves", in comparison to 27 per cent of Labour underprivileged voters. The probability of the latter supporting higher taxes and greater spending on health and social services was more than double (83 per cent compared to 35 per cent). Only 48 per cent of Tory underprivileged voters were in favour of establishing a National Minimum Wage in 1997 (compared to 71 per cent among Labour supporters). The 39 per cent who opposed it argued that "a minimum wage set by law would cost too many low paid workers their jobs."

These figures, found also by Heath and others (1985, p. 17), show underprivileged Conservatives to be consistent and ideologically convinced. Roemer mentioned in his *Why the poor do not expropriate the rich* that taxes would hurt the children of the poor, worsen the economy and that they are unethical (1998). Putternman also sought justification for this unexpected approach and emphasised the challenge of enforcing redistribution and its impact on savings (1997). Even though none of these were mentioned by the underprivileged in my own study, it is clear that if equality and

poverty are not perceived as immediate challenges, any opposition by underprivileged voters to a generous welfare state can be justified and rationalised.

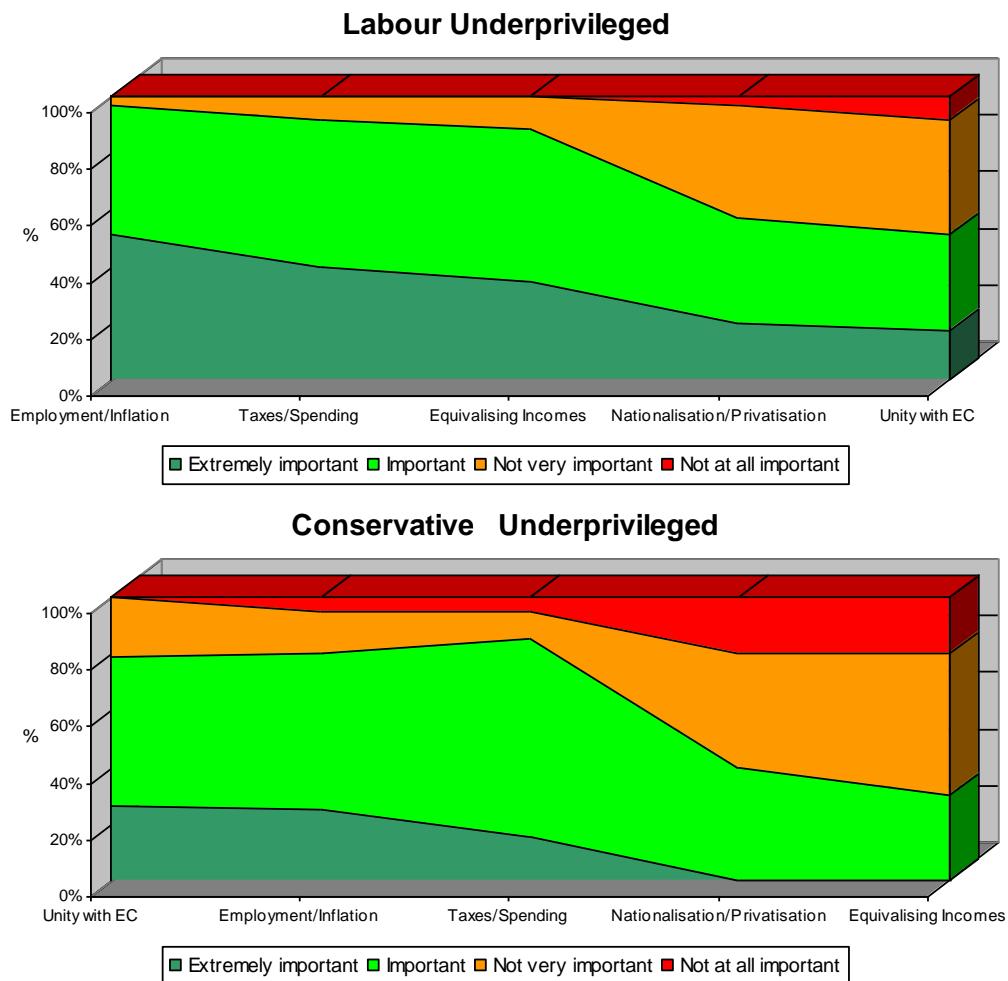
Remarkably, the affluent Conservatives were disturbed by social concerns more than the underprivileged interviewees. Yet, their articulation reflected varying motives, from a personal need for social order to a belief in social justice. Interviewee no. 18, for instance, referred directly to his fear of "civil disturbances" and noted that "it can happen... they might attack me". His grasp of equality posited on achieving social order and was essentially utilitarian. In contrast, interviewee no. 17 communicated completely different motives, conveying her willingness to "pay for facilities I want for everybody". Her rhetoric was altruistic, deriving from a desire to foster equality and promote the greater good of social justice.

Up to now, I have shown that underprivileged voters rarely consider or commit themselves to issues of welfare and equality, and many Tory voters are ideologically opposed to policies of redistribution. The third precondition for the underprivileged to support pro-welfare parties has to do with **priorities**. An underprivileged voter should prioritise the question of welfare above other policy domains, to the extent needed to offset all competing utilities. This was clearly not the case with the Conservative underprivileged voters. At the top of their agenda in 1992, with 79 per cent defining it as significant for their voting, was unity with the European Community (EC). In contrast, 89 per cent of the Labour underprivileged electorate prioritised government efforts to equalise income. This figure can be linked to the Tories' lack of welfare expectations, or alternatively, to the growing number of issues affecting voters nowadays.

This, however, is evidence of consistency and transitivity in Tory voters' behaviour. To verify their existence, a clear and structured utility function is required. The attempt to construct one, and impose these elements on political behaviour, is not trivial. However, if one is seeking to draw equivalents, two questions need to be answered: the weight of the dominant *fields* in the decision process of voters and the utilities derived from each of the available *alternatives*. Whereas the integration of both elements will be effected at a later stage, the identity and subjective importance of the various fields are presented below. They are based on the BES of 1992, which asked subjects to rank several policy dilemmas by their impact on their own voting.

As illustrated in the figure below, income equality was the least influential policy field among Tory underprivileged voters. In 1992, barely 30 per cent of underprivileged Tories said government efforts to equalise income were a serious consideration for them. A solid majority said income redistribution was "not very important" (50 per cent) or "not at all important" (20 per cent). On the other hand, 79 per cent of them defined

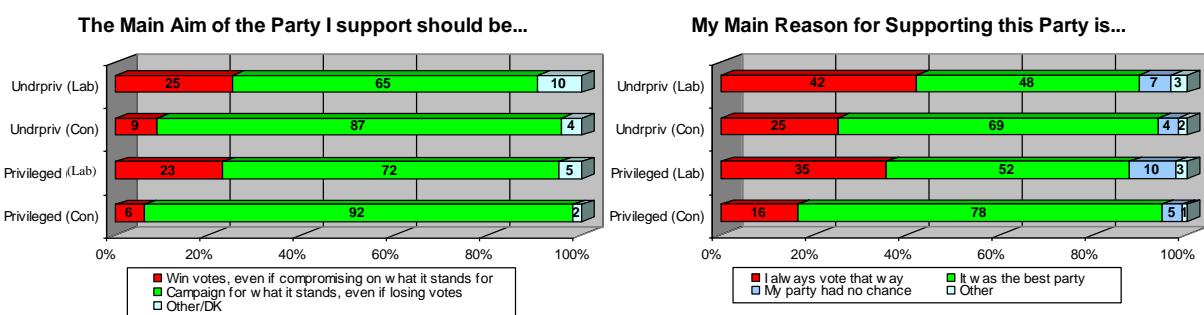
unity with the European Community (EC) as significant in their deliberative process. Notably, the importance underprivileged Tories attached to national sovereignty within Europe was greater even than that of their privileged comrades. Paradoxically, the rich Conservatives were found to be more anxious about equality than their less well off fellows.



**Figure 6.2.10: Level of importance given to various policy dilemmas in a voting decision by Labour and Conservative underprivileged voters (BES 1992)**

In this context, the impact of **new issues** dominating the political debate on certain dimensions of political engagement should be stressed. The shift from class voting to issue voting, as observed by Sarlvik and Crewe (1983), modified the way choice is made, and required new capacities from the electorate. The diversity of issues at stake muted the historically almost-single question of class and redistribution. Inglehart's forecast in the seventies that "class politics may decline in favour of status or cultural or 'ideal' politics" (1977, p. 12-13) was complemented by Kitschelt's observations in the nineties of a new libertarianism-authoritarianism axis of identity (1994, p. 30-31). Roemer gave examples of how these new dimensions of concern can change politics and divert parties' agendas (1998, p. 417). This discussion is very much linked to the question of identity addressed earlier, as each new domain of concern requires voters to redefine their own related positions and by so doing redefine themselves.

But who are the voters who vote for issues? Apparently, not all of them perceive elections as a competition between ideologies, and not all of them vote for the best party. **Tradition** has a role to play here, especially among the Labour electorate (privileged and underprivileged). Tories, on the other hand, were statistically less likely to rely on tradition. As Figure 6.2.11 demonstrates, more Tory underprivileged voters said in 1992 that their party should adhere to its principles even if votes are lost, while Labour disadvantaged voters were most likely to state they "always vote that way" (42 per cent compared to 25 per cent among Conservative underprivileged electors). Judging by these figures, Conservatives communicated greater faith, ideological commitment and understanding of their party's ideological merits.



**Figure 6.2.11: Voters' perception as to the appropriate aim of their party and their major reason for supporting it by wealth and political affiliation (BES 1992)**

Taking paternal voting as an indicator, the proportion of Labour underprivileged voters who replicated their fathers' voting was the highest. In 1997, this figure was 82 percent, having peaked at 93 per cent in 1992. In fact, the percentage of Labour underprivileged voters whose parents voted Tory was no greater than ten. Conversely, half of all the Conservative voters swapped sides. Such a decision can derive from either conviction or confusion. However, the consistent support for neo-liberal beliefs by underprivileged Tories, as noted earlier, strongly suggests the former.

My own in-depth interviews with Labour traditional voters opened a window on their perceptions of affiliation. One poor respondent stated, "I voted Labour because everyone voted Labour. I do not think my vote is going to count if I vote against the flow" (9/5/2006). Another, quoted in Quotation 6.2.8 linked the phenomenon of traditional voting with that of class voting. The accuracy of these past paradigms hardly matters to this analysis, but the voters' conscious decision to give tradition precedence at the expense of utilitarian assessments of gains and losses certainly does.

"I was brought up in a northern working-class background, and in a northern working-class background back in the 1970s/1980s, you voted Labour by and large... My family voted Labour. They were the working-class vote, and I was working-class and that is what I was identified with. It is quite a simplistic sort of way."

**Quotation 6.2.8: Interviewee No. 23 (Underprivileged, 9/5/2006)**

The association of Labour with traditional voting in Britain provides additional evidence of the motivations characterising underprivileged Tories. Even though the premises on which their decision is based might be mistaken, one can hardly argue that these voters act out of impulse or tradition or that they show signs of irrationality. Their critique against the foundations of the welfare state, their conscious decision to prioritise future relationships with the EC and their solid ideological statements – all identified in opinion surveys – construct a set of utilitarian considerations.

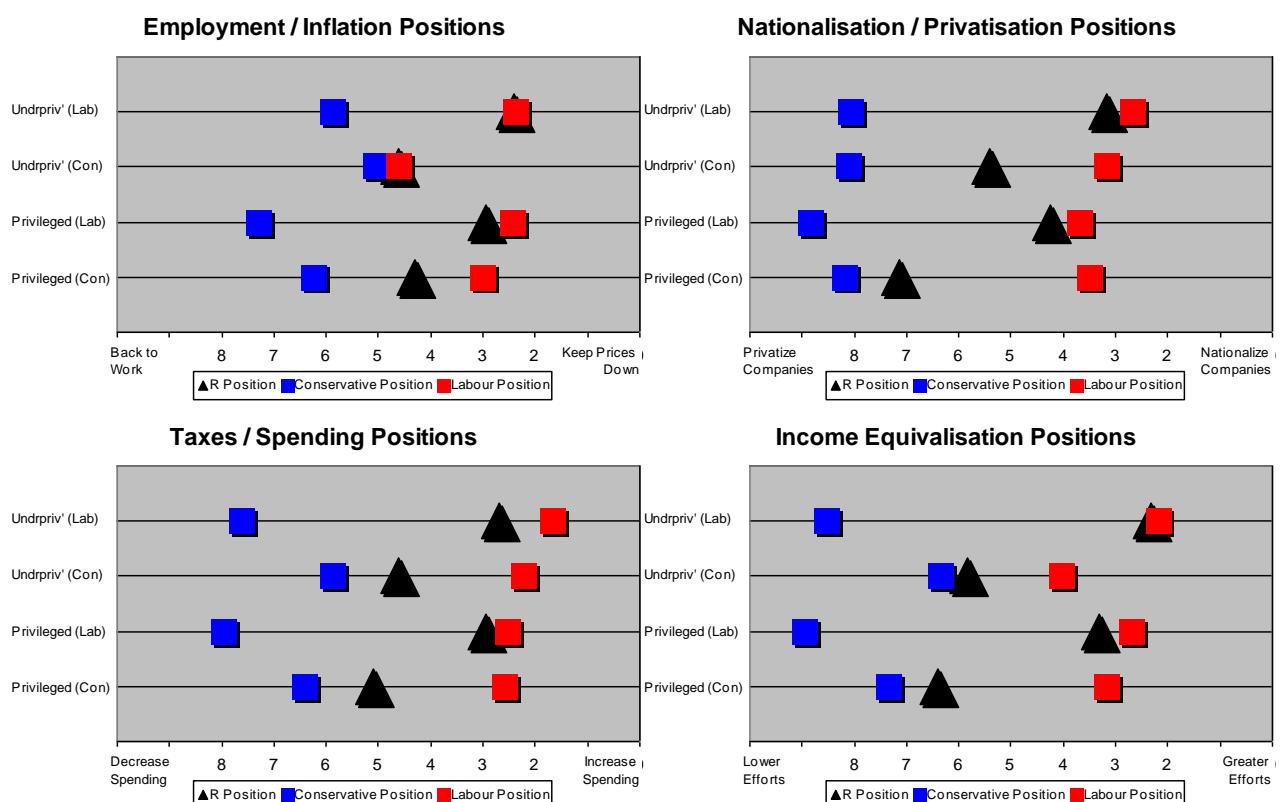
Like tradition, **emotions** also distract voters from economic rationality and might divert their focus from substantive issues. Their impact was clearly identified during the fieldwork, mostly with regard to political leaders. Thus, Interviewee no 19 noted, "Gordon Brown is a danger... I believe Brown actually has an agenda which goes beyond helping people. It is actually a punishment agenda." The specific role of emotions has been extensively researched (see, for instance, Stewart & Clarke 1992). Yet the interviews exemplified how such non-utilitarian factors determined the fate of the utilitarian ones. While the cumulative effect of emotions and traditions was not modelled in this study, their existence is undeniable.

It is now time to examine the potential cumulative impact of the various topics explored here, by comparing voters' actual behaviour with their self-defined utilities. In order to construct this formula, data on the professed importance of various policy fields had to be integrated with the gains or losses expected from each political alternative. This was done in the BES of 1992, which asked voters first to prioritise several policy controversies (as explored earlier, in relation to voters' priorities), and then presented them with a series of questions based on the "eleven point scale". The respondents' task was to locate themselves and position the major parties on a continuum of well-defined debates. Voters' expectations from each party in relation to their own personal preferences were calculated by the distance between their own position on the scale and the place they located each party.

For instance, if a voter indicated that he was strongly against taxation by putting himself on point "K" (11) and assumed the Labour party took the opposite view by placing it on point "A" (1), the distance was the broadest possible (10). For convenience, this scale was inverted so that the expected utility from the Labour party in the above example was zero (0). These expectations were then integrated with each field's level of

importance as determined by the voters, yielding mathematical expressions of the expected political utility from each party. The BES referred to five policy fields, with each one having two competing policy propositions<sup>28</sup>: inflation/employment, taxes/spending, nationalisation/privatisation, income equalisation and EC unity.

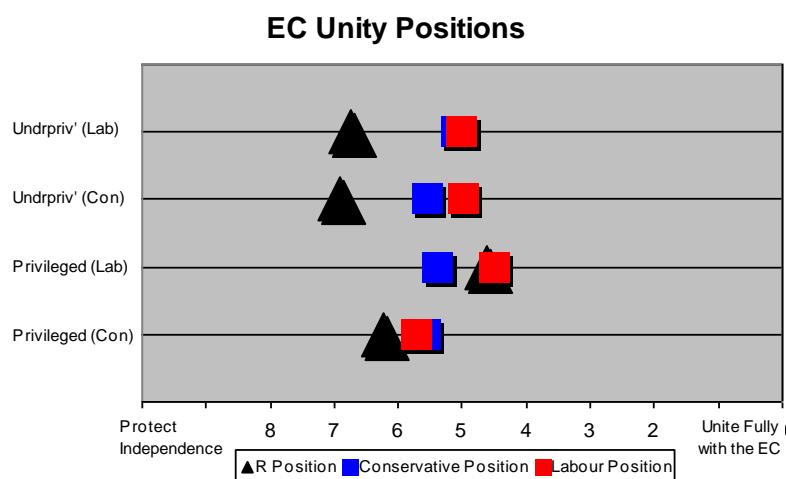
Voters' priorities (see Figure 6.2.10) were integrated here in one formula with their mean answers as to their own ideological stances and the major parties positions, as demonstrated in the figure below. The results show that Tory underprivileged voters are more right wing in their economic thinking than their Labour counterparts, but slightly more left wing when compared with their privileged comrades. They believed that their party held more moderate positions than their privileged counterparts did. The latter ascribed to their party a greater determination to get people back to work, to prevent government from tackling inequality and to cut off public spending. In general, Conservatives were more likely to adopt "halfway" positions in the debate on taxation versus spending. It should also be noted that Labour voters ascribed far more radical ideas to the Conservative party than those attributed to it by its own supporters.



**Figure 6.2.12:** Assessed positions of the major parties and respondents themselves in socio-economic policy controversies, by wealth and political affiliation (BES 1992)

<sup>28</sup> In retrospect, it would have been preferable to examine a greater number of policy areas, probably using a more comprehensive methodology. Nonetheless, it is beyond doubt that the most acute controversies of that time were included in the 1992 questionnaire. While every methodology has its shortcomings, it seemed in this case that the gains in basing the British analysis on this large-scale professional dataset would be greater.

Whereas the above referred solely to socio-economic controversies, one set of questions directly tackled the dispute about the European Commission. As demonstrated in Figure 6.2.13, the wedge was no longer linked to political affiliation but rather to socio-economic classification. Underprivileged from all parties were strongly opposed to unity, whereas the privileged electorate (especially Labour voters) was relatively supportive of it. Remarkably, although the underprivileged thought the Conservative party was more hostile to European unity than Labour, both parties were signalled as relatively moderate in relation to the voters' own militant positions. In terms of expected utility, neither party offered significant returns, although the Tories were better positioned than Labour.

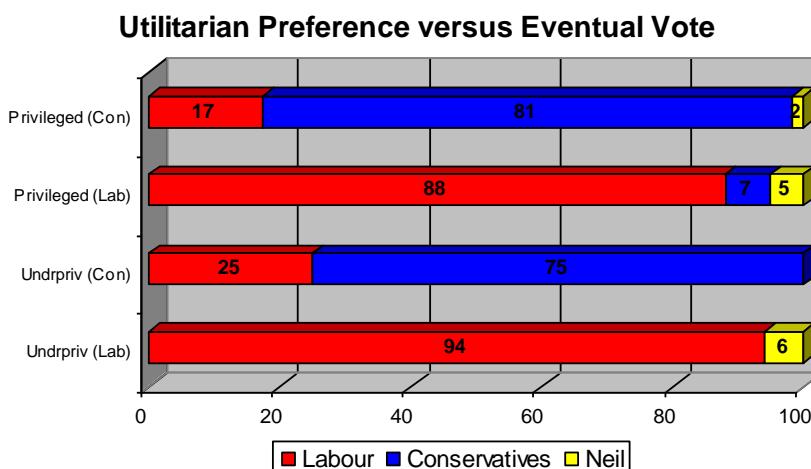


**Figure 6.2.13: Assessed positions of the major parties and respondents themselves in socio-economic policy controversies, by wealth and political affiliation (BES 1992)**

Even though previous findings reflected a conviction of the underprivileged Tories in their choice, a closer look at the *aggregate* figures suggests a profound crisis of confidence. Thus, the expectations of Labour underprivileged voters of their party, measured with the "eleven point scale", were greater at 87 per cent compared to their expectations of the Conservative party. However, among Conservative disadvantaged voters the difference, measured by the same weighted scale points, was only 26 per cent. Apparently, the key inducement to vote Tory did not always stem from the socio-economic domain where support was relatively fragile and the impact on voting was generally low. The mobilising force might lie in a different sphere: it could be unity with Europe or it could be linked to some of the non-utilitarian factors discussed earlier.

Figure 6.2.14 summarises this entire examination by shifting from an *aggregate* analysis of groups to an *individual* assessment of voters. It gauges the utility from each party, clarifies the "*utilitarian choice*" each voter ought to make and verifies it with the "*actual choice*" made in the ballot box. The numbers of "dissidents" in each group, whose utilitarian preference was different from their actual vote, can now be accurately assessed and scrutinised.

The results show that not one single Labour underprivileged voter ranked the Tories above his own party. In contrast, a quarter of Tory underprivileged voters thought the rival faction offered them better policies. Among the privileged Conservative electorate, the proportion of "non-utilitarian" voting was relatively low, but it was still greater than Labour. These numbers strengthened the view that there are other motivations driving support for the Tories. These were not captured in their entirety by this study.



**Figure 6.2.14: Voters' actual vote compared to voters' utilitarian preference by wealth and political affiliation (BES 1992)**

This method can be quickly converted into an efficient tool of prediction, in line with the work of Heath & Tilley (2003). Thus, logistic regressions were calculated in order to predict the actual decisions of voters based on their 1992 utilitarian preferences. These regressions took prediction rates up from 66 per cent to 85 per cent among privileged voters, and from 68 to 89 per cent among underprivileged ones (Nagelkerke R Square of 0.586 and 0.676 respectively). Such figures show statistical rigour but also focus attention on the unexplained variance that is probably related to non-utilitarian factors. The utilitarian methodology, as with any academic theory, was unable to account for any factors that it could not clearly identify.

### 6.3 Summary and Conclusion

Factually, 40-45 per cent of the British underprivileged electorate did not actively support the pro-welfare party in two election campaigns. Ignoring the measurement deviations, a significant portion of this electorate either abstained or voted Tory. While investigating the three layers of voting ("The Pyramid of Political Engagement"), this chapter has in fact illuminated new facets of the relationships between the poor, democracy and the welfare state ("The Triangle for Redistribution"). Through this prism, the crisis of commitment is revealed: by abstaining, voters seemed to reflect their lack of commitment to democracy; by voting Tory, they seemed to reflect their lack of commitment towards the welfare state.

The general lack of expectations from government was found to pose a tremendous challenge. It triggered the disengagement of one point of the Triangle (the poor) from the other two (democracy and the welfare state). Consequently, the poor inhibited themselves from using their political power to achieve greater redistribution. These impediments were often countered by the electoral power of the better-off. However, the fieldwork showed that whereas privileged electors were willing to support a generous welfare state, they had conflicting opinions on what social policy is supposed to achieve (social order vs. social justice).

As for those underprivileged who actually voted, their identity as a group was fragile. Even though similar economic and class interests bind this group together, underprivileged Conservatives consistently upgraded their status and affiliated themselves with the middle class (46 per cent compared to 22 per cent among their Labour equivalents). New axes of identity blurred the old dichotomy of classes, leaving some of the poor ill-prepared to assess the impact of various policies on their own future. Misconceptions of the kind that brought 69 per cent of deprived underprivileged to praise tax cuts, increase the likelihood of suboptimal individual choice and flawed reflections of interests in democratic elections.

Poor people in general did not feel sufficiently secure to enter discussions on national policy. They were more influenced by self-experienced interactions and faced difficulties in transcending these experiences. The problem of political illiteracy was found to be related more to politics than want. The figures suggest partisanship (and not needs) defined how voters would calculate or miscalculate their government's performance. Labour disadvantaged voters, for instance, were twice as likely as their Tory fellows to argue that taxes has increased under Thatcher (66 per cent vs. 32 per cent). Having said that, underprivileged Tories tended to soften their party's neo-liberal positions. The discussion therefore shifts to the relationship between modern democracy and the welfare state, where knowledge is manipulated to serve political ends.

The analysis of underprivileged voters' reasoning concluded with some convincing justifications for voting Tory. This can be linked to the weakening commitment of poor voters to the welfare state and the emergence of new issues driving the welfare state to the margins of the public agenda, as reflected in the interviews. The findings, supported by preceding research, suggest that fewer voters today hold government accountable for their personal well being. Not only do they expect less from government, some of them – mainly Conservatives – are ideologically convinced less should be given. These Tory voters are more likely to prioritise other issues, such as the relationship with the European Commission. Under these circumstances, no particular benefits are expected from a larger welfare state, which in turn rationalises the decision of some underprivileged to cast a Tory vote.

Having said that, two points deserve particular attention. First, there seem to be powerful underlying forces that marginalise the question of equality among Conservative underprivileged voters. 70 per cent of them said equivalising incomes is "not very important" or "not at all important". This figure is striking, especially since it derives from those dependent on welfare assistance. It should raise tough questions among those who provide this assistance as to the acknowledgment of their contribution. A second point has to do with their aggregated utility. Remarkably, even after calculating the significant impact Europe had on the considerations of Tory underprivileged voters, one quarter of them still expected greater utilities from the Labour party.

This chapter has shown how in Britain, almost half of the underprivileged electorate systematically abstain or lack the necessary setting required for supporting the welfare state. Whilst abstention was mostly attributed to the absence of civic commitment, a mixture of factors created a distinctive pattern of political engagement among certain voters. The cumulative impact of blurred identity, political illiteracy, absent welfare commitment and new issues dominating the agenda eventually led to a vote against "formal rationality". However, we are still left with 25 per cent of underprivileged Tories, who realised their vote conflicts with their financial interests. Their behavior needs to be further explored.

## 7. Israel

Israel was chosen to be the second case study to which to apply the operational framework. The figures suggest that in Israel, too, 36-42 per cent of the underprivileged electorate did not support the social-democrat party. However, unlike in Britain where abstention rates were high, the Israeli underprivileged did vote and consistently opted for the Likud. A fundamental question dividing the electorate had to do with prioritising security and welfare. Underprivileged right wing voters were not only dubious as to the welfare state's ability to assist them, but were also greatly influenced by the ongoing security threats. The question of priorities in voters' reasoning is to be addressed here first, before undertaking a review of other dimensions of political engagement.

The fieldwork in Israel, begun in August 2005, unexpectedly coincided with a general election campaign marked by a series of dramatic events. By Election Day, 27 March 2006, when the fieldwork was almost completed, the domestic political arena had been radically transformed: Prime Minister Ariel Sharon was comatose in hospital; the Labour party's acclaimed chairman had been overthrown; the ruling Likud party lost two thirds of its seats; and the newly established "Kadima" movement ("Forward" in Hebrew) won the elections.

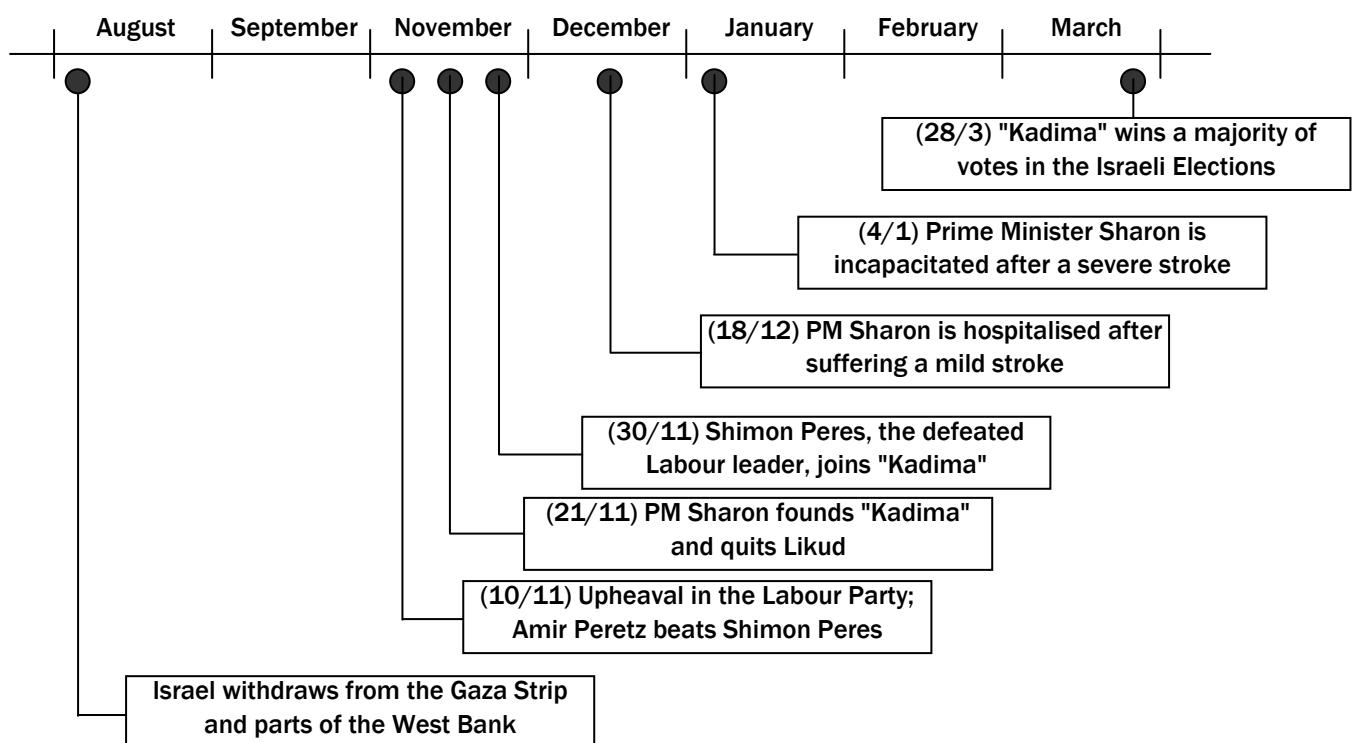


Figure 6.3.1: Sequence of events in Israel between August 2005 and March 2006

The unexpected sequence of events summarised in Figure 6.3.1 began in November 2005 with a surprising coup in the Labour party. Against all odds and polls, Amir Peretz, an immigrant from Morocco who had been Chairman of the "Histadrut", became the first Sephardic Jew to lead the party. On the opposing side, Prime Minister Ariel Sharon faced growing rebellion in his Likud party following the implementation of the Gaza Disengagement Plan.

Sharon abandoned the Likud in November and established the new centrist "Kadima" party. Days later, the defeated Labour leader, Shimon Peres (who was later elected President of Israel) joined the new party. However, a month after the "big bang" reshuffle in Israeli politics, its architect, Prime Minister Sharon, suffered a mild stroke. Two weeks later another more severe stroke left him in a coma. Eventually, three political party leaders contested the premiership in the March 2006 elections: Peretz on behalf of the *Labour* party, seeking to assume the mantle of a social-democratic leader; Benjamin Netanyahu on behalf of the *Likud* after making swingeing cutbacks in welfare expenditure, and Ehud Olmert, acting Prime Minister, Sharon's close ally and designated successor, on behalf of "*Kadima*".

The *exploratory surveys* and *in-depth interviews* were conducted between August 2005 and March 2006. Since academic studies of this kind are meant to focus on authentic events, the research proceeded as planned. Fourteen citizens were interviewed and dozens were questioned. Almost paradoxically, the difficulties created by the events proved advantageous. The interviewees were willing to clarify their fundamental assumptions, motives and guidelines rather than simply profess support for a particular party. In addition, in 2006 the ideological differences between Labour and Likud socio-economic manifestos were salient. The *secondary analysis* of election surveys was based on three large-scale surveys conducted in 1992 and 1999.

As in Britain, missing data prevented equivalised household income being computed for some datasets. A trial and error process had ended with an algorithm constructing the "underprivileged group" based on municipalities' socio-economic ranking, the subject's years of schooling, his/her household size and age. This multi-variable method guaranteed far better prediction of financial poverty than other existing indicators, such as the subject's assessment of his/her relative family expenditure. No statistical verification of income could be made, but the distributions of ethnic origin and level of religiosity showed similarities between the "underprivileged" (as verified by the algorithm) and "poor" (as verified by median income). Further methodological explanations are in the Appendices.

The strategy of two different case studies made it possible to explore the electoral behaviour of the underprivileged in different cultural and political backgrounds. However, any intention to conduct a comparative study would necessitate first overcoming several shortcomings and methodological hazards (see, for instance, Mabbett & Bolderson 1999). However, three differences in the way this research progressed in Israel are worth mentioning. First, a greater focus was on voters' knowledge and reasoning, as abstention was found to be rather marginal. Second, there was an enormous emphasis on questions of existential security, especially among the underprivileged. Third, there was a dearth of research into welfare ideologies and public attitudes. These differences required different sensitivities and emphases during the fieldwork and the analysis of the findings.

## 7.1 The Question of Priorities

Defence and welfare policy are the two most contentious domains in the Israeli public debate. The way voters prioritise between them was found to be central in the analysis of their voting patterns. The conscious decision of an underprivileged voter to undervalue social policy might rationalise his Likud vote, but its underlying motives need to be examined. Among them are voters' low expectations from the welfare state, their greater vulnerability to emotions of fear, their support for neo-liberal beliefs and their risk-aversion strategy. The a-priori lower visibility of social benefits might be a structural explanation for the pre-eminence of security in voters' priorities. However, these factors were found to have different effects on different voters. After reviewing electoral statistics, this section asks how voters' priorities are set.

	IES 1992		IES 1999		ISSP 1999		
Overall Jewish Sample	1192		1075		1057		
Privileged (%)	643	78%	622	88%	553	81%	
Underprivileged (%)	179	22%	83	12%	128	19%	
Unavailable	370		370		376		
	Political Question:	Prospective 1992		Prospective 1999		Retrospective 1999 <sup>29</sup>	
Privileged							
	Likud Voters (%)	121	19%	154	25%	138	26%
	Labour Voters (%)	235	37%	194	32%	157	30%
	Others (%)	208	32%	174	28%	208	40%
	Haven't decided (%)	62	10%	84	14%	NA	NA
	Didn't vote / Won't vote	17	3%	7	1%	21	4%
Underprivileged							
	Likud Voters (%)	74	41%	29	35%	38	31%
	Labour Voters (%)	35	20%	20	24%	21	17%
	Others (%)	51	28%	26	32%	56	46%
	Haven't decided (%)	15	8%	6	7%	NA	NA
	Didn't vote / Won't vote	4	2%	1	1%	6	5%

\* For details about the classification of privileged/underprivileged, the variables used to facilitate it and the algorithm developed see Section 5.4.3.3, p. 154 and Appendix 11.3.3, p. 340.

**Table 7.1.1: Selected statistical figures of the three datasets analysed in Israel**

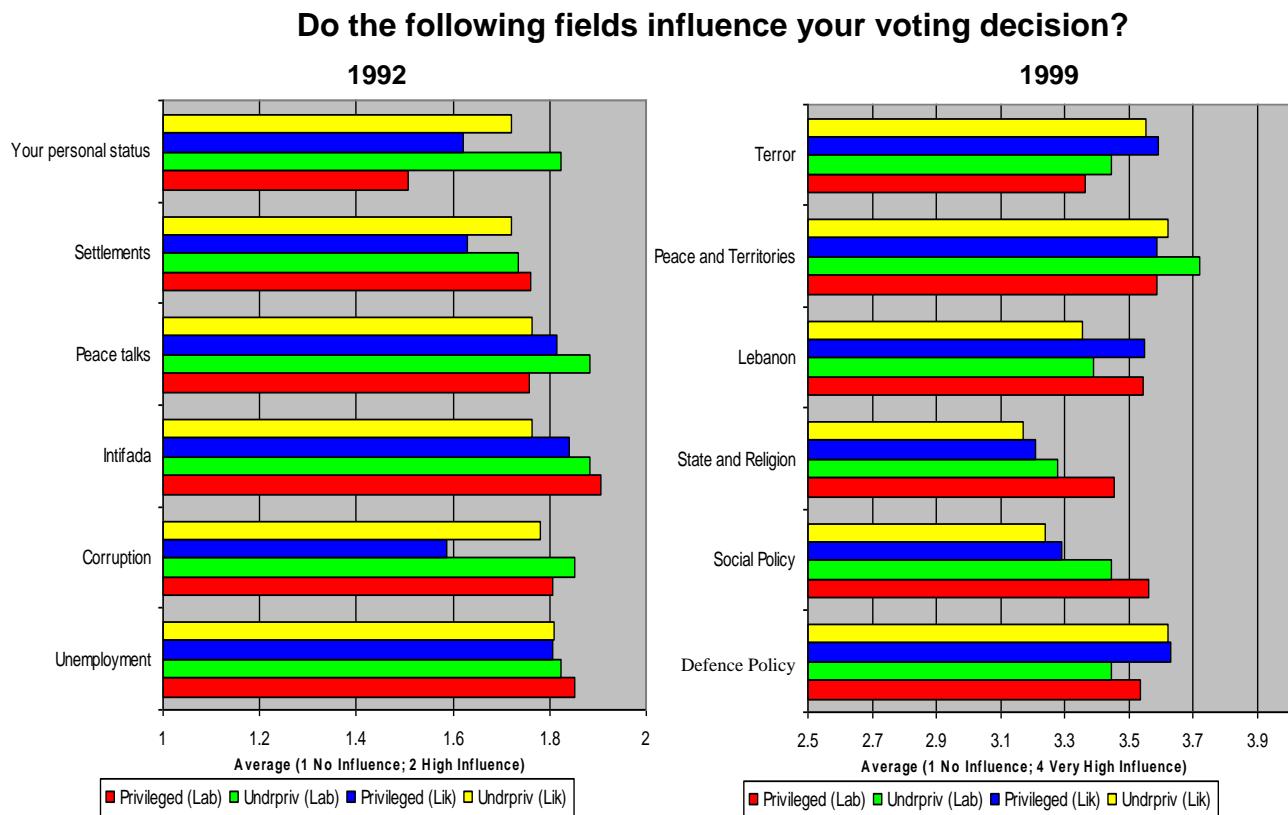
The figures summarised in Table 7.1.1 show that underprivileged voters consistently preferred Likud to Labour. This preference was also confirmed by aggregated data at the municipality level (based on a socio-economic categorisation) and by political scientists scrutinising the Israeli Election Surveys since 1969 (Shamir & Arian 1999b; Yuchtman-Ya'ar & Peres 2000, pp. 47-80; Arian 1990, pp. 239-249; Arian 1975). Notably, in 1999, a significant proportion voted for "other" parties, probably due to a

new election method<sup>29</sup>. It is also worth mentioning that professed turnout was remarkably high. Apparently, the Israeli electorate feels committed to voicing its priorities.

When looking for the reason underlying the support of underprivileged voters for Likud, the wedge between defence and welfare is exposed. Right-wing voters are far more likely to prioritise the field of defence and vice versa. Both qualitative and quantitative evidence suggest this is a key predictor for partisanship among the have-nots. There are two ways to examine that empirically. The first explores questions which *directly* invite voters to label the level of influence that various policy fields have on their voting decision. This method was successfully used in the British case study. The second is *indirect* in nature as it bases its inferences on the budget priorities of voters and asks them to allocate the budget from scratch. This was done in the exploratory survey in the fields of defence, welfare, benefits, home affairs, foreign affairs and environment.

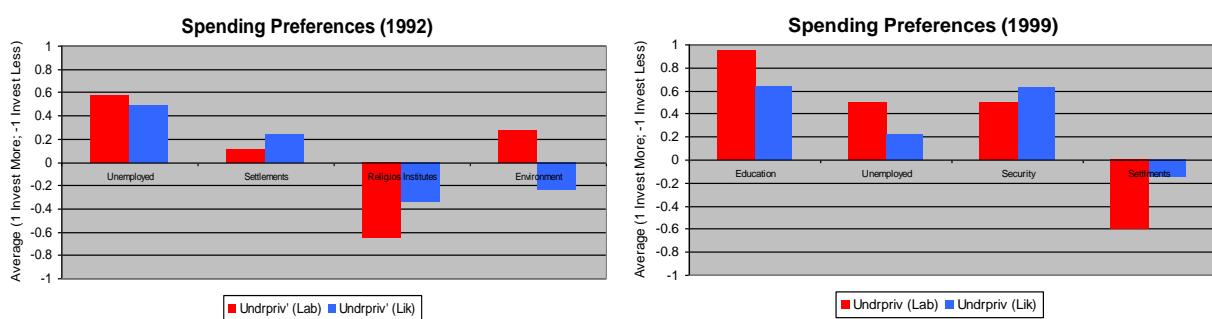
*Direct questioning* of the influence each policy field has on voting decisions, as appeared in IES 1999, uncovered an interesting phenomenon. Apart from a few exceptions, most fields were graded similarly, implying that all exerted a similar degree of influence. There was in fact no request to prioritise between them. Yet, closer examination of the figures revealed slight differences of intensity. Social policy, for instance, attracted one of the lowest means (representing importance) among the Likud underprivileged voters. As illustrated in Figure 7.1.1, the average underprivileged Likud voter (Yellow) cared most about defence policies, and most of the time he reacted in a similar way to his privileged colleague (Blue). The Labour underprivileged voters (Green) were mostly interested in the future of peace and the territories, although social policy was also ranked near the top of their list. Those who prioritised welfare the most, however, were the privileged Labour supporters (Red), those who usually need the least social provision.

<sup>29</sup> Following new legislation, the election procedures were reformed in 1996, so that citizens voted in two separate ballots for the premiership and the parliament. The new method may account for the sharp decline in the power of all major parties and the rise of "other" parties, as voters felt less committed to support both the party and its premiership candidate (Arian & Shamir 1996, Shamir & Arian 1999a). The difference between the IES and the ISSP in the support of "other" parties is probably due to the time factor: the ISSP questionnaire was undertaken a few months after the elections, whereas the IES was conducted before the elections.



**Figure 7.1.1** Influence of each field of policy on voting behaviour by wealth and political affiliation (IES 1999)

An *indirect inquiry* into voters' order of priorities was achieved through the mechanism of budget allocation, either from scratch or in relation to the current budget. The IES of 1992 and 1999 asked whether subjects would be interested in increasing and decreasing certain budget sections, but with no trade-offs or priorities in between. The questions referring to each field separately showed that, compared to their Labour counterparts, the Likud underprivileged voters were more enthusiastic about spending on settlements and less interested in cutting budgets for religious institutions and increasing unemployment benefits. They were also less keen on investing in education and the environment. Figure 7.1.2 illustrates the different replies of the average voter in four out of the ten spending fields examined.



**Figure 7.1.2:** Underprivileged preferences for modifications in the national budget by political affiliation (IES 1992 & 1999)

It was found that in 1999, only 64 per cent of the Likud underprivileged electorate supported higher spending on education, compared to 83-94 per cent among all other groups. The Likud underprivileged voters were also the least likely to support higher aid for the unemployed, with 33 per cent asserting benefits should be slashed. These results provide a general outline of the priorities of Likud underprivileged voters, especially regarding the balance of security versus welfare expenditure. However, they could hardly form a utility function to assess the available political alternatives.

