

## Public Support for Conservative Economic Policies

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Do materialist or ideological forces drive economic policy making in the United States? Mayo Toruño [1997] recently argued that the "right turn" of the U.S. government after the 1960s was *not* directly related to worsening economic conditions. Instead, right-wing economic policies "might have instead been the culmination of an evolutionary trend whose roots precede the decline of the golden age" [Toruño 1997, 592]. Ideological forces that developed *largely independent of economic conditions* caused a shift rightward among the U.S. electorate in the 1960s, and this shift rightward of the electorate was behind the later right turn of U.S. government economic policies.

In this article, I pursue Toruño's ideas further. In particular, I investigate whether ideology in the United States is indeed an independent force, as claimed by Toruño, or whether ideology simply reflects underlying material forces. I also consider the contribution of nonmaterial forces to rightward movements in U.S. ideology.

### *Political Ideology in the United States*

Political ideology in the United States has varied over the postwar period, in some years becoming more liberal while in other years becoming more conservative. Data on party membership and on self-identified position within the left-right spectrum, however, often fail to capture these movements in political ideology. Public opinion polls on particular issues show movements in *implied* political ideol-

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ogy that are at variance with movements in party membership and in self-identified political attitudes [Mayer 1992].

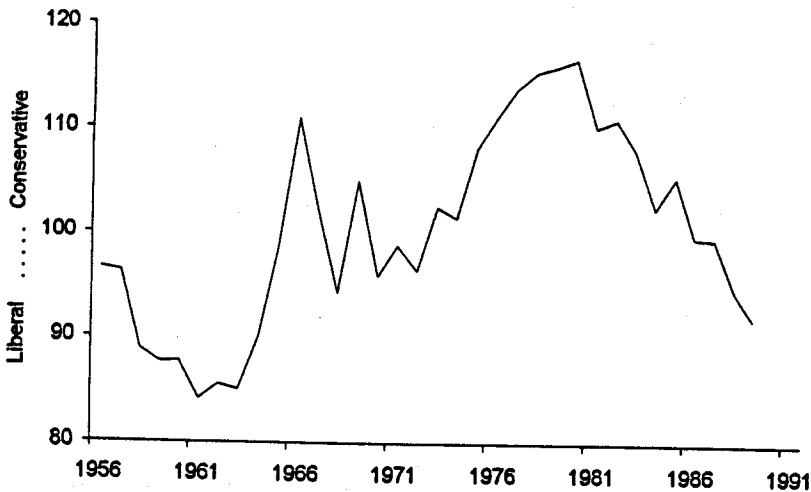
James Stimson [1991] constructed an index that captured temporal movements in this implied political ideology. He generated his index from a data set that included the results of more than 1,000 public opinion polls administered over the postwar period. That is, rather than taking statements of political philosophy or party membership at face value (as what it meant to be a "Democrat" or to be "liberal" has changed over time), Stimson considered what people actually said about taxes, federalism, anti-discrimination policies, abortion, and so on. These poll results about particular economic, social, and foreign policy issues can be tracked over time and then aggregated to create a single index number [Stimson 1991, chap. 3 and Appendix 1]. The resulting time series moves in a way generally consistent with informal discussions of changes in U.S. political attitudes found in Mayer [1992], Page and Shapiro [1992], and elsewhere.

Figure 1 presents Stimson's political ideology index for 1956 to 1989 [Stimson 1991, Appendix 2]. The larger the index number, the more "conservative" the population; the lower the number, the more "liberal" the population.<sup>1</sup>

Four periods can be identified in the figure:

1. 1956-1963: political ideology within the United States was liberal and became increasingly liberal as time passed.
2. 1964-1972: political ideology became less liberal than before.

**Figure 1. Political Ideology in the United States (Index)**



Source: Stimson [1991, Appendix 2] modified as explained in note 1.

3. 1973-1980: a significant conservative shift occurred.
4. 1981-1989: political ideology become more liberal.

