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The Trade-off between efficiency and equality : the role of an economic idea in the political strategy of social democratic parties

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Abstract: The author analyzes a series of interviews with Felipe González carried out by national and international newspapers between 1982 and 1996. TEXTS OF THE INTERVIEWS ARE AVAILABLE IN: O:\Data\entrevistasFGonzalez, classified by year of interview. There is also a database with information about each interview: title, author, newspaper, date, brief description, etc. (see files: entrevistasfgonzalez.adp and readme2.doc). Please contact Library to perform a search. More interviews given by Felipe González, between November 1988 and December 1989, were published by the Ministerio del Portavoz del Gobierno in 1989 and 1990, under the titles: Entrevistas con el presidente del gobierno D. Felipe González : noviembre 1988 - junio 1989 and noviembre 1988 - diciembre 1989 [see material number nos. 141168 and 109664, call nos. J 409 .N44 E6889 and J 409 .N44 E6890] La tesis de María Jiménez Buedo lleva como título The Trade-Off between Efficiency and Equality: The Role of an Economic Idea in the Political Strategy of Social Democratic Parties. Examina el argumento de que existe una transacción entre crecimiento y redistribución, entre eficiencia e igualdad. Se trata de un argumento profundamente controvertido entre los economistas; pero, de forma intrigante, muy extendido entre científicos-políticos y entre políticos. La pregunta, por tanto es por qué, si se trata de un argumento controvertido, lo utilizan los políticos, y si dicha utilización tiene carácter estratégico. Su explicación se basa en un modelo en el que los votantes son receptivos a los argumentos de los políticos. En caso de que existiese una competición entre un partido de izquierdas y un partido de derechas por el votante mediano, en equilibrio el partido socialdemócrata rechazará siempre cualquier argumento respecto a esa transacción entre desarrollo y redistribución. En caso, por el contrario, de que existiese un tercer actor, partido o no, situado en la izquierda, con programas más redistributivos, en equilibrio el partido socialdemócrata utilizará ese argumento de la transacción para retener a sus votantes y para no perder al votante mediano. Es decir, paradójicamente, establecerá límites a la redistribución para defender los intereses de los votantes de izquierdas frente a una posible victoria del partido de derechas. María Jiménez contrasta las conclusiones del modelo formal con un análisis del discurso del gobierno socialista entre 1982 y 1996, y examina así programas electorales y declaraciones en entrevistas. La tesis fue

dirigida por el profesor Adam Przeworski, miembro del Comité Científico
y fue defendida en el Instituto Universitario Europeo de Florencia

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MARÍA JIMENEZ BUEDO

**THE TRADE-OFF BETWEEN EFFICIENCY
AND EQUALITY: THE ROLE OF AN
ECONOMIC IDEA IN THE POLITICAL
STRATEGY OF SOCIAL
DEMOCRATIC PARTIES**

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Abstract

The thesis deals with the role of economic ideas in the political strategy of Social Democratic parties. We analyse the political functions that the notion of a trade-off between efficiency and equality plays in the discourse of moderate left parties, by studying the case of the Spanish Socialist Workers Party (PSOE) for the years in which it was uninterruptedly in government, from 1982 to 1996.

We first provide an in-depth analysis of the logical and empirical soundness of the idea of the trade-off between efficiency and equality. We show that although the existence of such trade-off is a controversial issue within the economics discipline, the notion of an equity-efficiency trade-off is nevertheless pervasive both in social-democratic discourse and in political science accounts of the social-democratic trajectory.

Given this mismatch between the dubious ontological status of a dilemma between efficiency and equality, and the frequency with which this idea appears both in political and academic discourse, we present as a paradox the fact that social-democrats often echo the trade-off notion in their discourse. This stands as puzzling given that the idea of a trade-off between efficiency and equality seems, in principle to be counter to the egalitarian goals of left wing parties.

To untangle this paradox we follow a strategy that is both analytical and discourse- oriented. We build a theoretical formal model in which we generate a set of hypotheses about the consequences and functions of the use of the notion of the trade-off, both for conservative and socialdemocratic parties. We demonstrate how public perceptions on the existence of a trade-off affect the voters' demand for redistribution. We further argue that resorting to the idea of the trade-off helps social-democratic parties to counter political competition on their left. We then test these hypotheses by analysing Spanish socialist discourse for the period 1982-1996 as embodied in the PSOE's party manifestoes and in interviews given by socialist leaders to the written press.

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INTRODUCTION. THE QUESTION AND PLAN OF STUDY

The general aim of this thesis is to treat as a political concept the widespread idea of the existence of a trade-off either between economic growth (or efficiency) and equality or (equity). That is to say, the aim is to re-politicize a concept that appears both in political and academic discourses as a “given”, stemming from the economic structure and thus devoid of any political connotation.

The political content of the idea of a trade-off between efficiency and equity will be grasped by spelling out the *political functions* that the idea can have when used in the discourse of socialdemocratic parties. This constitutes the research topic of this work.

In this way, the re-politicisation of the concept will be directed at throwing some new light on current interpretations of the role of certain economic ideas in the political strategy of socialdemocratic parties, with particular emphasis on the period starting after the oil crisis of the 70's, when the structural constraints on egalitarian policies became more acute.

However persistent the use of this idea may be in political discourse, the existence of a trade-off between efficiency and equality is itself, nevertheless, a contentious issue within the economic discipline. The works devoted to studying the relation between efficiency and equity or between equality and growth do not provide a definitive conclusion, and the existence of such trade-off remains a controversial issue.

2 / Social Democracy and the Efficiency-Equality trade-off

Given the divergence between the dubious ontological status of the trade-off reflected in the specialized literature attempting to measure it, and the all-pervasive presence of the idea of a trade-off in political and academic discourse, I attempt to provide an explanation of this inconsistency. This constitutes the paradoxical starting point of this thesis. More specifically the question refers to the socialdemocratic parties:

a) There seems not to be conclusive evidence of the real existence of a trade-off between efficiency and equality.

b) The existence of such trade-off poses a particularly problematic dilemma for socialdemocratic parties.

Then, given a) and b) why do socialdemocratic leaders often refer to this idea in their discourse?

The related research questions associated to this paradox are the following:

Does this incorporation of the idea to their discourse reflect a true belief in the existence of the trade-off? Or alternatively, does reference to the trade-off merely constitute a justification of certain political choices? What are the conditions under which socialdemocratic parties resort to this idea? What are the political functions that the idea of a trade-off between efficiency and equality can perform?

This thesis aims at showing that the idea of the trade-off can fulfil political functions and that its inclusion in political discourse is not fortuitous or superfluous but instead, responds to the strategic needs of political parties. Given that the idea of the trade-off between efficiency and equality is normally regarded as an argument for limited redistribution, it is understandable that conservative parties include it in their discourse. However, in the case of socialdemocratic parties, the reasons behind the use of the idea of the trade-off between efficiency and equality are less straightforward. We argue that including in their discourse the idea of the trade-off between efficiency and equality is also useful for socialdemocratic parties. Our contention is that it helps them to counter competition to their left, by allowing them to justify their

Introduction. The question and plan of study / 3

position in terms of redistributive options, and by rendering other political options to their left less appealing. We will analyse what socialdemocratic parties *say* about the trade-off when this need to justify their redistributive choices is greater, that is, when they are in government. Our case study will be the Spanish Socialist Workers' Party for the years in which it held office, uninterruptedly, that is, the period ranging from 1982 to 1996.

The way we go about making our argument draws both on analytical formal modelling and a theoretical discussion of the relevant literature; our empirical study is based on an analysis of socialist discourse during that period.

The structure of the Argument

Chapter 1 introduces the question of the thesis and provides a conceptual analysis of the trade-off that serves to illustrate the mismatch between the specialized literature attempting to deal with it and its import or translation onto political discourse. It also spells out a set of hypotheses about the political functions that the idea of a trade-off between efficiency and equality can fulfil both for conservative and socialdemocratic parties. Our main theoretical hypothesis with respect to socialdemocratic parties is that incorporating the idea of the trade-off into their discourse helps them to pre-empt competition on their left.

Chapter 2 takes up the conceptual analysis of the idea of a trade-off between efficiency and equality and examines the causal mechanisms it implies when it is employed in discussions around the notion of globalization.

Chapter 3 frames this thesis within the broader debate around the independent role of ideas on policy outcomes. Though the ideational research program has not attempted to provide an answer to our exact question, this approach could in principle help to clarify the issue. We nevertheless argue that the shortcomings of this framework as it has been so far formulated render it

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insufficient to go about answering our query, and so we favour an approach that is both more analytical and more discourse oriented.

Chapter 4 formalizes the main argument of the thesis by drawing on the on the spatial theory of political competition. In this chapter I formalize the theoretical hypotheses of the thesis by building a spatial competition model and draw the assumptions and implications of our main hypothesis regarding socialdemocratic parties and their use of the idea of the trade-off.

Chapters 5 and 6 present an analysis of the role the idea of the trade-off between efficiency and equality in the discourse of the Spanish Socialist Workers' Party during the period from 1982 to 1996. The fourth chapter begins with a discussion of the methodology employed in the discourse and content analysis and with a justification of the choice of the materials analysed. The chapter proceeds with an analysis of the use of the idea of the trade-off between efficiency and equality in the socialist party programs for the five general elections that took place in the period of study. I relate the findings of the analysis to the theoretical hypotheses spelled out previously and discuss their confirmation.

Chapter 6 shares the structure of the previous chapter and it is centred on the analysis of the interviews given by Felipe González, president of the government and head of the party, to the national and international press.

I summarize the main findings and conclude in chapter 7.

CHAPTER I. THE TRADE-OFF BETWEEN EFFICIENCY AND EQUALITY

“(D)epriying people of this incentive by distributing the social product equally would reduce society to the most extreme indigence, and instead of preventing want and beggary in a few, render it unavoidable to the whole community”

David Hume. 1751.
“*An Enquiry Concerning the Principles of Morals*”.¹

“(...) But when I do not even raise the question (or at least when I do not make this question the burden of my argument) whether what the idea asserts is true, but consider it merely in terms of the extra-theoretical function it serves, then, and only then, do I achieve an “unmasking” which in fact represents no theoretical refutation but the destruction of the practical effectiveness of these ideas”.

Karl Mannheim (1925, 140).
“*Essays on the Sociology of Knowledge*”²

¹ Quoted in Kenworthy (1995) p.28

² Quoted in Hacking (1999) p.54

1.1. Introduction

The aim of this chapter is to further develop and contextualize our research question. For this, we analyse the concept of the trade-off between efficiency and equality and we introduce the main arguments of our thesis. We proceed as follows:

First, an introduction emphasising the current status of the idea of a trade-off between efficiency and equality in both academic and political discourses will be offered. The purpose of this section is to present both the prominent role that the idea of the trade-off has in socialdemocratic discourse and the role that political scientists accounting for the trajectories of these parties attribute to it. We will see how for both politicians and political scientists, the trade-off between efficiency and equality is “naturalized” and seen as the departure point from which all parties need to establish their economic policy strategies.

Next, a conceptual analysis of the different versions of the trade-off is presented. In this section, different types of trade-offs that are usually conflated in the political and academic debate are distinguished. A review of the empirical economic literature attempting to assess the existence of different versions of the trade-off is also presented. I finish the section with a summary, in the form of a taxonomy, of the different mechanisms implied by the trade-off. The goal of this section is to stress the fact that the controversy about the nature and existence of the trade-off is ignored at the level of political discourse, where the trade-off between efficiency and equity is taken for granted. This section, together with the first, introduces the main puzzle of the thesis.

In the fourth section of this chapter, I present briefly two possible ways to address the puzzle, stemming from two different literatures on policy change. These are the literature of the independent role of ideas and the literature on hegemony. Though the puzzle of this thesis has not been directly addressed by any of these approaches, our question would be a valid interrogation for them too. Yet, I reject the explanations that could be derived from

these lines of research in search of developing a more satisfactory explanation.

After rejecting these frameworks as an answer to the puzzle proposed, I attempt, in the fifth section of this chapter, to provide an alternative explanation that vindicates the political functions of the idea of a trade-off between efficiency and equality. I propose an understanding of the idea of the trade-off as a *convention* enabling the coexistence of the main electorally hegemonic political parties, in the sense that it disinflates political conflict among them and among their constituencies. The focus of the thesis is thus on the political functions that the trade-off concept has for socialdemocratic parties.

I then derive a set of contentions about the political functions of the trade-off based on a theoretical reflection surrounding the mismatch between the concept of the trade-off itself as used in the specialized academic literature, and its actual use in the discourse of politicians. The last section restates the relevance of the question.

1.2. The relevance of the question: The widespread use of the trade-off and its alleged role in social-democratic strategy

The recent literature on economic policy making is plagued with the concept of the trade-off between equality and growth, or between justice and efficiency, and the many other ways of naming what supposedly is one of the core dilemmas of contemporary political debate. However, this widespread use of the trade-off concept is not accompanied by a parallel effort directed towards a conceptual development aimed at discerning the very different meanings that different actors confer on the trade-off, nor by an acknowledgement of the trade-off as an idea and an element of current political discourse that deserves attention as such.

Examples of the uses of the concept of a trade-off between equality and efficiency are numerous both in the recent literature

on economic and public policy in advanced nations and in the literature on recently democratised third-world countries. In this vein, in an article trying to account for the future lines of research of macrosociological work, Gosta Esping Andersen (2000) portrays the trade-off between efficiency and equality as one, if not the most important, of the big *leitmotifs* of contemporary social sciences.

The works of those scholars assessing the trajectories of Western socialdemocratic parties deserve particular attention. Indeed, the fate of these moderate left parties has been usually understood in terms of their ability to form stable coalitions of voters given the existence of the trade-off. That is, a successful socialdemocratic project has been portrayed as one displaying the ability to choose an electorally maximising mixture of both efficiency and equality, assuming that there is an inverse relation between these two outcomes. Boix's (1998)³ influential thesis on the particularities of supply side policies designed by socialdemocratic parties has the advantage of making explicit the analytical framework on which most of these analyses are based, and that usually is, in most contributions to the political economy literature, only implicit.

Boix's framework, which he describes as being both simple and widely accepted (p.24), pictures the interests and ideological

³ Boix's thesis is aimed at demonstrating by means of a thorough empirical work, that the widespread idea of a convergence between the policies of left and right wing parties, or in other words, the blurring of ideology in the Western world, has not in fact taken place. His argument is that both scholars and popular wisdom claiming that the "colour" of the political party in government does not make a difference in the policy outcome are wrong in conflating two different phenomena: whereas it is now true that demand management policies are no longer feasible due to structural factors like capital mobility, political parties are, nevertheless, able to design different economic growth strategies based on supply side policies, and the nature of these policies varies according to the ideology of the political party designing and implementing them.

traditions represented by conservative and socialdemocratic parties in advanced democracies in the following manner:

Political parties design their policies so as to provide two outcomes that are ordered in a lexicographic manner. These outcomes are first, economic growth, and second, a redistributive advantage to their natural constituencies. The natural constituency of the left wing parties would be formed by the working class and those segments of society that are less well-off in general. Professionals, the upper-middle classes, and all those social strata that are better off in general would form the natural constituency of the right. The middle classes would normally be disputed between these two parties.

The lexicographic order referred to above stems from the fact that any policy design failing to provide a successful growth model will turn out to be unfeasible in the medium term. Unless the party in government is able to generate economic growth, any project aimed at benefiting the natural constituency of any given party will be deemed impossible. Only after economic growth is generated can political parties engage in redistributive practices that serve to preserve or enlarge their electoral coalitions of support. Boix then, in his somewhat stylised picture, comes to differentiate conservative and socialdemocratic parties in terms of their electoral strategies to form coalitions and their strategies for economic growth.

Social-democratic parties are pictured as being relatively more prone to government intervention in the economy and they are also more supportive of attempts to redistribute wealth and promote equality in general. In contrast, conservative parties prefer to delegate as much as possible to market mechanisms, given that they think that the market is the best mechanism for the promotion of wealth and the preservation of individual liberties. What the author argues is that these preferences stem both from the interests of the coalitions of voters that are supportive of these parties and from the economic models that the leaders of the political parties believe in. However there is some ambiguity in his position since he also argues that political parties have differing

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beliefs on how to generate growth *precisely because* the different strategies affect the welfare of all social strata, and therefore, have different consequences for equality.

This is where the idea of a trade-off between equality and growth or between justice and efficiency comes in, and Boix says that this trade-off must affect left wing parties in a more acute manner. The reasoning stems from the lexicographical order between the two objectives of all parties in government. If conservative parties are, in principle, interested only in promoting economic growth (which is the prerequisite for any party to stay in power) whereas the social-democrats are also interested in promoting not only economic growth, but also equality, then the choices the latter party faces, in a context where there is a trade-off between efficiency and equality, are necessarily more constrained. Conservative parties then conceive their task as one in which they employ market mechanisms to maximise the growth rates. Socialdemocratic parties, in turn, conceive themselves to be the actors that must mobilise the public sector in order to generate public investment schemes able to reconcile *both growth and equality*.

Thus, in this picture, the political objective of socialdemocratic parties appears as a more difficult one than that of its conservative counterparts.

Boix's empirical analysis, based on a comparative account of the Spanish socialdemocratic experience under the PSOE, and the British conservative experience under the mandate of Margaret Thatcher, is particularly compelling. In it, Boix depicts the trajectories of both parties in terms of their building of stable coalitions that gradually deteriorate in the face of constraints that stem both from electoral and economic factors.

However, from his empirical analyses the reader can extract two conclusions that seem to hinder the plausibility of his theoretical framework.

1. There seems to be a contradiction in the role that the trade-off between efficiency and equality plays in Boix's setting. On the one hand, one can read his thesis as if it stated that the belief in the

trade-off by socialdemocratic parties could explain their shift to supply side policies. He could be thought to demonstrate this thesis in what constitutes a multi-causal analysis of Social democratic economic policies in the 80's, or after the collapse of the Keynesian consensus. However, taking Boix's empirical contribution at face value, the outcome of Social democratic supply side policies seems to be able to yield, at the same time, equality and growth. Therefore, one has the impression that after taking the trade-off as the starting point of the research, or as the objective reality that all parties (and particularly social democrat parties) have to face, these parties are nevertheless able to do away with it, or to formulate policies that increase or maintain both equality and efficiency. This is where the paradox lies. If socialdemocratic parties are shown in his analysis to do away with the trade-off, why do they believe in it? How is it possible to depict them as parties that are constrained by such trade-off?

The immediate response may be that the equality-efficiency trade-off takes place only under a particular set of circumstances, and exists only for some kind of policies, and that the PSOE's trajectory is only an example of how to cleverly switch from those policies (demand-stimulus) that are subject to the trade-off in favour of other policy mixes not subject to it. However postulating the existence of the trade-off in its general form remains problematic. Then, the most that Boix can say about such trade-off is that it may exist under particular sets of circumstances, but it cannot take the eminent place that it seems to have in the theoretical setting proposed above.

Moreover, the policies recently abandoned by social democratic parties (demand stimulus) are not so easily located with respect to the trade-off. Their redistributive consequences are not straightforward: these policies are not purely redistributive, or they are not a direct mechanism for redistribution. But even if one accepts that (during the golden years of the Keynesian consensus) managing the business cycle improved the welfare of the working class, or of those individuals in society that are worse-off, once these policies became obsolete, they definitively ceased to be

redistributive: they were simply inefficient. What I mean is that after the oil crisis these policies did not exactly become subject to the equality-efficiency trade-off. They were simply unable to yield *either* efficiency or equality. Probably this could not be so easily said of other kinds of policies, like income transfers via taxation schemes, or others: whether or not these instruments hinder efficiency, they never cease to be purely redistributive. This is however not the case for demand stimulus policies, since they can only be redistributive to the extent that they are efficient.

The question is different if one thinks that these parties did not (or do not) escape the trade-off fully, and that they are still subject to it to the extent that the level of redistribution that they would like to attain is not the one we find in reality. But then one needs to ask what is the level of equality that we are (or need to be) searching for. Then one encounters the question of the nature of the preferences of the median voter. This question arises after reading Boix's account of the policies undertaken by the Spanish PSOE and the British conservative party. In both cases, parties choose to favour the constituencies that supported them in the elections by choosing the policies that they might prefer. Particularly important are the redistributive consequences of such policies. In the case of the British conservative party, this led them to endorse (both in the realm of discourse and of policy-outcomes) a strong compromise with the maintenance of the National Health Service. Their attempts to shift to more regressive tax schemes at the local level were a particularly important factor in the erosion of the electoral coalition that supported them. This leads us to the second problem that arises from a serious consideration of Boix's framework.

2. Boix claims that the political objectives of socialdemocratic parties make them more vulnerable to the trade-off precisely because they would ideally want to accomplish both economic growth and redistribution. However, if one is to take this setting seriously, one must admit that if the trade-off is to be a problem for socialist parties, it must be as much of a problem for conservative ones. Indeed, if what is to be fulfilled are the

preferences of the median voter, then both conservative and social democratic parties must meet, roughly, the same median voter. And if this is so, then conservative parties are also constrained by the trade-off to the extent that the median voter has a preference for a determinate degree of redistribution. Then the trade-off constraint would be, for these parties, an electoral one, as different from the more fundamental (ideological, as it relates to the inherent political goals of the party) role it plays for left wing parties⁴.

To sum up:

1. If the trade-off, as a causal belief, conditions party's strategies, then it conditions both conservative and left-wing parties.

2. Even if the trade-off starts taking a real and concrete form for some policies (which is, as an idea, questionable), parties seem to be able to avoid it by adopting other policies not subject to it. In any case, observing the trajectories of western nations, it is clear that the trade-off between efficiency and equality has not impeded these countries from both growing and redistribute.

In any case, we can conclude that Boix's framework, though useful, does not have in it a satisfactory characterisation of the role played by the trade-off between efficiency and equality. It fails to

⁴ The idea presented above on the fact that conservative parties face the trade-off as much as the left-wing parties refers only to the fact that if the trade-off is truly believed to exist by these parties, and if the level of redistribution adopted must meet the preferences of the median voter, then these parties face the trade-off insofar as they must adopt a level of redistribution that is not their preferred one and that may be hindering efficiency. However, the relationship between a belief in the trade-off and their political interests is not the same as the one faced by left-wing parties. That is, for conservative parties, brandishing such an idea fulfils their political goals. Again, if the trade-off exists, they are subject to it. If it doesn't, it is a useful political idea for them to hold.

acknowledge its political role, and it fails to have an alternative view of it, a view that differs from the one that political actors (political parties) in this case, have of it.

In this, Boix's framework shares this characteristic with all the works that attempt to provide an encompassing picture of the long-term trajectories of socialdemocratic parties (Maravall, 1997, Esping-Andersen 1985, Przeworski 1985, Przeworski and Sprague 1986). As different as all these approaches are, in a sense, they all take the trade-off between efficiency and equality for granted, or rather, ignore the role it may have as a useful political idea.

1.3. The trade-off between efficiency and equality. What exactly is it? A Conceptual and Empirical analysis

In this section I carry out a conceptual and empirical analysis of the idea of the trade-off. This has several purposes:

First, it aims at providing the basis from which I can establish the paradox that is the core of the thesis. That is, if the existence of the trade-off is dubious, why do not left parties question the concept but include it, instead, in their discourse, given that the idea is in principle harmful to their egalitarian objectives?

Second, the clarification of the concept of the trade-off serves as a way to question the premises of part of the literature on the long term trajectory of socialdemocratic parties, to the extent that they have ignored the problematic nature of the trade-off concept.

Third, a deep understanding of the concept of the trade-off is a prerequisite to the elucidation of its political functions. Only after distinguishing among different mechanisms generating the trade-off, and after grasping the logical structure and consequences of the idea of a trade-off between efficiency and equity can one determine the possible and actual uses that it can have in the political rhetoric of left parties.

1.3.1. The trade-off as nonsense: philosophical analyses

Once the prevalence, in the accounts of socialdemocratic parties of political economists, of a general and messy version of the trade-off between efficiency and equality is established, distinctions become relevant. It is important to clarify that the distinctions between different types of trade-off relating to equality and efficiency are found in the technical, namely economical, literature that deals with the idea as such. However, with some nice exceptions, when the idea of the trade-off is imported into the accounts of political scientists, these distinctions are either lost or obliterated. As for politicians and the way they refer to the idea of the trade-off, the distinctions are simply not there.

Here, in this subsection, I will deal with the philosophical critique to the broadest version of the notion of the trade-off between efficiency and equity. This is both an analysis of the theoretical foundations of the idea of the trade-off, and an attempt to clarify what different people have in mind when they use it.

The most meticulous work analysing a broad version of the notion of the trade-off between efficiency and equity is found in Le Grand (1990). In his work, he refers to the notion which constitutes the main theme of this thesis as the *elusive trade-off*. He examines the question of whether the general notion of a trade-off between equity and efficiency actually makes sense. The approach he takes is to inquire into the necessary conditions for it to be appropriate to talk of the relationship between equity and efficiency as a trade-off one: that efficiency must be a social and economic objective in the same sense that equity is an objective.

The definition of efficiency that LeGrand uses implies that an allocation of resources is efficient if it is impossible to move toward the attainment of one social objective without moving away from the attainment of another objective (op.cit. p.559). With this definition in mind, he argues that efficiency cannot be an objective in the sense in which equity is an objective: it is rather a secondary objective that only acquires meaning with reference to

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primary objectives as equity or peace. He therefore deems the notion of a trade-off between both to be meaningless, for they cannot be traded against each other. Instead, efficiency is the final outcome arising from the maximisation of a society's objectives, among which equity is likely to be one.

From this blunt conclusion he cannot but wonder if people are referring to something other than efficiency when they talk about the trade-off between equity and efficiency, and he concludes that they must indeed be doing so. He therefore goes on to the study of two other different but related trade-offs: equity versus economic growth and equity versus Pareto-Optimality.

- The equity-economic growth trade-off:

A common interpretation of the trade-off stems from identifying efficiency with growth in aggregate economic production. This is common in both popular and academic discourse on the economy. For Le Grand, this identification has an obvious appeal, linked to its policy implications. He then problematizes this type of trade-off not so much in terms of its analytical coherence or the soundness of the causal processes implied by it but in terms of its normative content: elevating economic growth to the status of a primary objective is problematic since growth may only be desirable if it is able to provide want satisfaction or utility for one or more individuals. What he stresses is that the costs of increasing production, in the form, for example, of the disutility attached to increasing working hours, are normally neglected and that therefore increasing production as such is hardly a desirable goal. This is in part contradictory to his general analysis, at the beginning of which he stresses that his paper deals with the trade-off between efficiency and equality as a production trade-off and not as a value trade-off, since it is perfectly sensible to have in mind different values which one holds dear without having to think of them in terms of conflict. In any case, his critique of the concept of a trade-off between equity and economic growth is altogether weak precisely

for this reason. Once one thinks of the trade-off between economic growth and equity as a production trade-off, which is a sensible thing to do, the focus must be on the empirical analyses and causal explanations found in the specific literature on the topic, rather than on more or less accurate comments on how the utility functions of stylised individuals may be⁵. In the form of a short review of the literature, this is what we try to advance in the subsequent section.

More interesting maybe is the emphasis of Lukes (1992) as to the possible rhetorical advantage in using the language of efficiency when people are really talking about economic growth. He suggests that this is perhaps done to imply on the one hand, that economic growth is in itself the most efficient way of providing a range of implicit values like social stability, democracy, and perhaps equity, and on the other, that welfare programmes and redistributive policies are inefficient or counterproductive at doing so.

The analysis of Lukes focuses on the general question of trade-offs between values and indeed it is true that the idea that there is a trade-off between equality and say, democracy or liberty are also common currency (Sen 1992). The idea that these tradeoffs serve rhetorical purposes, that Lukes merely sketches, is indeed related to the main contention of the thesis, where the political functions of the idea of a trade-off between efficiency and equality are analysed.

- The trade-off between equity and Pareto-optimality:

Further from popular discourse and known mainly in academic settings, Le Grand also studies the possibility of a trade-off

⁵ One more point to be mentioned shortly is that the trade-off between growth and equity as linked to labour markets normally, and unlike Le Grand does, assumes a context of involuntary unemployment, where an increase in the working hours does not imply disutility on the part of workers.

between equity and Pareto-optimality, taking the latter as a possible notion of efficiency. Pareto-optimality is the property of an allocation of resources that could only be changed to make one individual better off by making another worse off. On this interpretation, an equity-efficiency trade-off would exist if there is no feasible allocation that is both equitable, according to a chosen definition of equity, and Pareto-efficient.

Though Pareto-efficiency or optimality is frequently offered as a possible definition of efficiency, Le Grand argues that its correct interpretation is that of a form of value or a social welfare function. But social welfare functions necessarily incorporate a notion of equity. The author thus contends that all investigations of the trade-offs between various interpretations of equity and Pareto-optimality are not really concerned with the trade-off between equity and efficiency at all. Instead they are investigating what is, at least in part, actually a trade-off between two different kinds of equity: one whose properties are being explored (for example, equity defined as absence of envy) and one that is embodied in the Pareto social welfare function.

As a conclusion to Le Grand's discussion of the notion, Lukes (1992), states that

This famous, supposed trade-off between equality or equity and efficiency is never quite what it seems to be. It is either incoherent or else it is a coded way of referring to other trade-offs, which may well include other conceptions of equity (*op.cit.*, p.5).

This conclusion, probably right as a general impression derived from the analysis of (careless) uses of the idea however constitutes somehow an easy way out of the problem: in view of the work from reputed economists that aim to measure the concrete form that the trade-off between growth and equality takes in certain contexts, it seems compulsory to look into their empirical findings if one is inquiring as to why is it that the broad trade-off notion is such a widespread idea.

The examination of the economic literature aimed at measuring the extent of a potential trade-off between equity and growth offers an interesting *prima facie* conclusion: the discussions around the question are for the most part, inserted in two quite distinct debates that are nevertheless confused in the political discourse. The distinction between these two debates and the empirical conclusions they lead to together constitute the focus of the next section.

1.3.2. Two distinct debates: equity, efficiency, equality, growth

The trade-off between efficiency and equality is, as Okun put it back in the seventies “the big trade-off” (Okun 1975). However, there are many ways in which this concept has been characterized. In this subsection, I shall provide a few examples of the way in which this concept has been represented. In this section, the objective is to clarify the meanings of the general trade-off between equality and efficiency in the economics literature, and distinguish among two different versions of it that are usually conflated.

One such debate comes from the literature on public economics, and the study of market imperfections that may or may not leave room for desirable state intervention. This literature studies the actions of governments and the extent to which these foster or hinder economic efficiency. These questions are very often addressed by referring to an *efficiency-equity* trade-off.

A second, separate debate comes from a stream of economics related to macro processes and variables and that is devoted to the study of patterns of modernization and industrialization and in general, to the study of economic growth. As such, one of the questions addressed is the relationship between economic growth and the distribution of income. In this sense, it is also sometimes devoted to assessing whether there is a trade-off between *equality and economic growth*.

Equity versus Efficiency

The equity-efficiency trade-off assumed by the economic literature is related to the loss of resources that is implied by a redistributive action by the state: when the state extracts part of the income that is produced by the economy and devotes it to redistribution, it produces an alteration in the market mechanism ruling the system and so some resources are definitively lost. These lost resources give the measure of the loss of efficiency that redistributive state activity produces. This loss in efficiency is referred to as the “deadweight loss” associated to government intervention, or alternatively, as the “leaky bucket effect”. The reason why this kind of trade-off is referred to as the equity versus efficiency trade-off is that it is concerned with attempts to redistribute income, and thus, attempts at achieving equity. Equity is the appropriate term for any morally desirable redistributive attempt. It might be useful perhaps to borrow here a short discussion and definition from a World Health Organization paper about this peculiar term (WHO 2000):

Equity is an ethical concept that eludes precise definition. Synonyms are social justice and fairness, which again, could be taken to mean differently by people at different times. Equity usually deals with a predetermined standard or norm, which is considered "just" or "fair". Equity should be differentiated from equality. Equality does not take into account whether the existing disparity/gap/difference is "fair or just". Simply, inequity is unfair or unjust inequality.

In practice, the terms, equity and equality are used interchangeably. Social scientists and economists use these terms more frequently. They tend to use inequality more due to the difficulty in setting the agreeable standard or norm for inequity.

As for the definition of efficiency that is normally implied in this kind of analysis is one related to the total economic resources available to society, so “a more efficient society can produce more with the same amount of resources” (Blank 2002, p. 5-6).

Three principal mechanisms are considered to account for this equity-efficiency trade-off (Blank, 2002):

1. Savings and investment: According to standard microeconomic theory, the marginal propensity to invest or save grows with income, i.e., those individuals who have greater incomes save and invest a greater proportion of their earnings. The existence of a trade-off between redistribution and growth would be explained in that way: when income is transferred from the richer to the poorer, the overall rate of savings and investment must fall as a result.

2. Work effort. If work productivity is determined by the expected wage, workers will have fewer incentives to work the bigger is the share of their incomes that must be bestowed in the form of tax contribution. In the same manner, compressed earnings, be this due to high taxation or to high social spending, give workers fewer incentives to invest in their education, given that the expected returns associated with their skills will also be smaller.

3. Administrative costs: The abovementioned mechanisms must be complemented with the administrative costs that are associated with the implementation of redistributive policies.

Altogether, as a result of these mechanisms, government efforts to achieve equity lead to a lower level of total income and less efficient use of resources.

Browning and Johnson (1984), attempt to measure the size of such trade-offs. Their starting assumption is that “income redistribution is not a socially costless endeavour because the policies required to accomplish it generally produce misallocations of resources” (p.175). Indeed, they are right to point out that this is a well-known proposition and that it is usually interpreted as implying a trade-off between equality and efficiency, after acknowledging the fact that there is not a single trade-off, but a

plurality of trade-offs associated with different policies⁶. Accordingly, they build a simulation model in order to provide an estimate for the marginal cost of reducing income inequality with a policy that has distributional effects similar to the present tax-transfer system. After developing their model they find that the marginal cost of redistributing income via tax is very high even under favourable conditions, like low labour supply elasticity. Given that they have not included the effect on saving, they presume that actual policies are even more distorting than their model shows and they encourage further research in order to include such effects. However, there is room to doubt that their conclusions are not grounded in robust results. Their findings are based only on a simulation model that starts with a situation of general equilibrium, and from this a number of difficulties follow. To mention just one of them, in a context in which there is a high level of unemployment, labour supply elasticity can be zero rather than low. This may take place if workers believe that they cannot find another job if they lose the current one, and the number of hours worked is not chosen by them, but by the firm that employs them. If that is the case, a reduction in wages derived from taxation will have no effect on their labour supply. This seems to be an extreme assumption if applied to all workers, but it may not be so unthinkable for some types of occupation. Therefore, taking guesses on the actual size of the trade-off given the findings of a model of these characteristics might not be very prudent.

There are also works with more empirical content that seek to assess these effects: For instance, Blank mentions a US-funded series of experiments in the 1970s to test the effects of welfare program design on the labour supply and well-being of recipients. These were known as the negative income tax experiments. The

⁶We would add that this plurality need not only be associated to different policies, but more generally to different mechanisms, whether they stem from government intervention or not (see the taxonomy below).

main result found was that the government had to spend almost 2 dollars in order to increase family incomes by 1 dollar.

Without much attention to the internal or external validity of this and other experiments, what Blank rightly asks is why in the literature the focus has not been on the factors that could reduce these leaky bucket effects but rather on the measurement question of the dead-weight losses of taxation. She then points to the factors or situations that can make this equity-efficiency trade-off low or non-existent and that go normally unexplored:

When transfers go to populations with no capacity to change their behaviour, when transfers go to programs that limit efficiency losses through behavioural requirements, and when commodities are subsidised that function as long-term investments and create future income gains.

Equality and Growth

The relationship between inequality and the process of economic development is far from being well understood. The textbook approach for years has been that inequality is good for incentives and therefore good for growth. However, development economists have long expressed counterarguments, although often in a non-formalized way. These relate to the following issues (Aghion et al, 1999):

- dissaving and unproductive investment by the rich
- lower levels of human capital by the poor
- demand pattern of the poor being more biased towards local goods.
- political rejections by the masses and consequent fear of expropriation inhibiting investment.

In more recent times, the view that inequality is growth enhancing has been challenged by a number of empirical studies, often based on cross-country regressions of GDP growth on income inequality, comprehensively reviewed by Benabou (1996). This has coincided with an acknowledgment by part of the academic community, of the superior rates of growth reached by

the relatively egalitarian Asian tigers in the 70s and 80s as compared to the more inegalitarian Latin American countries that have faced a long lasting economic downturn and stagnation. By the mid 1990s, therefore, there appeared a majority of works that started pointing to the possibility that *inequality* was bad for growth.

One of the most influential works on the empirical assessment of the trade-off is that of Persson and Tabellini (1994). Kenworthy (1995) actually characterises it as “the only careful empirical analysis of the relationship between income distribution and economic performance” (p.231). The authors examine the effect of inequality on growth: inequality is found to have a negative impact on subsequent growth because it leads to policies that do not protect property rights and do not allow full private appropriation of returns from investment. The rationale is then that inequality forces government intervention that ends up having distorting effects. This relationship is only present in democratic countries. However, they warn the reader of the fact that even if they believe that their empirical findings are statistically robust, they can not provide thorough evidence for the mechanisms involved. That is, the causal chain identified by them (that more equality leads to less-policy induced redistribution, and that less redistribution leads to more investment and faster growth) may not be the one at work. The policy advice that follows from their findings, if taken at face value, is that governments should put in place institutions that lead to primary equalisation (equalisation of returns from productivity), and then, minimise secondary distribution (through tax schemes or other). In sum, an egalitarian distribution of wealth is good for growth; redistribution schemes are harmful for growth.

Lane Kenworthy (1995) finds that Persson and Tabellini’s work is nevertheless lacking. He problematises their inequality measures (pre-tax income data of, in his own words, “questionable reliability”) and finds that their analysis lacks indicators for economic performance other than growth. He therefore offers an alternative empirical assessment of the relationship between

equality and efficiency based on cross-sectional data from 17 advanced industrialised countries over the period 1974-1990. The conclusions he draws from data are that there is no adverse impact of equality on either investment or work effort, nor on growth of productivity or output, unemployment, or any other significant indicator of good economic performance. On the contrary, his findings seem to point on the direction of the heterodox view, i.e., that a more egalitarian distribution of income may have beneficial effects on the economy by augmenting consumer demand and encouraging more productivity from workers.

Benabou (1996) offers a review of theories linking income distribution and growth, together with some relevant empirical evidence on the matter. The three theories he reviews are those linked to political economy mechanisms, like that of Persson and Tabellini (1994), those linked to imperfect capital markets, and those linked to socio-political conflicts and their relationship to the discouragement of accumulation. As for the first two theories, Benabou considers that the evidence of the adverse effects of redistribution on growth remains elusive. Theories that link socio-political conflicts to the trade-off between efficiency and equality are still underdeveloped, and Benabou encourages further theoretical and empirical work. This underdevelopment of both theory and empirics produces non-robust results and therefore prevents him from drawing any further conclusions.

Aghion et al. (1999) have provided a review of the existing literature on the topic and have aimed at exploring the relationship between economic growth and inequality in both directions: they analyse both the effects of inequality on growth, and the effects of growth on equality. This offers an advantage with respect to the other contributions, which deal only with the former.

As for the effects of inequality on growth, their findings signal, against the traditional economic view, that when capital markets are imperfect and agents are heterogeneous, greater inequality may have a negative impact on growth. In this way, the argument that redistribution is detrimental to incentives and

growth is challenged, and thus, there is not a trade-off between equity and efficiency.

The other side of their analysis, the study of the effect of growth on equality yields a more pessimistic conclusion. Economic growth brings about technological change, and this, in turn, is likely to imply a bias towards more inequality of income. The authors then draw policy implications from their analysis, the main one being that when capital markets are imperfect there is scope for redistributive policies that are also growth-enhancing. Particularly important are public investments in human capital. Equally, increased access to education would also reduce inequality, and therefore, enhance economic growth. In sum, their discussion points to an important efficiency role for sustained redistribution, and thus subverts the trade-off logic.

In 1963 Kuznets found an inverted U-shaped relation between income and GNP per head. This result was interpreted as describing the evolution of the distribution of income over the transition from a rural to an industrial economy: income inequality should increase during the early stages of development due to urbanization and industrialization and decrease later on as industries would start attracting a large fraction of the rural labor force. For years, this theory has shaped ideas about the relationship between economic development and inequality, the expectation being that as income increases, inequality should diminish. However, the downward trend in inequality experienced by many advanced economies during the 20th century seems to have been recently reversed: the past twenty years or so have witnessed a significant increase in wage inequality, particularly in the most economically advanced Anglo-Saxon nations. The example of the United States, with higher growth rates in the '80s and '90s than many of the rich countries, coupled with its higher inequality, has driven some to review again the relationship between inequality and growth and to wonder whether at least for the group of rich countries, inequality may be good for growth.

Forbes (2000) has used improved inequality statistics on 45 countries (the Deininger and Squire data set) allowing panel

estimation techniques to challenge the belief that inequality has a negative relationship with economic growth. Her results suggest that in the short and medium term (five years and less), an increase in a country's level of income inequality has a significant positive relationship with subsequent economic growth.

In an article that appeared that same year, Barro (2000), using the same inequality data, but a bigger sample of countries, finds that the Kuznets curve still emerges as a sound empirical regularity nowadays, where inequality tends to first rise with economic growth to later decrease as the country becomes more developed. However, Barro finds that while for poor countries inequality is an element that prevents growth, for rich countries, a more unequal distribution of income is associated with greater rates of growth. Barro nevertheless stresses the fact that the pointed relationship of inequality on growth is weak across the analysis.

Kenworthy (2005) has devoted a chapter in his book to the relationship between economic growth and equality where he reviews the existent literature. He questions Forbes (2000) findings on the basis of the chosen interval length for the measurement of the variables, which is five years. According to Kenworthy, the time length chosen is not enough to expect that classical mechanisms involved in a positive relationship between inequality and growth would be at work. As Forbes herself admits, when extended to a ten year span analysis, the positive relation between inequality and growth ceases to exist.

Kenworthy also develops his own analysis of the relationship between inequality and growth for a sample of 15 OECD countries in the 1980s and 1990s. Though he finds traces of a positive but weak relation between inequality and growth for the richest countries, he also attributes the main thrust of it to the United States. When the US is excluded from the analysis, the relation

disappears altogether. In summary, the author finds that there is no indication of a general equality-growth tradeoff for the period⁷.

1.3.3. A messy debate, many trade-offs, one taxonomy

One of the main conclusions to be drawn from the economic literature analyzed above is that there are two different questions that are normally conflated within a general notion of a trade-off between equality and efficiency. One is the debate belonging to microeconomics that tries to discern the extent to which redistribution, or *equalization* of rents, leads to inefficiencies. The other, is the debate belonging to macroeconomics, and that tries to discern the nature of the relationship between growth and any given distribution, that is, the relationship between *equality* and growth.

In any given political regime, the preferences for *redistribution* will depend, naturally, on the existing *distribution* of income, and so these two questions are intimately related. However, equality and the equalization of rents are two clear and distinct notions, and yet, when people refer to a possible trade-off

⁷ His analysis concludes with a nice paragraph, that is somewhat ironic. I include it here in full: “There surely is some point at which the distribution of income in a country or region might become too egalitarian to be compatible with a desirable rate of economic growth. But the experience of the past two decades suggests that such a point has yet to be reached. Yes, egalitarian Sweden had very poor growth performance in the 1980s and 1990s. But so did relatively unequal Switzerland. Egalitarian Norway and Finland did much better, and Austria and Belgium did better than most. There are, of course, particular equality-enhancing institutions and policies in particular countries that may have growth-impeding effects. But the analyses here turn up no indication of a general equality-growth tradeoff over the past two decades”.

between equality and efficiency, the two questions are normally conflated, adding confusion to the matter.

It is also interesting to point at the fact that even though the idea of a trade-off between efficiency and equality does not imply any particular direction on the causality line, most works assume that redistribution is a cause of lack of growth, and more seldom that growth can be seen as a source of inequality. Indeed, those politicians that justify a more inegalitarian distribution today, in order to provide more economic growth, also argue that only in that way will redistributive policies be possible in the future⁸. However, no reflection is usually made, in the political arena, as to the inverse causal relation also implied by a trade-off between efficiency and equality, that is, that growth patterns have distributional consequences. If instead, as some of the literature shows, growth would be commonly associated with further inequalities, the arguments in favor of deferred redistribution would perhaps be less readily accepted by the public.

In any case, the empirical evidence of the effect of either equality or redistribution on economic growth is at least ambiguous. Yet, whenever a new contribution finds traces of a possible positive relationship between inequality and growth, conclusions like this one are readily made:

“Taken as a whole, this paper’s finding of a positive relationship between inequality and growth has disappointing implications. Countries may face *a trade-off between reducing inequality and improving growth performance*.” Even if the quotation is immediately followed by: “It is too soon, however, to draw any definitive policy conclusions. Sample selection, endogeneity, and serial correlation could still influence estimates. Not enough data are available to accurately measure this relationship for very poor countries. (...) Moreover, these estimates do not directly contradict the previously reported negative relationship between inequality and growth. (...).

⁸ For examples of uses of this kind of intertemporal argument in Costa Rica, see Wilson, 1999.

Therefore the estimates in this paper should be interpreted as suggesting that the relationship between inequality and growth is far from resolved, and that further careful reassessment of the sign, direction, and strength of the linkages between these two variables is necessary". (Forbes, 2000: 885; emphasis added).

As Kenworthy notes (2005), the received wisdom on the matter seems to shift back and forth over time between the two possible views, that inequality is either good or bad for growth. While the textbook version was for many years that inequality was good for growth, the '90s reversed the dominant view. However, as suggested before, in recent times perhaps the mainstream view within the specialized literature is now that inequality hinders growth in developing countries but that, in rich countries inequality actually favours growth. Given the lack of definitive empirical conclusions on the matter, we can conjecture to what extent this belief finds a greater echo because it fits well with the ongoing debate, which started already on the 1970s, about the supposedly excessive generosity of European welfare states. As such, this is well connected as well with what for many is now, again, an indisputable new trade-off in rich countries, that between equality and employment⁹. This trade-off comes to substitute a previous one, that between employment and inflation, that epitomized by the Phillips curve, marked throughout more than a decade (though mainly, the 1960s), both economic policy and political economic research¹⁰.

Going back to the question of the absence of definitive empirical conclusions on the matter, a statement is in order. All in all, a thorough review of the matter suggests that *tout court*, equality and growth are not related. As Kenworthy rightly points (2005), the absence of works suggesting this conclusion is probably due to the bias against non-findings in academic journals. However, even if one approaches the question

⁹ For a thorough account of this trade-off, see Boix (1995), Kenworthy (2005).

¹⁰ For an obituary note on the Phillips curve see Reichel (2004).

commonsensically, both equality and growth are among the largest possible variables or entities that one can deal with in the social sciences. In most of the works here reviewed, inequality is approached by an operationalization drawing on the Gini coefficient, a summary statistic¹¹ that can not reflect whether the bulk of inequality lies in the bottom or in the upper sections of the income distribution. This means that countries with the same Gini value can have extremely different income distributions, and these may be different in aspects that can be crucial with respect to the mechanisms that the literature supposes link inequality and growth. Empirical difficulties aside, the debate cannot draw either on theoretical expectations, for these are generally indeterminate as well.

Here, finally, I provide a summary of the mechanisms that are attributed to a trade-off between efficiency and redistribution, or between growth and equality. For each of these mechanisms, there is a counter story that states exactly the opposite, that is, that the mechanism implied acts in the reverse direction, and thus that growth and equality *reinforce* each other. The taxonomy here provided is nevertheless useful to guide the arguments that will be made throughout the rest of the thesis, and also, to show the very many and varied ideas that are behind the general idea of the trade-off.

· Saving rates and Investment:

The logic is the one we referred to above. If the propensity of the richest to either save or invest is greater, then equality will be associated with lower rates of investment, savings, and therefore growth. This argument has been rendered problematic, though, on two grounds (Barro 2000): This reasoning only sustains itself in a

¹¹ The Gini coefficient ranges from a minimum value of zero, when all individuals are equal, to a theoretical maximum of one in an infinite population in which every individual except one has a size of zero.

closed economy, for if investment can travel freely between countries, then domestic investment does not need to be a crucial determinant of national growth. On the other hand, the relationship between personal income and the propensity to either save or invest is probably not as straightforward as this argument implies.

· Political Economy:

The main argument of this kind of analysis is that in democratic settings, if the average income exceeds the median income, then there will be a majority of voters that will favour redistribution. That is, a high degree of pre-tax pre-transfers inequality will translate into redistribution. The argument is then based on the idea that the transfer payments and the associated high tax devoted to pay them will create distortions that will hinder the workings of the market mechanism. Therefore this kind of argument links high inequality to low growth through the connection of redistribution and its associated distortions.

However, as Barro (2000) points out, this connection does not need to be automatic. First, countries may differ in their taste towards redistribution, and so for the same level of inequality, very different degrees of redistribution can follow. Second, and more importantly, this reasoning is based on the assumption that political and economic power do not correlate. If the richest sections of society are also endowed with the capacity to influence the political processes, then they can devote resources to lobbying against redistribution. This in turn, may create more distortions in the system than those associated with redistribution.

· Sociopolitical Unrest:

This kind of argument is equivalent to the previous political economic logic when taken to the extreme. And it is usually linked to the absence of a trade-off between efficiency and equality, and not with its presence.

Inequality is thus supposed to motivate the poor to engage in criminal activities that disrupt the political order and specially, the protection of property rights. Moreover, the uncertainty about future stability or the fear of expropriation might hinder investment rates, since returns become uncertain. To this, the cost of opportunity in terms of productivity that those engaging in criminal activity face must be added.

If the gap between the rich and the poor is nevertheless very extreme, then redistribution can be insufficient to prevent the potential for riots or disruptive activity to be set into motion. Thus, a dictatorial regime might nevertheless engage in repression rather than redistribution in order to allow economic activity. The costs of policing and other repressive activities is then in itself an economic inefficiency caused by inequality (Bowles and Gintis, 1995).

· Globalization:

There is a widespread belief that associates the international opening of goods and financial markets, associated themselves to greater economic growth, with growing rates of inequality. Behind this association lays the idea that globalization will benefit the domestic residents who are well off because they are the ones able to take advantage of the opportunities offered by global commerce. Also, there is the belief that globalization reduces the abilities of governments to offset the market determinants of income distribution. This kind of mechanism is frequently linked to the literature devoted to the study of economic reforms in peripheral countries. It refers to the need by those countries to abide by growth formulas that are inherently non-egalitarian. These formulae are imposed by the conditional help provided by international actors like the IMF and the World Bank, and also by the signals that these countries need to send to foreign private investors (Stallings 1990, Stokes 1996, 1997).

In this way, unless the policies implemented by the government follow certain lines (in which redistribution is

certainly no priority), foreign investment may flee to other countries, and international financial organisations will not provide credits, since financial aid by this type of organisation is conditional on the type of economic policy undertaken. That is, if the government attempts redistribution, the subsequent loss of investment (on the part of both private investors and international financial organisations) will result in an economic recession.

However the standard view in international economics does not predict, at least in poor countries, an increase in inequality following an opening to international competition. In countries endowed with unskilled labour, greater openness to trade would tend to raise the relative wages of unskilled labor and lead to less income inequality.

To conclude, the relation between the trade-off (broadly understood) and these particular trade-offs remains unspecified. Is the big trade-off a sum of all of these particular ones? Can we understand that these particular trade-offs are in fact contending theses in the sense that each one of them constitutes a hypothesis on the true content of the big trade-off? In any case, the aim of this subsection is, rather than answering these questions, to highlight the fact that the meanings attached to the idea of an equality-growth trade-off are plural and numerous. And not always clear.

The purpose of including this section has been to provide a few samples of influential works in the area so as to show how the question on the existence of a trade-off between efficiency and equality is *at least controversial*. As it has been pointed out earlier, this is a means of presenting the main question of the thesis: If the existence of the trade-off is not well established, why do leftist political parties, for whom the trade-off is a problem, readily accept its existence? Why do they include it in their discourse and in the justifications of their policy choices? Why do they accept the economic advice stemming from models that postulate a dilemma between growth and redistribution?

1.4. Overview of alternative explanations

We have so far seen how the evidence on the existence of a trade-off between equality and growth and between equity and efficiency remains elusive. The debates around the idea are many and confused. On the other hand, the literature on the social democratic trajectory does not seem to view all these facts as problematic when using the “trade-off talk” to explain the choices of social democratic parties. This language is equally shared by the leaders of these parties.

In view of these two contending facts, the work presented here is an attempt to shed light on the causes of such divergence. What I argue in what follows is that the concept of a trade-off between efficiency and equality calls for attention as such. I contend that this concept is a constitutive part of the political culture of contemporary advanced democracies, and that it is worth exploring the political causes and consequences of its uses by relevant societal actors.

In this way, the acknowledgement of the political nature of the concept of a trade-off between efficiency and justice is a means of explaining an otherwise puzzling fact: that leftist political parties include in their discourse an idea that, in principle, is adverse to their ideology and of which there is no definitive proof of its validity as a causal belief.

Before developing the outline of what aims to be an explanation of this paradox I will first try to trace in the existing literature other types of explanations that even if not straightforwardly directed to answer the question at stake, can be portrayed as implicitly providing an answer. Thus in the next chapter, I will consider first the literature on the independent role of ideas and epistemic communities in the formulation of economic policies. Second, I will briefly consider the explanations that could stem from a gramscian perspective in the political economy and international relations domains. I should argue, however, that a hegemony approach is inadequate given the nature of our problem, and that the literature on the impact of economic

ideas is at present ill-equipped to provide a satisfactory answer to our question. In the next chapter we develop these ideas.

The fact that empirical works attempting to measure the trade-off find no proof of its existence while the idea of the trade-off remains to be understood both by politicians and scholars as a constraint for social democratic policies oriented at redistributing income remains, at least, *puzzling*. As I have signalled before, the way to solve this puzzle must go through an exploration of the fact that the idea of the trade-off must have some political content. Obviously, this political content seems skewed toward a preference for limited redistribution. As Kenworthy (1994) puts it “the most prominent argument against equality is based not on normative considerations, but on [this] well-accepted principle of economic theory”.

1.5. The Political Functions of the Trade-off

The political functions of the idea of the trade-off

In this section I introduce the main theoretical claim of the thesis, i.e., that the idea of the trade-off fulfils political functions. To introduce my approach to the question I argue that this can be better understood by drawing an analogy between the idea of the trade-off and a (language) convention around which the main electoral parties co-ordinate to fulfil their organisational and political goals. There is a methodological correlate to this thesis. Those social scientists aiming to understand the political trajectories of these parties should be careful not to acritically employ in their analyses the same categories that the actors studied employ. Only by avoiding such an acritical use of the terms employed by the political actors studied can the power of language or ideas be taken into account.

Normal understandings of the notion of convention include the idea of a coordination act, sometimes tacit, among two or more

actors. They can also point to the fact that such a pact may constitute itself into an accepted practice.

In this section I will try to put forward a possible answer to the question of why and how an idea with no obvious empirical backing can gain a prominent place in the discourse and cognitive maps of those actors for whom this idea is, in principle, harmful for the pursuit of their political goals.

By convention in the social sciences we normally mean some arbitrary procedure or rule that is elected against alternatives by the actors involved in some common pursuit of their goals¹². Here, and for the purposes of this thesis, such a restrictive notion of convention will not be used literally. Indeed, at this point, the purpose of using the term convention is more heuristic than anything else: the use of the idea of a trade-off between efficiency and equality can indeed be seen as an accepted notion in contemporary political debate. And it might be worth studying whether the extending presence of the notion of a trade-off can be

¹² This notion, in order to constitute a convention rather than a “formula” of collective problem solving must be characterised by the fact that its particular content does not have any impact on the deciders’ capacity to pursue their objectives, in the same sense in that driving on the right side of the road does not have any intrinsic advantage over its alternative (the left side). The only important thing is that everybody drives on the same side of the road. What is important is that the agreement on the terms of the convention is beneficial for all, or at least, the collective necessity of the convention is such that the fact of it being institutionalised is beneficial for all relative to the alternative of working in its absence. David Lewis defines convention in the following way (42:1986):

A regularity R in the behaviour of members of a population P when they are agents in a recurrent situation S is a convention if and only if, in any instance of S among members of P,

1. everyone conforms to R
2. everyone expects everyone else to conform to R
3. everyone prefers to conform to R on condition that the others do, since S is a co-ordination problem and uniform conformity to R is a proper co-ordination equilibrium in S.

understood as the product of a need to coordinate among the actors promoting the use of such notion.

The actors considered are mainly two: socialdemocratic parties, and conservative parties.

I will start by sketching the rationale for resorting to the idea of a trade-off in a contemporary context.

For social-democratic parties, the rationale would be as follows:

Using the idea of a trade-off between efficiency and equality, while in office, can serve as a means to mitigate the electoral competition to their left. The idea of the trade-off justifies the degree of redistribution offered by them and presents alternative offers for more redistribution as implausible or detrimental for all. Resorting to the idea of a trade-off will be even more necessary in those circumstances in which a socialist party is not capable of offering redistributive outcomes that are substantively different to those offered by the party or parties to their right. In such cases, affirming that the trade-off exists allows to portray itself as the party that is able to offer the most equality given what is feasible. To the extent that socialdemocratic parties are convincing in this attempt, they sever the credibility of other actors manifesting a preference for more equality, as is usually the case for parties that are at the left of the social democracy. At the same time, using the notion of the trade-off can serve as a means of presenting arguments in favour of redistribution in a self-limiting way, which can help to avoid alienating a segment of middle class voters that may be prone to consider certain redistributive policies as excessive.

For conservative parties, the rationale is even more straightforward:

Using the idea of a trade-off between efficiency and equality allows them to justify their preference for limited redistribution in terms of the pursuit of the common good, rather than in terms of the pursuit of the welfare of their natural constituencies.