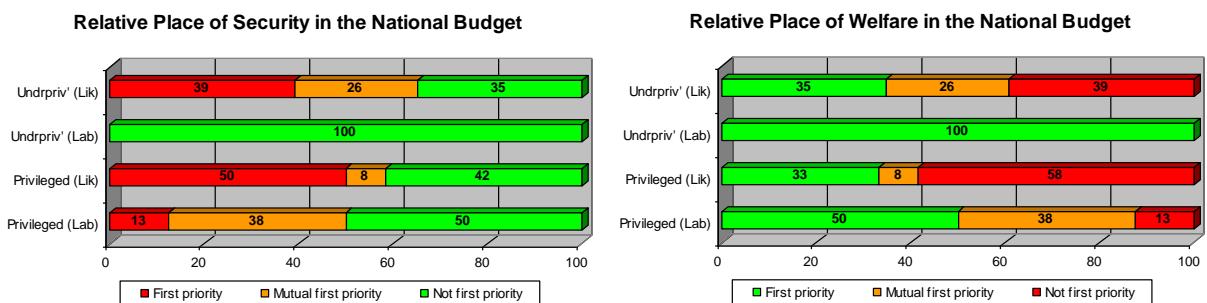
A logistic regression seeking to identify the budget preferences influencing the underprivileged voting preferences succeeded in predicting 82 per cent of the voting decisions, compared to 60 per cent without the budget allocation figures (Nagelkerke R Square = 0.560). Of ten spending sections asked about in the IES of 1999, three were found to be significant. Supporting settlements and religious institutions, as well as opposing aid for the unemployed, boosted the likelihood of underprivileged voters supporting Likud and vice versa. Social spending characterised mainly Labour voters from all groups. Within the limited sample of the latter group, Labour supporters' inclination to assist the unemployed was found to be statistically significant.

The dominance of defence policy in voters' priority sets is strongly supported by previous research. Shamir and Arian defined the territorial debate as "clearly dominant" in recent decades, as well as the "overriding dimension" ordering the party system since 1984 (1999b, p. 270). In their analysis of the 2001 General Elections, Arian and Shamir also showed that "79 per cent of the Jewish population... mentioned issues of security/peace/terror as the major issue the government should take care of" (2001, pp. 14-15). The results were similar in 1969, 1988, 1996 and 2001, whereas in 1981, 1984 and 1999, the focus was on domestic policy. Nonetheless, it should be stressed again that the analysis referred to the entire electorate, with no specific reference to the underprivileged.

The preferences found in the small-scale exploratory survey are therefore not surprising. The Labour voters' placement of social investment above defence spending was replicated and vice versa. However, unlike the measurement of incremental preferences, the allocation of budget from scratch identified absolute priorities, and could be better integrated into a utility function. This method asked the voters to allocate limited resources, and required them to gauge "by how much" one field was more important than the other. These figures were required to assess the consistency between the voters' "actual choice" and their "utilitarian choice", as will be elaborated later.

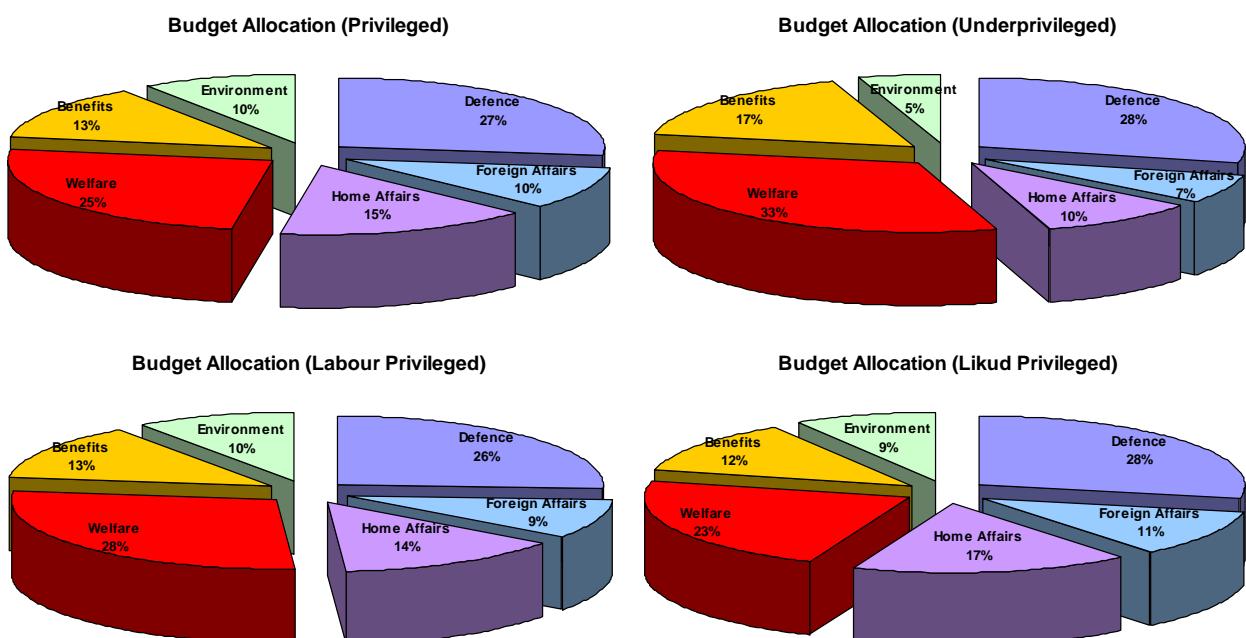
The voters' order of importance clearly shows defence was more dominant in the case of Likud underprivileged voters. Two thirds (65 per cent) of those voters who participated in the small-scale exploratory survey argued that security was an imperative

and must be at the top of national priorities. However, the few labour underprivileged unanimously proposed an opposite allocation of budgets in which welfare was the first priority (100 per cent).



**Figure 7.1.3: The relative place of security and welfare in the national budget (Author's Exploratory Survey 2006)**

On average, the Likud underprivileged voters allocated 30 per cent of their budgets to defence spending, whereas the few Labour counterparts distributed only 18 per cent. The cumulative share of welfare and benefits expenditure amounted to 62 per cent among the Labour underprivileged, compared to 48 per cent among their Likud equivalents. As shown in Figure 7.1.4, it seems that the underprivileged offset their welfare preferences with lower spending on environmental affairs, home affairs and foreign affairs. Defence spending was similar in both samples. It should be stressed, however, that the Labour underprivileged sample consisted of only three subjects, hence the ability to deduce any firm conclusions about their behaviour was severely limited.



**Figure 7.1.4: Pie chart of voters' spending by wealth and political affiliation (Author's Exploratory Survey 2006)**

It should be noted that assessing priorities by budget allocation had some shortcomings. One is related to the subjects' will to "fix" the existing allocation rather than reflect their own priorities. Another derives from a possible will of voters to reduce budgets, and thus make an opposite correlation between spending and utilities. However, at least within the independently supervised exploratory survey, the vast majority of the respondents were explicitly advised to echo their priorities in their budget pie.

Having shown the strong correlation between priorities and partisanship in Israel, I shall now explore several phenomena that were found relevant to the overriding importance of defence policy to underprivileged voters. Among them, the presence and impact of fear, the low expectations of and commitment to the welfare state and the structural barriers of media visibility and risk aversion. The next section will explore several other dimensions of voters' political engagement and the summary will restate the various insights and reflect their implications on the relationship between the poor, democracy and the welfare state.

**Emotions of fear** seemed to govern the behaviour of most underprivileged who sanctified security expenditure. This was noticeable both in the interviews and the election surveys, and characterised mainly those voters at the bottom of the income distribution. From an early stage of this fieldwork, it became clear that the way social groups acknowledge and act upon threats is crucial, and that different voters assess threats differently. An emotional approach often dictated a complete subordination of all other considerations for the sake of 'the threat'. A more moderate approach perceived defence as a key issue but avoided turning it into the only one.

[Q] What you have just told me is quite simple: I know the Labour party will promote my welfare, but I will not vote for them. [A] ...Because of security... I prefer eating the sheet... They will give up everything and will take us back to '67 borders. [Q] Will that harm you? [A] Of course! Soldiers will die and people will have to live in shelters... [Q] What do you actually mean by "eating the sheet"? [A] The current benefit cutback...I will cope with it. We will not eat meat twice a week as before, but only at weekends... What can you do? I just do not want to live here with rockets flying over me."

**Quotation 7.1.1: Interviewee No. 6 (Underprivileged, 2/11/2005)**

The above quotation demonstrates a radical and emotional approach to threat management, at least in relation to other engagements with Israeli voters. The apparent willingness of the interviewee to tolerate a reduction of 20 per cent in his state benefits as long as Qassam rockets do not fall on his peripheral town, might be hard to understand. As the interviewee noted that his benefits had already been reduced by 300 Shekels, this dilemma was very real for him. However, he vowed to continue voting

Likud "because of the security", but also since "nobody will help" him financially anyway. This suggests we are facing two separate reasons for prioritising defence that often complement each other.

A radical reaction to threats and fears was not rare and was found in other episodes. Interviewee No. 7 admitted that he had made "a big mistake" by voting Likud since Netanyahu "is a crook... [who] cut families' income in half." Nevertheless, he declared his willingness not to eat meat and "give what is needed for security... they [the security forces – g.a.] must not lack for anything, not even a match". Interviewee No. 2 said that security "stands beyond everything else", and "this is one of the elementary things permitting our existence. If we did not have it – we would not be here." Despite his clear financial disadvantage, the disengagement from Gaza was the factor persuading him to abandon Likud as now "we have no security left".

But fear and the reaction to fear were not similar among all groups in an Israel that has faced existential threats since its establishment. The responses of the privileged voters showed a moderate and multi-dimensional approach. Interviewee No. 11, for instance, still perceived security as the most important issue, but his priorities were not enslaved to it. Doubts were also raised about the Defence Ministry's level of efficiency. These reservations have created a more balanced account, not derived from the fear of an imminent danger, but from a sophisticated account of gains and losses.

[Q] When you allocated the budget, you invested more in welfare than security... [A] This is true. [Q] Why did you do it? [A] Because I have the feeling... that the Defence Ministry can manage with significantly lower budgets... I simply do not think our personal security will be reduced if the budget is cut; all they need is to reorganise themselves... If I am convinced such a reform would significantly damage my personal security, then I will change my mind."

**Quotation 7.1.2: Interviewee No. 11 (Privileged, 8/12/2005)**

These trends are strongly supported with empirical evidence from opinion surveys. In the IES of 1999, on the eve of the Camp David peace talks with the Palestinians, nine out of every ten Likud underprivileged voters asserted that the ultimate goal of the Arabs is to annihilate Israel (90 per cent). None of the Labour underprivileged agreed (0 per cent). In the IES of 1992, a fifth of the Likud underprivileged voters assessing the chances for an imminent war as high (19 per cent) was three times higher than their Labour equivalents (6 per cent). As demonstrated in **Error! Reference source not found.**, three fifths of the Likud underprivileged voters were "very concerned" for their personal and or family safety (60 per cent), more than any other group.

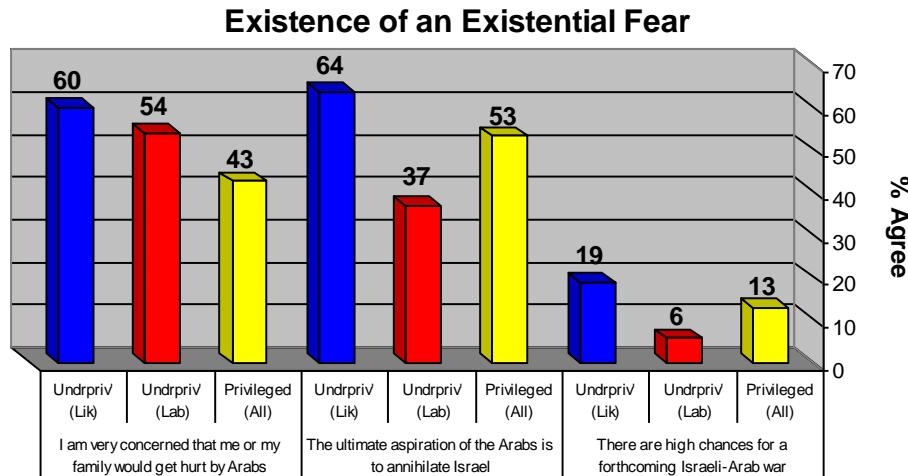


Figure 7.1.5: Levels of existential fear by wealth and voting patterns (IES 1992)

The qualitative and quantitative evidence therefore suggests that the underprivileged, mostly Likud supporters, were far more likely to exaggerate threats than others and to address them with a determined political action. As questions of security and territory have been extremely prominent on the Israeli political agenda (Arian 1992, Shamir & Arian 1999b, Yuchtman-Ya'ar & Peres 2000), this tendency had a vital impact on their electoral behaviour. In this context, Gordin and Arian have already noted that "when people feel threatened – the decision-making process about policy is dominated by *emotion*... [whereas] under conditions of low threat, *both emotions and logic* have a role in the process" (2001, p. 196).

It should be emphasised, however, that emotions are experienced in common and are not necessarily destructive. In certain cases, they can even be integrated into the framework of "rational choice" theory. One can argue, for instance, that a minor risk taken with existential security can result in a catastrophe, whilst the potential damage from a failure of welfare policy is insignificant. This would make any decision to prioritise defence spending completely rational, even if it is emotionally driven. However, when one group systematically exaggerates threats in a way that moulds electoral behaviour, the entire relationship between democracy, the poor and the welfare state is affected.

History shows this phenomena can determine election outcomes. McCann, for instance, linked social threats to the election of "strong" presidents, defining threats as "stressors or crises of a social, economic or political nature faced by the populace... that might be interpreted as endangering the established American order and way of life" (1997, p. 161, see also Fromm 1941, Sales 1973 and Doty et al 1991). In Israel, emotions of fear were found by Arian and Shamir to be central in the surprise victory of Benjamin Netanyahu over Shimon Peres in the 1996 elections. Clearly, an emotional reaction to threats diverts voters' attention from others questions, such as the one of redistribution.

After elaborating on the role of fears and emotions in Israeli politics, voters' **commitment to the welfare state** and their expectations from welfare policies will now be scrutinised. As in Britain, these expectations are found to be feeble and certainly not powerful enough to motivate underprivileged voters to prioritise welfare over defence. Voters hardly calculate the contribution of the welfare state to their living and tend to focus their attention on other policy arenas. There are some structural inhibitors, such as the a-priori low visibility of welfare in the media and the risk averse nature of individuals. These will be also discussed, as they all affect the balance of priorities between welfare and defence.

During the fieldwork, the sense of hopelessness when discussing personal welfare was striking. The way voters articulated their pessimism paved the way towards a wish "to punish" government by non-participation, as will be shown later. Interviewee No. 3 said that when he needed help to find employment after years of political activity "they did not even look" at his face, hence voting "does not help at all". His colleague who took the exploratory survey noted, "Nobody bothers with us... I am not passive, but desperate. We are all desperate here." Interviewees No. 1 and 2 reflected the same phenomenon of detachment between politics and welfare.

"[Q] Have you ever linked welfare and your vote? [A] Nope. There was never a connection between these things for me. If I was not waking up and taking care of myself every morning and every year – nobody would have been taking care of me... I hardly think that they are capable of helping me in anything."

**Quotation 7.1.3: Interviewee No. 1 (Underprivileged, 21/9/2005)**

"[Q] Shouldn't politics be something that will promote your interests in the future? [A] Nothing. They just do not help. In this country, only the rich benefit. All others, the people at the bottom... how did you say earlier... One to ten? So all people below five are being trampled on, especially in these times."

**Quotation 7.1.4: Interviewee No. 2 (Underprivileged, 21/9/2005)**

This collection of quotes exemplifies the fragility of underprivileged political engagement in the field of welfare. This group did not go to the polls to shape social policy at all; it apparently had no hope for personal economic progress. The evidence, gathered mainly in the fieldwork, shows these voters did not appear to see any correlation between their vote and their wellbeing. Such a lack of expectations was found in several others studies that monitored voters' feelings of being incapable of affecting their government (Vigoda & Yuval 2002, Arian 1990).

Yet, it seems that not all policy fields are alike. The arguable incompetence of government to deliver on welfare could not be compared to its reputation in delivering defence. Underprivileged voters often perceived their government as extremely

effective and capable in relation to matters of peace and war. Some of these voters seemed to attribute to government almost mythical powers to shape reality. These expectations might have induced turnout, as they gave individuals a sense of duty. Nevertheless, it also made some voters' political decisions rather limited in scope, turning the welfare state into almost a non-issue.

As an example, Interviewee No. 6 felt no resentment about getting lower benefits and eating less to finance the army. He was absolutely confident that tougher action would improve his suffering, as he did not "want to live here with rockets above me" (Underprivileged, 2/11/2005). Quotation 7.1.5 demonstrates a similar trade-off but also illuminates the will of voters to be part of a collective pursuing the greater good. Apparently, voting for welfare benefits was perceived as less patriotic than funding the security establishment, as the Nation "is more important than me":

"I vote for Likud because of security, as if we are not secure, nothing else will materialise here. The Labour party is socially better, but in Israel, security is more important. [Q] Why is it? [A] If there is no security, there will be no peace, no social provision and no anything else... Yes, they did reduce my benefits, but what can I do? ... We should first be safe. Israel is more important than me, isn't it?"

**Quotation 7.1.5: Participant in a new active employment scheme (Sderot Jobcentre, 21/3/2006)**

As was the case in Britain, it is not that privileged voters were firmly convinced that government can deliver on welfare, but that their approach was more moderate and balanced. They made welfare an essential consideration in their voting patterns, though they were still sceptical. The issue of equality was always on their agenda, even though a little probing showed privileged voters often had their own narrow interests in welfare. Thus, for instance, Quotation 7.1.6 and Quotation 7.1.7 reflected a declared interest to avoid riots and neutralise a social "time bomb".

"You cannot ignore the needs of the lower classes... as I believe that if the gaps get larger, we will all suffer. [Q] Why? [A] Because these gaps cannot widen endlessly... An explosion will occur eventually. [Q] Do you mean violent explosion? [A] Among other things... I think that if these gaps increase, we will have riots here."

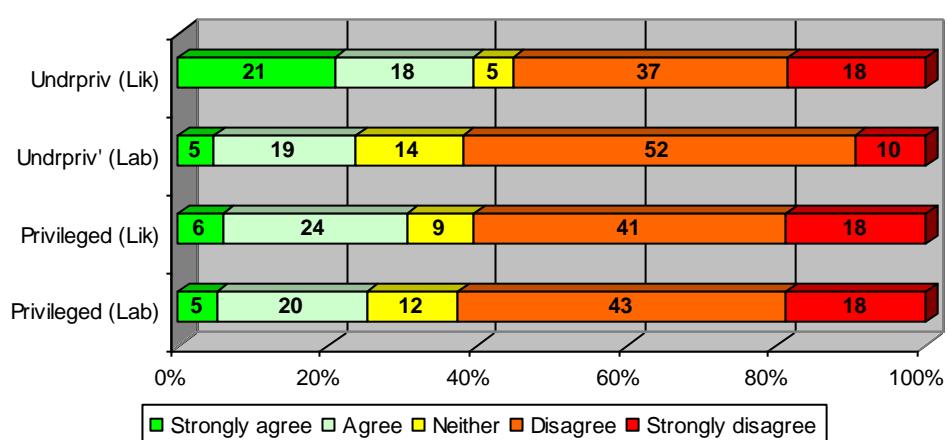
**Quotation 7.1.6: Interviewee No. 9 (Privileged, 6/12/2005)**

"I am in favour of a free economy... but you still have here substantial rates of inequality that must be taken care of... It is a time bomb... In every state, a high number of unemployed leads to violence and other troubles. Overall, it will hurt everyone; these large gaps can blow up in our faces... We face here a situation of two peoples."

**Quotation 7.1.7: Interviewee No. 12 (Privileged, 13/12/2005)**

In addition to underprivileged voters' lower commitment to and expectations from the welfare state, some of them also seemed to espouse a **neo-liberal** view of inequality and government intervention. These findings are quantitative, based on the ISSP Social Inequality 1999 module. They suggest that Likud underprivileged voters not only have fewer hopes for an equal society, but they also tend to justify an unequal one on the basis of its contribution towards prosperity. As demonstrated in Figure 7.1.6, two fifths of them agreed that large income differences were necessary for economic growth (39 per cent). The proportion of those who "strongly agreed" was three times higher among Likud underprivileged voters than among any other group examined.

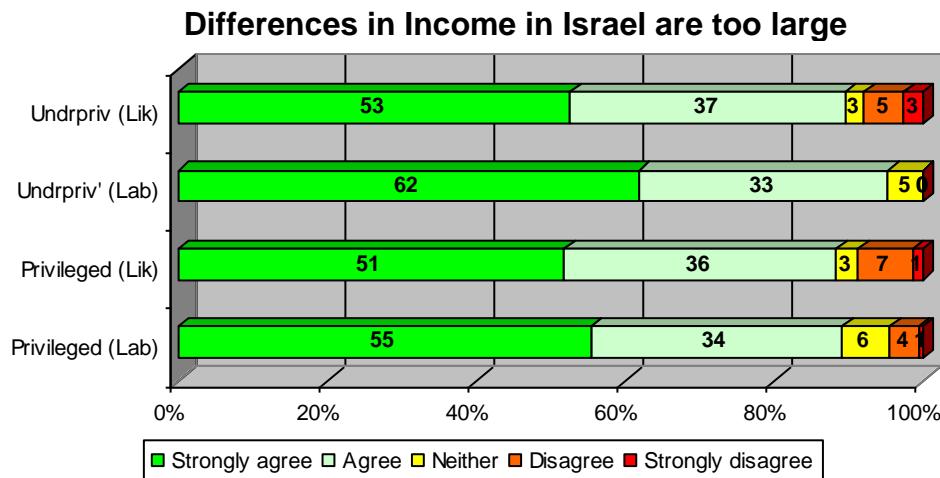
### Large differences in income are necessary for prosperity



**Figure 7.1.6:** Perceived relationship between a high level of inequality and economic prosperity, by wealth and voting patterns (ISSP 1999)

This phenomena repeated itself in at least two other analyses. An ISSP-based study entitled "Legitimizing Inequality" showed that Israelis still support actions to reduce poverty, but a third of them, and especially the poorly-educated, supposed inequalities to be essential (Oren & Levin-Epstein 2000). A separate analysis conducted by a think tank found low-income respondents were slightly more likely to assume that there was a contradiction between prosperity and equality, and prosperity should be preferred (Taub Centre 2006, p. 291). When levels of education were taken as the independent variable, the significance of these gaps increased (42 per cent vs. 15 per cent, p. 291).

My own analysis of the ISSP 1999 survey suggested that Likud underprivileged voters were less critical of inequalities than others. 62 per cent of the underprivileged Labour voters "strongly agreed" that income differences were too high, compared to 53 per cent of their Likud equivalents. The mean score of the responses from the Labour underprivileged voters showed that they were the most anxious about socio-economic gaps. As can be seen in Figure 7.1.7, none of them denied their severity, compared to one in ten Likud underprivileged voters, who were indifferent to inequalities or fully legitimised them.



**Figure 7.1.7: Judgement of the extent of income inequalities in Israel by wealth and voting patterns (ISSP 1999)**

The cumulative effect of issues discussed up to this point can comfortably account for the current priorities of Likud underprivileged voters. However, there are two structural anomalies worth mentioning that might also contribute to the submersion of welfare by most Israeli underprivileged voters, namely media visibility and risk aversion. Their impact on political behaviour might not be direct and explicit, but both can enrich the analysis of voters' reasoning.

As for **media visibility**, it seems that in Israel, poverty, social services and cash benefits will always have less exposure in the media than army operations. The media has today an almost absolute power to set the public agenda (Cohen 1963, McCombs & Shaw 1972). Several Israeli studies have noted that the media "discovers" poverty for short periods, usually when new figures are published (IDI 2006, Arbel 2005, Yeshuvi 2002). Journalists often argue that the topics featured depend today also on the images available. This partial dependency was only reinforced by the technological revolution the communication industry has undergone. This might help explain why a military attack is likely to attract continuous coverage and a reform in income support would rarely lead the news in Israel.

The Israeli studies cited above mentioned among others the "poverty festival", as it is called, which takes place when inequality statistics are being published. However, the analyses showed that even then, stories of misery rather than the policy debate are what dominate the press. When the "festival" ends, these issues are neglected again until further sensational figures are published. As Bernard Cohen famously wrote, the press "may not be successful much of the time in telling people what to think, but it is stunningly successful in telling its readers what to think about" (1963, p. 13). This is directly linked to the question of priorities.

A second potential influence on voters' priorities has to do with **risk aversion**. Kahneman and Tversky's Nobel Prize-winning *prospect theory*, proved mathematically that "losses loom larger than gains", as "the aggravation that one experiences in losing a sum of money appears to be greater than the pleasure associated with gaining the same amount" (1979, p. 279). These inferences can apply equally to commodities markets and to political ones. In politics, it might be that security was portrayed by some voters as a minefield where leaders could make painful mistakes, whereas higher spending on welfare could only guarantee gains. If welfare is a "gaining field" and security is a "losing field", then a crucial predisposition diverts voters' priorities and pushes them to highlight security.

Having explored several dynamics and influences that affect voters' priorities, a word should be said about their permanence. The fear factor, low expectations from and commitment to the welfare state, neo-liberal postures, a-priori low visibility and risk management – are all here to stay. They cannot be changed overnight. Most of them are ingrained in culture, contributing to the continuous subordination of welfare policy by the Israeli underprivileged electorate. It was shown here that when fears are not exaggerated, social policy is perceived differently; when voters follow a redistributive ideology – they are more likely to support the "pro-welfare" party.

These trends can be re-framed in the Triangle of the poor, democracy and the welfare state. In fact, they inhibit these three powerful forces from sustaining each other to facilitate greater redistribution. One example is the lack of commitment of welfare beneficiaries to the redistributive mechanism that assists them. Put it differently, the poor are disassociating themselves from the welfare state, and by sabotaging this linkage they are less willing to support it politically. This section describes a few additional examples for barriers that impede the effectiveness of the Triangle. As none of them is temporary in its nature, these dynamics make it quite difficult to envisage when the Triangle can revitalise itself and become more powerful in facilitating redistribution.

## 7.2 Dimensions of Political Engagement

The previous section focused on voters' reasoning and the issues that affect their priorities. A few additional dimensions of political engagement require attention in the context of this thesis, among them turnout, civic commitment, identity and political illiteracy. In terms of the operational framework of this thesis, these dimensions derive mostly from the first two layers of the Pyramid of Political Engagement, namely the layers of physical and informed voting. All of them affect the Triangle of relationships between the poor, democracy and the welfare state. Having explored in depth the question of reasoning and prioritising, I will elaborate on some key figures and insights with regard to turnout and knowledge.

**Turnout** in Israel has generally declined over the years. Official data of the Central Election Committee (CEC) shows that 86.9 per cent of eligible voters took part in the first Israeli elections held on 1949, whereas since 1973, turnout has not exceeded 80 per cent. The 2006 elections broke a record, with only 63.5 per cent voting. Socio-economic bias in the vote exists, but it is significantly weaker than in Britain. In 1992, for instance, the turnout of those living in underprivileged municipalities was 76.5 per cent, compared to 77.9 per cent in wealthier localities. In 1999, these figures were 73.4 and 74.8 respectively. The Pearson correlation of turnouts with the municipality's socio-economic status was found to be strong and significant (Pearson R of 0.319 in 1992 and 0.342 in 1999).

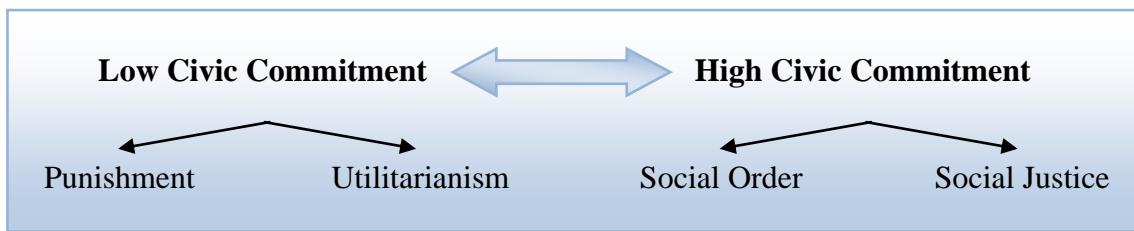
Opinion surveys were found to be less accurate in gauging turnout. Whereas the Central Election Committee figures revealed that approximately 25 per cent of eligible voters did not vote in the 1999 elections, secondary analysis of the ISSP dataset showed that only 5 per cent reported abstention. Since ID cards are obligatory in Israel, the CEC database is the most reliable and accurate source of information. The opinion surveys might therefore be vulnerable to "over reported voting" or the presence of an "invisible group", which concealed three-quarters of the abstainers in surveys (see Section 6.1, p. 164 & Appendix 11.4.4, p. 369). This makes any reliance on abstention figures taken from the opinion surveys questionable.

The socio-economic bias in turnout was confirmed, to varying degrees, in several studies. Avner found higher levels of abstention among poorly educated and Asian-African citizens, as well as among the young and the elderly (1975). Arian and Shamir showed that in 2001, when the Israeli electorate was required to vote only for the premiership, "the legitimacy given to abstention... encouraged the abstention of those less involved politically and less included socially" (2001a, p. 49). In the 2003 elections, when turnout fell to 67.8 per cent, Shamir and Arian linked youth, low socio-economic background and low sense of political influence with a decision not to vote (2004, pp.

17-20). Afriat and Dahan have shown that turnout biases intensified during 1996-2006, stressing its negative impact on representative democracy (2009).

My fieldwork showed that the problem of turnout is linked to the question of duty. Whereas the figures portrayed a mild problem of underprivileged abstention, **civic commitment** was found to be worryingly low among *some* welfare recipients. This deduction is qualitative and therefore its aggregated impact could not be measured. Also, it does not rely on previous research. Shamir and Arian, for instance, explained the high abstention in the 2003 elections with temporary dissatisfaction, arguing "it does not reflect any overwhelming feeling of estrangement from the establishment or its governing principles" (2004, p. 20). Nonetheless, in the microcosms of Sderot and Ofakim things looked differently.

In the chapter on Britain, interviewees with a sense of civic duty were easily identified and were usually found to be affiliated with the privileged electorate. Some of them showed interest in social order and others were preoccupied more with social justice. In Israel, two distinct narratives were observed among those whose commitment to democracy was the lowest. The first approached elections from a utilitarian perspective, looking for benefits in exchange for voting. The second was seeking to punish the government. Narratives of the first type were preoccupied largely with the subject's personal gains whilst narratives of the second type were premised on a rather childish mechanism of retaliation and blame. Both were dominant among the underprivileged.



**Figure 7.2.1: Four narratives of abstention**

The figure above summarises the four types of narratives found during the fieldwork in both countries. Two of them characterised voters with low commitment to the democratic establishment, so that an alternative motivation for voting or abstaining was required. The two others reflected two different interpretations of the same commitment. Clearly, underprivileged interviewees were more likely to hold the "low commitment" narratives and vice versa. The Israeli fieldwork could better exemplify the difference between utilitarian and punishment narratives, among others reasons because underprivileged subjects – even when abstaining – were still involved and engaged politically. Their articulation reflected the two different narratives.

The *utilitarian narrative* derived from an absence of hope for a better future, from a perceived lack of difference between parties or from an absolute distrust of all politicians. It accommodated the rationale of several "rational-choice" theories explored in Section 4.3. The following two quotes may demonstrate its origins:

"Elections are like visiting a supermarket and thinking of which supermarket to visit. Do you understand? It is like a game... Everyone looks after his own seat and they are all scared to act... Trust me, it does not matter who will be elected, because it will all be the same."

**Quotation 7.2.1: Interviewee No. 8 (Underprivileged, 2/11/2005)**

"I voted for change... to provide opportunity, to bring something to this country, to get things moving, to help these poor people who need the welfare services, the education system..."

**Quotation 7.2.2: Interviewee No. 4 (Underprivileged, 21/9/2005)**

These types of comments were also found among the privileged interviewees in Israel. One of them clearly stated that his intention was to defend the equal representation of all groups in parliament. In his words, "the middle class always gets screwed" due to its lower representation compared to other sectors "such as the ultra-orthodox and the Arabs" who vote en bloc (Interviewee No. 13, Privileged, 17/3/2005). These were utilitarian comments, which might compensate for the absence of civic commitment.

*A narrative of punishment* held voting to be part of a contract between voters and their representatives rather than with the democratic regime as a whole. This premise motivated citizens to abstain in order to punish the political system for its "sins". Individuals asked why they abstained immediately recalled previous suffering caused by politicians, reflecting radical disappointment with the entire apparatus.

"I will vote for none of them. Netanyahu is rubbish. Why should we work and study here? What kind of law is this? I want no one... They all sit in their offices and forget the people here. They should transfer these centres to a place where there are no Qassam rockets."

**Quotation 7.2.3: Participant in a new active employment scheme (Underprivileged, 21/3/2006)**

"I am a member of the Labour party, but I do not want to vote, as my vote is better floating. Nobody bothers with us. We are here, and none of the candidates cares... what will make me vote is if somebody takes me at the last minute to the ballot box... [Q] You are passive. [A] I am not passive, but desperate. We are all desperate here."

**Quotation 7.2.4: Participant in a new active employment scheme (Underprivileged, 21/3/2006)**

It should be emphasised that the remarks above were made by citizens whose income support benefits were recently made conditional on their attendance at 30 hours of weekly courses. However, their frustration did not induce them to swap parties and

support a different policy. Instead of re-considering their voting behaviour, their immediate reaction was to abstain completely, so that their vote will benefit no one.

This rationale was not found among privileged citizens at all, rather the opposite was the case. Not only did they reflect stronger civic commitment, but when one interviewee was determined to protest, he did so in the ballot box by putting in a blank voting slip. In his interview he explained that it was his own "private protest against an international phenomenon – the diminishing of leaders and the rule of politicians..." (Interviewee No. 9, Privileged, 6/12/2005).

Generally speaking, voters with a resilient commitment to democracy articulated their intentions in a very similar way to British voters. Political participation was perceived by them as an obligation imposed by virtue of citizenship. As Interviewee No. 11 noted, "when I vote, I make a sort of statement... I gain the moral right to be disappointed or angry because of my vote... I am in the game" (Privileged, 8/12/2005). Two additional quotes deserve mentioning:

"I think it has to do with my belonging... the feeling of abstaining leads to being completely detached from what is happening here. I am not a political activist; I do not demonstrate and do not sign petitions even though I have my own opinions... [voting] connects me... [this is why] I have never abstained."

**Quotation 7.2.5: Interviewee No. 12 (Privileged, Herzliya Arcade, 13/12/2005)**

"...I think it is the duty of every citizen to influence. I am not prepared to abstain even when it is uncomfortable for me to take a stand... How can I complain sitting here in my salon or argue against something if I have not voted? ...You are a citizen in this country and you have to accept your rights and duties."

**Quotation 7.2.6: Interviewee No. 10 (Privileged, Personal Contacts, 27/11/2005)**

The relatively high turnout in Israel might explain why abstention has been only sporadically and quantitatively researched. Whereas the question of ethnicity and partisanship has been extensively studied (see Yuchtman-Ya'ar & Peres 2000 and Shalom Chetrit 2004), there has been no qualitative attempt to explore non-participation of the underprivileged. A recent study which uniquely scrutinised socio-economic biases in turnout, adopted statistical tools to show that the gaps have indeed been escalating in recent years (Afriat & Dahan 2009). Another study found evidence of underprivileged estrangement from state institutions, as indicated by dimensions of

patriotism (Arad & Alon 2006). However, the academic field of socio-economic abstention is largely unexplored<sup>30</sup>.

The socio-economic turnout bias is not the only domain of political engagement in which the underprivileged are losing ground. Underprivileged Likud voters were also more likely to deny and soften the neo-liberal agenda of their party. Whereas several indicators reflected **political illiteracy**, it was also found that the underprivileged electorate was systematically less interested in discussing questions of national welfare policy. This was not a question of knowledge, but a question of interest. The integration of these inclinations led Likud underprivileged supporters to passionately defend the Thatcherite policies promoted by their leader, Benjamin Netanyahu.

As with turnout, the question of political illiteracy has rarely been referred to by Israeli political scientists. It is widely agreed that Israelis are avid consumers of news (see, for instance, Arian 1990, pp. 396-402). In fact, 90 per cent of the underprivileged electorate reportedly read at least three daily newspapers every week – even more than the privileged electorate (ISSP 1999). However, political knowledge was neither theorised nor integrated into mainstream research on electoral behaviour in Israel. Alternatively, studies usually explored the voters' economic ideology and its influence on voting (e.g. Yuchtman-Ya'ar & Peres 2000, Arian 1990, Arian & Shamir 1996, Arian & Shamir 2001). This void limited the contribution from the existing opinion surveys and increased reliance on my own fieldwork.

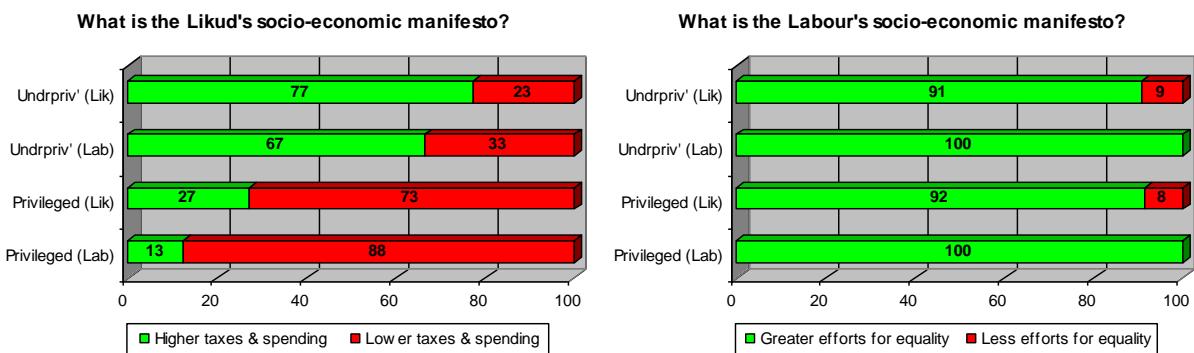
The analysis of **future knowledge** is based on voters' awareness of the most fundamental rifts between the competing parties. The liberal economic reforms implemented by the Israeli Finance Minister Netanyahu made these ideological disparities salient and undisputable. Netanyahu's commitment to reducing taxes and public expenditure was a pivotal issue in the 2006 elections. In contrast, the former "Histadrut" chairman was firmly advocating income equality, a sharp increase in the National Minimum Wage and new legislation to ensure a retirement pension for every worker. The dominance of social-policy issues made the exploratory survey a tremendously valuable (albeit not representative) method of assessing voters' levels of knowledge.

The limited survey revealed the extent to which underprivileged voters, and specifically Likud supporters, were ill-informed (or some would say politically-manipulated) about Netanyahu's neo-liberal agenda. Whilst the social agenda of the Labour party was not in

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<sup>30</sup> An exception is the case of the Arab minority, where abstention was ideologically motivated (Arian 1990, p. 239). Jamal has even defined it as "instrumental abstention" in relation to a specific campaign, aimed at rationally achieving concrete political goals (2001).

dispute, 77 per cent of Likud underprivileged said that their party was seeking to increase spending on social services. It might be that a majority among the few dozens of underprivileged answering the exploratory survey did not even consider Netanyahu accountable for their recent unemployment benefits cutback.



\* Notably, very few Labour underprivileged voters completed the exploratory survey.

**Figure 7.2.2: Voters' perceptions of the fundamental socio-economic pledges of the two major parties (Author's Exploratory Survey 2006)**

The in-depth interviews strengthened the perception that the Likud underprivileged were less knowledgeable of the parties' policy platforms. Whereas a frequently repeated theme was, "I do not know what they are saying... they hide everything" (Survey No. 51), Quotation 7.2.7 and Quotation 7.2.8 reflects different levels of political literacy. The first interviewee, who had voted for Likud since he arrived in Israel at the age of 14, had not noticed that benefits for the elderly had been reduced recently and kept arguing passionately that Netanyahu's policies were aimed at "taking from the rich and giving to the poor".

"Prove me that. How can you prove that?... I have not read in any newspaper that he reduced tax rates for the wealthiest... I cannot believe this... The fact is that Bibi had no alternative other than to approve the budget. Consequently, he decided to resign and prevent the approval of a Labour budget. [Q] What did the Labour party ask for that prompted his resignation? [A] It wanted more budgets for itself... For the party!"

**Quotation 7.2.7: Interviewee No. 5 (Underprivileged, 21/9/2005)**

"All the time the Labour was in power, it was easier to make a living here. The moment Likud took office, we had a catastrophe here [Q] Why? [A] It was because of their taxes. They imposed draconian taxes. All income you earned disappeared because of their high tax rates... They oppressed the entire labour market and made the purchasing power of each citizen smaller."

**Quotation 7.2.8: Interviewee No. 1 (Underprivileged, 21/9/2005)**

The picture is not however one-sided. **Personal experiences** of benefits withdrawn did play a significant role among other interviewees. Several citizens, adversely affected by Netanyahu's welfare reforms, expressed strong sentiments and desperation, as seen in the quotation below. However, these interviewees concentrated on their own suffering and were concerned less with national policy.

"The economy of Likud is crap. They are all thieves and crooks... He reduced our benefits, halved our stipends, harmed all the weak classes and took another 250 Shekels of my income... It is hard for me... Beforehand I did not have to think about selling drugs; I did not have to think about many things I am doing today and cannot talk about. I used to pay for electricity with money, and sir, today I live without electricity."

**Quotation 7.2.9: Interviewee No. 7 (Underprivileged, 2/11/2005)**

The above quote also reflects the different role played by personal experience among the privileged and the underprivileged electorate. Apparently, living in an environment of unemployment and harbouring economic grievances has led subjects to think it was mounting. Even though the sample is too small for generalisations, 17 of 22 underprivileged Likud voters thought unemployment had increased in 2006, whilst 8 of 11 privileged Likud supporters argued the reverse. The facts bear out the views of the privileged: unemployment had dramatically fallen, from 10.9 per cent in December 2003 to 9.5 per cent in December 2004, and down to 8.7 per cent in December 2005 (CBS 2006). Even if jobs had been created in other sectors of the economy, those at the bottom of the pyramid were almost unaware of this fact.

The Israeli privileged voters, as their British equivalents, knew how to integrate their personal experiences into a broader argument. Consequently, they showed a more measured and less emotional approach towards policies. Their suffering from a benefit-cut was obviously different, and yet, their socio-economic outlook was rarely driven by personal deprivation. It had to do with their economic knowledge and the need to reconsider their positions as investors, producers or employees. On that solid basis, they could link national policy back to their own experiences, as exemplified below.