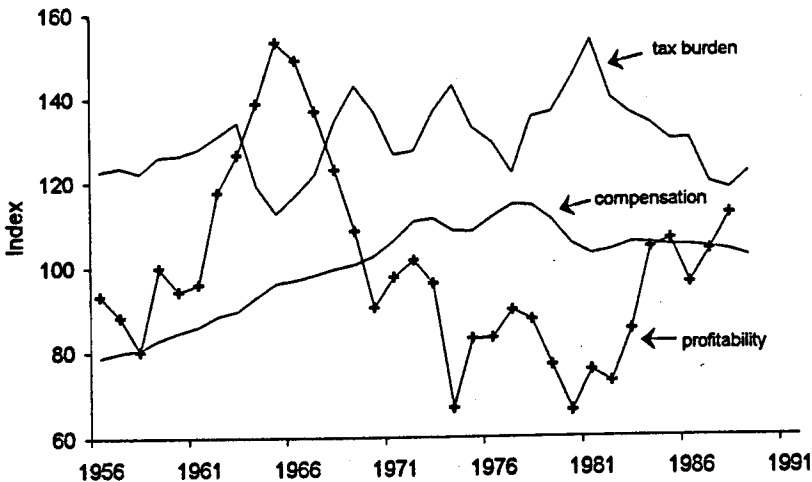
Political ideology, of course, encompasses economic, social, and foreign policy attitudes. These three components need not move in parallel. But, the pattern of political ideology observed in Figure 1 accords with the pattern of *economic* ideology noted in Mayer [1992, chap. 6].

### *Material Conditions and Political Ideology*

Materialist forces could have been behind the changes in political ideology seen in Figure 1. More narrowly, worse economic outcomes could have pushed people in the United States toward a more conservative political ideology. Worsening economic performance could have provoked U.S. business firms to spend resources in an attempt to move public opinion to the right. Or, workers might have become more conservative simply as their standard of living suffered.

Figure 2 presents data on the profit rate of U.S. non-financial corporate businesses, along with two other series relevant to material conditions. Profitability is presented as index number with the average profit rate set to 100 (see line in the figure with data points marked with plus signs). As seen, profitability rose from the mid-1950s to the mid-1960s, generally declined from the mid-1960s to 1980, and then generally rose after 1980.

**Figure 2. Material Conditions in the Postwar United States**



A comparison with Figure 1 reveals that the sharp rightward turn in U.S. political ideology between 1960 and 1966 occurred during a period of *rising* profitability. Further, the worsening performance of U.S. businesses after 1966 was not accompanied by a parallel shift in the political mood: political ideology within the United States became less conservative as profitability worsened after the mid-1960s.

After 1970, however, profitability and political ideology do move in parallel. The shift rightward in the United States between 1970 and 1980 occurred during a period of stagnating profitability, while the move toward liberalism after 1980 occurred during a period of improving profitability.

The standard of living of workers might also have had an impact on political ideology. As their standard of living suffered, workers perhaps became more accepting of conservative ideology.

Figure 2 also presents data on real post-tax weekly employment compensation for production workers in non-farm businesses. Again, I use an index that sets the average level of compensation equal to 100. My source for this series is Nilsson [forthcoming]. As seen, real compensation generally grew between 1956 and the mid-1970s and then declined after that time.

A comparison with Figure 1 reveals that the period of rising real wages (1956-1973) saw shifts toward liberalism *and* shifts toward conservatism. The period of declining real wages (1978-1989) also saw both shifts toward conservatism *and* shifts toward liberalism. Changes in the material standard of living of workers apparently do not drive changes in political ideology within the United States.

According to popular mythology, increased taxes encouraged a conservative shift among the U.S. electorate. Figure 2 presents data for the tax burden experienced by U.S. workers. I measure the tax burden by the proportion of pre-tax income the average production worker paid in federal, state, and local income taxes. [see Nilsson forthcoming for details]. Here, I use an index with an average value of 120 to make the graph easier to read.