For both conservatives and socialists, and as paradoxical as it may seem, picturing the situation as one in which there is a trade-

off between efficiency and equality also allows them to present themselves as parties that are different from each other. By using the idea, they can present themselves as parties that differ not so much in terms of the mix of equality and growth that they choose (since that would mean that socialdemocratic parties produce outcomes that are less efficient and conservative parties less egalitarian outcomes), but instead, in terms of the intensity and form (meaning the particular mechanism, see taxonomy above) that the trade-off takes for each of them. In this sense, the trade-off translates the language of ideologies into one of technical beliefs. It transforms political values into economic considerations. In this way, it can serve as a means to disinflate political conflict and polarisation between the conservative and socialist parties¹³.

Therefore, whether the trade-off exists or not, and for electoral strategical reasons, both parties may have an interest in postulating its existence. The obvious loser of such scenario is the party or parties to the left of social democracy. To the extent that the main electoral parties, both on the right and the moderate left, argue for the existence of an inverse relation between equality and growth, critiques of the social-democrats from their left seem to be driven by political unrealism or wishful thinking. It is in this sense in which the trade-off gains the value of a convention: It is precisely because the main electoral parties (right or center-right and center-left) co-ordinate themselves in the use of the idea of a trade-off that the idea gains plausibility or credibility among voters¹⁴.

¹³ One should note, however, that the by-product of such process (the re-interpretation of political conflict into economic constraints) can in other periods lead to political disaffection.

¹⁴ Then, in the terms employed by Lewis, the regularity in behavior R would be defined as the use of the trade-off idea in discourse. The population P using it would be constituted by mass parties, or parties opting for electoral majorities (which also are those parties that do not or did not threaten the rules of the game of electoral representation). Extreme left parties or parties to the left of social democracy would be excluded from that population. S, the coordination problem solved by R would be the terms of discourse around which parties place themselves,

40 / Social Democracy and the Efficiency-Equality trade-off

My claim is therefore that the idea of a trade-off between efficiency and equality may serve to de-politicise certain choices made by parties under political constraints. What I mean by this is that certain constraints or choices that are either faced by, or made by parties and that are of a political nature can be de-politicised by recourse to the idea of the trade-off, which transforms political constraints into economic ones, and political choices into economic formulae¹⁵.

The political functions of the trade-off

- allow conservative parties to present arguments against redistribution without reference to the interests of their constituencies.

- partially pre-empt the political space to the left of the social-democrat parties.

- allow social-democratic parties to present arguments in favour of redistribution in a limited fashion so as to not alienate middle-class voters.

- disinflate conflict among political parties by transforming political considerations into technical questions.

The trade-off in historical perspective

This approach is intended to shed light on the question of why it might be useful for two contending parties to espouse the same

given that certain types of discourse can have polarizing effects that may threaten the representative order or institutions.

¹⁵ The constraints therefore can be of several types. The trade-off as an excuse would serve to turn constraints of type 1 and 2 into economic constraints:

- political limits of type 1: threats to the stability of democratic institutions if radical policies are implemented.

- political limits of type 2: constraints implied by the need to construct ample alliances of support for preferred policies.

causal belief (a belief in the trade-off), and particularly, why it might be useful for the social-democratic party. Since I suggested earlier that the notion of the trade-off is in a way constitutive of social-democratic parties since their very inception, I shall now provide a very rough historical account of the change in political circumstances that may have led them to resort to the idea of the trade-off throughout their history. This historical portrayal is borrowed from Przeworski's (2001) work. I only refer to the historical periods he signals, hoping that this caricaturisation of socialdemocratic parties can clarify in some way the point I am trying to make regarding the nature of the trade-off as a convention.

1. For revolutionary socialist parties the goal is to arrive at a class-less society by means of subverting the capitalist order via violent revolution. Their political goals are utopian, in the very sense in which once the awaited new order is constructed there will be no dilemmas, or no social values that are both desirable and unattainable: freedom, equality, economic prosperity and social order are all achieved by socialism. The world to be looked for is one characterised by no trade-offs. Bourgeois parties cannot accept the existence of socialist parties and their answer is repression.

2. During the 1890's socialist parties come to accept reformism. They opted for the implementation of their class-less society by nationalising the means of production once they arrived in office via a majority of votes. Bourgeois parties can change voting rules to prevent these parties from winning a majority of votes (Boix, 1999).

3. After 1914, Socialist parties get increasing but insufficient electoral support to achieve majorities, so they start joining coalition governments. The split between socialist and communists takes place, and Social Democracy as such is born out of it. Since social democrats are in minority governments or coalitions, they cannot implement nationalisations. For bourgeois parties, coalition governments start being both palatable and

necessary, while social democrats begin to foresee impending electoral victories.

We could hypothesise that discourses on the trade-off on the part of socialdemocratic parties start here, when democracy is threatened if radical policies are implemented, and the social-democrats response to this is to compromise on economic issues. Maybe, then, leftist parties refer in their discourse to a particular form of the trade-off, that of the logic of expropriation (see taxonomy above).

4. During the inter-war period and given the stagnation of the workers' vote, socialist parties try to attract allies from other classes. They try to expand their electoral base by embracing new formulae for delivering equality that can be attractive to a broad coalition of voters. This implies offering immediate welfare rewards. To the extent that this strategy works, some social democratic parties start winning office (Przeworski 1985). While welfare states measures are taken, nationalisations are still postponed.

It can be hypothesised that the need to recur to a discourse based on the trade-off intensifies in this period, since before it sufficed to present the choices made by social democratic parties as responses to the obvious constraint implied in the fact of being in a minority government.

For conservative parties, social democracy definitively ceased to be portrayable as anti-democratic or threatening to democratic institutions. To minimise the electoral results of social democrats, conservatives can make appeals to moral issues or to the lack of feasibility of socialdemocratic goals, partly in form of the idea of a trade-off between efficiency and equality. In any case, the trade-off idea is a useful one also for conservative parties. What I would like to hypothesise is that it becomes the basis of coexistence for antagonist parties. It is in this sense that it can be said to enable the mutual and peaceful tolerance of a class-party and a bourgeois party.

5. Since the 1950's, the acceptance of market institutions on the part of socialdemocratic parties is complete. In this period,

marked by widespread consensus over Keynesian views, social democratic governments are remarkably successful in managing the economy and producing egalitarian outcomes. When conservatives alternate with social democrats in government, they implement similar policies.

During this period, socialdemocratic parties can neutralise competition stemming from parties to their left by presenting a scenario characterised by the existence of a trade-off between efficiency and equality, giving a utopian allure to alternatives promising greater equality.

For conservative parties, the situation can be depicted in the following manner: redistributive institutions and policies are consolidated and judged legitimate for all or most voters. In this context, including the idea of the trade-off between efficiency and growth in their discourse opens the room of manoeuvre for conservative parties in two ways:

a) When conservatives are in office, their biases towards slightly less redistribution than the social-democratic parties can be presented as stemming from the trade-off, rather than from redistributive biases towards their natural constituency.

b) When social democrats are in office, if they happen to face a downward business cycle, this can be blamed by conservatives on an excess of redistribution that can be depicted as having hindered efficiency.

6. After the stagflationary crisis, for social democratic parties the idea of the trade-off seems to be a good way to shift responsibilities when they are unable to advance their egalitarian project or to find novel solutions to new economic problems. However, this opens the possibility, for conservative parties, to blame all economic evils on past excesses of redistribution. Indeed, we may be currently witnessing one such scenario. This period constitutes the focus of the thesis.

1.6. A final note on the relevance of the question

To conclude, the concept of a trade-off deserves attention as such, and its political content must be acknowledged by scholars trying to account for the trajectories of socialdemocratic parties. The history of the concept of the trade-off between efficiency and equality is one of success, as it is shown by the fact that its use is widespread both between scholars and political actors. Therefore, deepening the study of such a concept can shed light on the factors that make certain economic ideas prevail. Not only, as Yee (1996) proposed, by studying the cognitive capacities of those ideas but also their political capacities and underpinnings and their capability to provide representations that can serve as glue to social actors.

To sum up, the contribution of this work consists in the realisation of the political character of the idea of a trade-off between efficiency and equality. I hypothesise that it can fulfil several political functions:

- allow conservative parties to present arguments against redistribution without reference to the interests of their constituencies.
- partially pre-empt the political space to the left of the social-democrat parties.
- allow socialdemocratic parties to present arguments in favour of redistribution in a limited fashion so as to not alienate middle class voters.
- disinflate conflict among political parties by transforming political considerations into technical questions.

The question, nevertheless, is not so much to the thesis that the ideas that actors have of themselves have an impact in what they do (which seems to be the theoretical claim of ideational approaches). In my view, this is not so much a novel thesis as a starting point for all social research. The question, rather, is to defend the idea that concepts used in political and social discourse

may matter beyond their accuracy and that social scientists must go beyond the interpretations that social actors have of those concepts. This piece intends to provide a complement to existing understandings of the trajectories of socialdemocratic parties to the extent that they have taken for granted the correspondence between the representations of the trade-off that socialist leaders' put forward and reality.

Standard interpretations of socialdemocratic parties present equality as the defining feature of socialist's ideology, where the trade-off between efficiency and equality is part of the objective reality constraining the choices and strategies of these parties.

I propose instead to view the trade-off between efficiency and equality as part of the ideology of socialdemocratic parties, where the reality that they face is marked by a mixture of electoral competition and true, structural constraints to some egalitarian policies that cannot easily be equated with a general, overarching concept of a trade-off.

I will try to show how some categories used by political actors fulfil political functions. Not acknowledging this fact might lead one to say that socialdemocratic parties chose to abandon the Keynesian consensus because they were faced by a trade-off between efficiency and equality. It is hard to know what we exactly mean by this, but it is harder to see how such account can be enabling or enlightening in any way other than a superficial one.

The democratic class struggle, or the class compromise arrived at by the socialdemocratic parties, needs, in order to sustain itself, a political language of its own. The idea of a trade-off between efficiency and equality is part of such language, and political scientists should restrain from the use of it if they are to illuminate us in our understanding of that process.

CHAPTER II. GLOBALIZATION AND THE TRADE-OFF

2.1. Introduction

This chapter intends to present, classify and analyze some arguments found in the literature on the relationship between globalization, income distribution and economic growth. In particular, the main focus is to analyze works in the political economy literature in order to trace the ways in which globalization has been seen as providing a mechanism that accounts for the existence or accentuation of a trade-off, or an inverse relation, between equality or equity and growth or efficiency¹.

We conclude with a reflection on the rhetorical uses of the concept of globalization that suggests why it has become a key concept, both for politicians and academics, in the debates about recent changes and developments in the limits to income redistribution in advanced democracies.

That globalization is a concept surrounded by confusion hardly needs stressing. An illustration is probably enough. In a

¹ The period of study of this thesis, ranging from 1982 to 1996 does not capture fully the emergence of “globalization talk” that has finally tainted political discourse across the left-right spectrum starting in the end of the 90s to the present day. We include, in annex 4, all the quotations making reference to the idea of globalization in our data. These amount to 16 instances

recent World Bank report, globalization is defined as the “growing integration of economies and societies around the world” (World Bank, 2002: ix). As recent related phenomena, or aspects of, globalization, the same report mentions among other things, the terrorist attacks on the United States on September 11th, the rapid economic growth and poverty reduction in China, the development of the internet, and the spread of AIDS.

The vagueness of the statement does not allow the critical reader to know whether what it asserts is true, false, inaccurate, or simply absurd. In any case, and for globalization obsessives, the question is simple: we live in a global era, so every possible event must be due or at least related to globalization. This is particularly true of those issues regarding redistribution or distribution of income, i.e., matters of equality.

Globalization, sometimes seen as the solution to underdevelopment of low income nations, sometimes as the explanation to account for the growing inequalities between the first and the third world, is an unavoidable concept in the debates on development. On the other hand, and within the advanced rich democracies, globalization, mostly seen as an unstoppable trend and the main challenge that these countries have to face, is normally portrayed as the biggest threat to the welfare state or in general, to egalitarian aspirations of all sort. But there are defenders too: globalization, besides enriching culturally the old Europe, is what nations have to adapt to if they want to foster prosperity, growth, and even equality².

In this context, it is only logical that the purpose of this chapter be not to provide full clarification on the issue of globalization. In order to explain what I do attempt, I will first start by putting down what this chapter is not about. This will help to map, while discarding them for this chapter, some of the many

²For a preliminary analysis of different normative uses of globalization talk, mainly in business and managerial periodicals, see Bargiela-Chiappini (2001).

theoretical debates in which the concept of globalization has a central role:

First, this chapter is not about the extent to which globalization has or not taken place, or whether it constitutes a novelty of our times, or we are merely witnessing the restoration of a process that has been on since the end of the XIX century and that found a sudden stop after 1914 due to an exceptional combination of unfavorable political circumstances. In short, the debate between those that believe that globalization is new and those that think that the only new thing is our obsession with it. Here, it will be taken for granted that the internationalization of the economy is a process that has indeed increased in the recent years and that this has had a considerable impact in the both the workings and the conceptualization of both advanced and developing economies.

Second, this chapter does not intend to provide an exhaustive list or classification of either all the possible effects that can be attributed to globalization or of its causes. On the side of globalization and its effects, we find arguments that see globalization as a cultural homogeneizatory mechanism, as a configurer of social movements, or as a reshaper of urban areas (Castells, 1998). In a sense, and since the political debate is very much in terms of globalization supporters and antagonists, cultural attributions to globalization are often linked to arguments about its economic desirability (World Bank 2002). The link between support of globalizing measures and neoliberal dominance in economic theory and in the practices of policy makers is normally assumed. This fact partly explains the abundance in the literature of arguments that predict a “race to the bottom” in terms of government intervention in the economy. Although very much related to the focus of this chapter, the works of scholars that study how globalization produces policy convergence, or the end of the national state as a provider of public goods (Drezner, 2001; Cerny, 1995) are not, the focus of this chapter. These works cover a broader range of issues, some of which are not discussed here. I nevertheless, and in the hope of adding some clarity, touch upon

some of the concerns of those scholars engaged in these literatures.

On the side of the causes of globalization, there is now an emerging and interesting project that tries to look for the its political causes by looking at the different speeds and degrees in which globalizing measures are taken by governments (Garrett, 2000; Fernández-Albertos, 2001).

Third, this chapter is not an attempt to provide a new or refined definition of globalization nor a conceptual analysis of the term. Whilst there are alternative definitions at hand, in this chapter globalization is merely understood as equivalent to its more obvious economic dimensions. These are: increasing international trade of goods and services, the liberalization and internationalization of financial markets, and the consolidation and the expansion in the production of goods and services by multinational firms³. There are other issues that are often considered to be dimensions of economic globalization and that play a role in discussions around globalization and inequality in Western nations, like the increase in migratory flows, and are left out of this chapter^{4 5}.

³ By focusing on these dimensions I follow Garrett (1998, 2000). He nevertheless refers to these as globalization mechanisms and I use them instead as globalization indicators. On globalization as a mechanism of a different sort, namely as the mechanism for the trade-off between efficiency and equity, see next section.

⁴ Actually, massive migratory inflows from the least to the most developed areas could be considered, rather than another dimension of globalization, the effect of the incomplete process of the internationalization of the economy. That is, if national economies would be fully integrated at a global scale, the bulk of economic migrants would only include those individuals with specific skills in search of the occupation that fully utilizes their abilities and not by an undistinguished mass of cheap labourers.

⁵ For a discussion of the distributional effects of migratory inflows in national economies see Zimmerman (1995) and Bauer and Zimmerman (1997).

Fourth and last, perhaps the most confusing distinction is that this chapter is not about how debates on globalization are shaped by the idea of a trade-off between efficiency and equality, but instead on how globalization is understood as a particular mechanism that accounts for the inverse relationship between equity and efficiency or between equality and growth. That is, how globalization can be seen as the mediating factor for the deepening of a trade-off between equality or equity and economic growth or efficiency.

2.2. Globalization as a Mechanism for the Trade-off between Efficiency and Equality

In this section I try to describe in analytical terms how globalization can be seen as the mechanism accounting for the appearance or accentuation of an inverse relation between efficiency and equality. Before engaging in this, the distinction made in the previous chapter must be recalled. The idea that equality and economic growth are somewhat related inversely is as old as confusing when it is used colloquially. However, in the academic debates that deal specifically with this relation we can distinguish two distinct issues. As we explained in the previous chapter, what we normally refer to as the big trade-off after Okun's celebrated book (1975), disguises, behind the surface, two different issues that are dealt with by separate scholars, though appear, in many academic fora, conflated. Here we will treat them separately

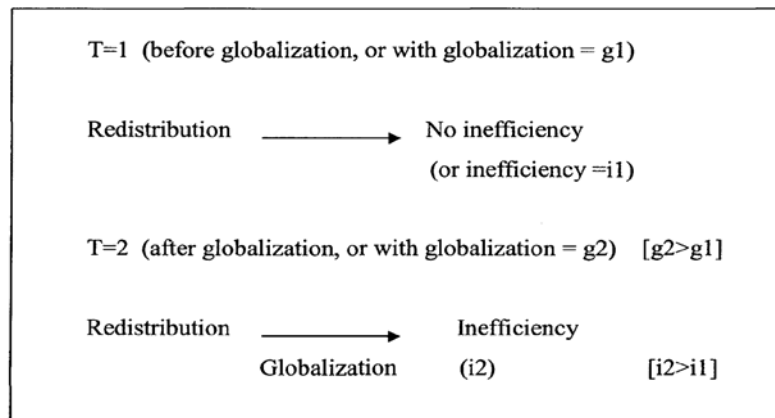
The relationship between globalization, equality, and growth is portrayed, in the literature, in ways that touch upon both debates. What I analyze in this chapter is the way in which globalization is seen as a mechanism for either of these trade-offs and I try to separate or disentangle these two trade-offs that are often conflated into one when the relationship between globalization and some notion of distributive justice is studied.

Now, in turn, before examining the arguments in the literature linked to the different dimensions of globalization, I will sketch in bare, logical terms, the structure of the arguments that portray globalization as a mechanism for either of the trade-offs.

Equity-efficiency trade-off

For the equity-efficiency trade-off to be caused or accentuated by globalization, the following should be true, that before globalization, redistribution should lead to no inefficiencies, or to less inefficiency than after globalization. This is illustrated by figure (a).

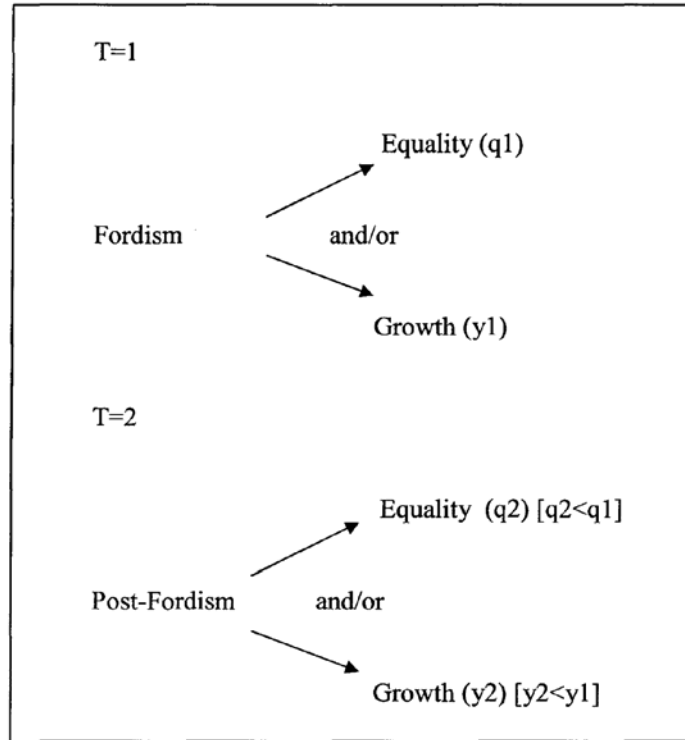
(Figure a)



In the case of the trade-off between equality and growth, the following should be true, as illustrated in figure (b): before globalization takes place, for any rate of growth, equality should be greater, or inequality smaller than after globalization. Or seen from the other side, for a given rate of equality, economic growth should be greater than after globalization takes place. This is illustrated in figure (b) taking as examples of the development

patterns, fordism, characterized by a lesser degree of globalization, and post-fordism, characterized by a greater degree of globalization:

(Figure b)



By separating the two debates on the trade-off, which are distinct, we are better able to show two separate effects of globalization on equality that can be seen as instances of the *big trade-off*. The first one is related to the efficiency costs of redistribution, depending on whether globalization is present or not. The second one is related to the distributional effects of

globalization per se, and explores whether income distribution is more unequal in an open economy.

Although this chapter treats globalization as exogenous, we can think of it just for now as a choice of governments. This will allow us to see that the effect on both equality and growth (q, y) can be different by two distinct mechanisms. To illustrate this point, I will spell out an example: If opening the economy, in itself, leads to a greater level of equality, then even if under globalization the trade-off between redistribution and efficiency is greater than under a closed economy, the final outcome on equality could be greater.

So far, nevertheless, I have been assuming no difference in the growth rates of countries that globalize and those that do not, or rather, between the pre- and post- periods to globalization, for one given country.

Whether this is a wise or meaningful assumption remains to be seen, for if globalization does not affect growth rates, why would countries globalize?

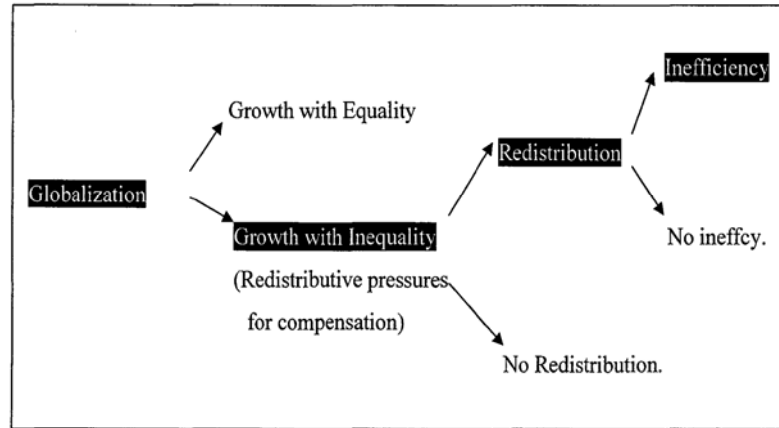
One possible justification to this assumption is the following: we could think that given that other countries globalize, a closed economy cannot meet the growth rates characteristic of the period where all other countries were closed economies too unless it also opens the economy. However, by internationalizing the economy, they will be able to meet only the growth rates characteristic of the previous period, but no more.

Although this assumption is not particularly refined, and most probably, inadequate to the facts, it is interesting to point out that the discussion on whether growth rates are higher or lower in countries before or after globalization is absent in many works that try to assess the impact of globalization on the redistributive capacities of the state. This is even more puzzling taking into account the fact that these studies are very often framed in ways that touch upon the trade-off logic. Curiously enough, they ignore one side of this trade-off, i.e., growth.

In figure (d), I illustrate the different beliefs with respect to globalization and the trade-off between equity and efficiency and

between equality and growth. The shaded parts show the path in which both trade-offs operate.

(Figure c)



2.3. Trade, Financial Markets, FDI: the Dimensions of Globalization

In this section, I deal with the three dimensions of globalization that I specified in the introduction. These are, international trade, the liberalization of financial markets and foreign direct investment, and try to spell out the way in which each one has been portrayed in the literature as a mechanism for the trade-off between efficiency and equity and between equality and growth, and I also assess each of these arguments.

2.3.1. *Trade of goods and services*

Classical economists like Hume or Ricardo already explained that trade was good for all parties engaging in it. However, there is room for concern about the distributional effects of trade, thus the commonly held belief about the increase in international trade of goods and services entailing an increase in inequality.

The distributional effects of trade can be easily conceptualized by two different theoretical economic models (Fernandez-Albertos 2001), depending on the degree of asset specificity that is believed to exist.

If asset specificity is low, then the Heckscher-Ohlin model best describes the pattern of income inequality generated by international trade. This model describes that the owners of scarce domestic factors will be harmed by the opening of the economy. Thus, this model is one that describes the effects of trade for factors, or classes (capital understood as the owners of physical productive assets, and labor). From this model univocal conclusions about the effect of trade upon equality can be drawn: if the scarce factor in the local economy is capital, then trade will increase equality. If in turn, the scarce factor in the local economy is labour, international trade will increase inequality.

In the case of high asset specificity, the Ricardo-Viner model is the one that best describes the situation, where trade will benefit or hurt entire sectors of the economy, rather than factors of production or classes. From this model, it is difficult to draw unequivocal conclusions on the effect of the internationalization of trade on equality, since the interests of factors cross along the class structure.

Regardless of these theoretical frameworks, the common wisdom is that international trade increases both national income and inequality. It is in this sense in which globalization can be seen as a road to economic development that is intrinsically inegalitarian and therefore accounts for the negative relationship between equality and growth. Therefore, and out of the two types of trade-off that were signaled above in this chapter, the one that

relates to equality and growth seems the most immediate one with respect to trade, since we are talking here about roads to development, and not about attempts to redistribute income through government intervention.

However, in an influential article by Garrett (1998), whose self declared aim is to “put under the analytical microscope” the proposition that global markets threaten the role of national governments in meeting citizens’ preferences for redistribution, the author spells the relationship between trade liberalization and limited redistribution in a way that is closer to the other trade-off we spelled out in the introduction, that is, the trade-off between efficiency and equity:

“Increasing trade competition is the first component of the conventional globalization theses. According to this view, big government is by definition uncompetitive. Government spending crowds out private investment, is less efficient than market allocations, and cushions market disciplines on prices and wages. In turn, spending must be funded either by borrowing or by higher taxes. Taxes cut into firms’ profits and depress entrepreneurial activity. Government borrowing increases interest rates. As a result of these effects, output and employment suffer from public sector expansion. Since no government can afford these consequences, trade competition must result in a rolling back of the public economy”. (792:Garrett, 1998)

A remark is in order: although what Garrett intends to do is to argue against the idea that global markets imply policy convergence in the direction of neoliberalism, he probably is unclear about what precisely constitutes the argument that he is supposed to be ruling out. In this quote, we cannot find an appropriate link *between* the mechanism described (which is accounted by standard neoclassical macroeconomics applicable to a closed economy) *and* international trade. This statement seems then too thick-grained for an “analytical microscope”.

Another point to make with respect to Garrett’s analysis, which is, for the rest, a very clear and illuminating piece about the debates that deal with globalization and the end of the national

state as a provider of redistributive public goods, has also to do with his treatment of this particular dimension, trade. Though in his empirical analysis he spells out several indicators of both trade openness and trade patterns in general, he nevertheless, in his explanation of the functioning of this particular mechanism, as he calls it, talks instead of trade competitiveness pressures. Even if it is obvious, it perhaps needs stressing: Trade competitiveness pressures and increased trade or opening of trade are not the same. In fact, trade competitiveness pressures, seem, *tout court*, hard to grasp⁶.

In any case, it seems more logical to link trade openness, or the implied increase in international trade, with the increase or decrease in equality within countries, and thus, with the trade-off between equality and growth, rather than with the trade-off between efficiency and equity or redistribution.

However, and in the specialized literature on the issue, there is no consensus on whether the worsening in the living standards of unskilled workers in Western nations is due to trade with less developed countries or to skill-biased technological change⁷, so there is not agreement on whether the trade-off between equality and growth does indeed operate, either.

2.3.2. Foreign direct investment and the multinationalization of production

In order for the multinationalization of production to account as a mechanism for either of the trade-offs that are the focus of this chapter, it would have to comply with the conditions that were spelled out above. In the case of the equity versus efficiency trade-off, what would be needed is that before foreign firms are allowed to directly invest in the country in question, redistribution of some

⁶ On the conceptual problems with the notion of competitiveness, see Krugman 1996.

⁷ Krugman (1996).

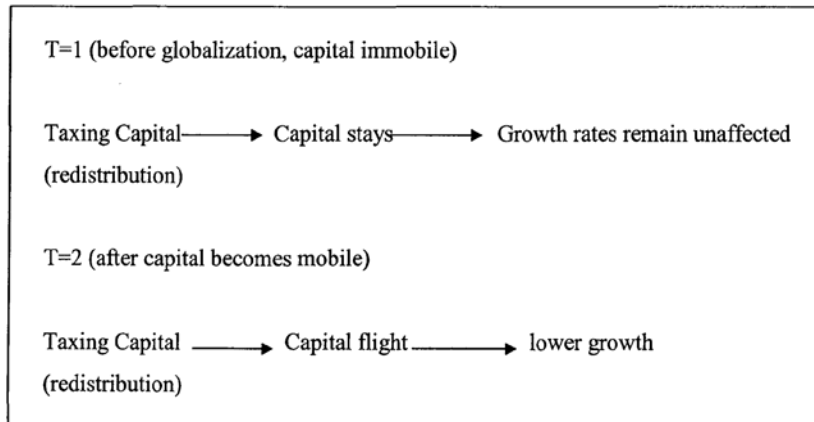
sort does not lead to inefficiencies, whereas after foreign investment is allowed, it does.

Going back to Garrett's analysis of globalization dimensions and their effects on the possibility of governments to carry out redistributive policies, he depicts the arguments that defend the "race to the bottom" thesis in the following manner:

"(...)conventional arguments about the policy consequences of the multinationalization of production focus on the costs to business of interventionsit government. The difference is that firms with production facilities in more than one country can evade these costs by exiting the national economy. Governments must thus embrace the free market if they are to compete for the investment and jobs provided by multinational firms" (1998:792).

Then globalization as a mechanism for the trade-off between equity and efficiency works in the sense that if governments tax capital, which is, allegedly, a redistributive measure, capital will flee to another country, thus increasing unemployment, and therefore growth (Figure e). Whether this last result (decrease in investment, increase in unemployment) can be thought as affecting growth or instead efficiency in the economy is dubious. We could think that actually it affects growth rather than efficiency, thus, if taxes to capital are thought to cause capital flight we might be in the face of a genuinely different trade-off which would be between redistribution and growth but without being able to make any meaningful reference to efficiency. Let me clarify this point: A standard definition of efficiency, particularly as related to the trade-off between equity and efficiency is related to the total economic resources available to society: "A more efficient society can produce more with the same amount of resources" (Blank, 2001. p. 5-6). On the contrary, in the case that we are dealing with, redistribution forces out some resources, i.e., capital, to go, and thus, they can not be used within the national economy, to produce more income.

(Figure d)



An entirely different question, far from the conceptual concerns of this work, is whether taxes to capital do in fact cause capital flight. The evidence is inconclusive (Garrett 1998, The Economist 2000) but it seems to point against this idea. The reason seems to lie in the factors that the literature on varieties of capitalism (Hall and Soskice, 2001) point as comparative advantages of the corporatist European model, where the public goods provided by government are positively valued by capitalists when they choose the location of their investments.

2.3.3. Financial markets

The last of the dimensions linked to globalization that will be scrutinized here is the one that has attracted the most attention, controversy and possibly, confusion.

The received idea is that international integration of financial markets brings about the potential for massive capital flight acts as a disciplinary factor for government actions. Again, as capital is

mobile, if capitalists think or perceive that the policies of a given country endanger the returns to their investments then they will choose to place their money elsewhere. Depending on the velocity at which capital flees the country, it can create a shortage of investment, or if the flee is massive, a financial crisis.

For this dimension of globalization (liberalization of financial markets) to actually work as a mechanism for the trade-off between equality and growth or between redistribution and growth, capital markets should be concerned with redistributive policies, in the sense of being inimical to them. In the literature, when the desirability of financial market liberalization is discussed, the majority of works are concerned, rather than with the possibility of capital shortages, with issues of policy autonomy. That is, with the decreased ability of governments to set their own monetary policy. The loss of monetary policy autonomy then comes through the combination of financial market liberalization with fixed exchange rates.

The relationship between monetary policy autonomy and the capacity to redistribute is not straightforward. Only certain partisan models argue that inflationary policies have a redistributive effect in favour of the working class, and in order to argue so they rely on an increasingly doubted Phillips curve, that shows an inverse relationship between unemployment and inflation (Hibbs, 1987)

The question would be different if financial markets would be really concerned with, and inimical to, redistribution policies such as, progressive tax schemes, for example. But this relationship is not found in the literature. Instead, the evidence suggest that international investors are normally concerned with budget deficits, for they are thought to lead to future inflation. If governments are able to finance redistribution with taxing, deficits need not arise, and so this is not a worry for international investors.

In any case, what is hard to find in the literature, is the following link, which would be the prerequisite for this dimension of globalization to lead to a trade-off between redistribution or

equality and efficiency or growth, as pictured in figures (a) and (b) above. Indeed, the debates around this dimension of globalization are more concerned with issues of national sovereignty, but the relation of these with redistribution may not be susceptible of straightforward analysis, not for this chapter at least.

2.4. Self-fulfilling prophecy?: Trade-off talk as an obstacle for redistribution

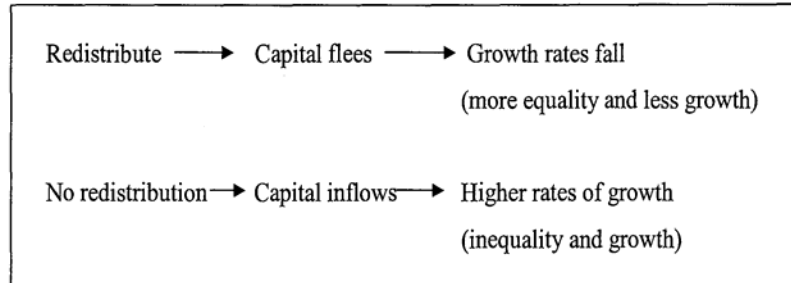
We can imagine, nevertheless, a scenario in which international investors will not put their money in countries that have undergone periods of hyperinflation unless they implement adjustment policies that are close to the tough neoliberal cuts that IMF prescribes or even imposes on some areas (Wade 2002). If the belief of international investors is that only these policies will help to restore macroeconomic equilibria and promote the recovery of the country in question, regardless of whether this is in fact the case, then we would be dealing with a new, interactive kind⁸, of trade-off between efficiency and equity.

For if some countries can only get foreign investment if they implement policies whose costs are born by the poorest sectors of society, then they will only be able to promote growth that is conducive to inequality. And not because there is any kind of “technological” trade-off between equality and growth, but because the fact that some social actors think that trade-off does indeed operate, suffices to put into place this trade-off.

⁸ I use interactive kind in the sense defined by Hacking (1999). “Interactive” is the property of a kind that in virtue of being so classified, has effects on the object classified. In this sense, if a trade-off between equality and efficiency is believed to operate, this influences individuals in a way that changes the actual operation of the relationship.

The functioning of this mechanism is depicted in figure (f):

(Figure e)



What this shows is the possibility that the trade-off between equality (or redistribution) and growth relative to financial markets is not independent of the ideas that actors have of it, and that it could take place *regardless* of whether there is actually a trade-off between efficiency and equity as described by the public economics literature.

This relates, for example, to Stokes' (1997, 1998) insights on the signaling character of some stabilization policy packages undertaken by the Menem government in Argentina and the Fujimori government in Peru, where the actual content of the policies was far more orthodox than even the IMF would prescribe, and that were interpreted by some observers as a signaling to international investors, that these governments were ready to take policy measures regardless of their unpopularity, and hence, regardless of their redistributive consequences.

This type of mechanism if it operated, could in principle force us to call into question the classification, common in the literature, between the sources of pressures to convergence stemming from globalization. The debate is classified (Drezner, 2001) as implying two opposing forces: one is economic, when the pressure to modify policies comes from the threat of mobile capital to exit,

causing nonconverging states to lose their “competitiveness” in the global economy. The other possibility is that the pressure is ideational, in the words of Drezner: “states alter institutions and regulations because a set of beliefs has developed sufficient normative power that leaders fear looking like laggards if they do not adopt similar policies”. However, in the example pointed up before, the ideational and the economic pressure are one and the same.

It is in this sense in which the trade-off between equality and growth attached to financial integrated markets could in principle have a reflective or self-fulfilling property absent in all the other mechanisms for the trade-offs analyzed above.

This characteristic has also been referred to as the recursivity property of globalization (Muller, 2002). In this sense, it has been linked to the fact that globalization theory and policy relate to each other. More generally, the phenomenon of feedback between globalization as a social fact and our representations of it (regardless of whether they are theoretical or lay) has also been articulated, drawing on a philosophical *searlian* view, by Kratochwil (2002).

2.5. Conclusion: what makes globalization talk so interesting?

As a conclusion to this chapter, I will summarize the main theoretical claims and also I will touch upon some points that were opened in the discussion and for which, at this point, further research would be needed in order to answer them.

First, and as it constituted the main purpose of this chapter, it has been showed that the main dimensions of globalization considered in the literature can be translated into mechanisms for the trade-off between efficiency and equity and between equality and growth.

Second, I have pointed to the possibility that globalization understood as the liberalization of financial markets constitutes a different trade-off between equality and growth, in the sense in

which it has a self-fulfilling or reflective character absent in other dimensions of globalization.

Third, and more importantly, I distinguish my argument from others that link globalization to the trade-off between equity and efficiency without providing any new particular mechanism that can actually be attributed to globalization, as the example drawn by Garrett on the impact of increased international trade shows. Globalization in this way seems to be the new bottle that radical laissez-fairists' old wine needs to continue to sell. This can partly throw some light on why globalization is so often picked up in political debates that deal with redistributive matters.

Just like the trade-off, globalization sometimes operates at the level of rhetoric, or as an excuse to justify political choices with redistributive consequences. The degree of globalization, just as the degree of redistribution that states provide, is also a *choice* of governments, and political leaders need a rhetoric to justify this choice (Watson and Hay 2003). Globalization talk is confusing enough to meet the standard.

CHAPTER III. THE POLITICAL USE OF ECONOMIC IDEAS

“The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood”

Joseph Maynard Keynes, [1936] (1973).
*“The General Theory of Employment, Interest, and Money”*¹.

3.1. Introduction

In this chapter we place our research question within a bigger current debate in political economy, that is, the debate around the independent impact of economic ideas on policy making. I also discuss briefly the literature on hegemony and ideology as applied in international political economy.

Though our question has not been directly addressed by either of these research programs, both could be seen as potential candidates for answering the enquiry of this thesis. I argue, however, that the hegemony approach is inadequate given the nature of our problem, and that the literature on the impact of economic ideas is at present ill-equipped to provide a satisfactory answer to our question.

¹ Quoted in Woods (1995).

We finally relate our research question to some of the questions posed by the ideational literature, yet in a different, more analytically and empirically informed, theoretical framework.

3.2. Ideas and policy: a research program?

One attempt to answer the question on why it is that social-democratic parties seem to willingly accept the view that there exists a trade-off between efficiency and equality when there is no clear evidence of such trade-off could lie in the economic ideas that circulate and exert influence on politicians and decision makers.

That ideas matter for political processes in general does not seem to be a recent discovery. Not even a discovery. However, that ideas may play a central role in the public policy making processes, and that this role can be studied independently, is a relative recent notion. Its main defender, Peter Hall, started this research line for two main reasons (1993, 1989). First, as a means to complement the state-centred analyses of public policy, and second, to shed light on those processes of policy change that imply a shift in the overarching objectives of policies.

Hall's work can be said to have opened a whole new research line, as the appearance of numerous works on the matter shows (Goldstein and Keohane 1993). Since his and other works appeared, many scholars, even if not directly interested in the role of ideas often quote Hall's work to highlight the importance of cognitive factors in policy processes. However, the actual contribution of this author and those that sided with him in what appeared to be an "ideational turn" in political science did not fully achieve its purposes. As has been pointed out by a number of reviews of this literature (Woods 1995, Blyth 1997, Campbell 1998, Jacobsen 1995, Yee 1996) the research initiated by Hall emphasizing the role of ideas suffers from a number of

weaknesses and ultimately does not seem to have opened truly fruitful new avenues of research.

For those analysing critically this emerging literature, the rediscovery of the role of ideas appeared as a reaction to the limitations of the “new institutionalisms” (Hall and Taylor 1994) that emerged in the late 1980s (Blyth 1997). It constitutes a rediscovery rather than a discovery, since the approach that highlights the role of ideas is not new. According to Jacobsen (1995), the penultimate explosion of studies emphasising ideational factors is to date to the 60s, and tried then to provide an alternative to the behavioural revolution predominant at the time.

Generally, the critiques addressed to this school of analysis are directed to the fact that the defenders of the role of ideas have not been able to show, empirically, that ideas have an independent impact in the policy-making processes. The authors that we review here, all of which are ready to re-launch this research program, have failed, nevertheless, to provide convincing answers to the critiques they themselves pose to this ideational literature.

Yee (1996) signals, as the fundamental problem of this approach, its incapability to specify the causal mechanisms by which ideas affect policy making processes. After discussing the recent debates on causality in the social sciences, he opts for a notion of cause linked to capacities (Cartwright, 1989) against other behaviour-oriented alternatives (like granger causality). Nevertheless, he does not clearly state how this notion could be integrated with ideational analysis. Thus, the solution suggested (notably, a compromise among meaning-oriented behavioralists and institutionalists, on the one hand, and post-modern approaches methodologically equipped to analyse symbolic languages and inter-subjective meanings, on the other) appears simply implausible.

Other types of criticisms refer to the fact that the works of Hall and the followers of the line of research initiated by him have not yet been able to study the role of ideas independently of the institutions which they affect, or in which they come to be embedded (Blyth, 1997 p. 248):

Therefore, ideas have to be taken as more than an addendum to institutions. They must be conceptualised apart from pre-existing categories and epistemological commitments and treated as an object of investigation in their own right. The focus needs to be shifted from the question “how can ideas help explain X?” to a broader conceptualisation of the role of ideas in politics beyond their institutional effects.

For Jacobsen (1995), the fundamental weakness of arguments concerning the power of ideas, is their incapability to be fully coherent with the notion that ideas and interests are not independent entities but only analytically separable ones. In his view, this is particularly true of the economic domain. In this sense, and according to Jacobsen, economic ideas matter because they constitute bundles of ideas and interests that define productive arrangements (p. 309). Jacobsen finds that this fact is easily interpretable from a gramscian view, and that such framework can also shed light on the *legitimising* role of ideas for far-reaching policy changes. However, and unfortunately, he barely develops this point.

Woods’ contribution (1995) to the new research on ideas and policy making is probably the most incisive of those reviewed here, and for this reason, the most developed in terms of exploring ways to amend the shortcomings of this emerging literature. His main critique of ideational approaches shares, with that of Jacobsen, the emphasis on the fact that the works of Hall or Goldstein and Keohane have not yet been able to spell out the relationship between ideas and interests. He then concludes that by separating ideas from interests, scholars devoted to the independent role of ideas on policies are “left free to ignore (or make erroneous assumptions about) where ideas come from”²(p. 166).

² He therefore points to the fact that these authors follow an analogous line to that of a Popperian “logic of discovery”, versus a more sociological (and empirically adequate), Kuhnian picture.

The authors that have contributed to this literature have made, nevertheless, interesting *empirical* contributions to the understanding of policy processes, by specifying the particular content of the ideas that policymakers have at the time of decision making and the debates that surrounded those decisions. However, by assuming that ideas are something like “meteorites” falling from sky (Jacobsen 1995), and fully independent from interests, they leave unanswered the very questions they are supposed to reply to, and their arguments share (with the analyses they were intended to complement), the risk of circularity. Woods makes this point nicely:

Why is it that economic ideas such as “A-think” or “B-think” enter the political arena? And, what factors most influence which of A-think or B-think will prevail? Realist, radical, political economy, and institutionalist approaches all tell us that economic ideas will prevail that best embody the interests (defined in a rational self-maximising way) of: states, capitalists, interests groups and bureaucrats. The argument, however, is a rather circular one. The “interest-based” arguments risk arguing that interests are defined on the basis of a set of preferences which are shaped by ideas which best embody interests. Such arguments do not help us to comprehend why particular sets of ideas might be particularly attractive to a policy maker or interest group at any particular moment in time. (p. 171).

To conclude, the research program on the power of economic ideas seems to date to suffer from a number of shortcomings that render it insufficient to answer our main puzzle, i.e., why social-democratic parties use the idea that there is a trade-off between efficiency and equality.

3.3. Ideas and experts

A related research program to that of the influence of ideas on policymaking is that of epistemic communities. The main researcher here is Peter Haas (1992). According to Yee (1996), it

constitutes “the narrowest version of institutional ideation” (p.86). An epistemic community is a network of professionals with recognised expertise and competence in a particular domain and an authoritative claim to policy-relevant knowledge within that domain or issue-area” (Haas, 1992. p.3). An epistemic community can exert influence on the policy-making arena by two different means. The first one has to do with the diffusion of ideas and their influence in important actors of the policy-making process. The second has to do with the actual occupation of certain bureaucratic positions by members of a community, and therefore implies a direct influence on the process of policy formulation and implementation.

Yee rightly points to the fact that this kind of research posits, in the end, more questions than it answers: Haas explains that the policy ideas advocated by members of an epistemic community become influential when decision makers solicit their information and delegate responsibility to them. But, is this saying much? As Yee points out: “Why would decision makers solicit information from and delegate responsibility to an epistemic community? (p. 88)”. Acknowledging that such things as epistemic communities exist and that they do play a role in the policy-making processes seems to be a step forward in the literature on policy change. However, stating those facts leaves unanswered the question as to why some epistemic communities gain influence over others, and what are the characteristics of those communities and the ideas they defend that make them so influential. In conclusion, reference to epistemic communities and their influence does not seem to provide an answer as to why it is that social-democratic parties hold a belief in the trade-off.

3.4. Hegemony

Political ideas need not be good ideas. But bad ideas can mean different things. An idea can be bad because it is not a smart idea, in the sense that is not good at solving what it was meant to solve,

but also, an idea can be a bad idea because it is not true. It might even be conceived to be so, to be *false*.

Given that a widespread belief in the idea of the trade-off is beneficial for those whose interests are hindered if redistribution takes place, then one reason why this idea prevails in contemporary debates may have to do with the conscious manipulation of one social group by another. The reading of Przeworski's work on *Deliberation and Ideological Domination* (1998) offers some insight in this direction.

Przeworski studies the question of which kind of mechanisms can be at work in those processes in which actors hold false beliefs that are detrimental to their interests and that benefit the interests of others. That is, processes by which agent x starts to recognise as valid, or truthful, a causal belief that:

- a) is not supported by the evidence (if not, directly, falsified by it);
- b) undermines x's capability of fulfilling his interests;
- c) enhances the capacity of some other actor, y, to fulfil her interests (which are antagonistic to those of x);

Processes of this sort can be studied in terms of a gramscian notion of hegemony: one social group successfully indoctrinates (consciously imposes) false beliefs on another social group as a means of creating or preserving a social order that privileges the former. Przeworski enquired as to the specific conditions under which the indoctrination process is likely to take place to argue that in fact, for many situations something other than indoctrination is at stake.

The argument goes as follows: indoctrination can only be a plausible story if it is told of those domains where information is hardly accessible, or only accessible to those who devote large investments to its elicitation (like some environmental issues, for example). On the contrary, for those processes where individuals, in the pursuit of their daily lives, are able to make inferences about the causal relations involved in those processes, and where due to

the far-reaching nature of those social processes involved, competing ideologies are able to have a presence (although sometimes a limited one) in the mass media, the story of indoctrination may be substituted by a different one:

Even if a majority of individuals whose welfare is hindered by the dominant ideology (the oppressed) hold, together with the dominant class, true beliefs about the causal processes involved in their social relations, their daily actions and declarations will not reflect this fact, since due to their limited information on the beliefs of the class of the oppressed, they can not make warranted guesses about the cost of the public manifestations of their beliefs. In other words, they can not know how costly it might be to publicly voice their true (both in the sense of accurate and genuine) beliefs about the workings of their social context. That is, they pretend to be fooled by the dominant ideology in order to avoid the costs of public resistance. To the extent that the voicing of disagreement does not take place publicly, the absence of a resistance on the part of the oppressed, which is in fact a product of “resigned pragmatism” for at least some part of this group, can be (wrongly) interpreted by the observer as “authentic acquiescence”³.

In the case of the social-democratic parties, can we think of them as being fooled into a belief in the existence of a trade-off between efficiency and equality? Do they not have independent access to the debates on the existence of the trade-off? Do they not themselves deny the existence of the trade-off on some occasions? So why do they embrace it at other times?

The divergence between factual evidence on the existence of a trade-off between efficiency and equality and its widespread use by social actors falls into the category of phenomena in which, due to the far-reaching nature of the social process involved, competing ideologies are able to have a presence. Given that fact, Przeworski would argue that it is hard to explain it in terms of ideological indoctrination or a gramscian notion of hegemony: in a

³ The terms in quotation marks are borrowed from Stokes, 1991.

context of pluralism, the dominant classes could not have successfully persuaded the dominated ones of the fact that redistribution is detrimental to all.

Nevertheless, I do not think that Przeworski's other story making reference to a kind of resigned pragmatism arising from the uncertain character of the actors' equilibrium beliefs⁴ can fully explain the fact that social-democratic leaders publicly endorse the existence of a trade-off between efficiency and equality. Maybe in those cases where the sending of signals to foreign investors is crucial (see the taxonomy above) something like that can take place. However, to the extent that the belief in the trade-off is manifested even in the internal debates of the party something different must be at work.

For these reasons, I do not think that either of these two logics can explain the question of the reasons behind the incorporation of the idea of a trade-off between efficiency and equality in the discourse of left-wing parties.

3.5. Ideas or rhetoric?

In this section we go back to the authors that have embarked themselves on the debate about the independent role of ideas in policy making. As we saw above, even the most critical among the reviewers of this literature seems to be willing to sustain this research program, for in all the works here analysed the background thesis is that studying the independent role of ideas on policy making is a worthwhile endeavour. The problem is rather that when they say how this program should be fixed, they soon seem to run into the same problems they criticize.

To recall briefly, these shortcomings were mainly the inability of ideational approaches to identify the causal mechanisms by

⁴ Equilibrium beliefs are defined by Przeworski as the beliefs about the beliefs of other actors.

which ideas impact on policy, the problems of separating analytically ideas from the institutions that promote them or from the interest that these ideas support, and wrong assumptions about, or the inability of this program to identify where ideas come from. Many of the solutions proposed by these reviews co-involve new definitions or operationalisations of the concept of idea, and various classifications of the different types of ideas that can be found. In the end, these classifications do not greatly differ from those provided by either Hall or Goldstein and Keohane, which we can consider (especially the latter) the most analytically developed theoretical frameworks for the study of the ideational factor. We now turn to a more thorough analysis of the work of Goldstein and Keohane.

Goldstein and Keohane, inspired by Hall's work, tried to continue this line of research by paying more attention to the analytical framework in which causal inferences about the capacities of ideas can be drawn, with a particular emphasis on making warranted claims based on empirical evidence. Allegedly, their book is about how ideas, defined as "beliefs held by individuals" (p. 3) help to explain political outcomes.

Their argument is that ideas influence policy when the principled or causal beliefs they embody provide road maps that increase the actors' clarity about goals or ends-means relationships (m1), when they affect outcomes of strategic situations in which there is not a unique equilibrium (m2) and when they become embedded in political institutions (m3).

They put forward their analysis as a reaction to what in their view constitutes a major flaw in modern political economy and international relations: for them, rationalist explanations have called into question the notion that the substantive content of ideas matters for policy. To the extent that this has been so, a number of empirical anomalies have risen, and these can only be resolved by taking ideas into account.

We argue here that both the theoretical framework of Goldstein and Keohane, and the ways in which they present the relevance of that research are flawed. And this affects, in turn, the

relevance and the theoretical reading of the empirical contributions included in their volume, which for the most part constitute interesting and pertinent empirical approaches about particular historical problems, but ultimately fail to constitute non-trivial proofs of the importance of ideas in policy-making processes.

The core of our critique is different from those of the reviews analyzed above (though we, for the most part, subscribe also to those), and are rather centred on Goldstein and Keohane's portrayal of rationalist explanations, and their definition of both their null hypothesis and of ideas. We also analyze critically the way in which they conceive of ways of providing relevant mechanisms for the impact of ideas.

We will conclude that their reading of the empirical cases in their book is weakly sustained and that their theoretical contribution is suspect. We finish off with a reflection on the distinction between the impact of ideas and their use, and suggest that the relationship between ideas and rhetoric still needs to be explored.

Ideas and rationalist approaches

As has just been pointed out, for Goldstein and Keohane, the need to stress the importance of ideas in policy making stems from what they find to be a repeated lack of attention to ideational factors in much of the mainstream approaches in political economy and international relations, which they label as rationalist approaches. In view of this, and though they concede that the rationalist approach is often valuable, they present what they consider to be the premise of rationalists works as their null hypothesis, in order to falsify it and therefore provide evidence for the causal impact of ideas. This null hypothesis (H_0) is that "variation in policy is entirely accounted for by changes in factors *other than* ideas" (p.6). Ideas are defined by them as "beliefs held by individuals", so the null hypothesis can be reworded as:

variation in policy is entirely accounted for by changes in factors other than beliefs held by individuals.

Rationalist approaches are not sufficiently characterized in their work to be sure about what they mean by the label, so we have to infer that they refer to realist, institutionalist and rational choice explanations, given that the works that they quote can be classified under those labels.

Let us take, then, for example, rational choice explanations. Is something like H_0 the premise of this kind of approach? It seems really difficult to argue so. In fact beliefs held by individuals are precisely at the very core of rational choice explanations. To leave no doubt we can quote an insider on this: “[g]ame theory has developed by producing [...] abstract models that empirical researchers may apply to particular problems; each model specifies a set of assumptions under which internally consistent predictions about the *interplay* of different actors’ *preferences, beliefs and actions* can be made”. (Cox, 1999. p. 158; emphasis added).

Indeed, and contrary to what Goldstein and Keohane argue, the rational choice framework derives outcomes, precisely, from actors’ beliefs. So why do Goldstein and Keohane accuse rationalist approaches of exactly the opposite? Strange as it is, their error seems to come from the fact that they first say y (ideas) are equal to x (beliefs) but forget that an explanatory framework characterised by basing an explanation on x , must necessarily be paying attention to y . But one more caveat needs to be added here. Even if Goldstein and Keohane did not think that H_0 is the premise of rationalist approaches, which they may not think, after all, is this an interesting null hypothesis to be tested?

Given that they classify ideas into causal beliefs, principled beliefs, and worldviews (i.e. an encompassing definition of types of beliefs), it is going to be hard for them to find anybody who says that a change in ideas cannot cause a change in policies. If this is so, then the relevance of testing an alternative to a null hypothesis that no one would defend vanishes.

Mechanisms

Let us leave aside for the moment the way in which the relevance of their research is argued. Goldstein and Keohane have a substantive argument that can be stated independently of whether everybody else would defend the notion that ideas matter. As exposed above (m1, m2, m3), they have an argument about when and how ideas matter for policy making. This can be interpreted as an attempt to provide causal mechanisms that explain how ideas come to affect policy outcomes. Goldstein and Keohane define these three conditions as the *causal pathways* by which ideas hold the potential of influencing policy outcomes (p.11). For Goldstein and Keohane, the need to provide these mechanisms stems from the necessity to correct the most “egregious” error of previous ideational analysis: assuming a causal connection between the ideas held by policy makers and policy choices, for given that ideas are a condition for reasoned discourse they are always present in policy discussions.

The first of these causal pathways through which ideas influence policy is when “the principled or causal beliefs they embody provide *road maps* that increase actors’ clarity about goals or ends-means relationships” (m1). Thus for Goldstein and Keohane ideas become important when actors “believe in the causal links they identify or the normative principles they reflect”. Given the definition of ideas that Goldstein and Keohane allegedly embrace, the statement rather than false, is vacuous: beliefs held by individuals must be believed in order to affect their actions. Maybe they are thinking of a different definition of ideas when they put forward this causal pathway, but in any case it is difficult to reformulate their mechanism and make sense of it whatever ideas may be. That is, it is hard to conceive of any type of political idea that does not provide road maps that increase the actors’ clarity about goals or ends-means relationships given a set of goals, for such political ideas are not normally regarded as such, but rather as non-ideas or the absence of such. So the statement remains trivial even if not interpreted literally.

However, maybe ideas should be opposed to non-ideas: in the case of the Keynesian consensus, the commonly cited example is the incapacity of this economic paradigm to account for or explain stagflation during the 1970's. By then, Keynesianism could be regarded as not providing any "ideas" on how to solve this problem, and therefore, the need to come up with a solution to the mix of high inflation and unemployment could lie in the heart of the shift or conversion of some politicians to a different economic paradigm. But then, it would be an exogenous shock (the appearance of stagflation) that explains the shift of both policy and ideas, and not the change in ideas that explains the change in policy.

But at the end of this pathway, a methodological peril awaits, as Keohane himself warns (King, Keohane and Verba 1994). We have to be particularly careful not to retrodict reality in a way that makes ideas the cause when they may be in fact the consequence. Keynesianism might after all be the set of trial and error policies that were implemented with no particular paradigm in mind. We might then see the policies in practice and give them a name, Keynesianism. So the danger might lie in confusing, ex-post, the explanans with the explanandum.

As for their second mechanism (m2), it seems indeed plausible that if many possible alternative ideas are at hand, a consensus can be reached on which is the best one and this must be based on a shared idea of what is in fact the best choice. However, would this be a proof of the effect of ideas? Only if it could be proven that given the dilemma between many alternatives, the actors did not have the power to impose any particular solution, but instead, went into an exercise of collective puzzling (Hall 1986) and they came up with the (intellectually) best idea. It seems difficult to find contexts in which we could argue for this. The best case for such thesis could be found in Garrett and Weingast's contribution to Goldstein and Keohane's volume, where they argue that the idea finally chosen by the European Community member countries (a set of rules for the EEC) was able to serve as a focal point only because it did not contradict the interests of the most

powerful actor, Germany. But even if this were not the case (i.e., that ultimately the result of deliberation does not depend on the power of the actors involved), this would be a thesis on *when* (under what conditions) politicians puzzle together (when they do not know what to do, yet they want or need to do something, and they find that out of the possible alternatives one can be the best one in terms of the very validity of the idea), rather than one on which ideas get chosen over others. In such case, ideas would matter when they would be invoked by politicians, on the condition that they would be ready to accept that just *any* good idea would do.