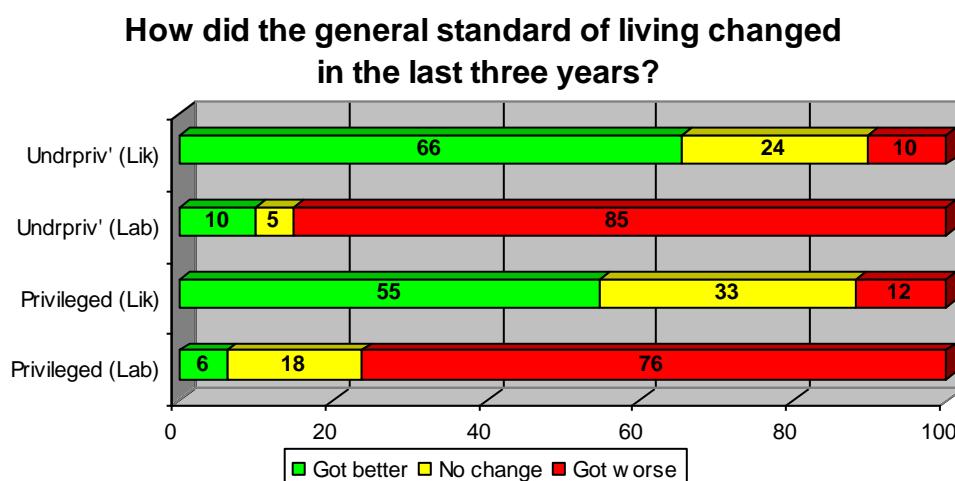
"If I want to promote free markets, I screw myself up as my advantage as a local producer will diminish. [Q] So what is your position? [A] The benefit of the state comes first... I am in favour of restricting imports. But in the modern world, limiting imports will generate problems in other spheres."

**Quotation 7.2.10: Interviewee No. 9 (Privileged, 6/12/2005)**

"I had a lot of criticism of the policies implemented recently, but overall, I find it tempting that today more opportunities exist in the markets... If you take me as a private, self-employed citizen, there were times when the Histadrut controlled the markets and I had no chance of closing a deal with a large concern."

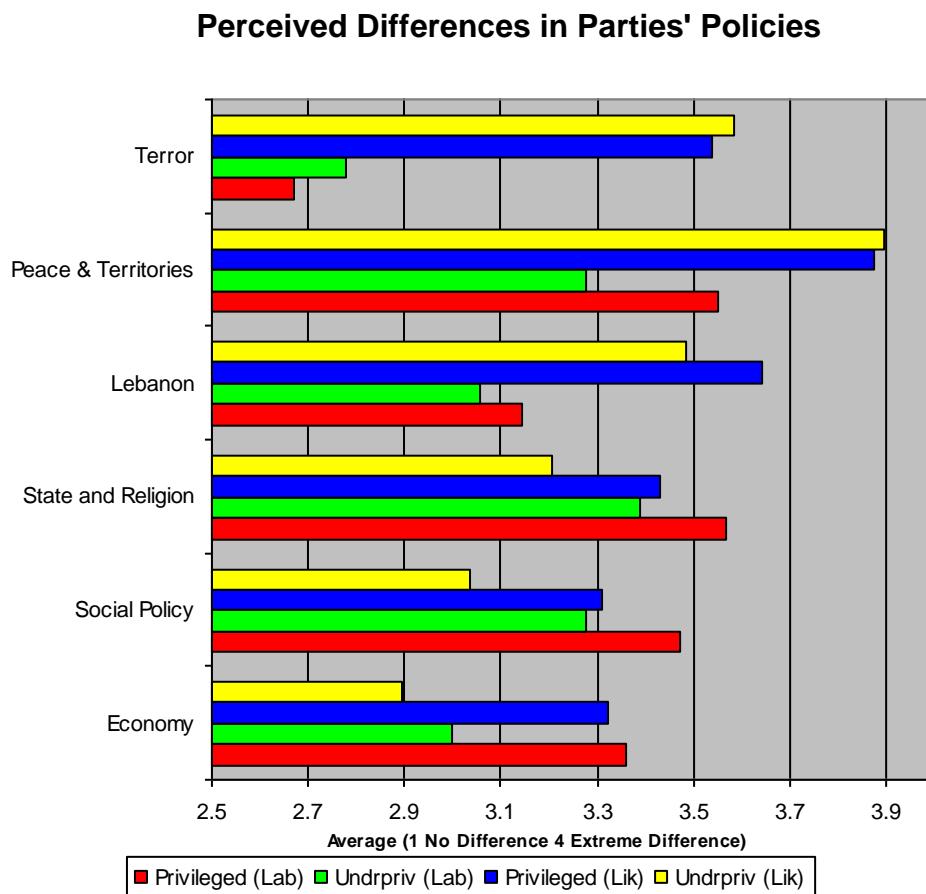
**Quotation 7.2.11: Interviewee No. 12 (Privileged, 13/12/2005)**

The impact of partisanship in forming perceptions is prominent with regard to **knowledge of the past**. As in Britain, the retrospective assessment of the State's economic performance was strongly correlated with the respondent's political affiliation. Figure 7.2.3 shows that three years of a Likud government led the party's supporters to believe that the general standard of living had improved, whereas the party's opponents, regardless of their financial background, thought the opposite.



**Figure 7.2.3: Subjective perception of the change in the general standard of living over the last three years (IES 1999)**

Following Pattie and Johnston's methodology (2001b), the perceived differences between the parties' positions in various areas were taken as an imperfect indicator of voters' awareness of the various platforms. As shown in Figure 7.2.4, when security was at stake, Likud voters from all financial backgrounds acknowledged a radical difference in the parties' manifestos. However, when questions referred to economic and social policies, the underprivileged, especially the Likud voters, noticed much smaller disparities. Their knowledge in this regard was rather limited, though it should be noted that the results are not conclusive.



**Figure 7.2.4: Perceived differences in parties' policies in various fields, by wealth and voting patterns (IES 1999)**

Another indicator of the low awareness of socio-economic issues was found in the IES of 1992. Economic and social policy were high on the agenda in these particular elections (Doron 1996, Arian & Shamir 2003), and yet 84 per cent of the Likud underprivileged voters, who described themselves as socialists, stated that the Likud comes "closer" to their socio-economic preferences. On the other hand, 79 per cent of the Labour underprivileged electorate, who described themselves as capitalists, thought Labour comes "closer" to their views. Judging by these results, it is probable that many voters – from all socio-economic backgrounds - turned their party into what they wanted it to be, regardless of its founding ideological principles.

Having explored issues of civic commitment and political literacy, I will now address the question of **votes' identity**. As in Britain, the disadvantaged interviewees have shown a very tenuous awareness of their financial poverty. This might be related to the multiple identities and schisms in Israeli society. Section 2.3 (Page 45) summarised some demographic figures to show the high level of fragmentation and ethnic division within Israel. However, these cleavages are aligned neither with social class (as measured by occupation) nor with financial poverty (as measured by income).

Sephardic, Russian and ultra-orthodox groups are all more likely to be members of the working class and earn lower salaries. Nevertheless, this correlation tells us little about the economic interests of these groups. As an example, ultra-orthodox voters are interested in child benefits targeted exclusively at large families. The Russian immigrants, many of them elderly, would benefit significantly from higher state pensions and unemployment benefits. Each group has different economic interests, related to its unique problems and demographic characteristics, which can hardly be grouped only by income. Having said that, one can clearly identify groups that are greatly dependent on state assistance and that would benefit the most from a generous welfare state.

The work of Shamir and Arian on *Collective Identity and Electoral Competition in Israel* explores in detail the political implications of these unique attributes (1999). Their analysis of longitudinal data showed a solid and continuous impact of social cleavages on the vote between 1969 and 1996. In this context, the impact of cleavages converged with the global rise of "issue voting". As occupation was rarely a key indicator of voters' identity in Israel, the multi-axes identities have been dominant in Israeli politics for decades. Each group has its own sectorial agenda and virtues, which related not only to class and income.

Thus, since the establishment of Israel in 1948, ethnicity and demography have had a significant influence in creating social cleavages and individual identities (see also Yuchtman-Ya'ar & Peres 2000). The association between these cleavages and political alliances has become more structured with the years, as more and more parties deliberately targeted specific sectors. Back in 1999, "religious, Sephardim, the less-educated and lower-status workers voted for the right-wing Likud and religious parties, whereas the Left (Labor and Meretz) has had a disproportionate share of secular, upper-class Ashkenazi Jews voters" (Shamir and Arian 1999, p. 266). The Russian immigrants and the Arab minority also have their own sectorial parties.

It should be noted that the multifaceted identities are interconnected. The chances of a religious voter being of Sephardic origin, living in the periphery and being at the lower end of the income distribution are a-priori higher. Of all the socio-demographic identities he has, one is likely to play the dominant role in his identity and political behaviour. Against this background, the sociologist Prof. Yohan Peres maintained that diversity in Israeli society diminishes the prospects of collective class action (2006). Days before the elections, Peres suggested "class warfare" in Israel is in fact thwarted by the clash of identities, which does not allow the proletariat to acknowledge its common economic interests.

After a brief sociological review, I will now return to the "rational-choice" framework and focus on personal utilitarian interests. An economic approach incisively distinguishes between individuals who have a tangible and present benefit from the welfare state and those whose current contributions exceed the gains they make. Ultra-orthodox and Israeli-Arabs were taken out of these analysis to make the welfare interests of the privileged and underprivileged samples as homogenous as possible. Notably, these groups had their own distinctive agenda and identity, which was not related to their socio-economic status. My focus on voters' identity relied heavily on the question of income. This information was the key for an informed and rational choice with regard to welfare policy.

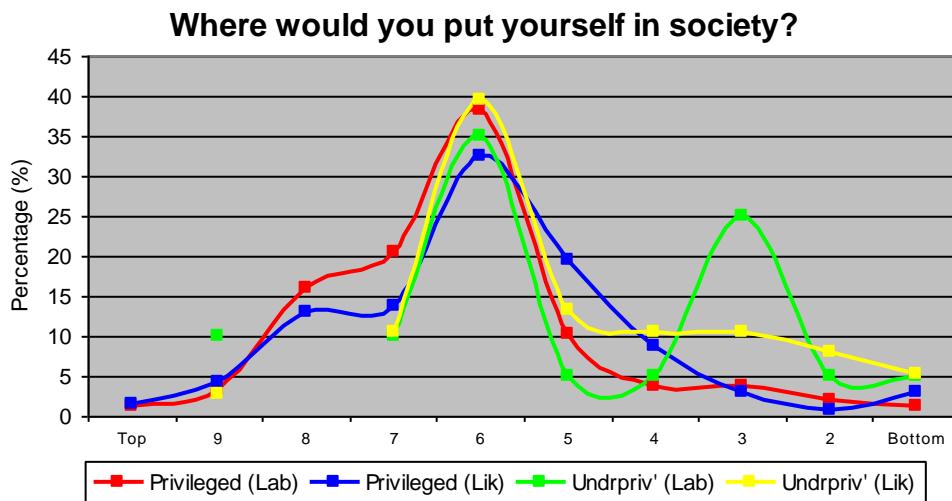


Figure 7.2.5: Subjective place of subjects in society by wealth and voting patterns (ISSP 1999)

The ISSP questionnaire addressed this topic directly (1999). When subjects were asked to locate themselves in society on a scale of 1 to 10, distinguishing between those "tending to be towards the top" and those "tending to be toward the bottom", a normal distribution was found in almost all groups. However, as illustrated in Figure 7.2.5, the underprivileged, especially the Labour supporters, were more likely to put themselves in the bottom three categories, whereas no more than a third of the Likud underprivileged did so. The majority of the underprivileged respondents, like the majority of their privileged counterparts, perceived their standard of living to be average or above average. Evidently, there seems to be only a light correlation between the authentic position of an underprivileged person in society and his subjective estimation of it, especially if s/he supports Likud. The exploratory survey, despite its limited scope, also showed that a majority of Likud underprivileged placed themselves in the fourth decile or above

This flawed awareness is remarkable considering the real gaps between privileged and underprivileged. Factually, the upper monthly income limit of families from the lowest two deciles in Israel was 5,401 Shekels gross (CBS 2001, Table 5.32). The ISSP 1999

family income data showed that all underprivileged families were located deep within the bottom two categories, with a gross adjusted income of no more than 3,500 Shekels. Yet, less than a fifth of these subjects realised that their deprivation is severe enough to place them in the bottom fifth of society. These figures also call into question the more accurate assessments of the Labour underprivileged electorate.

Likud underprivileged voters erroneously upgraded themselves on the socio-economic ladder in the in-depth interviews as well. A common answer is in Quotation 7.2.12 and maintains that if an individual can satisfy her/his basic needs and does not require external assistance, s/he becomes a member of the middle-class, which is far above the base of the income pyramid. Even though this phenomenon has rarely been explored in Israel, it resonates with findings from other countries, reviewed in previous chapters.

"[Q] You put yourself in the fifth decile in the survey you filled a short while ago. [A] Yes. [Q] Why? [A] It depends on the way you examine it. I am not poor, begging for money and I am not waiting for someone to bring me bread. I can feed myself. Therefore, I put myself in number five. Put it simply, I am living my life."

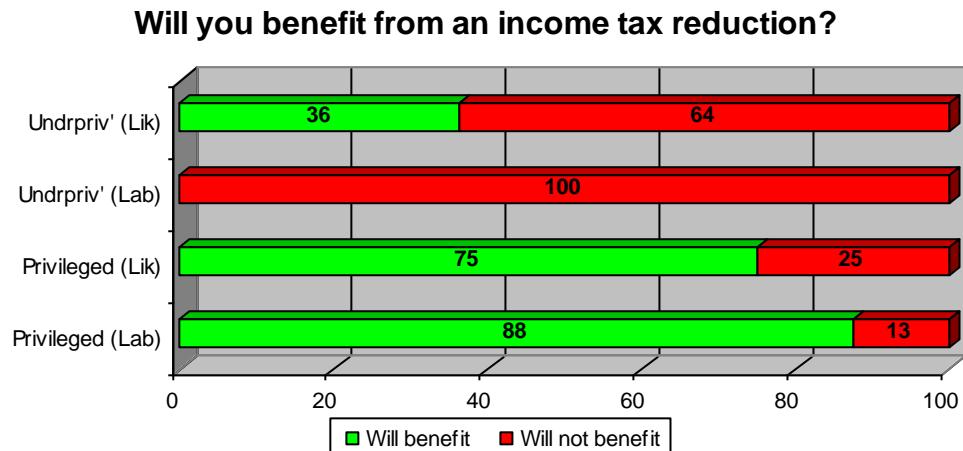
**Quotation 7.2.12: Interviewee No. 2 (Underprivileged, 21/9/2005)**

Having confirmed the existence of contradictory identity, Quotation 7.2.13 exemplifies its implications. It was made by a pensioner whose benefits were recently reduced following Netanyahu's reforms. Yet, it seemed as the interviewee did not fully realise he was among those who was paying the price of these reforms.

"He wanted to implement his reforms like it happened in America... We cannot understand today the reasoning behind his thoughts... It is possible that Bibi believed he would torture them for a month or two, and subsequently everyone will be equal in their salary – taking from the rich and giving to the poor."

**Quotation 7.2.13: Interviewee No. 5 (Underprivileged, 21/9/2005)**

The empirical evidence illustrated in the figure below shows that the impact of unawareness was stronger among Likud underprivileged voters. 36 per cent of them were certain that they would be better off if income tax rates were reduced, even though they are exempted from paying it. These figures are better than those found in Britain, but the fact remains that a third of the Likud underprivileged electorate perceived Netanyahu's liberal tax reforms as beneficial. These reforms have literally reduced the "tax ceiling" figure payable by the rich at the expense of welfare benefits enjoyed by the poor.



**Figure 7.2.6:** Subjects' estimations as to the change in their personal status following a reduction in income taxes (Author's Exploratory Survey 2006)

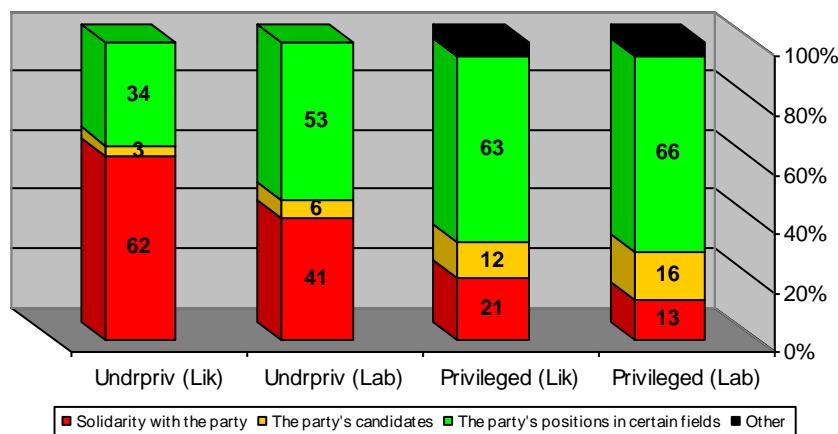
Before moving on to explore tradition and coherency in the vote, a few summarising remarks on the three dimensions of informed voting are required. I have tried to show that illiteracy with regard to welfare policy exists among broad populations, but also that underprivileged Likud voters are more likely to hold erroneous beliefs of their party's future intentions. This specific group was also more likely to upgrade its socio-economic status and wrongly assume that tax cuts would be directly to its benefit. The analysis showed two trends collide with each other: the difficulties in engaging in policy debates about welfare (which were common to the entire underprivileged sample) and the inaccuracies in assessing economic progress and parties' platforms (which were heavily influenced by partisanship). The combination of both prevents the Likud underprivileged electorate from pursuing its economic interests.

The differences in attitudes towards defence and welfare were striking. The discomfort of the underprivileged when talking about social policy was in stark contrast with their extreme confidence expressing views on issues of national security. Underprivileged voters were also well aware of the different approaches to the latter. Having discussed the issue of priorities, it is unclear whether the underperformance of the poor in the debate on welfare derives from ignorance of the socio-economic manifestos, a process of retrospective rationalisation, or, rather, the smokescreens and manoeuvres of election campaigns. None of these possibilities could be fully rebuffed or accepted with the available data. Unfortunately, the absence of any comprehensive research focusing on political knowledge also limited the ability to rely on existing studies in the pursuit of firm conclusions.

When looking at voters' reasoning, the impact of **traditional voting** cannot be overstated. When examining whether voters care about their party's policies, it was found that not all were actively seeking to pursue ideological goals. In fact, some of the voters, mostly Likud underprivileged ones, were not at all interested in the parties'

manifestoes. Their vote was largely determined by what was defined in the IES of 1999 as "solidarity with the party". The Hebrew translation of the questionnaire links solidarity with old loyalties and traditions, and the figures show Likud underprivileged voters were the most likely to vote for such reasons (62 per cent). In contrast, privileged voters were twice as likely as underprivileged to perceive their voting to be based on the parties' concrete policies.

**Major Motivation for Party Affiliation (1999)**



**Figure 7.2.7: Major motivation behind party affiliation by wealth and affiliation (IES 1999)**

Voting records also call attention to the Likud underprivileged electorate. According to the IES of 1999, 93 per cent of them replicated their previous vote, compared to 80 per cent among Labour underprivileged voters. This is not to say their voting had no ideological underpinnings, but rather that the chances of them holding fixed political positions over time is higher. Notably, earlier studies reached similar conclusions (see, for instance, Arian 1975, p. 154 and Arian 1990, p. 250), even though over time the reliance on historical alliances was found to be reducing (Arian & Shamir 2005, p. 46).

The quantitative findings are supported by qualitative observations of the fieldwork. Interviewee No. 2, who was deeply frustrated and seriously damaged by the cutbacks in state benefits, would probably keep voting Likud as "it's better to keep ploughing with your own cart rather than search for a new one" (Underprivileged, 21/9/2005). Interviewee No. 3, when asked whether he had any regrets about voting Likud, replied that Likud is "in my blood and my roots". He despised Labour, declaring that the "most important thing is to prevent Labour from winning" (Underprivileged, 21/9/2005). Together with Quotation 7.2.14, these comments reflect the spiritual and even metaphysical effect that long-term party solidarity might have on voters.

"I went once to the polls to vote for Labour. I swear to God... that the ballot was just stuck in my hands and I could not lift it from the table. It just could not be lifted, until I picked the ballot of the Likud party or the one for the Religious Party. The most important thing is to resist the Maarach (the previous name of the Labour party – G.A.)... But today I know that not loving the Maarach was the greatest mistake I made in my entire life."

**Quotation 7.2.14: Interviewee No. 7 (Underprivileged, 2/11/2005)**

In contrast to the underprivileged voters, the privileged ones played the political game without surrendering their independent judgment to past commitments. Interviewee No. 9, who joined the "Herut" movement (the antecedent of Likud) when he was 18, had voted once for a religious party, although he dubbed his decision "a betrayal of values" (Privileged, 6/12/2005). Interviewee No 10, who voted for Shinui, a secular left-wing party, admitted that it had not kept its promises, which "frustrated" her personally and led her to swap parties (Privileged, 27/11/2005). Interviewee No. 11 explained how his voting decision was taken, maintaining he ascertained his "positions in the political and social arenas before searching for the candidate who has a similar platform" (Privileged, 8/12/2005).

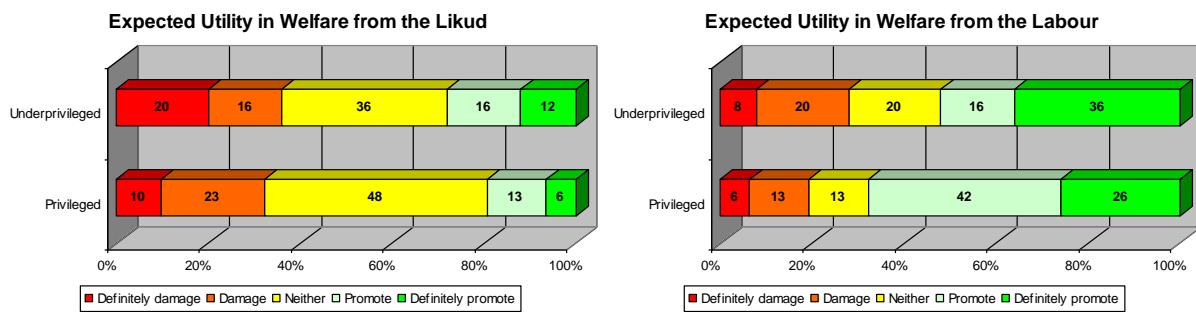
The stronger adherence of underprivileged voters to traditions can be explained in various ways. Statistically, it is correlated with the difficulties these voters experience when discussing national welfare policy. This research however has restricted itself to monitoring the characteristics (and not the root causes) of the underprivileged vote, which have the potential to divert choice from the course of rational thinking. Tradition is certainly one of these attributes. The linkage between "public choice" and "public interest" can hardly be maintained when voters, rather than considering their alternatives, set aside their perceived interests, the parties' pledges and the candidates' capacity to deliver. Traditional voting is the antithesis to Downs' (1956) and Key's (1966) ideal voters. Yet those in need are more likely to follow this route.

The various dynamics and influences discussed so far could account for the scant importance underprivileged voters attached to welfare provision. The evidence suggests that Likud underprivileged voters were generally uncommitted to the welfare state, faced difficulties in grasping welfare policy, softened (or even denied) the socio-economic agenda of the neo-liberal party and were vulnerable to higher levels of fear and a stronger adherence to tradition. Yet, having said all that, a plain questionnaire found many of the Likud underprivileged voted against their own pre-defined utility. In fact, for 43 per cent of them, a better utilitarian choice could have been made.

This figure relies on the structure of the voters' utility function, as explored earlier in this chapter, and their expectations of each party in each field, as reported in my own

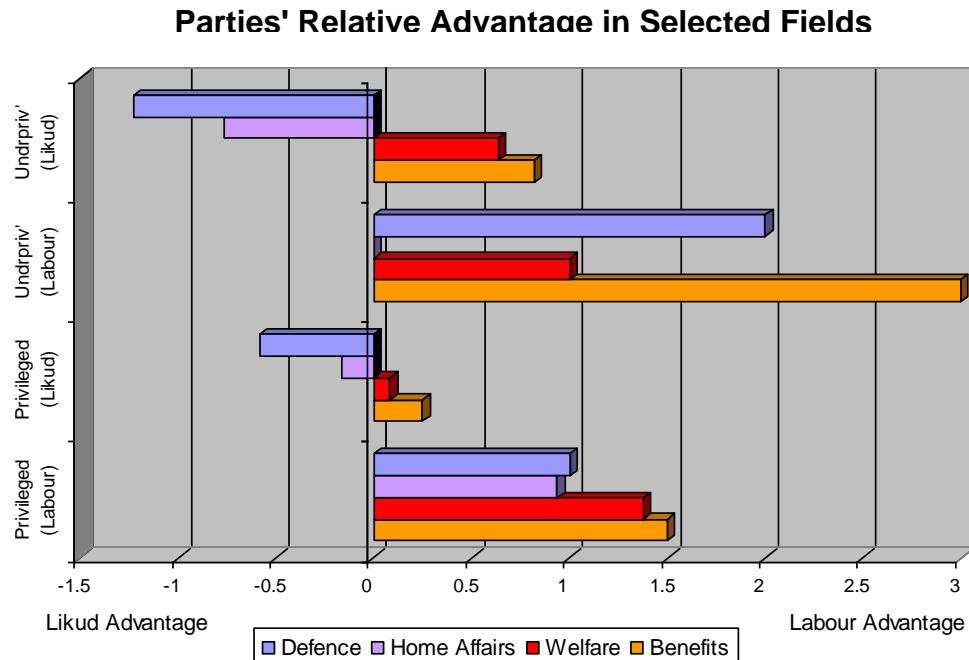
exploratory survey. The datasets of the IES or the ISSP did not contain enough data to permit a systematic comparison of political alternatives and trade-offs. Nevertheless, the IES of 1992 did show that voters had relatively low expectations of the rival party in almost all fields. It seemed that voters' political affiliation obviated any potential critical approach, clearing the way for an almost unreserved conformity with the chosen party. This conclusion resonates with an early study of Arian which doubted there was any significant degree of "critical voting" in Israel (1975).

The analysis of the 2006 exploratory survey indicated different trends than the IES of 1992. It showed diminishing expectations of the Likud in the field of welfare, even among the party's traditional bases of support. Only a third of these voters stated that the Likud party would advance their welfare interests (33 per cent among the privileged, 27 per cent among the underprivileged), whereas half of the Likud voters, privileged and underprivileged, believed that the Labour party would deliver on these issues (50 per cent). The contradictory expectations demonstrated in Figure 7.2.8 might be correlated with the neo-liberal reforms implemented by Netanyahu as Minister of Finance.



**Figure 7.2.8: Expected utilities of the entire sample from Likud and Labour in the field of welfare by wealth (Author's Exploratory Survey 2006)**

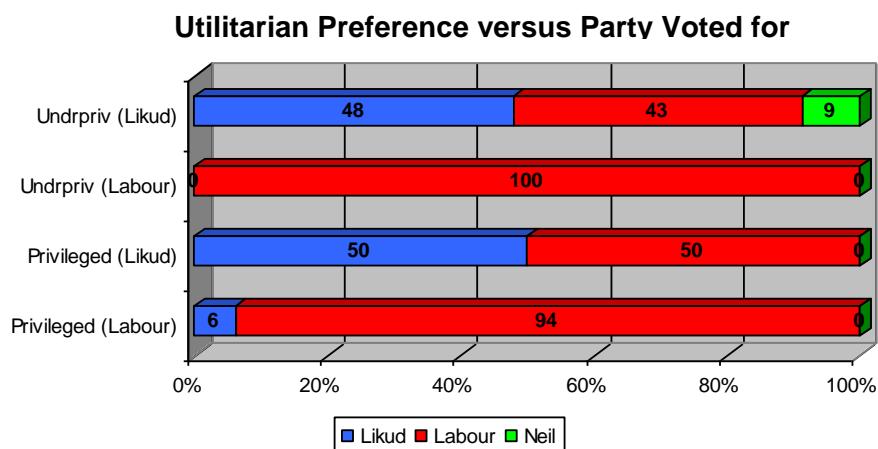
The independent fieldwork of this study therefore found Likud underprivileged voters, while acknowledging the Labour party would probably advance their utility through the welfare state, still hold onto their own cart. Several explanations for this phenomenon were discussed already, though the extent of sympathy with Labour was above expectations. Figure 7.2.9 complements the operationalisation of the independent variable by presenting the scores each party received, which are the average difference between the voters' expected utility from both parties in each field. The indicator received the value of four when the respondent replied that one party would "definitely promote" his/her interests and the other would "definitely damage" them.



\* Note that the Underprivileged (Labour) group includes only three individuals out of 57 respondents.

**Figure 7.2.9: Parties' relative advantage over their major rival in selected policy fields by wealth and political affiliation (Author's Exploratory Survey 2006)**

The integration of the level of importance and the parties' relative advantage in each field yielded the expected utility from each party. The conflict of expectations between social and defence policies resulted in 43 per cent of Likud disadvantaged supporters voting against their calculated "utilitarian preference", revealing a potential inconsistency in their reasoning. The results summarised in Figure 7.2.10 below reflect the difference between Likud and Labour supporters. Within the Labour sample, there were almost no discrepancies, as the vast majority of Labour voters have shown their consistent endorsement of their party in most fields.



**Figure 7.2.10: Voters' actual vote compared to voters' utilitarian preference by wealth and political affiliation (Author's Exploratory Survey 2006)**

The behaviour of Likud underprivileged voters cannot be accounted for with the small-scale and short survey presented above. However, some plausible theories can be deduced from the in-depth interviews and the various indications found in the empirical data. With regard to the utility calculus, there is a need to assess the cumulative impact of other factors that were not taken into account here. It might also be that the need for security and the disappointment with state welfare played a greater role for these voters than they would be willing to admit. What we can learn is that in 2006, underprivileged Likud voters admitted a dissonance with their political choice.

### 7.3 Summary and Conclusion

Projecting the insights deduced from the Israeli analysis of the relationships of the poor, the welfare state and democracy, the weakness of the welfare state is a key concern. The results are unmistakable. In numbers, 41 per cent of the underprivileged voted Likud in 1992, double the support for Labour. The research shows that the perceived need for security brushed aside questions of redistribution. Crudely speaking, welfare was almost a non-issue for the underprivileged electorate, who rarely considered it when making its political choice. It was the weakest link in the Triangle.

The poor certainly benefited from social and political rights, but did not perceive themselves as a collective and were more concerned with their existential security. This would be understandable, if the balancing of underprivileged Likud voters between the different threats were not so distinctive. It was fuelled by emotions of fears (security) and lack of hope (in welfare). The *fears* could be described as obsessive, especially in relation to other voters, and they were effectively addressed by the right-wing party. The *hopes* were dashed by government's perceived incompetence to affect their well being, leaving them unwilling to commit themselves politically to the left-wing party.

There was also a sharp difference in voters' expectations from government. The state was perceived as incompetent in providing better welfare but exceptionally capable of guaranteeing security. As the expectations of voters from a tough defence policy increased, so too did their political commitment to support it. Voters went through the opposite process with regard to welfare provision. In fact, the unmediated engagements in disadvantaged localities showed many of the poor acting as if they were in a different triangle. In their view, the question of redistribution is marginal and the safety of all Israel is not only central but also rests exclusively upon their lean shoulders.

All the reasons and explanations for the underprivileged to vote for the Likud exist. However, there were a few anomalies and disparities. The Likud voters were factually less knowledgeable as to their party's socio-economic agenda, the depth of their socio-economic deprivation and the implications of these indicators on their future utilities from different policies. They were engaged in collective action, but on a different frontier and with a different congregation. They were also more likely than others to follow old traditions of political support and justify inequalities on the grounds of economic prosperity. All these inclinations could be seen as excluding mechanisms that contributed to the already-established priorities of the underprivileged.

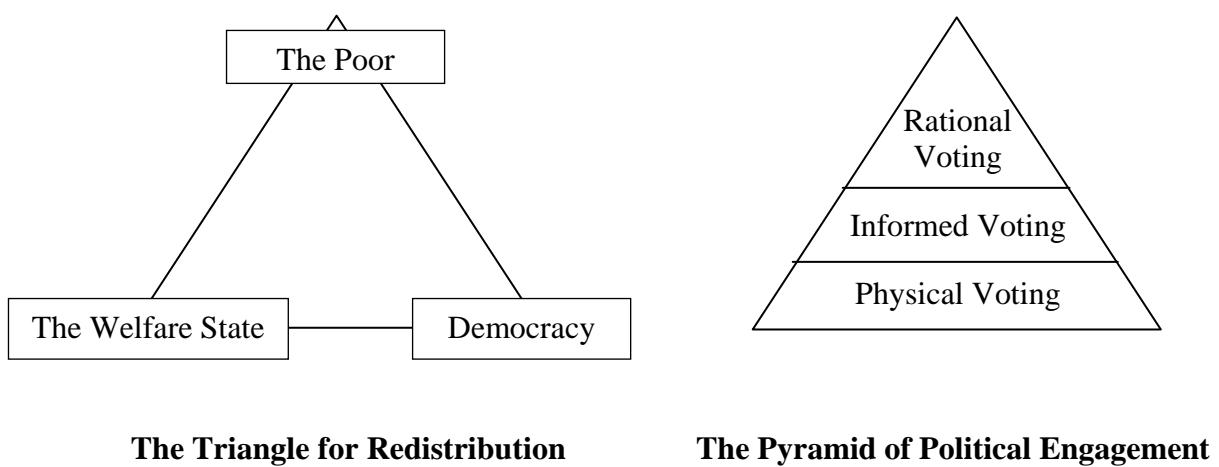
These findings cannot explain why the welfare state occupies today a relatively marginal place in the Israeli agenda. A historical perspective might suggest that Israel was established after the democratic struggles for redistribution had ended. Others

might note that the lack of visibility in welfare provision prevents such issues from becoming prominent in a public arena that is almost addicted to news. One way or another, it seems that the welfare state is not supported by the very mechanism of democracy, where "the poor have more sovereign power than the rich" (Aristotle 1992, p. 362). When social policy plays such an insignificant role in election campaigns and political rhetoric, this side of the Triangle is locked out.

As previous studies have emphasised, the security issue was – and probably remains – the key to understanding why Israeli voters make the choices they do. Crude utility calculation indeed failed to account for 43-50 per cent of the Likud voters. Even though the method employed in the exploratory survey was limited in scope and statistical rigour, the findings raise questions as to additional motives underpinning a Likud vote. Yet, as Gordon and Arian have argued, it seems that "when people feel very threatened – the decision-making process about policy is dominated by *emotion* – not by logic or rational considerations" (2001, p. 196). The welfare state and the Triangle for Redistribution might be the first to pay the price in terms of public support.

## 8. Discussion and Synthesis of Findings

The changing relationships between poor people, democracies and welfare states have been systematically evaluated in this thesis. The previous chapters have explored in detail the findings in the two case studies of Britain and Israel. Their structure was a derivative of the *operational framework* consisting of three hierarchical layers of political engagement, as explored in Chapter 5. This chapter will synthesise these results into the *theoretical framework*, around which Chapters 2-4 were constructed, reflecting upon the existing literature. The key insights will therefore be discussed in the context of the relationships between the three forces that facilitate redistribution, namely poor people, democracy and the welfare state.



**Figure 7.3.1: The Triangle for Redistribution and the Pyramid of Political Engagement**

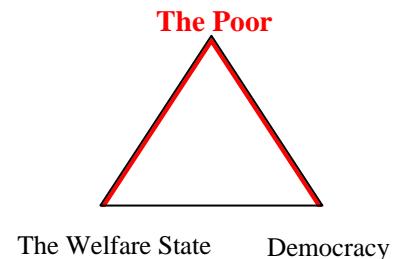
This discussion requires a clearer definition of the Triangle for Redistribution's corners, as they form the boundaries of this thesis, situate its findings within the wider social milieu and define its analytical prism. The meaning of each factor has been subjected to long-running debates and scientific disagreements. It might also vary across states and regimes. The following clarifications are intended merely to define a solid and acceptable baseline upon which the various conclusions can reside.

"Democracy" in the thesis refers to the Greek definition of *demos* (people) and *krator* (rule), and its modern implementation through equal suffrage and an elected government that is sovereign (see Pericles in Thucydides 1972, p. 145). "The welfare state" is the set of institutions that secures "some basic modicum of welfare for its citizens" (Esping Andersen 1990, pp. 19), and a set of policies that can be seen to be "beneficent, redistributive and concerned with economic as well as non-economic objectives" (Titmuss 1974, p. 30). "The poor" are citizens who are "deprived of the conditions of life which ordinarily define membership of society" (Townsend 1979, p. 915) and who live below a relative threshold of income.

Having defined the boundaries of the discussion, I shall first examine the principal findings regarding *the poor* as a key force in the Triangle and the focal point of this thesis. Issues of identity and turnout, as well as the absence of commitment, will be recapped in light of the poor's engagement with the other two corners of the Triangle. The appropriate role of the welfare state will also be questioned, following its lack of support from those it benefits the most. Subsequently, the emphasis will shift to the relationship between *democracy* and the *welfare state* and the function they currently play in the context of voters' knowledge and reasoning. After shedding light on some negative (but probably unavoidable) implications for democracy today, the concluding chapter will refer to several challenges and future directions of research.

## The Poor

Forty years have passed since Pulzer famously stated that "class is the basis of British party politics; all else is embellishment and detail" (1967/1978, p. 102). Over the years, American scholarship on electoral behaviour shifted from psychological-based theories (Lazarsfeld et al 1948) to sociological-based ones (Campbell et al 1960). In Britain, Butler and Stokes' classic study highlighted the major impact class culture had on party allegiance (1969). Even though new trends have been identified (even by Pulzer himself, in 1978), the prefatory question of **class identity** has resonated since and remained central to voting theories.



Sections 6.2 and 7.2 explored the various definitions of class and their practical implications in both countries. Whereas the historical definition of class in Britain relied on occupation, the common definition in Israel referred to low income families. The original intention of this thesis was to focus on individuals living in relative poverty ("the poor"), noting that they might be entitled to state benefits and gain personally from a generous welfare regime. However, missing data in election surveys required the construction of an "underprivileged group" through a multi-variable algorithm. It comprised of subjects living at the bottom of the socio-economic ladder, as captured by several indicators. Within this group, a subjective identity of a "working class" increased the likelihood of a Labour vote. This scenario, of class affiliation correlated with partisanship, is widely defined as "class voting" (see Section 4.2 for further discussion).

Generally speaking, class voting requires the least effort in making political choice. By following old class loyalties, no particular attention need be paid to past records of

performance, future policies and political alternatives. As one interviewee said, "In a northern working class background back in the seventies and eighties you voted Labour by and large." Incidentally, in contrast with Israel, the class-based choice in Britain coincides with the economic interest of the underprivileged electorate in having a generous welfare state. Even though not all underprivileged voters identified themselves with the working class (and vice versa), it turned an almost-blind choice into a rational one.

The trends of class dealignment bring this hegemony into question. Inglehart was the first to observe the change in values that led to realigned bases of political support and the declining importance of occupation (1977). Subsequent studies showed not only a shift in individuals' axes of identity but also a corresponding swing in the agendas pursued by political parties (Sarlvik & Crewe 1983, Franklin 1985, Bartle 1998, Evans 1999). The ideological axis of socialism vs. capitalism had been complemented by something far more complex that accommodated both libertarianism and authoritarianism (Kitschelt 1994, pp. 30-31). In Britain, a major academic controversy emerged around the fate of class voting in light of these changes (see Sections 4.2 & 6.2 and Denver 2003, Chapters 3&4). In Israel, these ethnic and ideological realignments could be traced back to the early years of the establishment of the State (see Section 7.2 and Yuchyman-Ya'ar & Peres 2000).

This study observes the apparent impact of these new identities on grass-roots underprivileged voters. Its findings show how the blurred class identity of the underprivileged both in Britain and in Israel appears to translate itself into a "counter-class" vote. The literature repeatedly shows that class, albeit weakening, is still strongly correlated with partisanship (Butler & Stokes 1969, p. 78; Heath et al. 2001, p. 6; Andersen and Heath 2002, p. 129; Denver 2003, p. 70; Clarke et al. 2004, p. 12). A contradictory self-identification with the middle class does affect voters. Unlike privileged citizens, whose dependency on the welfare state is minimal, such contradictions have brought some of the most deprived voters to support a policy that might be to their detriment.

Secondary analysis of large-scale Israeli and British surveys demonstrated that underprivileged Conservative voters were more likely to artificially upgrade their socio-economic status. In Britain, 46 per cent of them identified themselves as members of the middle class compared to 22 per cent of Labour voters. In Israel, only 33 per cent of Likud underprivileged located themselves in the bottom four deciles of society, in comparison to 50 per cent of their Labour equivalents. Roemer (1998) interpreted this as a potential *long-term* investment of the poor in national prosperity. Nonetheless, the expected loss of foreseeable benefits in the *short term* does raise a question.

My in-depth interviews showed that class is often subordinate when multiple identities are formed. The citizens of Sderot, for example, were not only likely to be poor but also those most likely to face the unique threat of rockets, be labelled as "Sephardic" and be strictly observant of the Jewish religion. This ties in with Peres' conclusion, which perceives as unlikely the prospect of collective class action in Israel because of multiple identities (2006). In Britain, EU integration was found in the BES of 1992 to be the issue most mentioned by underprivileged Tories as affecting their vote. Even though it was not salient in my 2006 interviews, its blurring potential on class identity as shown in the secondary analysis cannot be neglected.

These new axes of identity unrelated to class interests contribute to the inaccurate positioning of voters' own status in society, especially in Israel. A Sephardic might think of a new immigrant as poor and requiring state assistance, even though both have similar incomes. When religious, ethnic and socio-economic identities substitute for each other, they might impede a "rational vote" by the underprivileged, as this blurred identity distorts any assessment of interests. This was exemplified in the exploratory small-scale survey conducted as part of the fieldwork, which showed that one third of Israeli Likud underprivileged voters and two thirds of their British Conservative counterparts believed that an income tax break would benefit them personally, even though they were below the tax threshold. Clearly, knowledge about identity plays a crucial role in individual choice. Mistaken assessments inform ostensibly perverse judgments.

In this respect, the shift from class voting to issue voting (Sarlvik & Crewe 1983, see also Section 4.2) requires different capacities from voters that they might not always possess. Following a tradition is easier than prioritising issues and forming positions based on individual interests. The interviews have shown that not all voters are equally adept at the latter. This shortcoming is analogous to the market failure of information asymmetries. Its role in decision-making has been extensively discussed in economic scholarship (see, for instance, Akerlof, Spence and Stiglitz Nobel Prize Lectures in 2001) and has also been mentioned in the analysis of political choice (see, for instance, Fiorina 1990 and Delli Carpini and Keeter 1997). However, the precise types of knowledge needed for making a reasoned political decision are rarely defined and researched.

Having discussed class identity in relation to "the poor" as a collective forming one 'point' of the Triangle, it is time to reassess this group's **relationships** with democracy and the welfare state. The theoretical chapters have explored the varying contribution of different welfare regimes to the underprivileged (Chapter 2) and the diverse theories and frameworks within which the political performance of poor people can be examined (Chapter 4). What this thesis can contribute to the debate is the parallels between two

types of possible commitments to the state, one of which is to the democratic establishment and which has been extensively studied, and the other is to the welfare apparatus and which was seldom identified in the literature. The absence of these commitments was found to be a key characteristic of the underprivileged who did not vote for greater redistribution (either by abstention or by "counter-class" voting).