As seen, from 1961 to 1966—when U.S. political ideology rapidly became more conservative—the tax burden both rose and fell. During the late 1960s—when the public was becoming more liberal—the tax burden was actually growing rapidly. During the 1970s—when political attitudes within the U.S. shifted rightward—the tax burden fluctuated independent of ideology. Only after 1980 did ideology and the tax burden move in parallel. Popular mythology is wrong.

In summary, only changes in profitability bore a systematic relationship to changes in ideology. This relationship, however, was mostly a phenomenon of the post-1970 period.

But parallel movements of time series fail to prove the direction of any causal relationship or, indeed, that any causal relationship exists. To gain more insight into whether changes in profitability contributed to the rightward shift in U.S. political ideology, I estimated the following forecasting regression:

$$\Delta ID_t = \beta_1 \Delta ID_{t-1} + \beta_2 \Delta ID_{t-2} + \beta_3 \Delta ID_{t-3} + \beta_4 \Delta \Pi_{t-1} + \beta_5 \Delta \Pi_{t-2} + \beta_6 \Delta \Pi_{t-3}, \quad (1)$$

where  $\Delta ID$  and  $\Delta \Pi$  are the changes in political ideology and changes in profitability. Past values of  $\Delta ID$  and past values of  $\Delta \Pi$  are used to predict current movements of ideology.

If the coefficients of  $\Delta \Pi_{t-1}$ ,  $\Delta \Pi_{t-2}$ , and  $\Delta \Pi_{t-3}$  are collectively nonzero, then past changes in profitability contribute to a better forecast of current changes in ideology. In other words, changes in profitability precede changes in ideology. Such a finding would suggest that changes in profitability *potentially* cause changes in U.S. political attitudes. But, if changes in profitability do *not* precede changes in political attitudes, profitability is unlikely to be a cause of political attitudes. The above is, of course, the Granger-causality test: if changes in profitability precede changes in political ideology, then profitability is said to "Granger-cause" political ideology.

I estimated Equation (1) for both the critical post-1970 period, when profitability and ideology seem most closely related, and for the complete postwar period. In both cases, I could *not* reject the null hypothesis that  $\beta_4 = \beta_5 = \beta_6 = 0$ . Profitability did *not* Granger-cause ideology. Although the two series do move in somewhat parallel fashion after 1970, movements in profitability failed to cause systematic changes in political ideology.<sup>2</sup>

In conclusion, material forces—variations in profitability, in the standard of living, or in the tax burden—were not behind postwar movements in ideology. I turn, therefore, to consider other possible causes of ideological change in the postwar United States.

### *Nonmaterial Forces*

Information shapes ideology. Sometimes the information that convinces individuals to change their political attitudes comes from direct experience. "My house was burglarized; we need more law and order in the United States." Yet often the information the public has about political and social events does not come from direct personal experience—it comes from the mass media [Page and Shapiro 1992; Mayer 1992]. "TV: Drive-by shooting in Fontana—film at 10:00 p.m.; Individual: we need more law and order."

Research suggests, however, that the *bias*—liberal or otherwise—of the media has a small impact on public opinion. Instead, the mass media affects public opinion—and by implication ideology—by its ability to focus public attention on a set of issues. The issues covered intensively in the media often become important to the public at large [McCombs and Shaw 1972; Rogers and Dearing 1988].

Therefore, I offer the following hypothesis: greater coverage of conservative issues causes political ideology to shift rightward. The *quantity* of coverage is relevant; the bias of this coverage (pro-conservative or anti-conservative) is irrelevant.