As for the third mechanism, it suffers from the problem presented in the first section above: If ideas are not embedded in institutions, how can they affect outcomes? So the embeddedness of ideas in institutions must be, rather than a mechanism, a prerequisite for causal efficacy.

Causality defined as....?

A second set of problems found in Goldstein and Keohane's theoretical framework and conclusions derive from their lack of clarity with respect to what they consider to be a correct notion of causality when dealing with ideas and their effects.

When dealing with rationalist explanations, they take to be an extreme version of such an approach the thesis defending that ideas are just hooks: "competing elites seize on popular ideas to propagate and to legitimise their interests", and they equate this to saying that "ideas themselves do not play a causal role". Thus, they implicitly dismiss the possibility that ideas may play a role, *precisely* as a legitimising device for certain policies, which may in fact embody the interests of the powerful. Somehow they then forget that a legitimising role can be a causal role. In so far as not just any hook will do, or rather, as not all ideas are good hooks, actors may sometimes choose a bad hook to defend their preferred policy choice so that that policy is rapidly abandoned under mass pressure. Inversely, some ideas used as hooks may explain why a

policy badly skewed toward the interests of a few is chosen by all if properly justified by a (brilliant) idea⁵.

In sum, Goldstein and Keohane do not seem to be able to provide their work with a solid account of its relevance. Although the empirical contributions of the authors that contribute to their work are in themselves interesting, their theoretical novelty is unclear. Goldstein and Keohane's idea of a correct causal analysis is confused, so their own contribution to what they consider a messy literature is no less messy. The excuse they provide for the shortcomings of what they present, namely that ideas are particularly hard to grasp, can not be their cause. The problems of their work stem instead from a wrong specification of what they attempt to do, and not from the object itself seriously taken.

3.6. Conclusions

A dissertation cannot base its relevance on stating that ideas matter, and this one does not try to do so. After all, stating that the ideas of political actors have an impact on political outcomes is, rather than a novel thesis, a prerequisite for any social science research. Here, instead, we analyse how one particular idea that traverses political discourse fulfils certain political functions that are not obvious at first sight.

In the rest of this work, we shall argue that political parties, independently of what they do, need at times, to embrace a particular form of discourse (a discourse embodying a set of ideas), because that discourse is beneficial for them in the pursuit of their political and organizational objectives. They might do so independently of the accuracy of those ideas but not independently of the capacity of those ideas to provide certain political functions. The substantive thesis associated with this point is that some political solutions need particular a language attached to them.

⁵ For an attempt to study the importance of discourse in the passing of certain welfare reforms, see Schmidt (2002).

Rationalist explanations do not, as Goldstein and Keohane say, ignore the role of those languages. They simply do not put them into question but naturalize them and take them as given. However, for the most part, this need not be a problem in itself: For example Meltzer and Richard (1981), in their seminal paper, obtain a theoretical result where they derive the degree of distribution that can be reached in a democracy as stemming partly from a shared belief on the part of voters that there is a trade-off between efficiency and equality (the mechanism is based on disincentives to work derived by taxes). If in reality there is not such trade-off, the analysis might still be valid to explain the outcome: limited support for redistribution.

Here instead, try to understand why social-democratic parties use the belief in a trade-off between efficiency and equality. Testing obviously false null hypotheses, (H_0 : that factors other than ideas account for political change) and proving them wrong is hardly an advance in the social sciences. And making encompassing and strong claims about how ideas affect policy making is dangerous. But we argue that it is useful to focus on one particular idea in order to try to demonstrate the following: a) that it has been naturalized and blindly accepted by the vast majority of political science accounts and, b) that political actors use it in order to pursue their political and organizational goals. This constitutes a way to argue that certain political languages or bits of languages fulfil political functions.

CHAPTER IV. RHETORIC AS STRATEGY: A FORMAL MODEL

4.1. Introduction

The aim of this chapter is to provide a formal basis for the main argument of the thesis, i.e., that under some conditions, and rather counter-intuitively, parties of the left have an interest in stressing in their discourse the otherwise dubious existence of a trade-off between equity and efficiency.

Intuitively, one would expect that, given that there is controversy among economists about the existence of a trade-off between efficiency and equality, and even about the pertinence of thinking about the relationship between equity and efficiency in simple or simplistic terms like those associated to a "trade-off", parties of the left would be unwilling to include this idea in their discourse, or would even be expected to try to actively refute the notion. After all, stating that there is a trade-off between efficiency (which is always a must on the list of the political outcomes that a good government has to provide) and equity (which is after all only a political aspiration among many) is probably one of the most commonly asserted arguments to justify that equity must not always be pursued, or must be pursued with limitations. In other words, the idea of a trade-off between equity and efficiency, seems, *prima facie*, to be an obstacle to redistribution. It is therefore intuitively clear why parties of the right, whose voters are in favour of limited redistribution, would use the idea of the trade-off. However, it is harder to understand why a left party

would also use this notion. So again, if there is not so much consensus around the trade-off among the scientists at work, why would a party of the left want to include the "trade-off talk" in their discourse?

One obvious way out of this question, though also an obviously politically-loaded one, is to say that parties of the left are not "really" leftist anymore. And if they are not leftist it is only normal that they would talk the natural language of the right, of which one has reason to suspect that the idea of the trade-off is a part. But that left parties have indeed leftist goals and aspirations, equality being the most important among these, constitutes one of the assumptions of this thesis¹. In this chapter, therefore, I undertake the task of showing logically the reasons that a leftist party wanting to promote redistribution to their constituency would have in adopting a non traditionally leftist discourse and, in particular, one that emphasizes the existence of a dilemma, or trade-off between efficiency and equality. I develop a formal model in which a leftist party, aiming at representing the interests of a constituency composed of lower-income voters, chooses to "talk the trade-off talk," by exaggerating the extent to which there is a trade-off between efficiency and equality, and does so as part of the strategy that best represents those voters.

This chapter, devoted to the building of this argument formally has several steps. First, I present a short discussion on the general theoretical framework of the chapter, by justifying the use of a particular set of spatial models of politics, and I introduce the modeling of rhetorical statements made by politicians. Then I present a formal model that accounts for a partisan interested use of economic ideas in the expected direction, i.e., when right-wing

¹I do not mean that this contention, i.e., that the left is not leftist anymore, does not deserve on its own thorough scrutiny; but I do not attempt to provide it here, for this is not my query. Nevertheless, I would like to think that the analysis provided here sheds some light on how to go about reformulating the conditions of possibility of such question (could it be that the left is not leftist anymore, and why?; what do we mean when we say it?) in more refined, meaningful ways.

parties make right-biased statements and left-wing parties make left-biased statements. Next, a section follows that constitutes an extended form of the previous model, in which, social-democratic parties, having to face the threat of competition from the left, employ a right-biased discourse as part of their optimal strategy. A second extension of the argument, related to the expectations of voters, follows. The last part is a discussion section in which I assess the general plausibility of the model in view of some stylized facts, and also consider the theoretical weaknesses and strengths of the analysis.

4.2. Spatial Models, Ideological Parties, and Rhetoric

Our aim here is to formalize the paradoxical claim that engaging in a rightward biased discourse is congruent, for parties of the left, with their goal of promoting the welfare of their constituency. By promoting the welfare of their constituency, we mean maximizing the income or public goods that less well-off individuals enjoy through redistribution and their own efforts. Thus, representing politics as a single left-right dimension, epitomized by the redistributive issue, seems like a reasonable depiction of the context of our problem.

To represent this problem, I use the spatial theory of voting, in its one-dimensional form. The earliest sources of this theory are to be found in Hotelling, with his 1929 paper on spatial economics predicting that producers would locate its premises on the exact spot in the middle of the available space, and its analogy between this result and the ideological convergence between the Democratic and Republican party platforms. Later, Smithies (1941) extended the argument to build a general theory of spatial competition, while in 1948, Black applied this theory to committee voting (Enelow and Hinich, 1984). He, together with Downs, in his seminal book, *An Economic Theory of Democracy* (1957) are held responsible for the creation of the Median voter Theorem (MVT), less often referred to as the Black-Downs

Theorem. This theorem states that, under majority rule, in a one-dimensional policy space, and provided that the preferences of voters are single-peaked (meaning that they prefer options that are closest to their ideal point to those that are further to it), the elected policy will be the most preferred one, among those possible, by the median voter (the voter who is on the middle of the distribution of voters, distributed according to their preferences). A far-reaching implication of the MVT is that, in democratic regimes, one will expect that all political outcomes reflect, to a great extent, median voter preferences. Therefore, anything that affects the median voter's characteristics (income, age, ideology, information and expectations) will also affect the democratic outcome. This has come to be seen as a fundamental property of democracy, a political system, that in this light, can be conceived as a sort of dictatorship of the median voter. In order not to read too much into it, though, a small caveat of which our ensuing model makes a central use is due: it must be noted that in cases where informational problems lead to biased expectations about the consequences of policies, the median voter will not get what truly advances his or her interests but what she or he (wrongly) thinks advances those interests (Congleton 2003).

The fact that Downs crucially formalized and gave theoretical flesh to this argument and related ones has had important consequences for subsequent research on the area. Downs, having a schumpeterian conception of democracy (Schumpeter 1942), helped to concoct a particular vision of political parties that has permeated most of subsequent intellectual output in the spatial model research program in political science and political economy. His definition of the political party as "a team of men seeking to control the governing apparatus by gaining office in a duly constituted election" (Downs, 1957: p.25) and his assumption that parties "act solely in order to attain the income, prestige, and power which come from being in office" together lead to the renowned "fundamental hypothesis" of his model, i.e., "parties formulate policies in order to win elections, rather than win elections in order to formulate policies" (*op.cit.*, p.28).

As I have already stated, the main question of this thesis is why a party of the left uses a right-biased discourse. As the previous quotes make clear, it does not make sense to ask this question within a Downsian framework that sees no difference between parties, and that solely attributes to them office-seeking motives. For this reason, the models presented in this chapter draw, instead, on an alternative framework first envisaged by Wittman (1973, 1990), and later elaborated on and diffused by Roemer (1994, 2000). Wittman defined parties as organizations for which winning is a means to enact policies, thus subverting the Downsian setting. Wittman first devised his framework as a means to avoid the result of platform convergence around the median voter result. He obtained divergent party platforms by introducing policy oriented parties that have imperfect information about the preferences of voters. As Roemer shows (1994, 2000), in the absence of uncertainty on the part of political parties, the Downsian result of platform convergence still obtains even for policy oriented parties.

Given our question, it is not the convergence result around the median voter that we want to avoid, but rather, the very assumption about the party's exclusive interest in winning. We will therefore use a setting with Wittmanian parties under certainty. This will allow us to explore the consequences of our theoretical claim while still keeping the model at a reasonable degree of simplicity.

Let us now turn to the question of utterances, or discourse, in spatial models of politics. What exactly is the role of speaking to voters in models of spatial competition? William Riker, who has devoted much of his work to the study of what he has come to coin as heresthetics, i.e., the attempts by politicians to change the voters' interpretations of issues so as to drive them to choose the preferred alternatives of the heresthetician, has also written on the role of rhetoric and how it can be included in spatial models of political competition (Riker, 1990). For him, an examination of the processes that lead to political equilibria would need to explore the consequences of considering as moving parts elements other

than the parties' positions. This would contrast with the more widely diffused Downsian approach in which parties' positions are the only elements that vary in search of attaining political equilibria. Riker thus regrets the fact that the classical spatial model, as normally presented, does not allow for voters' positions to change and thus precludes persuasion to be represented. In turn, both heresthetics, and rhetoric, the latter simply defined as the attempts of politicians to change voters' opinions, can induce movements on voters.

In reality, we can observe that during campaigns, politicians when presenting their platforms, offer not only policy packages, but also an explanation of their consequences, and also an explanation of the consequences of the other candidates' policy packages. It is normal that the linking of one policy to one particular outcome should be a contentious issue, and so politicians may make use of rhetoric to convince voters of the causal link that exists between the two. So the role of rhetoric in spatial competition models actually comes in here, since it connects two aspects that, though distinct, are often conflated in their representation in spatial models: the policy dimension and the outcome dimension. Of course, it also opens the door for telling lies about the relation between policies and outcomes. And thus, if a politician would want to pursue a policy despite the fact that this policy is not beneficial to voters, he could, through rhetorics, try to convince the electorate that that particular policy would lead to the best possible outcome. Equally, a politician could try to convince voters of the idoneity of a policy for reasons different to those he believes to be true. This is the kind of situation that we try to depict in our model later in this chapter.

A very simple example may illustrate how these two dimensions (policy and outcomes) are related through rhetorics: Suppose, that in a one-party regime, the issue at stake regarding foreign policy is supporting or opposing a neighbouring superpower (let us refer to it as V) in a bipolar system. Endorsing the neighbour's foreign policy can vary from total rejection,

represented here arbitrarily by 0 in the continuum, to total support, represented by 1.

Let us suppose that the regime leaders in the country in question want to back the neighbour's policy because they get bribed by the leaders in V, but not because supporting the neighbour's policy, in itself, brings any prosperity to the citizens of their country. On the contrary, support implies a higher military force draft, and a subsequent budgetary effort. Therefore, it is actually hinders the welfare of citizens in the country in question.

In figures 1 and 2 there are represented, respectively, the policy dimension and the outcome dimension of this example. Let us suppose, that given our example, the two are linearly and inversely associated by the simple, functional form:

$$U = 3 - 6x$$

where U would stand for the output, measured in utility units (here bounded between -3 and 3), and x for the policy in question. (in terms of figures 1 and 2 this would mean that every point in figure 1 would correspond exactly to the reverse of figure 3 as drawn on our scale).

If leaders in the country in question think that support from their citizens is important but they nevertheless do not want to give up the benefits of the supporting of the policy (the bribes), they may want to tell voters a different story of why they support V's foreign policy. They, could, for example, say that the more strongly the regime endorses diplomatic statements in support of this superpower, the more it can avoid international isolation, and the better for the welfare of the nation. They could, for example, tell the citizens that the relation between the policy and the welfare of the citizens is exactly the opposite of the one that really exists:

$$U = -3 + 6x$$

Figure: 1

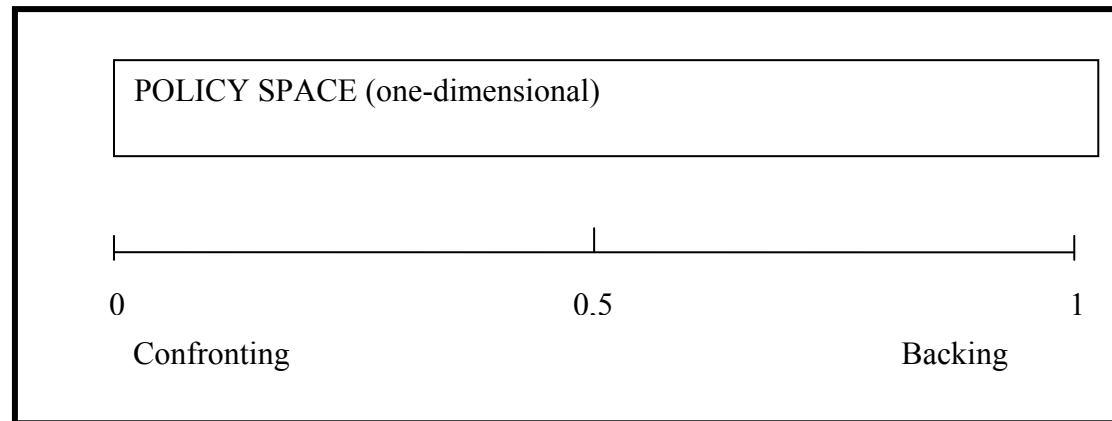
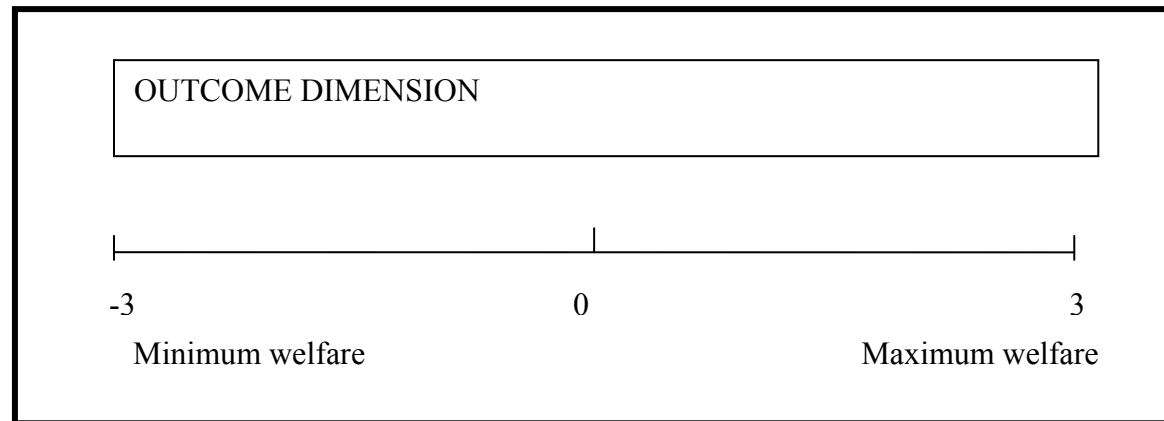


Figure: 2



In this simple example, the government will employ rhetoric in order to transform, in the eyes of voters, the relationship between the policy space (which in this example is one-dimensional) and the outcome space (intrinsically one-dimensional). What rhetoric aims to transform is the function that links these two dimensions. In this case, the transformation will entail the shift from an inverse relation, to a direct one.

This is a clear case in which the use of rhetoric can be employed to recast causality in the eyes of citizens. As simple as it looks, it is nevertheless important to underline this issue, given that spatial models normally assume that voters preferences are fixed both on *outcomes* and on *policies*. This is of course, not true of those works that deal with the exchange of information between voters and politicians and issues of credibility (Austen Smith 1992, Harrington 1993, Banks 1990). These study the conditions under which speech, in itself a costless activity, can be credible, and study the strategies of individuals in the sending and receiving of signals. The object of these works is to investigate the contexts that make information credible (including the characteristics of the sender), rather than the particular content of the messages. Since our interest lies in finding out how one particular piece of discourse, by virtue of its content, (the idea that there is a trade-off between efficiency and equality), is used by representative political parties to change the preferences of the electorate in order to advance the interests of a particular constituency, we also differ from their framework. In the next section, we present the elements and results of our model.

4.3. The Model

Our main model in this chapter tries to show how two political class parties that want to maximize the utility of their constituencies can have an interest in lying about how the economy works, in particular, about how efficient the government is in providing a public good. And they do so despite the fact that

electoral considerations drive them to choose the same policy, i.e., the preferred policy of the median voter. This model is an adapted version from a model developed by Roemer (1994). In his model, Roemer wants to argue that what appear to be liberal and conservative ideological views can simply be good strategies in the electoral game, so that we can interpret the fact that political parties publicly embrace different economic paradigms as coming not from differing beliefs about how the economy works but, instead, from the desire to maximize the utility of their constituents. His own model includes a labour market where voters decide on their optimal labour supply. We obtain the same politically relevant results without the inclusion of the labour factor, mainly to simplify the analysis².

Our model aims at extending the argument to more counter-intuitive conclusions, that is, to instances where moderate left-wing parties whose objective is to represent the interests of their constituents can nevertheless be prone to convey false information about how the economy works but with an opposite ideological bias than what one would expect: i.e., instances in which left parties exaggerate the degree to which there is a trade-off between efficiency and equity. For reasons of generality, equity will be a synonym for equality in this chapter, since the former refers to *any* morally desirable redistributive attempt³.

In the first part of the model we present the argument for why the idea of a trade-off between efficiency and equity is useful to the parties of the right in the pursuit of their objective of maximizing the welfare of their constituents. And we illustrate why, in the absence of third-party competitors, the left party

²The inclusion of this labour market element has in Roemer's model the function of finding an equilibrium where rational expectations are met. Here instead I examine what parties would do if they thought voters were gullible.

³We just need to assume the following: that there is an implicit social welfare function with diminishing returns in individual utility, so at any given level of average income, a more equal distribution will be socially considered better.

would symmetrically have an interest in minimizing and even denying the existence of such trade-off.

In this first version of the model, there are only two political parties, left and right, that correspond to the poor and rich constituencies, respectively. Even if these parties care about the actual welfare of their constituencies, the structure of competition is such that in the equilibrium they have to offer the preferred policy of the median voter. However, if voters are uncertain about how the economy works and willing to listen to parties, their preferences over public good provision can be influenced by parties announcements of how efficient the government is at providing a public good. What this first part shows is that under those conditions, the left and the right party have an interest in exaggerating the efficiency and inefficiency, respectively, of the government in the production of public goods, and they have an interest in doing so because this brings the preferences of the public, including the mean voter, closer to the true interest of their constituencies.

The second part of the model, includes a third party, an extreme-left party. The party labels in this section will, therefore, be communist, left (or social-democratic) and right, (or conservative). The communist party differs from the social-democratic in that it is not a perfect representative of any constituency's interest (unlike wittmanian parties), but not is it solely election-driven (unlike downsian parties). I label it "dogmatic", in the sense that it always offers the maximally redistributive policy and announces a theory of the economy in which the government is totally efficient at producing the public good, regardless of what the other parties do, and therefore regardless also of what the outcome of the election will be.

With this extension in the model I want to address the effect that this sort of electoral competition to the left of the social-democratic party has on this party's strategy keeping constant its objectives of representing the interests of a relatively poor constituent. I show that under some conditions the introduction of a dogmatic party causes the social-democratic party to announce a

bigger trade-off than it otherwise would, and a bigger trade-off than they actually think there is. This result would therefore spell out in logical terms our theoretical query, that is, the reasons that drive social-democratic parties to engage in the trade-off discourse in a manner that emphasizes its existence beyond what these parties truly believe.

4.3.1. Policies, theories of the economy and the trade-off between efficiency and equality

There is a set T of possible policies with generic element denoted τ . τ is a linear tax rate that finances a public good, G . Though the public good is enjoyed by all citizens, the fact that it is financed by a linear tax gives it a redistributive component.

There is a set L with generic element λ of theories over the degree to which the public good can be produced efficiently. This is represented with a factor by which the amount of taxes collected is translated into the production of a public good G . One of these theories of the economy is true, and it determines the actual production function of the public good.

Taxes raised per capita amount to $\tau\mu$, where μ is mean income. Since total population is normalized to 1, μ also represents total income. Then G will be produced totally efficiently if it can be supplied, individually, at a quantity of $\tau\mu$ (for $\lambda = 1$). However, if $\lambda < 1$, not all the money collected by taxes goes into the production of the public good but instead some revenue collected gets lost. Thus, for values of λ smaller than unity, there exists a dead weight loss associated with government intervention, so the amount of G produced is only $\lambda\tau\mu$. In this model, the budget is always balanced, so that the level of public good provision has to be exactly equal to $\lambda\tau\mu$. Since the public good is redistributive in nature, we can interpret the parameter λ as expressing the existence of a trade-off between efficiency and

equity or redistribution. A big trade-off is represented by a small value of λ and vice versa. λ is bounded between 0 and 1. That means that we do not consider the possibility of "virtuous circles" between efficiency and equality (which would be represented by values of $\lambda > 1$), nor of "vicious circles" (represented by negative values of the parameter λ)⁴.

4.3.2. Voters

There is a continuum of voters, indexed by ω in a sample space W , and distributed according to a probability measure F on W . ω is the real wage that a voter earns, and depends on the voter's "skill level".

Voters' utility functions have the following form

$$u(x, G) = x + 2\alpha G^{1/2}$$

where x is the individual's consumption level of a private good and G is the level of public good provided to all. A voter with skills ω can purchase ω units of x . Therefore, his indirect utility function over policy will be dependent on the level of taxes, τ , her own skills ω , and the actual degree of the efficiency with

⁴It is perhaps important to note that the way in which we choose to conceptualize the idea of a trade-off between efficiency and equality is a particular one among many. Here the trade-off is represented by a constant parameter, $(1/\lambda)$, unaffected by the size of government. In this assumption, that serves to simplify the analysis, we depart from many understandings of the idea of the trade-off in the literature (see, for example, McGuire and Olson, 1996, or Przeworski and Limongi, 1993), which consider that the trade-off itself depends on government size. Note, however, that the size of the deadweight losses associated with the trade-off does depend in our setting on the level of public good provision.

which government produces the public good, λ^{true} . Note that this specification of voters' utility function implies that their utility is linear on the consumption of the private good but non linear (concave) on the consumption of the public good⁵.

$$v(\tau, y, \lambda) = (1 - \tau)\omega + 2\alpha(\lambda^{true} \mu \tau)^{1/2}$$

Voters are uncertain about what the true theory of the economy is: the true value of the parameter λ is unknown to them. Their beliefs about this parameter are characterized as follows: Voters think that any value of the trade-off between efficiency and equality between the extremes (0 and 1) is equally likely so they have a prior belief over λ that is distributed uniformly between 0 and 1, $U[0,1]$. They transform their priors into posteriors after listening to the theories that parties announce, λ_l and λ_r , in this manner:

-they assign a probability of 0 to the event that λ^{true} is outside the interval $[\lambda_l, \lambda_r]$

-they scale up their probability density function to a uniform distribution bounded in $[\lambda_l, \lambda_r]$. This distribution has a mean and spread derived from the announcements.

$$\mu_\lambda = 1/2(\lambda_l + \lambda_r)$$

$$\sigma_\lambda = 1/2(\max\{\lambda_l, \lambda_r\} - \min\{\lambda_l, \lambda_r\})$$

The posterior beliefs are thus: $U[\mu_\lambda - \sigma_\lambda, \mu_\lambda + \sigma_\lambda]$

⁵ Concavity of the utility function on the public good is needed to avoid the well known result of non concave utility function, i.e., all voters with income below the median would favour total redistribution. See, for an example, Roemer (2001), pp.36.

Since they do not know the true value of the trade-off between efficiency and equality they maximize their utility conditional on their beliefs:

$$v_{post}(\tau, \omega, \lambda) = (1 - \tau)\omega + 2\alpha(\lambda_{post}\mu\tau)^{1/2}$$

where λ_{post} stands for the posterior expected value of λ after the announcements λ_l and λ_r are made, given the above description of voters' prior beliefs (*because of the uniform distribution, the procedure for forming the posterior belief is equivalent to voters just setting their expected efficiency parameter equal to the mean of the two parties' signals*).

$$\lambda_{post} = \frac{1}{2}(\lambda_l + \lambda_r)$$

The interpretation of this updating procedure is quite straightforward: voters believe that the true parameter is not what they hear from parties but they also know that these parties exaggerate, so they know that it would not be outside the possible bounds of party announcements. They think that any value inside the new interval is equally plausible, so they calculate the expected value, which amounts to an average of the party's announcements. There are some models that endogenize this kind of updating processes, assuming all actors are fully rational (see Austen Smith 1992, Harrington 1993). The extent to which the present updating procedure on the part of voters produces results that depart from what would be obtained under full rationality will be discussed further on in the chapter. In any case, since our interest lies in knowing what parties would do if they thought that voters would be subject to influence or malleable by their statements, this updating procedure is satisfactory for our purposes.

4.3.3. Representative Class Parties

As Roemer (2001) discusses, , though it helps to illuminate many aspects of political competition, the downsonian view of parties is inadequate for reflecting upon those questions that have to do with what parties do when they do care about policy. This is in itself a simple, pragmatic, and sufficient reason why one would want to depart from the strict vote-maximizing assumption. The question in this chapter is precisely whether parties that care for policies are ready to lie to their constituencies in order to better represent them in the sense of maximizing their utility.

Therefore, in this model, we use a wittmanian depiction of parties. This description of parties departs to the other extreme from the more common view of parties as merely opportunistic or vote maximizing organizations described by downsonian models. A wittmanian party does not care about holding office in itself. Instead, it cares about the result of the elections only to the extent that access to office can allow the party to implement the policy that maximizes the utility of a particular set of voters.

The two Wittmanian parties in this model are also class parties. The left party (l) and the right party (r) each act on behalf of the interests of a representative voter, ω_l and ω_r , respectively, who can be seen as the median voters in larger coalitions of voters. Representative voters ω_l and ω_r are respectively, poorer and richer than the median voter (the voter that divides the voter distribution in two halves), ω_m .

The payoff function for electoral party i ($i= l, r$) depends on the welfare of its preferred voter under the policy that is implemented by either party. It is therefore equal to the probability that the left party wins (p) times the actual utility of representative voter i under this party's policy, plus the probability that right party wins times the actual utility of representative voter i under the left party's policy.

$$\Pi_i = p v(\tau_i, \omega_i, \lambda^{true}) + [1 - p] v(\tau_r, \omega_i, \lambda^{true})$$

Here we analyse the case in which both parties know or believe they know the true parameter of the efficiency in the production of the public good and they both coincide agree on this true parameter is. We label this value with λ^{true} . For the purposes of this chapter, this need not to be the true parameter in the stronger sense, but only in the sense that both parties are certain and truly believe that that is its value. Note that the analysis can be extended to the case in which parties believe different things about how the economy works. However, setting λ^{true} equal for both parties both simplifies the analysis and illustrates an interesting case in itself.

Parties compete in elections by putting forward platforms that contain two elements, one is a policy programmatic element and the other is a worldview in the form of an economic paradigm. Thus party i 's platform consists of a pair (τ_i, λ_i) composed of a linear tax rate and a theory over the size of the trade-off between efficiency and equity.

4.3.4. *Equilibrium*

For an environment characterized by F (the distribution of voters), their belief updating process and λ^{true} (the actual trade-off), an electoral equilibrium is a pair of platforms (τ_i, λ_i) , one for each party, such that each platform is a best response to the other platform, that is, each party maximizes the expected utility of its preferred voter as defined above over λ_i and τ_i , taking the platform of the other party as given.

$$(\tau'_l, \lambda'_l) \in \operatorname{argmax} \Pi_l((\tau_l, \lambda_l), (\tau'_r, \lambda'_r))$$

and

$$(\tau'_r, \lambda'_r) \in \operatorname{argmax} \Pi_r((\tau'_l, \lambda'_l), (\tau_r, \lambda_r))$$

This is a variant of the wittman political equilibrium when the beliefs of voters are influenciabile by parties. It is thus defined as a *wittman political equilibrium with naive or malleable voters*⁶.

$p(\tau_l, \lambda_l, \tau_r, \lambda_r)$ is the probability that policy τ_l defeats τ_r given the two theories λ_l, λ_r . $p(\tau_l, \lambda_l, \tau_r, \lambda_r)$ takes a value of 0 if the proportion of voters preferring τ_l to τ_r ($prop_{l,r}$) is less than half, since in that case party r will win with certainty. $p(\tau_l, \lambda_l, \tau_r, \lambda_r)$ takes the value of one half if the proportion of voters preferring τ_l to τ_r is exactly one half, as in the case that each party gets the same number of votes, the result of the election will be decided to a procedure equivalent to the tossing of a coin. Lastly, $p(\tau_l, \lambda_l, \tau_r, \lambda_r)$ takes the value of 1 (thus the left party wins with certainty) if the proportion of voters preferring τ_l to τ_r is greater than half. Thus:

$$p(\tau_l, \lambda_l, \tau_r, \lambda_r) \begin{cases} 0 & \text{if } prop_{l,r} < 1/2 \\ 1/2 & \text{if } prop_{l,r} = 1/2 \\ 1 & \text{if } prop_{l,r} > 1/2 \end{cases}$$

⁶Roemer calls the wittman equilibrium with malleable voters a variant of a Bayesian Nash equilibrium though it does not specify it further (1994. p. 329). It is difficult to assess whether this kind of updating process is fully rational, a brief tentative conclusion on the matter is offered further in this paper.

The payoff of party i when the platforms $(\tau_l, \lambda_l), (\tau_r, \lambda_r)$ have been proposed is:

$$\Pi_i((\tau_l, \lambda_l), (\tau_r, \lambda_r)) = p(\tau_l, \lambda_l, \tau_r, \lambda_r) v(\tau_l, \omega_i, \lambda^{me}) + [1 - p(\tau_l, \lambda_l, \tau_r, \lambda_r)] v(\tau_r, \omega_i, \lambda^{me})$$

Although voters are uncertain about the extent of the trade-off, parties have all the relevant information. When there is certainty on the part of parties as to the beliefs and preferences of voters, we can consider that the environment faced by parties is one of certainty. Roemer shows that wittmanian parties, under uncertainty, reach an equilibrium in which they announce different policies. However, he also shows that under certainty, those same wittmanian parties will choose the same policy: the one preferred by the median voter (Roemer, 1994). So even if wittmanian parties are policy-oriented, they cannot escape the Downsian conclusion of policy convergence in contexts of certainty. i.e., when they know how voters will react to their strategies and how they will cast their vote accordingly. Under the assumption of a distribution of voters over policies that is continuous and increasing over the policy space, and when the two parties defend the interests of voters that are respectively, richer and poorer than the median voter (median in preferences for policies), there is a unique equilibrium where both parties offer the preferred policy of the median voter (see Roemer (2000), pp. 28-36). Thus there is a median voter result for this model: In an electoral equilibrium with naive or malleable voters, both the left and the right party will propose the same policy⁷. Nevertheless, they will propose different theories about how the economy works.

From the median voter theorem we know that in equilibrium each party will set the preferred policy of the median, therefore,

⁷For a demonstration of the fact that the MVT holds, see Roemer (1994: 334-335).

$\tau_i = \tau_{med}$ where τ_{med} is the tax rate preferred by the median voter conditional on her beliefs $\lambda_{post} = \frac{1}{2}(\lambda_l + \lambda_r)$. Given that the two parties will choose to offer the same policy, then it will be equally likely that they win the election, and so we also know that on equilibrium the probability of winning for each party equals 1/2.

The median voter will be maximizing her utility given her beliefs if the tax offered is consistent with the First Order Condition on her utility function:

$$\begin{aligned}\tau_{med} &= \left(\frac{\alpha}{\omega_{med}}\right)^2 \lambda_{post} \mu \\ &= \left(\frac{\alpha}{\omega_{med}}\right)^2 \frac{(\lambda_l + \lambda_r)}{2} \mu\end{aligned}$$

The actual utility-maximizing tax for the median voter is instead given by his calculation on the true parameter of t , if he knew it, and it would be:

$$\tau^{med} = \left(\frac{\alpha}{\omega_{med}}\right)^2 \lambda^{true} \mu$$

(Clarification on notation: to differentiate between the "real" and the "induced" maximizing points for voters, we introduce a notational distinction. The subscript represents the maximizing result based on the procedure where parties affect the beliefs of voters. The superscript represents instead the maximizing procedure based on the true value of the parameter λ . To better distinguish remember that we chose to write the true parameter of the trade-off as λ^{true} but the posterior formed after parties' announcements as λ_{post} .)

As we mentioned, in equilibrium, and through the median voter theorem, we know that both parties will have to set $\tau_{l,r} = \tau_{med}$ and we also know that the probability of winning of each party will be equal to one half.

Parties know that they will have to offer a policy that maximizes the utility of the median voter *given his beliefs*, i.e., a policy that will seem to ω^{med} as a maximizing policy. Since parties know that they can alter the beliefs of voters, they want to know what is the theory that ω^{med} would have to believe so that her subjectively preferred policy can be as close as possible to the policy that truly maximizes the utility of each of the parties' constituents, ω_l and ω_r . Note that the utility of the voter whose utility parties try to maximize is defined over the true state of the world, or the true parameter of the trade-off, and is not calculated as voters' would, depending on their beliefs. Also note that every voter shares the same beliefs, so all voters have the same beliefs as the median voter.

Plugging into the payoff functions of parties the equilibrium conditions on λ_i (while τ_{med} is offered and the probability of victory of a half for each party), we obtain:

$$\Pi_i = \frac{1}{2} \left[(1 - \tau_{med}) \omega_i + 2\alpha (\lambda^{true} \tau_{med} \mu)^{\frac{1}{2}} \right] + \frac{1}{2} \left[(1 - \tau_{med}) \omega_i + 2\alpha (\lambda^{true} \tau_{med} \mu)^{\frac{1}{2}} \right]$$

$$\Pi_i = (1 - \lambda_{med}) \omega_i + 2\alpha (\lambda^{true} \lambda_{med} \mu)^{\frac{1}{2}}$$

Where we now that τ_{med} depends on parties' theory announcements. So substituting τ_{med} in the payoff function at equilibrium we know what is it that parties attempt to maximize with respect to their announcement:

$$\max_{\text{wrt } \lambda_i} \Pi_i = \left[1 - \left(\frac{\alpha}{\omega_{med}} \right)^2 \frac{(\lambda_l + \lambda_r)}{2} \mu \right] \omega_i + 2\alpha \lambda^{true} \left(\frac{\alpha}{\omega_{med}} \right)^2 \frac{(\lambda_l + \lambda_r)}{2} \mu \right)^{\frac{1}{2}}$$

The first order condition (FOC) for the left-wing party is:

$$-\omega_l + \lambda^{true \frac{1}{2}} \omega_{med} \left(\frac{(\lambda_l + \lambda_r)}{2} \right)^{\frac{-1}{2}} = 0$$

Analogously, the FOC for party the right-wing party is:

$$-\omega_r + \lambda^{true \frac{1}{2}} \omega_{med} \left(\frac{(\lambda_l + \lambda_r)}{2} \right)^{\frac{-1}{2}} = 0$$

By looking at these first order conditions, we can see that there will be an internal unique equilibrium for the problem. Singling out λ_i for each party we find the best response functions for both parties:

$$\lambda_l = 2 \left(\frac{\omega_{med}}{\omega_l} \right)^2 \lambda^{true} - \lambda_r$$

$$\lambda_r = 2 \left(\frac{\omega_{med}}{\omega_r} \right)^2 \lambda^{true} - \lambda_l$$

After defining $A = 2 \left(\frac{\omega_{med}}{\omega_l} \right)^2 \lambda^{true}$ and $B = 2 \left(\frac{\omega_{med}}{\omega_r} \right)^2 \lambda^{true}$, we can see immediately that this is an incompatible system of equations of the following form:

$$\lambda_l = A - \lambda_r$$

$$\lambda_r = B - \lambda_l$$

From these two equations, we can see that there will not be an interior equilibrium. The next step is therefore to find the possible corner solutions to this game, which can exist given that λ is bounded to the interval $[0, 1]$.

Extreme-corner equilibrium

There is a set of partial strategies that are candidates for extreme-corner equilibria to the game, where parties would go for the extreme values of the parameter λ . The pairs of partial strategies (λ_l, λ_r) that are equilibrium candidates are $(1,0)$, $(1,1)$, $(0,1)$, $(0,0)$.

1st case: (1, 0). Maximal discursive divergence:

For theoretical reasons exposed above, we are interested in the equilibrium $(1,0)$, in which the left party chooses to maximally exaggerate the inexistence of inefficiencies and the right party chooses to maximally exaggerate the existence of inefficiencies, or put in other way, an equilibrium in which the left party chooses to put forward the theory that the trade-off does not exist and the right-wing party chooses to put forward the theory that the trade-off is absolute. For this to constitute an equilibrium strategy then the following conditions must hold:

- $\partial\Pi_l/\partial\lambda_l \geq 0$, or the derivative of the left party's payoff with respect to its signal must be equal or greater than 0 for $\lambda_l=1$ and $\lambda_r=0$ and

- $\partial\Pi_r/\partial\lambda_r \leq 0$, or the derivative of the right party's payoff with respect to its signal must be equal or less than 0 for $\lambda_l=1$ and $\lambda_r=0$.

This means that for the left party, choosing $\lambda_l=1$ given $\lambda_r=0$ must be either a maximizing condition in itself, or a maximizing condition given the bounded nature of the signal λ . The symmetric case holds for the right party.

Since this depends on the value of the parameters of the model (wage of median voter and of representative voters, mean income, etc...), we will see for which values of these parameters the conditions of the derivatives hold:

The First Order Condition equation for the left party $[-\omega_l + \lambda^{true^{\frac{1}{2}}} \omega_{med} \left(\frac{(\lambda_l + \lambda_r)}{2}\right)^{-\frac{1}{2}}]$ is > 0 when

$$\lambda^{true^{\frac{1}{2}}} \omega_{med} \sqrt{2} \geq \omega_l$$

Symmetrically, and for the right-wing party the FOC is ≤ 0 when:

$$\lambda^{true^{\frac{1}{2}}} \omega_{med} \sqrt{2} \leq \omega_r$$

So we know that for $\lambda_l = 1$ and $\lambda_r = 0$ to be an equilibrium the following must be true, since the two conditions must hold simultaneously:

$$\omega_l \leq \lambda^{true^{\frac{1}{2}}} \omega_{med} \sqrt{2} \leq \omega_r$$

Or expressed differently, in terms of λ^{true} :

$$1/2\left(\frac{\omega_l}{\omega_{med}}\right)^2 \leq \lambda^{true} \leq 1/2\left(\frac{\omega_r}{\omega_{med}}\right)^2$$

This means that the existence of this equilibrium depends on whether the representative voter's incomes are distant enough from that of the median voter. Also, the existence of this equilibrium depends on the true nature of the efficiency-equity parameter: for the party to the left, the true trade-off needs to be small enough for this to be an equilibrium. The reverse is true for the right-wing party.

We need to rule out other possible corner solutions that could also be equilibrium candidates. We have seen that (1, 0) is an equilibrium under certain conditions. The other possible corner solutions are (0,0), (0, 1) (1,1). We will examine these in turn.

2nd case: (0,0). Discursive convergence on a total trade-off:

For (0,0) to be an equilibrium the following would have to be true:

- $\partial \Pi_i / \partial \lambda_i \leq 0$, or the derivative of the left party's payoff with respect to its signal must be equal or less than 0 for both parties at the values $\lambda_l=0$ and $\lambda_r=0$.

If we look at the first order conditions and substitute the values of the signals $\lambda_l=0$ and $\lambda_r=0$ we see that this leads, for either party to the following indeterminacy:

$$\frac{\omega_i}{\omega_{med}} \geq \lambda^{true^{\frac{1}{2}}} \sqrt{\frac{2}{0}}$$

And therefore (0,0) can never constitute an equilibrium.

3rd case: (1,1). Discursive convergence on the absence of the trade-off:

For (1,1) to be an equilibrium, the following would have to be true:

- $\partial\Pi_l/\partial\lambda_l \geq 0$, or the derivative of the left party's payoff with respect to its signal must be equal or greater than 0 for $\lambda_l=1$ and $\lambda_r=1$ and

- $\partial\Pi_r/\partial\lambda_r \geq 0$, or the derivative of the right party's payoff with respect to its signal must be equal or greater than 0 for $\lambda_l=1$ and $\lambda_r=1$.

This would mean that for both parties this condition should hold

$$\omega_i \leq \lambda^{true^{\frac{1}{2}}} \omega_{med}$$

However, this by definition cannot be true for the right-wing party, given that $\lambda^{true^{\frac{1}{2}}}$ can not be greater than one, and that the wage of the representative voter of the right is greater than that of the median voter.

4th case: (0,1). Counter-intuitive maximal discursive divergence:

Lastly, we examine whether (0,1) could be an equilibrium. For this to be the case, the following should be true:

- $\partial\Pi_l/\partial\lambda_l \leq 0$, or the derivative of the left party's payoff with respect to its signal must be equal or less than 0 for $\lambda_l=0$ and $\lambda_r=1$ and

- $\partial \Pi_r / \partial \lambda_r \geq 0$, or the derivative of the right party's payoff with respect to its signal must be equal or greater than 0 for $\lambda_l = 0$ and $\lambda_r = 1$.

This two conditions could not be satisfied simultaneously because since ω_l is by definition smaller than ω_r , so it can not be simultaneously true that:

$$\omega_l \geq \lambda^{true^{\frac{1}{2}}} \omega_{med} \sqrt{2}$$

$$\omega_r \leq \lambda^{true^{\frac{1}{2}}} \omega_{med} \sqrt{2}$$

Moderate-corner equilibria

In this section I show what other equilibria can be obtained when the conditions for the extreme-corner equilibrium (1,0) do not hold. To recall, the condition for this equilibrium is:

$$(\omega_l \leq \lambda^{true^{\frac{1}{2}}} \omega_{med} \sqrt{2} \leq \omega_r)$$

It is possible, however, that for some values of the parameters in the model this condition does not hold for one (either) of the parties. To be sure, the two conditions for extreme-corner equilibrium (1, 0) cannot fail to hold simultaneously, since by definition, $\omega_l > \omega_r$.

Let us examine first, what happens when the (1,0) equilibrium condition fails to hold for the left party. In this case we have:

$$\omega_l > \lambda^{true^{\frac{1}{2}}} \omega_{med} \sqrt{2}, \text{ and } \omega_r \geq \lambda^{true^{\frac{1}{2}}} \omega_{med} \sqrt{2}$$

Under these conditions we will expect the following: The right-wing party will be maximizing its payoff by announcing $\lambda_r = 0$, yet the left-wing party will maximize at the point that its FOC dictates for that value (0) of the right-wing party announcement.

Therefore, they will set a value for λ_l that makes the FOC exactly equal to 0. We then have:

$$-\omega_l + \lambda^{true^{\frac{1}{2}}} \omega_{med} \left(\frac{(\lambda_l + 0)}{2} \right)^{\frac{1}{2}} = 0 \text{ for } \lambda_l^*$$

So it is possible to find the following equilibrium $(\lambda_l^*, 0)$ where

$$\lambda_l^* = 2 \left(\frac{\omega_{med}}{\omega_l} \right)^2 \lambda^{true}$$

In a parallel way, it is possible that the condition $(\lambda^{true^{\frac{1}{2}}} \omega_{med} \sqrt{2} \leq \omega_r)$ does not hold for the right-wing party.

Then, as in the previous case, the right-wing party will be at an interior point of his best response function, whereas the left will be at a corner point.

By substituting into the best response function, we find the equilibrium $(1, \lambda_r^*)$

where

$$\lambda_r^* = 2 \left(\frac{\omega_{med}}{\omega_r} \right)^2 \lambda^{true} - 1$$

We will label these equilibria strategies $[(\lambda_l^*, 0), (1, \lambda_r^*)]$ partial- or moderate-corner equilibria.

Keeping constant the parameters that describe the distribution of income in the population (so keeping ω_{med} , ω_r , and, ω_l , fixed) we can further specify the conditions under which the moderate equilibria will arise.

For any given distribution, there is a value of λ^{true} under which the left party will moderate. That is,

$$m_l : \lambda^{true} < \frac{\omega_l^2}{2\omega_{med}^2}$$

Let us call this value of λ^{true} , m_l , which stands for "moderation point" of the left-wing party.

Since ω_l is smaller by definition than ω_{med} , there will always be, regardless of the distribution, a value of λ^{true} sufficiently small for the left party to moderate itself.

Note also, that that value will always be smaller than 0.5.

Analogously, for the right party there is a value of λ^{true} above which they will moderate their signal and set it to a number greater than zero.

That is,

$$m_r : \lambda^{true} > \frac{\omega_r^2}{2\omega_{med}^2}$$

This means that for sufficiently large values of λ^{true} the right-wing party will moderate. Let us call this value m_r , which stands for the "moderation point" of the right-wing party.

In figure 1, we can observe an example of this two points at a given distribution. the grey zone represents the values of λ^{true} for which we find the extreme-corner equilibria. For values of

λ^{true} greater than m_r , or smaller than m_l , we will find a moderate equilibrium. It is important to note that the extreme-corner interval (grey zone) will always contain the value of $\lambda^{true} = 0.5$, but will not necessarily be symmetrically spread around it.

Indeed, for a sufficiently big salary of the representative voter of the right relative to the salary of the median voter, there might *not* be a moderation point for the right-wing party. Since $\frac{\omega_r^2}{2\omega_{med}^2}$ can be greater than 1, for a sufficiently large ω_r , we may find situations like that described in figure 2. A small enough true trade-off will make the left party moderate, but no value of λ^{true} will make the right-wing party moderate.

To sum up, the three possible equilibria for the model are:

$-(1, 0)$ would be a pair of equilibrium signals for relatively poor constituents of the left party, for a relatively moderate degree of efficiency in the economy, and for a relatively rich right-wing party constituent.

$-(\lambda_l^*, 0)$ will be an equilibrium for a relatively rich constituent of the left party, or a relatively low degree of efficiency in the economy.

$-(1, \lambda_r^*)$ will be an equilibrium for a relatively poor constituency of the rich party or for a relatively high degree of efficiency in the economy.

Figure 1

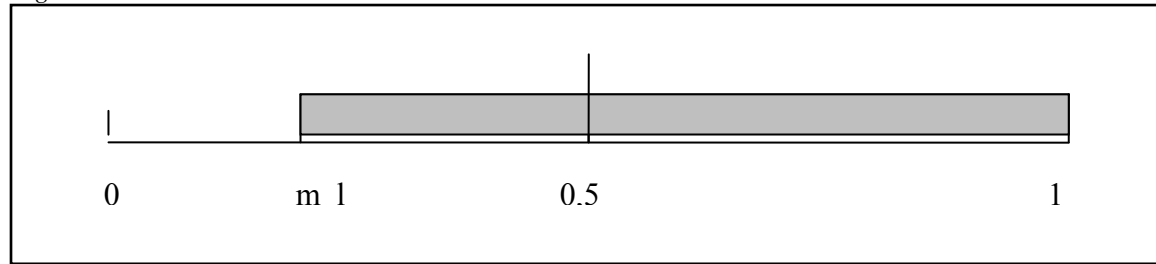
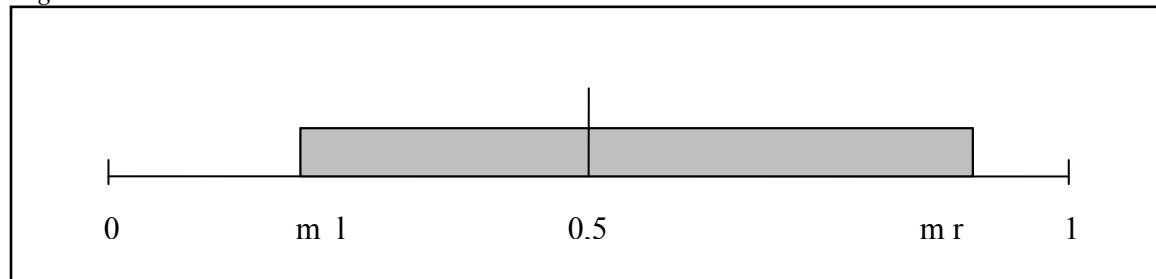


Figure 2



4.3.5. Partial Conclusions and the Trade-off Paradox

At this point, we have reached our theoretical starting point, i.e., we have shown formally the nature of the paradox with which we started: in this model we have shown that if two parties, left and right, that have policy preferences, compete in an election, they will converge, in policies, around the preferred policy of the median voter, but they will try to alter the preferences of the median voter by lying about the existence and extent of inefficiencies in the production of public goods. The right-wing party will exaggerate the extent to which there exist a trade-off between efficiency and equality. In turn, the left-wing party will minimize, in its discourse, its existence.

To wrap up the analytical findings in the equilibria exposed above:

First, we have shown, that for all values of the parameters an equilibrium exists and it is unique.

Second, we have also shown, that in all the possible equilibria, the efficiency parameter put forward by the left party is greater than the efficiency parameter of the right-wing party. That is, in all possible equilibria, the left announces a smaller trade-off than the right.

Third, we have shown that there can not be an interior solution for both parties simultaneously.

Combining these findings, we can summarize the equilibrium as follows:

Either $(\lambda_l, \lambda_r) = (1, \lambda_r^*)$ where $\lambda_r^* \in [0, 1)$ is given by the FOC (for the right-wing party) or the constraint $\lambda_r \geq 0$ with $\lambda_l = 1$ substituted in.

Or $(\lambda_l, \lambda_r) = (\lambda_l^*, 0)$ where $\lambda_l^* \in (0, 1]$ is again given by the FOC (for the left-wing party) or the feasibility constraint $\lambda_l \leq 1$ with $\lambda_r = 0$ substituted in.

Which of these equilibria prevail depends on the parameter values. The model just presented is important for unravelling the functions that the idea of a trade-off between efficiency and equity can have if representative or Wittmanian class parties are ready to lie about its existence and extent. For the right-wing party, stressing the idea that there is a trade-off between efficiency and equity helps it to bring closer to the preferences of their constituents, the preferences of the voter that is decisive, i.e. the median voter. For the left-wing party, stressing the idea that there is no trade-off between efficiency and equality has the exact opposite function. It helps it convince the median voter that a higher tax devoted to the production of a public good is actually better for him, when it is actually better only for the relatively poor constituents of the left. Of course, these two conflicting messages by either party cancelled each other out and so they are ineffective. It is also important to recall that for parties with constituents that are actually close to the median voter or for particularly high or low actual values of the trade-off, the equilibrium need not be extreme, in the sense that perhaps not both parties choose the extreme value for the signal of theories about the trade-off. We must note, however, that the left-wing party will never, even in the case of an equilibrium with moderate discourse, state a trade-off that is greater than the one considered to be true by them. The inverse holds for the conservative party.

This model also helps to express the paradoxical nature of the fact that social-democratic parties often include in their discourse an emphatic use of the idea that there is a trade-off between efficiency and equality. We have seen that given uncertainty on the part of voters as to the real trade-off, the interest of left-wing parties seems to be to announce the smallest possible trade-off.

4.3.6. A coda for the Math Sceptics, the Math Illiterate, or Both

In short, expressed in terms that do not employ any of the usual modelling jargon, and without any math implied, the model presented here is equivalent to performing a logical-theoretical experiment of imagining a polity defined by some simplifying characteristics. In this polity the government collects a percentual tax over income of which the rate does not vary across the electorate. The electorate is composed of heterogeneous voters, which vary only in the income they earn, due to their different skills. They all have the same preferences, which are basically expressed by the fact that they enjoy both the freedom to spend their income in the purchasing of private goods and in the use they make of the public goods provided by government. Obviously, they dislike paying taxes but since they enjoy the use of public goods, for each of them, there is an ideal tax rate at which they are as well off as possible. The ideal tax rate of poor voters is greater than that of rich voters.

Public goods are provided by the government through the taxes it collects. A loss associated to government intervention nevertheless exists, so some percentage of the money collected through taxes does not go to the production of public goods but gets lost. Political parties know what this percentage is but voters do not.

The political parties that we depict are composed of altruistic politicians that care about what policies are implemented and not about winning elections *per se*, because each of them has, as their sole objective, the pursuit of the welfare of a particular type of voter. In the case of the left-wing party, they want a relatively poor voter to be as well off as possible, so they would want the tax rate resulting from the political competition to be the same as the ideal tax rate of their preferred voter. The right-wing party is exactly alike, except that it represents a relatively rich voter within the lot.

The political contest in which these parties compete for power, in the sense of pursuing the welfare of their constituency, is

democratic. At the time of elections, the two parties present a platform, then voters decide who to vote for, and whichever party wins must implement the policy that they proposed. In these platforms parties do not only describe their political program, consisting of a tax rate, but they also explain how the economy (or the government) works: they say what percentage of the money collected through taxes translates into the production of public goods. Since voters do not have independent information on the issue but parties know how the economy works, voters can be lied to by parties. Voters believe what they are told by parties, but they are not partisan in any sense, so they believe equally what the two parties say and so if they are told different stories by the two parties they take a middle way by averaging the parties' messages. Given this information, or misinformation, obtained during the campaign, they decide which of the two political programs best suits their preferences and needs. Since parties know perfectly how voters react to their messages they anticipate this reaction by calculating which is the best possible platform to be offered in order to pursue the welfare of their preferred constituency. Each of the political parties knows that the other party will also act this way and so they equally anticipate what the other party will do. Given this fact, each party chooses its best strategy. For each of them, there is a unique best platform choice, that is, there is one alternative that is best and not a group of alternatives that are equally good. This platform is the best possible one only in a restricted sense: parties would not be better off by having acted differently, so once they choose this platform they would never look back and regret they did not do any other thing. This means that this result is stable in time, and so we can think that such an outcome is not only conceivable, in the sense that it could eventually, under extraordinary conditions, take place, but rather, that it is likely both to take place and to persist.

What would this stable outcome look like? Both political parties will offer the same policy, in terms of tax rate. This policy will be that which is the preferred one by the voter that is the most centred one, in the sense that there is as many people that prefer

less taxes than she does as there is people that prefers more taxes than she does. Parties will be constrained to offer and to implement this policy in particular because if they did not, their political opponents could always offer this policy, the median policy, and so they would lose the elections for sure. Yet, in our hypothetical setting political parties can lie to voters about the extent to which there are or there are not inefficiencies in how the money collected through taxes goes into public goods production, what can we expect that these parties will say about how efficient is the government in doing this job?

For any given voter, the more inefficient she expects government to be in producing public goods, the less of her money she will want to go to pay taxes, regardless of how much in particular she benefits from this public goods. The opposite also holds, so that a voter will demand more of the public good, the more efficient she will think that the government is in producing it. This means that any voter's beliefs about government efficiency have an impact on her ideal tax rate. A right-wing political party that represents the interests of the rich will favour a relatively low tax rate whereas a left-wing political party representing the interests of the poor will favour a relatively high tax rate. If we suppose that the median voter or most centred one in the sense explained above is poorer and richer, respectively, than the preferred voter of the right and of the left, then neither of the political parties will be satisfied with the policy that they nevertheless are constrained to offer in a democratic setting, i.e., the ideal policy of the most centred voter.

Political parties, nevertheless, know that they can lie to voters, and to some extent be believed, about how efficient is the government in producing public goods. A right-wing party will want to exaggerate the extent to which these inefficiencies exist, so that the median voter will prefer a lower tax rate than the one that actually is best for her. A left-wing party will want to exaggerate, analogously, the extent to which there are not inefficiencies in the production of public goods, so that the median voter will instead prefer a higher tax rate than her real ideal one.