These concepts were developed during the analysis itself, and they require clarification. When I use the term "civic commitment", I am referring to the commitment of citizens to the democratic establishment. It is commonly described in economic literature as the "civic duty" to account for abstention from voting (see Section 4.3), and was one of the key observations of this thesis' fieldwork. In this respect, the privileged and underprivileged cannot be assigned to the same group of abstainers, simply because their motives and discourses of abstention are fundamentally different. The term "welfare commitment" implies the same type of commitment but towards the welfare apparatus, which guarantees the poor their social rights in the same way that democracy guarantees their political rights. However, an overview of the welfare state, its past achievements, present impact and future capacities, results in individuals being unwilling to support it politically. In both instances, we are faced with an absence of commitment that affects the Triangle as a whole.

The "**civic commitment**", in the context of turnout, is often offered as the solution to a paradox in political behaviour. As explored in Section 4.3, the insignificant chance of casting the decisive vote in elections led theorists to suggest that "if everyone is rational... then, presumably, no one will vote" (Ledyard 1984, p. 12). Whereas the partisan distribution of abstention is disputed (Pacel and Radcliff 1995, Shaffer 1982 and Lijphart 1997), its correlation with low socio-economic status is generally acknowledged (Key 1942/1947 and Lijphart 1997). Rosenstone maintained that when an individual fights for his/her economic survival, a "withdrawal from politics" is likely and even expected (1982, p. 41). Generally, the studies into the causes of abstention followed three avenues of analysis – rational choice, sociological effects and political efficacy (Denver 2003, Ch. 2).

Pattie and Johnston uniquely integrated individual data from the BES and voting records of constituencies to compare all three explanations. They eventually concluded that "those who felt the greatest sense of commitment to the result and to particular parties... were most likely to vote" (1998, p. 279). Riker and Ordeshook reached a similar conclusion in the U.S. context, highlighting the intrinsic satisfaction from civic participation (1968). Both studies have in fact shown that if civic duty is taken as a utility, cost-benefit equations can also apply to voting decisions. The interviews conducted for this thesis and the secondary analysis of databases strongly suggests that *lack of commitment* is the key cause of abstention by the underprivileged.

Both surveys and turnout records showed that abstention was more common among the underprivileged, especially in Britain, where a turnout gap of 10-15 per cent was repeatedly found. In Israel, the gap was smaller, but nonetheless existed. When British abstainers accounted for their nonparticipation in election surveys, the reasons given by the privileged were mainly technical, whereas the underprivileged tended to express them in terms of apathy and disinterest. The interviews conducted for this thesis reiterated this difference, demonstrating that the chief barrier to turnout was the underprivileged's scepticism about democracy's ability to deliver. The transcripts of my interviews with underprivileged respondents provide a basis upon which to question other theories discussed in the literature that link abstention to registration requirements (Brians & Grofman 2001, Highton 1997) or the cost of voting (Aldrich 1993, Niemi 1976).

The series of interviews with underprivileged potential electors ended with the identification of three major discourses: *a utility-based discourse*, which expected material gains from voting; *a duty-based discourse*, which reflected a strong sense of civic belonging; and *a punishment-based discourse*, which intended to "penalise" the political apparatus for the abstainer's distress. In both countries, the privileged and underprivileged often shared a common view of their government's incompetence. However, whereas the wealthier still voted and reflected a discourse of duty (either for solidaristic or contractarian reasons), the underprivileged abstainers were more likely to adopt the other narratives. They looked for something in return for their effort and ignored any collective framework of commitment, precisely as one would expect from rational players.

These results correspond with the seminal argument made by Amartya Sen about rationality theories. Sen's notion of "rational fools" was premised on the role of commitment in human behaviour (1977). Arguably, the poor's lower degree of commitment makes abstention perfectly rational for them, unlike privileged voters, whose commitment accounts for the irrational act of voting. Orthodox economists might ascribe the role of commitment to Simon's notion of bounded rationality (1955). Nevertheless, as elections are by far the most resounding example of the failure of formal rationality (see the discussion on the Paradox of Voter Turnout in Section 4.3), the acknowledgment of civic duty as a utility offers a solution for the contradiction. If we follow this avenue, the absence of commitment, mainly in underprivileged strongholds, leads to convergent economic and sociological accounts of poverty and low turnouts.

We are therefore observing different narratives of abstention in which civic commitment makes the difference between voting and abstaining. Under these circumstances, classifying all abstainers in one category seems rather simplistic, as the

fieldwork clearly shows that socio-economic background is correlated with the different narratives. The interviews have demonstrated the behavioural gulf between an elector who was temporarily absent on Election Day and another who declared permanent abstention or was intent on punishing the government by staying at home. Following the theoretical discussion in Section 4.4, these findings underline the need to re-examine the operational definition of political exclusion, which today does not make this differentiation in turnout (Burchardt et al. 1999, Gordon et al. 2000).

Two reservations should be made. First, there is a wide range of factors affecting turnout that this study has not dealt with, such as the impact of a seat's marginality and the neighbourhood effect (see, for instance, Andersen & Heath 2002, Denver & Hands 1985 and MacAllister et al 2001). It should be said, however, that these factors did not emerge from the interviews. In addition, in both countries, no deliberate attempt was made to overcome the "over-reported voting" phenomena (Silver et al 1986) and the less-explored "invisible group" (see Sections 6.1 & 7.1). Both negatively affected the accuracy of survey figures, though the overall trends were generally verified.

Having discussed some key findings with regard to "civic commitment", I will now focus on the "**welfare commitment**" concept. Notably, whereas the former is part of the dynamic between the poor and their democratic representatives, the latter is part of their dynamic with the welfare state. Consequently, questions of turnout and identity are to be replaced here with questions of knowledge and reasoning. In short, the findings suggest a crisis of trust between the welfare apparatus and its principal beneficiaries. The evidence gathered portrays a one-sided relationship, in which a significant proportion of the underprivileged receive state assistance but rarely acknowledge it, articulate its importance or show willingness to commit themselves to it politically. The historic triumph of collective welfare, as explored in Section 3.3 and Chapter 2, is neither familiar nor embraced by the disadvantaged of our time.

The ethics of self-reliance have been mentioned in the literature as a possible explanation for the alienation of individuals from national policy (see Section 4.4). By relieving the state of responsibility for individuals, the ethics of self-reliance make it difficult to theorise about utilitarian voting, as no collective responsibility for personal welfare remains. This was best described by Feldman in the U.S. context, who noted that "instead of asking why personal economic grievances appear to have no political consequences, the question now is *why* so few people hold the government responsible for their economic well-being" (1982, p. 455, see also Sniderman & Brody 1977, Scholzman & Verba 1979 and McClosky & Zaller 1984). The fieldwork for this thesis contributes similar insights to this debate, both in Israel and in Britain.

The interviews showed the extent of the underprivileged electorate's scepticism about the ability of politicians to deliver for them. In Britain, an underprivileged interviewee

said his personal welfare had "nothing to do with the government really" as "this is something to do with the job centres... [and] the people working there... they have to decide." In Israel, an underprivileged voter stated that "there was never a connection" between the elected government and his welfare, because if "he was not waking up and taking care [of himself]... nobody would have been taking care of [him]." Most underprivileged voters perceived pledges of social reform as impracticable, denying any impact of state policies on their daily life. A strikingly different attitude was found in the Israeli fieldwork when defence policies were at stake. Suddenly, almost mythical powers were accredited to the same incompetent government.

The secondary analysis of election surveys reinforced these qualitative observations. In Britain, the BES of 1997 revealed that only one third of underprivileged Tory voters (compared to 60 per cent of underprivileged Labour voters) perceived the government as being accountable for their personal standard of living. In Israel, the figures reflected the priority the mainly right-leaning underprivileged interviewees attached to issues of security and foreign affairs at the expense of welfare and redistributive policies. In both countries, a positive correlation was found between voting Conservative and support for neo-liberal ideals. In that respect, the interviews have shown that a social-democratic language, welfare terminology or redistributive concepts were mostly absent in the articulation and mindset of underprivileged individuals.

The lack of a **welfare language** should not be underestimated. Almost all underprivileged interviewees, although prompted to do so, did not chose to actively advocate greater redistribution, generous benefits or greater social expenditure. Both ideologically and terminologically, some of the interviews gave the impression of being a muted electorate focused on the observable with no spark of a vision for a fundamental change. Social Policy might be taught in leading universities, but the language of social change has apparently never crossed the line to the poor. The underprivileged interviewed for this thesis, regardless of their political affiliation, exemplified the gulf between their outspoken agenda and any notion of a broader social ideology of the type intuited by Converse (1964) or Feldman (1988).

In one of his first publications, Basil Bernstein defined language as "the most important means of initiating, synthesising, and *reinforcing* ways of thinking, feeling and behaviour which are functionally related to the social group" (1959, p. 312, *italics are in the origin*). His classic distinctions between public and formal language, and elaborated and restricted language "codes", were entirely correlated with structures of social relations (1958, 1959, 1960 and 1964). Even though linguistics is not within the scope of this research, Bernstein's citation suggests that the language of the underprivileged affects their way of thinking. Their restricted code associated with limited vocabulary equates with the absence of underpinning ideals of welfare.

These ideas could have been communicated by all language codes. One does not need to use the language of redistribution and equality to urge for higher social spending and greater taxation on the rich. Dean's work on moral repertoires and their manifestation by different groups showed how these ideas can be communicated in different languages (1999). What is striking in this fieldwork is the rarity of redistributive issues in the political context, especially among Israeli underprivileged Conservatives. The informality of the fieldwork interviews was conducive to first-hand familiarity with the issues disturbing the interviewees with regard to politics. Redistribution and welfare policy were simply not among them, neither in substance nor in vocabulary, even though the interviewees might have expressed support if asked.

The secondary analysis of election surveys provides a more systematic view of the salience of neo-liberal ideas, mainly among underprivileged Conservatives. In Britain, for instance, Conservative underprivileged voters were twice as likely as their Labour counterparts to claim that the Welfare State makes people "less willing to look after themselves" (63 per cent vs. 27 per cent in the BES of 1992). Only one-fifth of disadvantaged Tories expect their government to "make people's income more equal", compared to three-fifths of their Labour equivalents. The latter were also twice as likely to support higher taxation and greater social spending. In Israel, a fifth of the Likud disadvantaged voters "strongly agreed" that inequalities are needed for prosperity - three times more than others. Although the interviews exposed the emptiness of language, the quantitative findings showed that a neo-liberal narrative affected the perceptions of the underprivileged in both societies and specifically those casting a "counter-class" vote.

The reasons for underprivileged voters to hold such a narrative are unclear. As Chapters 2 and 4 have shown, various welfare regimes treat the underprivileged differently. A social-democratic regime benefits the poor more than others, at least in the short term. Nonetheless, a significant proportion of the underprivileged – around two-fifths in both countries – either abstain or vote for the non-welfarist party (as defined in Section 5.2). Moreover, the language of those who formally support greater redistribution rarely contains any social-democratic ideas of collective change. The modern welfare state was relatively successful in redistributing wealth, fighting Beveridge's "five-giants" and satisfying the basic needs of the poor. However, it failed to instil basic notions of equality and rights in the consciousness of the underprivileged electorate. As the welfare state is *not* a self-sustaining mechanism and since its fate is determined by the people themselves, these one-sided relationships, to say the least, pose grave challenges for its future.

A different strategy might have made welfare less taken for granted by the poor. It might have disseminated a proper terminology to allow the underprivileged to have at least a basic understanding of its role and history. This might have allowed the welfare

state to become more relevant for the poor. Either way, as long as the debate on redistribution and equality is confined to academia, other issues will continue to shape the agenda (and the language) of the poor electorate. While the question of legitimisation deficit in welfare provision has already been explored (Taylor-Gooby 1983 & 1985, pp. 21-52), the vocabulary and knowledge of those in need lags behind, and there is a need to understand better why and how this happens. The welfare state is capable of revitalising its image among that audience whose attention and commitment it might have captured..

Having discussed poor people's identity, their lack of commitment and their limited welfare language, another insight into the **mechanisms of reasoning** of the underprivileged electorate should be noted. Over and again, the fieldwork has shown the chronic insecurity of underprivileged citizens when venturing into the domain of national welfare policy. This is not necessarily attributable to their relative lack of knowledge but to the overall circumstances of their life, which probably limit their capacity to engage in such a debate. As a consequence, personal experiences and accidental interactions were found to have a higher impact and therefore exercise greater influence over underprivileged voters' perceptions. This echoes the findings of the "Columbia" school (Lazarsfeld et al 1948), as the dependency of the underprivileged electorate on their close environment is probably greater than others.

In this respect, the fieldwork showed a significant difference between privileged and underprivileged voters. Whereas both have often integrated local observations in their political articulation, only privileged voters constructed from these observations some policy conclusions for the future. The underprivileged rarely transcended self-experienced observations in their replies. Thus, for instance, if a privileged voter's fury over police neglect of a crime in his neighbourhood culminated in a complaint against its human resources management, an underprivileged voter stated that Blair "spoke about the police in the street, and there are more police in the street... he spoke about the NHS hospitals, and it is cleaner now." Both accumulated self-experienced observations, but the relatively poor rarely used them to form an abstract argument relevant for the work of government. The poor were far more likely to rationalise their previous voting by using micro and self-experienced observations rather than considering future directions and raising questions of national policies. The latter discourse put them on unsteady ground.

Another key difference shaping the mechanism of reasoning of the underprivileged electorate concerns **emotions and fears**. Secondary analysis and in-depth interviews have shown that the underprivileged, especially Likud voters in Israel, reacted to uncertainties by exaggerating them. In 1999, for instance, on the eve of the historic Camp David peace talks with the Palestinians, nine out of ten Likud underprivileged

voters claimed in a survey that the ultimate goal of the Arabs was to annihilate Israel, by far the highest proportion among all groups. The interviews conducted in the course of this study have shown how the fear of terror overwhelmed the fear of poverty. As a consequence, welfare policy became subordinate to questions of defence and security. This was a key distinction between Labour and Likud underprivileged voters: whereas all the former exclusively prioritised welfare in the exploratory survey, only one-third of the latter did so.

These trends can be explained with Kahneman and Tversky's Nobel Prize-winning theory of decisions under risk (1979). Their *prospect theory* proved mathematically that "losses loom larger than gains", as "the aggravation that one experiences in losing a sum of money appears to be greater than the pleasure associated with gaining the same amount" (p. 279). Whereas the argument applied originally to financial behaviour, it can also be applied to politics. Thus, voters might have perceived welfare expansion to be something that can increase their future utility, unlike security, which was portrayed as a minefield where leaders could make painful mistakes. If welfare is a "gaining field" and security is a "losing field", then a crucial predisposition diverts voters' priorities. The fact that most Israeli Likud voters acknowledged in the exploratory survey Labour's advantage in welfare highlights the question of priorities and their formation.

If the most urgent and emotionally charged issue for Israeli Likud underprivileged voters was defense, its British equivalent – according to the British Election Survey – was probably European integration. Any comparison between the two should be made with caution, as the linkage might be contestable and tenuous, but the fact remains that 79 per cent of Tory underprivileged voters defined Europe as a cardinal issue affecting their vote in 1992. The least pressing issue that year for underprivileged Tories was that of equalising incomes. This conforms to Roemer's conclusion according to which "new dimensions of citizen concern" changed old issues allegiances (1998, p. 417). According to the findings of this research, both Israeli and British Conservative underprivileged voters faced such new dimensions that fuelled emotions and pushed questions of redistribution off their political agenda.

**Traditional voting** is in fact an illustration of emotions. It was particularly common among the underprivileged electorate in both countries, even though the main beneficiaries were different. In Israeli surveys, 62 per cent of the Likud underprivileged voters explained their vote in terms of party loyalty. In 1999, 93 per cent of them replicated their previous voting, compared to 80 per cent among Labour underprivileged and 75 per cent among the privileged sample. In-depth interviews reflected a long-lasting, emotional and often unquestioning allegiance to the right-wing party. In Britain, 42 per cent of Labour underprivileged voters said in the BES that they always voted that way, double the percentage of their Tory counterparts. The interviews have shown that the privileged who replicated their voting were usually more critical about it.

Up to this point, the observations have focused mostly on the poor, elaborating on their identity and their different patterns of engagement with politics in general and the two other points of the Triangle in particular. Several issues explored in the theoretical chapters have been revisited, among them class and economic voting, reasoning and knowledge, welfare emergence and its reliance on left-wing parties and questions of social inequalities and political exclusion. Significant variations between voters have been noted, all of which address the research questions defined at the outset; the first relating to the contrast between privileged and underprivileged citizens and the second to the uniqueness of "counter-class" voting among the underprivileged. At the risk of oversimplification, I shall try to address the first question with the following conclusion:

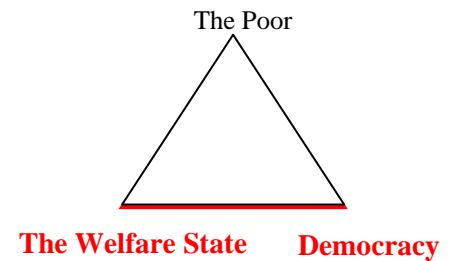
Privileged citizens were found in this thesis to be more likely to physically vote. Their knowledge was generally more accurate and their reasoning less influenced by emotions and tradition. Their awareness of their personal interest was greater, and so they were more likely to pursue their own agenda through democracy. On the other hand, underprivileged voters differ in at least two ways; they vote less frequently and they tend to reason differently. In addition, their class identity is blurred and most of them lack a basic commitment to and the terminology of "welfarism" and "democracy", which affects their political decisions.

Within the issue of reasoning, the question of rationality should be assessed separately. Generally speaking, there has been no evidence so far of systematic irrationality of underprivileged individuals. With regard to *participation* in elections, the utilitarian theory would clearly justify abstention, especially when civic commitment is so rare (see the Paradox of Voter Turnout in Section 4.3). With regard to non-welfarist *preferences* of parties, the theories of Downs (1956) and Arrow (1951) virtually collapse when state impact is denied and class identity is blurred. The cause for counter-class voting might therefore be in the domain of past, present and future knowledge, required for any kind of rational voting.

Nevertheless, this thesis has also shown that Conservative voters are less likely to follow their self-defined "utilitarian choice". This was based on voters' own assessment of parties and preferences in several policy domains, as recorded in the British Election Study and the Israeli exploratory survey. The algorithm successfully predicted most of Labour voters' behaviour, but failed to account for half of Israeli Likud underprivileged voters and a quarter of their British Tory equivalents. Significant inconsistencies were also found among the Conservative privileged electorate in both countries. This indicates a unique phenomenon among non-welfarist supporters, which calls for greater efforts to find new indicators capable of minimising the unexplained variance. I will return to this issue later, as it goes beyond the underprivileged electorate.

## Democracy and the Welfare State

Up until to now, this chapter has concentrated on the poor and their relationships with the democratic apparatus and the welfare state. This generated a few insights about the differences between privileged and underprivileged voters. However, when discussing the uniqueness of underprivileged "counter-class" voting, the dynamics of the third pair of elements, namely the democratic establishment and the welfare state, becomes highly relevant. The changes and challenges undergone by both institutions have generated certain dynamics that resonate in the public debate. The historical endorsement of the welfare state by democracy and the reversal during the seventies, as explored in Chapter 3, have resulted in a new balance of power. Whereas struggles around equal suffrage and unified realms of rights were once predominant, my fieldwork questions the way issues of redistribution and welfare are portrayed in the public realm. Doubts about the capacity of democracy to deliver requires a renewed focus not only on its electoral source of power but also on the institutional transitions that have occurred.



Both democracy and the welfare state have been subjected to strong criticism over the years; democracy, for its inability to facilitate collective action and accurately represent the people's interests (Michels 1915/1959, Schumpeter 1942/1976 and Offe 1987); and the welfare state, among others, for the difficulties of its delivery strategy to attract wider support and acknowledgement (Harris and Seldon 1979, Alt 1979, pp. 249-262, Taylor-Gooby 1983). Both institutions have undergone change; whereas advanced democracies have sought inclusive policies to regain legitimacy (Young 2000, OECD 2001, OECD 2008), welfare states have adapted themselves to the growing demand for choice and competition (Powell 1999, Le Grand 2007). Another key element, which was not scrutinised in this research, is the mass media, whose ability to set the agenda (Cohen 1963, McCombs & Shaw 1972) has been challenged by new forms of communication and challenges, all of which have transformed the way politics is conducted (see also Denver 2003, Ch. 6). We are therefore in a period of transition in both "points" of the Triangle.

Although the key role of democratic procedures in shaping welfare policies has remained, the challenges mentioned above have had an impact on the dynamics between the institutions. As for the persistent importance of these relationships, studies have recently shown the state's incessant impact on levels of inequalities (Hills 2004) and the abiding power of the electorate to determine such policies (Brooks and Manza 2007). As for the new dynamics between these institutions, the literature and the engagement

with voters discerned two: the first being the subordination of welfare policy in the public debate and the second the superficial manner in which these debates are currently being conducted (see, for instance, IDI 2006, Arbel 2005, Yeshuvi 2002). Both had an impact on underprivileged voters, and consequently, on the Triangle as a whole.

As a preliminary note, it should be said that this thesis ought not to have had to deal with the media. However, it encountered evidence of its probable impact that could hardly be ignored. The power of the press has been acknowledged since the seminal work of Butler and Stokes, who argued that "readers are absorbing more than their editor's bias" (1969, p. 244). Yet, the underprivileged are generally more dependent on the press than others, as their access to independent and academic resources is a-priori lower. It leaves them more vulnerable to knowledge manipulation and other media biases. For instance, when newspapers take a political stand that affects coverage (Denver 2003, pp. 138-143) or when political correspondents adopt a "horse race" approach to cover elections (Merritt 1998, Goidel 2000) - the market of ideas and the quality of knowledge become necessarily limited.

The visibility of welfare *policy* is also limited, which might contribute to its subordination and superficial coverage. Crudely speaking, images of rolling tanks are more attractive to the media than a report on a moderate increase in welfare benefits (which has no visual appeal). For underprivileged members of society, who face difficulties in grasping these figures, the war on want is vaguer and more distant than the war on terror. Visibility is therefore a new contributory factor in the changing climate of relationships between democracy and the welfare state. The Israeli media, for instance, faces criticism for "discovering" poverty only when new figures are published, and even then, it is argued that the so-called "poverty festival" focuses heavily on stories of misery rather than on the policies that allowed them to happen (IDI 2006, Arbel 2005, Yeshuvi 2002). This, and the other issues mentioned above, might also account for the cardinal importance that the Israeli poor attach to issues of security.

The impact of these new dynamics on voters is mainly in the arena of knowledge and reasoning. These will be addressed here separately.

The effect on **knowledge** is two-fold. It can be found in voters' consistently inaccurate assessment of economic records and also in their creative interpretation of the parties' manifestos. In the case of the former, it was found that voters (not necessarily underprivileged) tend to fit figures to ideologies. In the BES, Labour underprivileged voters were twice as likely as their Conservative counterparts to mistakenly argue that taxes had increased until 1992. They were three times more likely to claim that

unemployment rose until 1997. Clearly, political affiliation shaped British voters' assessment both of measurable indicators and immeasurable ones (like NHS performance). In Israel, on the other hand, underprivileged voters from both parties wrongly claimed that unemployment was increasing. However, these contradictory axes of influence only exemplify the frequency and the simplicity by which information is distorted.

It should be noted that the role information plays in shaping partisanship is debatable. Delli Carpini and Keefer, authors of the most comprehensive study of political knowledge so far, indeed found that knowledge "appears to facilitate a closer linkage between group interests and political attitudes" and that it plays a key role in enabling issue voting (1996, p. 242, 258). Nonetheless, several scholars have shown that the average voter might manage perfectly well with information cues and heuristics (Kramer 1971, McKeley & Ordershook 1984/5, Sniderman et al 1992). Their conclusions were refuted by Pattie and Johnston, who criticised "conventional models of electoral choice" for their attempt "to account for the behaviour of all voters at the same time" (2001b, p. 374). They maintained that some voters, mostly educated ones, "might be more likely to use the economic vote heuristic than others" (p. 375). This is to say, knowledge is essential and its unequal distribution does inhibit voters of very specific groups from exercising a rational vote (see also Section 4.3).

Having addressed knowledge gaps of the first type, I will now focus on misconceptions of parties' future plans and their fundamental platforms. This type of information deficit can hardly be moderated by cues and heuristics. It might even be deliberately projected by parties, as suggested in Downs' "median voter" theory (1956). The figures demonstrate a reality of misconceptions about the elementary issues that divide parties. In 2006, for instance, 77 per cent of Israeli Conservative underprivileged voters claimed in my exploratory survey that their party would increase social spending – after it had dramatically reduced it in previous years. In large-scale election surveys, Likud voters saw only minor differences between the parties' economic and social manifestos. In Britain, 60 per cent of underprivileged Tories denied in 1992 that their party was in favour of "cutting taxes and spending less". 52 per cent claimed that the Conservatives were committed to ensuring that "every person has a job".

Notably, similar but more moderate trends were also found among the privileged electorate. Thus, in the BES of 1992 one out of four Conservative privileged voters thought their party would redistribute income. On aggregate, contrary to Labour supporters, privileged Conservatives did not agree that their party's policy was to cut spending. This challenges one of the findings of Pattie and Johnston who suggested that education correlates with the perceived gaps between parties (2001b, p. 384). However,

the in-depth interviews did show that the privileged were generally more reflective and willing to admit to disagreements with their party. They were also more sophisticated in answering questions, which might explain non-trivial responses. The underprivileged on the other hand often denied inconsistencies and rejected the possibility that their party might harm their interests.

The misconceptions of the underprivileged Conservative voters probably inhibited them from making a fully rational choice, as explained in Section 4.3. Notably, even if an illiterate voter makes a choice in accordance with his/her interests, this does not constitute deliberate behaviour requiring an informed assessment of the various alternatives. Logically, when the future and past dimensions of political knowledge are absent, a crucial brick is removed from the Pyramid of Political Engagement. That raises questions as to the possibility of a higher level of political engagement. Blurred identity does not contribute much to this conundrum.

A systematic review of the findings explored so far suggests a new pattern of relationship between the democratic system and the welfare state. If, historically, democracy was the battlefield for redistribution of wealth (as elaborated in Chapter 3), the interviews have shown that a large proportion of the electorate today is little or not at all concerned and informed about the welfare alternatives they have. These findings correlate with the shift identified in the literature, from debating the redistributive implications of democracy to questioning its very capability to reflect the public will. Thus, while the democratic apparatus seeks to regain legitimacy, the media is focused on sound-bites and the welfare state reconstructs its delivery mechanisms – questions of redistribution are put aside by many voters.

The last observation has to do with **reasoning**, and it reflects the aggregated impact of insights explored earlier. Interestingly, according to the British Election Survey and the Israeli exploratory survey, it was mainly the Conservatives from both countries, regardless of their economic status, who voted against their self-defined "utilitarian choice". Their political choice was more likely to differ from their parties' expected utilities, calculated on the basis of policy priorities. The scientific rigorousness of this algorithm is indeed limited, and not all policy fields were included in it. Yet, the same method successfully predicted the vote of most Labour supporters. In Britain, it has taken prediction rates up from 66/68 per cent to 85/89 among privileged/underprivileged voters, respectively.

The Conservatives were the exception. The algorithm failed to account for the behaviour of half of the Israeli Likud underprivileged and a quarter of their British Tory counterparts. These voters consciously voted for policies that on aggregate were not beneficial for them, whereas Labour supporters were utterly convinced of their choice.

A closer look reveals some key insights. The analysis of the small Israeli sample showed that Likud underprivileged voters did acknowledge Labour's advantage in the fields of welfare and benefits in 2006, but for most of them, this field was simply less important than defence. In the British Election Survey of 1992, Tory underprivileged voters generally ascribed to their party softer neo-liberal positions than any other group, thus mitigating its socio-economic agenda.

These results can be approached from two directions. They show that not all voting decisions are unpredictable and chaotic, but they also stress the need to better understand the causes for a "non-utilitarian" choice, which in the case of the underprivileged converges with "counter-class" voting. It is probable that factors unrelated to policies had a greater impact on the Conservative electorate. It is also possible that knowledge gaps interfered with the voters' assessment of parties. However, eventually, welfare issues seemed to be impenetrable to certain voters. One out of two Israeli underprivileged Conservatives subordinates these domain to what he/she perceives, according to the fieldwork, as the greater good of existential security.

These new dynamics between the democratic establishment and the welfare state are well reflected in voters' knowledge and reasoning. Rather than occupying the central ground in voters' articulation, with a fresh and captivating image of change, questions of benefits and redistribution compete with other, more visible and often more emotional debates. At least in Israel, studies have shown that the media, usually making the advocacy of sophisticated ideas, actively contributes to the subordination of welfare policy in the public debate.

Having explored all points of the Triangle, the research question relating to the underprivileged electorate's "counter-class" voting can now be better addressed. Evidence from both case studies shows welfare was often subordinate in a Conservative agenda. Underprivileged Likud voters in Israel were more influenced by national solidarity, personal fears and old traditions, whereas underprivileged Tories in Britain prioritised their opposition to EU integration. Both groups took little account of the redistributive consequences of their political choice. In addition to that, the underprivileged electorate's "counter-class" vote often correlates with knowledge gaps – concerning past government records, present socio-economic interests, and parties' platforms for the future. These gaps, together with different priorities, made poor voters perfectly capable of rationalising their Likud/Tory vote.

## 9. Conclusion

Democracy is justly credited with having assisted the creation and expansion of modern mechanisms of redistribution. Yet, in recent decades it appears to have become more of an inhibitor than a catalyst in the creation of an equitable society. Paradoxically, those treated most unequally include many who fail to exercise their full political power.

Electoral figures show that roughly two fifths of underprivileged Israelis supported a neo-liberal candidate (in 1992 and 1999) whereas two fifths of British underprivileged abstained or voted Conservative (in 1992 and 1997). Over the years, ideals of equality and social rights have been subjected to intensive reappraisal or continuous marginalisation in both countries, supported by the electorate. By examining psychological, sociological, political and economic theories that explain individual behaviour and social change, this thesis has sought to readdress the question of redistribution. It has done so by focusing on three potentially powerful forces that have played a cardinal role in its facilitation: *poor people*, the *democratic apparatus* and the *welfare state*.

An examination of the relationships between the three shows that the underprivileged sections of the electorate are unlikely to push for greater redistribution without a major shift in the current dynamics. Unless such a shift occurs, the principal beneficiaries of welfare seem incapable of mobilising democracy to expand the benefits and services they receive. This draws attention to the political power of the middle class and raises questions as to the root causes of the current stalemate. As for the last issue, this study indicates that each of the three forces that facilitated redistribution has changed over the years, resulting in the evolution of different patterns of relationships within the various pairings. These relationships, situated within their wider social milieu, may be diagrammatically represented in the form of a triangle. It is this triangle that has provided both the boundaries and the focus of this thesis. However, on the basis of current realities, it would appear no longer to be the engine to mitigate market inequalities, at least in the immediate future.

The relationship between the poor, democracy and the welfare state is therefore at a crossroads. What are our conclusions? They can be summed up as (a) fewer of *the poor*, confronted by a shift towards class dealignment, are able and willing to identify themselves as a collective with economic interests and consequentially political clout, (b) *democratic processes* and the manner of our public debate obstructs voters from reflecting their interests, especially when complicated policies and a disadvantaged electorate are at stake, and (c) the *welfare state* is neither perceived nor portrayed as capable of relieving poverty, but as a fading set of institutions managed by non-

advocates with objectives that are seldom adequately explained in public. Whereas the first two conclusions reflect structural changes, the third echoes a change in perceptions that might be more easily reversed.

The above three findings – one for each corner of the Triangle – arise from an exploration of the relationship and dynamics between each pair of concepts. On that basis, the conceptual framework introduced in the theoretical chapters can be revisited, using the new evidence summarised here. In short, this study lends weight to the following arguments:

- The *welfare state* certainly contributes many benefits to *the poor*, but the relationship is one-sided; poor people often fail to acknowledge this contribution and rarely make any connection between public policies and their own welfare. The history of collective struggle to build favourable elements of the welfare state is not familiar to the disadvantaged of each succeeding generation.
- The relationships between *poor people* and the *democratic apparatus*, especially in Britain, reflect a profound crisis of civic commitment. There is also a consistent difficulty with poor people's ability to apply the lessons of their own experience to the arena of national welfare policy. These in turn negatively affect the utility they expect from voting in elections.
- As for the third pair, the *democratic apparatus* and *welfare state*, it seems that our political culture impacts on voters' knowledge and understanding. The presentation of facts is moulded for political purposes and the objectives of social policy are often unknown to the electorate. Both sets of institutions have changed. Access to voting is one thing, manipulation of knowledge is another

A systematic review of the dynamics of these important pairs of relationships suggests that two basic commitments poor people could have had – one to *democracy* as a method of governing that secures their political rights and one to the *welfare state* as the mechanism that guarantees their social rights – are fragile, if they exist at all. Integrated into Sen's "Rational Fools" theory (1977), these commitments could perfectly well account for the ostensibly irrational act of voting. Yet, this study has found civic and welfare commitments prevalent mainly among the privileged electorate. This has left a large proportion of the poor with less motivation to exercise their political power and support the welfare state. Many of them are passive in their defence of the welfare state rather than active in support of its extension. Consequently, on aggregate, elections today are only a partial reflection of the electorate's economic interests. They have become a pale fulfilment of the collective dreams (no less than fears) of one hundred and two hundred years ago, as explored in Chapter 3.

These conclusions are supported by evidence gathered from 137 engagements with privileged and underprivileged voters, 25 semi-structured in-depth interviews and a secondary analysis of 5 large-scale opinion surveys. The empirical analysis suggests that two thirds of the underprivileged electorate, both in Britain and Israel, did not support the "pro-welfare" party during the 1990s, either by voting against it or by abstaining. Of the key evidence reviewed in the previous chapters, some should be briefly re-emphasised here:

- In interviews, underprivileged voters rarely acknowledged the assistance they receive from the welfare state, showing no willingness to commit themselves to it politically. Comments such as "I hardly think they are capable of helping" (Israel) and "I just don't believe anyone can change" (Britain) were frequently made. Scepticism and ethics of self-reliance distracted from a **commitment to the welfare state**. Only 30 per cent of British underprivileged Tory voters held government accountable for their personal well-being. The fieldwork showed welfare policy might be impenetrable to citizens in hardship.
- In both countries, welfare was often subordinate in the **political priorities** of poor "counter-class" voters. Secondary analysis showed 79 per cent of British underprivileged Tories defined the prospect of European integration as a cardinal issue affecting their vote, leaving income equalisation at the bottom of this list. The fieldwork in Israel found poor Likud voters unanimously prioritising defence spending. Some Sderot residents tolerated their benefit cut, as it was more important to stop the "rockets flying over". Uncertainties and fears were often exaggerated: 60 per cent of Likud poor voters were "very concerned" about Arabs hurting their families.
- Demographic and sociological transformations have contributed to voters' **blurred class identity**, which is attributable to a contradictory assessment of economic interests. Underprivileged Conservatives in both countries were more likely to artificially upgrade their socio-economic status, many of them miscalculating the implications of neo-liberal policies on their finances. The exploratory survey showed 69 per cent of all British underprivileged and 36 per cent of Israeli Likud underprivileged voters thought they would be better off if income tax was reduced. Blurred identity thwarted class solidarity and action.
- Whilst the underprivileged were more likely to abstain (turnout gaps in Britain reached 10-15 per cent), the interviews showed that lack of **commitment to democracy** was the key underlying cause. Most disadvantaged abstainers were sceptical as to government's ability to deliver and looked for tangible benefits in return for their efforts. Opinion surveys showed a record of 82 per cent of them

"didn't care much" which party won. Yet other electors, privileged and underprivileged, were no less sceptical, but voted out of civic duty. One of them explained, "If you don't vote... you don't deserve to have a democracy."

- In both countries, **political illiteracy** distorted voters' assessment of political alternatives. Surveys showed voters overvalued their party's performance in government and vice versa. Conservative underprivileged voters tended to soften their parties' manifesto on welfare. In Britain, 55 per cent of them claimed that the Tories would redistribute income. In Israel, 77 per cent claimed the Likud would increase social spending. In interviews, some Israelis seemed to be in a state of denial as to Likud's recent benefit cut-offs. Information deficits were not exclusive to the underprivileged, but had the most impact on them.

An integrative assessment of the various dynamics affecting voters provides some plausible explanations for underprivileged abstention or for a "counter-class" vote. In the political context, class identity of the underprivileged was found to be dealigned and blurred, their commitment to democracy and the welfare state was weak, they rarely ventured into the domain of national policy, and ethics of self-reliance were highly dominant. Personal experiences and incidental happenings had greater influence on their perceptions, and they rarely conceived of elections as an opportunity for change.

As for right wing voters, they were likely to soften the neo-liberal stance of their party (although they were generally supportive of it), preferred to distance themselves from a "working class" classification, paid greater attention to non-welfare issues and reacted differently to uncertainties and fears. Across the electorate, knowledge of governments' past performance and parties' core policies was found to be fluid and vulnerable to manipulation. Eventually, more findings revealed new forms of exclusion that justified a hesitant support for the welfare state, than findings labelling voters as irrational.

Conservative support among the underprivileged may contradict some financial interests, but there seem to be a rationale for it. There is still a need to better theorise the non-utilitarian motives behind a "counter-class" vote, but the fieldwork and the empirical analyses indicate that new trends are affecting the grassroots of politics. The findings summarised above explain to some extent the lack of unequivocal support for the "welfarist" party by those who need it the most. Clearly, these new patterns of relationships show that the potential for the underprivileged electorate's political support for redistribution is far from being fulfilled. If all underprivileged voters were sufficiently knowledgeable and committed, one would expect a different representation of their financial interests.

Britain and Israel differ significantly in several key dimensions, such as demography, class structure and electoral system. Nevertheless, one can find a leitmotiv in the underprivileged electorate's route to political poverty. The appearance and scope of certain dynamics may vary between the countries, but similarities can be found in the fundamentals of identity, commitment, knowledge and reasoning. As for identity, in both countries the underprivileged do not necessarily identify themselves as such. In both countries they lack commitment, either to democracy, the welfare state or to both. In both countries the ethics of self-reliance sabotage the link between political choice and personal welfare. In effect, the similarities between the two case studies were much greater than originally expected.

These conclusions should be regarded with caution. This research is limited in scope and has not explored, for instance, the impact of campaigns and candidates in re-mobilising the poor. The fieldwork could not construct a representative sample of the electorate due to restricted resources. The secondary analysis confined itself to existing questionnaires. Nonetheless, the accumulation of findings, which draw on a number of other studies, reveals the extent to which the poor are alienated – both from democratic representation and action and from the welfare state. New forms of investigation and analysis are required to better identify the policies that might guarantee a more representative form of democracy and a renewed framework for monitoring and accounting for the political exclusion of the underprivileged.

One can argue that nothing has changed since Robert Trussell's absorbing novel "Ragged Trousered Philanthropists" (1914), or since Marx urged the proletariat to "use its political supremacy to wrest, by degrees, all capital from the bourgeoisie" (1848/1959). That would be a misrepresentation of history. Over the last sixty years, humanity effected one of its greatest collective achievements – the formation in industrialised capitalist economies of the welfare state as a mechanism for the redistribution of wealth. In meeting some of the basic needs of the poor, it achieved social stability and an uneasy, but peaceable, reconciliation of rich and poor. While its magnitude can be debated, the birth of social rights side by side with the enlargement of the franchise is undisputable. What we are experiencing today, at the individual level, is the unwillingness or incapacity of roughly two fifths of the poor to support welfare policy on Election Day. In view of its national implications, this phenomenon is the key challenge this thesis has sought to address.

\* \* \*

The findings of this thesis are relevant to at least two major debates in the fields of social policy and government that deserve to be mentioned. The first concerns the operational definition and measurement of political exclusion. The second concerns the policies required to make democracy more egalitarian and inclusive. In both arenas, the contribution of this study is limited: it cannot advocate a definitive solution, but it can certainly draw on the findings to highlight new facets of the various alternatives.

As for the definition of exclusion, the different narratives attached to abstention make turnout a questionable indicator of political deprivation. The current working definition of political exclusion (Burchardt et al 2002, Gordon et al. 2000) might unintentionally apply similar conclusions to fundamentally different types of abstainers. Turnout might be the most accessible and convenient indicator to monitor, but it cannot differentiate between committed voters inhibited from voting for practical reasons and those whose abstention reflects their alienation from the democratic process and their exclusion from this aspect of social life. Furthermore, the social context and political implications of knowledge gaps show that physical attendance is the lowest threshold possible to define inclusion. Can we consider an utterly illiterate and non-engaged voter to be socially included only because s/he cast a vote? Recalling the theoretical definitions of social exclusion and political rights in Section 4.2, inclusion would seem to entail more than a physical action.

The second debate revolves around the policies capable of producing a more egalitarian democracy, affirming its legitimacy and making it more inclusive than it is at present. A call for compulsory voting (Lijphart 1997) might cure the symptom of abstention but probably not the root causes of exclusion. This study has shown turnout cannot substitute for knowledge and reason when making political choices. Thus, the findings demonstrate the need for "benefits-side" reforms to reinforce the gains the underprivileged electorate identify with their political efforts. This can be achieved either through a "primary" shift between discourses, from a utilitarian-based to a civic-commitment-based narrative, or through a "secondary" shift in the material prospects of underprivileged electors. Any attempt to reduce the costs of voting (e.g. postal voting) might be counterproductive in addressing the exclusion challenge and boost inequality by affecting predominantly the privileged. A change in the electoral system is also not advocated from this study's evidence, as in both countries, the dynamics of the processes by which poor people were alienated were unrelated to election procedures.

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This study commenced a few months before George W. Bush was re-elected as President in 2004 and its concluding remarks were drafted the day after Barack Obama's 2008 landslide. Obama's campaign symbolised for many the dawn of a new era of collective action. He was even denounced as a "redistributor" (Krugman, 7 November 2008, see also Schiller 2008). His "blueprint for change" and his victory speech succeeded in mobilising millions all over the world (2008a, 2008b). As Thomas Friedman of the *New York Times* wrote the following day, it was a rebellion of voters against the perception that "pursuit of the common good was all about pursuit of individual self-interest" (5 November 2008).

The conclusions of this thesis cannot be applied to other countries, but might point to some global trends. Clearly, in Britain and Israel, the poor could have played a much greater role in facilitating redistribution in the last decade. However, the current dynamics make it unlikely that *they* will do so. It does not mean they are not a significant source of support for the welfare state or that they bear any responsibility for its retrenchment. It does mean that the sponsorship of welfare expansion is today in the hands of others. In America, according to press reports, the young voters, the blacks and the middle classes were those who fuelled the Obama campaign. An alternative route to welfare expansion requires new dynamics within the Triangle to change underprivileged political behaviour in the future, making it more prominent politically.

Three questions bring this dissertation to an end. The first is whether these findings are in any way correlated with structural changes in welfare provision over time and across countries. If two fifths of the underprivileged electorate can hardly be mobilised to support welfare, state policies could have been politically adjusted to secure the support of those who can. If indeed welfare provision benefits the middle class today more than in the past (Le Grand 1982, Hill 2004), can it be the result of a middle class vote?

A second question relates to the welfare state itself. In democracy, redistribution is not a self-sustaining mechanism. The evidence for one-sided relationships between the welfare state and the poor require a new approach that would make redistributive state welfare less taken for granted. The question is not how to prevent a legitimisation deficit, but how to make the underprivileged feel that the welfare state is truly working for them. It might require an "active welfare state", not only in terms of policies, but also in the field of advocacy.