I will use the number of articles appearing per year in the *Readers' Guide to Periodical Literature* under the topic of "Republican Party" as a proxy for the annual quantity of the coverage of conservative issues in the mass media. A sampling of articles under this heading reveals that the vast majority of them report on the political and practical issues facing the Republican party. They draw attention to conservative issues but avoid overt editorializing.<sup>3</sup>

Figure 3 presents my proxy for media coverage of conservative issues. I present an index with the mean annual coverage of conservative issues set to 100. As seen, as media coverage of conservative issues fell from the mid-1950s to 1961, political ideology became more liberal. Then, coverage of the Republican party surged in 1964 and 1965 just before the major shift away from liberalism in the United States.<sup>4</sup> Changes in media coverage of conservative issues possibly lay behind the major conservative shift in political ideology in the early 1960s. After the 1960s, however, a link between media coverage and political ideology is harder to discern.

Figure 4 was generated to investigate the link between the mass media and political ideology in more detail. First, the figure shows *normalized changes* in media coverage of conservative issues and in political ideology. This normalization was accomplished by: (1) subtracting the mean value of the change in the levels of the series from the change in the level and (2) dividing by the standard deviation. Second, because the media likely affects ideology with a lag, I lagged the time series for normalized change in media coverage of conservative issues by two years for the period 1956-1982 (the line with plus signs) and by one year for the period 1983-

**Figure 3. Media Messages about the Republican Party**

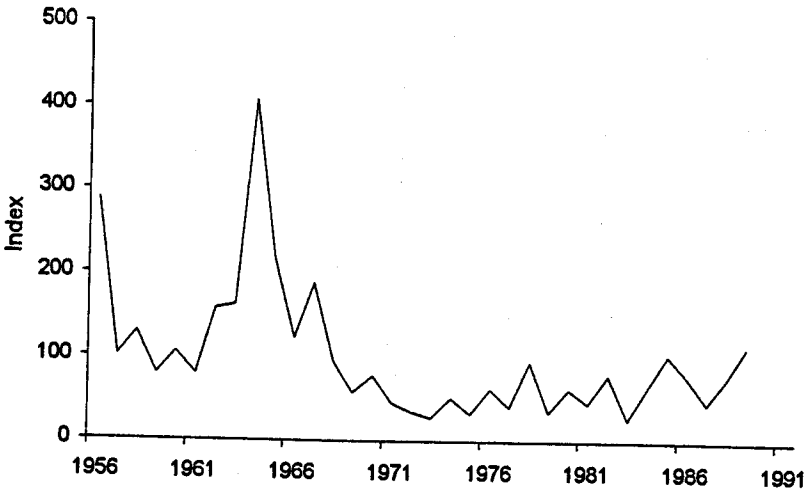
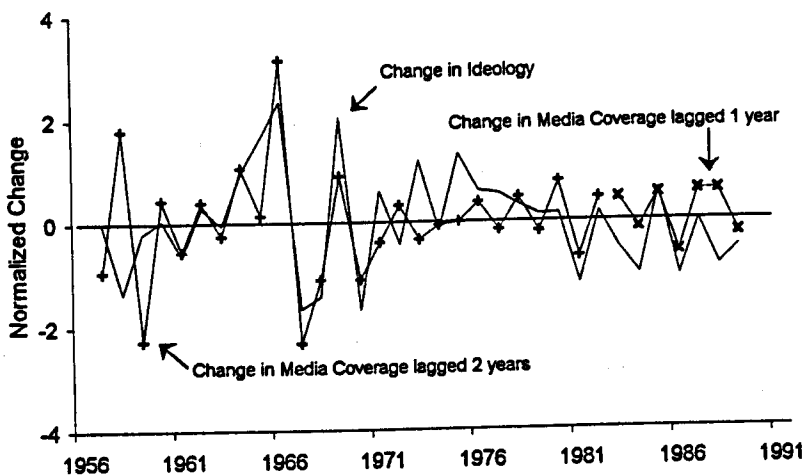


Figure 4. Media Coverage and Ideology



1989 (the line with x's). That is, in this figure the data point for the change in media coverage for 1970 is really the change in media coverage for 1968.