This then defines our stable outcome: Both political parties will chose to offer the same tax rate but will tell different stories about how efficient government is in producing it.

When the left party represents a very poor constituent, or when the value of the trade-off is very low, meaning that government can produce the public good with high efficiency, then they will exaggerate the extent to which the trade-off is low to the maximum, i.e., they will say that the trade-off does not exist. However, if their constituency is relatively close, in income, to the median voter, or if the real value of the trade-off is very high, then they will moderate their discourse to some extent, even if what they will still declare a value that is lower than the actual one. The right-wing party will behave in an analogue way. Then either both parties will be exaggerating the value of the trade-off to the fullest possible extent in opposite directions, or else, one of them will choose to moderate, given the above mentioned conditions.

4.3.7. Illustrations

In this section, by using numerical examples, we present a series of cases in which we illustrate the conditions under which the different equilibria arise and their various properties.

In these first three examples we use the approximate median and the average household income in thousands of dollars for the United States in 1990. The incomes of the preferred voter for left and right parties are fixed arbitrarily, as well as the α coefficient.

What the first three examples show is how, even under different "states of the world" defined on terms of different real trade-offs, for the same income distribution of voters, the fact that parties choose to may leave unchanged the equilibrium in signals yields, for all three cases, also the same equilibrium in policies since τ_{med} (that is, the preferred policy of the median voter, conditional on her ex post beliefs), remains unchanged for these three extreme-corner equilibria.

CHART 1:

PARAMETERS	example 1	example 2	example 3
α	4	4	4
ω_l	20	20	20
ω_r	42	42	42
ω_{med}	30	30	30
μ	40	40	40
STRUCTURES			
moderation condition for l	0.22222222	0.22222222	0.22222222
moderation condition for r	0.98	0.98	0.98
λ^{true}	0.50	0.30	0.70
τ^l	0.8	0.48	1.12
τ^r	0.181406	0.078	0.253968
τ^{med}	0.355555556	0.1213333	0.497778
RESULTS			
λ_{post}	0.5	0.5	0.5
λ_l	1	1	1
λ_r	0	0	0
τ_l	0.8	0.8	0.8
τ_r	0.181406	0.181406	0.181406
τ_{med}	0.355555556	0.355555556	0.355555556

CHART 2:

PARAMETERS	example 4	example 5
α	4	4
ω_l	20	20
ω_r	42	42
ω_{med}	30	30
μ	40	40
STRUCTURES		
moderation condition for l	0.222222	0.222222
moderation condition for r	0.98	0.98
λ^{true}	0.2	0.99
τ^l	0.32	1.584
τ^r	0.072562	0.359184
τ^{med}	0.142222	0.704
RESULTS		
λ_{post}	0.45	0.505102
λ_l	0.9	1
λ_r	0	0.010204
τ_l	0.72	0.808163
τ_r	0.163265	0.183257
τ_{med}	0.32	0.359184

Examples 4 and 5 are instances where either of the parties moderates the signal. The data on income and other parameters of the model remains unvaried from the examples in chart 1. The difference is that in both cases the true trade-off lies outside the interval where parties would go for an extreme-corner solution.

The main property of these kinds of equilibria can thus be observed. In example 4, the value of the true trade-off makes this party moderate its signal to 0.9 instead of 1. Note that the λ_{post} generated (0.45) causes the agreement or coincidence between the preferred tax rate of the median voter conditional on her beliefs with the preferred tax rate of the representative left voter under the true state of the world or trade-off. This means actually that the left party is at its bliss point, where the income tax implemented by either party winning will be the tax rate, out of all possible, that maximizes the utility of its representative voter.

The symmetric logic applies for the example 5, where it is the right-wing party who moderates its signal and therefore the implemented policy, the preferred policy of the median conditional on her beliefs, coincides with the preferred policy of the right-wing constituent under the true state of the world.

4.4. Untangling the Paradox. Amendments to the Model

So far, as the reader can note, we have obtained the results that contradict, to a certain extent, the main intuition that motivates this chapter, i.e., we wanted to obtain a model in which the moderate leftist party lies to the electorate about the existence of a trade-off between efficiency and equality in a counter-intuitive way. i.e., by exaggerating the extent to which there is a trade-off between efficiency and equity. Instead, we have presented a model in which the left-wing party exaggerates the degree of efficiency with which the state produces a public good, while the right-wing party does the opposite. The part of the model developed so far, though, is necessary to present our main query as a paradox. In the following sections, therefore, we will inquire about the factors that

need to be taken into account in order to obtain the empirical result that motivates our analysis, the fact that even in the absence of strong evidence about the existence of the trade-off, leftist parties stress its size and extent in their discourse.

The candidates for an explanation of this fact are many, and in principle, infinite. Here we shall pursue a particular line of explanation dealing with the competition that moderate left-wing parties face at their left. My contention is that social-democratic parties use the idea that there is a trade-off between efficiency and equality to pre-empt electoral competition at their left. The idea of this thesis is then that social-democratic parties use the language of trade-offs and in general, emphasize the constraints on redistribution because that is the best strategy that they can pursue given their position in the electoral space. Their position is not only characterized by the fact that they are to the left of conservative parties, but they also have to face competition at their left. Normally, in proportional systems, this position is taken up by a communist party with variable strength from country to country. However, even in the absence of a (moderately) strong communist party, competition to the left of social-democratic parties is consubstantial to any democratic setting. First, there are always, even in two-party systems, third or at least minor parties that even if they do not opt, with sufficient chances, for winning office, can be perceived by social-democratic parties as a threat if the race between social-democratic parties and conservative ones is close. That is, to the extent that these parties take votes from the left spectrum, they alter the chances of winning for social-democratic parties. Second, there are other social organizations, like unions or social movements that, by being critical to social-democratic policy stands (while at the same time, being closest to them than to any other political party with winning chances) can also influence negatively their chances for office: either because they can alter the beliefs and preferences of voters of the left, and thus, make extreme-left parties more appealing, or because they may increase the probability of abstention of some left-wing voters. The third type of competition to the left of social

democratic parties is precisely this one: the potential of alienation and consequent abstention on the part of voters that are on the most extreme-left positions in the political continuum between left and right. Under some conditions, and taking into consideration the cost of voting, some voters may not vote to their ideologically closest alternative but instead abstain if their closest party is not close enough to their preferences (Llavador 2004).

That social-democratic parties face competition at their left should in itself not be a controversial idea. But, what is the role that this fact can have in their discursive strategy? What I contend in this thesis is that, rather counter intuitively, competition to their left can make social-democratic parties shift their discourse to the right. In particular, the idea that there is a trade-off between efficiency and equality can play a useful role in the strategy of social-democratic parties, and not in the expected direction, by which social-democratic parties should deny, or at least, minimize, its existence (as we have seen in the model developed so far). Instead, I contend that when social-democratic parties perceive that political actors to their left are capable of influencing the beliefs of voters, thus risking social-democratic chances to power, then exaggerating the extent to which there is a trade-off can work to their advantage. First, by taking off credit of political options that are more redistributive than the ones offered by social-democratic parties. A second but related way in which they can find an interest in announcing a bigger trade-off than they actually believe that there is, is by lowering the expectations of voters over the redistributive fruits of certain policies, if social-democratic parties think that these expectations are too high, partly if they are influenced by previous policies or by the announcements of political actors to the left of social-democratic parties.

Within the limitations of this kind of formal analysis, I will next include a third actor to the game to represent this kind of competition to the left of social-democratic parties. This actor can be conceived either as an extreme-left-wing party announcing the inexistence of the trade-off between efficiency and equality that is nevertheless unable to obtain a significant amount of votes, or else

as a union or any other social organization, that though does not opt for votes in the electoral contest can nevertheless alter the beliefs of voters about the trade-off in the sense of minimizing or denying its existence

Here we label this third actor with the subscript *c* (that stands for communist as representing an extreme-left position). This third actor is characterized by the fact that they only make one type of announcement about how the economy works: they only announce what they believe and they believe that $\lambda^{true} = 1$. Alternatively, they know or believe they know the true parameter, and share this belief with the other parties but nevertheless they want to announce $\lambda_c = 1$. This party, since it has only one strategy regardless of what the other parties do, is not a player in the proper sense. We therefore take it as a parameter in the game. By being at the extreme-left of the political spectrum, this party cannot be either a wittmanian party or a downsian party, in the sense that its objective is neither to win the election nor to maximize the utility of a particular set of voters. We would thus label this kind of party “dogmatic”. We can think of it, in terms of the classification of Roemer’s, as being composed only of what, in his attempt to create a different framework of competition, calls militants as opposed to the opportunists (Downsian) and reformists (Wittmanian) members. Therefore, this dogmatic party is only composed of militant members, or politicians whose sole objective is to offer the platform that they think is the fair or just platform, without caring either about its chances of winning the election or about the effect that the outcome of the electoral game will have on the welfare of their preferred voters. Roemer describes militants as those members that simply desire to propose a policy as close as possible to the party’s ideal point, regardless of the anticipated electoral results of pursuing such an objective (Roemer, 2000 p. 7 and 148). The party’s ideal platform is the one, that in the event of winning, would maximize the welfare of their preferred set of voters. If, however, this party’s ideal platform is put forward in the campaign without taking into account the reaction of all voters to it and to other parties’

platforms, it may result in certain defeat in favour of other platforms which might be far from promoting the interests of the voters that a given party supposedly wants to represent. The utility of the target constituency will thus not be maximized. There are two possible interpretations of why militants would want to do this. Roemer, in his description of their behaviour does not enter in this kind of consideration. Here we offer two possible interpretations. The first is that militants may be so convinced that their policy offer is superior for all that they do not anticipate realistically the reaction of voters. This interpretation however would mean depicting them as parties, that compared to Wittmanian or Downsian, have a relatively worse cognitive capacity. The second interpretation is probably the one that is behind Roemer's lack of explanation of their motives, and implies that they simply do not care about defeats and therefore about the welfare of any particular group of voters. It is therefore somehow awkward to attribute to them policy preferences⁸.

4.4.1. Weak but loud actors

In the following we will give some insights into how competition to the left of socialist parties alters equilibrium results, we will examine the case where the dogmatic party, for reasons that may have to do with the structure of the electoral system, is unable to get a significant amount of votes, but is nevertheless, able to make itself heard to the public, thus being capable of altering the beliefs of voters as much as the other two parties. The rest of the structural features of the model remain the same. Therefore:

⁸As we will discuss in the final sections of this chapter, our preferred interpretation of this third actor is that of a social actor that can only make announcements about the value of the trade-off. We will see the implications of either interpretations later in the discussion of the model results.

Voters are uncertain about the parameter λ . Their beliefs are characterized as follows: Voters have a prior over λ that is distributed uniformly between 0 and 1, $U[0,1]$. They transform their priors into posteriors after listening to the theories that parties announce, λ_c , λ_l , and λ_r in this manner:

- - they assign probability 0 to the event that λ^{true} is outside the interval $[\lambda_x, \lambda_z]$ for $\lambda_x < \lambda_y < \lambda_z$. (the subscript x stands for the lowest announced λ and z for the highest, regardless of who makes the announcements)
- -they scale up their probability density function to a uniform distribution bounded in $[\lambda_x, \lambda_z]$. This distribution has a mean and spread derived from the announcements.

$$\mu_\lambda = 1/3(\lambda_r + \lambda_l + \lambda_c)$$

$$\sigma_\lambda = 1/2(\max\{\lambda_l, \lambda_r\} - \min\{\lambda_l, \lambda_r\})$$

The posterior beliefs of voters after listening to the announcements of all three parties are thus scaled up to a non uniform distribution bounded in $[\lambda_x, \lambda_z]$ of which the expected value is the average of λ_c , λ_l , and λ_r .

So they try to maximize their utility conditional on their beliefs:

$$v_{post}(\tau, \omega, \lambda) = (1 - \tau)\omega + 2\alpha(\lambda_{post}\tau\mu)^{1/2}$$

where λ^{post} stands for the posterior expected value of λ after the announcements λ_c , λ_l , and λ_r are made, and given the above description of voters' beliefs:

$$\lambda_{post} = \frac{1}{3}(\lambda_c + \lambda_l + \lambda_r)$$

4.4.2. Equilibria

In this setting, since two parties are actually playing the electoral competition game, the Median voter Theorem still obtains. So we know that in equilibrium each party will set $\tau_i = \tau^{med}$ where τ^{med} is the tax rate preferred by the median voter (conditional on her beliefs $\lambda^{post} = \frac{1}{3}(\lambda_c + \lambda_l + \lambda_r)$), and that the probability of winning for each party of the playing parties (r and l) equals 1/2.

The median voter will be maximizing her utility given her beliefs if the tax offered is consistent with the FOC on her utility function:

$$\begin{aligned}\tau^{med} &= \left(\frac{\alpha}{\omega_{med}}\right)^2 t^{post} \mu \\ &= \left(\frac{\alpha}{\omega_{med}}\right)^2 \frac{(\lambda_c + \lambda_l + \lambda_r)}{3} \mu\end{aligned}$$

The conditions for equilibrium in this game are the same as in the previous setting described above. So in equilibrium, we know that $\tau_{l,r} = \tau^{med}$ and we also know that the probability of winning of each party will be equal to one half. The payoff functions of the parties have then the following form:

$$\begin{aligned}\Pi_i &= \frac{1}{2} \left[(1 - \tau_{med}) s_i + 2\alpha (t^{true} \tau_{med} \mu)^{\frac{1}{2}} \right] + \frac{1}{2} \left[(1 - \tau_{med}) s_i + 2\alpha (t^{true} \tau_{med} \mu)^{\frac{1}{2}} \right] \\ &= (1 - \tau_{med}) s_i + 2\alpha (t^{true} \tau_{med} \mu)^{\frac{1}{2}}\end{aligned}$$

Where we now that τ^{med} depends on parties' theory announcements. So substituting τ^{med} in the payoff function at

equilibrium we know what is it that parties attempt to maximize with respect to their announcement:

$$\max_{\lambda_i} \Pi_i = \left[1 - \left(\frac{\alpha}{\omega_{med}} \right)^2 \frac{(\lambda_c + \lambda_l + \lambda_r)}{3} \mu \right] \omega_l + 2\alpha \lambda^{me} \left(\frac{\alpha}{\omega_{med}} \right)^2 \frac{(\lambda_c + \lambda_l + \lambda_r)}{3} \mu \mu^{\frac{1}{2}}$$

The first order condition (FOC) for the left party is:

$$-\omega_l + \lambda^{true^{\frac{1}{2}}} \omega_{med} \left(\frac{(\lambda_c + \lambda_l + \lambda_r)}{3} \right)^{-\frac{1}{2}}$$

Analogously, the FOC for the right-wing party is:

$$-\omega_r + \lambda^{true^{\frac{1}{2}}} \omega_{med} \left(\frac{(\lambda_c + \lambda_l + \lambda_r)}{3} \right)^{-\frac{1}{2}}$$

As in the previous game, an interior solution to the game is precluded. So we will examine now the possible corner solutions.

Extreme-corner Equilibria

1st case: total discursive divergence between Wittmanian parties:

First, we can see that the equilibrium (1, 1, 0) for $(\lambda_c, \lambda_l, \lambda_r)$ has different conditions on the parameters now:

For (1, 1, 0) to be an equilibrium, the following would have to be true:

- $\partial\Pi_l/\partial\lambda_l \geq 0$, or the derivative of the left party's payoff with respect to its signal must be equal or greater than 0 for $t_c=1$, $t_l=1$, $t_r=0$ and

- $\partial\Pi_r/\partial\lambda_r \leq 0$, or the derivative of the right party's payoff with respect to its signal must be equal or greater than 0 for $t_c=1$, $t_l=1$ and $t_r=0$.

This would mean that for both parties this condition should hold:

$$\omega_l \leq \lambda^{true^{\frac{1}{2}}} \omega_{med} \sqrt{\frac{3}{2}} \leq \omega_r$$

or, in terms of λ^{true} :

$$\frac{2}{3} \left(\frac{\omega_l}{\omega_{med}} \right)^2 \leq \lambda^{true} \leq \frac{2}{3} \left(\frac{\omega_r}{\omega_{med}} \right)^2$$

This condition is less restrictive for the right-wing party and more restrictive for the left-wing party than in the case of the two party competition for the equilibrium (1, 0). This means that the left party will choose a signal of $\lambda_l = 1$ for less of the possible values of the parameters, and the right party will choose to announce $\lambda_r = 0$ for more of the values of the parameters than in the two party case.

2nd case: discursive convergence on a total trade-off between wittmanian parties:

At this point we can see whether (1, 0, 0) can be an equilibrium in signals in the three party context.

For it to be an equilibrium in signals the following would have to be true:

- $\partial\Pi_l/\partial\lambda_l \leq 0$, or the derivative of the left party's payoff with respect to its signal must be equal or greater than 0 for $\lambda_c=1$, $\lambda_l=0$, $\lambda_r=0$ and

- $\partial\Pi_r/\partial\lambda_r \leq 0$, or the derivative of the right party's payoff with respect to its signal must be equal or greater than 0 for $\lambda_c=1$, $\lambda_l=0$ and $\lambda_r=0$.

This would mean that:

$$\omega_l \geq \lambda^{true^{\frac{1}{2}}} \omega_{med} \sqrt{3}$$

and

$$\omega_r \geq \lambda^{true^{\frac{1}{2}}} \omega_{med} \sqrt{3}$$

Since $\omega_r > \omega_l$ then, the first condition is more restrictive and includes the second condition, so the latter is redundant.

Then, expressed in terms of λ^{true} then the condition amounts to:

$$\lambda^{true} \leq \left(\frac{\omega_l}{\omega_{med}}\right)^2 \frac{1}{3}$$

Contrary to the case of discursive convergence on total trade-off examined for the case of two parties, this does not lead to an indeterminacy. So for sufficiently small values of λ^{true} this condition can hold for both parties. This result is crucial since it

means that under some conditions, mainly, that the true trade-off be sufficiently big (λ^{true} be sufficiently small) or if the salary of the representative voter of the left is sufficiently large with respect to the median salary, then the two Wittmanian parties can converge in the value of the trade-off that they announce, that is, a total trade-off. This means, for the moderate left-wing party, that there are some values of the parameters for which they maximize the utility of their voters by lying about the trade-off exaggerating its extent, since λ_l will be smaller than λ^{true} . We should stress the importance of this result: it means that under some conditions in the distribution of income, or in the value of the true trade-off, the social-democratic parties will find that their best strategy to maximize the welfare of their constituency is to exaggerate the extent to which there is a trade-off, and they will announce a maximum value of it. In doing so, they will thus converge with the right-wing parties, even if they are representing the interests of different constituencies.

3rd case: discursive convergence on absence of trade-off between all parties (wittmanian and dogmatic):

For (1,1,1) to be an equilibrium, the following would have to be true:

- $\partial\Pi_l/\partial\lambda_l \geq 0$, or the derivative of the left party's payoff with respect to its signal must be equal or greater than 0 for $\lambda_l=1$ and $\lambda_r=1$ and $\lambda_c = 1$

- $\partial\Pi_r/\partial\lambda_r \geq 0$, or the derivative of the right party's payoff with respect to its signal must be equal or greater than 0 for $\lambda_l=1$ and $\lambda_r=1$ and $\lambda_c = 1$.

This would mean that for both parties this condition should hold

$$\omega_i \leq \lambda^{true^{\frac{1}{2}}} \omega_{med}$$

However, this by definition cannot be true for the right-wing party, given that $\lambda^{true^{\frac{1}{2}}}$ can not be greater than one, and that the wage of the representative voter of the right is greater than that of the median voter.

4th case: counter-intuitive discursive divergence between wittmanian parties:

Lastly, we examine whether (1, 0, 1) could be an equilibrium. For this to be the case, the following should be true:

- $\partial \Pi_l / \partial \lambda_l \leq 0$, or the derivative of the left party's payoff with respect to its signal must be equal or less than 0 for $\lambda_l=0$ and $\lambda_r=1$ and

- $\partial \Pi_r / \partial \lambda_r \geq 0$, or the derivative of the right party's payoff with respect to its signal must be equal or greater than 0 for $\lambda_l=0$ and $\lambda_r=1$.

These two conditions could not be satisfied simultaneously because since w_l is by definition smaller than w_r , so it can not be simultaneously true that:

$$\omega_l \geq \lambda^{true^{\frac{1}{2}}} \omega_{med} \sqrt{3/2}$$

$$\omega_r \leq \lambda^{true^{\frac{1}{2}}} \omega_{med} \sqrt{3/2}$$

In this section we have seen that the existence of a third political party always announcing no trade-off alters the set of extreme equilibria found in the two-party case.

First, the range where extreme equilibria with discursive divergence between Wittmanian parties changes.

Second, and more importantly, we find the possibility of a new extreme equilibrium where the moderate left party may converge with the right-wing party on announcing a total trade-off if the "true" value of the trade-off is low enough. This means that they are ready to exaggerate the existence of the trade-off, as we would expect right-wing parties to do.

Moderate Partial-Corner Equilibria

As we have just seen, there are two cases in which we can find extreme-corner equilibria:

(a) for the equilibrium (1, 1, 0)

$$\frac{2}{3} \left(\frac{\omega_l}{\omega_{med}} \right)^2 \leq \lambda^{true} \leq \frac{2}{3} \left(\frac{\omega_r}{\omega_{med}} \right)^2$$

and (b) for the equilibrium (1, 0, 0)

$$\lambda^{true} \leq \left(\frac{\omega_l}{\omega_{med}} \right)^2 \frac{1}{3}$$

When neither (a) nor (b) hold for the left-wing party, then we have

$$\omega_l > \lambda^{true^{\frac{1}{2}}} \omega_{med} \sqrt{3/2}$$

$$\text{and } \omega_r \geq \lambda^{true^{\frac{1}{2}}} \omega_{med} \sqrt{3/2}$$

Then it is possible to find the following equilibrium $(1, \lambda_l^*, 0)$ where

$$\lambda_c = 1$$

$$\lambda_r = 0 \text{ and}$$

$$\lambda_l^* = 3\left(\frac{\omega_{med}}{\omega_l}\right)^2 \lambda^{true}.$$

Since the FOC for the left-wing party $(-\omega_l + \lambda^{true\frac{1}{2}} \omega_{med} \left(\frac{(1+\lambda_l+0)}{3}\right)^{\frac{-1}{2}})$ is equal to 0 for $\lambda_c = 1$ and $\lambda_r = 0$ when $\lambda_l = \lambda_l^*$.

In a parallel way, it is possible that the condition $(\lambda^{true\frac{1}{2}} \omega_{med} \sqrt{3/2} \leq \omega_r)$ does not hold for the right-wing party.

Then, as in the previous case, the right-wing party will be at an interior point of his best response function, whereas left will be at a corner point.

By substituting into the best response function, we find the equilibrium $(1, 1, \lambda_r^*)$

Where:

$$\lambda_r^* = 3\left(\frac{\omega_{med}}{\omega_r}\right)^2 \lambda^{true} - 2$$

Therefore $(1, \lambda_l^*, 0)$ and $(1, 1, \lambda_r^*)$ are defined as the *partial or moderate-corner equilibria* in the case of competition between two wittmanian parties and a dogmatic weak and loud communist party.

Keeping constant the parameters that describe the distribution of income in the population (so keeping ω_{med} , ω_r , and, ω_l , fixed) we can specify further the conditions under which the moderate equilibria will arise.

For any given distribution, there is a value of λ^{true} under which the left party will moderate. That is,

$$m_l : \lambda^{true} < \frac{2\omega_l^2}{3\omega_{med}^2}$$

Let us call this value of λ^{true} , m_l , which stands for "moderation point" of the left-wing party.

Since ω_l is smaller by definition than ω_{med} , there will always be, regardless of the distribution, a value of λ^{true} sufficiently small for the left party to moderate itself.

Analogously, for the right party there is a value of λ^{true} for which they will moderate their signal and set it to a number greater than zero.

That is,

$$m_r : \lambda^{true} > \frac{2\omega_r^2}{3\omega_{med}^2}$$

This means that for sufficiently large values of λ^{true} the right-wing party will moderate. Let us call this value m_r which stands for the "moderation point" of the right-wing party.

As previously, we illustrate in figure 5 the range of possible equilibria defined in terms of λ^{true} . The lighter area represents the range of values for the true parameter of the trade-off where we can an extreme equilibrium with discursive convergence between Wittmanian parties on total trade-off. This will happen for values of $\lambda^{true} \in (0, \frac{\omega_l^2}{3\omega_{med}^2}]$.

For $\lambda^{true} \in (\frac{\omega_l^2}{3\omega_{med}^2}, \frac{2\omega_l^2}{3\omega_{med}^2})$ we find moderate equilibria, where the moderating party is the social-democratic one.

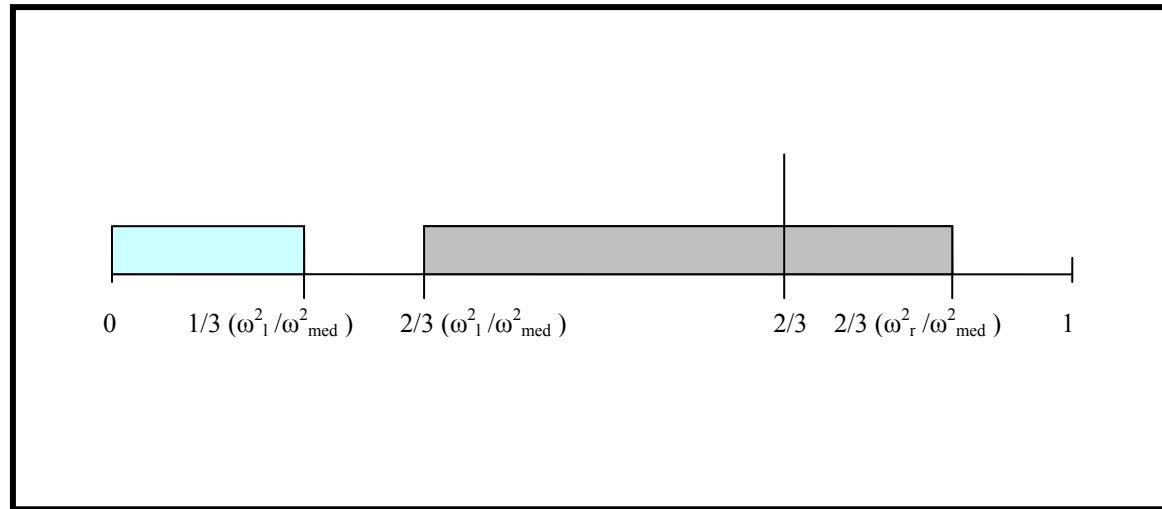
From $\lambda^{true} \in [\frac{2\omega_r^2}{3\omega_{med}^2}, \frac{2\omega_r^2}{3\omega_{med}^2}]$ we find extreme-corner equilibria with total discursive divergence between Wittmanian parties. Note that this interval will always contain $\lambda^{true} = 2/3$.

For $\lambda^{true} \in (\frac{2\omega_r^2}{3\omega_{med}^2}, 1]$ we find moderate equilibria, where the moderating party is the right-wing party.

The conclusion to this section would be that the introduction of an actor that announces no trade-off and shares the persuasive capacity with the two other parties is that it changes the range of equilibria in two manners:

First, the range of moderate-corner equilibria changes, in that the moderating conditions for the left-wing party get less restrictive, and the moderating conditions for the right-wing get stricter.

Second, and more importantly, the introduction of a persuasive extreme-left party creates a new set of equilibria where for sufficiently small values of λ^{true} , or if the preferred voter of the left is close enough to the median voter, the two wittmanian parties converge on announcing a total trade-off. Thus, we find an equilibrium where the value of the trade-off stated by the left-wing party is greater than what they believe to be the true trade-off.



4.5. Conclusions and Discussion

In this chapter, we have presented a way of formalizing the idea that moderate left parties can use the idea that there is a trade-off between efficiency and equality as part of their strategy to maximize the welfare of their constituency. For this, we have depicted them as Wittmanian parties, i.e., parties that care about the policy outcome of the electoral process, and not just merely about winning elections in virtue of the fact that their aim is to maximize the welfare of a given constituency. We have presented two different ways in which social-democratic parties can use to their advantage the idea that there is a trade-off between efficiency and equality. First we have presented a two-party model in which both social-democratic and conservative parties behave in the expected way with respect to the trade-off: left-wing parties deny or minimize its existence, while right-wing parties exaggerate its degree.

Then, we have added an element (a third actor) representing competition to the left of social-democratic parties. We have obtained the crucial result that when other actors are also capable of influencing the beliefs of voters about the extent of the trade-off with the result that their expectations about the trade-off are low enough (or seen in another way, their expectations about the fruits of redistribution are high enough) then, under some conditions, namely that the real trade-off is high enough, or that the income of the preferred voters of social-democratic parties is close enough to the income of median voters, then, social-democratic parties can converge, together with conservative parties, in announcing a total trade-off. That is, under some conditions, social-democratic parties can exaggerate the degree to which there is a trade-off between efficiency and equality. And they can do so, even if, or rather, precisely because, they have an interest in maximizing the welfare of a given constituency, a constituency composed of relatively poor voters.

Now, this result we have obtained through the building of a formal model based on several assumptions, pertaining to the logic of spatial competition. How should we interpret what this model really explains about the empirical fact that inspires this thesis? My aim is to explain the reasons that can lead social-democratic parties to embark in a discourse that includes the idea that there is a trade-off between efficiency and equality, while at the same time, I problematize the very existence of such a trade-off, by basing my argument on a review of the relevant economic literature on the matter, to which one should assume, social-democratic parties also have access. What I then contend is that the idea that there is a trade-off between efficiency and equality is useful for them in their pursuit of their interest, which I take to be, the interest of a left-wing constituency.

As for the interpretation of the particular results of the model presented, we have obtained intuitively sound, and non-trivial results other than the main result that we aimed at obtaining, where under some conditions moderate left parties do indeed exaggerate the degree to which there is trade-off between efficiency and equality and converge, on discursive terms, with conservative parties. These other concern the conditions under which the different equilibria obtain:

-If left-wing parties (and right-wing parties) believe that the real trade-off is actually very high, then the possibility of converging discursively with the right-wing party increases.

-If the representative voter of the left is relatively close in terms of income to the median voter (either because the median voter is relatively poor, or because the representative left voter is relatively rich), then it is more likely that we find situations in which the discourse of the left-wing party is moderate. In the presence of a third actor influencing in a downward sense the expectations of voters over the trade-off, then we can find instances of parties converging discursively with right-wing parties on a total trade-off.

As with any formal model, the model just presented, though, cannot achieve, by virtue of the way it is constructed, a thorough

explanation of the empirical fact motivating this thesis (that social-democratic parties use the idea of a trade-off between efficiency and equality), nor a thorough proof of my contention (that they do so because they face competition on their left and because that is the best strategy available to them to maximize the welfare of left-wing constituencies). This model, however can, and should be judged on those grounds, provide with an account of:

1. Whether our contention is internally logical or self-defeating.

2. Establish the logical consequences of the functioning of a mechanism. In this case the mechanism that we have isolated in this formal model is that of the functions, in terms of its consequences on redistributive outcomes, of announcing to voters that there is a trade-off between efficiency and equality.

In this, I follow Cartwright's understanding (Cartwright, 1998) of the correct interpretation of formal models in social sciences. Her assertion is that formal models can establish facts about stable tendencies or properties of objects but not, or at least, seldom, make predictions about the results we should find in the real world, as opposed to the formal setting. If models, by the use of many simplifying assumptions, help us to isolate a particular mechanism, then, precisely because of these simplifications, they will not be able to yield accurate predictions of what happens in the real world, where there also are a lot of other things going on. So we cannot conclude from this model that every time that we hear a politician talking about the trade-off, something like what the model describes is taking place, nor that, when there is an electoral race based mainly on redistributive issues, then, trade-off talk must necessarily ensue. Instead, we want to explain a tendency, a recurring fact of political life, that under a certain perspective, can appear as paradoxical. By the use of deduction, have shown that it is not paradoxical and explained why.

We side with Rubinstein (Rubinstein 1991) and reject what he coins the classical interpretation of a game form, as a full description of the physical events in the modeled situation. As he notes, it is extremely rare that any game form is able to describe

fully any situation in real life other than what we call "games" in a colloquial sense, i.e., children (or for that matter, adult) games where the main goal is to "play" and where all possible situations arising are described exhaustively in the rules. Instead, he proposes an interpretation of a game form as an abstract summary of the players' *actual perceptions* of the complex situations they are in. As an example, Rubinstein refers to the case where players may be involved in a recurring situation but might ignore the repetitive aspect of their position. This point links nicely to an aspect of the model just presented that we have left open so far: the question of the dynamic possibilities of our model and the assumptions about the rationality of the actors involved. The model we have presented is a one-shot game⁹. As Rubinstein notes, there is, even in the specialized literature, a widespread confusion about what a one shot game must imply, or how to go about interpreting it. One-shot games do not imply that the event that is being represented necessarily takes place only one time. For, as the author underlines, it is the repetitive nature of any situation that makes it possible to be studied, and all games, whether one-shot or repeated games, aim at accounting for some *regularity* in nature. What instead differentiates one-shot games from repeated games is whether the actors involved in either situation take into account the effect of their choices today on similar future games in which they will participate. If they ignore or underestimate the effect of their present behaviour on the future, then the game-theory framework of one-shot games shall be appropriate. With the problem with which we are concerned this is actually the appropriate setting. Though they could be interesting questions in themselves, what would happen if parties engaged in a dynamic game with voters about the value or the announcements over the value of the trade-off, or if voters did ex-post calculations about what the real value of the trade-off can be given the announcements, neither of these questions springs from

⁹For an short analysis of what might happen if the game is repeated in a second period, see annex below.

of any particularly puzzling fact about political life. These are not, so to say, questions motivated by any empirical fact of reality in which we are interested. And this is probably so, because these activities (these calculations on the part of voters) do not actually take place nor they can be the answers to puzzling events that do take place in reality.

Regarding this particular model and its modifications to include the effect of competition to the left of social-democratic parties, we have obtained significant and interesting theoretical results, yet many questions remain open. As we pointed out above, the ways in which we have chosen to represent this competition to the left of social-democratic parties is only partial given our theoretical queries behind it and so we should admit this when interpreting our results. The fact that the extreme-left actor that we have placed in the model is only able to effectively change voters' perceptions of the trade-off but does not participate in the electoral contest per se allows us to make only limited claims with respect to the effect of electoral competition to the left of social-democratic parties. As we said above, such a setting is equivalent, in terms of its impact for the model, to any other device that would increase the expectations of voters about the fruits of redistribution. Yet it only allows us to make very limited inferences about the effects of an effective electoral three-party competition on the discourse of social-democratic parties with respect to the trade-off.

As a final note, I would stress again the main mechanism in the model by which we obtain the result of social-democratic and conservative discursive convergence on the trade-off. This result stems, mainly, from the fact that political parties, given that they defend the interests of particular constituencies but can only implement their preferred policies when they obtain power, need to modify the preferences of the median voter in order to turn them into preferences as similar as possible to the preferences of their own constituencies. In this sense, the results of this model remind us of the problems of political parties that are in some sense, class parties, but also, to the extent that they want to obtain

a majority of votes, are also pragmatic parties, in the sense that they need to speak to a wider public from which all they need is... votes.

4.6. Appendix. The dynamic (im)possibilities of the model: A one-shot game

In this appendix, the question of the dynamic possibilities of the model presented will be discussed briefly. We present a series of illustrations of what the voters will experience after elections and how it compares to their expectations given the announcements that parties made during the campaign. The implications are analogous for either the two actors' game or for its extended form when a third actor making announcements is introduced. For simplicity the illustrations presented all concern the case of only two parties. The aim of this appendix is to show that our model can only be considered a one-shot game, and that its dynamic possibilities are very limited, since the results would violate our initial assumptions on the limited cognitive capacity of voters.

Example 1 in the table below presents a situation where an extreme equilibrium obtains, but the nature of the true parameter (0.5) is such that the posterior beliefs of voters coincide with the actual value. In this case, the expected utility of voters coincides with their actual utility.

Example 2 is also a case where an extreme equilibrium is met but after announcements voters think that the value of the trade-off is smaller than it actually is, so that they will encounter a result that gives them less utility than they expected. Example shows the opposite, where voters will find that their actual realized utility is greater than what they expected given the announcements. Examples 4 and 5 show analogous situations, respectively, to those of examples 2 or 3, for the cases in which a moderate equilibrium is met.

PARAMETERS	example 1	example 2	example 3	example 4	example 5
α	4	4	4	4	4
ω_l	20	20	20	20	20
ω_r	42	42	42	42	42
ω_{med}	30	30	30	30	30
μ	40	40	40	40	40
STRUCTURES					
mod. cond. for l	0.222222	0.222222	0.222222	0.222222	0.222222
mod. cond. for r	0.98	0.98	0.98	0.98	0.98
λ^{true}	0.50	0.30	0.70	0.2	0.99
τ^l	0.8	0.48	1.12	0.32	1.584
τ^r	0.181406	0.078	0.253968	0.072562	0.359184
τ^{med}	0.355555	0.121333 3	0.497778	0.142222	0.704
RESULTS					
λ_{post}	0.5	0.5	0.5	0.45	0.505102
λ_l	1	1	1	0.9	1
λ_r	0	0	0	0	0.010204
τ_l	0.8	0.8	0.8	0.72	0.808163
τ_r	0.181406	0.181406	0.181406	0.163265	0.183256
τ_{med}	0.355556	0.355556	0.355556	0.32	0.359183
UTILITIES					
actual v_l	34.22222	29.41362	38.13083	26.4	42.98776
expected v_l	34.22222	34.22222	34.22222	32.8	34.36735
actual v_r	48.4	43.5914	52.30861	41.36	57.08571
expected v_r	48.4	48.4	48.4	47.76	48.46531

This allows for a straightforward interpretation:

For values of $t^{true} < 0.5$, both under extreme and moderate equilibria voters are deceived after elections (when the policy is implemented) with respect to their expectations.

In the equilibria with two parties:

$$-t_{post} > t^{true} \text{ if } t^{true} < 0.5$$

$$-t_{post} < t^{true} \text{ if } t^{true} > 0.5$$

And:

$$\text{if } t^{true} < 0.5, \text{ then } |t_r - t^{true}| < |t_l - t^{true}| \text{ and vice versa.}$$

That is, for big trade-offs, the parameter announced by the right will be closer to the true parameter than the parameter announced by the left. Ex-post, voters will observe that the right has lied less about the extent of the trade-off than the left. The opposite holds, that is, for small trade-offs the left will be lying less about it than the right. So once the elections are held, a victorious party takes office, and the policy promised is implemented, we could expect that voters would be punishing the party that has announced a value of the trade-off that differs most from the real one, that they are ready to observe, regardless of whether this party was in government or not. This means assuming that voters are ready to punish whichever party has lied more about the trade-off. The problem again is that even this simple attempt to look at the dynamic process that our setting could lead to is also model inconsistent: if voters can observe, ex-post, the value of the trade-off, why would they have, to start with, the kind of prior beliefs and updating processes that are described at the beginning? If ex-post, they could observe the value of the trade-off then, before each new election, they would know what this value was for the previous period, and so they would have this value as an approximation. Moreover, if they would know this

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value and would have listened to the parties' announcements, then they could infer, after a few periods, what is the process through which parties choose their announcements, i.e., what the game they play is.

CHAPTER V. ANALYZING SOCIAL- DEMOCRATIC DISCOURSE I:

An analysis of Spanish Socialist Party Manifestos (1982-1996)

Discourse: 'dis-"kOrs,

1 *archaic* : the capacity of orderly thought or procedure

2: verbal interchange of ideas

3a: formal and orderly and usually extended expression of thought on a subject **b:** connected speech or writing **c:** a linguistic unit (as a conversation or a story) larger than a sentence.

Merriam Webster's Dictionary.

Discourse: n. / 'diskə:s'/ written or spoken communication or debate. A formal discussion of a topic in speech or writing. Linguistics: a text or conversation.

v. speak or write authoritatively about a topic. Engage in conversation.

-ORIGIN: ME. (denoting the process of reasoning): from L. *discursus* 'running to and fro' (in med. L. 'argument'), from *discurrere* 'run away'.

Concise Oxford English Dictionary.

5.1. Introduction

This chapter is devoted to the analysis of the discourse of the Spanish Socialist Party on matters of economic policy in the years in which it held government office, uninterruptedly, from 1982 to 1996. In particular, socialist discourse over the existence or inexistence of a (broadly defined) trade-off or dilemma between efficiency and equality is analysed and scrutinised in search for confirmation or disconfirmation of the theoretical hypotheses exposed so far.

How do socialdemocratic parties use the idea of a trade-off between efficiency and equality in their discourse? Is the use of the idea that they make compatible with the hypothesis that they use it to lower the expectations of their core voters in the presence of political actors or social groups advocating more redistribution? In which terms does the socialist party refer to the relationship between equity and efficiency? Do they talk about equity, or rather about equality? Do they say efficiency when they want to say growth, or the other way around? Does their discourse about the relationship between efficiency and equality or equity evolve over time, or does it remain constant? Do changes in time coincide with changes in the context of electoral competition they face or rather with key events in the international scene, like the fall of the Berlin wall in 1989? We seek to answer these questions in this and the following chapter.

Discourse, a particularly intangible feature of political life, is here systematically analysed in two main domains: First, as found in the party programs of the Spanish Socialist Party for the five elections that took place between 1982 and 1996. The dates of these elections are October 1982, June 1986, October 1989, June 1993 and finally March 1996, when the Socialist party lost to the conservative Partido Popular. And second, in a subsequent chapter socialist discourse for this period is analysed in the interviews given to the national and international written press by the head of the PSOE and then president of the Spanish government for the almost fourteen year period.

The chapter is structured as follows: First, a description and justification of the data and method employed ensues. This is followed by an analysis of the linguistic categories that we have used to find evidence in our data of the position of the Spanish Socialist party regarding the idea the trade-off between efficiency and equality. Then, an analysis of the findings pertaining to the party programs is put into perspective with respect to the political events of the period relevant to our theoretical hypotheses. Finally, we sum up and conclude.

5.2. Data and method of analysis

This section is devoted to specifying and clarifying the method used to analyze the textual materials employed and to justify the theoretical and practical choices made in the investigation of the discourse of the PSOE for the period of study.

5.2.1. The Data

To recall, this thesis is about the role that an idea, that of a trade-off or dilemma between efficiency and equality, has in the discourse, and thus, in the strategy, of social-democratic parties. The obvious thing to do, therefore, seems to look for the traces of this idea in the socialist discourses, in their utterances. That much is obvious, yet: What is *discourse*? What counts as *socialist discourse*? What does it mean to *use an idea* discursively? These are all questions that may immediately come to the mind of the reader.

The short answer to the first question is that discourse is that which is said. But what counts as what the PSOE says? A party's electoral manifesto, or program, is the most evident place to look into. An electoral manifesto embodies the most important written communicating device of a political party in the face of elections. To a large extent, then, one would expect that, in the search of

guidelines or coherence, manifestos would equally shape a party's verbal presentations or acts. However, there is widespread common folk, and even academic, resistance to look into electoral manifestos. This resistance is mainly based on two facts: first, parties do not always, or not even often, do what they promise in their programs; second, programs are all the same across parties and so they are not informative. Though there might be some limited truth to these claims, this criticism (we do not know whether of the discipline or of political life) does not concern us. For we are interested in what parties say and how they want to be perceived. If two programs for two contending parties are found to sound similar, very probably they were meant to. In no other appearance or act has a party more leeway to decide the way they want to appear to the voters than in a document prepared within the party, for an unlimited time, and of an unlimited (within the reasonable) extension¹.

To be sure, there are many limits to what one can infer from what a party says about itself. These problems regard those investigations, which, for example, want to determine to what extent a party has become more concerned about gender issues by looking at its electoral manifesto², or as in the Party Manifestos project, on whether parties change their positions in the ideological space. To answer such questions, it seems obligatory to also look at the party's policies, or at least, at their proposals and amendments in the parliament. But again, here we are interested not in how what parties say and what they do either differs or relates, but in what parties want to say. This is, in itself,

¹ A caveat needs perhaps to be introduced here. Perhaps, party programs, after all, are actually not very widely read among voters. However, we can assume that parties would not write party platforms differently if these were more widely read (of course, the opposite is not necessarily true).

² As an example of this, see Ruiz Jiménez (2002) where the researcher draws on a very exhaustive content analysis of Spanish and Portuguese conservative parties and their positions in gender matters.

another aspect of what parties are, but it begins and ends in their discourse.

Yet, problems of measurement and interpretation still remain. For example, in a party program, does the *number* of mentions of women's issues, truly represent their willingness to appear before the public as a gender concerned party? These questions are considered further ahead in our discussion on the method employed.

We complement our analysis of socialist discourse with an analysis of a series of interviews to Felipe González Márquez published and carried out by national and international newspapers. These interviews are the total of interviews given by the then president for the period starting after the first socialist victory and ending with the electoral defeat of 1996, which finished the thirteen-and-a-half year mandate of the PSOE. The interviews thus amount to a complete dossier that is exhaustive, and that has been collected by close collaborators of the president and at times by the Ministry of the Presidency, and then kept at the party's archives³.

The alternative/complementary sources to our data base could have been either personal interviews or public appearances and discourses. The choice taken here against the latter is obviously determined by the availability of the data, since it is very difficult to obtain exhaustive transcripts of general public appearances. Nevertheless, there are certain advantages that come out of our choice. By using interviews that appeared in the written press we can have information not only of the kind of issues that the politician wants to raise but of issues that he or she might not want to talk about since the interviewee is, to a certain extent, compelled to respond even to relatively uncomfortable questions, whereas in political rallies, or some media appearances, the politician simply reads out a pre-prepared speech.

On the other hand, and as compared to interviews that could have been conducted *ad hoc* (meaning made on purpose given our

³ Should the reader want to consult this dossier, the author can be contacted for that purpose.

research question) there is also a clear advantage in using interviews done by journalists, for the answers are not biased since the interviewee's responses are not conditioned by the topic of this research. Moreover, the fact that we use interviews published in the press provides with data that can be studied along the time dimension, so different positions towards the issue studied can be observed through time and analysed in the view of the political context at each period.

More importantly, the nature of the investigation that concerns us here renders the use of *ad hoc* interviews dubious in a way that relates to the more difficult question posed at the beginning: what does it mean to *use* an idea in one's discourse? It is unclear what we could expect to obtain if we were to ask socialist leaders whether some of the economic ideas that they include in their discourse are there to fulfil rhetorical or strategic purposes. In fact, there are reasons to doubt that their answers are what we really are after. First, there is the question on whether they would admit that they indeed use strategically some economic ideas. Second, there is the question of whether they are even conscious of doing so. Here we choose to focus on the actual discourse, and its context, rather than in the analysis of the underlying intentions behind it. Therefore, by the *use* of the idea of the trade-off between efficiency and equality, we mean the role it plays within the general *reasoning* exhibited by the PSOE leaders in the documents examined and in particular, the role it plays in the justifications of their choices and in the explanations and descriptions they give of the context in which they operate. The best way to clarify this is by jumping into our analysis, but first, a discussion of the method employed is required.

5.2.2. *Discourse and discourse analysis*

The methodology here employed conjoins content analysis and discourse analysis with an emphasis on the latter.

Content analysis is concerned, above all, with the frequency of occurrence of particular words or segments of text within a document. Discourse analysis is perhaps more difficult to define unambiguously. Too often the definitions that are found in the specialized literature are obscure and too loaded with the ontological and methodological stances of the particular author⁴. Here by discourse analysis we simply mean an *interpretative* analysis of a particular text. The interpretative element implies that meaning is extracted from the text, dissected, and also, inevitably, added by the author in view of the discourse's context and her theoretical question to derive a set of conclusions that go beyond the literacy of the text.

Following Laitin and Rodriguez (1992), we complement our discourse analysis with some content analysis, using both as if "there were no methodological barrier separating them" (op.cit. p. 15). As they put it, we adhere to the view that "discourse analysis without attention to questions of frequency and distribution of words and concepts gives too much freedom for the analyst to elaborate on any symbolic material in a text. And pure content analysis, without attention to discourse modes, will be blind to context (...) that can fashion the meanings of the words and concepts that [are] counted".

5.2.3. Methodology

As with any other methodology, in the application of discourse or content analysis the customary protocols of standard scientific practice may be followed. We can describe the analysis that follows using the categories of scientific inference.

⁴ As an example of the muddle, we can quote the definition of discourse analysis proposed by Hajer (1995: 44): "[the] analysis of a specific ensemble of ideas, concepts and categorisations that are produced, reproduced, and transformed in a particular set of practices and through which meaning is given to social realities".

The *universe* at which our inferences are intended is all of the utterances of the Spanish socialist party while it was in government for the period of our study, i.e., their years in government. Our *sample* has just been described when we introduced the data: it consists of the party programs for the elections that took place in the period plus the dossier of the interviews mentioned above.

In this section, our dependent variable is the presence of the idea of the trade-off between efficiency and equity in socialist discourse. The independent variable would be broadly the strategic context in which discourse is produced. For these reason we also, at points, will refer to the electoral programs of the Partido Popular and Izquierda Unida, though these are not as systematically analyzed as the socialist ones.

To organize discourse we categorize it. The formal categories of this analysis describe the sources of the discourse. These categories are the date, and emissary of the discourse (either the electoral program, or an interview to the president).

As the expected findings for each of the two sources are somewhat different, we analyze the programs and the interviews in different ways. I will now describe the ways in which the discourse analysis of the party programs is conducted.

In this section, in order to look for the particular pieces within our sample in which we are interested, we use *search categories*, that is, words that can recall the concepts that we are looking for. Since we are looking to references to the relationship between efficiency and equality, or equity and growth, etc., our search categories are all the words that can convey either of these concepts. The substantive categories in the analysis are the concepts behind those words that we are looking for; in other words, the references to growth, efficiency, or equity and equality, regardless of how they are phrased.

The discourse and content analysis that is presented here was conducted through the program ATLAS.ti⁵. This software, designed for the qualitative analysis of textual and visual material, allows the analyst to systematically code segments of text and then to retrieve and browse throughout the material based on the system of codes defined by the author.

Obviously the coding is entirely designed and envisaged by the researcher, so although the use of the software helps to accelerate the work, it does not mechanize the procedure in a way that necessarily leads to automatic or unreflective analysis.

Since the focus of this analysis is on the use that the PSOE makes of the idea of a trade-off between efficiency and equality, I looked for occurrences of this notion within the data set. More broadly, I sought out passages of text where the relation between efficiency or growth and equality is discussed, or implied⁶. Logically, we should not expect to find literal references to the notion of the trade-off, first of all, for linguistic reasons⁷. But even regardless of translation problems, the idea of the trade-off between efficiency and equality can be, and is, expressed in a myriad of forms. Moreover, we are interested not only in socialist affirmation of the existence of a dilemma between efficiency and equality broadly understood, but also, in the socialist negation of the notion, or on the refinements, conditions for existence and any sort of qualification to the idea. Consequently, we are interested in

⁵ For the manual and description of the program, see Muhr (1997). For some applications and a general discussion of content analysis techniques, see Miles and Huberman (1994)

⁶ Though it codes party programs, our research does not dwell on the categories of the Party Manifesto's Program, mainly because the idea of a trade off between efficiency and equality is not, quite logically, part of the categories employed by this international research team. For a list of the categories see: <http://academic.csuohio.edu/kneuendorf/content/hcoding/budge1.htm>

⁷ In Spanish, the language of the documents, the word trade-off does not have an exact translation. The closest translation to the literal meaning (*toma y daca*) is probably too droll. The equivalent cultured or scholarly expression is that of dilemma (*dilema*).

any socialist statement about how growth or efficiency and equality relate. What we consequently do is look for statements where there is a reference to these two concepts and then analyze the implicit or explicit relation between the two that is either implied or explained in the text. Obviously both equity and efficiency can be referred to in many ways. Besides those synonyms that may immediately come to the mind of the reader, there are others that were suggested by reading the data, and equally there are some that can be discarded for not being used at all in a political discourse. This is why a first analysis of the material, before the coding procedure is applied, is necessary to establish which were the synonyms used for either side of the dilemma (efficiency and equality). Subsequently, the procedure followed was to create two sets of codes. The first one regards all the synonyms or equivalents for equality. The second set refers to all the synonyms for efficiency and growth (see table 1).

Table 1: Code Families

EQUITY SIDE:	EFFICIENCY SIDE:
<ul style="list-style-type: none"> - Bienestar (Welfare) - Equidad (Equity) - Social Cohesion (Cohesion) - Igualdad (Equality) - Justicia (Justice) -(Re)distribución ((Re)distribution) - Solidaridad (Solidarity) 	<ul style="list-style-type: none"> -Competitividad (Competitiveness) -Crecimiento (Growth) -Desarrollo económico (Economic Development) - Eficiencia (Efficiency) - Modernización (Modernization) - Productividad (Productivity) - Progreso (Progress) - Riqueza (Wealth)

Once these equivalences are defined, we look for their occurrences in the documents. We then code not only the word chosen, but the segment of text in which it is inserted.

The minimum coded amount of text is always at least a sentence (the minimum meaningful self-contained unit). Most of

the time, however, we chose to code the adjacent sentences as well either up until the paragraph unit or a smaller or bigger amount of text. In short, the coding criterion has been that of underlining units of texts that are self contained in terms of meaning.

A difficulty, though, immediately arises regarding, precisely, the length of the coded section. The criterion of self-contention of the meaning of the selected coded text opens room for arbitrariness, and therefore it is a potential source of bias in the research. This is so because, for the tracing of mentions of the relation between efficiency and equality, codes belonging to the equity side and to the efficiency side are crossed in search of co-occurrence of both. The particular choice of length of quotations thus, determines, to a certain extent, whether co-occurrences will take place. Of course, the coding procedure, even though the program used allows doing so, has not been done automatically. This means that we have read the documents many times, once coded, in order to check for internal coherence of the coding criteria, making sure that the standard determining the length of quotations was consistent across the analysis. Moreover, and more importantly, there are no reasons to suspect that the possibly omitted references to the relation between efficiency and equality (due to the fact that references to either efficiency or equality are found in adjacent segments of text, that have been quoted separately, but nevertheless have a meaningful relation between them across the broader document), have been left out in any systematic manner. In brief: it is unlikely that some reference to the relationship between efficiency and equality is left out in virtue of being expressed, in the text, in separate yet adjacent places of the document. However, if this has happened in more than one occasion, there is no reason to suspect that the omission leads to any kind of theoretically meaningful bias.

5.2.4. *Coding Criteria*

In this subsection I will describe the coding procedure employed in the analysis for each of the substantive codes in table 1. This is done for the sake of transparency, and to allow for replicability of the results by other researchers.

An intricate aspect of the coding procedure lies in the meaning of the words chosen as synonyms or equivalences for either the ‘efficiency’ or the ‘equality side’. For the sake of transparency, and with the aim of rendering our results replicable by other researchers, I describe the coding criteria for each of the codes employed. No blind coding procedure was employed, so as to avoid the coding of notions that have the same signifier but a different meaning⁸.

For many of the codes listed in table 1 there is a cultured use and a popular one, and for some of them, there are lively academic debates lying behind or below them. I will only refer to the classic or authoritative references on the matter and summarize them to contrast the meanings extractable from these academic debates to the meanings that are popular, or commonsensical.

⁸ Here we are just using standard categories of linguistics: The sign is composed of the signifier (the word, the group of letters that form it – conventionally, and the signified –the meaning. Plus the reference, the actual thing in the world to which the sign refers. Just to put it differently, words might have more than one meaning yet we might be interested only in one of them. For example, “Justice” can be referred to a value related to righteousness or to the institutions representing the judiciary. A blind coding procedure would equate the two and we would be coding occurrences of “Justice” for which we are not interested.

EFFICIENCY SIDE:

Competitividad (*Competitiveness*):

The standard common definition in economics is very straightforward. Competitiveness refers to the difference between the prices of a good in one place with respect to prices of the same good somewhere else. Since consumers will demand goods that are cheaper to those that are more expensive, the competitiveness of one producer is an inverse function of the price of the good set by that producer, and so the more competitive a product is with respect to an analogous one, the better it will sell. The term as such is not problematic if it is applied to an individual company. But often, politicians and businessmen use it as referring to an entire economy or nation, or worse, an entire continent. Paul Krugman (1996) has warned us all of the nonsensical, and even dangerous connotations of that use. Though its meaning is unclear, competitiveness as an attribute of an entire national economy is very often used in political discourse. Krugman argues that given that international trade is not a zero-sum game, nations do not compete each one at the loss of the other one, as companies may do, and so the term very often conceals an excuse for protectionist measures.

Generally, though, we can infer that references to the competitiveness of an entire country refer to the growth of productivity (see below) in that economy relative to that of other nations (Niskanen, 1996).

Competitiveness as an attribute of an entire economy is often linked to the trade-off between equality and efficiency. If the prices of a product are higher, it is usually thought to be caused by higher input prices, and salaries are almost always the biggest input of any company. So low competitiveness as the attribute of an economy is almost always automatically linked to labor wages that are thought to be excessive. Since higher wages are conceived as being in place for political (egalitarian reasons), then, often the

assumption is that a country is not competitive because it is too egalitarian.

As an illustration of this kind of use see the following quote in the Partido Popular's electoral platform for the 1993 general elections.

P4: programa PP 1993.txt - 4:66 (662:670) (Super)
Media: OEM
Codes: [salarios altos contra competitividad]

La moderación de los salarios es importante para frenar una destrucción del empleo como la que padece la economía española. Su aumento no debe agotar la productividad, a efectos de liberar recursos para la inversión empresarial, algo que puede conseguirse ganando poder adquisitivo. En una economía abierta, que aspire a lograr cotas crecientes de competitividad, el aumento del coste laboral por unidad de producción no debe superar al que registran nuestros principales competidores, que son nuestros socios comunitarios.