The last question concerns the strategy required to create new dynamics in the relationships between the poor and democracy. The current detachment cannot be maintained for long, as the need for an "inclusive democracy" (Young 2000) is today stronger than ever. A recovery is needed not only to guarantee equality and promote redistribution. It is vital to affirm the legitimacy of democracy and its ability to reflect the people's will.

After all, this is what its progenitors envisaged and hoped for so many years.

## 10. List of References

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Israeli Central Bureau of Statistics: <http://www.cbs.gov.il>

Israeli National Insurance Institute: <http://www.btl.gov.il>

Kedma - The Middle East Gate to Israel: <http://www.kedma.co.il>

# APPENDICES

## 11. Appendices

### 11.1 From Bismarck to Beveridge\*

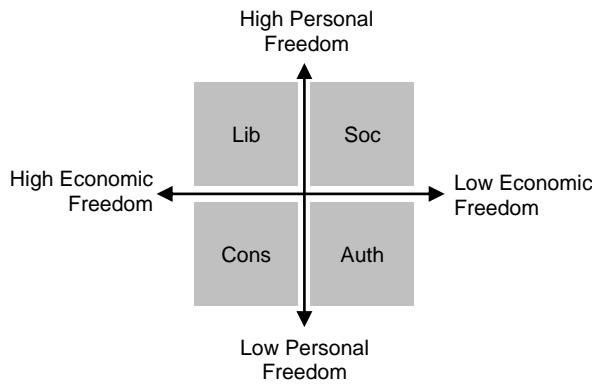
A crude account of the emergence of the welfare state would inevitably identify at least three eminent figures, who had a substantial share in the transference of social responsibilities from the voluntary sector to the state<sup>31</sup>. First, was Prince Otto Von Bismarck (1815-1898), who founded the first compulsory National Social Insurance system, as he believed that "by making the individual more dependent upon the State... he could make him more loyal to it" (Ashley 1912, p. 57). Second was David Lloyd George (1863-1945), who was among those who changed the British perception of welfare provision and laid the foundations for the abolition of the Poor Laws (Hay 1975). Third was William Henry Beveridge (1879-1963), who reshuffled the social administration by facilitating the needed transformation toward the establishment of the first universal, comprehensive welfare state (Abel-Smith 1992).

These figures were selected as they all symbolise major turning points in the creation of the modern welfare state. Their personal characters, as well as certain exogenous circumstances, put Bismarck, Lloyd-George and Beveridge eventually under the history's spotlight and allowed them to lead revolutions rather than evolutions of welfare regimes. The external pressures were indeed crucial: Evidently, inclusive democracy or the preservation of its absence had a significant role in the emergence of the early Social Security schemes (Rimlinger 1968, Ashford 1986, Hicks et al 1995). However, this chapter aims to map the personal perceptions of these three leaders using the two typologies.

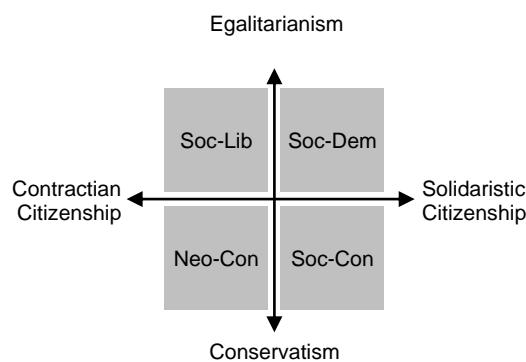
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\* This chapter was an essential part in the thinking prior to the final writing up of this thesis, and some interesting conclusions are arrived at. It could have been included in Chapter 2 "The Welfare State & the Poor", but was eventually integrated in the Appendices. Despite its intellectual merits, it does not contribute to the core argument pursued in this thesis. Its reading is at the discretion of the examiners.

<sup>31</sup> Remarkably, while historically responsibilities were transferred from the voluntary sector to the state, some suggests today that the private sector must also be liable by law to participate directly in providing welfare for the community (Giddens 2004).



**Figure 11.1.1: Typology of attitudes toward economic and personal freedoms (Blundell & Gosschalk 1997)**



**Figure 11.1.2: Typology of attitudes to citizenship rights and redistribution (Dean 2002 & 2005)**

The first was developed by John Blundell and Brian Gosschalk (1997) and served Anthony Giddens in his *The Third Way* (1998, p. 20-23). Based on a series of surveys conducted in Britain, they reclassified the attitudes of contemporary Britain toward individual politics, distinguishing between approaches to personal and economic freedoms and thus generating four quadrants (Figure 11.1.1). Conservatives ("New Right") are in favour of market freedom, but like the authoritarians, want to restrict individuals' personal freedoms on issues such as family, drugs and abortion. Socialists ("Old Labour") are supporters of less-restricted personal freedoms but opponents of free markets, while liberals ("New Labour") are market-fundamentalists resisting restrictions on freedom of any kind.

Dean put forward the second typology seeking to classify logics and ideologies rather than contemporary political attitudes. The horizontal axis in Figure 11.1.2 represents the continuum between solidaristic-republican and contractarian-individualist notions of citizenship. While the former supports in principle any collective action, the latter fanatically seeks to defend personal rights, most often the civil ones (2002, p. 189-193). The vertical axis represents different ideological attitudes toward redistribution, making

a distinction between egalitarians supporting ideals of formal or substantive equality and conservatives seeking to preserve the current order (2005)<sup>32</sup>. A closer look of both typologies will reveal compelling similarities: Ideological beliefs toward citizenship are often correlated with attitudes toward economic freedoms, formal egalitarianism<sup>33</sup> is usually accompanied with a desire for high personal freedoms and conservatism in essence leads to the opposite direction.

Assessing Bismarck's tendencies in accordance with these typologies is a tricky task. It is generally assumed that the first Chancellor of the German Empire promoted his three Insurance Acts during the 1880s primarily to escape democracy and avoid civil unrest (Rimlinger 1968, Ashford 1986, Baldwin 1990). However, an extensive examination of his life reveals a keen solidaristic belief in the responsibility of a state to its citizens, even when the implementation of this duty restricts economic freedoms.

Dawson's argument, according to which Bismarck's personal social ideology was at least as important as the economic, political and social circumstances prevailing when he held office was certainly not made in a vacuum (1891). The German Empire might have had a deliberate strategy of catering "a little to everyone... [to please] all up to a point" (Waller 1997, p. 61), but in 1847, he was apparently in favour of nationalizing the railways. In 1865, he even persuaded Kaiser Wilhelm I to lend money for a co-operative factory (Ashley 1912, p. 39-40). On an other occasion, he explicitly referred to the "legitimate cause of Socialism" (Dawson 1912, p. 14).

The guiding strategy of the Chancellor was to strengthen the republic (and his personal status) through improving the welfare of its citizens and not the reverse. This can explain his words to Dawson, that his aim was "to bribe the working classes, or, if you like, to win them" (1912, p. 11). Rimlinger quoted him saying, "I will consider it a great advantage when we have 700,000 small pensioners drawing their annuities from the state, especially if they belong to those classes who otherwise do not have much to lose by an upheaval and erroneously believe they can actually gain much by it" (1968, p. 414). These words speak for themselves.

However, assigning Bismarck to one of the fixed ideological groups might be reckless. Officially, he was a "State Socialist" who believed state action was necessary for social

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<sup>32</sup> Originally, the vertical axe in this typology stood for two inherently different assumptions of possessing rights. A systemic assumption held the establishment as responsible for providing basic rights while an agential assumption implied more responsibility on the individual who is required to claim his privileges. For the purpose of this chapter, this allocation is less relevant than the one eventually used.

<sup>33</sup> The distinction between formal and substantive egalitarianism in this thesis adheres to that in Dean's work, in which formal egalitarianism was compatible with economic individualism and the perceptions of equal opportunity, whereas substantive egalitarianism resided largely on the discourse of moral-universalism (Dean 1998)

progress, which was a prerequisite for a strong state. Two extracts strengthen these premises. Dawson cited Bismarck as saying, "it is the duty of the State to give heed, above all, to the welfare of its weaker members" (1891, p. vii). Ashley cited him rejecting the Conservative party's "policy of drag", insisting on delivering his reforms (1912, p. 42).

By mixing elements from different schools, Bismarck and his supporters believed they found the way between liberalism aimed at dismantling any state intervention, conservatism hampering any change and socialism pledged to do the opposite of both. They generated a model of "radical centre", founded upon Adolf Wagner's concepts of benevolent social reforms at the service of a powerful state and a strong industry (Ashford 1986, p. 39-40). Wagner, who seemingly played the same role for Bismarck as Giddens performs for Tony Blair, advocated nationalisation and denied any absolute right in possession of land. His colleague Schomoller discussed the principles of "State Socialism" in terms similar to modern manifestos (Dawson 1891, p. 3):

[It purposes] the re-establishment of a friendly relationship between social classes, the removal or modification of injustice, a nearer approach to the principle of distributive justice, with the introduction of a social legislation which promotes progress and guarantees the moral and material elevation of the lower and middle class.

After the establishment of the Socialist Workers' Party in 1875, Bismarck's personal ideological affiliation had lost its significance, as he was for the first time outflanked by the left. His fear that "revolutions can easily... go way beyond the intentions of their originators" (Waller 1997, p. 69) induced two major strategies – putting forward social legislation to appease the proletariat and outlawing the Socialist party to eradicate any revolutionary seeds.

Two interesting comments were made by the Chancellor himself regarding these strategies. He once wrote that his policies addressed "those Socialist demands which seem justified and which can be realised within the present order of society" (quoted in Zollner 1982, p. 13). On the other hand, in a letter to the Kaiser he asserted, "with mere policy measures the problem cannot be solved" (quoted in Rimlinger 1968, p. 412). It is therefore reasonable to assume that a combination of internal beliefs and external political pressures embarked on process which its "supreme end", according to Brooks, was "to strengthen the weak" (1892, pp. 303-304).

Before elaborating on the new legislation, further discussion of the economic and political conditions in Germany at that time is necessary. Unlike its European neighbours, the industrialization process in Germany began from a lower base with stronger vestiges of the feudal order (Rimlinger 1968). However, from the 1850s

onwards, industrial production steadily increased. The 1860s saw the rate of growth accelerating rapidly.

The euphoria ended in 1872, two years after the end of the Franco-Prussian war. There was a sudden but destructive recession, which highlighted the inequalities within the German society (Waller 1997, Rosenhaft 1994). The developing class-consciousness under the existing authoritarian system eventually brought the dawn of the social parties. This process advanced at the same time as the preservation of old aristocratic traditions. The tension between classes then broadened and consequently, the regional Socialist movements turned into a united Socialist Workers' Party (Lidtke 1966, Roth 1963).

Four years after Bismarck became the first Chancellor of unified Germany in 1871, he became politically trapped between the Liberals and the Socialists. His belief in the importance of the church, his will to impose tariffs, his desire to avoid a "policy of drag" and his personal ambitions brought him into a fragile position. The ideas of "State Socialism" were incompatible with these two major political forces, which were gradually gaining popularity while collaborating to boost democratic reforms (Dawson 1891, Lidtke 1966, p. 57).

Two attempts to assassinate Kaiser Wilhelm in May and June 1878 provided an appropriate excuse and the required atmosphere for Bismarck to blame the Socialists and outlaw any socialist activity in Germany. Even though on the first attempt, "the shots went so far astray that not even the Kaiser noticed that he was the target", Bismarck telegraphed his intentions to take measures against the Socialists on the same day, prior to a preliminary investigation (Lidtke 1966, p. 70). It is quite clear that this legislation was far from being an authentic reaction to national security considerations (Roth 1963, pp. 71-84). However, the "Socialist Law" successfully passed the Reichstag on the second attempt, on 19 October 1878.

The new legislation empowered the state and local governments to abolish societies with Social Democratic, Socialist or Communist attributes, to dissolve meetings where such characters were evident and to prohibit the publication and distribution of Social Democratic newspapers, periodicals and books (Lidtke 1966, pp. 339-345). If some had doubts regarding the extent of enforcement, the local policy clarified its intentions within days by shutting down the three most important newspapers of the party, resulting in the dismissal of hundreds of party members (pp. 78-82).

Nevertheless, the dismantling of a popular movement could not guarantee on its own renewed support for the Chancellor, who was decisive in fully implementing his "carrot and stick" strategy. Whilst the socialists were smashed and served twelve years in the

political wilderness, a time they later dubbed as the "heroic epoch", Bismarck trapped the Liberals. By putting forward his social legislation, the Liberal party's determined resistance had led to its public isolation, to the benefit of the Chancellor (Waller 1997).

The ending of this strategic move was the very beginning of the Social Security era. The speech of Kaiser Wilhelm in the Reichstag on 17 November 1881 virtually inaugurated the modern albeit immature concept of a welfare state (cited at Dawson 1912, pp. 16-17).

The cure of social ills must be sought not exclusively in the repression of Social Democratic excesses, but simultaneously in the positive advancement of the welfare of the working classes... In order to realise these views a Bill for the insurance of workmen against industrial accidents will first be laid before you... To find the proper ways and means for making such provision is a difficult task, yet is one of the highest obligations of every community based on the ethical foundation of a Christian national life.

Two years afterwards, in 1883, the Act for insurance against sickness was passed. In 1884, a scheme for insurance against accidents was approved. Finally, in 1888 the insurance for pensioners for old age and invalidity was legalized.

Even though the principle of mutual insurance was not novel, the compulsory state insurance was a breakthrough at that time. This action alone awarded Bismarck an honourable share in the emergence of the welfare state. Nonetheless, it should be noted that voluntary associations or friendly societies had been very popular in many parts of Germany and Europe for hundreds of years (Ashley 1912, Collier & Messic 1975, Beck 1992). In addition, various rulers already carried with them a notion of social responsibility (Tample 1981). Frederick the Great, for instance, was quoted as saying, "it is the business of a Sovereign, great or small, to alleviate human misery" (Dawson 1912, p. 2).

However, Bismarck's policy was incomparable to all previous insurance schemes. Unprecedentedly, the State insured approximately 13 million people (Brooks 1892) whereas in contrast to the friendly societies, it was not possible to opt out and bear the risk personally. Having said that, the three milestones of the entire scheme, namely compulsion, contribution and universalism merit further elaboration.

The courageous element of *Compulsion* was imposed by Bismarck to guarantee the financial success of his scheme and to indicate his seriousness in reforming the state of affairs present at the time. Since the previous century, it had been clear that voluntary systems could not succeed as "the workers in the most dangerous or unhealthy trades, who needed the insurance most of all, would be unlikely to be helped" (Ashley 1912, p.

54). Furthermore, the state could not allow itself to compete against friendly societies in providing insurance and by thus risking the financial success of the whole scheme. Eventually, compulsion did allow the masses to be less dependent on the voluntary sector, although many felt the benefits paid "were deliberately set at the minimum necessary to keep them off the poor relief rolls" (Rosenhaft 1994, p. 29).

Another novel principle found in Bismarck's social legislation was its *universality*. Even though some of the laws were not applied to all employees, the original intention was to double the size of the insured group (Brooks 1892, p. 304; Dawson 1912, pp. 1-21). As Ashley noted, "it was a case for general legislation, not for picking out a few small classes of people" (1912, p. 55). The notion of unity and solidarity achieved by imposing one scheme indeed contributed to the easing of social tensions.

The third principle was the *contributory* principle, which naturally was not popular especially when imposed in coordination with the other two principles. In sickness and accidental insurance, for instance, the employees were required to bear most of the burden: the employers deducted between 1 to 3 per cent of their payroll and added approximately half of it at their own expense. The first thirteen weeks of absence entitled the insured employee to sick pay of between half and three quarters of the average wage while any further non-attendance fell under the provision of the accident insurance act (Ashley 1912, pp. 59-71).

While one can challenge the motives behind Bismarck's social legislation, his contribution to the development of social policies cannot be doubted. Nevertheless, some of Bismarck's critics were very decisive in their criticisms. Tamplé proclaimed that Bismarck's social legislation "has been greatly overrated" as its impact was very limited (1981, p. 71). She argued that benefits were so low that they could hardly provide any welfare to recipients. Baldwin described Bismarck's policies as "commonly considered reactionary, Bonapartist and unsolidaristic" (1990, pp. 59-60). He stated three chief subjective shortcomings: It was limited to workers; benefits were income-related; and there was no element of redistribution.

Two other lines of criticism focused less on Bismarck's policies and more on their method of implementation. One challenged the honesty of the insured population and warned against fraud; the other took on the excessive administration required to manage the new apparatus. Brooks passionately dismissed both arguments and defended the policies in a paper published in 1892. However, ignoring the anticipated criticism, the German Social Insurance scheme evidently paved the way toward the future implementation of moderate socialist ideas. Bismarck's main goal was to maintain the superiority of the state by enhancing the loyalty of its citizens. His strategy was to link

their welfare to the strength of the nation without allowing social mobility. These "stick and carrot" tactics probably achieved their original aim.

Waller's description of Bismarck seems to be the most precise one, "the emperor, aristocrats, middle classes and workers all benefited to a certain extent from Bismarck's approach to politics. He had given each of them something; but they all wanted more" (1997, p. 113). Dawson stated that by this tactic, the ideas of State Socialism virtually took the ground from under the feet of the German Liberals and spread despair among German Socialists (1891).

In ideological terms, Bismarck was categorically against any radical change in the social order. Nevertheless, his collectivist attitudes stood for a solidaristic notion of citizenship – as long as it did not generate redistribution. This implies relatively low economic freedom, but not as low as radical ideas like massive redistribution can potentially possess. Regarding personal freedoms, Bismarck's aristocratic and nationalist conservatism ruled out any liberal attitudes, at least as interpreted by Giddens (1998)<sup>34</sup>.

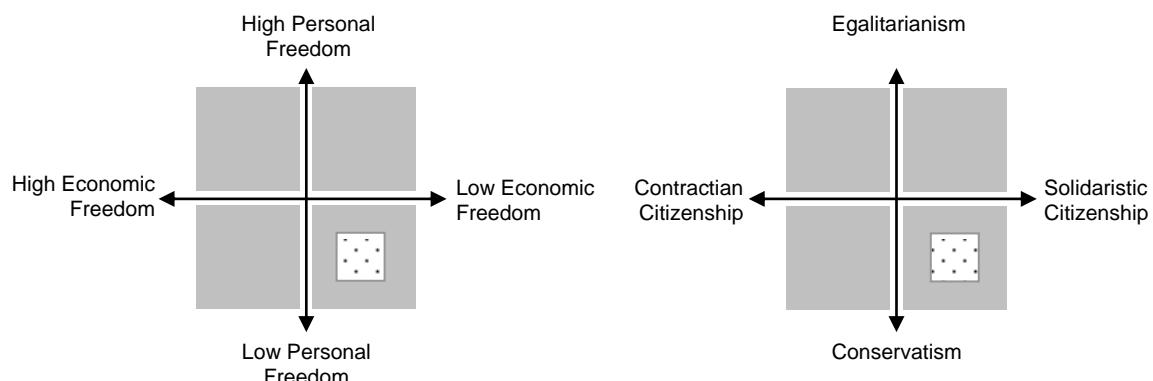


Figure 11.1.3: Otto Von Bismarck's assessed attitudes based on the two typologies

Eventually, Bismarck left office in 1890 following a series of clashes with the new Kaiser, caused to some extent by the desire of Kaiser Wilhelm II for more radical social policies. Apparently, the resignation also had to do with the impressive gains achieved by the Catholics and the Socialist Workers' Party in the General Elections, after their activities were legalized. Interestingly, although few regretted Bismarck's departure at the time, his popularity increased to record levels, possibly due to the failure of his successors to fill the leadership gap (Waller 1997, pp. 109-121). The disappointment mainly benefited the Socialists. After their legalisation in 1890, the party had steadily

<sup>34</sup> The typology referred to personal freedoms in the sense of "state control over issues such as the family, drugs and absorption" (Giddens 1998, p. 21). The indicative categorisation presented here is in relation to the two other figures analyzed in this section.

strengthened its grip and by 1912, the renamed Social Democratic Party was the strongest in the *Reichstag* (Rosenhaft 1994).

By that time, Britain was in the midst of its Liberal Reforms, led chiefly by Lloyd George as Chancellor of the Exchequer (1908-1915) and then later as Prime Minister (1916-1922). The common perception ascribed the legislation to motives and methods at variance to the German precedent. However, in the core of these dissimilarities lay a profound institutional difference. While absolutist regimes require power brokerage in order to please powerful players, constitutionalist regimes rest upon strategies of persuasion often entailing more space for manoeuvre.

These differences were broadly discussed in the literature. Rimlinger noted that whereas Bismarck operated with no powerful democracy, Britain could not resist social legislation as "the old Poor Laws and working-class ballots had become incompatible" (1968, p. 410). Gilbert indicated it turned out that "the defence against socialism was social legislation" (1966, p. 19). Baldwin provided an economic explanations, noting, "while Bismarck sought to appease the urban labour elite, in Britain... the goal of social insurance was to reduce the scope of poor relief and to aid the most impoverished" (1990, p. 100). Similar questions of absolutism vs. constitutionalism would be further discussed under the next chapter, "Democracy & The Welfare State".

Historically, the Liberals inherited a Victorian legislation premised on the rationale that market forces are the best method to allocate goods and services as well as to match labour to jobs. Unlike other regimes, the Victorians used state intervention only as a last resort, which must be preceded by help from philanthropists, families or charities (Peden 1991, pp. 1-14; Fraser 1984, pp. 124-132).

The process of reconsidering the Poor Laws began early in 1885 with attempts to reform the provision for the elderly. Until 1903, however, no fewer than six different commissions and committees discussed pensions, reversing the instinct to blame individuals for their poverty but reforming practically nothing (Lewis & Condie 1950). Noteworthy, during the 1880s time street riots erupted on social ground and poor had finally "the weapon of manhood franchise" which fuelled the fears of revolution (Gilbert 1966, p. 21-37)

Hay (1975) defined three major factors, which eventually overturned the Poor Laws and gave birth to the Liberal Reforms. First, the existence of political pressures from the working class encouraged politicians to present social reforms either to gain popularity or to prevent workers turning to radical alternatives. As Thane noted, conditions of life had deteriorated, unemployment was high and membership of trade unions flourished (1982, p. 51). Under these circumstances, social reforms were "the inevitable result of

working class pressure, through the ballot box, or by direct action or the threat of it" (p. 29).

Influential institutional bodies and organised civil servants constituted another significant force underpinning the reforms. Most remarkable were the "staunchly anti-socialist" Friendly Societies who favoured strictly deterrent poor law and opposed any state intervention that could risk their sole, devoted management of working-class savings (Gilbert 1966, p. 159-180). Eventually, Lloyd George partially won their support by appointing them as "Approved Societies" serving as agents for the implementation of the plan (Thomson 1949, p. 200).

A third explanation suggested by Hay referred to the changing attitudes toward welfare provision within British society. Three different developments were identified as part of this complex process. First was the emerging of a "national efficiency" school of thinking, which sought to solve Britain's low economic performance by challenging common conceptions (Searle 1971). Second was the use of new research methods in academic surveys, which increased public awareness of the real extent of poverty (Booth 1892, Rowntree 1902, Rose 1972, Fraser 1984). Third was the rise of two ideological hybrids that can be defined as "moderate collectivism" and "social liberalism". While the former allowed devoted socialists to ease their radicalism regarding collective actions, the latter moderated the "Natural Right" Libertarians and enabled the Liberals to recover from their electoral defeat of 1886.

These two ideological hybrids, which can be seen as gradual evolutionary compromises, were strongly related to new forms of socialism, which emerged within the liberal thinking during the late 1880s and the 1890s. The term itself had continuously suffered from a devastating image (Tressell 1914/1949). However, for specific groups the concept and the values it stood for gained popularity rapidly. This transformation confused many Liberals searching for ideological identity as illustrated by the column "Are We All Socialist Now?" published in *The Speaker*, a leading liberal weekly, (1893, p. 534-535):

(Today) any man who manifests an active interest in the working classes is classified by some intelligences as in some way amongst the Socialists... If it be Socialism to have generous and hopeful sentiments with regard to the lot of those who work, let us repeat we are all socialists in that sense... The Socialism talked at English Labour meetings... [is] the Socialism of ends and not the Socialism of means. We therefore contend that there are no real Socialists in England.

New concepts of "old" and "new" Socialism were essential to clarify the differences. Leonard Trelawny Hobhouse, one of the eminent liberal thinkers of that era and the first

Professor of Sociology at a British university, distinguished between "Mechanical Socialism" and "Official Socialism" (1911/1934). The former could spring up only after a class war and eventually would create an equal society in terms of resources, eradicating all financial incentives. The latter conceived humankind as "a helpless and feeble race" and grasped its duty to treat the masses kindly by organizing an individual's life through unions and committees.

Both of these concepts referred to the old Socialism. In some aspects, they were similar to a distinction made by Bellow between "Idealist" and "Statistical" Socialists. The first would like to confiscate owners' property for the benefit of the non-owners while the second would be interested chiefly in running and organizing the life of the poor. Both, argued Belloc, were leading toward a "Servile State" and eventually would not be able to preserve their ideal collectivism (1912/1927, pp. 121-130). However, there was a third type of "new" Socialism, dubbed by Hobhouse as Liberal Socialism. Such a moderate interpretation of the concept abandoned almost all of its historical characteristics, deliberately ignoring commitments for full equality and shared ownership of resources, replacing them with realistic pledges for adequate provision for the poor.

The differences between "old" and "new" Socialism were depicted by two other contradicting concepts, the moderate "Practical Socialism" and the traditional "Theoretical Socialism". Freedden asserted that Practical Socialism leaned upon two major elements, feasibility and gradualism, both eminent in the liberal thinking of that time (1978, p. 38). Barnett reinforced this thinking by arguing, "a change which does not fit into and grow out of things that already exist is not a practicable change" (1895, p. 243). Hobhouse wrote that any social regime must formulate his plans by letting "the average man free play in the personal life for which he really cares" (1911/1934, p. 167-174)<sup>35</sup>.

Among the examples of implementations of practical socialism, one unusual model, namely "Municipal Socialism" is interesting. The rationale behind the idea, first introduced by Joseph Chamberlain when Mayor of Birmingham, was to put greater powers and resources in the hands of local authorities so they could strengthen the community and improve provision for their citizens (Thane 1996, p. 44; Fraser 1973, p.

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<sup>35</sup> The existence of negative perceptions about Practical Socialism should also be noted. Hobson, for instance, wrote that the ultimate goal of Practicable Socialism is "to supply all workers at cost price with all the economic conditions", therefore there is "no economic or moral finality in such proposals... [as] they would not bring a heaven upon earth". Hobson concluded by arguing that "equality will not be won without fighting for it... we can only cure poverty by an attack upon the sources of riches" (1909, pp 172-175). Another critic of Practical Socialism was Belloc. He was a great supporter of redistributive policies, but was emphatically against collectivist ideas. Practical Socialism, he argued, was leaning toward the latter by putting power in the hands of the few rather than implementing redistributive policies that would allocate property to the benefit of the many (1912/1927).

130). It was one of the first policies derived from but also generated by a new liberal notion of community. Chamberlain described it as a revolution, resulting from "a wise cooperation by which the community as a whole... has faced its obligations and done much to lessen the sum of human misery and to make the lives of all its citizens somewhat better, somewhat nobler, and somewhat happier" (1891, p. 538).

It should be noted that Liberal Socialism was taken up by various groups. One such group consisted of "Christian Socialists" and its texts were appealing not only for historical analysis but also to contemporary politics. Frederic Marshall, for instance, rejected the common wisdom asserting, "there always have been rich and poor, and there always will be", and argued that only "foolish or careless people" still believe in it as "any sensible man who reads the passage will see how idiotic such an interpretation is" (1892, p. 5). He identified "symptoms not of health but of disease" in the United States and the United Kingdom, but stated clearly that "all cannot be equally rich [as] if they were, the machinery of the world would cease to work" (p. 6).

Broadly speaking, Christian Socialism advocated democratic, gradual, constitutional and peaceful solutions to reduce financial inequalities and maintain income levels. It was strongly criticised by Molesworth (1913) and Sanday (1912), who argued the foundations upon which the idea rested were exaggerated and distorted while its believers were "ignorant or oblivious of the past" as the outcome "would be hell". It is remarkable though that both in Britain and in Germany the term "Socialism" was used, some would say exploited, to describe utterly different approaches to social problems than that presented by Classical Socialism. The vision of Mill described in his *Chapters on Socialism* (1879/1989) is significantly different to Marx's ideas as portrayed in his writings during the 1840s (McLellan 2000). On the other hand, Mill's ideas like those of Marx do not sanction competition and exclusive property rights.

When describing price reductions resulting from increased competition, Mill wrote it is "the hammer with which the rich among the producers crush their poorer rivals... the trap into which the daring speculators entice the hard workers... the sentence of death to the producers on a small scale" (pp. 236-237). He explicitly ruled out communists or in his words, "revolutionary socialists", but he did express sympathy for the ideas of distributive justice, "Flourierism", which "admits inequalities of distribution and individual ownership of capital, but not the arbitrary disposal of it" (p. 272). Eventually, Mill stated that "society is fully entitled to abrogate or alter any particular right of property which on sufficient consideration it judges to stand in the way of the public good" (p. 279).

Hobhouse also made a substantial contribution to modifying old conceptions by progressively changing the balance between individual rights and social welfare. In his *Liberalism*, he noted that a collective action does not always lead to coercion. Generally, he stated, "an individual right... cannot conflict with the common good, nor could any right exist apart from the common good... [as] the common good to which each man's rights are subordinate is a good in which each man has a share" (1911/1934, p. 127-128).

Having described changing ideological perceptions, it is time to discuss Lloyd George specifically. Freedon cynically wrote that from the 1880s onwards any "public awareness of and desire to confront the social question was socialism" (1978, p. 26). However, any search for a vestige of pride in socialism within Lloyd George's speeches will produce no results. As clearly exemplified at a Liberal conference on 30<sup>th</sup> January 1925, for Lloyd George there was no "New Socialism", but only a "pervasive tyranny" (quoted in Thomson 1949, pp. 397-398):

Socialism has no interest in liberty. Socialism is the very negation of liberty. Socialism means the community in bonds... It is like the sand of the desert. It gets into your food, your clothes, your machinery, the very air you breathe... That is what socialism means.

However, a question of ideologies remains. As his official biographer arguably stated, whatever the National Insurance scheme was, "it certainly was not Liberalism" which theoretically revered *laissez faire* and sanctioned free enterprise (Thompson 1949, p. 200). Although it was surely more liberal than progressive taxation, Thompson's remarks demonstrated Lloyd George's elusiveness was criticised a long time ago. Shrewder Conservatives realized as well that his adherence to liberal principles was "more lip service than the result of conviction" (Searle 1971, p. 175). His remarkable success in manipulating the entire British political system to form a coalition speaks for itself (Independent Liberal 1918, pp. 99-120), as well as his outstanding capability of smoothly shifting between an image of radical to one of pragmatist, depends on the audience (Grigg 1978, pp. 94-131). In fact, his talent combined with a great sense of humour enabled him "making the best of both worlds" (p. 98).

Indeed, Lloyd George's image is highly criticised. However, "while avoiding exaggeration of Lloyd George's contribution to social reform, one must equally guard against the tendency of some contemporaries to disparage his role" (Pugh 1988, p. 39). Exploring the original texts of his speeches, their substance generally followed the ideas of Liberal Socialism. Though acknowledging the rules of the markets, they consistently spoke of a deep sense of responsibility for relieving poverty as well as achieving fairer distribution of resources.

On 25<sup>th</sup> September 1906, for instance, Lloyd George elaborated upon what he defined as "unmerited poverty", defiantly calling "shame upon rich Britain that she should tolerate so much poverty among her people." He concluded his speech in Penrhyneddrath by saying, "there is plenty of wealth in this country to provide for all and to spare. What is wanted is a fairer distribution" (quoted in Grigg 1978, p. 153). Two years later, in Reading, he admitted that the Insurance Acts could not deal with the "worst part" of the "unmerited destitution". He then declared, "these problems of the sick, of the infirm, of the men who cannot find means of earning a livelihood... are problems with which it is the business of the state to deal; they are problems which the state has neglected too long" (p. 160).

One of Lloyd George's most famous remarks was made at a public meeting of the Liberal Christian League on 17<sup>th</sup> October 1910. During what was promptly defined as "immortal speech, a speech that will be quoted ages hence", the Chancellor of the Exchequer struck the "idle rich". He denounced a reality in which the poor were required to work even when they are 70 to earn a "wretched pittance, which just saves them from starvation but never lifted them above privation." In this outstanding account, Lloyd George stood for those "earning 6s. and 7s. a week by needlework on the garments of those who in an idle hour will spend more on frivolity than these poor people would earn in three years of toil." He also hinted at his stance regarding the fairness of redistribution by making public his observations after monitoring death duties (quoted in The Times, 18.10.1910, p. 7):

I find that out of 420,000 adults that die in the course of a year five sixths own no property... Out of £300,000,000 that passes annually at death about half belongs to something under 2,000 persons. Had the 350,000 who died in poverty had lived of indolence and thriftlessness and extravagance? And had the 2,000 who owned between them nearly £150,000,000, had they pursued a career of industry, toil, and frugality? Everybody knows that that is not the case.

Even though the words were charming and the rhetoric was admirable, one can hardly argue Lloyd George eradicated the evils he referred to. He was aware that "the remedy must be a 'bold' one" (The Times, 18.10.1910), but his proposals were far from being radical. Some would possibly perceive it as a proof for his "chameleon" inclination, recalling his utter lack of interest in economic ideas or in liberal ideology (Pugh 1988, pp. 39-57). A remarkable description of his manners was provided by the Edwardian journalist A.G. Gardiner: "There is no past: only the living present; no teachers: only the living facts... he picks up a subject as he runs, through the living voice, never through books. He does not learn: he absorbs, and by a sort of instantaneous chemistry his mind condenses the gases to the concrete" (1914, pp. 134-135). Nevertheless, while his manners were contested, his social instincts were evident.

Before discussing the reforms Lloyd George introduced, it should be noted that social issues were not prominent during the General Election campaign that led the Liberals to their overwhelming victory in 1906. It was therefore argued that pressure from the backbenches and a strong rival Labour party were major motives behind the political transformation (Peden 1985, p. 16; Thane 1996, p. 69). Thus, with minor publicity, the Liberals led by Lloyd George embarked on a collectivist reform program in essence, expanding the role of the state by introducing new provisions for children, pensioners, unemployed and the sick.

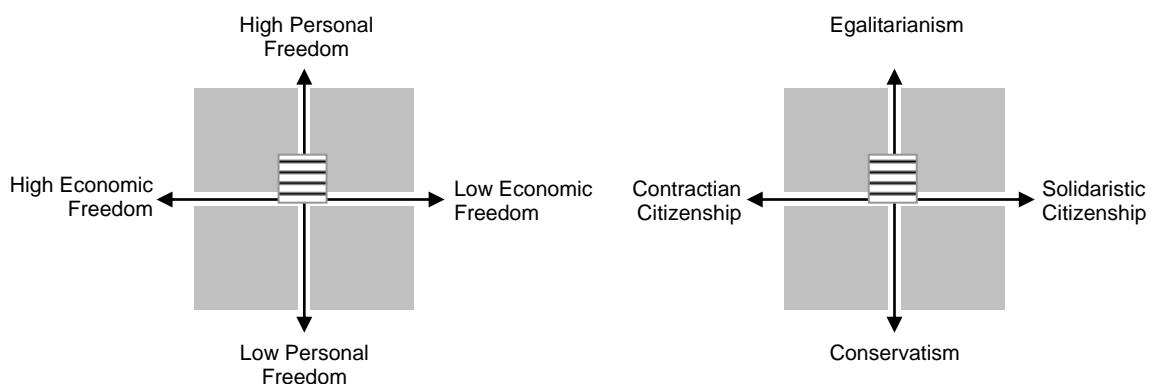
The 1910 "People's Budget" shifted the chief source of revenue from indirect to direct taxation. Pugh maintained it inaugurated a limited redistribution of income and by thus "changed the whole basis of British public finance from the Victorian pattern to the system that has lasted throughout the twentieth century" (1988, p. 47). Other renowned legislation included the Education Act of 1906, which "permitted" local authorities to provide school meals for needy children before it became compulsory in 1914. The Old Age Pensions Act of 1908 introduced the right for non-contributory, means tested pensions, although recipients under the Poor Law were excluded until 1911. The National Insurance Act of 1911 comprised of unemployment, health and sickness insurance provided on a contributory basis. Another landmark piece of legislation was the Trade Board Act of 1909 that established a board representing both employers and workers, intended to set a National Minimum Wage (Laybourn 1995, pp. 160-178; Thane 1982, pp. 64-98; Peden 1991, pp. 15-33; Gilbert 1966).

Although the reforms were the first significant move away from the Poor Laws, a major achievement in itself, they still attracted much criticism. While some identified and praised the fundamental change in attitude (Marsh 1970), others asserted that the reforms were relatively insignificant and lacked proper coverage. Thane wrote, "it was a pension for the very poor, the very respectable and the very old" (1982, p. 83). Referring to unemployment insurance, Sir William Beveridge noted, "it was avowedly experimental, with a low scale of benefits and a scope limited to manual workers" (1927, p. 229). Peden even argued that the reforms "can best be understood through the concept of social control", arguing that the party adopted social reforms "as a means of pre-empting the Labour [party]" in a Bismarckian tactic of "kill socialism with kindness" (1991, p. 18-21).

A pivotal critique came from Bentley Gilbert. After reviewing in detail the new provisions, he concluded by stating, "Great Britain was diverted from a socialist solution to the problem of poverty and was turned instead to the establishment of the institution of social insurance. The profit system, with its vagaries and caprices, was left intact" (1966, p. 451). Indeed, with a few exceptions, the Liberal reforms did not

contain any significant radical elements of redistribution as implied in pre-election speeches.

To conclude, Lloyd George did not deliver a radical formal or substantive egalitarian reform. Nevertheless, his policies did eventually reflect his social instincts, which were in favour of equality. Lloyd George supported suffrage for women, promoted formal egalitarianism and vowed for higher personal freedoms. However, although his egalitarian rhetoric was prominent, he fluctuated between different perceptions of citizenship and accordingly, different perceptions on economic freedom. On the one hand, his collectivist reforms demanded sacrifices of economic freedoms more than its German predecessors did. On the other hand, his social insurance schemes did follow liberal principles of individual contributions and national contract. As he attempted to play on both fields, his approach is a classical case for the "middle point" with regard to perceptions of citizenship and the desirable level of economic freedoms.



**Figure 11.1.4: David Lloyd George's assessed attitudes based on the two typologies**

In a sense, the way forward to William Beveridge's revolution started before the two destructive World Wars. A notion of the need for reconstruction rather than a simple reaction to social necessities can be traced back to 1909 when the Royal Commission for the Poor Laws published its findings. There were two separate reports published as four of the committee's members found themselves "unable to agree with the report of the majority" (HMSO 1909, p. 2).

The two documents were often similar, with both groups moving away from the principles of the Poor Laws. However, the minority report drafted by Beatrice and Sidney Webb was slightly more radical. It depicted moral lapses as the consequence rather than the source of poverty, recommending the "break up" of the Poor Law and advocated a national minimum standard of living (Lewis & Condie 1950, p. 326; Thane 1996, p. 82). It was the most prominent call for a reconstruction of Social Policy, but

Lloyd George preferred not to grasp this opportunity from his own political and ideological reasons.

Historically, the First World War (1914-1918) brought temporary prosperity followed by a catastrophic recession in its aftermath, making change inevitable. The 48 per cent reduction in British exports between 1920 and 1921 was economically dreadful, leading to escalation in unemployment that rose from 6 per cent in December 1920 to 17.8 per cent in June 1921 (Mowat 1956, p. 125-126).

Nevertheless, the inter-war period was largely a time of stagnation for Social Policy, with the exception of The Housing and Town Planning Act of 1919. A few other remedies were introduced to ease the misery of the poor but they were relatively insignificant. In 1921, the Unemployment Insurance Act was expanded to allow the unemployed an "un-covenanted" period of benefits. The Unemployment Workers' Dependant Act (Temporary Provisions) was approved, providing a little assistance for wives and dependent children of the unemployed. In addition, new criteria made benefits payable only to those "genuinely seeking" work, benefits levels were amended slightly and the scope of provision was expanded (Thane 1996, Barr 1998, Lewis & Condie 1950). Notably, throughout this period, the humiliating Poor Laws were enforced, providing support for 224,000 individuals in March 1921, 831,000 in November 1921 and 1,065,000 in June 1922 (Mowat 1956, p. 129).

Toward the end of the 1920s, unemployment dropped substantially. It then soared again after the Great Depression of 1929 and trapped major industrial cities in Britain into a deep recession (Mowat 1956). Trade Union leaders like Ernest Bevin captured the Labour party after the disastrous 1931 General Elections, promoting union interests and marginalizing old-socialist leaders (Ashford 1986, p. 194).

By the end of the Second World War (1939-1945), almost every family had experienced poverty, directly or indirectly. Sadly, Beatrice Webb's worst fears materialised. In the Minority Report for the Royal Commission on the Poor Law she wrote, "The first step is to make the whole community realise that the evil exists. At present, it is not too much to say that the average citizen of the middle / upper class takes for granted the constantly recurring destitution... as no more to be combated than the east wind" (HMSO 1909, p. 684).

When "the evil" came to existence, all sought to protect themselves against it. Eventually, the route Lloyd George rejected was once again on the public agenda. Although some argued the war in itself changed nothing in the development of Social Policy (Peden 1985), others asserted it created a historic, momentous change in attitudes as for the first time the British people realized destruction knows no social borders.

Richard Titmuss, for instance, explained that new hazards generated a more generous society, committed to universal provision as the only just alternative in the face of a universal risk (1950/1976, p. 506):

No longer did concern rest on the belief that... it was proper to intervene only to assist the poor and those who were unable to pay for services of one kind and another. Instead, it was increasingly regarded as a proper function or even obligation of Government to ward off distress and strain among not only the poor but almost all classes of society.

Titmuss stated that during the war, unplanned reforms occurred in various fields: Improved pensions were provided for old people as a right and not as a concession, a national milk scheme was introduced, the provision of school meals was increased dramatically and higher standards for social services were set. William Beveridge asserted that there had not been the same interest in post war problems during the First World War. He pointed out "the deep and vivid interest of the people of Britain in the kind of Britain which is to emerge when the floods of war subside" (1943, p. 107-108):

[This interest] implies no slackening of war efforts... it represents simply a refusal to take victory in war as an end in itself; it must be read as a determination to understand and to approve the end beyond victory for which sacrifices are being required and the purposes for which victory will be used.

A third remarkable observation was made by *The Times* in a well-quoted leader entitled "The New Europe". Aiming at defining the "common values of which we stand", the editor captured the prospect of a whole nation under the devastating threat of Nazism (1.7.1940):

If we speak of democracy, we do not mean a democracy which maintains the right to vote but forgets the right to work and the right to live. If we speak of freedom, we do not mean a rugged individualism which excludes social organisation and economic planning. If we speak of equality, we do not mean a political equality nullified by social and economic privilege. If we speak of economic reconstruction, we think less of maximum production (though this too will be required) than of equitable distribution.

Beveridge was the one to enter the political arena, filling the vacuum of innovators in social policy. The liberal thinker, former director of the London School of Economics, was regarded as an expert in unemployment. He had his own reservations about the previous welfare reforms as evidently, his ideas had already matured much before he began to draft his famous report.