I lagged these values of media coverage because while mass media coverage often creates *awareness* of new ideas, these new ideas are not adopted until they have been reinforced by private conversations and public discussions that validate these new ideas [Rogers and Dearing 1988]. The latter can take substantial time.

The resulting graph is striking. From 1959 to 1970, changes in media coverage and in ideology are almost perfectly synchronized. From 1971 to 1976, media coverage of conservative issues remains fairly constant, but political ideology fluctuates somewhat independently. Then, from 1977 to 1981, the two series move in parallel again. After 1981, the two series (media coverage lagged two years and political ideology) are not clearly related. But, when I changed the lag in media coverage to a single year, media coverage and ideology again move in parallel. By the 1980s, the media apparently affected political ideology more rapidly than before.

A Granger-causality test of the impact of mass media coverage of the Republican party on ideology led to the following results:

$$\begin{aligned} \Delta ID_t = & -0.22 \Delta ID_{t-1} + 0.17 \Delta ID_{t-2} + 0.14 \Delta ID_{t-3} + 0.02 \Delta MEDIA_{t-1} \\ & (-1.19) \quad (1.20) \quad (0.97) \quad (-1.46) \\ & + 0.06 \Delta MEDIA_{t-2} + 0.02 \Delta MEDIA_{t-3}, \end{aligned} \quad (2)$$

$$\begin{aligned} & (-5.10) \quad (-1.35) \end{aligned}$$

where ID is ideology, measured as before, and MEDIA is media coverage of conservative issues. The *t*-statistics appear below the coefficients.

Here we have support for the claim that changes in media coverage contributed to changes in ideology. The *t*-statistics for the lagged MEDIA coefficients show that past movements of mass media coverage of conservative issues preceded movements in ideology. The signs of MEDIA show that increased coverage of conservative issues preceded rightward movement of political ideology in the United States. (Nothing above suggests that media coverage was the *only* force shaping political ideology in the United States.) Other Granger-causality tests suggest that changes in media coverage did not simply reflect preceding changes in ideology.

I do not know whether the empirical results presented above would be attained when other measures of political ideology in the United States or other measures of media coverage of conservative issues are used in place of the data I used above. Prudence dictates, therefore, that the above conclusions be seen as preliminary.

### Conclusion

The exploratory evidence presented in this paper suggests that changes in material conditions were not the cause of shifts in political ideology in the United States. Rather, it appears that messages produced by the mass media contributed to ideological changes in the United States. That is, the United States government might have relied increasingly on conservative nostrums after 1975 *even if* the economy had remained healthy in the decades that followed. The economic problems of the United States explain the *extremity* of the rightist policy prescriptions imposed on the U.S. economy but not the fact that the U.S. government favored rightist economic policies.

### Notes

1. I have inverted Stimson's data. If  $x$  is a particular data point and  $\bar{x}$  is the mean of Stimson's series, then I used  $y = \bar{x} - (x - \bar{x})$  in place of Stimson's data. That is, if Stimson reports that in a particular year ideology was 2 *above* the postwar mean value of ideology, I use a data point that is 2 *below* the mean value of ideology.
2. Real post-tax compensation and the tax burden likewise fail to Granger-cause ideology. Additionally, political ideology fails to Granger-cause both profitability and employment compensation. Political ideology, however, does Granger-cause the tax burden: conservative shifts in ideology precede increases in the tax burden.
3. The periodicals covered in this publication have changed over time, and it appears that the methodology used to classify articles has also changed over time. Further, it is possible that the focus of the news coverage of the periodicals indexed by the RGPL differs from that of other mass media outlets such as television and newspapers. Whether this has produced a bias in my series for the coverage of conservative issues in the mass media is unknown.



4. The cause for the rise of coverage of the Republican party in 1964 and 1965 was the landslide defeat of Goldwater and the Republicans in November 1964.

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