“Wage moderation is important in order to slow down the destruction of employment such as is suffered by the Spanish economy. Its increase [in wages] must not exhaust productivity, in order to channel resources to entrepreneurial investment, something that can be achieved while also gaining purchasing power. In an open economy, aiming at reaching growing competitiveness rates, an increase in labor costs per unit of production must not outgrow such increase from our main competitors, these being our partners in the European Community”.

In our analysis, competitiveness, or competitividad, as well as the related words, (competitive, non-competitive) has been coded when it is used as an attribute, state, or quality, of the entire economy, and not when referred to a particular sector. Neither have we coded the occurrences of the word “competitive” as an

adjective is used as referring to competition, as for example, in the expression “competitive markets”.

Search category: |competitiv|

The occurrence for the PSOE’s programs for the period is as follows:

Occurrences:	47	Co-occurrence with equity side: 9
1982:	3	1
1986:	8	1
1989:	4	0
1993:	14	4
1996:	18	3

Crecimiento (*Growth*):

With this category we have quoted all references to economic growth in a general sense, and excluded those that referred to the economic growth of a particular sector.

Search category: |crecimiento|

Occurrences for Growth:

Occurrences:	67	Co-occurrence with equity side: 23
1982:	6	4
1986:	19	5
1989:	14	4
1993:	13	4
1996:	15	6

Desarrollo económico (*economic development*):

In standard economics, economic development is defined as an increase in the rate of economic growth, measured in terms of changes in output or income per capita.

Economic development is often defined in broader terms, as the sustainable improvement of living conditions, which comprise material consumption, education, health and protection of the environment. In this wider sense, the definition also covers other very important related aspects, mainly maximum equality of opportunities, political freedom and civil liberties (World Bank, 1991). With this broader definition in mind, it obviously makes no sense to link development in a trade-off with justice or equality.

In our materials, however, the references found are clearly referring to the former, more concise version. In fact, in the texts, economic development is contrasted with social development, and development, when unqualified, refers to economic development in the sense of economic growth. To illustrate this, see example below.

Output generated by: ATLAS/ti Query Tool

P3: programa PSOE 1989.txt - 3:26 (387:390) (Super)

Media: OEM

Codes: [(Re)distribución de la renta] [Desarrollo económico] [ejemplo desarrollo econ y desarrollo social]

La actividad del Estado deberá jugar su papel redistribuidor y coadyuvante del desarrollo económico y social, para lo cual su peso en el conjunto de la economía deberá aproximarse al que tiene en los países europeos más avanzados social y económicamente.

“The state activity shall play its redistributive role and enabling role in social and economic development, and for this, its weight in the whole of the economy should be closer to that of the socially and economically more advanced countries”.

In this sense, and with the narrower definition in mind, development and equality could be thought of as part of a trade-off, in the sense described in the first chapter of this thesis:

equality is assumed by some economists to be detrimental to growth, and so to development.

We have not included, nevertheless, occurrences of “development” when they refer to a particular economic sector (even if referred to the economic development or growth of that particular sector). References are common in the texts analyzed, for example, with respect to the development or growth to the technological sector.

Search category: |desarrollo|

Occurrences for Development:

Occurrences:	11	Co-occurrence with equity side: 3
1982:	3	1
1986:	1	0
1989:	3	1
1993:	3	0
1996:	1	1

The “eff” words: Eficiencia / eficacia/ efectividad
(*efficiency, efficacy, effectiveness*):

Efficiency relates to the idea of optimality. The standard meaning of it is the attainment of a goal with the minimum possible quantity of resources, or the best possible combination of these.

Effectiveness is somehow related to the notion of efficiency but is a looser concept, and sometimes is associated to the rate of success at the attainment of a goal, with respect to the number of trials, but does not necessarily imply an optimal use of resources in each of these attempts. Nevertheless, other interpretations of effectiveness take it as the concept of efficiency when applied to real-life conditions.

Efficacy is simply the capacity of attainment of a goal, regardless of the resources employed to do so.

In the documents analyzed we find that these three notions are used interchangeably for most part, with the partial exception of *eficacious*, which is also often used in its proper sense.

We have quoted occurrences of our substantive category, which is formed by references to efficiency, in a broad sense of optimality in the use of resources and when it is applied, as an attribute of the whole economy or a crucial sector. So for example, we have not quoted the very numerous references to the *efficient* use of water.

Search category: |efic/efect|:{(in)eficiente, (in)eficiencia; (in)eficacia, (in)eficaz; (in)efectividad, (in)efectiva/o}

Occurrences for eficiencia:

Occurrences:	37	Co-occurrence with equity side: 9
1982:	9	3
1986:	4	1
1989:	2	1
1993:	12	1
1996:	10	3

Modernización (*Modernization*):

Modernization is probably the most awkward, in the sense of having a less clear-cut meaning, of the entries in our Efficiency side table. In the social sciences, modernization is often used to refer to the general social change brought about by the transition from an agrarian to an industrial mode of production. As such, it does not refer to anything that may remotely have to do with the trade-off between efficiency and equality, apart from the idea that would link industrialization with a change in income distribution towards greater inequality (Kuznets, 1963). Its inclusion in the list, though, responds to a more pedestrian meaning of the word, and has been induced by the analysis of our materials. In political or folk discourse, modernization recalls, instead, a vague idea of advancement, or progress. These ideas, in turn, have come to be

associated with the notion of economic growth. Thus, we have encountered instances in the text in which modernization refers to economic growth and technological improvements.

Search category: |modernización|

Occurrences:	3	Co-occurrence with equity side: 2
1982:	1	0
1986:	1	1
1989:	0	0
1993:	1	1
1996:	0	0

Productividad (*Productivity*):

Productivity is the relationship between inputs and output, usually expressed in a ratio. This notion can be applied both to individual factors of production or collectively. Labor productivity is the most widely used measure and is normally estimated by dividing total output by the number of workers or the number of hours worked.

The connection between productivity and the relationship between efficiency and equality comes through the association of increases in productivity as the only way to attain growth that allows for an increase in wages that does not threaten efficiency.

Search category: |productiv|: { productividad, (im)productivo/a}

Occurrences:	21	Co-occurrence with equity side: 4
1982:	4	0
1986:	3	0
1989:	1	0
1993:	2	0
1996:	11	4

Progreso (Progress):

Progress is again one of the less clear cut defined concepts in our “efficiency side”. In itself progress simply recalls a notion of advancement, which could or not be linked with the notion of economic growth. In the context of the texts that we analyze, progress is found to be used as making reference to a general idea of economic advancement, and so implicitly, it makes reference to economic growth.

It should be noted that in Spanish, “progreso” is also linked with the notion of progressiveness (as in “progresista”), which instead conveys a very general idea of left-wing inclination. We have coded occurrences of progress, only when they refer to the former (growth-related) meaning. However, in the 1996 election the use of this term is pervasive and also it becomes hard to distinguish which of the two meanings is referred to.

Search category: |progreso|

Occurrences:	54	Co-occurrence with equity side: 11
1982:	6	5
1986:	7	3
1989:	10	2
1993:	7	1
1996:	23	0

Riqueza (Wealth):

Wealth is simply defined as the total amount of money and valuable goods that a person possesses. If applied to a national economy, as in the discourse analyzed, it simply refers to income or GDP produced by the country.

P5: programa PSOE 1996.txt - 5:315 (162:166) (Super)
Media: ANSI
Codes: [Igualdad] [Riqueza]

La riqueza ha aumentado: el PIB ha experimentado un fuerte crecimiento desde menos de 20 billones en 1982 hasta casi 70 billones en 1995 y el Producto Bruto por persona se ha incrementado un 40% en términos reales durante ese periodo. Y además se ha reducido la desigualdad, pese al impacto de la última recesión.

“Wealth has increased: GDP has grown strongly from less than 20 trillion in 1982 to almost 70 trillion in 1995 - and the Gross Product per capita has increased by 40% in real terms during that same period. Moreover, inequality has been reduced, despite the impact of the last recession”.

Search category: |riqueza|

Occurrences:	11	Co-occurrence with equity side: 5
1982:	0	0
1986:	2	0
1989:	0	0
1993:	4	2
1996:	5	3

EQUITY SIDE:

Bienestar (*Welfare*):

Welfare has been chosen as one of the codes of our Equity side because it has been found, in the texts, to be used to refer any kind of redistributive attempt in general. The reason is probably that a metonymy (a figure of speech in which a part is taken as the whole or in which one word is associated to a broader meaning by association) is produced between welfare and welfare state. Welfare is then used in the texts as income already distributed.

Search category: |bienestar|

Occurrences:	11	Co-occurrence with efficiency side: 5
1982:	0	0
1986:	2	0
1989:	0	0
1993:	4	2
1996:	5	3

Cohesión (*Cohesion*):

In the texts analyzed, social cohesion is used as a notion that expresses the binding of society, as contrary to the social fractures produced by excessive inequalities.

Search category: |cohesion|

Occurrences:	18	Co-occurrence with efficiency side: 7
1982:	0	0
1986:	2	0
1989:	1	0
1993:	8	4
1996:	7	3

Equidad (*Equity*):

As a synonym for fairness and justice and even impartiality, equity is an intrinsically ambiguous term. Equity is the favored word of economists and some political philosophers to refer to a particular conception of fairness developed analytically.

Among these, equity as absence of envy is an especially well spread notion. This means that an allocation is equitable if no individual prefers any other individual's allocation to his or her own. Other are notions like horizontal equity (equals should be treated equal) or vertical equity (non-equals should be treated unequally) (Le Grand, 1991).

In the political discourses that we analyze we have found references to equity when it refers to a general notion of distributive justice of egalitarian aspirations.

Search category: |equi|: { equidad, equitativo/a }

Occurrences:	21	Co-occurrence with efficiency side:	6
1982:	3		2
1986:	2		0
1989:	3		1
1993:	4		0
1996:	9		3

Igualdad (*Equality*):

We have marked with the code “equality” all references in the texts to a broad notion of economic equality.

The most interesting feature around a broad notion of economic equality is still perhaps the substance to which it refers to, the now famous question equality of what? (Sen, 1980). The main distinction in the concepts of equality managed in political philosophy is that between equality of outcome and equality of opportunity. This debate has permeated political discourse and we actually find in the material analyzed references to this distinction. In the material analyzed we have coded references to both. We therefore have coded mentions to equality when they referred to either equality of income or more general, of life chances and when they were specifically referred to equality of opportunity. We have excluded from our coded set any reference to equality in gender issues. This though could be sometimes related to income matters (like the right for equal pay to equal job), have been excluded so as not to add the variable of gender to the analysis.

Search category: |igual|: {(des)igual, igualitario/a, igualdad}

Occurrences:

Occurrences:	20	Co-occurrence with efficiency side: 7
1982:	15	4
1986:	1	0
1989:	0	0
1993:	1	1
1996:	3	2

Justicia (*Justice*):

We have only quoted references to justice only if it makes reference to distributive justice. So references to justice as synonymous with impartiality, legitimacy, or righteousness that do not specifically refer to the distribution of general resources in society are excluded.

So, for example, in the 1989 program we find a reference in the section for Foreign Policy declaring:

“Apoyamos la realización de una Conferencia Internacional de Paz para Oriente Próximo (...). Su objetivo será la búsqueda de una paz justa y duradera sobre la base de encontrar una fórmula de autogobierno nacional para el pueblo palestino (...).”

“We support the making of an Internacional Peace Conference for the Middle East (...). Its objective will be the search of a just and enduring peace on the basis of finding a national self governing formula for the Palestine people (...).”

This is an example of a quotation that includes a notion of justice, probable referring to several of the above mentioned attributes, that for our purposes, does not get not quoted.

Search category: |just|: {(in)justicia, (in)just/a}.

Occurrences:	44	Co-occurrence with efficiency side:	17
1982:	9		5
1986:	9		5
1989:	6		2
1993:	5		1
1996:	13		4

(Re)distribución: (Re)distribution.

With this code, we have coded those expressions that refer to the redistribution of income. We have also included references to distribution when it has the meaning of allocating or reallocating income in the search for equity.

Search category: |redistribu| |distribu|

Occurrences:	30	Co-occurrence with efficiency side:	14
1982:	1		0
1986:	10		2
1989:	8		5
1993:	2		2
1996:	9		5

Solidaridad (*solidarity*):

We have quoted all references to the value of solidarity given that it is a concept that recalls the notion of egalitarianism. Solidarity is actually a crucial concept in the creed of socialist parties that refers, according to Stjerno (2000), to the willingness to share resources within a defined group of persons (in this case, the working class), or when there is identification with others accompanied by commitment to share resources with them (with those excluded from society, or worldwide, with the poorest nations).

Search category: |solidari|: {solidaridad, (in)solidario}

Occurrences:	44	Co-occurrence with efficiency side:	15
1982:	11		4
1986:	14		4
1989:	9		2
1993:	6		4
1996:	4		1

At this point we are in the position to say something about how the language of the Spanish socialist party as shown on the party programs (regarding the idea of the trade-off between efficiency and equality) has evolved from the 1982 election platform to that of 1996.

As for the terms involved in the idea of the trade-off, on the efficiency side we see that the frequency in the use of “competitiveness” increases considerably around the last election. The same happens with “progreso”, though in the 1996 platform it takes, as said earlier, a more diffused meaning, perhaps not only related to an economic meaning, but to a political one (meaning generally left wing). This is perhaps the reason why the cross-references of “progreso” with codes in the equity sign decrease in the 96 platform despite the fact that the frequency of occurrence of this code increases. References to “productividad” also undergo a considerable increase in the 1996 platform.

As for the terms pertaining to the equity side, we can observe also certain tendencies throughout the period. “Igualdad” is much more extensively used in the 1982 electoral manifesto than in the later ones and is progressively substituted by “equidad”. The term of “solidarity” becomes also less used steadily, whereas “justicia” and “(re)distribución” do not show any particular pattern throughout the period.

The discourse around the idea of the trade-off between efficiency and equality

Once we have described our set of codes, we select those segments of text in which there are references to both equity and efficiency as defined by the categories described in the previous section. In this section we analyse and interpret, given their context, those passages of text which have crossed-references of codes in both the equity and the efficiency side. From this we can infer the discursive position of the Spanish Socialist party with respect to the idea of a trade-off between efficiency and equality. On the one hand, we can observe how the socialist discourse around the notion of a trade-off between efficiency and equality evolves and on the other hand, we can see whether the evidence found is consistent with our theoretical hypotheses.

What kind of evidence should we count as confirming or disconfirming? In principle, we could expect that political programs are not the place to find trade-offs. After all, election time is, precisely, the right time to make promises rather than talking about the limits of government in rendering any desirable outcome. And actually, we do find a lot of instances in the programs where the socialist party states that its aim is exactly that of providing both equality and growth. However, there are also instances in the program where the relationship between efficiency or growth and equality is problematized.

Indeed, to the extent that the idea of the trade-off between efficiency and equality fulfils rhetorical purposes, finding incoherence in the discourse of the socialist party with respect to this idea would be congruent with the hypothesis that the parties *use* instrumentally the discourse around efficiency and equality.

Thus, the less coherence we find in the use of the idea of the trade-off, the more support we find for the hypothesis that the idea is part of rhetorical strategy of the actors using it, and conversely, the more coherence we find in its use, the more support we find for the hypothesis that the idea exposed belongs to the set of causal beliefs of the actors using it.

We now define what we consider trade-off discourse and what we define as counter trade-off discourse. As counter trade-off discourse we define those instances of the texts in which there is, implicit, a virtuous relationship between efficiency and equality, and those in which these two outcomes are considered compatible. We include also statements about the fact that inequalities are unacceptable and detrimental to growth. As trade-off discourse we define those instances in the texts in which the Socialist Party declares that efficiency or growth are a prerequisite for equity, those statements in which they declare that excessive equality can hinder growth, and those statements in which they declare that inequalities are inevitable or even desirable. See table 2.

Table 2: Classification of the discourse on the trade-off

Counter trade-off discourse
-Efficiency and equity are compatible -Growth is only an end if it leads to equality -Inequalities are inadmissible
Trade-off discourse
-Efficiency is a prerequisite for equity -Excessive equality leads to no growth - (Some) inequalities are inevitable

Now we can present our analysis of socialist discourse on the relationship between efficiency and equality based on an analysis of party programs.

5.3. Results

The party manifestos of the PSOE for the period studied (1982-1996) all have a similar structure that differs in some aspects from the structure of the programs of its electoral competitors (Partido Popular and Izquierda Unida).

The socialist programs for the period always include in the beginning a general summary of the main points in the manifesto, in which also an assessment of the current situation and of the government performance in the last legislature is provided. Then, the first chapter or section is always devoted to the economy. There then normally follows a second chapter devoted to social policy. Then, a section on administrative and territorial reform, and another on security and order follows. Finally, the concluding section is always one devoted to foreign policy. To these, varying with the election, special sections on women, youth, the elderly, drug problems, the environment, or the international projection of Spain in Europe or the world are also added. These sections come neither at the beginning, nor at the end of the program booklet. Since we deal with the notion of the trade-off between efficiency and equality, related to economic matters, most of the quotations that we have found for analysis belong to the first half of the party programs analyzed.

1982

The 1982 program was launched under the general, immensely and enduringly popular slogan, “Por el cambio” (“For (the) change”). On paper, the 1982 program has traditionally been seen as a quite undoubtedly Keynesian one. Though references to the crucial role of the public sector in the job creation, and to the combination of market and state planning exist, there is actually no reference to demand-management policies or to nationalizations, but instead, the program talks insistently about restructuring of the state owned firms to increase their efficiency. In any case, the feature of the program that remained most in the memory of the public, and which inclusion was later deeply regretted by socialist leaders⁹, was the promise, written in the first page of the program, of creating 800.000 jobs.

⁹ See Iglesias (2003). In this book, Joaquin Almunia, (then coordinator of the electoral program, member of all the cabinets in the legislatures here analyzed, and finally candidate to the presidency in the

As for the relationship between efficiency and equity, or growth and equality, the program of 1982 displays a number of quotes in which there is no contradiction at all between the two. Instead the program emphasizes, precisely, the fact that they can go together and that those are actually the goals of the socialist party for the next four years. Emphasis also is put, in the fact that the socialist party does not value growth in itself, but to the extent that it can be distributed fairly.

Output generated by: ATLAS/ti Query Tool
HU: Electoral programs PSOE

P1: programa PSOE 1982.txt - 1:60 (124:128) (Super)
Media: OEM
Codes: [Crecimiento] [Justicia]

El programa socialista no se basa sólo en un objetivo de mero crecimiento cuantitativo y economicista, sino que lo conjuga con el aumento de la calidad de vida, la mayor independencia nacional y con una mayor libertad y justicia.

“The socialist program is not based in a mere quantitative and economist objective of growth, but it combines it with a rise in living standards, a greater national independence, and greater liberty and justice”.

And as an example of the Keynesian flavor in the program, and related to the discourse on both equality and efficiency of the socialist in this program, we find the following statement:

2000 elections, explains, in an interview, that the inclusion of this clause in the program was due to lack of care in the team in charge of writing the program (p.167-168). Once written, the number was widely referenced, and the leaders continued using it. Soon in that same legislature, in May 1983, the then minister of Industry, and later minister of Economy, Carlos Solchaga, downgraded publicly the promise, giving rise to a bitter conflict with the then vice-president, Alfonso Guerra.

Output generated by: ATLAS/ti Query Tool
HU: Electoral programs PSOE
P1: programa PSOE 1982.txt - 1:64 (291:295) (Super)
Media: OEM
Codes: [Crecimiento] [Justicia]

La planificación democrática consagrada en los artículos 38 y 131 de la Constitución es necesaria para responder a los desafíos económicos y sociales de la sociedad, atender a las necesidades colectivas, equilibrar el desarrollo regional y sectorial y estimular el crecimiento de la renta y su más justa distribución.

“The democratic planning stated in articles 38 and 131 in the Constitution is needed to respond to the economic and social challenges of society, to respond to collective needs, to balance regional and sector development, and to stimulate income growth and its fairer distribution”.

Again, the pursuit of growth and distribution seems to be, in the 1982 program, the two complementary main goals of the party for the coming mandate. However, there are also references about the need to avoid a hypertrophy of the state apparatus. These references are justified in terms of the need for efficiency, which in the 1982 program appears labeled as efficacy:

P1: programa PSOE 1982.txt - 1:39 (3180:3198) (Super)
Media: OEM
Codes: [Eficacia] [Igualdad] [Progreso]

Los socialistas insistirnos en el protagonismo de la sociedad. El Estado pertenece constitucionalmente a los ciudadanos. No corresponde a ninguna burocracia ni civil ni militar. Cuando esto se olvida, los intereses burocráticos se anteponen a los verdaderos intereses públicos, los aparatos burocráticos crecen más allá de lo razonable, se derrochan los recursos públicos, se debilita la creatividad de la sociedad y se tiende a llevar al ciudadano a una actitud pasiva de beneficiario o asistido. Es preciso reaccionar frente a todo esto: el Estado ha de intervenir en la vida social, pero su necesaria reforma ha de partir también del protagonismo social, ha de basarse en la

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participación ciudadana, en la demanda social de los cambios necesarios para que el Estado se halle, de verdad al servicio de los ciudadanos.

Por ello, los socialistas consideramos el principio de eficacia como la otra gran directriz de nuestras reformas: conseguir que el gasto público hoy comprende 35 pesetas de cada 100 producidas por los españoles no se derroche, sino que sirva de verdad para obtener cotas crecientes de progreso, de bienestar y de igualdad social.

“We the socialists insist in the leading role of society. The state belongs constitutionally to the citizens. It does not belong to any bureaucracy, either civilian or military. When this is forgotten, the bureaucratic interests are put before the real public interests, the bureaucratic apparatuses grow beyond the reasonable, public resources are wasted, social creativity is weakened and there is a tendency to drive the citizen towards the passive attitude of the beneficiary or the assisted. It is compulsory to react against all of this: the state must intervene in social life, but its necessary reform must also come from the leading role of society, it must be based in citizen participation, in the social demand of the necessary changes so that the state truly ends up being at the service of the citizens.

For this reason, we the socialists consider that the principle of efficacy is the other main directing force in our reforms: we want to ensure that social spending, which currently takes up 35 pesetas for each 100 pesetas produced by the Spanish people, shall not be wasted, but that it really should serve to obtain growing rates of progress, welfare, and social equality”.

We see that the 1982 program shows already a concern with efficacy (which in later programs, will be expressed with the wording of efficiency, though the substance of the concern is analogous) of the public sector. There is a clear reference to the fact that part of the resources devoted to the financing of the public sector are wasted and that there is a danger of creating a

culture of dependency on the state. This quote, actually, could be found as well in the program of a conservative party and recalls the concern across Western democracies, starting in the early 1980's, for the need to reform the structure of the administrative apparatus of the state. Perhaps the main difference with the conservative rhetoric of the moment is the absence of references to the market as a superior allocating mechanism with respect to the state, together with the early reference stating a commitment to democratic planning.

In general, and with respect to the references to efficiency and equality in the program of 1982, the document displays a number of references to progress and equality, progress and solidarity, progress and welfare, as the values behind their political project.

Also, there are repetitive references to equality and liberty as the goals that the state must warrant, though later, in the 1986 program, as we shall see, we find a reference to the fact that reconciling the value of equality with that of liberty is problematic, suggesting also a trade-off relationship between the two.

In 1982, the Communist Party presented a program in which the first and main topic was also job creation. The promise of creating 1.000.000 jobs creation, a rounder number but an even less cautious forecast than that of the socialists, was also on the first page of the program, but nevertheless that number was not found as memorable. For the rest, the electoral manifesto, significantly shorter than those of the Socialist and the Popular parties, was also making mentions to increasing the efficiency (this time, with this wording and not that of efficacy) of the public function.

In turn, the Partido Popular, presented a program that had more emphasis on moral issues and conservative political concepts of liberty (i.e., negative liberty in), and less on economic issues. From the presentation section in the program of the Partido Popular, we can identify a quote making clear reference to the trade-off:

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P1: programa AP (coalición con varios partidos) 1982.txt - 1:80 (43:48)
(Super)

Media: OEM

Codes: [trade-off]

En quinto lugar, el sistema económico y social sólo puede asentarse sobre la realidad. Sólo se puede distribuir la riqueza efectivamente creada y producida, y explotada racionalmente, todo lo demás es un engaño. Trabajo, productividad, ahorro e inversión crean riqueza, ésa es la que luego se puede y se debe distribuir con justicia.

“Fifthly, the economic and social system can only be based on reality. Only the wealth effectively created and produced, and rationally exploited, can be redistributed, all the rest is a fraud. Work, productivity, savings, and investment create wealth, and only then this wealth can and should be redistributed with justice”.

And later in the program, we can also find this other quote making a clear reference to the same idea of the trade-off, this time, clearly phrased in terms of the incentive argument spelled in previous chapters:

P1: programa AP (coalición con varios partidos) 1982.txt - 1:82
(340:351) (Super)

Media: OEM

Codes: [trade-off]

Sintetizando, podríamos afirmar que, hasta ahora, en España estamos padeciendo una "política económica de transferencias", caracterizada por su preocupación casi exclusiva por las corrientes de redistribución de la renta, en perjuicio de aquellas corrientes tendentes a crear y multiplicar la riqueza a base de fomentar la formación de capital bruto. Este clima redistributivo extiende la desmoralización en el esfuerzo y la disciplina de trabajo, promueve la búsqueda de subvenciones que se pretenden justificar por mil motivos diferentes y, a la larga, origina una querrela social amarga y estéril por el reparto de una riqueza que sólo llega a crecer en términos nominales y, de hecho, se reduce en términos reales.

“Summarizing, we could state that, until now, in Spain, we are suffering a “transfers-based economic policy”, characterized by its almost exclusive concern for income redistribution, hindering those currents that tend to create and multiply wealth by encouraging gross capital formation. This redistributive climate discourages of effort and the discipline of work, it promotes the seeking of subsidies that are excused by a thousand different reasons, and in the long run, generates a bitter and sterile social quarrel over the distribution of wealth, that can thus only grow nominally, and that in fact, is reduced in real terms”.

P1: programa AP (coalición con varios partidos) 1982.txt - 1:86
(352:374) (Super)
Media: OEM
Codes: [trade-off]

En otras palabras, para mejorar la distribución de la renta se ha incrementado el déficit público, al tiempo que se ha presionado con la política fiscal, pero la experiencia ha demostrado, una vez más, que siendo la política distributiva el complemento necesario de una política de crecimiento, sin embargo, no consigue sino profundizar la regresión cuando el crecimiento se ha estancado. A grandes rasgos, es una política que, ignorando las gigantescas transformaciones a que obliga la crisis internacional, a pesar de que la utiliza como excusa de su fracaso, trata de mantener inalteradas, cada empresa, cada hombre y cada máquina del esquema productivo heredado. En consecuencia, ha creado una inmovilización brutal de todos los factores productivos (materias primas, Capital, trabajo e iniciativa empresarial) en sus antiguos empleos, que pretenden mantener y realmente por medio del aumento artificioso del consumo de las antiguas producciones.

No se trata, pues, de seguir generando demanda a base de incrementar el gasto público, sino de diseñar una política de oferta selectiva que estimulen la inversión, el ahorro y el crecimiento del Producto Interior Bruto.

Alianza Popular propugna que el agente básico de esta transformación debe ser el ciudadano español, empresario, asalariado, ahorrador, inversor y consumidor, en cuya racionalidad y responsabilidad como soberano político y económico confía.

“In other words, to improve income distribution, the public deficit has been increased, while there has been pressure put on fiscal policy, but experience has shown, once more, that while a redistributive policy is the necessary complement to a policy of growth, however, it only manages to deepen recession when growth is stagnant. In broad terms, it is a policy that, ignoring the great transformations that are obliged by the international crisis, and despite the fact that it uses it as an excuse for its failure, it tries to keep unchanged each firm, each man, and each machine from the productive scheme inherited. As a consequence, it has created a dramatic immobilization of all productive factors (raw materials, capital, labor, and entrepreneurial initiative) in its old tasks, that they try to keep, and in fact, by means of increasing artificially the consumption of old products.

It is not, therefore, a matter of keeping up demand by increasing public spending, but is instead a matter of designing a selective supply policy that is capable of stimulating investment, savings, and the growth of the GDP.

Alianza Popular maintains that the basic agent in this transformation must be the Spanish citizen, as entrepreneur, employee, saver, and consumer, whose rationality and responsibility as an economic and political sovereign, the party trusts”.

We can see clearly that the Partido Popular (still under the name Alianza Popular) talks, in 1982, about the trade-off between efficiency and equality, in a very direct way, and talks insistently about the fact that redistributive attempts directed solely to promote equality can have distorting effects for the efficacy of the system.

P1: programa AP (coalición con varios partidos) 1982.txt - 1:83
(381:389) (Super)
Media: OEM
Codes: [trade-off]

Una política presupuestaria y fiscal que garantice, de una parte, la provisión de bienes públicos que desee y esté dispuesta a pagar la población y, que de otra, fomente el ahorro y la inversión privada que se precisan para crear el pleno empleo, pero que, tras cumplir eficazmente con los compromisarios de la seguridad social, se abstenga de cualquier propósito redistributivo que contravenga los principios de la remuneración de acuerdo con la productividad y la imposición con la capacidad de pago.

“A budget and fiscal policy that guarantees, on the one hand, the provision of public goods wished by the population and to the extent that it is willing to pay for it, and on the other, a public goods provision able to stimulate savings and private investment needed to create full employment, but one that is capable of guaranteeing with efficacy the payments to the social security members, without further trying to implement any redistributive proneness going against the principles of reward according to productivity and taxing according the paying capacity”.

In 1982, the discourses of the Partido Popular and of the PSOE with respect to the relationship between efficiency and equality are extremely divergent. Whereas the Socialist Party links equality with growth, where both constitute the objective for the 1982 mandate, the conservative party includes, already in 1982, a tough line on the perils to the Spanish economy of an excessive degree of redistribution. We find nine crossed references of text pieces in the socialist 1982 program in which there are codes for both efficiency and equality. All these references imply a positive or complementary relation between the two, and none makes reference to the idea of a trade-off between efficiency and equality.

1986

In the introductory section of the program for 1986, the PSOE makes a general statement stating that once the economic crisis has been surmounted, and democracy is consolidated, the government, if re-elected, will be able to pursue the main goal for the legislature, the condition *sine qua non* for the attainment of both growth and equality, i.e., job creation. The program states that though their political will towards the creation of employment had always been there, structural constraints prevented job creation in the first legislature. The argument continues: it is therefore only at that moment, when the economy has already been modernized, that the socialists can finally pursue employment and equality with a broader margin for maneuver, because, and this is a telling statement, the Socialist party is not merely the best manager of what exists, probably in response to the criticism of Izquierda Unida to the Socialist party's claims to do the only policy that was possible.

Still, the 1986 program continues to stress the necessity of maintaining the conditions for economic growth, in what is a clear reference to the continued need for structural adjustment. They nevertheless insist on the idea that the concept of growth that they defend is a growth that can guarantee social equity, an economic growth meant to benefit all in society.

We find ten crossed references of text pieces in the 1986 program in which there are codes for both efficiency and equality. Out of these, one of them contains discursive elements pertaining to our definition above of the trade-off discourse:

P2: programa PSOE 1986.txt - 2:138 (2546:2558) (Super)

Media: OEM

Codes: [(Re)distribución de la renta] [Competitividad]

La reforma global de la Seguridad Social, forzosamente gradual, y la extensión de sus beneficios a todos los ciudadanos en forma de prestaciones mínimas y universalizadas, exige el esfuerzo solidario de todos. En los próximos años se incrementarán las prestaciones para acercarnos paulatinamente a la situación de la CEE, cuidando que el

ritmo de este crecimiento sea compatible con la recuperación y el relanzamiento de la economía española.

La mejora de las prestaciones sólo será posible si simultáneamente se posibilita el equilibrio económico-financiero del sistema, la distribución solidaria del esfuerzo contributivo y una disminución de los costes sociales, de forma que éstos no penalicen la utilización del factor trabajo o la competitividad de nuestras empresas en el exterior.

“The global reform of the Social Security system, necessarily a gradual one, and the extension of its benefits to all citizens in the form of minimum and universal benefits, requires the solidaristic effort of all of us. In the next years the benefits will be increased in order to make them more similar to those of the EEC, but being careful that this growth shall be compatible with the recovery and take off of the Spanish economy. The improvement in the benefits will only be possible if the economic-finance balance is the system is reached, the solidaristic distribution of the contributive effort takes place, and if there is a decrease in the social costs, in such a way that these do not penalize the use of the labor factor, nor the competitiveness of our firms abroad”.

Further to this, there is a quote that introduces the idea that freedom and equality have between themselves a trade-off relationship:

P2: programa PSOE 1986.txt - 2:130 (2119:2132) (Super)

Media: OEM

Codes: [Crecimiento] [Justicia] [Trade-off entre Libertad e Igualdad]

IV. UNA SOCIEDAD MÁS JUSTA: REDISTRIBUCIÓN DE LA RENTA Y CALIDAD DE VIDA

El crecimiento económico es un bien social si va acompañado de la creación estable de empleo, la construcción de una sociedad más justa y solidaria y un aumento general de la calidad de vida. La penalización de quienes no, pueden Participar con éxito en el juego de la competencia por su inferioridad de condiciones debe ser objeto de las

oportunas correcciones. Igual que no olvidamos la dimensión económica de los problemas sociales, ni los problemas funcionales y de eficacia de las Administraciones Públicas, advertimos que el gran problema de nuestro tiempo es conciliar el valor libertad y el valor igualdad y renovamos nuestro compromiso por un proyecto superador de las desigualdades que genera el sistema.

“IV. A MORE FAIR SOCIETY: INCOME REDISTRIBUTION AND QUALITY OF LIFE

Economic growth is a social good if it is accompanied by the stable creation of employment, the building of a more fair and solidaristic society, and a general increase in life standards. The punishment of those who cannot participate successfully in the competition game due to the inferiority in their starting conditions must be the object of the adequate corrections. As much as we do not forget the economic dimension of social problems, nor the functional and efficacy problems of the public administration, *we are aware that the great problem of our time is to reconcile the value of liberty with the value of equality and we renew our commitment towards a project aimed at overcoming the inequalities generated by the system*”.¹⁰

We can see how these two quotes already contain elements of the trade-off discourse as we defined it above. The first one, by emphasizing that an excessive increase in the social security benefits can pose a threat to the international competitiveness of Spanish firms. The second, by linking the commitment of the Socialist party towards equity with an acknowledgement of the existence of a close relative of our subject of research, i.e., the dilemma between liberty and equality. Therefore in the 1986 program we find for the first time the inclusion of the idea of the trade-off between efficiency and equality. Actually, 1986 will later be the year in which for the first time, one of the main unions

¹⁰ Emphasis added.

departs from the corporatist strategy: CCOO (Comisiones Obreras), the union linked to the communist party decides not to endorse the pact in September of that electoral year, where a higher inflation target rate and higher civil service salaries, pensions and unemployment benefits, and some influence over the fiscal system as a whole was exchanged for the compromise of the UGT to accept and back the macroeconomic policy goals of reducing inflation and the public deficit. CCOO did not sign the pact to show discontent with the PSOE's economic policies (Astudillo 2001). Elections had taken place in June 1986 with the socialist party obtaining an overwhelming support yet Izquierda Unida, a recently built coalition uniting several minor parties around the Communist party, had also improved slightly its electoral result with respect to the 1982 elections (4,2% versus 4,63%. In terms of seats, it went up from four deputies to seven).

1989

The 1989 program is born in the context of one of the toughest events that the leadership of the PSOE had to face during its governing years. On the 14th of December of 1988, the main Spanish unions, both the communist CCOO and the socialist UGT, managed to mobilize the entire Spanish workforce to support a general strike, launched by the Socialist union, and with the self proclaimed aim of protesting against the governmental legislative initiative of a law regulating (and liberalizing) the labor contracts of the young people in search of their first job. The strike at that point was also indirectly and directly supported also by the parties in opposition and by the employers' organization.

The breakup in the relationship between the Socialist union and the Socialist party, that had started earlier with the abandonment of his Socialist seat in the chamber by the leader of the union, Nicolas Redondo, in 1986, created a turning point in the composition of the electoral support and base of the socialists. The party could no longer count on the support of the union for their

policy, and not even on the support of the union to call on workers to vote for the Socialist party.

Nevertheless, the PSOE won the 1989 elections, still obtaining an absolute majority of the seats in parliament, though by a very small margin (see annex 2 with electoral results).

The 1989 program starts, for the first time in the opening section, displaying a number of quotations referring to the need to refrain from redistributing excessively, and above all, it starts talking incisively about how growth is a prerequisite for redistribution. This contrasts with the fact that in 1989, the economic recovery of the Spanish economy was already complete, and that actually, economic activity was at its peak. If there was a right time to redistribute because growth had already taken place it was this time. And indeed, during this mandate, and partly due to the demands of the unions, social spending continued increasing (Boix 1996). Nevertheless, the discursive emphasis in this 1989 program with respect to the idea of a trade-off between efficiency and equality goes in exactly in the opposite direction: it is mainly a discourse calling for the need to take into account that growth is a prerequisite of redistribution, and that the conditions for growth itself can be endangered by redistributing excessively.

Apart from the references to the fact that economic growth is a prerequisite for redistribution, there is, in the opening sections of the program, a reference to the idea that those that are most harmed by the lack in growth are the weakest or the poorer in society.

P3: programa PSOE 1989.txt - 3:153 (361:366) (Super)

Media: OEM

Codes: [los más débiles]

Combatir los desequilibrios básicos que puedan aparecer no es sólo un ejercicio de coherencia económica, es también un instrumento para orientar el crecimiento por una senda adecuada. Cuando el crecimiento no se afianza y se producen tensiones graves con la inflación y con los desequilibrios entre la producción y el consumo, los perjudicados son los más débiles.

“To fight the basic imbalances that may appear is not only an exercise of economic coherence, is also an instrument to orientate growth on the right path. When growth is not sustained firmly and when there are serious tensions with inflation and with imbalances between production and consumption, those that are most hurt are the weakest in society”.

Also, in this program, there is an insistence in the fact that it is only growth that can allow redistribution, as shown in the following quotation:

P3: programa PSOE 1989.txt - 3:13 (313:317) (Super)
Media: OEM
Codes: [(Re)distribución de la renta] [Crecimiento]

Crecimiento equilibrado y duradero. Nuestro objetivo de política económica para los próximos años es mantener un crecimiento equilibrado que permita continuar creando empleo, desarrollando los servicios públicos sociales y mejorando la distribución de la renta y la riqueza.

“Balanced and sustainable growth. Our objective for economic policy for the next years is to maintain a balanced growth that will allow the continuation in job creation, in the development of public social services and the improvement in income and wealth distribution”.

At the same time, emphasis is put in the fact that the benefits of growth must be devoted to redistribution, as we can infer from the following quotation:

P3: programa PSOE 1989.txt - 3:17 (355:360) (Super)
Media: OEM
Codes: [(Re)distribución de la renta] [Crecimiento] [Equidad]

Un crecimiento equilibrado y sostenido debe también repartir equitativamente sus beneficios, mejorar el nivel de rentas de los

ciudadanos, sus condiciones de vida y su bienestar colectivo, de modo que la evolución de la renta, la capacidad económica y el bienestar respondan a una efectiva, creciente y progresiva redistribución de la riqueza nacional.

“A balanced and sustained growth must also distribute equitably its benefits, improve the level of income of citizens, their living conditions and their collective welfare, in such a way that income evolution, economic capacity and well-being are in consonance with an effective, growing and progressive redistribution of the national wealth”

As a novelty in the 1989 program, we also find the fact that the section devoted to economic and industrial policy, has as a subtitle, the pair “Growth and redistribution”, giving the clear signal that these two are interrelated.

The following quotation, including this novelty in the title, stresses the fact that only growth can guarantee redistribution:

P3: programa PSOE 1989.txt - 3:24 (298:311) (Super)

Media: OEM

Codes: [(Re)distribución de la renta] [Crecimiento] [Justicia]
[Progreso]

POLITICA ECONOMICA E INDUSTRIAL

Crecimiento y redistribución. España vive una etapa de progreso. Tras años de profunda crisis económica se está produciendo la recuperación. Mantener y extender la mejoría conseguida, crear más y mejor empleo, combatir el paro, redistribuir de forma más justa la riqueza, superar las desigualdades, elevar el nivel de protección social y modernizar la economía y la sociedad española son los objetivos de los próximos años. Para alcanzarlos es necesario avanzar y profundizar en el camino emprendido. La garantía de un mayor bienestar para cada ciudadano, de una mejor calidad de vida, de alcanzar una sociedad con una distribución cada vez más solidaria de la renta y la riqueza requiere que el crecimiento sea elevado, estable y duradero.

“ECONOMIC AND INDUSTRIAL POLICY

Growth and Redistribution. Spain is going through a period of progress. After years of a deep economic crisis the recovery phase is now taking place. To keep and extend this improvement, to create more and better employment, to fight unemployment, to redistribute in a more fair way wealth, to overcome inequalities, to increase the level of social protection and to modernize the Spanish economy and society are the objectives for the next few years. To reach them it is necessary to advance and deepen the road undertaken. The guarranty of greater wealth for each citizen, of a better quality of life, of the attainment of a society with an income and wealth distribution that is ever more solidaristic, is that growth is high, stable, and enduring”.

In the same year, the program of Izquierda Unida inverts the terms of discourse in the same section of their program. In their section devoted to the Economy, Employment and Ecology, the first subsection, has as subtitle “Our proposal: to grow by redistributing”. We present the quotation here:

1. ECONOMÍA, TRABAJO Y ECOLOGÍA

1.1. NUESTRA PROPUESTA: CRECER REPARTIENDO

(...)

La economía puede y debe crecer a un ritmo elevado para acercar progresivamente los niveles medios de vida de los españoles a los existentes en los países comunitarios. Sin embargo, la experiencia ha mostrado como nuestro PIB experimentaba aumentos sustanciales en los últimos años sin que paralelamente mejorara la situación, no sólo relativa sino en términos absolutos, de los grupos sociales económicamente más débiles.

En consecuencia, la política económica debe dirigirse a impulsar y sostener a largo plazo un modelo de crecimiento cuyos beneficios repercutan equitativamente entre la sociedad, alterando para ello los ejes fundamentales de la actual política económica En otras palabras, se trata de crecer repartiendo.

“1. ECONOMY, EMPLOYMENT AND ECOLOGY.

1.1 Our proposal: To grow by redistributing.

(...)

The economy can and must grow at a high rate so that the living standards of the Spanish people get closer to those of the community countries. However, experience has shown that our GDP was increasing substantively in the last years without a parallel increase, not only in relative, but in absolute terms, of the economically weakest social groups.

Therefore, economic policy must be directed to back and sustain in the long run an economic model of growth where the benefits must be distributed equitably in society, and for this the fundamental axes of the current economic policy must be altered. In other words, it is a matter of growing by redistributing”.

.....

At the same time, the Partido Popular’s program for those same elections does not display any parallel reference in their chapter devoted to economic policy. They do include, however, a critique of the PSOE’s economic policy and they insist that it will be incapable of responding to the challenge of a fully-integrated European market, and again, and as in the case of the Izquierda Unida’s program, they criticize the PSOE for declaring that their’s is the only economic policy that is possible.

In the same program of 1989, the PSOE includes, though, many references to the idea that the size of the public sector must still grow to be equivalent to that of the most advanced European countries, and there are also quotations portraying Europe as a space of both growth and solidarity:

P3: programa PSOE 1989.txt - 3:26 (387:390) (Super)

Media: OEM

Codes: [(Re)distribución de la renta] [Desarrollo económico]

La actividad del Estado deberá jugar su papel redistribuidor y coadyuvante del desarrollo económico y social, para lo cual su peso en el conjunto de la economía deberá aproximarse al que tiene en los países europeos más avanzados social y económicamente.

“State activity shall play its redistributive and enabling role in social and economic development, and for this, its weight in the whole of the economy should be closer to that of the socially and economically more advanced countries”.

P3: programa PSOE 1989.txt - 3:48 (189:195) (Super)

Media: OEM

Codes: [Crecimiento] [Justicia] [Progreso] [Solidaridad]

Europa Social y Solidaria. La construcción del gran mercado interior no es un fin en sí misma, sino un medio para conseguir un espacio común con más empleo y progreso social. Es necesario, por lo tanto, establecer junto a los objetivos económicos y comerciales otros de contenido social. Deseamos una Europa de crecimiento y pleno empleo, de solidaridad y de justicia social, de paz y democracia.

“Social and Solidaristic Europe. The building of a big internal market is not an end in itself, but a means to create a common space for more employment and social progress. It is therefore, necessary, to establish, together with the economic and commercial objectives, others that are social in content. We want a Europe defined by growth and full employment, by solidarity and social justice, by peace and democracy”.

There are also references to the fact that solidarity has helped overcoming the economic crisis in Spain, thus subverting the trade-off discourse:

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P3: programa PSOE 1989.txt - 3:51 (499:506) (Super)

Media: OEM

Codes: [(Re)distribución de la renta] [Eficiencia] [Solidaridad]

La sociedad española se ha sentido cohesionada por la idea de la solidaridad para superar la crisis económica. Muchos de los éxitos conseguidos en este terreno se deben a ese comportamiento, que responde al concepto de sociedad que tenemos los socialistas. La recuperación económica permite practicar una política más intensa y eficaz. La solidaridad supone que lo conseguido entre todos se reparta entre todos, que los beneficios de la mejoría económica sean socialmente compartidos.

“Spanish society has experienced cohesion through the idea of solidarity in overcoming the economic crisis. Many of the successes obtained in this domain are due to this behavior, which responds to the idea of society that we socialists have. The economic recovery allows us to implement a more intense and efficacious policy. Solidarity means that what we, all together, have obtained, shall be distributed amongst all, that the benefits from the economic recovery shall be socially shared”.

1993

By the time the general elections of 1993 took place, the political landscape had quite changed. The conservative alternative to the socialist party, the Partido Popular was having, for the first time, worth considering chances of winning the election. The relationship between the unions and the PSOE was still broken, but somehow less turbulent. Spain was succeeding in taking the steps towards the of meeting the Maastricht conditions and so the last general strike called for by the unions, in 1992 had been partially a failure: Somehow, the Socialist party attempts to delegitimize the union's position towards Europe, the adherence to which had, in Spain one of the biggest rates of support among the member countries, had been successful. Together with this, the weakening of the unions vis-à-vis a less and less unionized

workforce, partly due to the fact that a big bulk of those entering the labor market were doing so under temporary contracts, contributed to fact that the break up the unions posed a less important political or image problem to the Socialist party (Astudillo, 2001).

However, and not so much in image terms, but in real terms, the lack of wage agreements with the unions would force the Socialist government later in this mandate, to carry out a stringent monetary policy that ended up hurting part of its center electoral constituency (Boix, 1996). Indeed, in the opening pages of the 1993 electoral program, the socialist party insists again in stressing the importance of an incomes policy based on the moderation of wages and profits to be able to achieve the economic recovery and thus to generate employment. By the end of 1992, the international economic crisis that had hit the rest of Europe was starting to be felt also in Spain, once the boasts of the Olympic Games and the Universal Exhibition had ended.

In discursive terms, in the 1993 program, we find a continuation of the trend, which had started in the 1989 electoral manifesto, of including elements of what we have defined as trade-off discourse. The closest reference to the trade-off discourse in the 1993 program that we find is the following:

P4: programa PSOE 1993.txt - 4:57 (387:406) (Super)

Media: OEM

Codes: [(Re)distribución de la renta] [Competitividad] [Crecimiento]
[Igualdad] [Riqueza] [Solidaridad]

El empleo: objetivo prioritario.

La economía y la industria: solidez y competitividad. A lo largo de los últimos diez años la sociedad española ha gozado de uno de los procesos de aumento del bienestar más intensos de su historia, se ha hecho más abierta y ha aprovechado esa mayor riqueza para desarrollar un auténtico sistema de solidaridad nacional y fortalecer el papel del Estado en la provisión de servicios públicos básicos.

En estos momentos, al igual que el resto de países europeos, España está atravesando por un período de bajo crecimiento económico y

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aumento del desempleo. Pese a ello, los éxitos conseguidos por nuestra economía en los últimos diez años nos colocan en buenas condiciones para superar la actual crisis económica internacional.

El objetivo de los próximos cuatro años consistirá en volver a crecer de forma intensa y duradera, permitiendo así la creación suficiente de empleo y la reducción de las actuales tasas de desempleo, y redistribuir la renta en favor de los sectores sociales más desfavorecidos, elevando el nivel de vida de los ciudadanos y luchando contra la desigualdad y la marginación.

“Employment: a priority. The economy and the industry: soundness and competitiveness. Over the last ten years the Spanish society has undergone one of the most intense processes of welfare expansion in its history; it has become open, and has benefited from that greater wealth in order to develop a real system of national solidarity and to strengthen the role of the State in the provision of basic public services.

In the period, as in the rest of Europe, Spain is undergoing a period of low economic growth and an increase in unemployment. Despite this, the successes obtained by our economy in the last ten years put us in a good position to overcome the current international economic crisis. *The goal in the next four years will be to go back to growing intensely and enduringly, allowing for the creation of enough employment and the reduction in the current unemployment rates, and to redistribute income in favor of the social sectors that are less well off, raising the living standards of the citizens, and fighting against inequality and marginality*”¹¹.

As we see, the element of trade-off discourse present in this quote is nevertheless very mild. Out of the list we have defined above, it would pertain to the prerequisite argument. But the passage actually does not so much say that growth is needed to redistribute, as it says that it *allows* them to redistribute.

¹¹ Emphasis added.

In the 1993 program it should also be noted that references to competitiveness start abounding with respect to the preceding ones, a trend that remains and intensifies in the 1996 program. In the 1993 electoral manifesto, we find an explicit definition of competitiveness and its importance for the socialist party.

P4: programa PSOE 1993.txt - 4:127 (136:144) (Super)
Media: OEM
Codes: [Competitividad] [competitividad y costes] [Definición de competitividad] [Eficacia]

6. Competitividad.

La cuota de mercado que alcancen los productos españoles dependerá de que su precio y calidad sean mejores que los procedentes de otros países. De ahora en adelante el reto de España es el de la competitividad de su economía. Ganar competitividad supone crear empleo y perder competitividad perder empleo. Para aumentar la competitividad se necesita eficacia y calidad, moderación de los costes, reformas de estructuras para suprimir rigideces, mejorar la cualificación profesional e incorporar la innovación tecnológica.

“6. Competitiveness. The market quota that the Spanish products may achieve will depend on the fact that its price and quality are better than those of the products coming from other countries. From now on, the challenge for Spain is that of the competitiveness of its economy. To increase competitiveness means to increase jobs and to lose competitiveness means to lose jobs. To increase competitiveness we need efficacy and quality, cost moderations, structural reforms overcoming rigidities, to improve professional qualification and to incorporate technological innovation.”

In general, the whole program emphasizes competitiveness and job creation as one of the main goals for the mandate. As an example of one of the quotes in which the party talks in terms of compatibility of growth and equality, and also, as a passage of

texts where the main goals for the legislature are spelled out, we present the following quote:

P4: programa PSOE 1993.txt - 4:53 (17:26) (Super)
Media: OEM
Codes: [Modernizacion] [Solidaridad]

La cita con las urnas ofrece la ocasión de renovar el compromiso del PSOE con la sociedad en relación con los retos de España como nación y comunidad democrática. Los grandes objetivos de Gobierno que el Partido Socialista propone para los próximos cuatro años responden a los grandes retos de progreso para España en este momento histórico: creación de empleo, modernización con solidaridad, un nuevo impulso democrático, una España definitivamente europea; y con peso en la escena internacional; estas cuatro ideas han de ser los motores del proyecto progresista para España.

“The appointment with the ballot offers the occasion to renew the PSOE’s commitment to Spanish society in relation with the challenges to Spain as a democratic nation and community. The great objectives in government that the Socialist Party proposes for the next four years respond to the big challenges of progress for Spain in this historical moment: job creation, modernization with solidarity, a new democratic impulse, a definitively European Spain, with specific weight in the international scene; these four ideas must be the engines of the progressive project for Spain.”

And a similar quote:

P4: programa PSOE 1993.txt - 4:55 (88:97) (Super)
Media: OEM
Codes: [(Re)distribución de la renta] [Competitividad] [Crecimiento]
[Justicia] [Riqueza] [Solidaridad]

El resultado de todos estos cambios es también una sociedad con un reparto más equilibrado de la riqueza en la que la tarea realizada nos permite ser más ambiciosos y proponer un importante paso hacia adelante.

Crecimiento económico y creación de empleo, apertura al mundo y competitividad, solidaridad, justicia social y cultura-, son los rasgos que marcan este período de la historia de España y que identifican un proyecto socialista moderno, con permanente voluntad de cambio y vinculado a la defensa del interés general de la sociedad.

“The result of all these changes is also the attainment of a society having a more balanced distribution in which the task already attained allows us to be more ambitious and to propose a step forward.

Economic growth and job creation, opening to the world and competitiveness, solidarity, social justice and culture, these are the features that signal this period in Spanish history and that identify a modern socialist project, with an enduring will of change linked to the defense of the general interest in society”.

There is continuity, however as to the role of economic growth as a prerequisite (here in a softer form, saying, as an allowing factor) of the distributive policies. However, and perhaps responding to the electoral proposals of the Partido Popular as to the need to implement tax cuts, we also find an explicit critique of the arguments implicit in the idea of the Laffer curve, and that came to be known as reagonomics. That is, a tax cut can actually increase tax revenues since the resources liberated by the decrease in taxes can boost the economy and therefore, an increase activity can cause a parallel increase in tax revenues. This statement, included in the program, goes as follows:

P4: programa PSOE 1993.txt - 4:51 (225:235) (Super)

Media: OEM

Codes: [anti-reagonomics] [Cohesión][eficiencia][progreso]

II. SOLIDARIDAD Y COHESIAN

1. Cohesión social.

La derecha en Europa y Estados Unidos ha desmantelado los servicios sociales, atacando el papel del Estado y sacralizando lo privado. El resultado ha sido un estruendoso fracaso. Han logrado degradar y marginar a un amplio sector de la sociedad y no han conseguido la

eficacia del sistema económico. Estos países hoy sufren la crisis con más intensidad que ninguno y han empezado a desandar el camino.

La derecha española quiere hoy, con diez años de retraso, repetir la misma experiencia. Para los socialistas la solidaridad es un instrumento imprescindible de una política eficaz de progreso.

“II. SOLIDARITY AND COHESION

1. Social cohesion

The right in Europe and the United States has dismantled social services, has attacked the role of the state and sacralized the private sector. The result has been an enormous failure. They have managed to degrade and marginalize a broad sector of society and they have not obtained the efficacy of the economic system. These countries are now suffering an economic crisis with more intensity than the rest and have started to go backwards on the road undertaken. The Spanish right now wants, ten years later, to repeat the same experience. For the socialists, solidarity is a fundamental instrument for an efficacious policy of progress”.

Here, we find an obvious reference of what we have defined above as counter trade-off discourse. And the critique is obviously and explicitly directed towards the competition to the right of the socialist party. i.e., the Partido Popular. As we pointed out above, by this time, and even though Izquierda Unida posed an important electoral competitor to the left, the chances of the Partido Popular to win the election were for the first time, significant. The Socialist party managed to obtain a 38,78% of the vote and 159 seats, allowing them to govern alone by seeking alliances with minor parties on certain issues.

1996

The 1996 elections were lost by the Socialist government to its main competitor on the right, the Partido Popular. This was also the last occasion in which Felipe González ran as candidate for the

presidency. The electoral campaign nevertheless, managed to reverse the trend towards a huge transfer of votes to the Partido Popular, which before the campaign seemed likely, and so in the end the defeat was narrow (around 300.000 votes, and less than 2% of the valid ballots).

In discursive terms, the 1996 platform shows continuity in the tendency started in the program of 1989 of maintaining an ambiguous discourse with respect to the relationship between efficiency and equity. However, as we shall see, it also shows discursive novelties.

On the one hand there are some references to the fact that the Socialist party has rendered compatible the objectives of growth and equality:

P5: programa PSOE 1996.txt - 5:27 (153:155) (Super)

Media: ANSI

Codes: [(Re)distribución de la renta] [Crecimiento][cohesion]

Se ha compatibilizado un proceso de crecimiento económico rápido y sostenido con una política de redistribución y cohesión social.

“We have rendered compatible a process of sustained and rapid economic growth with a policy of redistribution and social cohesion”.

P5: programa PSOE 1996.txt - 5:30 (167:172) (Super)

Media: ANSI

Codes: [(Re)distribución de la renta] [Competitividad] [Crecimiento]

En un momento en que la economía se abría definitivamente al exterior, se ha garantizado a la vez el crecimiento económico y la redistribución de la renta. Ello se debe en buena parte a una política que ha propiciado la competitividad de nuestro tejido productivo manteniendo el poder adquisitivo de los salarios y expandiendo en lo posible el gasto social.

“In a time in which the economy was definitively being opened to the outside, we have guaranteed at the same time economic growth

and income redistribution. This is owed, partially, to a policy that has encouraged the competitiveness of our productive apparatus while maintaining the purchasing power of wages and expanding, when possible, the social expenditure”.

On the other hand, the 1996 program continues the tendency of including hints as to the idea of growth as a prerequisite for equality:

P5: programa PSOE 1996.txt - 5:17 (497:506) (Super)

Media: ANSI

Codes: [(Re)distribución de la renta] [Eficiencia] [Equidad]
[Productividad] [Riqueza]

Empleo y bienestar social deben conjugarse simultáneamente. Para ello es necesario disponer de una economía eficiente y en crecimiento. España puede y debe aumentar su potencial de crecimiento, tiene que invertir más y mejorar sus niveles de productividad.