Back in 1907 following a visit to Germany, Beveridge became convinced of the necessity of a contributory insurance mechanism (J. Beveridge 1954, p. 55-56). Later,

he expressed his desire for a universal scheme. He was uncomfortable with Lloyd George's Unemployment Act, saying in 1911, "no one outside the Board of Trade knew enough to criticize it in detail" (quoted in Gilbert 1966, p. 284). Referring to latter amendments, Beveridge blamed Parliament for surrendering to the "vigorous and successful resistance" of the trade unions, missing an opportunity to deliver a universal reform (1927, p. 232-233). In 1941, he reluctantly agreed to lead a civil-service committee to review the national insurance policies (Abel-Smith 1992).

It should be noted that historically, the "Interdepartmental Committee on Social Insurance and Allied Services" was a compromise between the Government and the Trade Unions, who during the War demanded a major adjustment in the level of benefits. The Treasury preferred to nominate a "safe" chairman to lead a bunch of conservative civil servants that were expected to produce a "harmless as possible" report. For Beveridge's minister, Arthur Greenwood, it was an opportunity to free his "arrogant" employee, without anticipating his eventual contribution to the creation of the first welfare state (Timmins 1995, Abel-Smith 1992, Silburn 1994).

In his final report, Beveridge defined "five giants" that need to be tackled for reconstruction: want, disease, squalor, ignorance and idleness. Although remedies were proposed for all giants, Beveridge was passionate about the giant of want. He recommended the establishment of a universal, unified, contributory, comprehensive and centrally administered National Insurance System. Notably, his plan was not designed from the outset to include elements of redistribution, as it was first and foremost, "a plan of insurance" – of giving in return for contributions benefits up to subsistence level, as of right and without means test, so that individuals may build freely upon it (HMSO 1942, p. 7). The report defined flat rate of subsistence benefits and flat rate of contributions, which should have guaranteed freedom of want "so long as the need lasts" (p. 11).

The government was largely embarrassed by this report written at its behest. It quickly recognised the consequences of its mistake. Beveridge had gone far beyond his terms of reference. Not only did many ministers not share his views, but the last thing anyone expected "was that Beveridge's investigation would produce not just a technical report on social insurance, but a new declaration of human rights" (Bullock 1967, p. 225). The government ultimately stopped endorsing the report and downgraded its importance, prior to its publication (J. Beveridge 1954, pp. 101-117; Peden 1985, pp. 128-135).

After the publication in December 1942, public pressure was so great that no reasonable leader could postpone the reform any further (Lewis & Condie 1950, Ashford 1986). A survey published by the British Institute of Public Opinion reported that 95 per cent of

the adult population knew something about the report and an overwhelming majority said it "should be put into effect" (BIPO 1942). The support made impossible retreat by politicians. The Conservative Prime Minister, Winston Churchill, withdrew his refusal to meet Beveridge and overturned his order to forbid any government department to "allow him inside its doors" (Bullock 1967, p. 226). Eventually, the Coalition Government of 1944 was forced to adopt the Report's principles and publish two white papers introducing new schemes for social insurance, retirement pensions, family allowances, sickness and unemployment benefits (HMSO 1944a, HMSO 1944b).

These White Papers defined the first duty of government as the duty to "protect the country from external aggression". The second goal was to "secure the general prosperity and happiness of the citizen". The boundaries were narrow as the government restricted the scope of provision to "those hazards of personal fortune over which individuals have little or no control" (HMSO 1944a, p. 5). Nevertheless, in July 1948, the modern welfare state was formally inaugurated with three pillars - National Insurance, National Assistance and National Health Service.

Although the core principles of the report were put into action, the initial level of benefits was insufficient. When the full plan came into force in 1948, inflation had eroded a third of the proposed benefits in real terms (Feinstein 1972, Table 65). The Prime Minister Clement Attlee, admitted benefits would sustain only a "very modest standard of life" (Peden 1991, p. 146). In retrospect, the report made history by unifying and defining the corner stones for the British post-war welfare regime. However, it was argued that the report was "a skilful blend of measures and proposals that were in themselves tried and tested, and for that reason relatively uncontested, enriched by one or two somewhat more radical ideas" (Silburn 1994, p. 57).

Ideologically, Beveridge was a liberal economist, influenced and connected to various scholars ranging, from Sidney and Beatrice Webb to John Maynard Keynes. Harris noted that Beveridge strongly believed rational, economic considerations motivated men and therefore "poverty traps", a term coined by Prof. David Piachaud in the 1970s, must not exist (1994). Social welfare, accordingly, is bound up with citizenship, but good citizenship consists of economic independence and self-discipline. Harris also argued that Beveridge was less interested in the relief of poverty for its own sake than in reconstructing the labour market in a way that would ultimately make relief of poverty unnecessary. Beveridge himself stated in the Report his conviction that social security must be achieved through cooperation between the state and the individual and no party to this equation can release itself or from the responsibility (HMSO 1942).

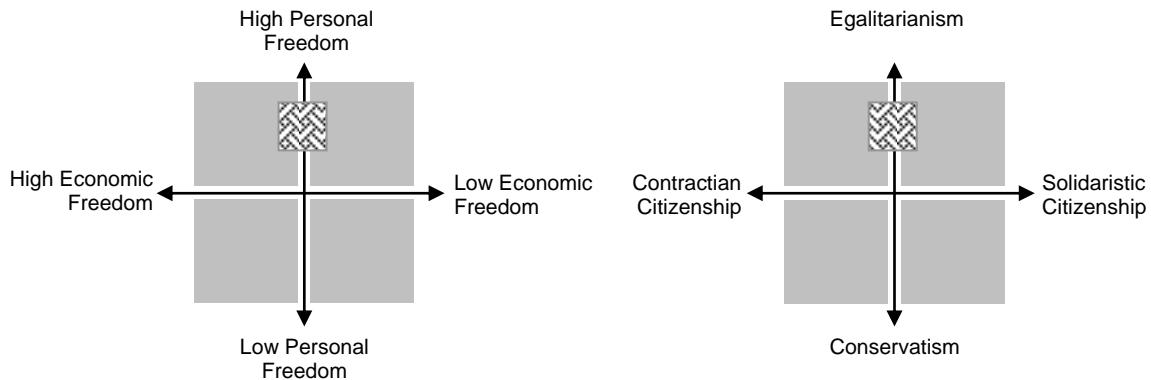


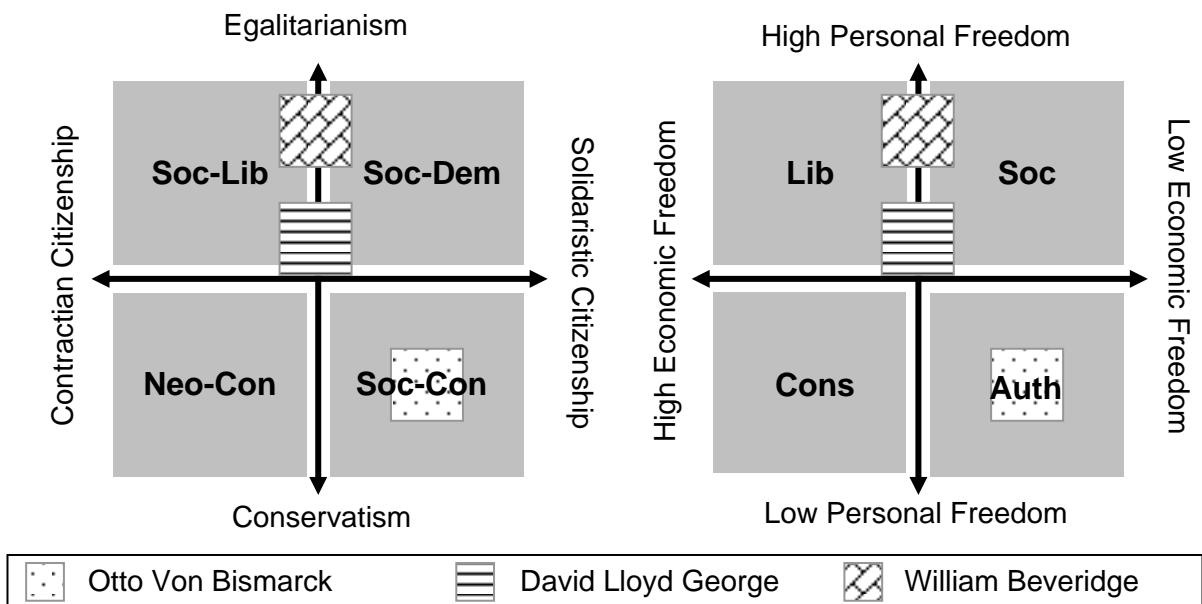
Figure 11.1.5: William Beveridge's assessed attitudes based on the two typologies

Assessment of Beveridge's attitudes is provided in Figure 11.1.5. Overall, while his writing was less enthusiastic about redistribution than Lloyd George's speeches, his concept of national minimum is in essence far more egalitarian than the liberal model of national insurance. It could also ensure higher personal freedoms and better social mobility. Regarding the horizontal axis, apparently, Beveridge conceived Liberalism with a stronger solidaristic inclination, being influenced by the post-war unity atmosphere. However, his outstanding capability of combining solidarity with economic freedoms cannot ascribe him to either of the sides. Indeed, if any figure deserves to hold the "middle point" not because of fluctuation and manipulation but due to compromises and conciliation, it is William Beveridge. While his proposals rested upon the notion of rational, economic man, his ultimate goal was to reinforce the labour market by liberal social provision and by thus provide prosperity for all.

As Beveridge's premises shaped the recommendations, a major barrier eventually made the report impossible to implement fully. Three prior assumptions were essential to the success of the plan, as "Beveridge in effect was saying that any sensible Government would first of all grant family allowances, create a comprehensive health service and maintain full employment" (Fraser 1973, p. 199). The third prerequisite was found to be impracticable during the 1970s and consequently undermined the whole theory of demand management. The fine fiscal balance concealed in Beveridge's flat rate policy was broken (Peden 1985), and after the costs of unemployment and pensions benefits soared to heights, the burden forced the Labour government to reconsider its policy.

After reviewing the ideological perceptions held by three influential figures, several conclusions were made. It was suggested that Bismarck presented the purest solidaristic notion of citizenship, allowing relatively low economic freedoms for the benefit of the state and the Chancellor. On the vertical dimension, the German monarch was in favour of the "old order", especially when he had to rule it. His fear from substantive democracy shaped his policies toward the Social Democratic Party and reflected his

resistance to high personal freedoms. While the political analysis of Blundell & Gosschalk would put him under the contemporary definition of a Conservative (or a "New Right" supporter), Dean's ideological allocation would probably identify him as a Social-Conservative.



**Figure 11.1.6:** Personal ideological perceptions of Bismarck, Lloyd George and Beveridge according to Blundell & Gosschalk (1997) and Dean's (2002 & 2005) typologies

Lloyd George played in a different, democratic field and the differences between his discourse and his policies were significant. Manoeuvring his electorate and his allies, he still introduced several social reforms, promoted progressive taxation and introduced social insurance schemes. Though these were neither formal nor substantive radical egalitarian reforms, they certainly pursued certain level of redistribution. Further more, his positive attitudes toward personal freedom were also reflected in his decision to back proposals for women suffrage. Therefore, in terms of economic freedom and perceptions of citizenship, Lloyd George's manoeuvres had put him in the middle ground, fluctuating between contradicting discourses and implementing policies of both types.

In this aspect, Beveridge occupied the middle ground as well but apparently, not due to manoeuvring but because of compromises made between liberalism and socialism in the light of the Second World War. Unlike Bismarck and Lloyd George, his policies were significantly more egalitarian, achieving in fact and not in theory higher pace of redistribution. His national minimum framework as well as his plans for universal provision had certainly sought to guarantee higher equality of opportunities

## 11.2 Research Materials

### 11.2.1 Ad published in Hackney Citizen Advice Bureau

# RESEARCH PROJECT AT THE CITIZENS ADVICE BUREAU

*Dear Client,*

An academic research is expected to take place at the Bureau. It is being conducted for solely academic (not political) purposes and your confidentiality is guaranteed. Although interviews are being recorded, none of your personal details will be asked, delivered, or saved. It is part of a project run at the London School of Economics, examining the political behavior of individuals in society.

If you choose to participate, you will be presented with several questions that will help the project team to understand how you vote. Your own thoughts and experiences are highly important, so do not hesitate to share them with the interviewer.

It should be emphasized that this project is not related to the bureau. If you have inquiries, or you are interested to participate, please contact Gal Alon (0790-6730707).

*Thank you!*

### 11.2.2 Exploratory Survey (Hard Copy)



## WHY DO YOU VOTE AS YOU DO?

Thank you for your readiness to participate in this survey.

It is being conducted for solely academic (not political) purposes and your confidentiality is guaranteed. It is part of a PhD project at the London School of Economics that is examining the political behavior of individuals. During the next few minutes you will be presented with several questions that will help us understand how you vote. Your own thoughts and experiences are highly important to us. If you are interested and willing to give your email, the computer will later inform you whether you voted "correctly" (in terms of a particular set of rational assumptions that are being tested in this research) or "incorrectly" (because in real life we may have all sorts of other reasons for voting the way we do).

**1. A lot of people did not manage to vote in the general elections of 2005.  
Did you vote in the elections?**

Yes

No

**2. Which party did you vote for in the General Elections?**

The Labour

The Conservatives

Liberal-Democrats

Other

**3. Generally speaking, do you think of yourself as one of the following or as a supporter of their party?**

The Labour

The Conservatives

Liberal-Democrats

Other

**4. On a scale of 1 (the poorest people in the society) to 10 (the richest people in the society), where would you locate yourself?**

(Poorest)

1

2

3

4

5

6

7

8

9

10

(Richest)

**5. If one of the major parties offers to reduce income taxes, are you going to benefit from this reduction?**

Yes

No

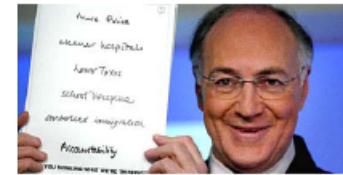
**6. In the last year, would you say unemployment in the United Kingdom has increased or decreased?**

Increased

Decreased

7. Some people feel that government should put up taxes a lot and spend much more on health and social services. Other people feel that government should cut taxes a lot and spend much less on health and social services. Which of these views is closest to that of the Conservative Party?

Increase taxes and spend more



Cut taxes and spend less

8. Some people feel that government should make a much greater effort to make people's income more equal. Other people feel that government should be much less concerned about how equal people's income is.

Which of these views is closest to that of the Labour Party?



Greater efforts to increase equality

Less concerned about equal income

9. Governments operates in various fields, some might benefit you personally. Imagine you are the prime minister and you need to allocate the annual budget so it would maximize only your personal interest (i.e. disregard any national interests and allocate the money in accordance to your preferences). Given that you have £100 billion to allocate, how will your budget look like?

Defense (i.e. army, security services)	%
Foreign Policy (i.e. Europe, diplomacy)	%
Home Affairs (i.e. immigration, police)	%
Welfare (i.e. education, health, social services)	%
Benefits (i.e. pensions, income support, unemp')	%
Environment (i.e. pollution, forests)	%
<b>OVERALL</b>	<b>100 %</b>

After you allocated the budget, what are your expectations from the two major parties? Given that all their promises are kept, how do you think the major parties will promote your own interests in the following fields:

**10. Defense / Army, security services etc.:**

Labour	(Definitely Damage)	1	2	3	4	5 (Definitely Promote)
Conservatives		1	2	3	4	5

**11. Foreign Policy / Europe, diplomacy etc.:**

Labour	(Definitely Damage)	1	2	3	4	5 (Definitely Promote)
Conservatives		1	2	3	4	5

**12. Home Affairs / Immigration, police etc.:**

Labour	(Definitely Damage)	1	2	3	4	5 (Definitely Promote)
Conservatives		1	2	3	4	5

**13. Welfare / Education, health, social services etc.:**

Labour	(Definitely Damage)	1	2	3	4	5 (Definitely Promote)
Conservatives		1	2	3	4	5

**14. Benefits / Pensions, income support, unemployment benefits etc.:**

Labour	(Definitely Damage)	1	2	3	4	5 (Definitely Promote)
Conservatives		1	2	3	4	5

**15. Environment / Pollution, trees etc.:**

Labour	(Definitely Damage)	1	2	3	4	5 (Definitely Promote)
Conservatives		1	2	3	4	5

**16. And finally... can you estimate your income (gross)?**

Less than £9,600 a year (£200 a week)

Between £9,600 and £15,600 a year (£200-325 a week)

Between £15,600 and £31,200 a year (£325-650 a week)

More than £31,200 a year (£650 a week)

### 11.2.3 Exploratory Survey (Screenshots)



the London School of **Economics**  
and **Political Science**

Thank you for your readiness to participate in this E-survey. It is being conducted for solely academic (not political) purposes and your confidentiality is guaranteed. It is part of a PhD project at the London School of Economics that is examining the political behavior of individuals. During the next few minutes you will be presented with several questions that will help us understand how you vote. Your own thoughts and experiences are highly important to us. Eventually, the computer will inform you whether you voted "correctly" (in terms of a particular set of rational assumptions that are being tested in this research) or "incorrectly" (because in real life we may have all sorts of other reasons for voting the way we do).

**Thank you very much for your cooperation!**

[Click here to move forward](#)

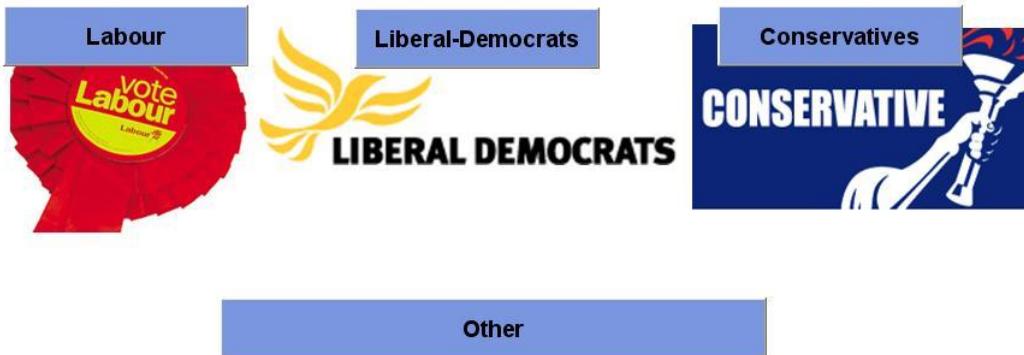
**A lot of people did not manage to vote in the general elections of 2005. Did you vote in the elections?**



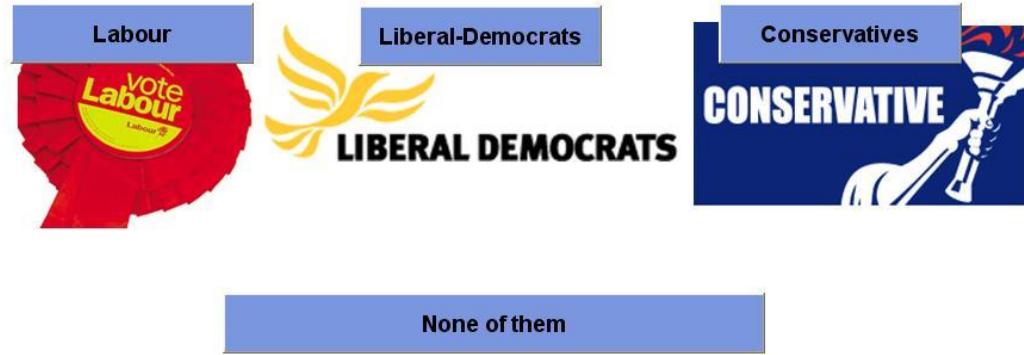
Yes

No

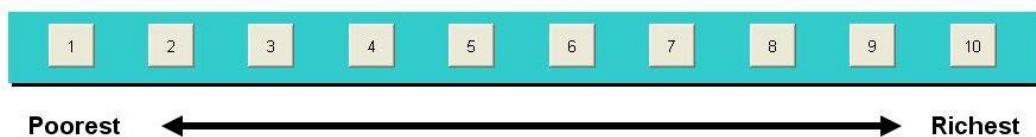
## Which party did you vote for in the General Elections?



## Generally speaking, do you think of yourself as one of the following or as a supporter of their party?



**On a scale of 1 (the poorest people in the society) to 10 (the richest people in the society), where would you locate **yourself?****



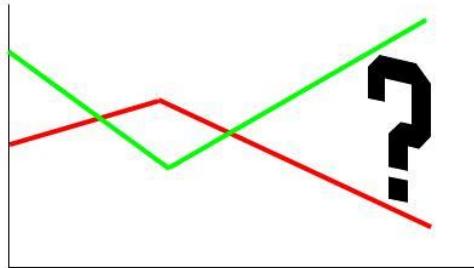
**If one of the major parties offers to reduce income taxes, are you going to benefit from this reduction?**



Yes

No

**In the last year, would you say **unemployment** in the United Kingdom has increased or decreased?**

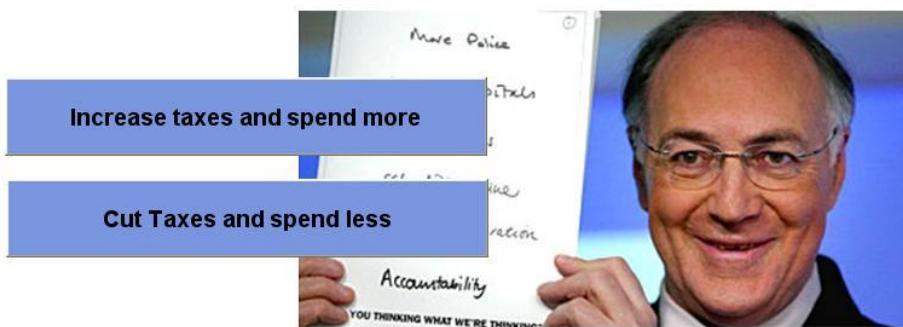


Increased

Decreased

Some people feel that government should put up taxes a lot and spend much more on health and social services. Other people feel that government should cut taxes a lot and spend much less on health and social services.

**Which of these views is closest to that of the Conservative Party?**



Some people feel that government should make a much greater effort to make people's income more equal. Other people feel that government should be much less concerned about how equal people's income is.

Which of these views is closest to that of the Labour Party?

Greater efforts to increase equality

Less concerned about equal income



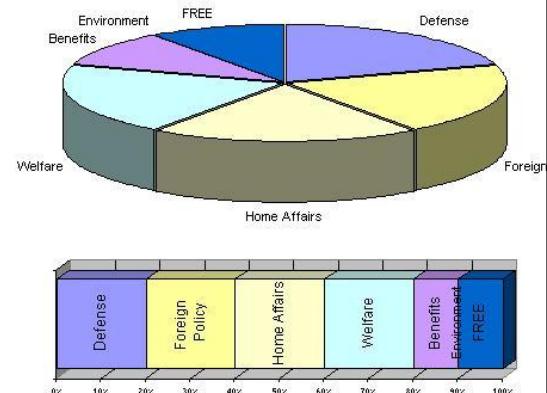
### Instructions for the next slide:

Governments operate in various fields, some might benefit you personally. Imagine you are the prime minister and you need to allocate the annual budget so it would maximize **only your personal interest** (i.e. disregard any national interests and allocate the money in accordance to your preferences). Given that you have £100 billion to allocate, how will your budget look like?

Please click here to allocate your budget

...Given that you have £100 billion to allocate,  
how will your budget look like? (in %)

Defense (i.e. army, security services)	20 %
Foreign Policy (i.e. Europe, diplomacy)	20 %
Home Affairs (i.e. immigration, police)	20 %
Welfare (i.e. education, health, social services)	20 %
Benefits (i.e. pensions, income support, unemp')	10 %
Environment (i.e. pollution, forests)	%



PERCENTAGE LEFT 10 %

[Click here to continue](#)

YOU HAVE  
10  
BILLION £ LEFT

[Continue](#)

[Go Back](#)

After you allocated the budget, what are your expectations from the two major parties? Given that all their promises are kept, how do you think the major parties will promote **your own interests** in the field of **defense** ?



And finally... can you estimate your income (gross)?

Less than 9,600 Pounds a year (200 Pounds a week)

Between 9,600 and 15,600 Pounds a year (200-325 weekly)

Between 15,600 and 31,200 Pounds a year (325-650 weekly)

More than 31,200 Pounds a year (650 Pounds a week)

#### 11.2.4 Interview Schedule

After the questionnaire has been completed, 12 of the interviewees will be asked whether, where and when a detailed conversation with them can take place. The selection of the interviewees from the preliminary sample will be done on the basis of their income and voting preferences, in order to generate a diverse sample. The following are the topics and some anchor questions to be discussed during the meetings.

1. The subject's view of the political process, its purposes and its dynamics. Why do you vote? Do you think politics and voting are effective? Have you ever linked your own welfare and your voting patterns? Do you have interests in voting? Was it always like that or has it changed during the last few years? Who has the power to influence your own conditions of living?
2. The subject's current voting decision and the reasons behind it (if elections were to be held today). In the survey, you said you would vote for the \_\_\_ party. What are the reasons behind that choice? Do you always vote like that? What has changed? Are you a consistent voter? Would you vote the same way whatever happens in your life or whatever the other party says? What would make you vote for another party?
3. The compatibility of existing reasoning with rationality theories. You said welfare is the most important subject that might help you in the future, and you also answered that the Conservatives will not help you in that aspect. Some people would say you actually voted against the welfare state. What do you think about it? Although you did not define yourself as a rich person, you said the government's investment in benefits and welfare is not a first priority for you. Do you think the government should help in this matter? Some scholars suggest you should work for your own interests in every voting decision you make. Do you think you did so in your current vote? Do you think benefits are within your interest?
4. Retrospective assessment of the subject's voting decisions. What do you think about extremely poor voters who support cutbacks in their own benefits? Eventually, if you summarise all your preferences and your expectations, it seems you assume the Labour Party will promote your interests more than other parties... some would wonder whether you also voted against your own interests. Retrospectively, would you say there are other significant benefits you derive from governments, which were not included in the survey? After discussing these issues, do you think you should have voted differently? Do you think you are a rational voter? Voting from the head and not from your heart? Do you believe voting should be a rational act at all or people should vote from their hearts?

After the questions of rationality, a few minutes will be devoted to the issue of turnout and information, in order to ease the pressures and finish the interview on a positive note. This will be achieved by making the interviewee feel s/he did her/his best and fulfilled her/his civilian duties. The goal, however, is to distance the argument of rationality and to distract the voter with other, less stressful topics.

### Possible Scenarios and Answers

*"No, I am not poor, and therefore I have no reason to vote for the welfare state."* Poverty is a controversial term, everyone defines it differently. How do you define it? If based on income – have you ever checked what the official welfare threshold is? Even though you are above the threshold, I am interested to know how, in your opinion, poor people should vote.

*"Both parties will do the same things in terms of the welfare state, there is no difference."* What is it that they will do? Is it because they have the same ideology or because of other reasons? And are you satisfied with the current state of affairs? Do you see any hope for change?

*"Politics is a deceit – you can never trust what politicians say."* You are not the only one who says that, but if you really believe it, why do you vote at all? Do you see any personal interest in casting your vote? What do you think about voter abstention? Is it worth the effort?

*"I don't think any of them can help me personally."* Many people say so, but can you tell me what it is that you want from your government? Can you really manage without a government at all? Do you think governments can help poor people to get out of poverty? Can it help you in any way?

*"Maybe there is a problem with my vote, but I couldn't vote for any other party."* It is not the first time I heard that, but let me ask you this: if party X promises you to add one hundred pounds to your net salary, would you still vote as you did?

*"If I had thought only of myself, I would have voted for the Labour Party, but I think it is bad for the country."* Do people from your neighbourhood think the same way? Some people would wonder why you hold this belief while others have a completely different set of thoughts.

## 11.3 Supplement on Methods (Israel)

### 11.3.1 Exploratory Survey

In the period from August 2005 to March 2006, approximately 200 Israeli citizens were invited to answer a few questions about their voting behaviour. Of these, 57 secular or traditional Jews who reported voting for one of the two major parties agreed to do so. They were asked to participate in the exploratory survey either electronically or by filling in a hard copy of the questionnaire. From the very beginning, it became clear that a quantitative analysis might not expose all possible significant insights. Therefore, many interviewer observations and subjects' comments were added to the questionnaires until, in certain cases, the questionnaires turned into short, structured interviews. In order to achieve a diverse sample, these interviews were held in several locations, some wealthy and prosperous and others associated with poverty and deprivation. Nevertheless, it should be noted that the sample for the exploratory survey was not meant to be representative of the whole population.

The privileged members of the sample (31 subjects) were drawn from three areas: visitors to the exclusive Arcafe coffee shops in Herzliya and Tel Aviv, participants of the annual Israeli Business Conference organized by Globes, and wealthy individuals known personally to the author. The underprivileged members of the sample (26 subjects) included visitors to job centres in the peripheral towns of Sderot, Ofakim and Netivot, as well as local residents spending their middays in the central squares of these locations. As noted, the computer-administered survey was limited to those who voted for the two major parties so other political parties are minimally represented. Reportedly, 57 per cent of the privileged subjects voted for the Labour party, whereas among the underprivileged, Likud enjoyed overwhelming popularity with 88 per cent of the votes.

It should be emphasised that it was the location where the interview took place, rather than the reported income of the interviewee, that served as the indicator of the subject's socio-economic classification. However, the income distribution in both groups was almost always in line with the initial expectations. 69 per cent of the respondents interviewed in underprivileged locations reported an income lower than 4,000 Shekels a month, whereas 72 per cent of those interviewed in privileged areas reported a monthly income higher than 14,000 Shekels. Statistically, both groups suffered from a gender bias, as 71 per cent among the privileged sample and 65 per cent among the underprivileged sample were males. This deviation can be partly explained with the dominance of males in qualified jobs in Israel, as well as the environmental pressures on females to care for their homes and children rather than search for income or laze around in the town square.

### 11.3.2 In-Depth Interviews

15 semi-structured in-depth interviews were carried out in Israel at the same time as the exploratory study. Short dialogues with subjects undertaking the questionnaires were not included in this count, even though several of the collected comments and observations were transcribed and analysed as well. There was a considerable difference between the data collected from privileged and underprivileged interviewees, which justifies individual reference to each of the two groups.

The in-depth interviews with underprivileged individuals took place after the subjects consented to participation in the exploratory survey. As the entire engagement was in town squares or jobcentres, the discussion moved smoothly and respondents readily elaborated on their thoughts. Occasionally, it seemed, the interviewees were as anxious to share their thoughts as the interviewer was to listen to them. There was one exception, though: most visitors to the newly established Sderot jobcentre refused to be recorded by any device. Notably, this specific jobcentre was run by a private company - a fresh outcome of a controversial reform introduced by the former Finance Minister Netanyahu. As part of the "Welfare to Work" campaign, jobseekers were required to participate in classes and tutorials in order to preserve their income support or unemployment benefits. What was defined by governmental sources as a local version of the "Wisconsin Plan" was criticised in the press that published personal stories of humiliated benefits recipients. It is possible, therefore, that the jobseekers who refused to be recorded feared retribution.

In contrast, difficulties arose when interviewing privileged individuals. For various practical reasons, it was impossible to hold interviews with wealthy respondents immediately after they completed the survey. However, all attempts to set up meetings with randomly selected subjects failed. Consequently, personal contacts were employed to set up in-depth interviews with wealthy individuals, who could be categorised as belonging to the upper classes. To guarantee diversity, special attention was given to the interviewees' backgrounds and fields of occupation. Hence, even though the selection was not random in the classical sense, the sample was far from being homogenous. In addition, the interviewer's previous acquaintance with the interviewees was found to be an advantage in certain respects, primarily their greater willingness to discuss their thoughts freely and openly with almost no time limitations.

Technically, all in-depth interviews were recorded, either on audio tape or using a video camera, before being transcribed and translated into English. Short interviews, made mostly in Sderot Jobcentre, were written on the questionnaires and later transcribed electronically. The texts were coded using two levels of categories, to enable the identification of repeated discourses. Notes and insights written on many of the transcripts were similarly classified. This process later enabled the crystallization of a coherent and integrative narrative, which, accompanied with quantitative findings, facilitated the drawing of tangible conclusions.

### 11.3.3 Secondary Analysis

#### 11.3.3.1 Datasets Availability

Whereas the in-depth interviews and the exploratory survey yielded primary data, the secondary analysis drew upon several datasets. Some of them were used to deduce inferences at the individual level, whereas others were analysed at the local level to correlate between aggregated voting and turnout data and socio-economic classifications. As explained in the methods' chapter, the public's behaviour as monitored in large-scale surveys cannot always replace the official records of voting as summarised for each locality.

Therefore, the quest after insights at the **village level** involved the integration of official voting figures at the village level (CBS 1992 & CEC 1999) and their socio-economic correlation (CBS 2004). In this method, the actual "**public choice**" was authentically reflected, using the official records from the ballot boxes records and a sophisticated socio-economic classification, as explained later.

As for the **personal level**, two datasets of the Israeli Election Study (IES 1992 & 1999) and one dataset of the International Social Survey Program (ISSP 1999) were carefully explored to track positions on various issues. These indicators of "**public opinion**" were usually gathered through face-to-face interviews, as detailed in the technical references of each dataset:

- The IES of 1992 was conducted in one wave, during June, days before the General Elections in which the Labour candidate, the late Yitzhak Rabin, defeated the incumbent Likud government. The sample consisted of 1,192 adult Jewish citizens, excluding settlers living beyond the Green Line and residents of the Kibbutzim. The questionnaire was prepared by Prof. Asher Arian and Prof. Michal Shamir.
- The IES of 1999 consisted of two waves. The pre-election questionnaire was presented to interviewees during April-May, approximately a month before the elections took place. Eventually, after three years of a Likud regime, the Labour candidate Ehud Barak brought about a political upheaval. Face-to-face interviews took place with 1,225 eligible voters, including 150 Arabs. The questionnaire was prepared by Prof. Asher Arian and Prof. Michal Shamir.
- The ISSP Social Inequality III module of 1999 was run in Israel during November, a few months after the General Elections. Notably, major sections of the questionnaire were identical in all countries participating in this project. The representative sample, built on an area probability basis, consisted of 1,208 adult citizens, including 151 Arabs. The principle investigators were Prof. Noah Lewin-Epstein and Prof. Ephraim Ya'ar.

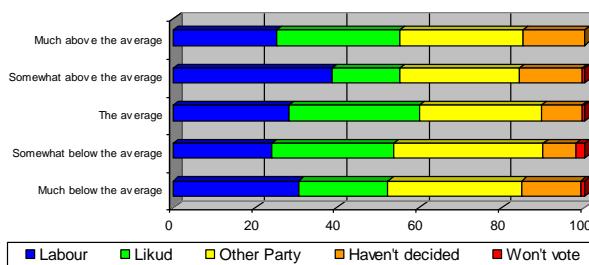
Most of the academic papers studying political behaviour in Israel separate the Arab population from the Jewish one, as the differences are too fundamental to be accommodated by statistical tools. Even though the Arabs formally possess full and equal civil rights, their political attitudes are highly influenced by extrinsic motivations, stemming primarily from the ongoing conflict between Israel and the Palestinians. Until the last decade, the turnout of Israeli Arabs was significantly lower than average, as voting for the Israeli Parliament was perceived by some as an acknowledgment of Israel's existence, hence a betrayal of Palestinian interests. Since then, the necessity of adequate political representation has been recognised. However, it is widely assumed and occasionally publicly declared by Israeli-Arabs' leader that Arab political behaviour in Israel has to do with the national conflict, no less than the social tensions. Acknowledging that the Arab national minority is among the least privileged groups in Israel, it seems as this thesis' scope is too focused and its resources are too limited to address this issue sufficiently. A similar decision was accepted with regard to the ultra-orthodox sector, which follows rabbinical commandments and vote for parties by their ultra-orthodox affiliation. Comparing these groups to the majority of the electorate is empirically unjustified, and therefore they were excluded from this analysis.

#### 11.3.3.2 A Single-Variable Method

A fundamental methodological challenge was revealed when the first socio-demographic distributions were produced. It had to do with the need to define an underprivileged group in all three datasets, in a way that would enable comparisons between the datasets, to track the way underprivileged voters responded to questions. This mission faced several obstacles. Whereas adjusted family income was originally perceived as the most powerful distinguishing factor between subjects in the middle or the upper classes and those living in poverty, only one dataset included the information required to calculate it. Eventually, after a process that included exploring the available socio-demographic questions in all three datasets, studying their contextual connotations and reviewing their statistical correlations, it looked as if **a single-variable method** to define the underprivileged group was inapplicable. Two major reasons led to that conclusion.

Each study project had asked different socio-demographic questions and due to validity failures, they could not be compared to each other. The major difficulty was found in the income/expenditure question. The IES did not include a direct inquiry of the subject's level of income but rather an indirect question quoting the "average **expenditure** figure of a four members' family" and asking the respondent to rank his own family expenditure on a ladder of five relative categories. The ISSP scholars preferred to stick to the traditional **income** question, which was adjusted according to the household size and composition. These two different questions of income and of expenditure generated two groups that were heterogeneous in terms of their internal composition.

Expected Voting in 1999 by Family Expenditures



Actual Voting in 1999 by Family Income

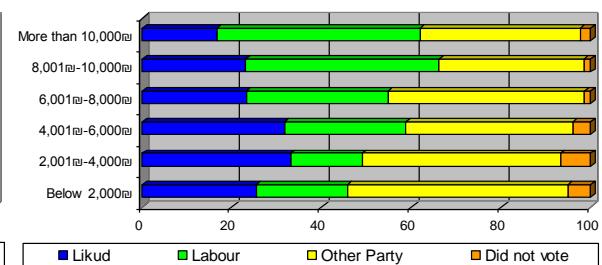
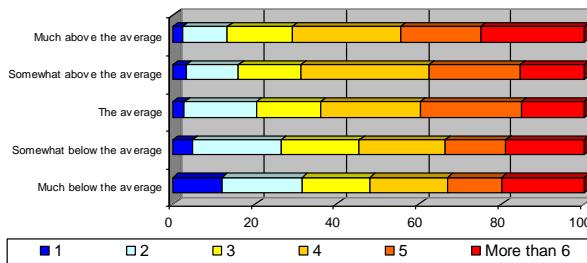


Figure 11.3.1: A comparison of voting patterns by estimated family expenditure (IES 1999) and adjusted family income (ISSP 1999)

When looking at the political affiliation of subjects classified at the bottom of society through different indicators (Figure 11.3.1), considerable deviations are visible. Whereas the income question pointed to higher levels of support for the Likud party among families with low earnings and higher levels of support for the Labour party among families with high earnings, there was no consistency at all when subjects were classified by their estimated family expenditure. Figure 11.3.2 reveals one of the potential reasons for these contradictory results, derived from what seems to be a key validity failure of the expenditure question.

Household Size by Family Expenditures



Household Size by Family Income

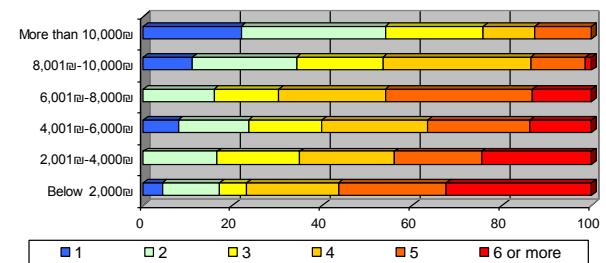
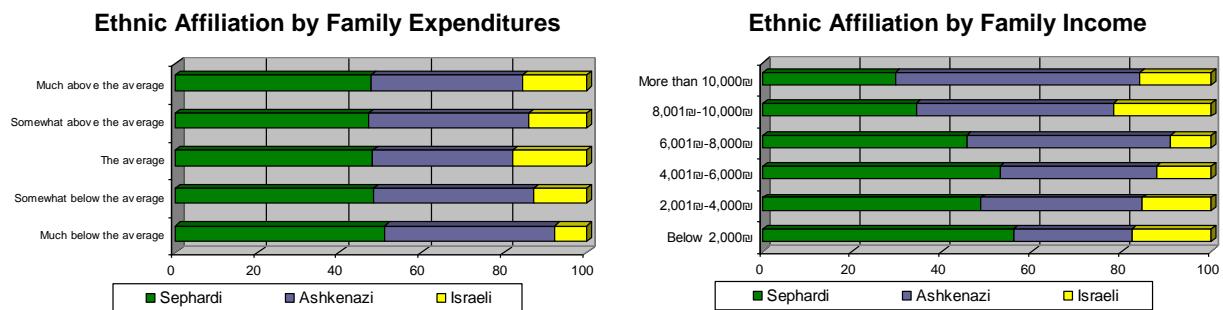


Figure 11.3.2: A comparison of household sizes by estimated family expenditure (IES 1992) and adjusted family income (ISSP 1999)

The left figure produced from IES 1992 data, shows clearly that small households of no more than two individuals are more likely to report their expenditure is "much below the average", whereas the "average", as quoted in the question, refers explicitly to a "four members' family". The ISSP 1999 figure on the right proves this conclusion is hollow, i.e. small households are not financially disadvantaged, but rather their members are less capable of adjusting their expenditure *in relation* to bigger households. The difficulties of standardising the expenditure figure led to a contradiction. According to the ISSP figures, 56 per cent of the poorest households accommodate at least five people, whereas the IES figures claim these families are in fact at the top, constituting 45 per cent of the "wealthiest" households who spend "much above the average". The statistical complexities involved in any income equivalence process can easily account for the failure of ordinary people to standardise it correctly.



**Figure 11.3.3:** A comparison of ethnic affiliation (2<sup>nd</sup> generation) by estimated family expenditure (IES 1992) and adjusted family income (ISSP 1999)

Because of the initial deviation, categorisation of subjects by the expenditure variable might undermine sample representativeness as illustrated in Figure 11.3.3. Factually, the socio-economic level of the Israeli Sephardic community (a second generation of immigrants from Asia and Africa) is lower than that of the Ashkenazi one (Arian 1997, Cohen 1998, Yuchtman-Ya'ar & Peres 2000). However, this reality is apparently not reflected in the dataset: when the ethnic affiliation of the respondents is examined by the estimated level of expenditure (IES 1992) and by the adjusted family income (ISSP 1999), two entirely different conclusions are found. In fact, the first comparison shows almost no divergence in the composition of the groups, suggesting erroneously that the Sephardic community has been equally integrated in society. Whereas the Pearson Coefficient of the right figure (ISSP 1999) was significant on a level of 0.124, the left figure (IES 1992) has shown no such incline. These results are an additional indicator of the validity failure of the expenditure question.

A second reason for concern is the reliability and validity of the income question when it is examined independently. Apart from the inconsistencies discussed above, the peculiar conditions prevalent in Israeli society might influence respondents' answers in a tricky way. In Israel, old traditions stemming from anachronistic legislation might have induced the concealment of legal and illegal funds. This predisposition, probably strengthened by fear of the tax authorities, might result in inaccurate or incomplete income reports. Ironically, it was precisely these concerns, which question the reliability of the ISSP income question, that led Israeli scholars to omit the formulation and substitute it with the even knottier one of family expenditure. Regardless of the deficits of the second formulation, wealthy citizens might locate themselves at a lower place in the income pyramid, putting the reliability of this question at risk.

