The Critical Difference between Republicans/Conservatives and Democrats/Liberals

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Abstract

There are, of course, a great many specific differences between the political positions of the two dominant political parties in America. After an introductory section characterizing those, section two suggests that the demarcation of critical importance between the parties relates to how they view the income distribution. Those self-identifying as Republican/Conservative tend to view the income distribution as an artifact of a host of individual work/leisure decisions with little policy relevance; those characterizing themselves as Democrat/Liberal tend to view the income distribution as a pure public good—in this view, private sector outcomes are expected to provide a non-optimally small amount of equality with the implication that public sector intervention can improve aggregate welfare. In concluding discussion, it is argued that relatively few individuals adhere to the “strong form” of this distinction, but rather individuals fall along a continuum which leaves them somewhat uncomfortable with their chosen political party. This implies that the polarization apparent in Congress and in interactions between the Executive and Legislative branches is a “party problem” not a problem with the broader American public. It is argued that the more moderate views of the policy relevance of the income distribution are partly contributing to the rapid growth in registered independents.

Keywords: Political philosophy, major political parties, political polarization, income distribution, equality, public goods

JEL codes: A10, A13, A14, A22, A23, B50, D3, D31, D63, D72, E61, H11, H3, H41, H5, J38
I. Introduction

The large number of apparent distinctions between the two major political parties (see Table 1)\(^1\) tend to obscure what is argued here to be a single critical demarcation between them. In Table 1,

<table>
<thead>
<tr>
<th>Difference Category</th>
<th>Republican/Conservative</th>
<th>Democrat/Liberal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Political Views</strong></td>
<td>Prefer smaller government, less regulation, most services to be provided by the private sector in a free market, and a literal interpretation of the Constitution.</td>
<td>Prefer more regulation and services like free universal health care to be provided by the government to all citizens.</td>
</tr>
<tr>
<td><strong>Economic Views</strong></td>
<td>Government should tax less and spend less. Cutting spending to balance the budget should be the priority. Higher income earners should have an incentive to invest for economic growth. Charity is the responsibility of the people.</td>
<td>Government should provide more services to the less fortunate (like health care) and increase taxes if necessary. High-income earners should pay a larger percentage of their income as taxes.</td>
</tr>
<tr>
<td><strong>Personal Responsibility</strong></td>
<td>Individuals should exercise personal responsibility and it is the government’s role to hold them accountable with penalties. Laws are enacted to reflect the best interest of the society as a whole.</td>
<td>The people should look to the government to provide a structure. Laws are enacted to protect individuals for an equal society sometimes at the expense of individual economic freedom.</td>
</tr>
<tr>
<td><strong>Social Views</strong></td>
<td>Opposed to gay marriage, abortion and embryonic stem cell research. Support the right to bear arms, death penalty, and personal responsibility as an individual.</td>
<td>Gay couples to get equal rights like everyone else (e.g., marriage); abortion should be legal; support embryonic stem cell research. Support restrictions and regulation around the right to bear arms.</td>
</tr>
</tbody>
</table>

\(^1\)Most of the information contained in Table 1 comes, with minor modifications, directly from [http://www.differen.com/difference/Conservative_vs_Liberal](http://www.differen.com/difference/Conservative_vs_Liberal)
four different categories are presented in which traditional distinctions between the major parties are laid out. There are, of course, many areas in which the major parties are in “apparent” agreement, perhaps largely because of the “median voter” considerations necessary to win elections.

In some categories (especially “social views” in the bottom row) there is greater individual variation within the parties than is implied by Table 1. In many such cases of disagreement, I argue that median voter considerations also apply—the parties are taking differing positions because the voters are near evenly split on the issue, hence the position taken is unlikely to have a pivotal impact on election outcomes.

II. The Critical Demarcation

I argue here that the common trait that distinguishes the two major parties—the trait that is of particular policy-relevance—is how the parties view the income distribution. Is the income distribution a public good, like national defense or the light from a lighthouse, which can occur at inappropriate levels? Or, is the income “distribution” just an artifact of aggregating the individual decisions to generate income of a vast number of households with no policy relevance?

Democrats tend to view the income distribution as a public good. Moreover, the income distribution is believed to be characterized by far too much inequality by what is likely to be a large majority of Democrats. Income transfers are viewed by this group as providing a “hand up” not a “hand out,” enabling the less fortunate to have an opportunity to better themselves.

Republicans tend to view the income distribution as an aggregation of individual income-generation choices (as, by way of illustration, aggregating how much broccoli is eaten by households in a particular month). A likely majority of Republicans believe that existing programs
result in unfair transfers—transfers from those making responsible decisions toward those making irresponsible decisions.

If one scans down the first three rows of Table 1, it becomes apparent that the principle differences between Republican/Conservatives and Democrat/liberals are seen to stem fundamentally from their different views of the “policy-relevance” of the existing income distribution.

III. Concluding Thoughts and the Rise of Independent Voters

The percentage of voters identifying themselves as Independents has been steadily growing:

“More than 2.5 million voters have left the Democratic and Republican parties since the 2008 elections, while the number of independent voters continues to grow.

A USA TODAY analysis of state voter registration statistics shows registered Democrats declined in 25 of the 28 states that register voters by party. Republicans dipped in 21 states, while independents increased in 18 states.

The trend is acute in states that are key to next year’s presidential race. In the eight swing states that register voters by party, Democrats’ registration is down by 800,000 and Republicans’ by 350,000. Independents have gained 325,000.”

Part of the explanation of the preceding facts lies in the bottom row of Table 1. There are 2nd Amendment supporting Democrats who worry about late-stage abortion and there are also anti-gun pro-choice Republicans. But this has likely always been the case and is unlikely to account for the rapid changes in registration patterns observed. Another explanation that is likely to partly explain these facts is a growing recognition that both parties are guilty of “crony capitalism” (one party’s Solyndra is the other party’s Halliburton). The cynicism might be expressed as “it is just a matter of who is running the candy store and who is being given the candy.” But, I think there is still more involved as suggested in by implications of the discussion in the previous section.

It is argued here that a major cause of the growing share of independent voters (and of the

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increasing—apparent—polarization of American voters) lies in attitudes toward the income distribution. Many Democrats are uneasy about the growth of income transfers (e.g. SNAP program expansion, public employee union benefits) as contributing to dependence on government and abdication of individual responsibility. But, at the same time, many Republicans are uneasy about the rapid growth of the top earners (the “1%-ers”) relative to the outcomes obtained by the hard-working—but seemingly disappearing—middle class. The strongly divergent positions of those controlling the platforms of the Democratic and Republican parties are driving those with more moderate takes on the policy relevance of the income distribution away from both parties. It is likely that the degree of polarization is greater among the elected officials than it is among the American voting population.

This problem is exacerbated by the nominating processes of the two major parties. The Democratic candidates must “out-liberal” each other to get the nomination to head their party, while the Republican candidates must “out-conservative” each other to get the nomination to represent their party. Once these national tickets have been determined, those running realize that they must move to the center to get elected, but major movements are viewed as “flip-flopping,” damaging credibility. Hence policies that might have the support of a majority of Americans never get publicized or implemented.