La empresa es un espacio imprescindible para la obtención de esos objetivos. La creación de un marco adecuado para la tarea de los emprendedores es perfectamente compatible con la equidad de las políticas que se emprendan. Es más, sin empresas eficientes no habrá creación de empleo estable, ni podremos generar suficiente riqueza para profundizar en la redistribución.

“Employment and social welfare must combine simultaneously. To this end, it is necessary to have at hand an efficient and growing economy. Spain can and must increase its growth potential, and has to invest more and to increase its productivity levels.

The firm is a crucial space in the attaining of these objectives. The creation of an appropriate frame for entrepreneurial activity is perfectly compatible with the equity of the policies implemented. Moreover, without efficient firms there cannot be stable job creation, nor it is possible to generate enough wealth to deepen redistribution”.

There is however, an important evolution with respect to the program of 1993. The 1996 Socialist program displays a total of twelve quotations that refer to the relationship between efficiency and equality, of which two point, for the first time in the socialist programs analyzed, in the direction of particular types or mechanisms by which the search for equity has hindered, or could hinder, economic growth. In this occasion, and with respect to the categories defined above for the types of trade-off discourse that can be displayed, the argument is no longer one of growth as a prerequisite for efficiency, but instead one in which equity can be harmful for growth.

P5: programa PSOE 1996.txt - 5:83 (4053:4064) (Super)

Media: ANSI

Codes: [Equidad] [Productividad]

El aumento de la equidad de nuestra sociedad y el mayor nivel de renta y riqueza de los españoles han sido factores decisivos para soportar los costes de la recesión. Pero tuvo un impacto muy negativo sobre nuestro mercado de trabajo. Las rigideces en nuestro mercado laboral, una evolución de los salarios reales desligada de los incrementos de productividad y la caída de actividad llevaron nuevamente la tasa de paro a niveles por encima del 20% de la población activa.

Ante esta situación, el Gobierno emprendió una política económica encaminada a sentar las bases de una sólida y equilibrada recuperación económica, capaz de generar empleo y de reducir, simultáneamente, la inflación el déficit exterior y el desequilibrio presupuestario de las Administraciones Públicas.

“The *increases in equity* in our society and the greater level of income and wealth of the Spanish people have been decisive factors in order to hold on to the costs of recession. *But they had a very negative effect on our labor market.* The rigidities in our labor market, an evolution of real wages unrelated to the increases in productivity and the fall in activity drove again unemployment rates to levels above 20% of the active population. In this

situation, the government carried out an economic policy devoted to settle the bases for a solid and balanced economic recovery, capable of creating employment and to reduce, simultaneously, the acceleration in the foreign deficit and the budget imbalance in the public administration”¹².

As we see in this quotation, the Socialists blame the bad performance in terms of job creation on their well intentioned search for equity. Also, and indirectly, since they put part of the blame on the wage increases unrelated to productivity, they are rendering responsible the unions, without naming them.

The second quotation in which the socialists admit the incompatibility of efficiency and equity is the following:

P5: programa PSOE 1996.txt - 5:310 (52:59) (Super)

Media: ANSI

Codes: [Cohesion] [Crecimiento] [Dificultades del Estado de Bienestar] [Eficiencia]

El Estado de Bienestar afronta dificultades para su sostenimiento a medio y largo plazo, por la persistencia de los déficits públicos y las exigencias crecientes de calidad en la provisión de sus servicios por parte de una sociedad estructurada de manera mucho más compleja. El crecimiento económico ya no es capaz por sí mismo de asegurar un volumen suficiente de empleos, y las estrategias para aumentar la eficiencia del sistema productivo chocan a veces con la necesidad de reforzar los mecanismos que aseguren la cohesión social.

“The Welfare state faces difficulties for its sustainability in the medium and long run, due to the persistence of public deficits and the growing demands for quality in the provision of its services, on the part of a society structured in a much more complex way. Economic growth is no longer capable, in itself, to ensure a sufficient generation of jobs, and the strategies aimed at increasing the efficiency in the productive system sometime clash with the need to strengthen the mechanisms assuring social cohesion”.

¹² Emphasis added.

Here, for the first time, the socialist party not only acknowledges the fact that some strategies aimed at increasing efficiency can also be incompatible with equity, but also, that growth itself is not sufficient to achieve a satisfactory job creation.

There is a further quotation that hints at the possibility that an attempt of increasing equity may hinder efficiency. This is the cautious mention that the Socialist program makes as to the possibility of distributing employment by reducing the working hours or introducing legislation favoring part-time work. The quotation also calls for the responsibility and the co-involvement of the unions in the project:

P5: programa PSOE 1996.txt - 5:287 (815:826) (Super)

Media: ANSI

Codes: [Competitividad] [Igualdad] [Justicia] [Productividad]
[solidaridad]

Además, el aumento del trabajo sólo se logra si somos más productivos. Por ello, toda política de reparto del trabajo debe descansar sobre el compromiso de no poner en riesgo la productividad. Y ese compromiso tiene que llevarse a la práctica a través del diálogo y la negociación colectiva.

Distribuir mejor el trabajo disponible es una exigencia derivada de los valores de justicia, igualdad y solidaridad que defendemos y es también una posibilidad que queremos explorar. sin poner en riesgo la necesaria competitividad de las empresas. El reparto del trabajo disponible puede favorecer la incorporación al empleo de más personas, especialmente de aquéllas que tienen más dificultades objetivas para desempeñar puestos de trabajo de jornada ordinaria completa

“Moreover, the increase in employment can only be achieved if we are more productive. For this reason, any policy aimed at the redistribution of work time must lay on the commitment to not put at risk productivity. And this commitment must be carried out through the collective dialogue and negotiation.

To distribute in a better way the available jobs is a necessity deriving from the values of justice, equality and solidarity that we defend and it is also a possibility that we want to explore without putting at risk the necessary competitiveness of firms. The distribution of available work can help the incorporation to the workforce of more people, especially those that have more objective difficulties in undertaking full time employment”.

For the rest, the 1996 program also exhibits a number of innovations in what has been traditionally seen as a social-democratic discourse over deficits and inflation:

P5: programa PSOE 1996.txt - 5:39 (4132:4135) (Super)

Media: ANSI

Codes: [(Re)distribución de la renta] [Competitividad] [crecimiento]

“En una economía abierta, el crecimiento generador de empleo exige déficits públicos y tasas de inflación lo más reducidas posibles. El déficit público absorbe recursos financieros que podrían haber sido utilizados por la economía productiva, presiona al alza los tipos de interés y hace muy vulnerable a la economía ante los cambios de opinión de los mercados. Por su parte, la inflación redistribuye regresivamente la renta, y erosiona la competitividad exterior de la economía, minando su estabilidad cambiaria y financiera, y, por tanto, su capacidad de crecimiento.

“In an open economy, a growth capable of generating employment requires public deficits and inflation rates as low as possible. Public deficits absorb financial resources that could be used for the productive economy, puts pressure on raising interest rates and makes the economy extremely vulnerable to the change in opinion of the markets. On the other side, inflation redistributes income regressively, and erodes the external competitiveness of the economy, hindering its exchange rate and financial stability, and therefore, its potential for growth.”

The second such reference is explicitly linked to the European Union and to the advantages of fulfilling the conditions for joining the group of countries entering the common currency:

P5: programa PSOE 1996.txt - 5:305 (4289:4310) (Super)

Media: ANSI

Codes: [Crecimiento] [Globalizacion] [Solidaridad]

Nosotros estamos persuadidos que la Unión Económica y Monetaria es un objetivo posible y altamente beneficioso para el bienestar de los españoles, y, por ello, lo consideramos que vale la pena hacer el esfuerzo necesario para estar en ella desde el comienzo.

Creernos que es un objetivo posible. En los últimos dos años hemos ido acercándonos al cumplimiento de los criterios establecidos en el Tratado de la Unión, sin, por ello renunciar ni al crecimiento, ni a la generación de empleo, ni a las políticas de solidaridad. En este mismo año estaremos en posición de satisfacer los criterios de inflación y tipos de interés, al tiempo que se crean las condiciones para cumplir en 1997 con los otros dos criterios de estabilidad cambiaria NI de déficit público.

Y es un objetivo altamente beneficioso. Porque la experiencia de los países más prósperos y más solidarios nos demuestra que la estabilidad macroeconómica que garantiza la pertenencia a la Unión Monetaria Europea es el mejor camino para sostener el crecimiento económico y, la generación de empleo en una economía abierta e interdependiente. La supuesta contradicción entre el crecimiento estable y no inflacionario y la creación de empleo no existe. La amplia experiencia internacional indica que con más déficit y más inflación lo que se consigue es más paro y menos prosperidad. lo que hace imposible las políticas de solidaridad.

“We are persuaded that the European Economic and Monetary Union is a feasible and highly positive objective for the welfare of the Spanish citizens, and for that reason, we consider it worth the effort needed to be in it from the start. We believe it is a feasible objective. In the last two years we have gotten closer to the accomplishment of the criteria established in the Union Treaty, without having given up neither on growth, or on the creation of

employments, nor to the solidarity policies. In this same year we shall be in a position to satisfy the criteria for inflation and interest rates, while we are creating the conditions to fulfill, in 1997, the other two objectives of exchange rate stability and low public deficit.

And it is a highly positive objective. Because the experience of the wealthiest and more solidaristic countries shows that the macroeconomic stability secured by belonging to the European Monetary Union is the best path to sustain economic growth and job creation in an open and interdependent economy. *The alleged contradiction between stable and non inflationary growth and the creation of jobs does not exist. The ample international experience shows that with a greater deficit and more inflation the only thing one gets is more unemployment and less wealth, which renders impossible solidaristic policies*¹³.”

5.4. Conclusions

From the analysis just presented we can observe that there is a tendency, a progression, in the use of the idea of a trade-off between efficiency and equality for the socialist electoral programs of the period 1982-1996.

In the electoral program for the 1982 election there is no reference to the idea of a trade-off between efficiency and equality. Quite on the contrary, references abound as to the existence of a virtuous circle between growth and equality, epitomized by the repeated presentation of *progreso* and *igualdad* as a pair. References are also found emphasizing the fact that the PSOE sees economic growth only as a means to other more important ends, like equality.

The 1986 program continues on the same vein, though we see the introduction of elements pertaining to the trade-off talk, like a

¹³ Emphasis added.

reference to the existence of a dilemma between freedom and equality.

We finally witness a clear change in the discursive strategy of the Spanish socialists in the 1989 electoral manifesto. This is marked, among other things, by the fact that an epigraph in the electoral program is entitled by and devoted to, the relationship between equality and growth, where this is understood in terms of growth as constituting a prerequisite for equality. As pointed out above, this coincides temporarily with several events that fit the theoretical hypotheses exposed in previous chapters of this work. These mainly have to do with the increasingly aggressive opposition faced by the PSOE on their left. A growing electoral support obtained by Izquierda Unida and a successful general strike called for by the unions, including the socialist one, were taking place in the period.

This discursive turn in the PSOE's party programs is nevertheless accompanied by constant references to the fact that the Socialist strategy can deliver both equality and efficiency and that these two goals can be rendered compatible by Socialist economic policy strategy.

The discursive *incoherence* around the idea of the trade-off continues in the 1993 and 1996 electoral programs. We also observe a gradual up taking of the notion of competitiveness, and so references to the trade-off are for the most part in this period, phrased on these terms, coupling (sometimes in terms of a dilemma) competitiveness and the maintenance (more often than the expansion) of the welfare state.

Finally, the 1996 electoral program, that signals the end of the series of Socialist governments which constitute our object of study, displays, again, some discursive novelties with respect to the idea of the trade-off between efficiency and equality. For the first time, the trade-off is spelled out not only in terms of efficiency or growth as prerequisites for equality. Equality in itself is identified as a peril for prosperity, in what looks somehow to be an apologetic reading of part of the Socialist legacy for the period. As indicated before, by 1996 neither the Communist coalition nor

the unions posed the *main* electoral problem for the PSOE, as proven by the electoral victory of the conservative Partido Popular, inaugurating a longer period of right-wing rule.

CHAPTER VI. ANALYZING SOCIAL- DEMOCRATIC DISCOURSE II:

An Analysis of the interviews given to the press by Felipe González Márquez (1982-1996).

6.1. Methodology and coding criteria

In this chapter we deal with our second source of empirical material on the discourse of the Spanish Socialist Party, as already described in the previous chapter. We here analyze a series of interviews with Felipe González Márquez published and carried out by national and international newspapers. These interviews are the total of interviews given by the then president for the period starting after the first socialist victory and ending with the electoral defeat of 1996, which finished the thirteen and a half year mandate of the PSOE. The interviews thus amount to a complete dossier that is exhaustive, and that has been collected by close collaborators of the president and at times by the Ministry of the Presidency, and then kept at the party's archives. This dossier is described in annex 3, that also includes a list of all the interviews, the journal or publication to which they belong, and where available, the name of the journalist interviewing the president.

We will complement this dossier with occasional references to other interviews, found also on the press, and given by the then Socialist finance and economic ministers of the period.

The method followed to trace back references to the relationship between efficiency and equity in the texts differs from the one employed to analyse the party programs. Here, the searches for occurrences of the idea in question have been neither done with search categories nor the coding categories described in table 1 in the previous chapter. Instead, when an answer has been found to contain a reference to the idea, we have selected and coded, with a reference to the idea of the trade-off, both the answer and the question.

The presence of references to the relation between efficiency and equality in the dossier employed in this analysis is the following: Out of 112 interviews, we find 23 extended references to the relationship between efficiency and equality. But since the number of interviews available each year varies greatly (from the lowest 2, in 1982, to the highest 19, in 1989) no inferences about the frequency of the references to the idea of a trade-off between efficiency and equality can be made according to the year of the interview.

As in the previous chapter, we analyse the type of relationship between efficiency and equality that is implied in the coded section. However, given that we are dealing with interviews, in which the answers coded have been generated by a particular question, we have also examined precisely the kind of question that triggers an answer employing an argument that uses the idea of a particular relation between efficiency and equality. This is the main way in which we have tried to systematize the findings: by making reference to the kind of question that generates a response that contains the idea of a trade-off between efficiency and equality. It is therefore also in this respect that we have defined, though in a loose way, what we consider a confirming or disconfirming piece of evidence given our hypotheses.

<i>Year</i>	<i>Number of interviews</i>	<i>References to the relationship between efficiency and equality</i>
1982	2	-
1983	6	-
1984	2	-
1985	12	4
1986	14	-
1987	3	-
1988	4	-
1989	19	10
1990	6	-
1991	7	-
1992	11	-
1993	13	4
1994	5	2
1995	4	-
1996	4	1
Total	112	21

Before we proceed to display the selected quotes we can now summarize and cluster around several themes the kinds of questions that then generate or cause an answer employing an argument that contains the idea of a trade-off between efficiency and equality:

There is a *first thematic block* of questions refers generally to the definition of social-democratic parties. It includes:

- Questions on the transformation of socialism or what it means to be a social democrat in the 1990's.
- Questions on what differentiates left- and right-wing parties.
- Questions on the ideological position of the socialists and their relation with the middle- classes.
- Questions on whether the degree of redistribution attained by the socialist party is sufficient given the demands of the electorate.

There is a *second thematic block* around the relationship between the Socialist party and other political actors in the left spectrum. It includes:

- Questions on the possibility of establishing electoral pacts with Izquierda Unida.
- Questions on the relationship between the PSOE and the trade-unions.

The *third thematic block* is broadly related to questions on economic policy in general, and on economic convergence with the European Union. It also includes questions on the tax structure preferred by the Socialist party, and in particular, it includes a series of questions on the Conservative party's strategy regarding taxation, or what came to be known as "Reagonomics".

We suggest that the second thematic block confirms our main theoretical hypothesis: social-democratic parties use the idea of the trade-off in their discourse to counter competition to their left, in the sense of trying to moderate the expectations of voters with respect to their performance in terms of equity, given that these expectations can be raised by communist parties and or unions. Questions pertaining to the first and third thematic block can be considered to confirm the way in which both right-wing and left-wing parties could use rhetorically the idea of the trade-off as a means to justify its policies, and particularly the redistributive consequences of these, as described in the first part of our formal model. Whether these are indeed confirming or disconfirming pieces of evidence naturally rests on the interpretation of the coded quotes themselves. We now can turn to an analysis of these.

6.2. Results

We now present the main results organized around the thematic blocks just described and in an abridged form with respect to the source. The complete quotations in the original Spanish language can be found in Annex 3. The dossier from which they are extracted

has the advantage of reflecting the conversations given rise to the published interviews in their original form. That is, it is, for the vast majority of interviews, a dossier made of *transcripts* of the interviews rather than of the finally published material. This explains the idiomatic tone of some of the quotations.

Each quotation starts with a tag that identifies the source of the interviews. This allows the source of the quotation to be traced: the correspondence between each of the codes and the interviews is included in annex 3.

Output generated by: ATLAS/ti Query Tool

HU: entrevistas concedidas a la prensa escrita por Felipe González como presidente

Global selection criteria:
All

112 Primary Docs in query:
22 quotation(s) found for Query (Infix-Notation):
"Efficiency and equality"

6.2.1. First Block: How Socialist is Social-Democracy?

P11: 85.1.txt - 11:20 (548:607) (Super)
Media: ANSI
Codes: [Efficiency and equality]

"Question: -It seems that the government in its change in economic policy, in its program announced last week by minister Boyer, is becoming less socialist.

Answer: - [...]Spain is a country with a relative backwardness with respect to Europe. However, it is a country that culturally and politically has gotten much closer to Europe, and therefore, it has a social demand and a social

pressure that are very strong. Thus, the economy is basically unbalanced and I always have the same discussion, whether one moves further from socialism or not. **I am not a socialist in order to redistribute poverty, I repeat it once more. I am socialist to do justice, redistributing welfare when possible and to the extent that one can. I am not interested in redistributing poverty, and to redistribute welfare I must produce wealth. The economic apparatus must work; if not, I would be fooling people, and I have no interest in fooling them either today, or tomorrow...I want there to be an efficacious productive apparatus. Therefore, I am going to maintain a rigorous economic policy, now and while I am president of the government, at least, until the end of this decade”.**

This is an example of a quotation where a question about whether the Spanish Socialist party is less socialist, in reference to the policies of the minister of the economy, the Socialist leader responds by referring to the trade-off discourse in terms of efficiency is a prerequisite for equity and also in terms of excessive equality as leading to no growth. It also refers to the fact that some inequalities are inevitable.

We can link this reference to an interview given by Miguel Boyer, ministry of the economy at the time, some time before, in October 1984, in which he makes the same point except for in cruder, starker terms¹. When asked about whether the structural adjustments of the first years in the legislature are not more in tune with a conservative ideology than a socialist one, Boyer responds that in macroeconomics there are few differences between conservative and socialist governments. And that the differences, instead, lie in the fact that when having to do structural adjustments, the Socialist government can count on the social support of key actors, like the unions, because the socialists do only ask for necessary, and to the extent possible, fairly distributed, sacrifices, unlike conservative governments.

¹ For a full reference of this interview, see the end of the annex 3.

Then the interview continues as follows:

“Question: And when the crisis is over, then what? Now that you have defined your economic policy instruments, could you expand on the goals to which the Socialists aim?”

Answer: We are talking about instruments being managed either efficaciously or inefficaciously. It is obvious that the ends to which a conservative and a socialist government aim are different, even if there is, fortunately, some convergence about basic principles, like freedom or democracy. Historically, the basic idea behind the socialist or left movement, is the idea of greater equality in political and economic terms. Right-wing governments do not have this preoccupation with equality, though recently- not traditionally- they do have a concern about freedom, which is a traditional left-wing goal.

A certain degree of economic inequality is inevitable, and can even be stimulating, as the Soviet and Chinese revolutionary experiences show: absolute equality, the lack of material stimulus, causes the economic mechanism not to work. The fundamental socialist idea is not to accept any more inequality than that strictly necessary for the whole of society to improve; whereas the right-wing accepts excessive and unjustified inequalities, like economic inequality of opportunity....

Question: The president, Felipe González, has recently declared that he feels more and more socialist. Is it the same for the Economic and Finance Minister?

Answer: Yes. This is perfectly compatible with what has also been said by the president: that he is more and more heterodox. Being totally committed to the ideals of more equality and more freedom does not imply that one has to undersign recipes from the past; the state expansion formulae, nationalizations, have been shown to be ill-conceived. The State, by expanding indefinitely, does not give rise to a satisfactory change of society, and it does not generate more

wealth, nor does it organize either production or consumption better. And it does not increase freedom.”

Again, we find a reference, though more explicit, to the idea that some inequalities are inevitable, and Boyer even states that some are even desirable. To illustrate this, he takes the example of the Communist countries.

As the next quotations show, there are a series of references to the Communists as a reference point from which to compare Socialist performance, both economically, and politically. The other point of reference is the new conservatism that was sweeping the Western block in the 1980s, with explicit references to both Reaganism and Thatcherism.

We can also see the first of a series of very often repeated references in the period, to the fact that countries from the eastern block ask the Spanish socialists for advice or look to the Spanish experience as an exemplar. The idea behind this “Hungarian” reference, is that of the peril of distributing only poverty if redistribution is taken too far. This supposes an extremely patent reference to the idea of a trade-off between efficiency and growth. We will see how this reference is repeated and expanded in the next thematic blocks.

P17: 85.7.txt - 17:30 (199:264) (super)

Media: ANSI

Codes: [efficiency and equality]

Question: People on the left feel as if they had lost your guidance and support, also because a big proportion of the leadership in your party is absorbed by very important issues. But, should you not motivate them without falling into the mistake of creating a crusade?

Answer: (...) If the entrepreneurs do not make profits, you cannot get out of the crisis, then, of course, this limits quite a

lot the chances that the people perceive a positive redistributive policy, because it is not the same to redistribute in positive terms, with growth, than to redistribute in negative terms, with savings. I am saving, I am saving in health spending while I am increasing coverage, that is, if in three years I am capable of including more than 3.2-3.3 million citizens into health care reaching a 96% coverage rate in the population, the three million are obviously people that used not to have any chance of getting health care, that three million people can notice that they are being assisted, but at the same time I have to constrain health spending. ***I cannot do otherwise; I do not have any more money to spend on health, so I have to make an effort to make health management more efficacious, knowing that for each person that is assisted, I am losing economic capacity.***

If we were in an expansive cycle of the economy, I could give a better service to people, but I cannot. With unemployment, we have gone from 400,000 million to 800,000 million pesetas in this period. Some say, look, there is a lot more unemployment. Look, it is not the proportion, we have made an enormous effort, but it does not arrive.

(...)

Well, look, I understand if they criticize one, three, or fifty three actions of one or other minister, but I cannot accept the fact that people do not understand that there is a progressive component in the trajectory of our security policy. I cannot accept it, in any of the policy terrains that we can talk about. And since the only point of reference is to think what the other parties would do....

(...)

Not what the communist would do, because they will not have the chance of doing it, but what others would do. Anyway, if it were the communist who did it they would do something much more regressive and a lot more sectarian from the point of view of liberties.

(...)

P47: 89.4.txt - 47:2 (134:141) (super)

Media: ANSI

Codes: [efficiency and equality]

As part of the melting of the ice between East and West, Mr. González also quotes the growing interest of the Eastern block in the application of the market principles to economic development by his left-wing government. “The Hungarians visit us and say: we need to have a model of economic efficacy and competitiveness if we really want to render compatible prosperity with a certain degree of social justice. Otherwise, we will only share our poverty”. As an international model of economic growth, he affirms implicitly, that Spanish socialism could be an acceptable alternative to the conservatism of the Prime Minister, Margaret Thatcher.

P55: 89.12.txt - 55:2 (37:84) (super)

Media: ANSI

Codes: [efficiency and equality]

Question: The opposition says that things are worse than ever, that the rich are richer and the poor are poorer..

Answer: That is totally false, lacks rigor and it is false. Moreover, I doubt that citizens think so. It is true that economic recovery has generated a big increase in the entrepreneurial surplus and that there has been a recomposition in the structure of capital. But 15 years ago, one or two per cent of the population had 29% of income, and now, 11 or 12 per cent of the population has around 28 or 29% of income. Now we can talk of a tendency not towards inequality, but towards equality.

Question: And social policy, where does it go?

Answer: Our society is making a giant redistributive effort. We have 7.200.000 pensions, over an active population of 14 million people. In the next two years we will practically reach full schooling for those up to 16 years of age. We have

universalized the health system. Even accepting the theses of those that are most critical, those stating that social spending is merely a few decimal points above gross product, ***it is still evident that wealth and redistribution are increasing.***

Question: But the socialist electoral program itself has been criticized on the grounds of a lack of social sensibility...

Answer: We need to analyze the facts and the data. ***You cannot make electoral offers to specific social groups without taking into account the whole. We have to say, with honesty, that Spain needs to sustain growth, and for this, imbalances must be eliminated.*** On this growth, the main priority of any political project, which is to create employment, is dependent. And to sustain this growth that generates employment also requires trying to keep inflation low, at least by European standards. The second priority: the infrastructure that channels that growth. The creation of material and human infrastructures is necessary to eliminate the risk of bottle necks to our growth that can end up limiting and suffocating it. And we need to sustain that growth, were it possible, during the next four years, and then for four more years, so that, at the end of this process, we reach the doubling of our gross national product from 1985.

Question: eople, before elections, are usually demanding concrete proposals....

Answer: What we can not do is to take each social group one by one, and based on our program, tell them: you will see how wonderfully we will treat you. The important thing is that the nation should know what to do, and what they have to do from here until 1992 is very important to the success of the process above described. What we cannot do, for example, is to increase pensions based on whether or not there are elections coming. This is what used to be done before we got into power. The important thing about pension increases is that they can be sustained in the following years, without creating financial crises. It does not make much sense either to say, like others say: we are going to hire one thousand more doctors. ***But if we***

see how many have been hired in the last four years, maybe we realize that with promises like this one, expectations are actually reduced. Summing up, what I mean is that after a first adjustment period that has been positive to the Spanish economy, a second phase of economic growth has followed. The third phase must be one that keeps up the growth rate, one in which there is more wealth distribution, and one in which policies must be adjusted to be able to really adapt to the challenge of the Single Act.

P60: 89.17.txt - 60:1 (75:83) (super)

Media: ANSI

Codes: [efficiency and equality]

Question: Your party is called socialist: what does it mean to you?

Answer: Ask the Hungarians to help me out on this (laughter). Socialism means the deepening of democracy. Public power must try to impede the worst consequences of a society living in free competition and in an open confrontation with the market. A mixed economy on a world scale is inevitable. The big mistake of communism is that of dinosaurs. They did not adapt and that is why they died. ***You cannot be socially efficacious if you are not, at the same time, economically efficient.***

P91: 93.5.txt - 91:1 (112:125) (super)

Media: ANSI

Codes: [efficiency and equality]

Question: At the next congress of your party, which will be the challenges, the objectives? Will you produce a renewal of people or ideas to give new answers to society?

Answer: I care a lot more about the latter than about the former, and not with respect to the congress, but with respect

to the next era in Spanish political life; I mean, the next elections. But I am more concerned with having a debate based on the terms that I just have underlined, in a reformist sense, keeping the impulse of what is characteristic in social democracy. I do not mean by this that one should be flying with only one wing. What we need to do is to explain clearly what differentiates us from the right, and there are some features that differentiate us. ***We can make an efficacious economic policy, but we know that that efficacy must contain a redistributive sense, interterritorially and interpersonally. The right can abandon this second aspect, if they even manage to implement an efficacious policy.***

P96: 93.10.txt - 96:1 (86:136) (super)

Media: ANSI

Codes: [efficiency and equality]

Question: In the last TV debate with Jose Maria Aznar you rediscovered, to the joy of your socialist peers, the concepts of "right" and "left", that had been quite abandoned. I would like to know if, in your opinion, those ideas continue being valid or whether their appearance during the campaign is only part of the electoral rhetoric.

Answer: I think they are still valid. The problem is how to translate them into the current society. ***There is a progressive project that is able to be solidaristic, that is able to combine efficiency and equality, and there is a conservative project that is more trapped in interests and that has a conception of equity born out of the Reagan idea*** that is to say: I am going to reduce fiscal pressure on those that are better off, they will generate a lot more wealth, and when they generate a lot more wealth, the whole of the country will benefit from that wealth; therefore, I am going to cut social spending because I am going to get less revenue, but you will see that this country will be the first in the world...this is what Reagan used to say, through that kind of technique. What has been demonstrated is that neo-liberal projects, like the communist projects, are failed projects. How

would you call the kind of project that can overcome those two failures? You have to call them one thing or the other. In Spain, it has always been easier to talk about “right” or about “left”, or to talk about a progressive project versus a conservative one; but one will always need to give it a name. In the US there is a conservative project and there is a progressive project. And the distances, in key matters, are not very big. But it is true that Clinton wins with a progressive project. When Clinton shouts out loud that education, infrastructures, health, or even, the Olympic Games in Atlanta are the “leitmotiv” of his aspirations to the presidency, he is saying that one needs to be – in the Anglo-Saxon meaning of the term – “compassionate” with society; that society cannot develop without that element of solidarity that binds it, that makes it an articulate society. That is a progressive project. Now, should we think of Clinton as a socialdemocrat or as somebody leftwing? If you would call him a “left-winger” you would scare him to death, because the world “left” in the US scares people out. *Anyway, beyond terminology we are talking of a progress that is able to combine efficacy with equity, or about conservative policies that go against equity, on the basis of an always ethereal hope.*

Question: After 20 years in politics and after more than 10 in government, after distilling all your ideas and your experience, what's left? How do you define yourself ideologically?

Answer: I think I am a social-democrat or progressive, as you wish to say; I am a man of progress. What do I add to the aspiration of a social-democrat, which is what some that want to go further and faster always find hard to accept? *That every step has to be governed not only by the idea of living together in freedom, with greater social justice, but that right after you need to add the comma; that is, freedom, social justice, “comma” responsibility.*

I mean, when you introduce the component of “responsibility”, you define my attitude. If one goes on stage and you tell the elderly that pensions are going to increase above what the system is capable of providing, you are eliminating the responsibility element; you are making a policy

that may satisfy as a social-democratic message, but it is a policy that cannot be put into practice. This is what makes some difference.

P104: 94.5.txt - 104:1 (20:26) (super)

Media: ANSI

Codes: [efficiency and equality]

Question: but what does socialism mean nowadays?

Answer: to us, in Spain, the last years have meant that we have accomplished some of the main ideals of social democracy in Europe: education for all, retirement pension for all, health care for all. Democratic socialism means, to me, underlining the social dimension of politics. ***For this you need to link a productive economic policy with a given degree of redistribution and a defense of the welfare state.***

We have just seen how this first thematic block is composed by a series of quotations in which the “charge” on the side of the interviewer, of the PSOE’s policies not being socialist enough comes always coupled by a declaration, from González, that underlies the importance of being *efficient*, and of growth being a prerequisite for equality.

Now we go on to the analysis of our second thematic block, where we can see how González refers to the opposition coming from the left of the Socialist party, both in the form of the communist party and of the unions, with which the famous “ruptura” in the third legislative period, referred to in our previous chapter, are already at a considerable ideological distance from the PSOE.

6.2.2. Second Block: To the Left of the Socialist Party

P16: 85.6.txt - 16:14 (125:162) (super)

Media: ANSI

Codes: [efficiency and equality] [igualdad] [trade-off]

Question: Related to what you have just said, your “very modern” economic policy is not very different from the economic policy of other European countries, even those with a conservative government. But here is where the problems with the unions start, that is, with your General Workers’ Union. How to organize this?

Answer: I do not know if what you mean is that I should be worried about this, or whether those who should worry about it are the conservative governments...What I really think is that kind of policy is coming across. Indeed, to the point that in the last parliamentary debate on the state of the nation, the representative of the Communist party (I do not even mention the unions) – and there are only four of them in parliament – declared the following, which is registered in the acts of the chamber: “Look, Mr. President, I think I could even accept that your policy is the one that should be done. My worry – he said – is that reaching the end of this process requires effort and sacrifice – in this he is right – the power relations in society remain the same”. So, to his understanding, the social power relations are the ones that cause the right to govern, control, or dominate economically in Spain. And this is a legitimate worry from his point of view. But not so much from my point of view, because there is a differentiating element that perhaps has not yet permeated society in a sufficient way. I think that political power is sufficient, that one must exercise it seriously, but doing so is sufficient. One must not add economic power to this political power.

We have to avoid the totalitarian temptation, implicit in any kind of power, be it right, left, or center. Power tries to accumulate more resources, more power controls. In Spain, with a majority government like the one we have, there are more than enough power instruments for the state to play the

role it has to play. A role, despite the economic crisis, such that a government like ours is able to fight against the increase in inequalities, and, therefore, to produce a policy more directed against social inequality. **But I do not think that the state should absorb any economic power.** I think this has achieved nothing good. I wish this reasoning would end. **Those states that have controlled all the economic power have created underdevelopment and also economic failure, not only political failure.**

This is also permeating the unions now, in the General Workers' Union. But in Spain, and in Europe, we have not yet defined an alternative union model for crisis times. **A model where unions admit –as well as the entrepreneurs– that they also have a share of the responsibility in the design of how to overcome the crisis, and how to build the future society. But how this responsibility should be, is not yet defined. Therefore, they still resist the acceptance of what may be to come”.**

P44: 89.1.txt - 44:2 (46:102) (super)

Media: ANSI

Codes: [efficiency and equality]

Question: The results of Spanish economic policy are impressive. But the general strike in December has made apparent that the social consensus on economic policy can be broken. How do you reconcile this economic policy with the meaning of the “social dimension”?

Answer:(...) It is only natural that after three years of economic growth following twelve years of economic crisis, the unions and some sectors in society pose the question: “why do not I receive some part of the now bigger cake? I want to be compensated for the time that has passed”. But this, they all want it, and this way an explosion of the social demands can come about. ***This explosion in demands must naturally be reconcilable with the maintenance of a rate of economic growth that can allow for job creation.*** This presupposes that unions

must be moderate in their wage demands. It also requires that the inflation rate stays at a level allowing for the maintenance of our competitiveness. And it presupposes, logically, that productive investment continues. And here lies the problem: nobody wants to be last one to get the fruits of this growth. But this creates social tensions.

Question: Are you not worried about this as a social democrat?

Answer: A few days ago I held a very interesting conversation about this with Karoly Grosz, who visited me before his draw back from the mandate as the Hungarian Prime Minister. ***Assuming that politics is totally guided by the objective of distributing benefits or profits in the best possible way, and taking it to the extreme of giving priority to the best possible distribution, putting in a second place economic efficiency, we could get to the situation of Hungary, described by Grosz with these words: "whoever say about us that we redistribute well, is also talking at the same time about the danger that we have nothing to distribute except for poverty".*** We are currently witnessing in Europe, not an opening to the East like that inaugurated by Willy Brandt 20 years ago, but instead an opening of the East towards the West. The Eastern countries are starting to get closer to the western rules of the game and values, and mainly, to efficacy in economic management. ***Here in Spain, we must also say clearly that there is no social policy without economic policy. We must reconcile both things and adapt their rhythms to each other.*** If I had to decide between keeping the inflation rate at 14 or 15 per cent, and a ten per cent increase of public spending devoted to social aspects, I, as a politician- and not as an economist, because I am not one- I would advocate for the maintenance in the inflation rate, because to me, the maximum priority is that of job creation. Because if I do not have stable growth in the economy, I will not have jobs either, but instead 1.2 million young people that cannot find a job. ***I simply need economic efficacy.***

P46: 89.3.txt - 46:3 (101:131) (super)
Media: ANSI
Codes: [efficiency and equality]

Question: Let us talk about Spain, now. There is the impression that social consensus, the moderate attitudes that accompanied the democratic transition, are dissolving, and they are giving way to a political life with more turbulence. The truth is that, despite success in re-launching the economy, and in the presentation of a more modern and dynamic image of Spain, your government is constrained, since a few months ago, to fight a war against unions, and this is wearing out the government.

Answer:
(...)

Social protest, which sometimes has taken an important role, stems from the conviction of the unions that the benefits of growth go for their most part, to the entrepreneurs, and not to the workers. According to the data that I have, this is not true. But unions try to affirm their ideological position with a slogan that can be summarized like this: this government is only favoring the entrepreneurs. Well, my answer is clear. **A government that with the pretense, based on a false progressiveness, of slowing down the investment capacity of the economy- in such a way that it distributed a bigger wage than that allowed by growth- would be a government willing not to carry forward, but to interrupt, the development of the country...**

P47: 89.4.txt - 47:3 (148:158) (super)
Media: ANSI
Codes: [efficiency and equality]

“I am not one of those who thinks that coalition governments are better for the functioning of the system”, he

declares. "I think that the socialist government can also govern with a broad minority".

This could be difficult in practical terms. But it is a risk that Mr. González seems to assume, if this allows him to carry out his broad conception for the modernization of Spanish society through a re-ordering of socialist values.

"I think that the problem of the left has always been, and continues to be to a certain extent, a disregard of values that are important, like economic efficacy", he says. "Without economic efficacy it is impossible to work towards a more egalitarian society".

P50: 89.7.txt - 50:1 (215:263) (super)
Media: ANSI
Codes: [efficiency and equality]

Question: There is one more thing: do you give up easily to the fact that your party, whose name is the Spanish Socialist Workers' party, is far from the workers? Is it not so that the social democracy that you invoke has as one of its defining features the co-management of the economic and social life with the union? I have learnt of your breaking up with your old and loyal friend Nicolas Redondo, leader of the socialist union. It is he who, in Suresnes, in the times of exile, gave you the leadership that he could have well kept for himself. Briefly, there is a social malaise about the fact that a man like you, I would not know how to say this, may be merely a liberal, and this is a spot on your successful economic record. Your mandate is full of successes, but you have three million unemployed people...

Answer: (...)

I want to underline that the great majority of the socialist leaders have given proof of great responsibility and have contributed to easing this transition mode, this "model" that we can take credit for. But, and to come back to the current conflicts, we have to speak concretely about the Spanish situation, with examples...

Question: You are accused, in general, of thinking of nothing but economic growth.

Answer: Some people even reproach to me the very choice of growth. On the other hand, they would be right if this growth policy would be enough for me. However, it is the contrary. I think it is necessary, but totally insufficient.

Question: More specifically, about the relationship between economic efficacy and the employment rate. We have achieved, in four years, the net creation of 1.300.000 jobs. But we need to take into account the fact that, in the last ten years, we have lost – which is a record number in Europe – 1.500.000 jobs.

Answer: Nowadays our economic growth amounts to 5.5% and the growth in employment is greater than it has ever been, greater than that of any country in the community: 3.3%. If one is ready to accept this fact, the problem is then that of social spending. That is, in fact, the main preoccupation of a government of socialist aspirations. What do the union leaders say? That the growth rate of social spending has tripled, but that this puts it barely over the rate of price increase. I admit that this is totally insufficient. But I also acknowledge that you cannot talk about regressiveness, and even less about stagnation. We are witnessing the transformation of the problem towards one about the distribution of the benefits of growth. Personally I agree on studying the possibility of certain strategic options in a tight negotiation with union leaders. I am also for co-responsibility in these important decisions. **But the union leaders are afraid of losing or compromising their autonomy. It is about a background debate that regards the whole of the social democracy. In Western Germany, new leaders, like for example, Oskar Lafontaine, are very concerned with this debate. What is the degree of autonomy that should be kept the socialist party with respect to the workers, while union leaders insist on preserving a whole and complete autonomy?** In Spain, we have had an imbalance in the concessions toward unions. **But I insist on keeping up the offer of cooperation with the union leaders on everything that relates to distributing the benefits of growth and the option of**

social spending. This cannot be but inserted in a global policy. Moreover, we have to think about this policy in terms of the social Europe that is under construction.

P100: 94.1.txt - 100:1 (314:329) (super)

Media: ANSI

Codes: [efficiency and equality] [eficiencia] [trade-off e izquierda
unida]

Question: do you think it is possible to get closer to Izquierda Unida after these elections, in search for mutual backing for some of the big state issues?

Answer: unfortunately, in some fundamental issues, it will not be possible. For example, and since we are in the middle of the European elections we need to underline that Izquierda Unida has an idea of Europe that is very far from the one that it is being built by all countries involved in the project, and this makes impossible an agreement. They also have a general conception of the economy that I consider to be totally anachronistic. When they talk about the public sector they seem to be talking as if we were still in the 1930s. When they speak of social policy, they do not take into account either competitiveness, or efficacy, or economic efficiency. And there is not a real possibility of agreeing. However, there are other terrains in which there is some space for getting closer and for some common work, like for example the case of some initiatives that we have adopted in the area of justice.

In this second thematic block we have seen how the idea of a trade-off between efficiency and equality, and/or the idea that ignoring the importance of efficiency considerations is irresponsible, is used by Felipe González in response to questions about the inability or unwillingness of the PSOE to agree with either Izquierda Unida or the main socialist union, UGT, on redistributive issues.

We now can analyze the way in which the idea of the trade-off between efficiency and used argumentatively in the next thematic block.

6.2.3. Third Block: Macroeconomics and Finance

In the next quotation, Felipe González returns again to the idea that distributing without paying attention to efficacy can lead to misery for all. To this, a series of quotations in which González criticizes the basic ideas behind Reaganomics and the economic benefits of tax cuts and small government follow.

As we approach the last legislative periods (those starting respectively in 1993 and 1996), we can see that González, while facing an increasingly strong competition from the right from the conservative Partido Popular, uses more of a *counter trade-off* discourse. In this series of quotations, towards the end of this subsection, he actually talks about how the socialist can actually render compatible efficiency and equality, as a way to differentiate the socialist party from the conservatives. This provides support for our contention that the trade-off discourse can be used both by the right and by the left, but that when socialist parties use it, it can actually be to counter competition on their left, and not on their right.

P16: 85.6.txt - 16:15 (2:52) (super)

Media: ANSI

Codes: [efficiency and equality]

Question: Mr. President, "Die Welt" wants to publish a special issue devoted to Spain, in particular in relation to its entry in the EEC. The main thing in the dossier is that Spain will not just be a passive market within the community, but also, an active one, and that it must have voice and decision capacity, not just economically but also politically and socially. You said

in the XXX congress of your party that without economic efficacy there is no social efficacy. This calls for the need, in my opinion, of prioritizing. In relation to the technological revolution, you also said on that occasion that it should stem from society itself. Now, how can one stimulate the economy in general when the pressures from the state are quite strong: budgets, social security, employment, and competitiveness?

Answer: I have already mentioned some ideas that I have put forward. **To talk about social efficacy without talking about economic efficacy is, at least, to condemn citizens to a redistribution of poverty.** And this I think is a wrong task for any politician.

(...)

P48: 89.5.txt - 48:1 (26:41) (super)

Media: ANSI

Codes: [efficiency and equality]

In the present buoyant economic conditions, González affirms that fiscal cuts would not increase significantly growth or boost investment, on the contrary, he maintains, they would force government to cut social spending or to increase the public deficit.

“But this would be fooling the public”, he says. “Social spending financed by a fiscal deficit does not achieve the redistribution of wealth. Only social spending financed by contributions is redistributive”.

P61: 89.18.txt - 61:1 (188:219) (super)

Media: ANSI

Codes: [efficiency and equality]

Question: But nobody uses that economic reference, and moreover, they [the leftist opposition] maintain that credit

controls and planning are concepts that are included in the Constitution.

Answer: Another alternative to the government policy: you must freeze taxes and then reduce them. And these are the same people that right after say that this does not mean reducing public spending. It is the argument according to which the economy grows faster when some resources are freed, and even if taxes are lower, the state collects more money.

This proposal has the advantage that there are models for it: it is the policy used by Mr. Reagan. And the result is an administration that has the biggest deficit in their history and that they do not know how to finance it.

(...)

P62: 89.19.txt - 62:2 (153:182) (super)

Media: ANSI

Codes: [efficiency and equality]

Question: the decade of the 80s, has had as a result, worldwide, the glorification of money. Money is the king, Wall St, the classification and showing off of big fortunes, and Japan.... We have the impression that money has become the main objective of modern man.

(...)

Wealth, in Spain, is growing. In the last four years this growth has reached 20% of the gross product. And if you project this tendency over the next 15 years we will be doubling our gross national product. In a country like ours, this cannot take place without provoking serious redistributive problems. Sometimes it is said that some groups are left aside. In my opinion, I think that living standards have risen in a practically general way. But, obviously, some take more advantage than others....

Question: So some redistribution must be put in place....

Answer: We make an effort to obtain it, but we face very strong contradictions. You have to be efficacious, and not fall into the temptation of increasing in an irrational way spending in your budget. The state must clearly specify its priorities, which, to us, come through the development of infrastructures: roads, communications, etc...Put in other way, there are limits of an ideological order, or of a governmental policy.

Question: if I understand correctly, for you, the priority of priorities is to fill the development gap?

Answer: Yes, but this priority needs to be nuanced. You can have a “conservative point of view” saying that everything can wait: we will fill the gap and we will take care only later of social problems. You cannot act like that. You have to develop options, priorities – in a harmonious way- to accompany the infrastructure policies with a social policy. Without social consensus you cannot have a democratic system.

P94: 93.8.txt - 94:1 (183:192) (super)
Media: ANSI
Codes: [efficiency and equality]

Question: how do you imagine combining the interests of the unions when they demand that the road towards a welfare state must not be slowed down, with the interests of the entrepreneurs when they ask for a flexibilization of the labor market, or for solutions or incentives for a productive economy?

Answer: the point is not to confuse what can be considered a reasonable evolution towards the welfare state as opposed or in contradiction with a more competitive economy. After a decade of neo-liberal fashion, it has been proven that the countries that have made the most progress, that are the most competitive, are those that have added to an efficacious economic policy an element, also efficacious, of social justice and of redistribution.

P95: 93.9.txt - 95:2 (351:380) (super)
Media: ANSI
Codes: [efficiency and equality]

(...)

Question: There are those who say that lowering taxes is equivalent to increasing economic activity.

Answer: Reagan proposed a tax cut, and he implemented it, saying that that way the state revenue and the economic activity would increase. And he also used to add a reasoning that is so typical of the right-wing, saying that when the rich are richer and earn more, some of this abundance will be shed on the poor, so that they are less poor. The 1992 World Bank report says that all policies that are not compassionate – meaning, that do not take into account social protection and development – are policies that do not even imply a reduction in the deficit. And in the US, what has happened is that there has been a big and sudden change in orientation. All of the sudden, a new president has come saying that with such a fiscal policy there is no way to implement any education policy, nor infrastructures, or public health.

P109: 96.1.txt - 109:1 (131:147) (super)
Media: ANSI
Codes: [efficiency and equality]

Question: What will be your central messages [of the campaign]?

Answer: I have already advanced some of them. Employment is a fundamental objective, since it has to lead us towards a reflection of some importance. It is a basic element in the maintenance of the welfare state, and you can only achieve employment having a competitive economy, or, to be more precise, having competitive firms. There is a triangle between employment, welfare state and competitiveness that cannot be

broken, and that requires a new social contract. And when I speak of social contract I am speaking of consensus (...).

6.3. Conclusions

As we have seen in this chapter, the socialist discourse on the trade-off between efficiency and equality is mainly used by Felipe González when having to deal with issues on the definition and identity of a social-democratic project, either when confronted with a conservative ideology or with a communist one. It is also referred to when he is asked to provide an explanation of his distance from the socialist unions or with possible or potential pacts with Izquierda Unida. The fact that discursive occurrences of the idea of the trade-off between efficiency and equality coincide with these issues, and the fact that they are used in the way we have seen, can be taken as confirming evidence for our theoretical hypotheses.

In the interviews analyzed, and in clear consistency with the findings rendered by our previous analysis of the socialist party programs, we find no references to the idea of a trade-off between efficiency and equality prior to 1985². The socialist discourse gradually incorporates this idea and its use peaks in 1989, with the beginning of the Socialist Party's third legislature. 1989 is also the year of the fall of the Berlin wall, and so there are many references, throughout the interviews, in which the trade-off idea is conveyed *a propos* of the breakup of the communist block.

It would perhaps be opportune to conclude this chapter by noting its limitations. Though references to other interviews have been made and other sources have been consulted, the thrust of the analysis in this chapter is indeed based on the statements of Felipe González. Though the discourse of the then President and also head of the Socialist Party is surely crucial, it is nevertheless true that the Socialist Party does not (or did not) speak necessarily with

² 1984 in the case of the interview to Miguel Boyer.

just one voice. At the time of the analysis, there were, naturally, different views and different discourses on the question of the relationship between efficiency and equality within the Socialist Party.

The most important factions within the party at the time of the analysis are necessarily somewhat overlooked by the fact that we are only analyzing systematically the interviews given to the press by Felipe González. During the period studied, and particularly during and after the third socialist legislature starting in 1989, the party was fractured between *guerristas* and *renovadores*. The first group clustered around Alfonso Guerra, vicepresident and vice-general secretary for most of the period studied, defending a more traditional view of socialism, whereas the latter clustered around Felipe González and espoused a less orthodox social-democratic view.

Some of the reasons that drove these two groups apart (aside from different conceptions of the party apparatus and of socialism – differences that can hardly be ignored) were or are also *discursive*, and in this respect our analysis cannot in any sense be exhaustive.

Nevertheless, the *renovadores* discourse would clearly be perceived by the public as dominant throughout the period, as Rodríguez Ibarra, a *guerrista* himself having good relations with the *renovador* branch of the party, would say years later³:

“Maybe inside the party there were two souls, one that was satisfied with what was being done –Felipe- and another one –Alfonso- that thought that political action was lacking the necessary emotion. I mean, there should have been other gestures and other people to imprint more emotion. And at the same time, while we were doing all those things,[:] the non-contributive pensions, the forty hours working week, the entry into Europe, etc, we were propagating a different discourse to what was being done. We were so clumsy as to

³ See the in-depth interview to Rodríguez Ibarra in Iglesias (2003). The excerpts here are from page 232 and following. Translation and emphasis my own.

implement a *social-democratic policy alongside a liberal discourse*. This really is the height of clumsiness. For example, the right delivered a liberal policy with a social-democratic discourse, and we did just the opposite”.

And to this he adds:

“I insist on the *mismatch of discourses*. Felipe was not only implementing fiscal reform and distributing benefits, he was also, and nowadays, he says it very clearly, the policy that he thought was due. I mean, when Felipe says that the most intelligent thing for a rich man to do is to ensure that the poor become rich, what does he mean? He means that benefits should be distributed! Felipe thought that the discourse of Alfonso and the people around him was about distributing, crudely, whatever was there, and Felipe has always been more inclined to distribute only the benefits. This is where the difference lies. Felipe did not like it at all when terrains were expropriated and distributed, he much rather preferred that we made laws to redistribute amongst the people the benefits that those same terrains could yield”.

Then there is a further limit (though perhaps not limitation) of our analysis. It merely stems from the temporal and spatial limits of our analysis. The fact that the idea of the trade-off is referred to by socialist documents under the particular kinds of situations and questions above described shows, apart from general tendencies that can be understood within our broad theoretical framework, an inevitable connection between this usage and the events of the time. The clearest example, as hinted at before, is perhaps the fact that the socialist discourse on the notion of the trade-off seems to be intimately related to the events that shook the international political landscape in 1989. However, to the extent that these events altered the definition and the perceived or real viability of some aspects of the socialist project, and to the extent that these questions remain an issue, the analysis can be extrapolated to other periods, and is still entirely and (maybe particularly) relevant in the present state of affairs.

CHAPTER VII. CONCLUSIONS

The aim of this thesis has been to show how one particular economic idea, the trade-off between equity and efficiency, fulfils some political functions. In particular, we have illustrated the role it plays in the political strategy of social-democratic parties, by analyzing the discourse of the Spanish Socialist party from 1982-1996, and setting this case study within the broader current debates on social-democratic discourse and relating it to the more general questions of the identity and political strategy of social-democratic parties.

First, we have analyzed the trade-off idea itself. The few philosophical studies devoted to the idea of a trade-off between efficiency and equity are very dubious about its analytical power. These analyses show that there is no more logical necessity in the idea of an *inverse* relation (embodied in the concept of a trade-off) between any form of equity and any form of prosperity, than there is in the idea of a *direct* relationship between the two, and so the cognitive power of the idea itself cannot explain its resilience. This conclusion goes against what some exponents of the ideational research program have proposed as a way to open up new avenues of research, i.e., to study the impact of ideas via their cognitive capacities.

Secondly, we have analyzed the specialized economic literature that assesses the empirical soundness of the trade-off idea. The first important conclusion is the fact that the debate on the relationship between equality and growth or efficiency divides, in the economic literature, into two distinct questions. The first

question considers the relationship between any attempt to reach an equitable distribution and its effects on the efficiency of the economic system. The second question considers the relationship between the level of distribution in any given polity/economy and its effects on economic growth or development. In many of the works attempting to study these issues, both of these questions become entangled at some point (for they are related,) but economists and political economists working on these matters do have in mind the pertinent distinctions between the two different issues. However, when the relationship between either equitable or egalitarian distributions and their relationship to either efficiency or growth is imported into political discourse, the distinction soon vanishes, helping thus to further confuse an already complicated matter. Thus, in political discourse (as well as in the discourse of political scientists) we find a diffuse trade-off notion that distinguishes neither between equality and redistribution nor between efficiency and economic growth.

The second conclusion to be drawn from the analysis of this literature regards its substantive empirical findings. There is no definitive answer as to the sign or degree of a relationship either between efficiency and equity or between growth and equality. The conventional wisdom on the presence or absence of the trade-off seems to shift back and forth in time, partly in relation to external events. The last such external influence on the dominant economic view on the matter was perhaps the Asian financial crisis of the 1990s. This event helped to put a parenthesis around, if not an end to, the Washington Consensus that had characterized the previous decade. So the current received view on the matter favors the idea that equality is good for growth, at least in poor countries. On the other hand, the relatively higher growth rates and increasing inequality of the Anglo-American economic model witnessed during the last couple of decades have led many to think that the opposite might be true of the richer nations. In any case, the idea of the trade-off seems to be, in the specialized literature, a controversial issue. This lack of consensus on its existence makes it even more puzzling that the equity-growth trade-off should be

so easily picked up in political discourse and more so, in social-democratic discourse, and gives further support to the contention that the use of the idea in the discourse of political parties is best explained by reference to its political functions.

After all, and as we have pointed out throughout the thesis, the idea of a trade-off between efficiency and equality seems a particularly powerful argument to be made against redistribution. This power may be based precisely on its subtlety, not as an idea itself, but as a case to be held against redistribution. The idea of the trade-off stands between the normative and the positive arguments against redistribution, the first referring to why redistribution *must not* be attained, the latter referring to the reasons why redistribution *cannot* be attained.

Among the normative arguments against redistribution there are those that reject equality because it is unnatural, or disallow redistribution on the basis that it does more harm than good, by creating dependent citizens. But there are also anti-egalitarian arguments grounded, precisely, in the idea that equality goes against growth, thus in clear resonance with the notion of the trade-off.

Among the positive arguments against redistribution there is the obvious one of the unfeasibility of equality. These arguments against the feasibility of equality are framed in terms of the latter's relationship to the size of whatever there is to redistribute, i.e., national wealth, and therefore, is structured in terms of a trade-off between equality and growth. The idea of the trade-off thus has the capacity to bridge, by combining them, both positive and normative arguments against equality. It then becomes a choice of the speaker to emphasize one or the other aspect of the idea, or as it happens more often, to present it in an ambiguous manner that leaves the question open to interpretation. Hence, it is understandable that the idea should be used both by conservatives, as an argument against redistribution and by more liberal oriented actors, as an argument justifying limits to the pursuit of equality.

Our conclusions so far regard the reasons why the idea of the trade-off should be used that are internal, or inherent to the idea

itself. The functions that the trade-off can play and that are internal to the content of this idea are common to both conservative and social-democratic parties, and related to the fact that the idea of the trade-off between efficiency and equality is a particular appealing way to frame arguments against redistribution. This is because it avoids making value judgments about the fairness of a particular distribution, but instead frames the question in terms of the common good.

In this thesis we have also analyzed the reasons for the partisan uses of the idea of the trade-off that are external to the idea itself, meaning the ideological functions of the notion that are dependent on the political context in which political parties are located. These regard more directly the use of the idea of the trade-off by social-democratic parties.

In the third chapter we presented a theoretical model in which we developed analytically the reasons that both conservative and social-democratic parties may have for including the idea of the trade-off between efficiency and equity in their discourse.

First, we have built up a model in which we have spelled out the paradox or puzzle behind the main question of this thesis, i.e., why is it that social-democratic parties would want to incorporate the idea of the trade-off in their discourse, if its existence is not well grounded by empirical evidence, and when this idea seems to be a powerful argument *against* redistribution.

In this model we have chosen to conceptualize both conservative and social-democratic parties as class parties. That is, as organizations that have purely partisan interests: as if each of the parties has, as its sole interest, the welfare enhancement of a particular constituency of voters. We first obtained the theoretical result that would be intuitive, and therefore, not paradoxical: that in equilibrium, conservative parties would, given their interests, put forward a discourse in which they exaggerate the extent to which there is a trade-off between efficiency and redistribution, whereas social-democratic parties would do the exact opposite by denying its existence. Both parties would do so in order to achieve, if in office, the redistributive result that would most

benefit their constituency. In the first part of our model this result stems from the fact that both parties have to comply with the rules of the democratic game, and have to implement, when in office, the policy that is preferred by a majority of voters. This is, in a one dimensional policy space, the policy preferred by the median voter. However, and since these are class parties, they can try, and do try, to instill the median voters with beliefs (about the trade-off) which can bring their preferences closer to those of their respective constituencies. In this way, we have shown how the idea of the trade-off has the capacity to influence the preferences of voters by affecting their demand for redistribution. Political parties, being aware of this fact, and also knowing that voters do not have enough information on the matter, try to use this fact to their advantage (therefore to the advantage of their own constituency) by exaggerating the degree to which there is or there is not, such a trade-off.