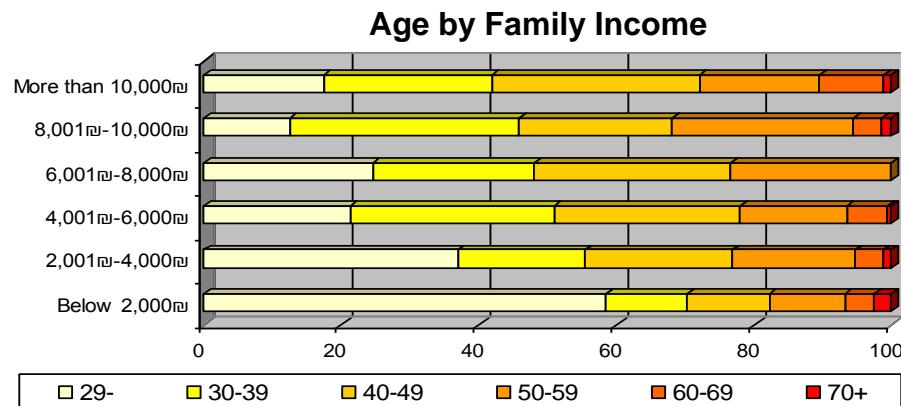


Figure 11.3.4: Age Groups by Adjusted Family Income (ISSP 1999)

The income formulation also suffers from a validity deficit. Apparently, one deficit lies in the domain of reliability, as one would expect the process of family income equalisation to generate a socio-economic homogenous group, but this has never materialised. The distribution of adjusted family incomes by age, as illustrated in Figure 11.3.4, shows that 58 per cent of the "poorest" households (whose monthly income is less than 2,000 Shekels) were in fact led by people in their twenties. These young adults might be students living in their own flats or even new couples embarking on a new chapter in life. Whereas factually, their income is lower than the threshold, one can hardly argue that they are living in poverty, or assume that their location on the income ladder is permanent. Considering these deficits, the widely used figure of adjusted family income cannot serve as a sole indicator for the presence of poverty. Arguably, instead of creating a homogenous group, it singled out subjects that are different in almost any socio-economic indicator, with the exception of their formal income as reported in a short and limited period in their lives

### 11.3.3.3 A Multi-Variable Method

Due to the inconsistencies of the questions asked, as well as the limited validity and reliability of the prominent available indicators, a new method to identify an underprivileged group is required. While income still constitutes the most essential indicator of poverty, it certainly cannot be considered as the sole one. It might help identify the poor, but it can hardly stop others from slipping into this group as well. The path towards a more homogenous underprivileged sample takes a **multi-variable approach**, in which the chances that poor people will meet the various criteria are the highest, as are the chances that non-poor will be disqualified. It employs a few additional indicators, which are powerful in isolating those *earning low incomes* and *suffering from enduring poverty*, and capable of mediating the various socio-demographic questions asked. Three principles guided the process of selecting these indicators and defining their required range.

- **Reliability:** The defined thresholds should maximise the proportion of subjects living in enduring poverty and minimise the proportion of others.
- **Applicability:** The chosen socio-economic variables should appear in most questionnaires and the available categories should match each other as much as possible.
- **Practicability:** The goal is to succeed in creating a homogenous group of people having similar, but not identical, socio-demographic attributes.

In light of these principles, five variables were chosen: *The adjusted family income*, as low income is still the major indicator of the presence of poverty; *the socio-economic classification of the city*, because when details of family income are absent, the official categorisation based on the local population characteristics is the best feasible alternative; *age*, as it is unreliable to bond perceptions of young voters with pensioners only because their incomes are temporarily similar; *years of schooling*, as normally higher education increases the probability of permanently high incomes and vice versa; *household size*, as singles or couples are less likely to suffer from enduring poverty than large families are.

Table 11.3.1 provides the list of indicators and selected thresholds defined for analyzing the Israeli datasets, followed by a technical reference to each figure. Figure 11.3.5 provides a graphical illustration of the algorithm (Page 349), which was programmed into the SPSS software.

No.	Indicator	Threshold	
1	Socio-economic categorisation of city or Standardized family income	Bottom half according to official statistics or Less than 3,500 Shekels a month	Essential Conditions
2	Age	Between 27 and 65 (including)	
3	Years of Schooling	14 years or less	Optional Conditions
4	Size of Household	3 people or more	

Table 11.3.1: Indicators and thresholds defining the Israeli underprivileged group

1. **The socio-economic categorisation** was based on the Israeli Central Bureau of Statistics' methodology which identified 14 key socio-economic indicators from various fields and sources and out of them composed three factors and five indexes, by which the local residents were classified (CBS 2004). Based on an analysis of 2001 data, all Israeli cities were eventually ranked into ten categories according to the characteristics of their populations (for previous studies of this kind, see Ben Tuvia et al. 1988, Shitrit & Issachar 1994). Localities in categories 1 to 5 (out of 10)

were defined as underprivileged. Residents of Jerusalem were excluded from the analysis, as their city's categorisation was highly influenced by the high proportion of Palestinians holding an Israeli ID and living in the east side of the city. Notably, the vast majority of cities located in the bottom two categories were inhabited by Israeli-Arabs, and were not part of this research study (a table of the cities included in the studies analysed is provided in Appendix 11.4.4).

2. **The adjustment of family income** was based largely on the McClements Equivalence Scales (DWP 2001). However, the surveys analysed had only distinguished between adult and non-adult members of the household, whereas the McClements scales weights children according to their exact age. Eventually, the adjustment was based on the average weight of each child, i.e. 0.23 units, rather than on his or her exact age. When the number of children was missing from the dataset, the number of adults reported was deduced from the overall number of residents. As only the ISSP 1999 dataset collected income figures, the threshold was based on the official poverty line defined by the National Insurance Institute for a standard two member family in 1999—2,543 Shekels (NII 2000). The threshold defined in this thesis was higher, as it took into account net/gross income differences as well as other non work-related earnings excluded from the original question. It also intended to generate an adequate group to work with.
3. Unlike other western cultures, Israeli youth usually accomplish their military service by the age of 21, before proceeding to at least three years of academic education and a possible "gap year". At the other end, the official age for retirement was 65 in 1999. **The aging threshold** was set in the light of these actualities, in order to exclude exceptional incidents at both ends of the distribution.
4. Factually, more than half of the ISSP 1999's sample reportedly had 12 years of schooling or less (54 per cent). However, as technical education or job training might be counted by some respondents as additional **years of schooling**, the threshold was set at 14 years. It should be emphasised that respondents with an academic degree must have at least 15 years of schooling.
5. Small households of one or two persons are less likely to suffer from enduring poverty in Israel, as they are usually occupied by young couples who have just started their joint life. Unlike the British case, the phenomenon of lone families rarely exists in Israel. Therefore, the **household size** was taken as an indicator, supplemented with the subjects' years of schooling in order to guarantee the identification of exceptional cases.

Reviewing the algorithm, several clarifications are needed. The first condition incorporates an area-based indicator of poverty (city categorisation) with a respondent-based one (family income). This imperfect combination cannot be justified merely by

practical considerations related to the lack of any income question or another powerful indicator of poverty in the IES datasets. It is also derived from the high correlation between individual poverty and local poverty in Israel. Unlike Britain, where most of the underprivileged live outside poor localities, in Israel, poverty is concentrated almost entirely in disadvantaged cities, mostly in the periphery. The Central Bureau of Statistics, which composed and yielded the city category based on 14 indicators, found that the average income of the local population explained 96 per cent of the categories' variance (2004, p. 28). As individual income had the highest correlation with local poverty, the comparison of both variables is not desirable, but becomes feasible in the circumstances.

Another domestic difference between Israel and Britain refers to the household size. In Israel, large families, often from disadvantaged backgrounds, is as prominent as the phenomenon of lone parents suffering from subsistence poverty. The CBS found the proportion of large families (more than four members) to be the second important indicator in its algorithm, explaining 94 per cent of the total variance. It should also be noted that due to practical considerations, the thresholds defined for each variant were less rigorous than they would have been in a single-variable categorisation method. This compromise was necessary to identify a relatively large and homogenous group of underprivileged people, without ending up with a rather small and insignificant sample.

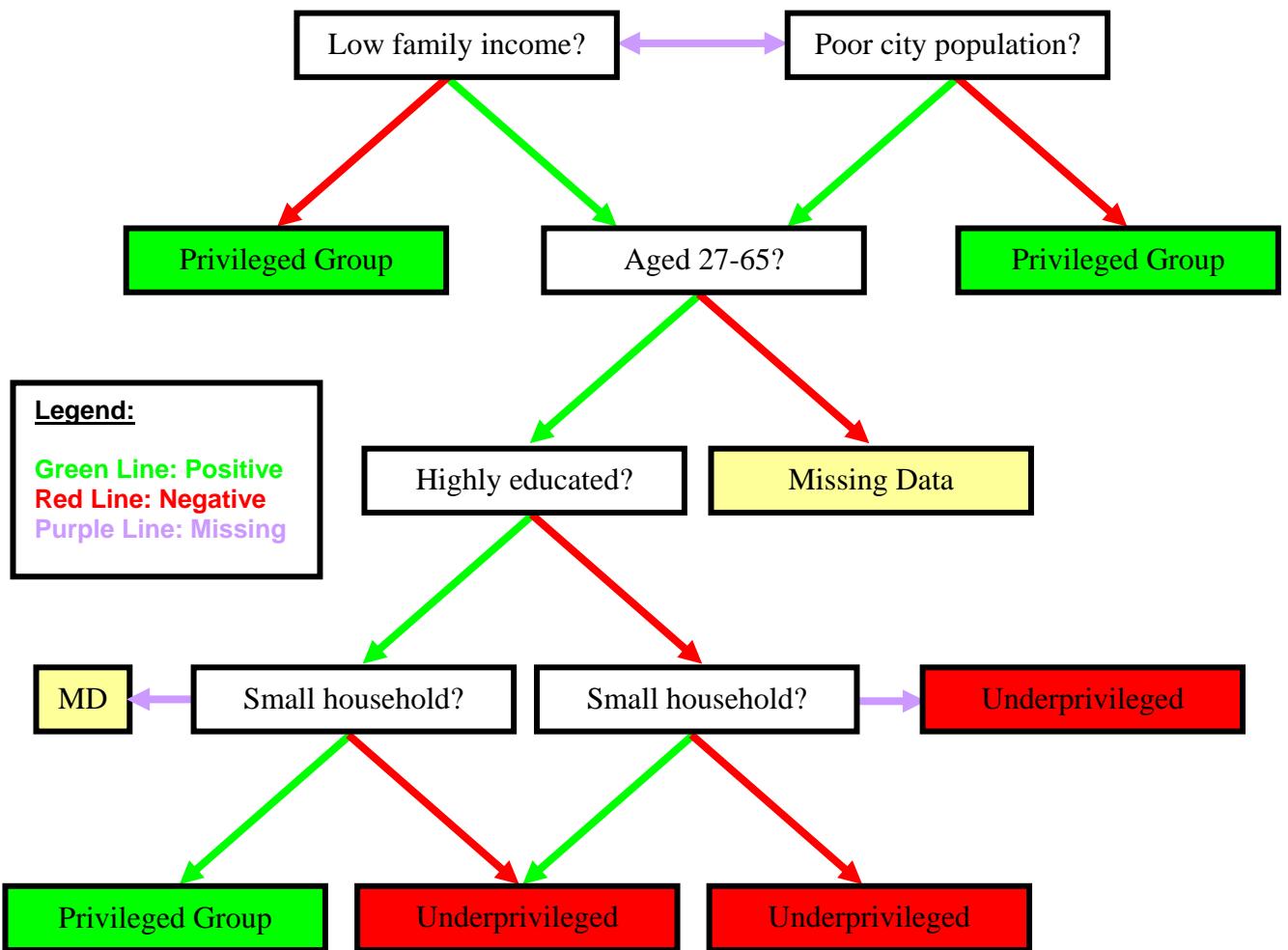
The *multi-variable method* was conceived to overcome methodological deficits already existing in the original datasets. As such, it does not seek to redefine poverty theoretically or statistically. However, it did aspire to create an algorithm that would employ pragmatic tools to elaborate the empirical criteria for membership in the underprivileged group. If there is a correlation between enduring poverty and political deprivation, the quality of the method in which the underprivileged are singled out is crucial. As in any empirical research, an error in defining the independent variable can easily ruin the project and interfere with its findings.

It should also be noted that socio-demography is not an accurate science. Hence, the composition of the underprivileged samples defined by the *multi-variable methods* is not expected to be identical in all datasets. However, in comparison to the *single-variable method*, it seems that the groups' homogeneity, as well as the study's validity and reliability, has been significantly improved.

#### 11.3.3.4 The Algorithm's Structure

Technically, the differentiation between subjects started with verifying the existence of the two "**essential conditions**", as defined in Table 11.3.1, which cover financial strength and maturity {Conditions 1 & 2}. The verification of both conditions is needed in order to attribute a subject to the underprivileged group, whereas not meeting the first condition would lead a subject directly into the privileged group, regardless of his age. When information about the adjusted family income was absent due to the different questionnaires analysed, the substitute indicator was the socio economic categorisation of the city, according to its local population. This combination generated a methodological challenge, which will be discussed later. However, membership of the underprivileged group required the fulfilment of at least one of the "**optional conditions**", referring to education level and household density {Conditions 3 & 4}. In this way, highly educated subjects who lived in small households were moved to the privileged group, regardless of their city's socio-economic cluster or their reported family income. The rationale underpinning this rule is related to the inherent generalization derived from taking the subject's place of living as a point of reference. It should be noted that when missing data prevented the accomplishment of this process, the subject was excluded from both groups, in order to minimise statistical deviations as much as possible. The entire process is demonstrated graphically in Figure 11.3.5.

A major concern is related to the equation of an area-based indicator for poverty (city socio-economic categorisation) with an respondent-based one (adjusted household income). In ideal research, this analogy would not be made, given that other indicators can be employed for defining a homogenous underprivileged group. However, this method was the only practical alternative and the most reliable one to mediate the differences between the three datasets analysed. If one were to decide to focus solely on income figures, one would have to scrap the two IES datasets covering political positions with no income questions. If one were to decide to focus solely on the city categorisation, one would have to ignore the ISSP dataset covering attitudes towards inequality with no reference to localities. Aside from the lack of other powerful questions that could solve the problem, this alternative was eventually selected after the CBS itself found a strong correlation between individual income and the cities' categories ( $R^2=0.96$ ), and because the socio-demographic characters of the new underprivileged groups were found to be similar, indicating high reliability of the algorithm. Nevertheless, as a precaution, each dataset was analysed and presented separately to avoid direct comparisons.



**Figure 11.3.5:** The tree of questions employed to differentiate between the underprivileged and the privileged respondents

### 11.3.3.5 Assessment of Outcome

After describing the multi-variable method and the components of the algorithm, its reliability will be subjected to scrutiny. The original socio-demographic characters of the three datasets analysed served as a starting point for the formation of the new algorithm, seeking to generate a higher level of homogeneity among the underprivileged groups. After a long process of trial and error in selecting the variables and defining their internal correlation, the socio-economic characters of the underprivileged in each dataset became significantly more homogenous, and they are presented below. It should be noted though that in some of the graphs, the dependent variables were part of the algorithm that yielded the independent variable (the subject's categorisation as underprivileged). Therefore, they should be referred to with caution.

Figure 11.3.6 demonstrates that members of the IES 1992 underprivileged sample were more likely to be Sephardic (67 per cent compared to 39 per cent among the privileged sample) and observe religious commandments to a high extent (41 per cent compared to 14 per cent). The average wealthy household consists of 3.7 people and its adult members had studied for 12.8 years on average, in comparison to a household size of 4.8 members and an average schooling period of 11.8 years among the underprivileged. Interestingly, after taking into account several socio-economic variables there is still no difference in the distribution of the reported family expenditure. The privileged and the underprivileged group had given similar answers, although they are clearly different in their financial status.

Figure 11.3.7 illustrates some attributes of the IES 1999's underprivileged group, pointing at interesting dissimilarities compared to the IES 1992 dataset. As to the ethnicity question, it is only natural that with time more subjects would be defined as Israelis, based on their father's birthplace. However, the domination of Sephardic Jews in the underprivileged group remained stable (57 per cent), as did the distribution of the religiosity variable. As to the Years of Schooling, surprisingly, a higher proportion of the underprivileged (23 per cent) had more than 15 years of schooling, whereas a similar proportion stated elsewhere that they held an academic degree. This might be explained by the presence of highly educated Russian immigrants, who found themselves unemployed with no language skills. As most of these households were small, the relatively high proportion of three member households in the underprivileged sample (40 per cent) was reasonable.

Figure 11.3.8 confirms the ISSP 1999 follows the same internal correlations as its antecedents. The underprivileged are more likely to be Sephardic, religious and live in large households. A few comments still merit attention. The underprivileged household size sampled in the ISSP was higher on average than that of the IES (4.7 members compared to 3.92), as was the average years of schooling in the entire ISSP (13.2 compared to 12.6). In addition, the ISSP utilised a different scale to measure levels of religiosity, although the internal correlation prevailed—the underprivileged expressed stronger attachment to religion (34 per cent defined themselves as religious or ultra-orthodox compared to 17 per cent in the privileged group).

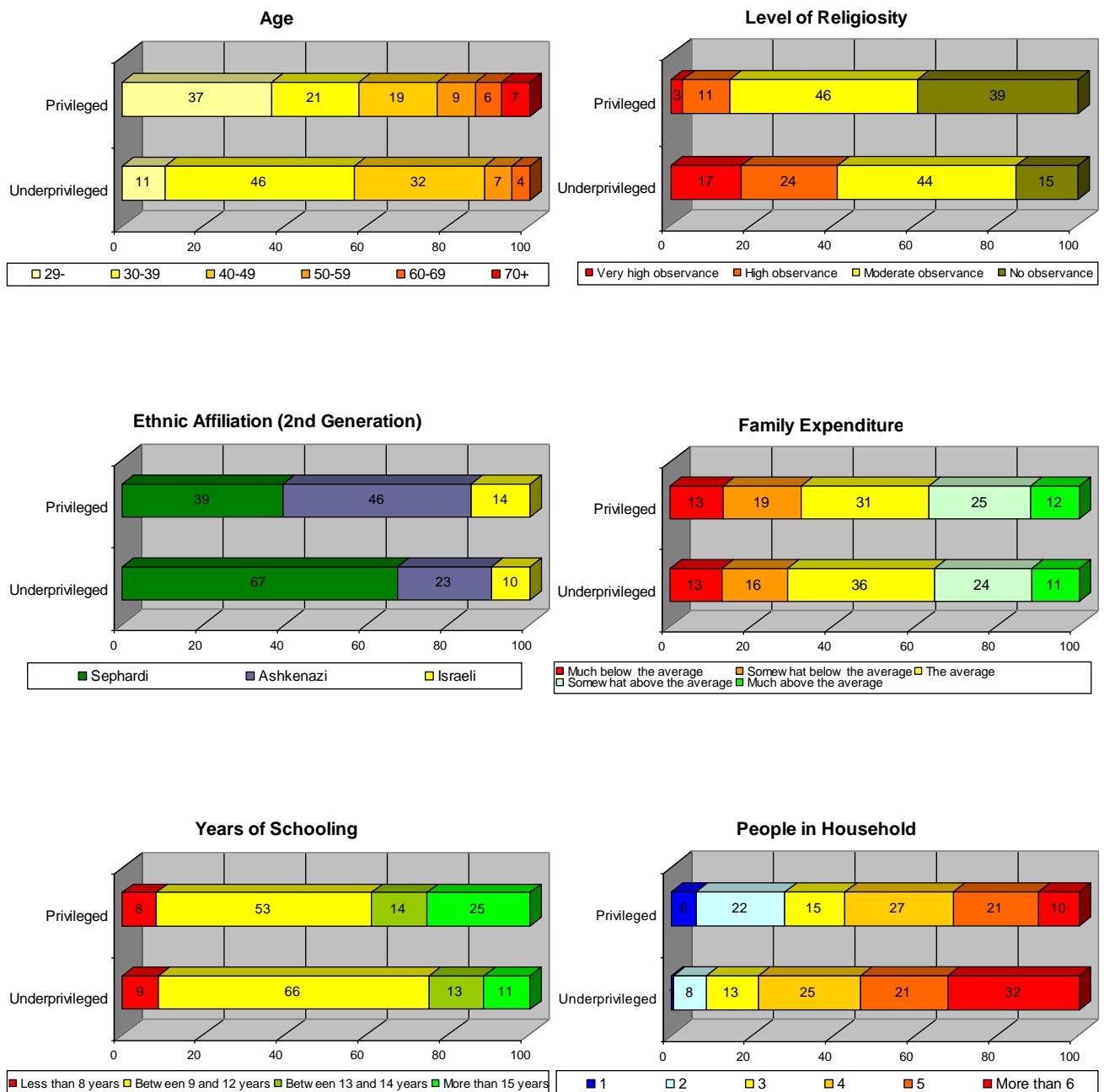


Figure 11.3.6: Socio-demographic attributes of the members of the underprivileged and the privileged group, based on the multi-variable method (IES 1992)

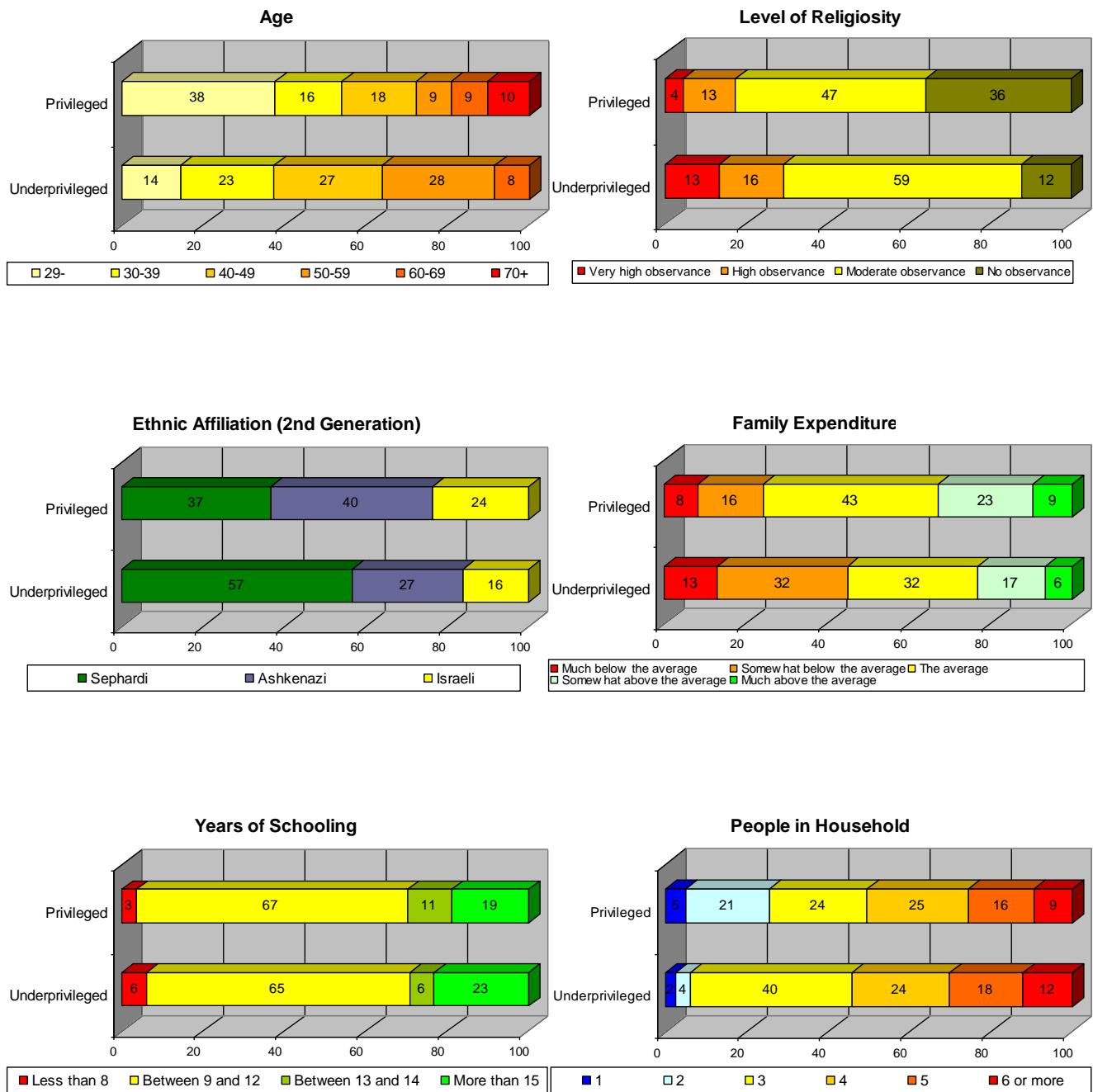
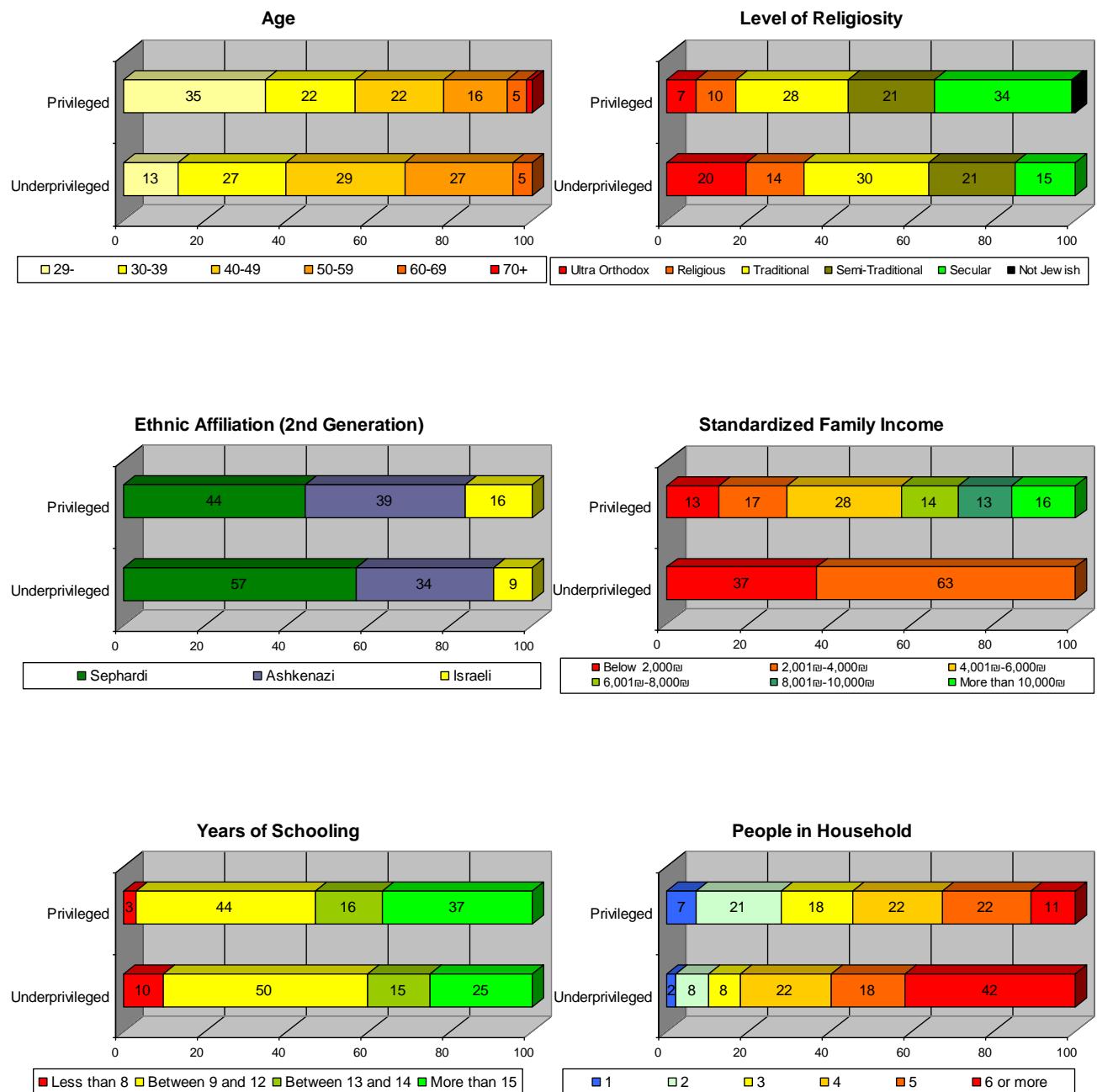


Figure 11.3.7: Socio-demographic attributes of members of the underprivileged and the privileged group, based on the multi-variable method (IES 1999)



**Figure 11.3.8** Socio-demographic attributes of members of the underprivileged and the privileged groups, based on the multi-variable method (ISSP 1999)

## 11.4 Supplement on Methods (Britain)

### 11.4.1 Exploratory Survey

Approximately 300 British adults were invited to take part in this research, with 70 of them agreeing to participate. Participants had initially been asked to complete a computer-administered survey. After an alarming visit to the Mosside Lane neighbourhood in Manchester, the expensive laptop was replaced with hard-copy questionnaires. The visit also confirmed that an unmediated appeal for participation rarely persuaded underprivileged individuals to cooperate.

The continuous failure to attract cooperation from underprivileged individuals in several sporadically selected Job Centres prompted a reconsideration of the fieldwork strategy. Consequently, all fieldwork within underprivileged locations was focussed on Hackney Citizens' Advice Bureau (CAB), in the light of the management's willingness to assist with the project. Access to clients was given in the relaxed atmosphere of the CAB's waiting room<sup>36</sup>. Research among privileged members of the electorate was carried out, as planned, in branches of Starbucks Coffee shops within the City of London.

During the fieldwork in Britain, the first few seconds of each interaction with interviewees were found to be crucial in determining the outcome of each engagement. Uttering the words "PhD" and "London School of Economics" was immensely efficient in convincing privileged respondents to cooperate, in contrast to disadvantaged individuals, whose fears and hesitations were reduced by the modest title of "student". A suit also improved the chances for collaboration with privileged interviewees, whilst casual attire prompted a more friendly and pleasant response from the underprivileged respondents. The opening line and the dress code were adjusted after a process of trial and error. Both played a central role in persuading the British respondents to complete the survey. In general, significant amounts of time were still needed to convince interviewees to participate - in direct contrast to Israel.

The privileged sample (44 subjects) was composed mostly of executives, lawyers and other high-earning professionals spending time in the luxury coffee chain of Starbucks. In the weeks when the fieldwork was carried out, all branches around Fleet Street and Liverpool Station were visited, and individuals whose appearance communicated wealth were approached, if they were sitting alone. Many of the privileged respondents asked

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<sup>36</sup> The confidentiality procedures presented in the methods chapter applied to Hackney CAB as well. However, following a request of the Bureau's director, only audio interviews were carried out with willing clients, and several ads clarifying the purpose and the process of the fieldwork were put in the waiting room.

how much time the survey would take before making up their mind whether to take part. The answer of 7 minutes usually allayed their concerns. The entire interaction often exceeded this time limit, due to the serious way in which the questions were addressed.

The underprivileged sample (26 subjects) consisted primarily of visitors to Hackney Citizen's Advice Bureau (19), but also of unemployed visitors to Jobcentres in Hackney (4) and Hendon (3). Obtaining the co-operation of these visitors proved very difficult, as in all locations except the CAB, the majority of people approached refused to participate. One of the most commonly cited excuses was lack of time from the unemployed, while others were incredibly hostile to politics in general and questions about politics in particular.

Those visitors to the Centres who abstained from participating were usually not asked directly for an interview. Their remarks were however recorded, transcribed and analysed qualitatively. In some locations, including Manchester's Moss Side Jobcentre, the extent of abstention was so extensive that no completed questionnaires were collected at all. The emphasis then shifted to observations of the general atmosphere in such areas, and the notes taken were later integrated into the qualitative analysis.

The selection of sites proved to be highly accurate in predicting the subjects' income. 77 per cent of the respondents in underprivileged locations reported that their gross income was less than £200 a week. 11.5 per cent refused to answer and 11.5 per cent earned more than this. 74 per cent of the respondents in privileged locations earned a weekly salary greater than £650. In terms of political support, only two underprivileged voters supported the Tories, in contrast to a solid majority of Labour support. Within the privileged sample, support for both major political parties was equal. Males were dramatically overrepresented in the privileged locations (83 per cent), whereas females had a slight domination in the underprivileged sites (58 per cent). It should be stated in this context, that the survey was carried out merely for exploratory purposes, with no claims to be representative of any kind.

### 11.4.2 In-Depth Interviews

The sporadic notes taken regarding individuals undertaking the exploratory survey only heightened the need for comprehensive discussions with voters honestly sharing their thoughts. Overall, 10 in-depth interviews took place in Britain, 6 with underprivileged adults and 4 with privileged ones. Most interviewees consented to take part, having undertaken the exploratory survey. It should be noted that two of the privileged interviewees were identified and approached separately, through personal contacts. Comments and dialogues emerging during the undertaking of the questionnaire were not counted as interviews, although they were transcribed and analysed as well.

Whilst the attempts to persuade ordinary people to devote time to an academic survey often failed, attracting interviewees for a relatively long and recorded discussion proved even more difficult. Among the dozens of privileged individuals willing to complete the initial questionnaire, only two gave their consent for an interview. Whereas the pleasant atmosphere of a waiting room should have eased the complexity of interviewing underprivileged respondents, their abstention posed a serious obstacle, as their contribution was limited. If initially only voters had been considered for in-depth interviews, the need to understand the logic behind political abstention overcame the initial intention to focus primarily on political reasoning.

Particular consideration was given to the question of appropriate locations for doing in-depth interviewing in England, as unlike in Israel, public areas would not be seen as appropriate for this purpose. Thus, underprivileged voters approached at the Hackney CAB were interviewed inside the office, in a designated room that was kindly lent for this purpose by the management. One individual found in Hackney Jobcentre, was interviewed in his own home, after giving permission for that. Two of the privileged subjects were interviewed at home, another at her luxurious club and the final one in a coffee shop. Video recording of the interviews was done with the consent of the subject in all instances except those completed on the premises of the Hackney Citizens Advice Bureau, where only audio recording was allowed by the management.

The series of ten interviews enabled a comprehensive picture to be drawn of different types of individuals, coming from different backgrounds and experiencing different difficulties. Nevertheless, financial position drove a wedge between the groups: all privileged interviewees, especially the two whose consent was obtained through personal contacts, were wealthy while all underprivileged interviewees could barely make ends meet. Technically, all interviews were recorded, transcribed and coded using two levels of categories. A bound copy of the transcripts was read repeatedly, to generate qualitative observations and insights

### 11.4.3 Secondary Analysis

#### 11.4.3.1 Datasets Availability

The guiding objects behind the statistical analysis of the British case were twofold. First, it intended to correlate turnout and political party support with various socio-demographic variables at the constituency level. Second, it sought to explore reasoning and knowledge on an individual basis. The fulfilment of the first object required a sophisticated integration of data gathered from the Electoral Commission (EC), the Office for National Statistics (ONS) and the House of Commons' Library (HCL). The second goal was fulfilled by completing a broad analysis of the British Election Study series (BES) and the International Social Survey Program (ISSP) integrated into the British Social Attitudes survey (BSA).

The deduction of quantitative inferences base on the actual **public choice** at the **constituency level** required the integration of socio-economic figures taken from the 2001 *Census of Population* with voting distribution results from the 2001 *General Election*. The Census was carried out on 29 April 2001 by the ONS, and its raw data was later re-structured by HCL to refer exclusively to all 659 parliamentary constituencies (2004). The General Election took place on 7 June 2001. The official statistics were summarised and published by the EC in July 2001. They include the size of the turnout, the share of votes cast for each political party, and the size of the electorate in each constituency (2001).

The integration of both datasets presented considerable technical difficulties. Each dataset had a different structure, with many constituencies named differently in the files e.g. North Hackney and Hackney North. After these complexities were resolved, a unified database enabled a statistical comparison of socio-demographic figures with turnout and voting distributions, as measured in each constituency during 2001.

Quantitative analysis based on **public opinion** surveys at the **individual level** was based on the *British Election Study* (BES 1992 & BES 1997) and the *International Social Survey Program* (ISSP 1999) integrated into the *British Social Attitudes* survey (BSA 1999). As these datasets were pivotal in scrutinizing voters' attitudes, it is important to describe each of them specifically.

- The BES of 1992-1997 (hereinafter BES 1992) was a panel survey comprising eight waves. It was conducted by carrying out face-to-face interviews with the assistance of self-completion forms, telephone interviews and postal questionnaires. The sample of 3,534 respondents in the first wave dropped to 1,694 in the last one, and had to be weighted to accommodate a Scottish boost. It comprised of randomly selected individuals, on the electoral register who were eligible to vote in the General Election of 1992. The interviews were conducted by the *Social and*

*Community Planning Research* (SCPR) in collaboration with Nuffield College. Anthony Heath, Roger Jowell and John Curtice headed the cross sectional study.

- The BES of 1997-2001 (hereinafter BES 1997) also consisted of eight waves. All rested on a novel sampling method, which revealed a vital shift in attitude. For the first time in election surveys, the initial sample of 3,615 adults was drawn from the Postcode Address File (PAF) and not from the Electoral Register. Another innovation was a symbolic financial incentive of £3, given to participants in the second wave.
- Response rates were considerably higher, and the smallest sample consisted of 2,333 subjects. A Scottish boost required the data to be weighted again, whereas the raw data itself was collected through computer-assisted face-to-face surveys, telephone interviews and postal questionnaires. The *Centre for Research into Elections and Social Trends* (CREST)<sup>37</sup> ran the project, headed by the same team who organised the 1992 BES.
- The ISSP Social Inequality III module was integrated into the BSA of 1999 (hereinafter BSA 1999). The principal questionnaire was presented to respondents during face-to-face engagement. The ISSP supplement was distributed separately as a self-completion form. The principal survey sample was 3,143 British adults living in private accommodation. 1,804 members of the cohort received the ISSP forms but only 804 returned them.
- In this project, both questionnaires were analysed. The sample was created as a stratified random probability one, drawn from the PAF. The data had to be weighted. Principal investigators were Roger Jowell, Alison Park, Katarina Thomson, Lindsey Jarvis, Catherine Bromley and Nina Stratford, who worked under the auspices of the *National Centre for Social Research* (NCSR)<sup>38</sup>.

The methods these samples were pooled had peculiar implications on this research. Whereas the BES of 1992 relied upon the Electoral Register, all other surveys were extracted from the PAF, enhancing their representativeness as non-registered Britons could be approached as well. However, the probability of an underprivileged voter giving his consent for an academic interview is probably a-priori lower, generating an intrinsic statistical deviation. Employing the PAF for pooling could therefore reduce the initial range of error. Nonetheless, as will be discussed later, even this enhanced sampling method lacked sufficient statistical rigor to account accurately for the extent of electoral non-participation.

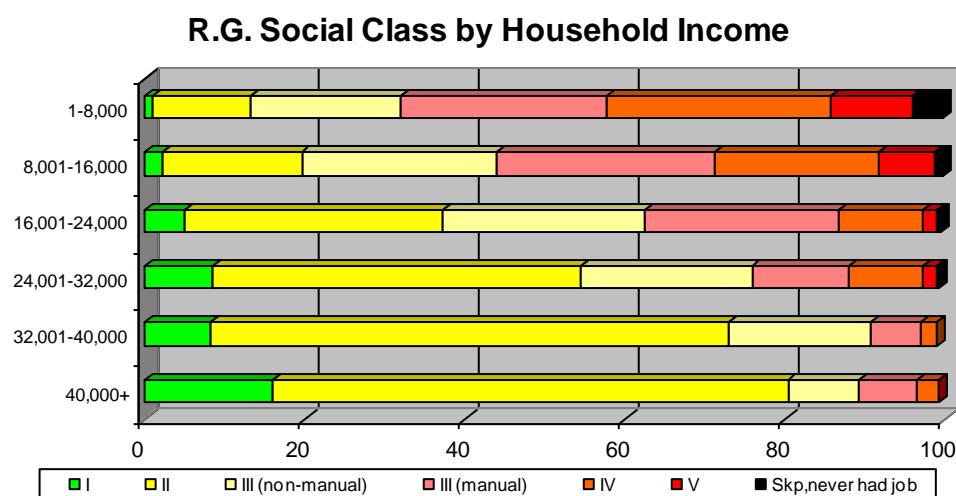
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<sup>37</sup> CREST is an ESRC Research Centre, which linked the *National Centre for Social Research* (NCSR), formerly known as the *Social and Community Planning Research* (SCPR), and Nuffield College the Department of Sociology, University of Oxford.

<sup>38</sup> NCSR was formerly known as *the Social and Community Planning Research* (SCPR).

### 11.4.3.2 Defining the Underprivileged Group

Serious consideration was given to the formation of an underprivileged group in the three large-scale surveys. This could have been trivial if a key question in the BES of 1992 had not been omitted. No information about children living in households was collected so calculation of equivalent household income proved impossible. This obstacle created the need for a new method to discriminate privileged voters from underprivileged voters. A prerequisite for any method was horizontal applicability, underlining the need for indicators available in all datasets. Social class based on occupation was one of these indicators, although as Figure 11.4.1 illustrates, it did not correlate precisely with household income. It seemed probable that a set of criteria could have enhanced the selection process even further, putting aside the rather simplistic form of a **single-variable method**.



**Figure 11.4.1:** R.G. social class based on occupation by equivalent household income groups of respondents between the age of 26 to 65 years old (BES 1997)

The first step towards the construction of an effective algorithm was the summary of all available socio-demographic indicators. Based on Table 11.4.1, a trial and error process sought to define the optimal mixture of indicators, generating a localised **multi-variable method** aimed at defining an underprivileged group of electors. As the distinction between privileged and underprivileged voters was intended to reflect financial poverty, household income figures were used to validate the rigor of the results though they could not be part of their formation.

Indicator	BES 92	BES 99	BSA 99
<b>Household Income</b> (before tax)	✓	✓	✓
<b>Household Structure</b> (adults / children)	✗	✓	✓
<b>Main Source of Income</b> (employment / pensions / benefits / grants / interest)	✓	✓	✓
<b>Main Economic Activity</b> (education / employment / unemployment / retired / seek)	✓	✓	✓
<b>Time since Last Job</b> (working / waiting for a job / less than 1 year / more than 1 year)	✓	✓	✓
<b>Level of Qualification</b> (Degree / A level / O level / CSE / Foreign / No qualification)	✓	✓	✓
<b>R.G. Social Class (I-V)</b> (Both partners)	✓	✓	✗
<b>SOC 1990 (100-1000)</b> (Both partners)	✓	✓	✓
<b>Housing Ownership</b>	✓	✓	✓
<b>Private Health Insurance</b>	✓	✓	✓
<b>Ethnicity / Religion / Gender / Age</b>	✓	✓	✓

**Table 11.4.1:** Available socio-demographic indicators and their major categories as included in the questionnaires analysed (BES 1992, BES 1997, BSA 1999)

Four variables were eventually chosen. *The main source of household income* distinguished between those living on benefits, residing on pensions or working to earn their living. Information on the *time passed since the last job* facilitated a division between respondents experiencing long-term unemployment and those working until recently. The *Standard Occupational Classification (SOC 1990)* was applicable for members of the labour force, indicating the quality of the respondents' occupation. Finally, the *age* range was fixed at 26-65 including filtered subjects who were outside the scope of this research. It should be noted that the entire process took into consideration both partners' classification rather than that of the respondent alone. The structure of the algorithm is provided in Section 11.4.3.4. A summary of its underpinning indicators and thresholds is shown in Table 11.4.2.