The second version of our model accounts for the fact that social-democratic parties do include the idea of the trade-off in their discourse. According to our hypotheses, social-democratic parties can stress the existence of a dilemma between efficiency and equity in order to pre-empt competition on their left. This competition can stem from other parties to the left of the social democrats or from other socially and politically relevant actors, such as trade-unions, social movements, or even actors from the ranks of the party itself (be they militants or sympathizers). In our model, we have therefore considered the possibility of this kind of left competition by including a third actor that is also able to affect the beliefs of voters. We have obtained an equilibrium result in which, even if they have as their sole objective the maximization of the welfare of a constituency composed of those that are less well off in society, social-democratic parties can, nevertheless (or precisely for that reason) lie to the public by exaggerating, just as conservative parties do, the extent to which the trade-off exists. The conditions for the attainment of this equilibrium are both intuitively sound and non-trivial: this result tends to hold when the constituency of social-democratic parties is relatively similar to

the median voter, or when social-democratic parties know (or believe) that the efficiency of government-prompted attempts at redistributing income is relatively low¹. In this way we have been able to show, theoretically, that social-democratic parties that embrace the language of the trade-off do not necessarily do so because they have ceased to be leftist, in the sense of no longer having income redistribution and/or equality of opportunity as their main goals. Instead, our theoretical model suggests that social-democratic parties could actually lie to the public by exaggerating the extent to which there is a trade-off, *precisely* in order to advance the interests of a left wing constituency, under the above-mentioned conditions.

Once this point has been logically developed and discussed, we have grounded empirically this thesis in the two subsequent chapters. Our case study is provided by the Spanish Socialist Workers Party (PSOE) in the period between 1982 and 1996. We have analyzed the discursive use of the equity-efficiency trade-off by examining two sources: the Socialist Party's programs for the five general elections that took place in the period, and the interviews given in those years by the party's leader and head of government to the written international and national press.

The results of the discourse and content analysis carried out are compatible with, and provide confirmation for, our theoretical hypotheses. The PSOE, in the period studied, refers in its discourse to the relationship between efficiency and equality mostly in an implicit way, sometimes assuming that a trade-off between these two outcomes exists, and sometimes assuming that both outcomes are pursuable and obtainable at the same time. This inconsistency in the utilization of the idea within socialist discourse suggests that its use actually fulfills a rhetorical role,

¹ To clarify: it should be noted that if these conditions held yet social-democratic parties did not face any competition at their left, the previous result, where they prefer to deny the existence of the trade-off, would still obtain.

rather than being a manifestation of a deeply entrenched belief for the Socialists.

We can systematize the different ways in which the relationship between efficiency or growth and equality or equity is referred to in the socialist documents studied by classifying its use mainly into two different arguments. We refer to these as the compatibility argument and the prerequisite argument.

The *compatibility argument* is used by the Socialist Party in its discourse when it describes the relation between efficiency or growth and equality as one in which the two outcomes can be delivered simultaneously. When using this argument, the Socialist Party presents itself as the only party capable of delivering both: Parties to the right of the socialist party do not care about equality, and so they do not deliver it. Moreover, it is not clear whether parties to the right of the socialist party can even deliver efficiency. On the other hand, parties to the left of the social-democratic party do not care about efficiency, and so, they cannot deliver neither efficiency nor equality because to try and deliver equality without looking at the efficiency side is a strategy doomed to deliver neither. This actually links with the second main form in which the socialist party portrays the relationship between efficiency and equality.

The *prerequisite argument* is used by the Socialist Party when it describes the relationship between efficiency and equality as one in which efficiency is a prerequisite of equality: unless the party in power takes into consideration efficiency, equality will not be provided. Only after growth is produced efficiently, can equality be attempted. Therefore, efficiency is a prerequisite for equality. Now, doubts may arise as to whether the prerequisite argument implies that there is a trade-off between efficiency and equality. I argue it does but first we should nevertheless explore the possibility that it does not: it seems self evident that when one distributes nothing, nothing gets distributed; if we all have nothing, we are surely equal with all others. And this happens regardless of whether one thinks that there is a trade-off or not, or

instead that there exists a virtuous circle between efficiency and equality.

I argue, however, that this idea is indeed so obvious that it can hardly be the idea that the Socialist Party wants to convey when they refer to the prerequisite argument. What instead necessarily lies behind the prerequisite argument is that, though equality is an objective worth pursuing, it has to be pursued within limits. And those limits must be the ones that do not threaten efficiency. If equality can indeed threaten efficiency it must be because these two goals (equality and efficiency) stand in a relationship where if too much of one is pursued, too little of the other will be attained. This is what people refer to as the trade-off between efficiency and equality. Again, and as has been discussed in the first part of this thesis, the argument, though usually expressed by means of the reference to a trade-off, does not seem to be a symmetric one. For it is much less common to find references, in Socialist Party discourse to the idea that if efficiency is pursued too much, then equality can be put at risk. Indeed, an equivalent of this idea is found in Socialist discourse, when, it is said, in the Socialist Party program, that economic growth is not an end in itself: efficiency, for the socialist credo, is an insufficient goal, and only satisfactory if accompanied by social justice. Though much less present in the socialist discourse, we can refer to this idea as the *insufficiency argument*.

What is the relationship between these three arguments? Is it internally consistent to hold all three at the same time? The compatibility argument, the prerequisite argument and the insufficiency argument do not stand in an easy equilibrium amongst themselves. As we said before, this can be seen as confirmation that references to the relationship between equity and growth or efficiency are instrumental and rhetorical, and that they fulfill political functions.

Our findings from the analysis of the PSOE's discourse of the period also support our theoretical hypothesis on the relation between the social democrats' use of the trade-off idea and the competition that they face to their left. The notion of a trade-off

between efficiency and equality gets incorporated into Socialist discourse from the mid-1980s onwards and its use increases gradually over the period. Yet the peak in its occurrence coincides with those phases in which Socialist policies are more fiercely opposed by the trade-unions (while these enjoyed substantial popular support), and/or in the periods in which the left coalition within Izquierda Unida represented a greater threat to Socialist electoral hegemony.

This result is also congruent with the findings of the analysis of the interviews given by Felipe Gonzalez. In this part of the thesis we have sought confirmation or disconfirmation of our hypotheses based on the type of questions to which the Socialist leader's answers resort to the idea of the trade-off.

These questions have been organized in three main thematic blocks. The first one is structured around those questions that cast doubts on the leftist identity of the PSOE or on those questions inquiring into the meaning of socialism in our time. The second thematic block revolves around those questions demanding an explanation as to the Socialist inability to either reach agreements with the unions and the questions that inquire into the position of the socialists vis-à-vis Izquierda Unida. A third thematic block is organized around general questions on economic policy and on the fiscal and monetary socialist strategy in the period.

The fact that Socialists resort to the notion of a trade-off between equity and efficiency when confronted with these kinds of questions provides confirmation for the main contention of this thesis, i.e., that the trade-off idea fulfills political functions within Socialist discourse. Further to this, we have shown how this idea is used by social-democratic parties to sustain their redistributive choices, by providing a justification of the limitations of their pursuit of egalitarianism. It is in this sense that resorting to trade-off talk helps them to offset potential or actual competition to their left.

The inclusion of the idea of the trade-off between efficiency and equality in Socialist discourse has thus been shown to respond to the party's rhetorical and strategic needs. On the other hand, the

idea of the trade-off itself has been shown to be a politically loaded one, this load being of an anti-egalitarian kind. However, our thesis departs from the interpretation of this kind of Socialist discourse as being proof of a social-democratic abandonment of egalitarian goals. As we have shown, social-democratic parties may resort to this idea even if their main objective is that of advancing the interests of their traditional constituencies.

ANNEX 1. ELECTORAL RESULTS FOR THE PERIOD

This annex includes, for consultation, all the electoral results for the elections taking place in the period of study.

March 1979

Source: Ministerio del Interior

		Votes	%	seats
UCD	UNION DE CENTRO DEMOCRATICO	6.268.593	34,84%	168
PSOE	PARTIDO SOCIALISTA OBRERO ESPAÑOL	5.469.813	30,4%	121
PCE	PARTIDO COMUNISTA DE ESPAÑA	1.938.487	10,77%	23
CD	COALICION DEMOCRATICA	1.088.578	6,05%	10
CIU	COALICION CONVERGENCIA Y UNIO	483.353	2,69%	8
PNV	EUZKO ALDERDI JELTZALEA- PARTIDO NACIONALISTA VASCO	296.597	1,65%	7
PSA-PA	PARTIDO ANDALUCISTA	325.842	1,81%	5
HB	HERRI BATASUNA	172.110	0,96%	3
UN	PARTIDO UNION NACIONAL	378.964	2,11%	1
ERFN	ESQUERRA REPUBLICANA DE CATALUNYA - FRONT NACIONAL	123.452	0,69%	1
EE	EUSKADIKO EZKERRA	85.677	0,48%	1
C-UPC	UNION DEL PUEBLO CANARIO	58.953	0,33%	1
PAR	PARTIDO ARAGONES REGIONALISTA	38.042	0,21%	1

October 1982

		Votes	%	seats
PSOE	PARTIDO SOCIALISTA OBRERO ESPAÑOL	10.127.392	48,11%	202
AP-PDP	ALIANZA POPULAR - PARTIDO DEMOCRATA POPULAR	5.548.107	26,36%	107
CIU	CONVERGENCIA I UNIO	772.726	3,67%	12
UCD	UNION DE CENTRO DEMOCRATICO	1.425.093	6,77%	11
EAJ-PNV	PARTIDO NACIONALISTA VASCO- EUZKO ALDERDI JELTZALEA	395.656	1,88%	8
PCE	PARTIDO COMUNISTA DE ESPAÑA	846.515	4,02%	4
CDS	CENTRO DEMOCRATICO Y SOCIAL	604.309	2,87%	2
HB	AGRUPACION ELECTORES HERRI BATASUNA	210.601	1,0%	2
ERC	ESQUERRA REPUBLICANA DE CATALUNYA	138.118	0,66%	1
EE	EUSKADIKO EZKERRA - IZQUIERDA PARA EL SOCIALISMO	100.326	0,48%	1

Annex I. Electoral results for the period / 257

June 1986

		Votes	%	seats
PSOE	PARTIDO SOCIALISTA OBRERO ESPAÑOL	8.901.718	44,06%	184
AP-PDP-PL	COALICION POPULAR	5.247.677	25,97%	105
CDS	CENTRO DEMOCRATICO Y SOCIAL	1.861.912	9,22%	19
CIU	CONVERGENCIA I UNIO	1.014.258	5,02%	18
IU	COALICION IZQUIERDA UNIDA	935.504	4,63%	7
EAJ-PNV	PARTIDO NACIONALISTA VASCO	309.610	1,53%	6
HB	HERRI BATASUNA	231.722	1,15%	5
EE	EUSKADIKO EZKERRA	107.053	0,53%	2
CG	COALICION GALEGA	79.972	0,4%	1
PAR	PARTIDO ARAGONES REGIONALISTA	73.004	0,36%	1
AIC	COALICION AGRUPACIONES INDEPENDIENTES DE CANARIAS	65.664	0,33%	1
UV	UNIO VALENCIANA			

October 1989

		Votes	%	seats
PSOE	PARTIDO SOCIALISTA OBRERO ESPAÑOL	8.115.568	39,6%	175
PP	PARTIDO POPULAR	5.285.972	25,79%	107
CIU	CONVERGENCIA I UNIO	1.032.243	5,04%	18
IU	IZQUIERDA UNIDA	1.858.588	9,07%	17
CDS	CENTRO DEMOCRATICO Y SOCIAL	1.617.716	7,89%	14
EAJ-PNV	EUZKO ALDERDI JELTZALEA- PARTIDO NACIONALISTA VASCO	254.681	1,24%	5
HB	HERRI BATASUNA	217.278	1,06%	4
PA	PARTIDO ANDALUCISTA	212.687	1,04%	2
UV	UNIO VALENCIANA	144.924	0,71%	2
EA	EUSKO ALKARTASUNA	136.955	0,67%	2
EE	EUSKADIKO EZKERRA	105.238	0,51%	2
PAR	PARTIDO ARAGONES REGIONALISTA	71.733	0,35%	1
AIC	AGRUPACIONES INDEPENDIENTES DE CANARIAS	64.767	0,32%	1

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June 1993

		Votes	%	seats
PSOE	PARTIDO SOCIALISTA OBRERO ESPAÑOL	9.150.083	38,78%	159
PP	PARTIDO POPULAR	8.201.463	34,76%	141
IU	IZQUIERDA UNIDA	2.253.722	9,55%	18
CIU	CONVERGENCIA I UNIO	1.165.783	4,94%	17
EAJ-PNV	EUSKO ALDERDI JELTZALEA- PARTIDO NACIONALISTA VASCO	291.448	1,24%	5
CC	COALICION CANARIA	207.077	0,88%	4
HB	HERRI BATASUNA	206.876	0,88%	2
ERC	ESQUERRA REPUBLICANA DE CATALUNYA	189.632	0,8%	1
PAR	PARTIDO ARAGONES	144.544	0,61%	1
EA-EUE	COALICION EUSKO ALKARTASUNA-EUSKAL EZKERRA	129.293	0,55%	1
UV	UNIO VALENCIANA	112.341	0,48%	1

March 1996

		Votes	%	seats
PP	PARTIDO POPULAR	9.716.006	38,79%	156
PSOE	PARTIDO SOCIALISTA OBRERO ESPAÑOL	9.425.678	37,63%	141
IU	IZQUIERDA UNIDA	2.639.774	10,54%	21
CIU	CONVERGENCIA I UNIO	1.151.633	4,6%	16
EAJ-PNV	EUZKO ALDERDI JELTZALEA- PARTIDO NACIONALISTA VASCO	318.951	1,27%	5
CC	COALICION CANARIA	220.418	0,88%	4
BNG	BLOQUE NACIONALISTA GALEGO	220.147	0,88%	2
HB	HERRI BATASUNA	181.304	0,72%	2
ERC	ESQUERRA REPUBLICANA DE CATALUNYA	167.641	0,67%	1
EA	EUSKO ALKARTASUNA	115.861	0,46%	1
UV	UNIO VALENCIANA	91.575	0,37%	1

ANNEX 2. QUOTATIONS FROM THE PARTY PROGRAMS

This annex includes all the crossed-quotations for both the equity and the efficiency coding families.

Output generated by: ATLAS/ti Query Tool

HU: Electoral programs PSOE

File: [c:\documents and settings\maria jimenez buedo\my documents\ analisisdetextotesis\electoral programs PSOE restored]

Edited by: Super

Global selection criteria:

All

5 Primary Docs in query:

48 quotation(s) found for Query (Infix-Notation):
("Efficiency Side" & "Equity Side")

P1: programa PSOE 1982.txt - 1:39 (3180:3198) (Super)

Media: OEM

Codes: [Eficiencia] [Igualdad] [Progreso]

Los socialistas insistimos en el protagonismo de la sociedad. El Estado pertenece constitucionalmente a los ciudadanos. No corresponde a ninguna burocracia ni civil ni militar. Cuando esto se olvida, los intereses burocráticos se anteponen a los verdaderos intereses públicos, los aparatos burocráticos crecen más allá de lo razonable, se derrochan los recursos públicos, se

debilita la creatividad de la sociedad y se tiende a llevar al ciudadano a una actitud pasiva de beneficiario o asistido. Es preciso reaccionar frente a todo esto: el Estado ha de intervenir en la vida social, pero su necesaria reforma ha de partir también del protagonismo social, ha de basarse en la participación ciudadana, en la demanda social de los cambios necesarios para que el Estado se halle, de verdad al servicio de los ciudadanos. Por ello, los socialistas consideramos el principio de eficacia como la otra gran directriz de nuestras reformas: conseguir que el gasto público hoy comprende 35 pesetas de cada 100 producidas por los españoles no se derroche, sino que sirva de verdad para obtener cotas crecientes de progreso, de bienestar y de igualdad social.

P1: programa PSOE 1982.txt - 1:55 (42:47) (Super)

Media: OEM

Codes: [Eficiencia] [Igualdad]

Los españoles tenemos que superar la parálisis política actual, salir de la crisis económica, desarrollar plenamente la estructura democrática del Estado y las libertades garantizadas por la Constitución, así como racionalizar el ineficaz aparato de la Administración Pública para luchar contra el paro y las desigualdades sociales.

P1: programa PSOE 1982.txt - 1:60 (124:128) (Super)

Media: OEM

Codes: [Crecimiento] [Justicia]

El programa socialista no se basa sólo en un objetivo de mero crecimiento cuantitativo y economicista, sino que lo conjuga con el aumento de la calidad de vida, la mayor independencia nacional y con una mayor libertad y justicia.

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P1: programa PSOE 1982.txt - 1:61 (163:179) (Super)

Media: OEM

Codes: [Competitividad] [Crecimiento] [Solidaridad]

La creación de puestos de trabajo es el principal reto al que ha de enfrentarse la sociedad española durante los próximos años. Por ello, el empleo es el objetivo prioritario del programa socialista. Es necesario crear puestos de trabajo para los más de dos millones de parados que existen en la actualidad. Y también se requieren puestos de trabajo para los jóvenes y mujeres que acuden por primera vez a solicitar su ingreso en la vida laboral. Para ello, el PSOE se propone crear más de 800.000 empleos netos durante los cuatro años de gestión gubernamental.

Será necesario conseguir un ritmo de crecimiento económico suficiente para crear ese volumen de empleo, a la vez que se incrementa el nivel de competitividad de la economía española. Para alcanzar ese objetivo se adoptarán políticas específicas de empleo que, a través de la solidaridad de los que ya cuentan con un puesto de trabajo, permitan reducir la edad de jubilación, reducir la jornada de trabajo y escolarizar al máximo número posible de jóvenes.

P1: programa PSOE 1982.txt - 1:62 (180:189) (Super)

Media: OEM

Codes: [Crecimiento] [Justicia]

Buena parte de los puestos de trabajo que se ofrezcan serán de nueva creación, por lo que se elaborarán medidas suplementarias en orden a la cualificación y formación de jóvenes y desempleados.

Se hace necesaria, por tanto, una política expansiva, desarrollada dentro de un plan general de crecimiento a medio plazo que lleve a cabo la indispensable modernización de la economía. Ello requiere un crecimiento apoyado en la inversión, la exportación y la mejora de la calidad de vida, corrigiendo los

actuales desequilibrios mediante la realización de un esfuerzo nacional, distribuido entre todos con justicia.

P1: programa PSOE 1982.txt - 1:64 (291:295) (Super)

Media: OEM

Codes: [Crecimiento] [Justicia]

La planificación democrática consagrada en los artículos 38 y 131 de la Constitución es necesaria para responder a los desafíos económicos y sociales de la sociedad, atender a las necesidades colectivas, equilibrar el desarrollo regional y sectorial y estimular el crecimiento de la renta y su más justa distribución.

P1: programa PSOE 1982.txt - 1:75 (2597:2601) (Super)

Media: OEM

Codes: [Igualdad] [Progreso]

Con todo, los derechos individuales, que garantizan la -autonomía jurídica de los ciudadanos, y los derechos de prestación que tratan de asegurar la igualdad y el progreso, no agotan nuestra concepción de los derechos fundamentales.

P1: programa PSOE 1982.txt - 1:77 (3619:3624) (Super)

Media: OEM

Codes: [Justicia] [Progreso]

El Gobierno de la nación abordará, sin más dilación, una política exterior que refuerce el papel de España en el concierto internacional, afirme nuestra presencia en pie de igualdad allí donde los intereses nacionales están en juego y permita a nuestro país contribuir activamente a la causa de la paz, de la libertad, de la justicia y del progreso en el mundo.

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P1: programa PSOE 1982.txt - 1:90 (1272:1281) (Super)
Media: OEM
Codes: [Eficiencia] [Equidad] [Justicia] [Solidaridad]

3. La reforma tributaria

La política tributaria socialista tiene como objetivo el convertir en realidad el principio constitucional de que cada ciudadano pague sus impuestos de acuerdo con su capacidad económica. Para ello, se acentuarán los aspectos que incrementen la solidaridad y la justicia, así como los que contribuyan a la inversión productiva

Para alcanzar estos objetivos, los criterios básicos son:

1. La generalización del pago de impuestos es requisito fundamental para lograr un sistema tributario equitativo y eficaz.

P1: programa PSOE 1982.txt - 1:98 (3:5) (Super)
Media: OEM
Codes: [Progreso] [Solidaridad]

Las próximas elecciones generales serán una buena ocasión para que los ciudadanos españoles recuperen su protagonismo directo y relancen su voluntad de progreso y de solidaridad.

P1: programa PSOE 1982.txt - 1:108 (3172:3179) (Super)
Media: OEM
Codes: [Equidad] [Igualdad] [Libertad e igualdad] [Progreso]
[Solidaridad]

El Estado ha de ser el garante de la convivencia democrática y de la solidaridad entre los españoles y entre las nacionalidades y regiones de España. Pero tiene, además, según la Constitución, la obligación de promover las condiciones más favorables para el progreso social y económico y para una distribución más equitativa de la renta personal y regional.

Tiene también el deber de crear las condiciones que hagan real y efectiva la libertad y la igualdad entre los españoles.

P2: programa PSOE 1986.txt - 2:62 (1627:1631) (Super)

Media: OEM

Codes: [(Re)distribución de la renta] [Crecimiento]

POLÍTICA ENERGÉTICA

La política energética socialista tendrá como prioridad el ajuste de la estructura energética, la optimización del gasto para llegar a un mayor crecimiento económico y con ello a una mejor distribución de la riqueza.

P2: programa PSOE 1986.txt - 2:65 (2974:2977) (Super)

Media: OEM

Codes: [Crecimiento] [Justicia]

POLÍTICA DE DESARROLLO TERRITORIAL

La política de desarrollo territorial se configura como un instrumento al servicio de un mayor crecimiento económico y una mayor justicia social.

P2: programa PSOE 1986.txt - 2:105 (4638:4642) (Super)

Media: OEM

Codes: [Justicia] [Progreso]

La finalidad no es otra que la de consumir para España un proceso ya avanzado de equiparación respecto al reducido conjunto de pueblos que ocupa hoy la vanguardia de la cultura, la libertad y el progreso material, así como de la lucha por la igualdad y la justicia.

P2: programa PSOE 1986.txt - 2:116 (108:119) (Super)
Media: OEM
Codes: [Modernización] [Solidaridad]

2. LA LUCHA CONTRA LA CRISIS ECONÓMICA

La llegada de los socialistas al Gobierno, en diciembre de 1982, supuso romper con la tímida y vacilante política llevada a cabo en este terreno por los Gobiernos anteriores. El respaldo mayoritario dado por las urnas a un programa electoral basado en la idea del cambio legitimaba al Gobierno para poner en práctica una política de saneamiento de nuestro sistema económico, de modernización y de adaptación a nuevas necesidades. Junto a ello, nos guiamos por la idea de que el obligado proceso de ajuste debía hacerse no sólo por razones puramente económicas o tecnológicas, sino por exigencias de solidaridad y con la perspectiva de una evolución hacia una mayor igualdad social.

P2: programa PSOE 1986.txt - 2:119 (862:864) (Super)
Media: OEM
Codes: [Progreso] [Solidaridad]

Las enormes posibilidades que ofrece el desarrollo tecnológico deben ser situadas en el horizonte de la conquista de los grandes objetivos de libertad, de solidaridad y de progreso.

P2: programa PSOE 1986.txt - 2:123 (462:475) (Super)
Media: OEM
Codes: [Crecimiento] [Justicia] [Solidaridad]

A partir de los resultados obtenidos en esta primera legislatura, los socialistas nos fijamos para la próxima los siguientes objetivos básicos de nuestra política económica:

a) Impulsar la actividad económica para que alcance, de forma sostenida, un mayor crecimiento que permita crear empleo de un modo continuado.

b) Aumentar la justicia y la solidaridad mediante el establecimiento de prestaciones sociales y servicios públicos que contribuyan a elevar la calidad de vida y a mejorar las rentas de los grupos menos favorecidos de nuestra sociedad.

c) Profundizar y ampliar la política de reformas económicas y sociales, para permitir una integración más rápida e intensa de nuestro sistema económico en el más amplio y competitivo de la CEE.

P2: programa PSOE 1986.txt - 2:130 (2119:2132) (Super)

Media: OEM

Codes [Crecimiento] [Justicia] [Trade-off entre Libertad e Igualdad]

IV. UNA SOCIEDAD MAS JUSTA: REDISTRIBUCIÓN DE LA RENTA Y CALIDAD DE VIDA

El crecimiento económico es un bien social si va acompañado de la creación estable de empleo, la construcción de una sociedad más justa y solidaria y un aumento general de la calidad de vida. La penalización de quienes no, pueden Participar con éxito en el juego de la competencia por su inferioridad de condiciones debe ser objeto de las oportunas correcciones. Igual que no olvidamos la dimensión económica de los problemas sociales, ni los problemas funcionales y de eficacia de las Administraciones Públicas, advertimos que el gran problema de nuestro tiempo es conciliar el valor libertad y el valor igualdad y renovamos nuestro compromiso por un proyecto superador de las desigualdades que genera el sistema.

P2: programa PSOE 1986.txt - 2:138 (2546:2558) (Super)

Media: OEM

Codes: [Competitividad] [IMPORTANTE. Recode: trade-off?]
[Solidaridad]

La reforma global de la Seguridad Social, forzosamente gradual, y la extensión de sus beneficios a todos los ciudadanos en forma de prestaciones mínimas y universalizadas, exige el

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esfuerzo solidario de todos. En los próximos años se incrementarán las prestaciones para acercarnos paulatinamente a la situación de la CEE, cuidando que el ritmo de este crecimiento sea compatible con la recuperación y el relanzamiento de la economía española.

La mejora de las prestaciones sólo será posible si simultáneamente se posibilita el equilibrio económico-financiero del sistema, la distribución solidaria del esfuerzo contributivo y una disminución de los costes sociales, de forma que éstos no penalicen la utilización del factor trabajo o la competitividad de nuestras empresas en el exterior.

P2: programa PSOE 1986.txt - 2:275 (199:207) (Super)
Media: OEM
Codes: [(Re)distribución de la renta] [Progreso]

Sin embargo, el desarrollo de la técnica no garantiza por sí mismo una sociedad mejor si no conseguimos que todos los españoles puedan acceder a sus beneficios. No podemos aceptar que sólo unos pocos sean los beneficiarios de un progreso que pertenece a todos.

Hay que conseguir una distribución de la renta y de la riqueza y unos mecanismos de participación colectiva de los ciudadanos capaces de asegurarla. Ello exige una concepción social de los problemas y de sus soluciones que sólo se pueden ofrecer desde planteamientos socialistas.

P2: programa PSOE 1986.txt - 2:279 (4496:4505) (Super)
Media: OEM
Codes: [Crecimiento] [Justicia]

9.5. LA COOPERACIÓN INTERNACIONAL PARA EL DESARROLLO

Los socialistas mantenemos nuestro compromiso de luchar contra la injusta situación de millones de seres humanos que

padecen hambre y contra el subdesarrollo y sus consecuencias en numerosos países del Tercer Mundo. Teniendo en cuenta nuestra capacidad y posibilidades económicas, la política española de cooperación para el desarrollo estimulará el establecimiento de mecanismos internacionales que posibiliten el crecimiento de estos países, dentro del respeto a su soberanía e idiosincrasia.

P3: programa PSOE 1989.txt - 3:13 (313:317) (Super)

Media: OEM

Codes: [(Re)distribución de la renta] [Crecimiento]

Crecimiento equilibrado y duradero

Nuestro objetivo de política económica para los próximos años es mantener un crecimiento equilibrado que permita continuar creando empleo, desarrollando los servicios públicos sociales y mejorando la distribución de la renta y la riqueza.

P3: programa PSOE 1989.txt - 3:17 (355:360) (Super)

Media: OEM

Codes: [(Re)distribución de la renta] [Crecimiento] [Equidad]

Un crecimiento equilibrado y sostenido debe también repartir equitativamente sus beneficios, mejorar el nivel de rentas de los ciudadanos, sus condiciones de vida y su bienestar colectivo, de modo que la evolución de la renta, la capacidad económica y el bienestar respondan a una efectiva, creciente y progresiva redistribución de la riqueza nacional.

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P3: programa PSOE 1989.txt - 3:24 (298:311) (Super)

Media: OEM

Codes: [(Re)distribución de la renta] [Crecimiento] [Justicia]
[Progreso]

POLÍTICA ECONÓMICA E INDUSTRIAL

Crecimiento y redistribución.

España vive una etapa de progreso. Tras años de profunda crisis económica se está produciendo la recuperación. Mantener y extender la mejoría conseguida, crear más y mejor empleo, combatir el paro, redistribuir de forma más justa la riqueza, superar las desigualdades, elevar el nivel de protección social y modernizar la economía y la sociedad española son los objetivos de los próximos años. Para alcanzarlos es necesario avanzar y profundizar en el camino emprendido. La garantía de un mayor bienestar para cada ciudadano, de una mejor calidad de vida, de alcanzar una sociedad con una distribución cada vez más solidaria de la renta y la riqueza requiere que el crecimiento sea elevado, estable y duradero.

P3: programa PSOE 1989.txt - 3:26 (387:390) (Super)

Media: OEM

Codes: [(Re)distribución de la renta] [Desarrollo económico]
[ejemplo desarrollo econ y desarrollo social]

La actividad del Estado deberá jugar su papel redistribuidor y coadyuvante del desarrollo económico y social, para lo cual su peso en el conjunto de la economía deberá aproximarse al que tiene en los países europeos más avanzados social y económicamente.

P3: programa PSOE 1989.txt - 3:48 (189:195) (Super)

Media: OEM

Codes: [Crecimiento] [Justicia] [Progreso] [Solidaridad]

Europa Social y Solidaria

La construcción del gran mercado interior no es un fin en sí misma, sino un medio para conseguir un espacio común con más empleo y progreso social. Es necesario, por lo tanto, establecer junto a los objetivos económicos y comerciales otros de contenido social. Deseamos una Europa de crecimiento y pleno empleo, de solidaridad y de justicia social, de paz y democracia.

P3: programa PSOE 1989.txt - 3:51 (499:506) (Super)

Media: OEM

Codes: [(Re)distribución de la renta] [Eficiencia] [Solidaridad]
[superar la crisis con solidaridad]

La sociedad española se ha sentido cohesionada por la idea de la solidaridad para superar la crisis económica. Muchos de los éxitos conseguidos en este terreno se deben a ese comportamiento, que responde al concepto de sociedad que tenemos los socialistas.

La recuperación económica permite practicar una política más intensa y eficaz, La solidaridad supone que lo conseguido entre todos se reparta entre todos, que los beneficios de la mejoría económica sean socialmente compartidos.

P4: programa PSOE 1993.txt - 4:36 (1120:1127) (Super)

Media: OEM

Codes: [Cohesión] [Progreso] [Solidaridad]

La educación: mas educación y de mas calidad para más españoles. La educación es, para los socialistas, el primer factor de progreso y de igualdad, individual y social. Su extensión a todos los ciudadanos, en condiciones de calidad creciente, es la

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baza más consistente para construir una sociedad de seres libres, democrática, madura, participativa, económicamente avanzada y social y territorialmente cohesionada. Una sociedad plural, cuyos valores se orienten a la cooperación, la tolerancia y la solidaridad.

P4: programa PSOE 1993.txt - 4:53 (17:26) (Super)

Media: OEM

Codes: [Modernización] [Solidaridad]

La cita con las urnas ofrece la ocasión de renovar el compromiso del PSOE con la sociedad en relación con los retos de España como nación y comunidad democrática. Los grandes objetivos de Gobierno que el Partido Socialista propone para los próximos cuatro años responden a los grandes retos de progreso para España en este momento histórico: creación de empleo, modernización con solidaridad, un nuevo impulso democrático, una España definitivamente europea; y con peso en la escena internacional; estas cuatro ideas han de ser los motores del proyecto progresista para España.

P4: programa PSOE 1993.txt - 4:55 (88:97) (Super)

Media: OEM

Codes: [(Re)distribución de la renta] [Competitividad]
[Crecimiento] [Justicia] [Solidaridad]

El resultado de todos estos cambios es también una sociedad con un reparto más equilibrado de la riqueza en la que la tarea realizada nos permite ser más ambiciosos y proponer un importante paso hacia adelante.

Crecimiento económico y creación de empleo, apertura al mundo y competitividad, solidaridad, justicia social y cultura, son los rasgos que marcan este período de la historia de España y que identifican un proyecto socialista moderno, con permanente voluntad de cambio y vinculado a la defensa del interés general de la sociedad.

P4: programa PSOE 1993.txt - 4:57 (387:406) (Super)

Media: OEM

Codes: [(Re)distribución de la renta] [Competitividad]
[Crecimiento] [Igualdad] [Riqueza] [Solidaridad]

El empleo: objetivo prioritario.

La economía y la industria: solidez y competitividad.

A lo largo de los últimos diez años la sociedad española ha gozado de uno de los procesos de aumento del bienestar más intensos de su historia, se ha hecho más abierta y ha aprovechado esa mayor riqueza para desarrollar un auténtico sistema de solidaridad nacional y fortalecer el papel del Estado en la provisión de servicios públicos básicos.

En estos momentos, al igual que el resto de países europeos, España está atravesando por un período de bajo crecimiento económico y aumento del desempleo. Pese a ello, los éxitos conseguidos por nuestra economía en los últimos diez años nos colocan en buenas condiciones para superar la actual crisis económica internacional.

El objetivo de los próximos cuatro años consistirá en volver a crecer de forma intensa y duradera, permitiendo así la creación suficiente de empleo y la reducción de las actuales tasas de desempleo, y redistribuir la renta en favor de los sectores sociales más desfavorecidos, elevando el nivel de vida de los ciudadanos y luchando contra la desigualdad y la marginación.

P4: programa PSOE 1993.txt - 4:138 (1408:1420) (Super)

Media: OEM

Codes: [Cohesión] [Competitividad]

Las infraestructuras: competitividad económica, cohesión social y territorial.

Las infraestructuras son un elemento clave de la competitividad y de la vertebración del territorio, que influyen

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decisivamente en la cohesión social. Por ello la inversión pública en infraestructuras es un elemento básico para equilibrar el crecimiento económico, el desarrollo social y la preservación del medio ambiente que el mercado, orientado por criterios de estricta rentabilidad financiera y plazos demasiado cortos, no es capaz de conseguir.

En la década del cambio, España ha vivido el más largo e intenso proceso de capitalización de su historia. Las infraestructuras de transporte construidas, han permitido la vertebración del territorio español, mejorando nuestra competitividad global.

P4: programa PSOE 1993.txt - 4:140 (3560:3574) (Super)

Media: OEM

Codes: [Cohesión] [Competitividad] [Crecimiento]

Consolidar la Unión Europea.

-Culminar y desarrollar el Tratado de Unión Europea, profundizando en aquellos elementos que, por iniciativa española han quedado incorporados al mismo, como son la ciudadanía europea y la cohesión económica y social, de forma que contribuyamos a crear una auténtica Europa de los ciudadanos reforzando la solidaridad social y territorial de los europeos.

-Desarrollar e impulsar la dimensión social redefiniendo el marco de relaciones laborales de manera que Europa logre recuperar su competitividad que le permita mantener su modelo de prestaciones sociales en educación, asistencia sanitaria y cobertura de pensiones, en los que reposa el bienestar y la paz social de nuestras naciones.

-Impulsar la iniciativa de crecimiento europea, que España ya ha concretado mediante un programa de inversiones en infraestructuras de transporte y medio ambiente.

P4: programa PSOE 1993.txt - 4:145 (3320:3333) (Super)

Media: OEM

Codes: [Cohesión] [Crecimiento] [Eficiencia]

Las administraciones públicas: servicios de calidad para los ciudadanos.

Superada una década de predominio de las ideas conservadoras en relación con el papel de lo público, en los países más avanzados se devuelven al Estado tareas fundamentales, que los socialistas siempre hemos defendido e impulsado. Las funciones que el Estado ha desempeñado para garantizar la solidaridad y la cohesión social mediante la prestación de servicios públicos que llegan a amplios grupos de ciudadanos.

Y, por otro lado, el papel del Estado como impulsor de la eficiencia del sistema económico, a través de la inversión pública en infraestructuras, investigación y desarrollo, viviendas, recursos humanos, etc., como elemento básico para un crecimiento económico sostenido.

P5: programa PSOE 1996.txt - 5:17 (497:506) (Super)

Media: ANSI

Codes: [(Re)distribución de la renta] [Eficiencia] [Equidad]
[Productividad] [Riqueza]

Empleo y bienestar social deben conjugarse simultáneamente. Para ello es necesario disponer de una economía eficiente y en crecimiento. España puede y debe aumentar su potencial de crecimiento, tiene que invertir más y mejorar sus niveles de productividad.

La empresa es un espacio imprescindible para la obtención de esos objetivos. La creación de un marco adecuado para la tarea de los emprendedores es perfectamente compatible con la equidad de las políticas que se emprendan. Es más, sin empresas eficientes no habrá creación de empleo estable, ni

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podremos generar suficiente riqueza para profundizar en la redistribución.

P5: programa PSOE 1996.txt - 5:27 (153:155) (Super)

Media: ANSI

Codes: [(Re)distribución de la renta] [Cohesión] [Crecimiento]

Se ha compatibilizado un proceso de crecimiento económico rápido y sostenido con una política de redistribución y cohesión social.

P5: programa PSOE 1996.txt - 5:30 (167:169) (Super)

Media: ANSI

Codes: [(Re)distribución de la renta] [Crecimiento]

En un momento en que la economía se abría definitivamente al exterior, se ha garantizado a la vez el crecimiento económico y la redistribución de la renta.

P5: programa PSOE 1996.txt - 5:38 (748:751) (Super)

Media: ANSI

Codes: [(Re)distribución de la renta] [Productividad]

Para que la moderación salarial y las mejoras de la productividad no se conviertan en una mera distribución de la renta nacional más favorable a las rentas del capital es imprescindible que sirvan, efectivamente, para la creación de empleo.

P5: programa PSOE 1996.txt - 5:39 (4132:4135) (Super)

Media: ANSI

Codes: [(Re)distribución de la renta] [Competitividad]

Por su parte, la inflación redistribuye regresivamente la renta, y erosiona la competitividad exterior de la economía, minando su estabilidad cambiaria y financiera, y, por tanto, su capacidad de crecimiento.

P5: programa PSOE 1996.txt - 5:75 (5871:5873) (Super)

Media: ANSI

Codes: [Competitividad] [Justicia]

Queremos que la sociedad de la información española sea competitiva y tecnológicamente avanzada y que ello le ayude a ser socialmente justa y territorialmente cohesionada.

P5: programa PSOE 1996.txt - 5:83 (4053:4064) (Super)

Media: ANSI

Codes: [Equidad] [Productividad]

El aumento de la equidad de nuestra sociedad y el mayor nivel de renta y riqueza de los españoles han sido factores decisivos para soportar los costes de la recesión. Pero tuvo un impacto muy negativo sobre nuestro mercado de trabajo. Las rigideces en nuestro mercado laboral, una evolución de los salarios reales desligada de los incrementos de productividad y la caída de actividad llevaron nuevamente la tasa de paro a niveles por encima del 20% de la población activa.

Ante esta situación, el Gobierno emprendió una política económica encaminada a sentar las bases de una sólida y equilibrada recuperación económica, capaz de generar empleo y de reducir, simultáneamente, la inflación el déficit exterior y el desequilibrio presupuestario de las Administraciones Públicas.

P5: programa PSOE 1996.txt - 5:86 (1087:1103) (Super)

Media: ANSI

Codes: [Eficiencia] [Justicia]

UNA JUSTA PROTECCIÓN POR DESEMPLEO

Una vez que se ha alcanzado un nivel adecuado de equilibrio entre la protección de los desempleados y la incentivación de la búsqueda de empleo por parte del trabajador, el objetivo será mantener y mejorar el sistema de protección por desempleo.

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Para aumentar la eficacia del sistema de prestaciones por desempleo se tomarán las siguientes medidas:

-Se vincularán progresivamente las prestaciones por desempleo a las políticas activas de empleo. Para ello, se establecerán fórmulas por las cuales se podrá utilizar la capitalización de las prestaciones pendientes en subvencionar a las empresas la contratación indefinida de esos trabajadores.

-Se establecerán planes especiales de orientación profesional, técnicas de búsqueda de empleo y de formación profesional en favor de los perceptores de prestaciones por desempleo. - Se reforzarán los mecanismos de vigilancia y control para evitar situaciones de fraude.

P5: programa PSOE 1996.txt - 5:90 (4042:4052) (Super)

Media: ANSI

Codes: [Crecimiento] [Igualdad] [Riqueza]

La dureza de nuestra recesión no ha sido sin embargo muy distinta a la experimentada por los restantes socios comunitarios. De hecho, nuestra renta por persona no se alejó de la media europea. Este período sólo ha representado un paréntesis temporal en el proceso de aumento del bienestar colectivo que se viene produciendo desde 1982, y que ha supuesto un crecimiento acumulado de la renta por persona de los ciudadanos españoles superior al 35%. Además la riqueza está mejor repartida gracias a la disminución de las desigualdades sociales a lo largo de la década de los años ochenta y los primeros años noventa, un resultado que pocos países desarrollados de nuestro entorno han sido capaces de obtener.

P5: programa PSOE 1996.txt - 5:92 (3729:3733) (Super)

Media: ANSI

Codes: [Desarrollo económico] [Equidad]

Se está iniciando la transición hacia la sostenibilidad de los modelos de desarrollo económico y social, pues empieza a reconocerse la limitación del capital disponible de recursos naturales. Esta transición implica profundos ajustes estructurales en los sistemas de producción y de consumo, cuyos costes deben ser distribuidos de manera equitativa.

P5: programa PSOE 1996.txt - 5:287 (815:826) (Super)

Media: ANSI

Codes: [Competitividad] [Igualdad] [Justicia] [Productividad]

Además, el aumento del trabajo sólo se logra si somos más productivos. Por ello, toda política de reparto del trabajo debe descansar sobre el compromiso de no poner en riesgo la productividad. Y ese compromiso tiene que llevarse a la práctica a través del diálogo y la negociación colectiva.

Distribuir mejor el trabajo disponible es una exigencia derivada de los valores de justicia, igualdad y solidaridad que defendemos y es también una posibilidad que queremos explorar. Sin poner en riesgo la necesaria competitividad de las empresas. El reparto del trabajo disponible puede favorecer la incorporación al empleo de más personas, especialmente de aquellas que tienen más dificultades objetivas para desempeñar puestos de trabajo de jornada ordinaria completa

P5: programa PSOE 1996.txt - 5:305 (4289:4310) (Super)

Media: ANSI

Codes: [Crecimiento] [Globalización] [Solidaridad]

Nosotros estamos persuadidos que la Unión Económica y Monetaria es un objetivo posible y altamente beneficioso para el bienestar de los españoles, y, por ello, lo consideramos que

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vale la pena hacer el esfuerzo necesario para estar en ella desde el comienzo.

Creernos que es un objetivo posible. En los últimos dos años hemos ido acercándonos al cumplimiento de los criterios establecidos en el Tratado de la Unión, sin, por ello renunciar ni al crecimiento, ni a la generación de empleo, ni a las políticas de solidaridad. En este mismo año estaremos en posición de satisfacer los criterios de inflación y tipos de interés, al tiempo que se crean las condiciones para cumplir en 1997 con los otros dos criterios de estabilidad cambiando NI de déficit público.

Y es un objetivo altamente beneficioso. Porque la experiencia de los países más prósperos y más solidarios nos demuestra que la estabilidad macroeconómica que garantiza la pertenencia a la Unión Monetaria Europea es el mejor camino para sostener el crecimiento económico y, la generación de empleo en una economía abierta e interdependiente. La supuesta contradicción entre el crecimiento estable y no inflacionario y la creación de empleo no existe. La amplia experiencia internacional indica que con más déficit y más inflación lo que se consigue es más paro y menos prosperidad. lo que hace imposible las políticas de solidaridad.

P5: programa PSOE 1996.txt - 5:310 (52:59) (Super)

Media: ANSI

Codes: [Cohesión] [Crecimiento] [Dificultades del Estado de Bienestar] [Eficiencia] [pedazo de trade-off]

El Estado de Bienestar afronta dificultades para su sostenimiento a medio y largo plazo, por la persistencia de los déficits públicos y las exigencias crecientes de calidad en la provisión de sus servicios por parte de una sociedad estructurada de manera mucho más compleja. El crecimiento económico ya no es capaz por sí mismo de asegurar un volumen suficiente de empleos, y las estrategias para aumentar la eficiencia del sistema productivo chocan a veces con la

necesidad de reforzar los mecanismos que aseguren la cohesión social.

P5: programa PSOE 1996.txt - 5:314 (4269:4288) (Super)

Media: ANSI

Codes: [Cohesión] [Crecimiento] [Justicia]

LA UNIÓN MONETARIA, UNA META IRRENUNCIABLE

El cumplimiento del Programa de Convergencia permitirá la obtención de elevados beneficios para nuestro país. El resultado será una economía más competitiva, más transparente y más justa, que pueda tener un crecimiento más duradero, con una menor inflación y unos tipos de interés más bajos.

En definitiva, una economía lista para integrarse en la tercera fase de la Unión Económica y Monetaria Europea desde el primer momento, siendo capaz de adoptar la moneda única el 1 de enero de 1999.

Quienes se oponen a que España forme parte desde el principio de la Europa de la primera velocidad, argumentan que eso supondría menos crecimiento, más paro y pérdida de cohesión social. Para ellos, la reducción de la inflación, del déficit y la deuda pública y la renuncia al ajuste del tipo de cambio son sacrificios que poco aportan al bienestar del país, y que, por tanto, sería preferible que la ciudadanía se ahorrara. En posición distinta, pero también reticentes, están los que niegan la posibilidad de que España consiga llevar a cabo las reformas necesarias para satisfacer los criterios de convergencia, y, consecuentemente, se resignan de antemano a que en 1999 nuestro país quede relegado a un papel periférico.

ANNEX 3. LIST OF INTERVIEWS

This dossier includes a list of all the interviews, the journal or publication to which they belong, and where available, the name of the journalist interviewing the president and the title of the interview as it was finally published. The number in bold capitals beside each entry reflects the formal code with which the interview was assigned with Atlas.ti. This number reappears at the beginning of all quotations thus indicating their source.

Year	Number of interviews
1982	2
1983	6
1984	2
1985	12
1986	14
1987	3
1988	4
1989	19
1990	6
1991	7
1992	11
1993	13
1994	5
1995	4
1996	4
Total	112

1982

El País.

Felipe González, Presidente del gobierno, a El País.

“Yo creo que el próximo año los españoles no van a vivir peor”

12-12-1982. **(82.1)**

Entrevista del Presidente del Gobierno, D. Felipe González con periodistas norteamericanos.

Madrid, 13-12-1982. **(82.2)**

1983

Declaraciones del Presidente del Gobierno, D. Felipe González, al periódico Excelsior, de México.

21-05-83. **(83.1)**

Declaraciones del Presidente del Gobierno en dos números consecutivos de la revista Tiempo.

23-05-83 **(83.2)**

Declaraciones del Presidente del Gobierno, Don Felipe González, al New York Times

09-06-83 **(83.3)**

Encuentro de periodistas portugueses con el presidente Felipe González.

02-11-83. **(83.4)**

Entrevista al presidente González de los corresponsales argentinos en Madrid.

06-12-83. **(83.5)**

Entrevista al presidente del Gobierno por la revista Newsweek.

09-06-83 **(83.6)**

1984

Entrevista al periódico De Standard, de Bélgica
30-11-84. **(84.1)**

Declaraciones de Felipe González al Frankfurter Allgemeine
Zeitung
01-12-84 **(84.2)**

1985

Entrevista del Presidente González, el día 29-04-85, a las 17 horas,
con los siguientes medios:

The New York Times
The Wall Street Journal
The Washington Post
Christian Science Monitor
Baltimore Sun
Newsweek
Time
Business week
UPI
Associated Press
Reuter
ABC
(85.1)

Excelsior
La URSS “no se la juega” por Nicaragua.
11-05-85 **(85.2)**

Entrevista de periodistas yugoslavos al Presidente del Gobierno.
Madrid, 20-05-85. **(85.3)**

Entrevista del Presidente del Gobierno, D. Felipe González, para la Revista, Primera Línea, N. 2
05-06-85. **(85.4)**

Entrevista concedida por el presidente González a la Agencia de noticias china Xin-Hua. (Sres. Peigin Wang y Guaugsheng Yu).
10-08-85. **(85.5)**

Entrevista concedida por el Sr. Presidente del Gobierno al Diario Die Welt.
11-11-85. **(85.6)**

Entrevista concedida por el Excmo. Sr. Presidente del Gobierno al Diario Frankfurter Allgemeine Zeitung.
Madrid, 12-11-85 **(85.7)**

Entrevista del presidente del Gobierno concedida a Washington Post
14-11-85 **(85.8)**

Entrevista concedida por el presidente del gobierno al diario Le Matin
18-11-1985 **(85.9)**

Entrevista concedida por el presidente del gobierno a l'Express y Le Point
Madrid, 19-11-1985 **(85.10)**

Entrevista concedida por el presidente del gobierno al diario "New York Times"
Madrid, 20-11-1985 **(85.11)**

Entrevista del presidente González al periódico Le Soir.
25-11-1985 **(85.12)**

1986

Entrevista del presidente del gobierno con el Sr. Barbieri, de “La Stampa”

12-01-1986 **(86.1)**

Entrevista del presidente con periodistas de países miembros de la CEE acreditados antela comisión de las Comunidades Europeas.

Palacio de la Moncloa, 20-01-1986 **(86.2)**

Entrevista concedida por el presidente del gobierno al diario “La Vanguardia”

Felipe González explica a la Vanguardia su evolución respecto a la Alianza Atlántica.

02-03-1986 **(86.3)**

Entrevista concedida por el presidente del gobierno al diario “Liberation”

06-03-1986 **(86.4)**

Entrevista concedida por el presidente del gobierno a “Tiempo”

10-03-1986 **(86.5)**

Entrevista concedida por el presidente del gobierno a “Cambio 16”

10-03-1986 **(86.6)**

Entrevista a Felipe González de LID, Pilar Cernuda.

Madrid, 16-06-1986 **(86.7)**

Entrevista concedida por el presidente del gobierno a “El Periódico”

Entrevista “Olímpica” con el Presidente.

16-10-1986 **(86.8)**

Declaraciones del presidente del gobierno a Thierry Maliniak, de “Le Monde”.

19-09-1986 **(86.9)**

Declaraciones del presidente del gobierno, Don Felipe González a Miguel Angel Aguilar para la revista "Tiempo", realizada el 09-09-1986, publicada en el número del 22-09-86 al 28-09-1986 **(86.10)**

Declaraciones del Presidente del gobierno, Felipe González, a "Diario 16".
19-10-1986. **(86.11)**

Entrevista al presidente del gobierno, por Jorge Semprún. Revista "Le Debat" (Noviembre-Diciembre 1986)
España en Europa.
01-11-1986 **(86.12)**

Declaraciones del Presidente del Gobierno al "Diario Vasco".
Declaraciones del Presidente del Gobierno en exclusiva a nuestro periódico. "Habrá una fecha tope para la reinserción".
09-11-1986 **(86.13)**

Entrevista a Felipe González en "Le Point".
Mercado Común: Felipe González se explica.
29-12-1986 **(86.14)**

1987

Entrevista del presidente González a "Le Figaro"
02-03-1987 **(87.1)**

Entrevista del presidente para la publicación "Elzeviers magazine". Bélgica.
21-04-1987 **(87.2)**

La utopía de lo posible. Una entrevista de Mario Vargas Llosa.
"Panorama"
03-06-1987. **(87.3)**

1988

Entrevista concedida por el presidente del gobierno, D. Felipe González a “Le Monde”.

Palacio de la Moncloa, 04-02-1988 **(88.1)**

Declaraciones del presidente del gobierno, don Felipe González, a “Newsweek”.

21-03-1988 **(88.2)**

Entrevista de Felipe González a “L’évenement Europeen”.

01-06-1988 **(88.3)**

Le Monde¹.

El tiempo apremia para tomar en la CEE las primeras medidas de coordinación monetaria.

23 de Noviembre de 1988. **(88.4)**

1989

Die Zeit.

España se abre al mundo.

3 de febrero de 1989. **(89.1)**

The Independent.

González examina su sueño europeo.

25 de febrero de 1989. **(89.2)**

La Repubblica

Este es el año de Europa.

4 de abril de 1989. **(89.3)**

¹ This interview and those that follow it up until the end of 1989 were displayed in a book published by the Ministry of the Spokesperson of the Government.

Wall St. Journal
Los peligros del éxito.
25 de abril de 1989 **(89.4)**

Wall st. Journal.
González toma en consideración los impuestos a la vista de la declaración de Bush.
25 de abril de 1989. **(89.5)**

Le Figaro
González, Europa y España.
8 de junio de 1989. **(89.6)**

Le Nouvel Observateur.
Felipe González, nuestros años peligrosos.
Del 22 al 28 de junio de 1989 **(89.7)**

El País
Entrevista con D. Felipe González ante la cumbre de Madrid.
25 de junio de 1989 **(89.8)**

OTR
“Si ganamos estamos dispuestos a negociar con los sindicatos”.
25 de septiembre de 1989 **(89.9)**

Lid
“La hipótesis de que no pienso gobernar sin mayoría absoluta está hecha con mala intención”.
25 de septiembre de 1989 **(89.10)**

EFE
El mejor foro de debate es el Congreso, no la TV.
6 de octubre de 1989 **(89.11)**

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La Vanguardia

España está ahora ante su mejor oportunidad histórica del siglo XX.

8 de octubre de 1989. **(89.12)**

Entrevista de la agencia Colpisa

La oposición se dedica al esfuerzo inútil de negar las evidencias.

14 de octubre de 1989 **(89.13)**

New York Times

Con la prosperidad española llegan medidas dolorosas.

15 de octubre de 1989 **(89.14)**

New York Times

González ofrece asesoramiento a Bush sobre Latinoamérica.

15 de octubre de 1989 **(89.15)**

Washington Post.

González ve una España más fuerte, con relaciones con EE.UU.

15 de octubre de 1989 **(89.16)**

Time

Solía tener poca fe en los Estados Unidos.

23 de octubre de 1989 **(89.17)**

El País

No es posible un consenso, desde el disparate.

27 de octubre de 1989 **(89.18)**

Paris Match.

Europa no debe sacrificar la ayuda al tercer mundo en beneficio únicamente de los países del este.

28 de diciembre de 1989. **(89.19)**

1990

Entrevista con el Presidente del Gobierno Español. “González advierte respecto a la soberanía”.

Financial Times
27-04-1990. **(90.1)**

Revista Expansión.

Entrevista con el Presidente del Gobierno. “Tras la pérdida de virginidad del Bundesbank, el debate sobre la Unión Monetaria será más calmado”.

27-04-1990 **(90.2)**

Entrevista al Presidente del gobierno, Don Felipe González, por Annette Kullenberg para el periódico sueco “Aftonbladet”. “Con gusto me cambiaría por Carlsson”.

Estocolmo, 07-09-1990. **(90.3)**

Entrevista al presidente del Gobierno, Don Felipe González, en el diario “Le Monde”.

“Europa debe invertir en la Perestroika”.

20-11-1990. **(90.4)**

Entrevista con el presidente del gobierno español, Don Felipe González.

The Observer (Servicio Internacional)

25-11-1990. **(90.5)**

Entrevista concedida por el presidente del gobierno, Don Felipe González, al diario “El País”.

09-12-1990. **(90.6)**

1991

Entrevista concedida por el presidente del gobierno, Don Felipe González, en “La Vanguardia”. El gobierno no informará sobre el apoyo logístico.

6 y 07-02-1991 **(91.1)**

Entrevista con el presidente del gobierno, Don Felipe González, al periódico “Frankfurter Allgemeine Zeitung”. “La CE necesita una política exterior y de seguridad común”.

29-04-1991 **(91.2)**

Entrevista con el presidente del gobierno, Don Felipe González, en “The Economist”.

03-05-1991. Insistentemente, en español. **(91.3)**

Entrevista con el presidente del gobierno, Don Felipe González, en “The Financial Times”. Un mayor equilibrio entre ricos y pobres.

09-05-1991 **(91.4)**

Entrevista al presidente del gobierno, Don Felipe González, en el periódico japonés “Asahi Shimbun”.

23-05-1991

No estamos de acuerdo con la “Europa Fortaleza”. **(91.5)**

Entrevista al presidente del Gobierno, Don Felipe González, en el periódico mexicano “Excelsior”.

México, 16-07-1991.

Descarta Felipe González que en la cumbre vaya a juzgarse a Fidel Castro. **(91.6)**

Entrevista al presidente del Gobierno, Don Felipe González, en la revista “Tiempo”.

Madrid, 23-12-1991.

Habla el vencedor de Maastrich. Superfelipe se confiesa. **(91.7)**

1992

Entrevista al presidente del Gobierno, Don Felipe González, en el diario británico "The Times".

Londres, 11-02-1992.

González promete emplear la ley contra los apologistas de ETA. **(92.1)**

Entrevista al presidente del Gobierno, Don Felipe González, en el diario británico "The Times" (segunda parte)

Londres, 14-02-1992.

España intenta detener la marea migratoria. **(92.2)**

Entrevista al presidente del Gobierno, Don Felipe González, en el diario portugués "Público"

Lisboa, 22-02-1992.

Europa tiene que encontrar un liderazgo colectivo. **(92.3)**

Entrevista al presidente del Gobierno, Don Felipe González, en el diario francés "Le Figaro"

París, 27-02-1992. **(92.4)**

Entrevista al presidente del Gobierno, Don Felipe González, al diario "El País"

Madrid, 28-06-1992. **(92.5)**

Entrevista al presidente del Gobierno, Don Felipe González, en el diario "The Wall Street Journal"

Madrid, 05-08-1992.

Señor Europa. El español González se compromete a mantener la austeridad para lograr un futuro más brillante. **(92.6)**

Entrevista al presidente del Gobierno, Don Felipe González, en el diario británico "Financial Times"

Londres, 05-10-1992.