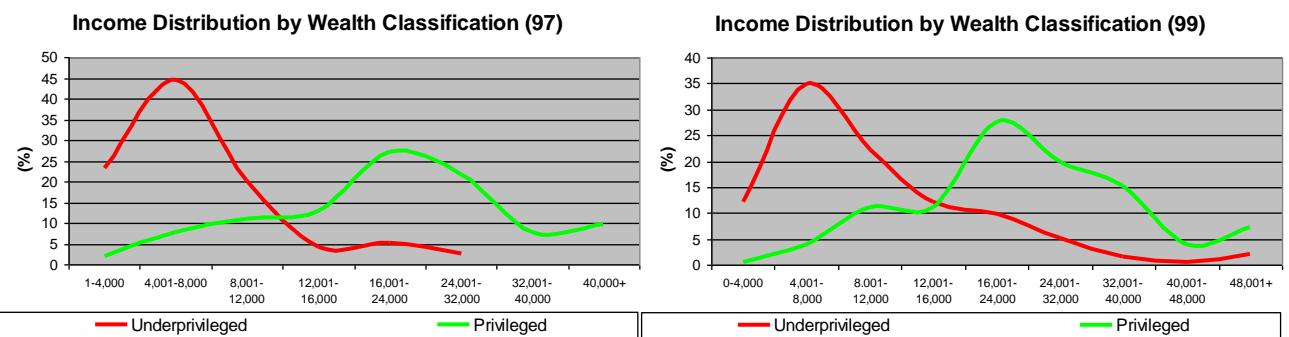
No.	Indicator	Threshold	
1	Main Source of Household Income	Benefits, earning from employment, other sources that are not pensions	Essential Conditions
2	Age	Between 26 and 65 (including)	Optional Conditions
3	Standard Occupational Classification 1990 (Respondent & Partner)	Major group 9 for both partners (other elementary occupations & never worked)	
4	Time since the Last Job (Respondent & Partner)	More than a year for both partners	

**Table 11.4.2:** Indicators and thresholds defining the British underprivileged group

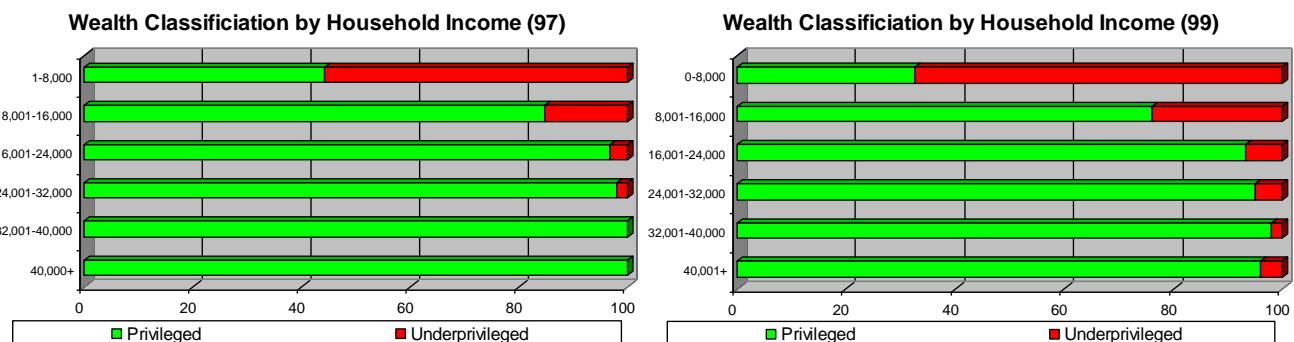
Empirically, the algorithm succeeded in selecting out an underprivileged group, keeping deviations at a minimum and overcoming the data shortage discussed above. As

household income was one of a few objective indicators capable of validating the process, the results demonstrated in Figure 11.4.2 are satisfactory. Whereas in the BES of 1992 equivalised household income was inaccessible, prediction rates within the underprivileged groups ranged between 61 per cent in the BSA of 1999 and 75 per cent in the BES of 1997<sup>39</sup>.

Prediction rates within the privileged populations were even higher, reaching on average 90 per cent in both datasets. The remarkably high proportion of low-income households in the underprivileged group was shown in Figure 11.4.3 as well, illustrating the composition of each income group by privileged and underprivileged classification, confirming that the proportion of underprivileged voters diminished when income rose. Overall, the underprivileged group had the maximum proportion of low-income households with a minimum representation of high-income ones.



**Figure 11.4.2: Distribution of equivalised household income for privileged and underprivileged respondents (BES 1997 & BSA 1999)**



**Figure 11.4.3: Internal composition of privileged and underprivileged respondents by equivalised household income (BES 1997 & BSA 1999)**

<sup>39</sup> Underprivileged prediction rate represents the proportion of subjects classified as underprivileged by the algorithm, whose equivalised household income was lower than 60 per cent of the median calculated income in the entire sample. Privileged prediction rate represents the proportion of subjects classified as privileged by the algorithm, whose equivalised household income was higher than 60 per cent of the median. It should be emphasised that these thresholds were roughly in line with the national median income for the relevant years.

### 11.4.3.3 Selected Indicators

As with the Israeli case, the multi-variable approach aims at generating through an algorithm an underprivileged group that would be as homogenous as possible in its socio-economic composition. Whereas in Israel there was a need to overcome local and individual measures of poverty, in Britain all indicators are at the individual level, though missing data prevented the sole reliance on equivalised household income. Table 11.4.2 shows the list of indicators and defined thresholds, followed by a technical reference to each indicator. It should be noted that each criteria stands alone in its own domain, and therefore even if a respondent was defined as "underprivileged" in one threshold, he might still be classified differently in the other. The sequence of the algorithm is illustrated in Figure 11.4.4 (Page 365).

No.	Indicator	Threshold	
1	Main Source of Household Income	Benefits (income support / jobseeker / family credits), earning from employment, other sources excluding pensions	Essential Conditions
2	Age	Between 26 and 65 (including)	
3	Time since the Last Job (Respondent & Partner)	More than a year for both partners	Optional Conditions
4	Standard Occupational Classification 1990 (Respondent & Partner)	Major group 9 for both partners (other elementary occupations & never worked)	

Table 11.4.3: Indicators and thresholds defining the British underprivileged group

1. **The main source of household income** was a powerful indicator, appearing in all three questionnaires (BES 1992, BES 1997, BSA 1999). It enabled three types of households to be distinguished: those dependent on benefits due to their financial deprivation; those living off state or occupational pensions; and those in employment and or in receipt of other non-state and non-pension sources of income. Notably, the question referred to the entire household, rather than a single respondent, in a way that made it more relevant for the sake of this research. Within the algorithm, households receiving certain state benefits as their major source of income were automatically classified as underprivileged; households living off pensions were taken out of the sample as their overall socio-economic classification could not be assessed accurately; and household surviving on regular wages from employment or other sources of income were subjected to additional examination.
2. **The age threshold** was set up to catch as many respondents capable of contributing towards the labour market and earning their living. The upper threshold was set at 65 being the official retirement age in Britain. The lower threshold was set at 26 as a reasonable age at which most citizens start their professional life.
3. A closer look into the data revealed that some respondents of the relevant ages replied that their major source of income was neither benefits nor pensions, and they were still unemployed, frequently suffering from income deprivation. The set of

questions referring to employment status, and more specifically to the **time passed since their last job**, solved this difficulty by signalling out the long-term unemployed from those who had been employed within the year prior to the survey. As all questionnaires introduced identical questions to examine both partners in a household, the replies were combined, so that underprivileged subjects were defined as those where the couple, or the respondent alone if necessary, were unemployed for more than a year. Privileged were defined as those unemployed for less than a year, or currently in employment.

4. Among the several socio-economic and socio-demographic classifications available, the **Standard Occupational Classification (SOC90)** was found to achieve the highest correlation levels with the equivalised household income. In addition, unlike other classifications that were calculated only for the respondent, SOC90 was available for all partners in all datasets. Generally, the classification integrated nine major groups of occupations, following older but often similar methods of allocation (ONS 1990). It preceded, and was generally correlated with, additional methods such as the Registrar General Social Class, National Statistics Socio Economic Classification (ONS 2005) and the Standard Occupational Classification of 2000 (ONS 2000). For the sake of this thesis, households in which both partners, or only one if necessary, were classified at the bottom SOC90 scale (i.e. as working in elementary occupations, unit group codes of 900-990) were defined as underprivileged. Households where both partners, or only one if necessary, were classified at the top seven categories (i.e. ranging from managers and administrators until sales occupations) were defined as privileged.

#### 11.4.3.4 The Algorithm's Structure

The first criteria imposed in all datasets referred to the respondents' age, and their major source of income. Both were "**essential conditions**", as defined in Table 11.4.3 (Conditions 1 & 2). Subjects who fell within the age thresholds, and reported their households' major income source was state benefits (income support / jobseeker / family credits) were automatically classified as underprivileged. Subjects who reported their household's major income source was state or occupational pensions were omitted from the sample, as the available data was insufficient to define their financial wealth in a reasonable way. Similar decision was taken with regard to those who lived on invalidity, sickness or disabled pensions. However, a majority of the subjects, who reportedly worked or earned money through other sources (such as grants or investments) were subjected to the "optional conditions", covered mainly the respondent and his/her partner's status within the labour market (Conditions 3 & 4).

Condition 3 was the first to be applied, showing whether both partners, or the respondent alone if there was no partner or the partner's classification was missing, were unemployed for more than a year. Even though theoretically such households should have reported benefits as their major source of income, in reality many did not do so. Most of these people have managed to live on extremely low incomes, and would probably be defined as poor by any definition. For all other respondents, who were employed in the last year, condition 4 was applied. This explored the subjects' occupational socio-economic classification. A decision was taken based on both the respondent and his/her spouse, or, in the case of singles and data shortages, on the respondent alone. Eventually, if both were classified as working in the "elementary occupations", the respondent was defined as underprivileged, whereas in all other incidents, respondents were defined as privileged.

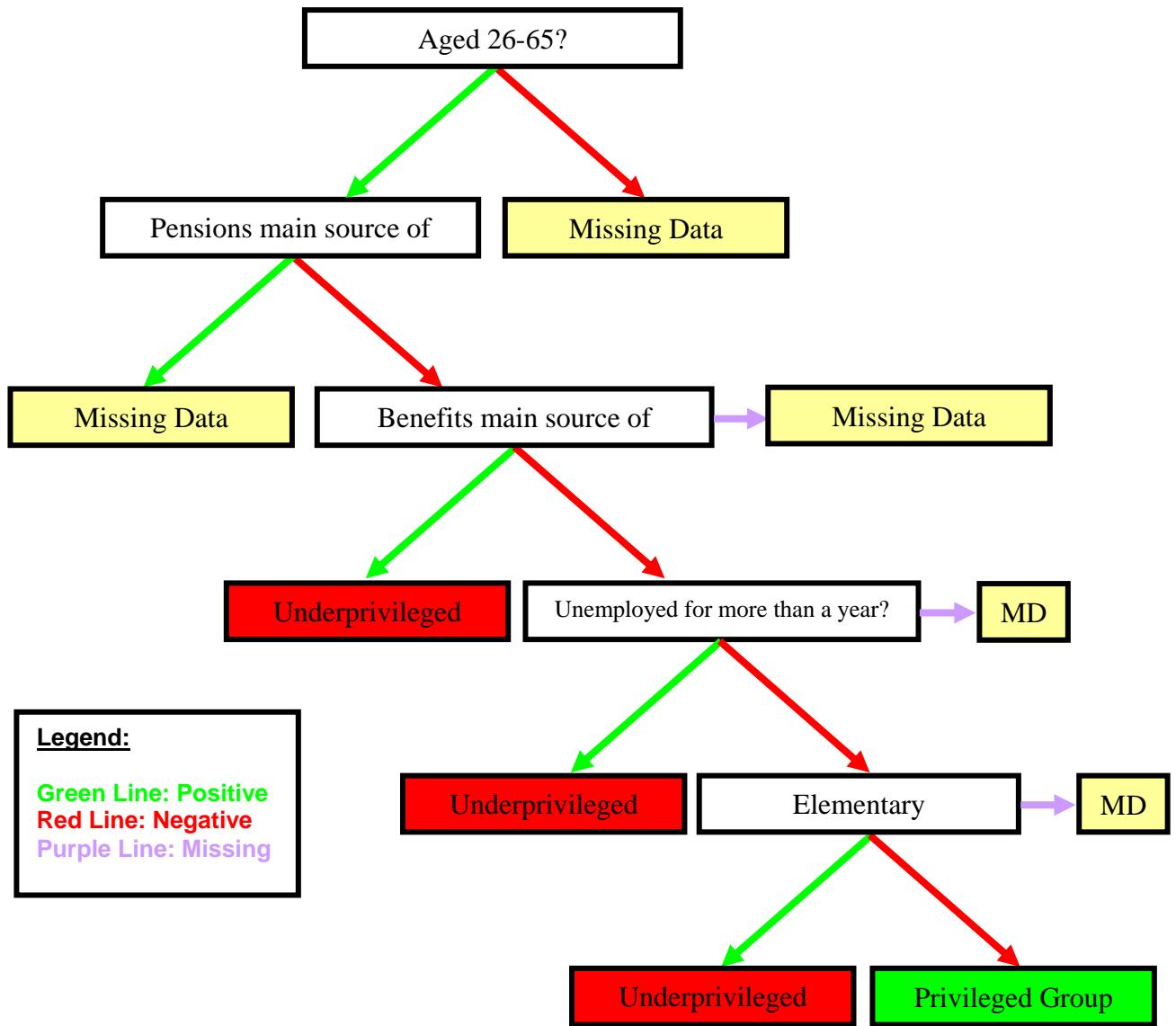


Figure 11.4.4: The tree of questions employed to differentiate between underprivileged and privileged respondents in the British datasets

### 11.4.3.5 Assessment of Outcome

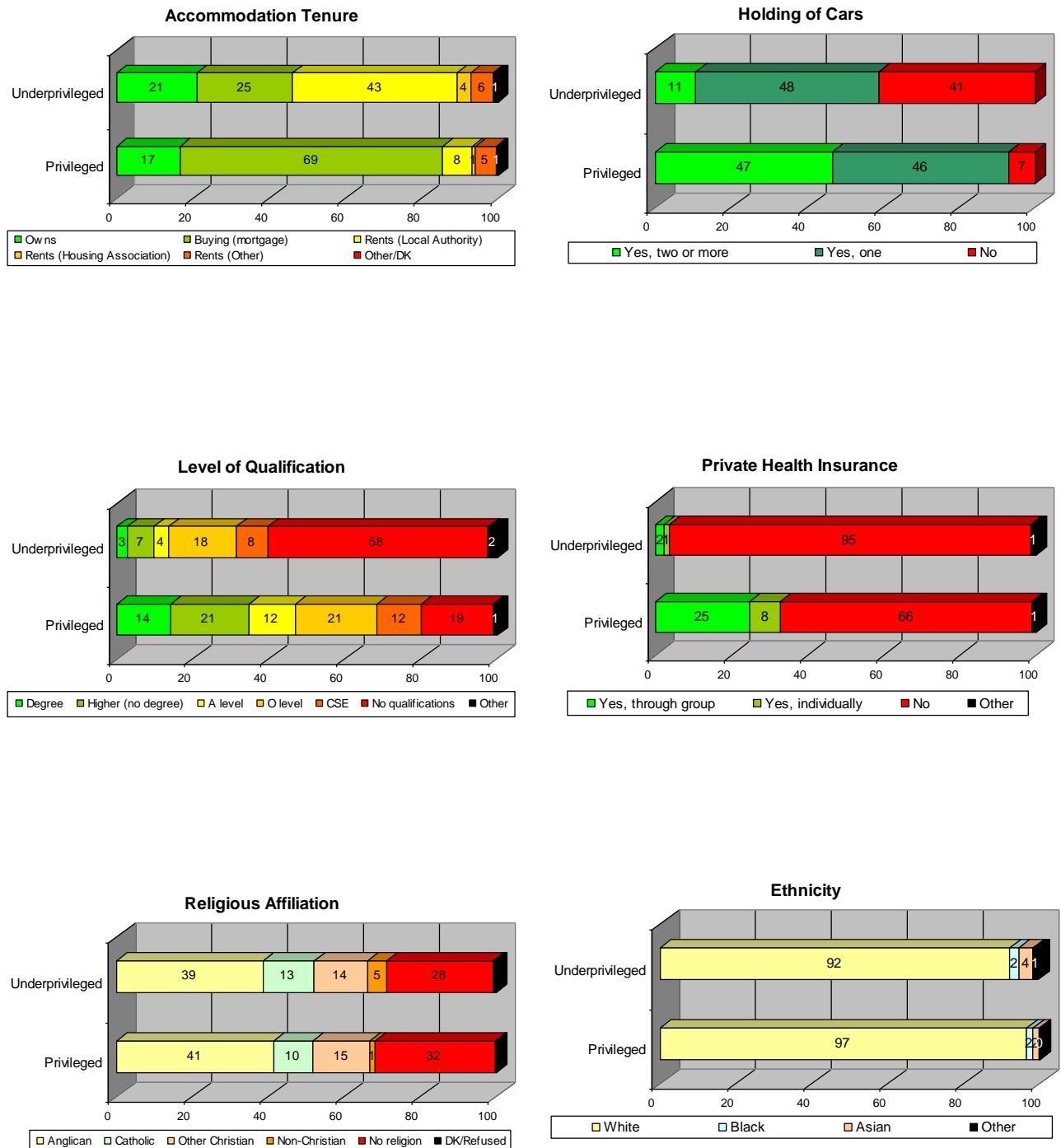
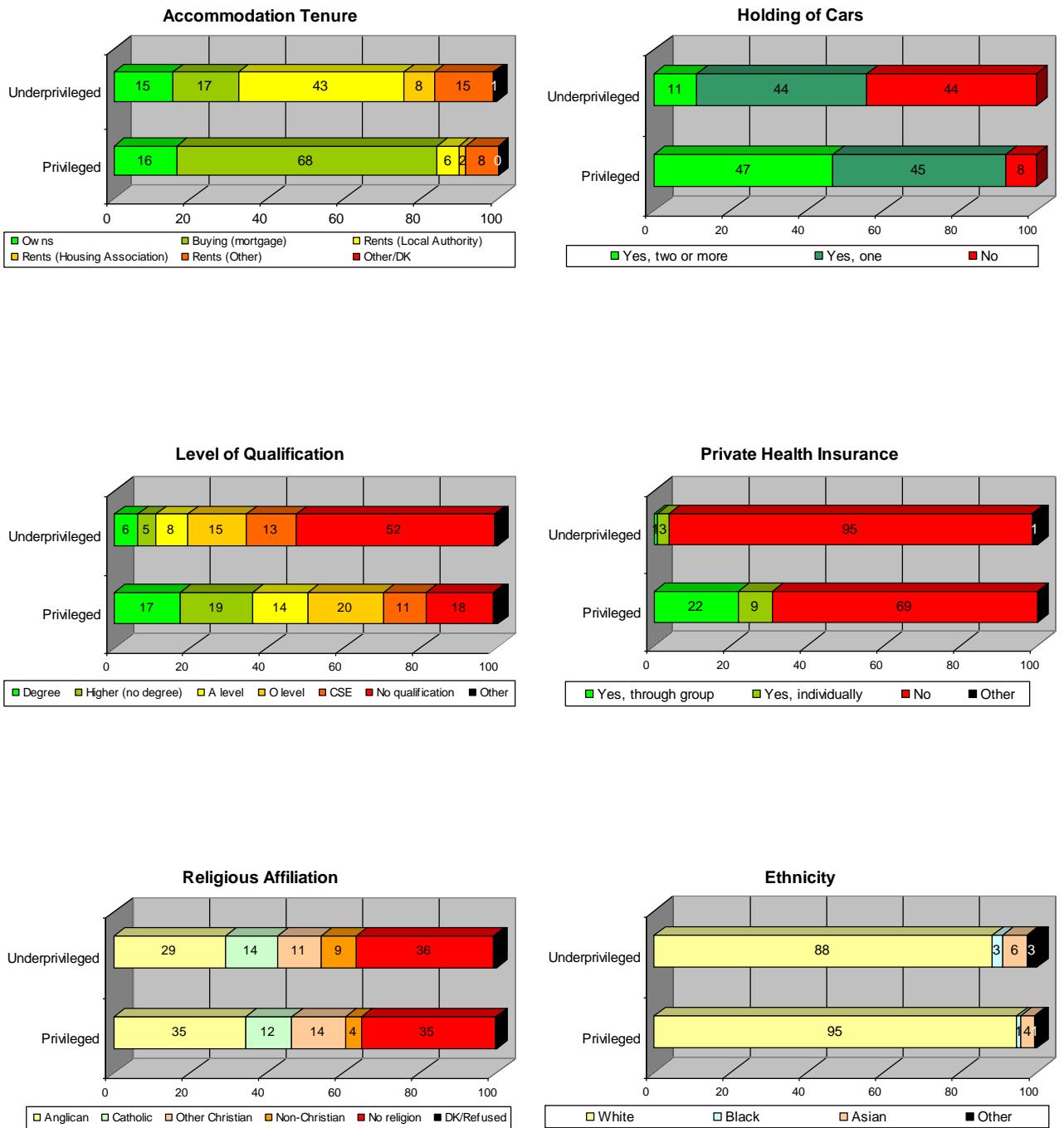


Figure 11.4.5: Socio-demographic attributes of the members of the underprivileged and the privileged group, based on the multi-variable method (BES 1992)



**Figure 11.4.6:** Socio-demographic attributes of the members of the underprivileged and the privileged group, based on the multi-variable method (BES 1997)

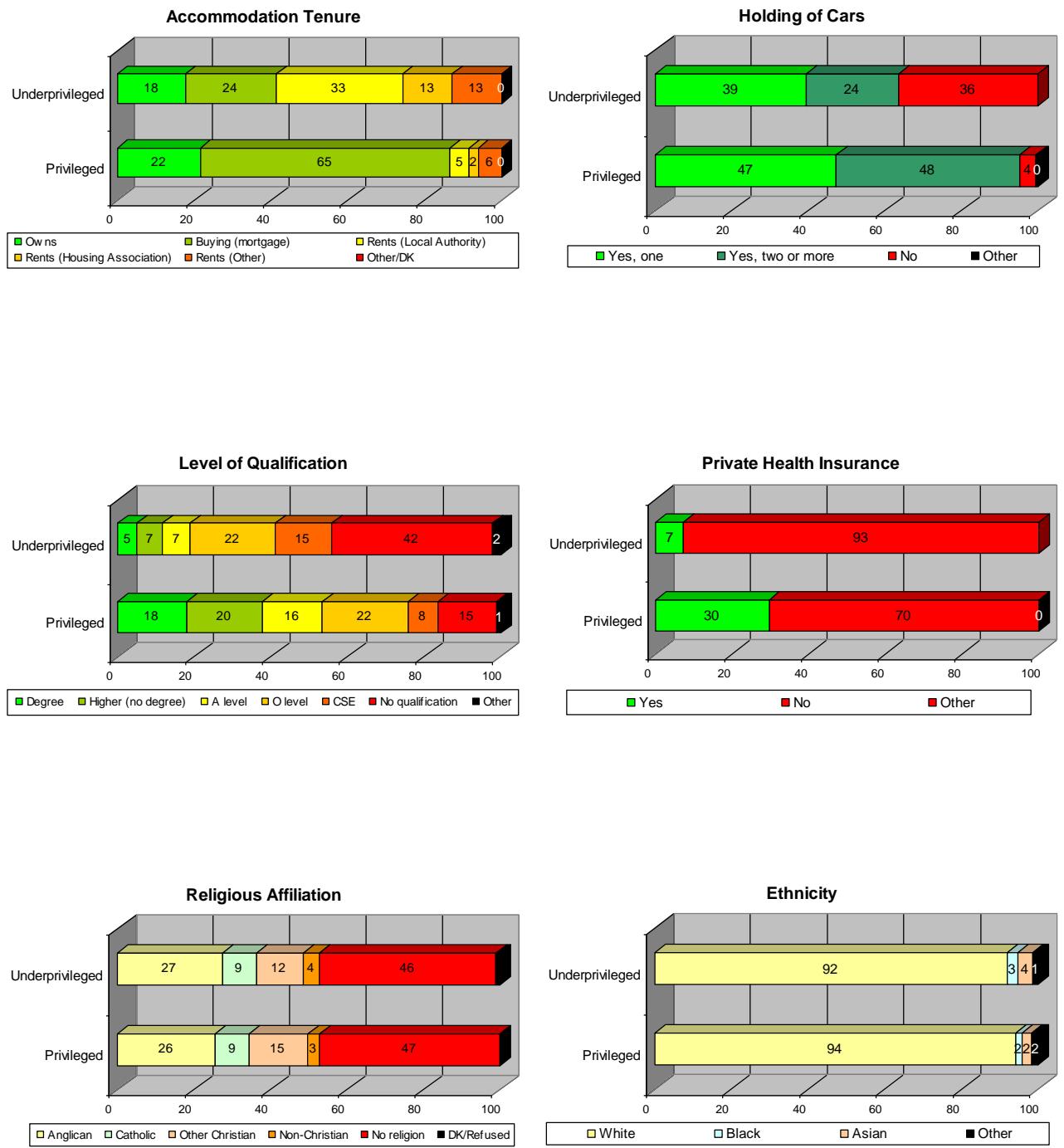


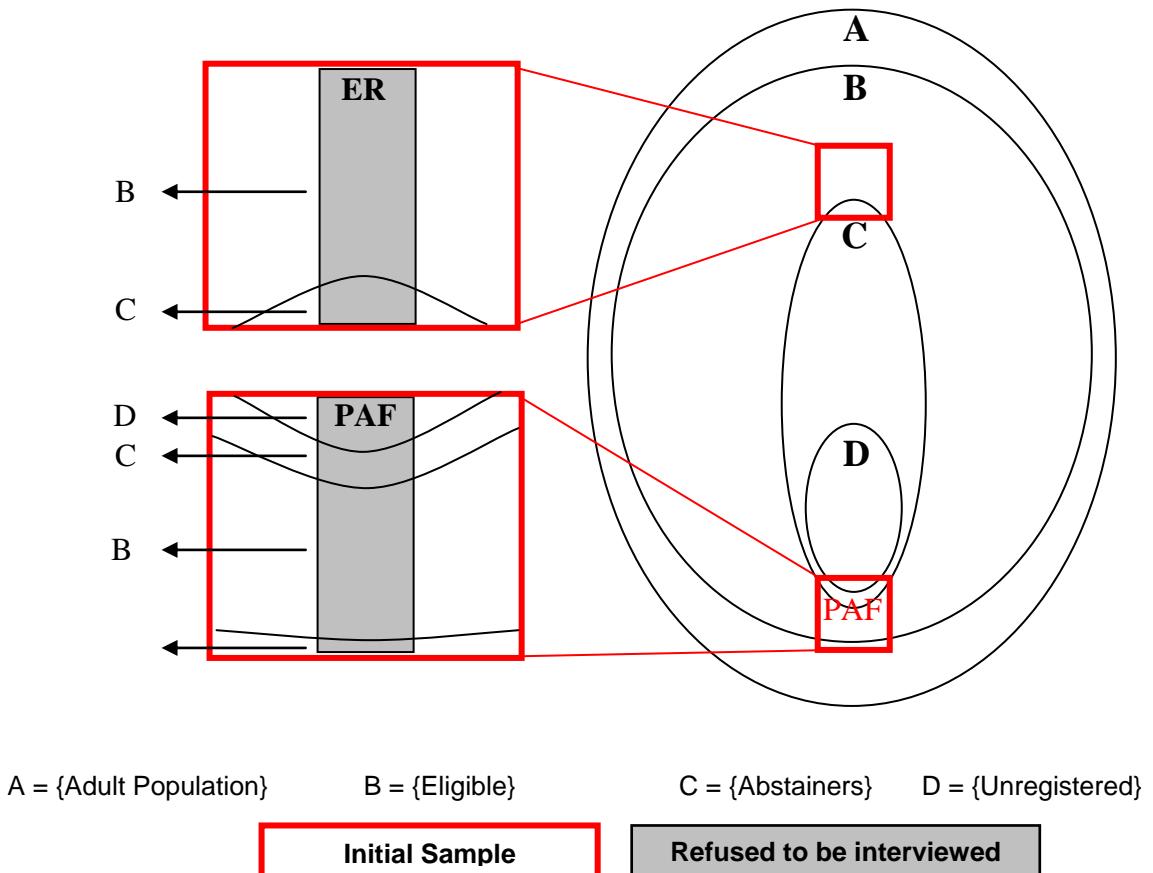
Figure 11.4.7: Socio-demographic attributes of the members of the underprivileged and the privileged group, based on the multi-variable method (BES 1999)

#### 11.4.4 The "Invisible Group"

During the secondary analysis of existing datasets, an "invisible group" of abstainers, probably underprivileged ones, was identified. Without estimating the size of this group, any assessment of turnout among the disadvantaged population would be by definition inaccurate. This section elaborates on its causes, as its impact has been discussed earlier, in Section 7.3.

Ideally, no statistical correlation should be found between those who had not registered to vote and those who refused to be interviewed. In theory, an equal a-priori probability for membership of these groups is a prerequisite for the construction of a reliable sample. In reality, not only are these subgroups correlated, but also the probability of underprivileged citizens being part of them is relatively high. Consequently, there is an "invisible group", staying outside the Electoral Register (ER) and evading the radars of opinion polls, usually relying on the Postcode Address File (PAF). The acute problem is that its socio-economic composition is not proportionate to society in general.

The fieldwork preceding this thesis indeed showed the underprivileged were consistently less cooperative. Their voluntary isolation from questioning was proved empirically also in the 2001 Census. Hackney, for instance, generated one of the lowest response rates with only 72 per cent of its residents cooperating in comparison with a national average of 94 per cent (HCL 2004, p. 21). Turnout in Hackney for the 2001 General Election was also at the bottom, with less than 50 per cent. The national average was 59.4 per cent (EC 2001, p. 11). The statistical overlap between poverty, abstention, un-registration, and statistical submersion pushed an entire group in society off the figures, even if in some cases the aim was to avoid the payment of Council Tax.



**Figure 11.4.8:** Venn diagram of the British adult population, intersected by eligibility to vote, abstention and registration, according to the ER and PAF sampling methods

A schematic illustration of this conundrum is given in Figure 11.4.8, which is based on concepts from Group Theory. The starting point is simple: in order to measure abstention rates among underprivileged, one should find the proportion of underprivileged eligible to vote, who did not vote eventually ( $C \cup D$ ). However, there were two sources for error:

- First, the samples were not representative. Factually, subjects drawn from the Electoral Registry (ER) are by definition registered, hence those who are *unregistered* but *eligible* to vote are *a-priori* excluded ( $ER \cap D = \{ \phi \}$ ). Even when the Postcode Address File (PAF) is used to poll a sample, it is still deficient, since the database also includes inhabitants who are not eligible to vote at all ( $PAF \cap A = \{ x \}$ ).
- Second, the degree of multicollinearity was intolerable. The fieldwork persuasively suggests that the probability of underprivileged subjects being non-cooperative is positively correlated with abstention. Consequently, even if the sampling method could overcome the first shortcoming (and it could not), the predispositions of the second ramification still exist. The *a-priori* probability of unregistered and abstainers being in the grey area below is higher, hence their proportion in the sample is downgraded.

## 11.5 Cities, Categorisation and Voting in Israel

### 11.5.1 Data for 1992 Elections

City	Surveys		Socio-Economic Categorization				Results of 1992 Elections <sup>^</sup>					
	IESS92	IES99	1992*	1999**	2001***	Eligible (No.) <sup>~</sup>	Voters (No.) <sup>~</sup>	Turnout (%)	Labour (%)	Likud (%)	Disqual' (%)	Other (%)
Ofakim	✓	1	2	3	8,910	7,169	80.5%	22.0%	30.4%	0.5%	47.6%	
Or Yehuda	✓	2	5	5	14,826	10,389	74.1%	23.1%	42.8%	1.0%	34.1%	
Azor	✓	7	7	7	6,161	4,807	78.0%	44.6%	24.5%	0.7%	30.9%	
Ashdod	✓	4	4	4	65,935	49,145	74.5%	32.6%	33.3%	0.7%	34.1%	
Ashqelon	✓	2	4	4	45,323	34,808	76.8%	29.3%	39.7%	0.7%	31.0%	
Be'er Sheva	✓	2	5	5	91,458	67,502	73.8%	33.7%	0.9%	0.9%	32.7%	
Bet She'an	✓	1	4	4	9,317	7,582	81.4%	20.1%	42.1%	0.5%	37.8%	
Bet Shmeh	✓	2	5	4	10,531	8,482	80.5%	21.4%	42.1%	0.6%	36.5%	
Bene Beraq	✓	6	3	2	68,963	56,552	82.0%	11.6%	11.3%	0.7%	77.1%	
Bat Yam	✓	6	6	6	112,589	83,553	74.2%	40.9%	28.9%	0.6%	30.2%	
Giv'atayim	✓	10	8	8	41,661	33,917	81.4%	49.7%	18.9%	0.5%	31.4%	
Dimona	✓	1	4	4	19,694	14,889	74.6%	29.1%	42.1%	0.9%	28.8%	
Hod Hasharon	✓	8	8	8	17,443	14,459	82.9%	39.6%	27.8%	0.5%	32.6%	
Herzliyya	✓	9	8	8	58,772	47,660	81.1%	42.3%	22.5%	0.6%	35.2%	
Holon	✓	8	7	7	123,600	96,891	78.4%	43.3%	26.1%	0.6%	30.6%	
Haifa	✓	8	7	7	205,273	155,313	75.7%	44.9%	20.0%	0.6%	35.1%	
Iiberias	✓	2	4	4	24,023	18,815	78.3%	24.7%	43.7%	0.6%	31.6%	
Yavne	✓	5	6	6	15,065	12,548	83.3%	27.9%	34.9%	0.7%	37.2%	
Yehud	✓	6	7	7	11,307	9,539	84.4%	34.8%	35.2%	0.5%	30.0%	
Yoqne'am Illit	✓	3	5	6	5,030	4,179	83.1%	28.7%	30.6%	0.7%	40.7%	
Kefar Sava	✓	8	8	8	43,070	36,027	83.6%	43.0%	23.8%	0.5%	31.3%	
Karmiel	✓	5	6	6	19,396	15,130	78.0%	47.7%	21.0%	0.8%	31.3%	
Lod	✓	2	4	4	31,967	24,006	75.1%	27.0%	40.6%	0.9%	32.4%	
Migdal Ha'emeq	✓	1	4	4	12,729	10,324	81.1%	35.2%	33.9%	0.7%	30.9%	
Nes Ziyyona	✓	7	7	7	13,769	12,288	89.2%	42.4%	28.5%	0.7%	29.1%	
Nazerat Illit	✓	3	5	5	25,352	19,513	77.0%	49.3%	25.6%	1.2%	25.1%	
Netanya	✓	5	5	5	101,280	76,203	75.2%	35.3%	29.1%	0.7%	35.6%	
Arko	✓	2	4	4	31,465	23,646	75.2%	30.0%	34.1%	1.1%	36.0%	
Atul	✓	3	5	5	20,425	16,518	80.9%	36.1%	36.7%	0.7%	27.2%	
Arad	✓	4	5	5	12,734	9,718	76.3%	41.3%	20.6%	0.9%	33.1%	
Pardes Hanna-Karkur	✓	4	5	6	12,165	9,959	81.9%	33.9%	35.5%	0.7%	64.5%	
Petah Tiqwa	✓	7	7	7	108,099	88,215	81.6%	37.9%	25.9%	0.5%	36.2%	
Qiryat Atta	✓	4	5	5	29,310	23,090	78.8%	32.6%	36.6%	0.6%	30.8%	
Qiryat Bialik	✓	8	7	7	26,979	21,839	80.9%	48.0%	25.3%	0.6%	26.7%	
Qiryat Tiv'on	✓	8	8	8	9,399	7,411	78.8%	50.9%	15.1%	0.6%	34.0%	
Qiryat Yam	✓	5	5	5	29,277	22,245	76.0%	42.3%	32.6%	0.9%	25.1%	
Qiryat Shmona	✓	2	5	5	12,646	9,611	76.0%	42.0%	25.2%	0.6%	32.8%	
Rosh Ha'ayin	✓	3	6	6	9,280	7,941	85.6%	13.4%	43.0%	0.6%	43.6%	
Rishon LeZiyyon	✓	8	7	7	101,137	82,683	81.8%	43.6%	25.7%	0.6%	30.7%	
Rehovot	✓	7	7	7	60,619	48,822	80.5%	38.3%	23.8%	0.7%	37.5%	
Ramla	✓	4	4	4	32,606	24,805	76.1%	26.7%	40.9%	1.0%	32.4%	
Ramat Gan	✓	9	8	8	105,214	82,531	78.4%	42.0%	25.2%	0.6%	32.8%	
Ramat Hasharon	✓	10	9	9	28,354	23,197	81.8%	45.1%	19.0%	0.4%	35.9%	
Râanana	✓	9	8	8	35,243	29,258	83.0%	42.8%	19.2%	0.4%	38.0%	
Tel Aviv	✓	7	8	8	314,809	228,059	72.4%	38.3%	25.8%	0.8%	35.9%	

\* Taken from Shitrit &amp; Issachar 1994

\*\* Taken from CBS 2003

\*\*\* Taken from CBS 2004

^ Including disqualified ballots

~ Including Israeli Arabs.

### 11.5.2 Data for 1999 Elections

City	Surveys			Socio-Economic Categorization			Results of 1999 Elections <sup>▲</sup>					
	IESS92	IESS99	1992*	1998**	2001***	Eligible (No.) <sup>~</sup>	Voters (No.)	Turnout (%)	Labour (%)	Likud (%)	Disqual' (%)	Other (%)
Ofakim	✓	1	2	3	14,680	10,957	74.6%	6.7%	10.8%	2.7%	82.5%	
Or Yehuda	✓	2	5	5	19,283	14,267	74.0%	12.2%	23.9%	2.6%	63.1%	
Azor	✓	7	7	7	7,269	5,567	76.6%	24.8%	18.8%	2.2%	56.4%	
Ashdod	✓	4	4	4	115,848	86,938	75.0%	10.1%	10.6%	2.5%	79.3%	
Ashkelon	✓	2	4	4	70,403	51,596	73.3%	11.7%	15.8%	2.5%	72.6%	
Bet Sheva	✓	2	5	5	123,297	87,626	71.1%	14.8%	13.3%	2.6%	71.9%	
Bet Shemesh	✓	1	4	4	10,742	8,357	77.8%	10.0%	19.0%	2.1%	71.1%	
Bene Berak	✓	2	5	4	19,486	15,438	79.2%	8.4%	16.9%	1.8%	74.7%	
Bat Yam	✓	6	3	2	75,340	60,913	80.9%	4.4%	6.5%	1.4%	89.1%	
Givatayim	✓	6	6	6	121,332	84,737	69.8%	19.7%	18.4%	2.4%	61.9%	
Dimona	✓	10	8	8	40,369	32,298	79.0%	36.5%	15.1%	1.3%	48.4%	
Hod Hasharon	✓	1	4	4	24,520	16,986	69.3%	10.2%	14.2%	3.0%	75.6%	
Herzliyya	✓	8	8	8	23,664	19,357	81.8%	30.6%	16.0%	1.2%	53.3%	
Holon	✓	9	8	8	68,436	52,238	76.3%	30.6%	14.8%	1.4%	54.6%	
Haifa	✓	8	7	7	136,901	102,753	75.1%	23.4%	19.8%	1.9%	56.8%	
Tiberias	✓	7	4	4	224,410	160,867	71.6%	27.8%	12.5%	2.2%	59.7%	
Yavne	✓	5	6	6	21,142	16,762	73.5%	10.4%	23.7%	1.9%	65.9%	
Yerush	✓	6	7	7	14,988	12,339	79.3%	17.1%	17.8%	1.4%	65.1%	
Yoqne'am Illit	✓	3	5	6	9,745	7,850	80.6%	15.0%	17.5%	2.0%	67.5%	
Kefar Sava	✓	8	8	8	56,242	44,830	79.7%	30.1%	14.0%	1.6%	55.9%	
Karmiel	✓	5	6	6	30,826	22,590	73.3%	23.6%	13.4%	2.7%	63.0%	
Lod	✓	2	5	4	45,336	32,798	72.3%	10.1%	16.4%	2.9%	73.6%	
Migdal Haemeq	✓	1	4	4	17,096	12,678	74.2%	14.8%	15.6%	2.4%	69.6%	
Nes Ziyona	✓	7	7	7	17,402	13,984	80.4%	26.8%	18.4%	1.7%	54.8%	
Nazaret Illit	✓	3	5	5	36,586	25,424	69.5%	18.6%	12.5%	3.9%	69.0%	
Netanya	✓	5	5	5	125,497	88,386	70.4%	16.7%	16.5%	2.5%	66.8%	
Akko	✓	2	4	4	34,301	25,079	72.1%	11.2%	14.6%	2.8%	74.2%	
Afula	✓	3	5	5	27,558	20,738	75.3%	13.6%	19.4%	2.8%	67.0%	
Arad	✓	4	5	5	17,961	12,744	71.0%	21.5%	10.3%	3.0%	68.1%	
Pardes Hanna-Karkur	✓	4	6	6	18,392	14,136	76.9%	19.9%	19.9%	2.1%	80.1%	
Petah Tiqwa	✓	7	7	7	126,566	98,268	77.6%	19.0%	15.6%	1.7%	65.4%	
Qiryat Atta	✓	4	5	5	36,332	27,310	75.2%	16.3%	20.4%	2.5%	63.3%	
Qiryat Bialik	✓	8	7	7	30,417	23,147	76.1%	29.0%	15.4%	2.1%	55.6%	
Qiryat Tiv'on	✓	8	8	8	10,684	8,082	75.6%	42.1%	11.0%	1.2%	46.8%	
Qiryat Yam	✓	5	5	5	33,880	23,803	70.3%	17.4%	16.5%	2.9%	66.1%	
Qiryat Shmona	✓	2	5	5	15,554	11,735	75.4%	13.3%	21.4%	2.3%	65.3%	
Rosh Haayin	✓	3	6	6	20,620	17,487	84.8%	16.7%	14.5%	1.1%	68.8%	
Rishon LeZion	✓	8	7	7	143,889	112,125	77.9%	24.8%	17.8%	1.6%	57.5%	
Rehovot	✓	7	7	7	71,962	55,490	77.1%	21.5%	15.1%	1.7%	63.4%	
Ramla	✓	2	4	4	42,728	32,377	75.8%	10.1%	18.4%	3.0%	71.5%	
Ramat Gan	✓	9	8	8	109,149	83,090	76.1%	27.6%	18.4%	1.6%	54.0%	
Ramat Hasharon	✓	10	9	9	30,255	24,404	80.7%	37.8%	13.7%	1.0%	48.5%	
Ra'anana	✓	9	8	8	46,945	37,053	78.9%	32.6%	12.3%	1.2%	55.2%	
Tel Aviv	✓	7	8	8	335,974	238,999	71.1%	27.0%	15.1%	1.8%	57.9%	

Note: In 1999 an election reform took place in Israel, in which citizens voted in two separate ballots for the premiership and the Parliament

\* Taken from Shiratt & Issachar 1994

\*\* Taken from CBS 2003

\*\*\* Taken from CBS 2004

<sup>▲</sup> Including disqualified ballots

<sup>~</sup> Including Israeli Arabs.