Una prueba del temple español. **(92.7)**

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Entrevista al presidente del Gobierno, Don Felipe González, en el diario “El País”
Madrid, 25-10-1992.
Soliloquio del presidente. Felipe González analiza la década socialista en conversación con Juan Luis Cebrián. **(92.8)**

Entrevista al presidente del Gobierno, Don Felipe González, en el diario “The New York Times”
New York, 26-10-1992.
“Para el gobernante español, una carrera más”. **(92.9)**

Entrevista al presidente del Gobierno, Don Felipe González, en el “Le Nouvel Observateur”
17-11-1992.
“Alemania no es la única Europa”. **(92.10)**

Entrevista al presidente del Gobierno, Don Felipe González, en el periódico “La Repubblica”
18-11-1992.
“Así salvaré a España de una crisis a la italiana”.
Habla González: “Maastricht nos ayudará”. **(92.11)**

1993

Entrevista al Presidente del Gobierno, D. Felipe González, en el diario “El Correo Español- El Pueblo Vasco”.
Bilbao, 31-01-1993 **(93.1)**

Entrevista al Presidente del Gobierno español, D. Felipe González, en el diario “The Washington Post”. González ajusta el paso a una política a largo plazo en España. “Todavía socialista”, dice el niño prodigio que está envejeciendo.
Washington, 01-02-1993. **(93.2)**

Entrevista al Presidente del Gobierno, D. Felipe González, en el diario alemán "General Anzeiger".

González advierte a la CE ante un "paso atrás histórico"

24-02-1993 (93.3)

Declaraciones del Presidente del Gobierno, D. Felipe González, a la Agencia "OTR/Press".

Madrid, 03-04-1993 (93.4)

Entrevista al Presidente del Gobierno, D. Felipe González, en la revista "Panorama". Felipe González vive su crisis más dramática.

12-04-1993 (93.5)

Entrevista al Presidente del Gobierno y Secretario General del PSOE, D. Felipe González, en la agencia "EFE".

Madrid, 07-05-1993 (93.6)

Entrevista al Presidente del Gobierno, D. Felipe González, en el diario "El Periódico de Catalunya".

"La devaluación ayudará a crear empleo".

Barcelona, 16-05-1993 (93.7)

Entrevista al Presidente del Gobierno, D. Felipe González, en el diario "El Correo Español- El Pueblo Vasco".

Bilbao, 19-05-1993 (93.8)

Entrevista al Presidente del Gobierno, D. Felipe González, en el diario "La Vanguardia".

30-05-1993

"Los diez años de estabilidad se deben al PSOE". (93.9)

Entrevista al Presidente del Gobierno, D. Felipe González, al diario "El País".

Madrid, 04-06-1993 (93.10)

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Declaraciones del Presidente del Gobierno, D. Felipe González, al diario "Financial Times".
Londres, 11-10-1993 **(93.11)**

Entrevista al Presidente del Gobierno, D. Felipe González, en el diario "The Wall Street Journal Europe".
González espera que las conversaciones sobre el acuerdo comercial dominen la reunión de hoy con Clinton.
Londres, 06-12-1993 **(93.12)**

Entrevista al Presidente del Gobierno, D. Felipe González, en el diario "The Washington Post".
"Los socialistas españoles desafían a los sindicatos para estimular la economía".
Washington, 02-12-1993 **(93.13)**

1994

Entrevista al Presidente del Gobierno, D. Felipe González, en "El Periódico de Catalunya".
05-06-1994 **(94.1)**

Entrevista al Presidente del Gobierno, D. Felipe González, en el diario "El País".
Madrid, 04-09-1994 **(94.2)**

Entrevista al Presidente del Gobierno, D. Felipe González, en el diario "Le Figaro".
20-10-1994
"No a la Europa de varias velocidades". **(94.3)**

Entrevista al Presidente del Gobierno, D. Felipe González, en el periódico francés "La Depeche du Midi".
20-10-1994
España quiere estar en el "Núcleo Duro" **(94.4)**

Entrevista al Presidente del Gobierno, D. Felipe González, en el semanario alemán "Die Zeit".

25-11-1994

¿Europa? "Lucho por ella". El Presidente del Gobierno español sobre el Socialismo, la integración europea y la crisis de su gobierno. **(94.5)**

1995

Entrevista al Presidente del Gobierno, D. Felipe González, en "Newsweek".

30-01-1995

"Debilidad Política: Sí. ¿Inestabilidad? No" **(95.1)**

Entrevista al Presidente del Gobierno, D. Felipe González, en la revista "Time".

13-03-1995

Nada por lo que brindar. **(95.2)**

Entrevista al Presidente del Gobierno, D. Felipe González, en el diario "The New York Times".

Madrid, 12-04-1995

"El moderno Quijote español espera su último lance" **(95.3)**

Entrevista al Presidente del Gobierno, D. Felipe González, en el diario "Expansión".

Madrid 26-05-1995 **(95.4)**

1996

Entrevista al Presidente del Gobierno, D. Felipe González, en el diario "El País".

Madrid, 28-01-1996

González: "Parece que no existe la derecha" **(96.1)**

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Entrevista al Presidente del Gobierno, D. Felipe González, en el diario “La Vanguardia”.
Barcelona, 18-02-1996 **(96.2)**

Entrevista al Presidente del Gobierno, D. Felipe González, en el diario “El Correo”.
Bilbao, 01-03-1996
“El PP solo ofrece sosiego desde la convicción de que va a ganar”.
(96.3)

Entrevista al Presidente del Gobierno, D. Felipe González, en la revista “Cambio 16”
Madrid, 04-03-1996 **(96.4)**

ANNEX 4. QUOTATIONS FROM THE INTERVIEWS

In this annex we include the coded quotations for the analysis of the dossier of interviews. We include them unabridged and in their original language.

They are displayed in the order of the three thematic blocks in which they have been classified in the analysis. Within these blocks, they are ordered chronologically.

The bold characters correspond to the parts of the quotations that have been translated into English and included in the analysis in the body of the chapter.

Each quotation starts with a tag that identifies the source of the interviews. This allows the source of the quotation to be traced: the correspondence between each of the codes and the interviews is included in annex 3.

- Output generated by: ATLAS/ti Query Tool

HU: entrevistas concedidas a la prensa escrita por Felipe González como presidente

Global selection criteria:

All

112 Primary Docs in query:

22 quotation(s) found for Query (Infix-Notation): "Efficiency and equality"

First Block: How Socialist is Social-Democracy?

P11: 85.1.txt - 11:20 (548:607) (Super)

Media: ANSI

Codes: [Efficiency and equality]

P.- Parece que el gobierno en su cambio de política económica, en su programa anunciado la semana pasada por el ministro Boyer, esta llegando a ser menos socialista.

R.- Ha habido dos interpretaciones en la presentación del paquete. Una que decía que la dirección del partido socialista la mano del ministro de economía y le obligo a cambiar y la otra que decía que el ministro de economía sigue las directrices de la política de Reagan. Desde luego las dos interpretaciones, aparecidas el mismo día, no parece que se parezcan mucho. Son dos interpretaciones totalmente distintas y no son verdad ni la una ni la otra. Además, es relativamente fácil de explicar. En España va a tener que haber durante los próximos años una política económica bastante rigurosa por razones que vienen de muy lejos, no solo por razones de coyuntura, y que llegaran todavía lejos en el tiempo. España es un país con una estructura industrial muy desequilibrada que ha conocido un crecimiento económico en los años 60 sobre la base de un millón de trabajadores saliendo de nuestras fronteras, de empresas formadas con un 12% de capital propio y 88% de recursos ajenos o de créditos externos. Una estructura industrial muy frágil basada en un proteccionismo de frontera y un aislamiento muy considerable. Una economía de negocio seguro y rentable en los sectores a los que iba dirigida y por tanto con una estructura social relativamente frágil perdió la primera y la segunda revolución industrial. Por consiguiente, *España es un país con un retraso relativo respecto a Europa. Sin embargo, es un país que cultural y políticamente se ha acercado mucho a Europa, por tanto tiene una demanda social y una presión social muy fuerte. Por consiguiente la economía está básicamente desequilibrada y siempre tengo la misma disputa de si se aleja uno o no del socialismo. Yo no soy socialista para*

repartir miseria, lo repito una vez mas. Soy socialista para hacer justicia, repartiendo si es posible y en la medida que pueda bienestar.

Miserias no me interesa repartir, y para repartir bienestar tengo que producir riqueza. Me tiene que funcionar el aparato económico, sino estoy engañando a la gente. Y como no tengo ningún interés en engañarla ni hoy ni mañana, quiero que haya un aparato productivo eficaz. Por tanto voy a mantener una política económica rigurosa, ahora y mientras sea presidente del gobierno hasta lo que queda de década como mínimo para empezar. En segundo lugar, ¿qué ocurre en este momento? ocurre algo que es muy simple. En Alemania había una previsión de crecimiento del 3% de PB y ha caído el primer trimestre a -1%. En Estados Unidos del 5,5% del PB y ha llegado al 1,2%.yo no me puedo permitir el lujo de que la economía española se caiga por debajo del 2%. A lo mejor ocurre y no lo puedo evitar, como no me lo puedo permitir y se que esta cayendo el consumo no tengo mas remedio que manteniendo la inflación, equilibrio de la balanza de pagos, siendo riguroso en la política monetaria, inyectar algo al consumo, y lo hago por la vía de sacar cien o ciento veinte mil millones de pesetas de impuesto sobre la renta que van directamente inyectados al consumo. Y mantengo la misma política económica de rigor desde el punto de vista estratégico en el tiempo. Le digo algo más: aprovecho que acabo la negociación con la CEE para liberalizar cosas que voy a tener que liberalizar de todas maneras dentro de una año. No porque quiera, sino porque el acervo de la comunidad me lo impone. Por tanto liberalizo determinados sectores de la economía española. Ese es el paquete coyuntural, seguirá existiendo la misma política monetaria de rigor. Hemos conseguido recuperar equilibrios que parecían imposibles hace tres años, desde el punto de vista de la balanza de pagos, de recuperación de divisas, de la inflación.

Yo entre con la ilusión en el gobierno de que en cuatro años la inflación sería menos de diez puntos, porque muchos técnicos me decían que la inflación en España era un problema estructural. No era solo un problema de voluntad político-económica, y por tanto el 15% era muy difícil de bajar. A los cuatro años quería estar por debajo del 10%. En dos años estamos en el 9% y acabaremos el año probablemente en el 1 o el 7,5%. Por tanto en tres años habré bajado sustancialmente la inflación. ¿Es incompatible ser socialista con intentar que funcione el aparato productivo? perdone que les diga que no. Es incompatible ser sectario y al mismo tiempo intentar que funcione el aparato productivo yo no soy sectario.

P17: 85.7.txt - 17:30 (199:264) (super)

Media: ANSI

Codes: [efficiency and equality]

Pregunta.- La gente de izquierdas se encuentra como si hubieran perdido la tutela, el apoyo, también porque gran parte de las personalidades de este partido están ocupadas por cosas muy importantes. Pero, ¿no habría que motivar sin caer en el peligro de crear un cruzada?

Sr. Presidente.- Trato de buscar, primero, una explicación de que es lo que está ocurriendo y segundo, por que razones no hacemos determinadas cosas. Entonces, por ejemplo, un factor que objetivamente puede conducir a pensar es, es la propia existencia de la crisis económica y su tratamiento. Es decir, hay una verdad innegable, tu haces una política económica que trata de recuperar el excedente empresarial como se dice fina o elegantemente. Es verdad, yo no lo niego, además tengo por lo menos la valentía moral de decirlo. ***Si no hay un excedente empresarial no voy a salir de la crisis, entonces, claro, eso limita tanto las posibilidades de que la sociedad sienta una política redistributiva positiva, porque no es lo mismo redistribuir en términos positivos con crecimiento, que redistribuir en términos negativos con ahorro. Yo estoy ahorrando, estoy ahorrando en gastos sanitarios al mismo***

tiempo que estoy aumentando la cobertura, es decir, si en tres años yo soy capaz de meter a mas de tres millones doscientos o trescientos mil ciudadanos en la asistencia sanitaria llegando a cotas del 96% de asistencia sanitaria de la población, los tres millones y pico lógicamente son la gente que no tenia antes posibilidad de una asistencia sanitaria, esos tres millones y medio lo están notando que los asisten, pero al mismo tiempo estoy teniendo que constreñir el gasto sanitario. No tengo más remedio, no tengo más dinero para gasto sanitario, por lo que tengo que esforzarme para que sea un poco mas eficaz la gestión sabiendo que por persona asistida estoy perdiendo capacidad económica.

Si estuviéramos en un época de expansión estaría a la gente un servicio mucho mejor que no puedo dar. Con el desempleo, hemos pasado de cuatrocientos mil millones a ochocientos mil millones en este periodo. Dicen, que hay mucho mas desempleado, mire usted, no es la proporción, se ha hecho un enorme esfuerzo, pero no llega. De los trabajadores con un empleo anterior hay algo mas del 50% cobrando, pero parte, además, de los que están cobrando también están en la economía sumergida, entonces no te llega el esfuerzo, el esfuerzo para que se note. Digamos que la orientación es una orientación de redistribución social más nítida, de ahorro y de escasez.

Todo el mundo califica la política educativa como una política progresista. La política educativa, la del gobierno, siendo el ministro Maravall como es, es la del gobierno, igual que la de los otros ministros, la del ministro de justicia y la del ministro del interior. La gente no quiere entenderlo. La del ministro del interior a veces la califican de una política no progresista. Bueno, mire usted, yo comprendo que se critiquen una, tres, cincuenta y tres actuaciones de un ministro o de otro, pero la gente entienda que no hay un factor progresista en la trayectoria que se esta observando en política de seguridad me parece verdaderamente no asumible, en cualquiera de los

temas que se planteen. Y como el único punto de referencia es pensar que harían los otros...

Pregunta.- Si...

Sr. Presidente.- ***No que harían los comunistas, porque no van a tener ocasión de hacerlo, sino que harían los otros, y además, si fuera que harían los comunistas, desde luego sería muchísimo más regresivo y muchísimo más sectario desde el punto de vista de las libertades.***

Pregunta.- Pero los otros, la oposición en este momento no es un desafío, ni dan miedo, que por un lado puede ser positivo pero tampoco es tan positivo, o sea que entonces

Sr. Presidente.- No, no es positivo

Pregunta.- entonces la gente.....

Sr. Presidente.- no tiene punto de referencia.....

Pregunta.-no tiene punto de referencia y se pone mas descontenta. ¿El gobierno no piensa que debería hacer mas publicidad de sus resultados positivos? o ¿faltan instrumentos para comunicarlo?

Sr. Presidente.- primero, no se sabe hacer, yo creo que habido también desde el punto de vista del planteamiento de gobierno.... un porcentaje dedicado a la gestión que ha sido el 95% de la actividad del gobierno, por no decir mas, y hacer política, tal como se entiende hacer política en Italia o en cualquier otro país europeo, hacer política se ha hecho mucha menos política, es decir, la gente esta encerrada en la gestión, o enterrada en la gestión, y eso tiene su coste, tiene su precio.

P47: 89.4.txt - 47:2 (134:141) (super)

Media: ANSI

Codes: [efficiency and equality]

Como parte del deshielo este-oeste, el Sr. González también cita el creciente interés del bloque del este en la aplicación de

principios de mercado al desarrollo económico por parte de su gobierno de izquierda. "los húngaros nos visitan diciendo: necesitamos tener un modelo de eficacia económica y competitividad si realmente queremos compartir la prosperidad con un cierto grado de justicia social. De otro modo compartiremos sólo nuestra pobreza". Como modelo internacional de crecimiento económico, afirma implícitamente, el socialismo español podría ser una alternativa aceptable al conservadurismo de la primera ministra Margaret Thatcher.

P55: 89.12.txt - 55:2 (37:84) (super)

Media: ANSI

Codes: [efficiency and equality]

P.- La oposición dice que todo está peor que nunca, que los ricos son más ricos y los pobres, más pobres...

R.- Eso es totalmente falso, falta de rigor y falso. Además, es difícil que se lo crean los ciudadanos. Es cierto que la recuperación económica ha generado un incremento fuerte del excedente empresarial y ha habido una recomposición de la estructura del capital de las empresas. Pero hace quince años el uno o el dos por ciento de la población ostentaba el 29 por ciento de la renta, y ahora el 11 o 12 por ciento de la población puede llegar a tener el 28 o 29 por ciento de la renta. Ahora se puede decir que la sociedad no tiende a ser desigual, sino a ser más igualitaria.

P.- Y la política social, ¿donde queda?

R.- Nuestra sociedad esta haciendo un enorme esfuerzo de redistribución de la riqueza. Tenemos 7.200.000 pensiones, sobre una población activa de 14 millones. Vamos a lograr en los próximos dos años que prácticamente la plena escolarización llegue hasta los dieciséis. **Hemos universalizado la asistencia sanitaria. Incluso aceptando las tesis de los mas críticos, en cuanto a que el gasto social sube solo unas décimas por encima del producto bruto, es evidente que esta aumentando la riqueza y la participación redistributiva.**

P.- Pero el mismo programa electoral del PSOE ha sido criticado por falta de sensibilidad social...

R.- Hay que analizar los datos de la realidad. No se pueden hacer ofertas electorales a colectivos concretos sin tomar en cuenta el conjunto. Hay que decir con seriedad que España necesita sostener el crecimiento y para ello hay que eliminar desequilibrios. De ese crecimiento depende, además, la prioridad número uno de cualquier proyecto político, que es seguir generando empleo. Y sostener ese crecimiento generador de empleo exige también intentar que la inflación se mantenga, al menos, en medidas europeas. Segunda prioridad: las infraestructuras para canalizar ese crecimiento. La creación de infraestructuras materiales y humanas es necesaria para eliminar el riesgo de que los cuellos de botella de nuestro crecimiento puedan terminar por limitarlo y ahogarlo. Y necesitamos sostener ese crecimiento, si fuera posible durante los próximos cuatro años y otros cuatro más, para que, al final del proceso, se haya multiplicado por dos nuestro producto nacional bruto, desde 1985.

P.-La gente, ante unas elecciones, suele querer también concreciones...

R.- Lo que no podemos hacer es tomar uno por uno a los diversos colectivos y, a partir de nuestro programa, decirles: ya verán ustedes lo magníficamente que les vamos a tratar. Lo importante es que el país sepa qué es lo que tiene que hacer, y lo que tiene que hacer de aquí al 92 es muy importante para el éxito del proceso descrito. Lo que no podemos hacer es, por ejemplo, aumentar las pensiones en función de que haya o no proceso electoral. Eso se hacía hasta que llegamos al poder. Lo importante de los aumentos de las pensiones es que se puedan seguir pagando en los años sucesivos, sin crear crisis financieras. Tampoco tiene mucho sentido que digamos, como hacen otros: vamos a contratar diez mil médicos más. Pero si uno ve cuántos se han contratado en los últimos cuatro años, a lo mejor resulta que con promesas como aquélla se les está diciendo que sus expectativas se reducen. ***En resumen, lo que yo quiero decir es que tras una primera fase de ajuste que fue***

positiva para la economía española ha venido una segunda fase de crecimiento. La tercera fase ha de ser de mantenimiento del crecimiento, de mayor distribución de la riqueza y de modulación de las políticas para lograr una adaptación seria al desafío del acta única.

P60: 89.17.txt - 60:1 (75:83) (super)

Media: ANSI

Codes: [efficiency and equality]

P.- Su partido se denomina socialista. ¿Qué significa eso para usted?

R.- Pídale a los húngaros que me ayuden en esto (risas). Socialismo es la profundización de la democracia. El poder público debe intentar impedir las peores consecuencias de una sociedad que vive en una competitividad libre y en una salvaje confrontación en el mercado. Una economía mixta a escala mundial es ineludible. El gran error del comunismo es el de los dinosaurios. No se adaptaron y por eso murieron. No se puede ser socialmente eficaz si al mismo tiempo no se es económicamente eficiente.

P91: 93.5.txt - 91:1 (112:125) (super)

Media: ANSI

Codes: [efficiency and equality]

P.- En el próximo congreso de su partido, ¿cuales van a ser los retos, los objetivos: habrá renovación de personas o de ideas para dar nuevas respuestas a la sociedad?

Presidente.- A mi me importa mucho mas lo segundo que lo primero, y no solo para el congreso, sino para la próxima etapa de la vida política española; es decir, para las elecciones. Pero me preocupa mucho mas que el debate se produzca en el mismo sentido que acabo de indicar, en el sentido reformador, manteniendo el impulso de lo que es característico en el socialismo democrático, no quiero decir con eso que solo se

vuele con un ala. Lo que tenemos que hacer es explicar claramente que nos diferencia de la derecha. Y hay algunos rasgos que nos diferencian.

Nosotros podemos hacer una política económica eficaz, pero sabemos que esa eficacia tiene que contener un sentido redistributivo, interterritorialmente y entre las personas. La derecha puede abandonar ese segundo aspecto, si es que llega a hacer una política eficaz.

P96: 93.10.txt - 96:1 (86:136) (super)

Media: ANSI

Codes: [efficiency and equality]

P.- En el último debate televisivo con José María Aznar usted ha redescubierto con gran entusiasmo de sus compañeros socialistas, los conceptos de "derecha" y de "izquierda", que estaban bastante abandonados. Me gustaría saber si, en su opinión, siguen vigentes esas ideas o su aparición en la campaña solo forma parte de la retórica electoral.

Presidente.- Creo que si siguen vigentes. El problema es como se traducen a una sociedad como la actual. Hay un proyecto de progreso que es capaz de ser solidario, que es capaz de combinar eficacia y equidad, y hay un proyecto conservador que está más atrapado en unos intereses y que tiene una concepción de la equidad que nace de esa idea tan reaganiana de decir: yo les voy a quitar la presión fiscal a los que más tiene, estos van a generar mucha más riqueza, y cuando generen mucha más riqueza, todo el país se va a beneficiar de esa generación de riqueza; por consiguiente, voy a cortar los gastos sociales, porque voy a recibir menos ingresos, y veras como este país va a ser el primer país del mundo, que decía Reagan, por esa técnica. Lo que se ha demostrado es que los proyectos neoliberales, como los proyectos de los comunistas, son proyectos fracasados. ¿Como llamamos a los proyectos que superen esos dos fracasos? Tenemos que llamarlos de alguna manera. En España siempre ha sido más claro hablar de

"derecha" o de "izquierda", o hablar de un proyecto progresista frente a un proyecto conservador; pero siempre habrá que llamarles de alguna manera.

En Estados Unidos hay un proyecto conservador y un proyecto progresista. Y las distancias, en materias que son claves, no son muy grandes. Pero es verdad que Clinton gana con un proyecto progresista. Cuando Clinton grita que la educación, las infraestructuras, la sanidad o incluso los juegos olímpicos de Atlanta son el "leitmotiv" de su aspiración a la presidencia, esta diciendo que hay que ser —en el sentido anglosajón del termino— "compasivos" con la sociedad; que la sociedad no puede desarrollarse sin ese elemento de solidaridad que la engrana, que la hace una sociedad articulada.

Eso es un proyecto progresista. Ahora, ¿le vamos a llamar socialdemócrata o de izquierdas a Clinton? si le llamas "de izquierda", le darás un susto tremendo, porque la palabra "izquierda" en estados unidos asusta a la gente. En fin, mas allá de las terminologías estamos hablando de un progreso que es capaz de combinar eficacia con equidad, o de políticas conservadoras que cargan la mano contra la equidad, sobre la base de esa esperanza siempre etérea.

P.- Después de 20 años practicando la política y de más de 10 gobernando, después de destilar todas sus ideas y su experiencia, ¿qué queda? ¿cómo se define usted ideológicamente?

Presidente.- Creo que soy un socialdemócrata o soy un progresista, como se quiera llamar; soy un hombre de progreso. ¿Que añado a lo que es la aspiración de un socialdemócrata, que es lo que siempre cuesta trabajo aceptar por parte de algunos que quieren ir mas lejos y mas rápidamente? que cada paso que de tiene que estar presidido no solo por la idea de una convivencia en libertad, con mayor justicia social, sino que después hay que poner la coma; es decir, libertad, justicia social, "coma", responsabilidad.

Es decir, si se introduce el ingrediente de "responsabilidad", se define cual es mi actitud. Si uno va a una tribuna y les dice a las personas mayores que las pensiones van a subir por encima de lo que el sistema es capaz de proporcionarles, esta eliminando el elemento de responsabilidad; se esta haciendo una política que puede satisfacer como mensaje socialdemócrata, pero es una política que no se puede llevar a la practica. Esto es lo que marca algunas diferencias.

P104: 94.5.txt - 104:1 (20:26) (super)

Media: ANSI

Codes: [efficiency and equality]

P.- ¿pero que significado tiene hoy el socialismo?

Presidente.- Para nosotros, en España, los pasados años significan que hemos cumplido algunos de los principales ideales de la socialdemocracia en Europa: educación para todos, jubilación para todos, acceso a la sanidad para todos. Socialismo democrático significa para mi dar relevancia a la dimensión social de la política. Para ello tenemos que vincular una política económica productiva a un grado determinado de redistribución y a la defensa del estado de bienestar.

Second Block: The Left to the Socialist Party

P16: 85.6.txt - 16:14 (125:162) (super)

Media: ANSI

Codes: [efficiency and equality] [igualdad] [trade-off]

Pregunta.- Enlazando con esto que acaba vd. de decir, su política económica - muy moderna- no se distingue mucho de la población económica de los países europeos, incluso aquellos con un gobierno conservador. Pero ahí empiezan los problemas con los sindicatos, es decir, con su UGT. ¿Cómo organizarlo?

Sr. Presidente.- Yo no se si vd. dice que yo debo de estar preocupado, o deben estar preocupados los gobiernos conservadores...realmente yo creo que se esta abriendo paso a esa política. Hasta el extremo de que en el ultimo debate que hemos mantenido en el parlamento sobre el estado de la nación, el representante comunista (no digo ya el de UGT) -y solo hay cuatro- llego a afirmar lo siguiente, y ello consta en las actas del congreso de los diputados: "mire sr. Presidente, yo creo estoy dispuesto a aceptar que la política que vd. hace es la que hay que hacer.

Mi preocupación -decía- es que la final de este proceso que exige esfuerzo y sacrificio -y tiene razón- las relaciones de poder en la sociedad sigan siendo las que son". A su juicio las relaciones de poder en la sociedad son las que hacen a la derecha, gobierne, controle o domine económicamente en España.

Y esa preocupación es legítima desde su punto de vista. Desde el mío, no lo es tanto porque hay un elemento diferenciador que probablemente todavía no ha calado suficientemente en la sociedad. Yo creo que el poder político es suficiente, que hay que ejercerlo seriamente, pero es suficiente. Al poder político no hay que añadirle poder económico. *Hay que evitar la tentación totalitaria, implícita a todo poder, sea de derechas, de izquierdas, o de centro. El poder trata de acumular más resortes, mas controles de poder. En España con un gobierno como el que tenemos, mayoritario, existen más que de sobra instrumentos de poder para que el estado juegue el papel que tiene que jugar. Un papel de cierto modo, y a pesar de la crisis, redistribuido para que pueda un gobierno como el nuestro luchar contra le incremento de las desigualdades y, por tanto, hacer una política mas encaminada hacia la igualdad social. Pero yo no creo que el estado tenga que absorber el poder económico. Me parece que no ha conducido a nada. Yo quiero que el razonamiento se agote. Aquellos estados que han controlado todo el poder económico han llegado al subdesarrollo y al fracaso también económico, no solo político.*

Eso también se va abriendo paso en el movimiento sindical, en la UGT. Lo que ocurre es que todavía ni en España ni en Europa se ha definido un modelo sindical alternativo para la crisis. De tal manera que los sindicatos asuman -y los empresarios también- que ellos tienen que tener una parte de responsabilidad en el diseño de la superación de la crisis y de la sociedad futura. Pero como será esa parte de responsabilidad, no está definido. Por tanto, se resisten a aceptar lo que pueda ocurrir.

P44: 89.1.txt - 44:2 (46:102) (super)

Media: ANSI

Codes: [efficiency and equality]

P.- Los resultados de la política económica española son impresionantes. Pero la huelga general de diciembre ha puesto de manifiesto que puede romperse el consenso social sobre ella. ¿Cómo se concilia esta política económica con el significado de la "dimensión social"?

R.-Independientemente de la postura de los sindicatos frente a mi política económica: la comunidad europea no puede construirse sin esa dimensión social. Sólo ella la hace aceptable para la mayoría de los ciudadanos. El diálogo con los sindicatos es un instrumento importante para la creación de esta dimensión social; pero no es el único. También los fondos estructurales de la CEE para la adecuación de las diferentes regiones tienen repercusiones sociales directas, y los ciudadanos de mi patria Andalucía o también las personas en Extremadura pueden juzgar muy bien las posibilidades que les ofrecen estos fondos estructurales para nivelar estas regiones con las regiones más ricas.

Otra cuestión es la actual actitud social con los sindicatos. Hay que ser comprensivo de cara a este fenómeno si no se quiere abordar la cuestión de modo sectario.

Hemos tenido en España una grave crisis económica y hemos realizado una política de austeridad y de adaptación bastante rigurosa. Desde hace tres años volvemos a tener un crecimiento, miles de empresas que arrojaban pérdidas han recuperado una estructura de capital más saneada. Han comenzado a volver a hacer beneficios y a reinvertir. El índice de crecimiento de las inversiones ha registrado en España en los últimos tres años una media del 14 a 15 por ciento: una cifra espectacular.

Pero un crecimiento económico tan fuerte, con un fuerte aumento de los beneficios - absolutamente inevitables si han de llevarse a cabo esas reinversiones que necesita el país - genera al mismo tiempo fuertes, profundas distorsiones sociales. *Es natural que con tres años de crecimiento económico tras doce años de crisis, los sindicatos y algunos sectores de la sociedad planteen la pregunta: "¿por qué no recibo yo algo del pastel ahora más grande? Quiero compensar el tiempo perdido". Pero eso lo quieren todos, y así se produce una explosión de exigencias sociales.*

Esta explosión de pretensiones debe naturalmente ser conciliable con el mantenimiento de un índice de crecimiento que haga posible la creación de nuevos empleos. Esto presupone que los sindicatos se muestren moderados en sus exigencias salariales. Exige también que la tasa de inflación permanezca en una zona que mantenga nuestra competitividad. Y presupone lógicamente que continúen las investigaciones [inversiones] productivas. De aquí se deriva la distorsión: nadie quiere ser el último en este crecimiento. Pero ello crea tensiones sociales.

P.: No le preocupa eso como socialista demócrata?

R.: El otro día mantuve sobre ello una conversación muy interesante con Károly Grósz que me visitó antes de su retirada del mandato como primer ministro húngaro. *Suponiendo que la política se guíe totalmente por el objetivo de repartir los beneficios lo mejor posible, y llegara al extremo de dar*

prioridad a la mejor distribución posible, poniendo en segundo término la eficacia económica, podríamos llegar a la situación de Hungría, descrita por Grósz con estas palabras: quien diga de nosotros que distribuimos bien, habla al mismo tiempo del peligro de que no tengamos otra cosa que repartir más que pobreza.

Actualmente vivimos en Europa no una apertura al este como la iniciada por Willy Brandt hace 20 años. Vivimos más bien una apertura en el este hacia occidente. *Los países del este empiezan a acercarse a las reglas de juego y a los valores occidentales, en primer lugar la eficacia de la gestión económica.*

También aquí en España debemos decir abiertamente que no hay política social sin eficacia económica. Hay que conciliar ambas cosas y adaptar mutuamente los ritmos. Si tuviera que decidir entre el mantenimiento de una tasa de inflación del 14 o 15 por ciento y un aumento del gasto público bajo aspectos sociales en un 10 por ciento, como político -no como economista, que no lo soy- abogaría por el mantenimiento de la tasa de inflación, porque para mí tiene prioridad máxima la creación de empleo. Ya que si no tengo un crecimiento permanente de la economía, tampoco tendré puestos de trabajo, pero sí 1,2 millones de jóvenes que no encuentran empleo. Necesito simplemente eficacia económica.

P46: 89.3.txt - 46:3 (101:131) (super)

Media: ANSI

Codes: [efficiency and equality]

P.- Hablemos de España, ahora. Se tiene la impresión de que el consenso social, las actitudes moderadas que habían acompañado a la transición democrática se van disolviendo, dejando el lugar a una vida política con más aristas y más turbulencias. Lo cierto es que, a pesar de los éxitos en el relanzamiento de la economía, y en la presentación de una

imagen más moderna y dinámica de España, su gobierno se ve obligado desde hace meses a un pulso con los sindicatos, que desgasta.

R.- Opino que la transición terminó en 1986: en el momento en que llegó al poder un gobierno socialista, y al cabo de un poco de tiempo se ve que las previsiones de desastre no se verifican, los temores de un "golpe", tampoco; antes bien, cuatro años después el partido socialista gana de nuevo las elecciones con la mayoría absoluta. A este punto, la democracia comienza a producir sus efectos.

La sociedad está tranquila, menos atemorizada; cada cual se sitúa en su vertiente, cada cual lucha por sus intereses... ¿qué se le reprocha, ahora, a este gobierno? ante todo, veamos algunos datos económicos. Entre 1985 y hoy, el crecimiento del producto interior ha oscilado en torno al 5% anual, el índice más elevado de la comunidad y uno de los más altos de la OCDE. Este crecimiento ha dado desahogo al mundo de las empresas, que en el último decenio, por una serie de motivos (incluido el cierre de muchas fábricas no competitivas, en vísperas de la entrada en la CEE), había conocido una crisis profunda. Las empresas han comenzado a recuperarse, como decía; han pagado todas o parte de sus deudas, y hoy la tasa de crecimiento de las inversiones oscila en torno al 14-15 % anual. Todo ello mientras los salarios no perdían, antes bien aumentaban, su poder de adquisición, y mientras que, desde el 1985 hasta hoy, se creaban 1.200.000 puestos de trabajo.

La protesta social, que a veces ha asumido aspectos importantes, nace de la convicción de los sindicatos de que los beneficios del crecimiento van más a los empresarios que a los trabajadores.

Según los datos de que dispongo, esto no es cierto. Pero los sindicatos tratan de afirmar su posición ideológica con un slogan que se puede resumir así: este gobierno favorece sólo a los empresarios. Pues bien, mi respuesta es clara. Un gobierno que pretendiese, en virtud de un falso progresismo, frenar la

capacidad de inversión de la economía -de tal manera que se distribuyese un salario mayor que el consentido por el crecimiento- sería un gobierno decidido a no aumentar, sino a interrumpir el desarrollo del país...

P47: 89.4.txt - 47:3 (148:158) (super)

Media: ANSI

Codes: [efficiency and equality]

"No soy de aquellos que piensan que los gobiernos de coalición son mejores para el funcionamiento del sistema", declara. "creo que el partido socialista puede también gobernar con una amplia minoría".

Esto podría ser difícil en términos prácticos. Pero es un riesgo que parece que el Sr. González asume, si eso permite llevar a cabo su amplia concepción para la modernización de la sociedad española a través de una reordenación de los valores socialistas.

"Creo que el problema de la izquierda ha sido, y continúa siendo hasta cierto punto, un desprecio de valores que tienen importancia, como la eficacia económica", afirma. "sin eficacia económica es imposible trabajar por una sociedad más igualitaria".

P50: 89.7.txt - 50:1 (215:263) (super)

Media: ANSI

Codes: [efficiency and equality]

P.- Hay otra cosa. ¿Se resigna vd. fácilmente a que su partido, que tiene el nombre de partido socialista obrero español, esté apartado de los obreros? ¿la socialdemocracia que vd. invoca no tiene por definición una cogestión de la vida económica y social con el sindicato? he sabido de su ruptura con su viejo y fiel

amigo Nicolás redondo, líder de la central socialista. El es quien, en Suresnes, en tiempos del exilio, le procuró un liderazgo que él hubiera podido muy bien conservar. Brevemente, hay un malestar social del que un hombre como vd. no sabría decir, como un simple liberal, que constituye la mancha del éxito económico. Su balance está jalonado de victorias, pero tiene vd. tres millones de parados...

R.- La coestión que ha evocado vd. no está en la lógica histórica de las situaciones francesas y españolas. Lo siento. Volveré a ello. Es evidente que existe hoy una confrontación con la dirección de los sindicatos más importantes. Ese es tal vez el destino de los socialistas en el poder en una situación de reconstrucción nacional o de crisis internacional. Se tropieza, y es muy normal, con reivindicaciones puntuales o con estrategias globales. *Quiero subrayar que la mayoría de los dirigentes socialistas han dado prueba de una gran responsabilidad y han contribuido a facilitar esta vía de transición, este "modelo" que nos acredita. Pero, para volver a los conflictos actuales, hay que hablar concretamente de la situación española. Con ejemplos...*

P.- Se le reprocha, en general, de no pensar más que en el crecimiento económico.

R.- Algunos me reprochan la elección misma del crecimiento. Por otro lado tendrían razón si esta política de crecimiento me pareciera suficiente. Ahora bien, es todo lo contrario. Si me parece indispensable, me parece también absolutamente insuficiente.

P.- Más concretamente en materia de relación entre la eficacia económica y la tasa de trabajo. Hemos llegado, en cuatro años, a una creación neta de 1.300.000 empleos. Pero tenemos que subrayar el hecho de que, en los últimos diez años, hemos perdido récord en europa 1.500.000 empleos.

Hoy día nuestro crecimiento económico es del 5,5% y el del empleo es más fuerte de lo que lo ha sido jamás, más fuerte que en todos los países de la comunidad: 3,3%. Si se quiere aceptar esta constatación, el problema se desplaza al terreno del gasto

social. Esa es, en efecto, la preocupación de un gobierno con vocación socialista. ¿Qué dicen los dirigentes sindicales? que la tasa de crecimiento del gasto social se ha triplicado, pero que esto la sitúa apenas por encima de la tasa del alza de los precios. Reconozco que esto es totalmente insuficiente. Pero observo que no se puede hablar de regresión y menos aún de estancamiento.

Asistimos así a un desplazamiento del problema hacia el terreno del reparto de los frutos del crecimiento. Personalmente estoy de acuerdo en estudiar la oportunidad de determinadas opciones estratégicas en estrecha concertación con los dirigentes sindicales. Soy también partidario de la corresponsabilidad por estas decisiones esenciales. Pero los dirigentes sindicales tienen miedo de comprometer su autonomía. Se trata de un debate de fondo que concierne a todo el socialismo democrático. En Alemania federal, nuevos líderes, como Oskar Lafontaine, están muy preocupados por este debate. ¿Qué autonomía deberá ser conservada por el partido socialista frente al mundo del trabajo, si los sindicalistas quieren conservar una autonomía plena y entera? en España, ha habido un desequilibrio en las concesiones en beneficio de los sindicatos. Pero yo reitero mi oferta de cooperación con los dirigentes sindicales por cuanto se refiera al reparto de los frutos del crecimiento y de la opción del gasto social. Ello no puede inscribirse más que en una política global y, por lo demás, hay que pensar esta política en función de la Europa social que está por construir.

P100: 94.1.txt - 100:1 (314:329) (super)

Media: ANSI

Codes: [efficiency and equality] [eficiencia] [trade-off e
izquierda unida]

P.- ¿Será posible cierto acercamiento a IU después de estas elecciones, en busca de respaldos mutuos para algunos de los grandes temas de estado?

Presidente.- *Desgraciadamente, en algunos puntos fundamentales, no será posible. Por ejemplo, ya que estamos en unas elecciones europeas hay que subrayar que IU tiene una concepción de Europa muy alejada de la que se esta intentando construir desde todos los países involucrados en el proyecto, y eso hace imposible un entendimiento. También tienen una concepción general sobre la economía que considero absolutamente atemporal. Esta fuera de la realidad económica actual. Cuando hablan de sector público parece como si estuviésemos discutiendo en los años 30.*

Cuando hablan de la política social, no tienen en cuenta ni la competitividad, ni la eficacia, ni la eficiencia económica. Y no cabe la posibilidad real de ponerse de acuerdo. Creo, sin embargo, que hay otros terrenos en los que existe espacio para una aproximación y trabajo común, como por ejemplo el caso de algunas iniciativas que hemos adoptado en el ámbito de la justicia.

Third Block: Macroeconomics and Finance

P16: 85.6.txt - 16:15 (2:52) (super)

Media: ANSI

Codes: [efficiency and equality]

Pregunta.- Sr. Presidente, "die welt" quiere publicar un suplemento especial dedicado a España. Especialmente en relación a su entrada en la CEE. Lo mas importante de este suplemento es que España no va a ser un mercado solo pasivo dentro de la comunidad sino activo, y que tiene voz y voto, no solo económica sino política y socialmente. vd. dijo en el xxx congreso de su partido que sin eficacia económica no hay eficacia social. Esto impone, a mi juicio, prioridades. En relación con la revolución tecnológica, vd. dijo también en aquella ocasión que esa tenía que salir de la sociedad misma. Ahora, ¿como estimular la economía en general, si las presiones

del estado son bastante fuertes: presupuestos, seguridad social, plantillas y competitividad?

Sr. Presidente.- *He recogido algunas de las ideas que ya he dado. Hablar de la eficacia social, sin hablar de eficacia económica es, en el menor de los casos, condenar a los ciudadanos a un reparto de miseria. Y eso me parece una mala misión para cualquier político.* En cuanto a la revolución tecnológica, entre otras cosas es un pensamiento que me persigue desde que estoy en la política: la necesidad de que España no pierda una vez más el tren de la historia. La reflexión de hoy es: ¿esta España en condiciones de aceptar esos desafíos? ¿Hay demasiado intervencionismo del estado? yo creo que no hay mucho en España, con relación a Europa. Estamos un poco en las mismas condiciones, con algunas desventajas, y algunas ventajas.

Desventajas porque en España es verdad que a un fenómeno de dictadura política fuertemente intervencionista, muy proteccionista en economía, reglamentista además de relaciones industriales, se añade el fenómeno reivindicativo de la explosión de las libertades- las libertades no quieren perder - desde le punto de vista ni de trabajadores ni de empresarios- nada de lo que consideraban que ya tenían. Y esa rigidez del sistema trata de añadir la rigidez en caso de que se atendieran las demandas. Pero la economía española va ganando márgenes de flexibilidad cada día. Nosotros hemos hecho lo que no se había podido hacer hasta ahora: la reconversión industrial. Nosotros hemos hecho el esfuerzo enorme de no pasar al sector publico mayor cantidad de empresas del sector privado. Le diré algo que conoce muy poca gente: el INI se creo en el año 41 o 42. Desde ese año hasta que llegamos nosotros al poder no paso ni un solo en que no se nacionalizara alguna o algunas empresas, casi siempre con perdidas. La primera vez que se detiene ese proceso es cuando llega -parece que paradójicamente- el socialismo al poder. Por tanto, hemos hecho el esfuerzo de reducción del sector público.

¿El sistema fiscal en España es desestimulante? yo creo que no. En España se implantara el IVA a principios de enero. El IVA esta defendido a nivel internacional como un impuesto transparente que facilita la competitividad que aclara todo el flujo o todo el proceso de trasformación económica. Y la presión sobre las empresas, a mi juicio, sigue siendo todavía menor que la que existe en Europa.

Por tanto, aquí las condiciones de competitividad no dependen de que haya mucho intervencionismo estatal, aunque tendría que ir desapareciendo parte del que hay, sino que dependen que tenemos un menor desarrollo tecnológico y una menor capacidad de organización empresarial. Esos son los dos factores clave: modernización, desde le punto de vista industrial, y capacidad de organización. Una empresa alemana, de idénticas condiciones tecnológicas en España y Alemania, produce mas en Alemania aunque tiene costes mas elevados, que en España, donde los costes realmente son menores. Nosotros hemos conseguido menos productividad porque aun no hay las suficientes técnicas de organización empresarial.

P48: 89.5.txt - 48:1 (26:41) (super)

Media: ANSI

Codes: [efficiency and equality]

Pero pese a la controversia en torno a los altos índices de impuestos españoles, el sr. González dice que no tiene planes en el sentido de recortes fiscales como los que realizó en los estados unidos Ronald Reagan.

En el equivalente de aproximadamente el 43% del PNB, "la dimensión del sector público en la economía española es razonable (y) por debajo de la media europea", dice.

En las presentes boyantes condiciones económicas, González mantiene que los recortes fiscales no aumentaran significativamente en el crecimiento o el impulso de la

inversión por el contrario, afirma, forzaría al gobierno a recortar el gasto social o a aumentar el déficit público.

“Pero esto engañaría a la opinión pública”, dice. “el gasto social financiado por un déficit fiscal no consigue la redistribución de la riqueza. Solo el gasto social financiado por las contribuciones es redistribuido”. (nota: en el original, redistributive)

P61: 89.18.txt - 61:1 (188:219) (super)

Media: ANSI

Codes: [efficiency and equality]

P.- Pero nadie utiliza ese referente económico, y además, ellos defienden que control del crédito y planificación, son términos incluidos en la constitución.

R.- La constitución no dice que debe haber un consejo de planificación, sino que puede haberlo. La opción es que haya alguien que quiera hacer ese consejo y planifique y controle el crédito o que haya quien crea que controlar el crédito es una frase que no se corresponde con la economía en la que vivimos.

Otra alternativa que se presenta a la política del gobierno: hay que congelar los impuestos y después reducirlos. Y estos mismos dicen a continuación que eso no supone disminuir el gasto público. Se trata del argumento según el cual la economía crece más al quedar liberados más recursos y, aunque disminuyan los impuestos, el estado va a recaudar más. Esta propuesta tiene la enorme ventaja de que hay modelos: es la política del señor Reagan. Y el resultado es una administración que tiene el mayor déficit de su historia y que no sabe cómo financiar.

P.- Hay quien opina que no es correcto culpar de todos los desequilibrios al exceso de demanda en un país con mucha capacidad productiva todavía por explotar y con 2,5 millones de parados.

R.- Eso, dicho así, en abstracto, responde a una verdad. Y me gustaría que se pudiera hacer tan fácilmente como se enuncia. La experiencia es que es muy difícil mantener los equilibrios con una tasa de crecimiento de un 4,5% o un 5%. Si algún gobierno, aquí o en otros países, supiera cómo crecer a un 8% sin generar desequilibrios ya lo habría hecho. ¿Cuál es nuestra apuesta? si pudiéramos mantener entre el 4% y el 5% de crecimiento y superar los elementos coyunturales de desequilibrio, intentando que el desequilibrio que hoy se produce se compense mañana con un equilibrio provocado por una mayor competitividad y productividad, habríamos ganado una batalla importantísima. Porque una parte sustancial del desequilibrio exterior está provocada por la importación de bienes de equipo que ayudarán a renovar el aparato productivo y. Por lo tanto, a aumentar su capacidad. Mientras tanto hay que procurar que el gasto público y el consumo privado se acompañen a pesar de la angustia que tenemos por atender las necesidades de infraestructura y gastos sociales.

P62: 89.19.txt - 62:2 (153:182) (super)

Media: ANSI

Codes: [efficiency and equality]

P.- La década de los 80, ha consagrado, en todo el mundo, la glorificación del dinero. El dinero, rey, Wall Street, las clasificaciones, la ostentación de las fortunas, y el Japón... Da la impresión de que el dinero se ha vuelto el objetivo prioritario del hombre moderno. Y España también ha debido entrar en este juego....

R.- Personalmente y espiritualmente, no estoy tan de acuerdo con los valores del dinero. Sin embargo, este decenio está profundamente tocado por la revolución tecnológica. Si se deja escapar esta oportunidad, la diferencia será clara y precisa. Al

mismo tiempo hay que saber que este desarrollo económico provoca violentos desequilibrios sociales, y que el precio que hay que pagar es muy elevado...

La riqueza, en España crece. Estos cuatro últimos años este crecimiento ha llegado al 20% del producto nacional bruto. Y si se proyecta esta tendencia en los quince próximos años, doblaremos nuestro PNB. En un país como el nuestro esto no se produce sin provocar serios problemas de redistribución. Se dice a veces que algunas colectividades parecen dejadas de lado. En mi opinión, creo que el aumento del nivel de vida es prácticamente general. Pero, evidentemente, algunos se benefician más que otros.

P.- Hay que organizar una redistribución....

R.- Hacemos un esfuerzo para conseguirla. Pero chocamos con contradicciones muy fuertes. Hay que ser eficaz. No caer en la tentación de aumentar de una manera irracional los gastos de su presupuesto. El estado debe establecer claramente sus prioridades, las cuales, para nosotros, pasan por el desarrollo de nuestras infraestructuras: carreteras, vías, comunicaciones, etc.... Dicho de otro modo, existen límites de orden ideológico, o de política gubernamental.

P.- ¿Si entiendo bien, para usted la prioridad de las prioridades es llenar el retraso?.

R.- Sí, pero esta prioridad debe ser matizada. Se puede tener un "punto de vista conservador" diciendo que todo puede esperar: recuperemos nuestro retraso y nos ocuparemos más tarde de los problemas sociales. No se puede actuar así. Se deben lanzar opciones, prioridades - de manera armoniosa- acompañar las políticas de infraestructuras de una política social. Sin consenso social, no puede haber sistema democrático.

P94: 93.8.txt - 94:1 (183:192) (super)
Media: ANSI
Codes: [efficiency and equality]

P.- ¿Cómo piensa combinar el interés de los sindicatos cuando exigen que no se pierda ritmo en el camino hacia el estado de bienestar y el de los empresarios cuando dicen que se flexibilice el mercado de trabajo, que se den soluciones o incentivos para una economía productiva?

Presidente.- Es que no hay que confundir lo que puede ser una evolución razonable hacia el estado de bienestar como contraposición o contradicción con una economía mas competitiva. Después de una década de modas neoliberales, esta demostrado que los países que mas han progresado, que son mas competitivos, son aquellos que han añadido a una política económica eficaz un sentido de la justicia social y de la distribución también eficaz.

P95: 93.9.txt - 95:2 (351:380) (super)
Media: ANSI
Codes: [efficiency and equality]

P.- Otro asunto de la campaña son los impuestos. Mucha gente cree que el aumento de la presión fiscal sobre las clases medias y acomodadas ha sido bastante fuerte. Presidente.- Por decirlo con cifras inteligibles: el 20 por 100 de las rentas más altas del país pagan el 87 por 100 de lo que se recauda por renta. El 25 por 100 de las rentas mas bajas están pagando muchísimo menos, prácticamente nada del impuesto. Por consiguiente, ha habido un incremento de la presión fiscal muy progresivo del IRPF, que es lo que permite atender a una serie de servicios como los que hemos atendido sin desbordar el déficit. Ha habido ese incremento, pero a menor ritmo que el que se produjo ante el año 1977 y el 82. Ahora bien, es verdad que hay un cierto desequilibrio. Se quiere tener sanidad para todos, se quiere tener educación para todos, se quieren tener unas

pensiones que se revaloricen con la inflación, y no se quiere tener suficiente fiscalidad. Nosotros creemos en la progresividad del impuesto. Lo que cree la derecha es que los que mas tienen CXN de pagar menos dinero y, por consiguiente, que haya o una menor recaudación -lo cual seria dramático para mantener los servicios— o que haya un mayor pago del impuesto por parte de las rentas mas bajas, lo cual seria dramático para una política igualitaria. Pero no podemos pretender tener una presión fiscal de tercera y unos servicios sociales como Bélgica.

P.- Hay quien dice que bajar los impuestos equivale a aumentar la actividad.

Presidente.- Reagan propuso una bajada de impuestos, y la llevo a efecto, diciendo que con ello iban a incrementarse los ingresos del estado y la actividad. Y añadía ese reflexión tan propia de la derecha en el sentido de que cuando los ricos ganen mas y sean mas ricos, ya se derramara algo de esa abundancia para que los pobres sean menos pobres. El informe del 92 del banco mundial dice que todas las políticas que no sean compasivas —es decir, que no tengan en cuenta lo que es la protección social y el desarrollo- son políticas que no conducen ni siquiera a una reducción del déficit. Y en estados unidos lo que ha ocurrido es un gran cambio de orientación. De pronto, ha aparecido un presidente que dice que con esta política fiscal no hay quien lleve adelante una política educativa, de infraestructuras y de sanidad publica.

P109: 96.1.txt - 109:1 (131:147) (super)

Media: ANSI

Codes: [efficiency and equality]

P.-¿Cuáles van a ser sus mensajes centrales?

Presidente.- Ya he anticipado algunos. El del empleo es un objetivo fundamental, que nos debe llevar a una reflexión de cierta trascendencia. Es un elemento básico para mantener el estado de bienestar, y el empleo solo se consigue con una

economía competitiva, o, para ser mas preciso, con unas empresas competitivas. Hay un triangulo de empleo, estado de bienestar y; competitividad que no se puede romper y que exige un nuevo contrato social. Y cuando hablo de contrato social hablo de consenso. Incluso he puesto el ejemplo de lo que se venia fraguando en Alemania, que ahora ha emergido en un primer acuerdo para intentar reducir el paro a la mitad en unos años. Yo creo que aquí la reflexión debe profundizarse. Nosotros tenemos la generación de jóvenes —mujeres y hombres— mejor preparada de nuestra historia, tanto desde el punto de vista universitario como de la formación profesional. El país ha hecho una gran inversión en capital humano, y tenemos que procurar que esas nuevas generaciones se inserten en la sociedad. Esa inserción plantea varios retos: el primero es el empleo, pero hay otros como la vivienda. Y los socialistas hemos hechos ya un plan de viviendas. Ahora proponemos uno nuevo cuya prioridad es construir viviendas para los jóvenes.

Excerpts from an interview to Miguel Boyer

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Interviewer: Joaquin Estefania.

P. Entonces, en una hipotética segunda legislatura socialista, ¿se irá a una política decididamente más expansiva? El programa electoral de 1982, ¿podría ser el de la próxima legislatura, en caso de que el PSOE repitiese el triunfo electoral?

R. Los resultados del saneamiento se verán antes de una posible segunda legislatura socialista. Quedan más de dos años de esta legislatura y el cuerpo económico español está más tonificado y va a tener una expansión sustancialmente mayor. Es un período distinto.

En cuanto al programa del PSOE, tanto éste como el discurso de investidura del presidente del Gobierno eran muy realistas respecto a la necesidad de saneamientos. Si se relee el discurso de Felipe González se

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verá que dice reiteradamente que los problemas de la inflación y el paro están íntimamente relacionados, que no se puede abandonar ninguno de los dos. El programa electoral también tiene una primera parte de saneamiento y reequilibrio y una segunda parte en la que se exponen los beneficios que se pueden obtener de ese saneamiento. Esta segunda parte tiene que comenzar a funcionar ahora, en una etapa de expansión.

(...) **P.** Este esquema teórico, a mi parecer, pertenece más a las políticas conservadoras tradicionales que a las de signo socialista. ¿No está aceptada ya como inevitable la lógica conservadora en el terreno económico? ¿Cuál es la línea divisoria entre una política económica conservadora y una progresista?

R. En macroeconomía hay pocas diferencias. Si se examinan la conductas de Gobiernos socialistas, como el sueco, el francés, el italiano o el español, las diferencias de instrumentos de política económica con Gobiernos conservadores, como el británico o el alemán, no son grandes. Confrontados a los mismos problemas de balanza de pagos e inflación, Gobiernos de ideologías distintas usan las mismas soluciones técnicas.

Lo que existen son Gobiernos con más respaldo popular, y por tanto moral, y la política de saneamiento es, consecuentemente, más fácil en estos países. Por ejemplo, el haber conseguido un acuerdo a dos años (el Acuerdo Económico y Social), con unas claras líneas de moderación salarial y de incentivos a la inversión, es algo que un Gobierno con menos apoyo popular y sindical que éste no hubiera conseguido probablemente. La actitud, ejemplarmente constructiva, de UGT en las negociaciones para este acuerdo, es una baza para que un Gobierno de izquierda resuelva los problemas económicos, de la que no dispondría en igual medida, un gabinete de otro signo.

Las verdaderas distancias entre Gobiernos conservadores y Gobiernos socialistas están en los aspectos redistributivos, de progresividad fiscal y de rigor en un tratamiento justo de las situaciones sociales.

P. Según su última respuesta, ¿cómo se puede explicar desde posiciones socialistas el hecho de que en 1984 se hayan conjugado fuertes excedentes empresariales -beneficios- con una gran moderación de los salarios? ¿No es una redistribución al revés?

Annex 4. Quotations from the interviews / 331

R. El excedente empresarial no es el beneficio: es el beneficio distribuido más la autofinanciación de la empresa para sus inversiones. Si queremos que las empresas inviertan, hay que mejorar su autofinanciación y ello no implica que se distribuyan más dividendos. No es, pues, una redistribución al revés.

Para tener más inversión mañana y más empleos pasado mañana, hay que aceptar hoy sacrificios y moderación de rentas.

Gobiernos como el francés o el sueco, socialistas, lo han explicado perfectamente apelando a que una política socialista no tiene por qué dejar de ser una política realista, de rigor. Precisamente por tener mayor respaldo popular, los socialistas tienen más autoridad moral para pedir sacrificios a la inmensa mayoría del pueblo, que son los trabajadores. Lo que no se puede en una situación de crisis tan profunda como la actual es pensar en exigir sacrificios solamente a una pequeña parte de la sociedad, la parte más rica. Hay que pedir sacrificios a toda la sociedad inevitablemente. Los socialistas no se distinguen porque no pidan sacrificios a los trabajadores, porque eso es imposible. Los socialistas se caracterizan por pedir los sacrificios inevitables, no más, y por evitar que la carga de la crisis esté injustamente repartida.

P. ¿Y cuando termine la crisis? Una vez definidos los instrumentos de política económica, ¿puede concretar los fines hacia los que caminan los socialistas?

R. Estamos hablando de aspectos instrumentales que se manejan eficaz o ineficazmente. Es obvio que los fines hacia los cuales quiere ir un Gobierno conservador y un Gobierno socialista son distintos, a pesar de que hay una afortunada convergencia en el mundo en una serie de principios básicos, como las libertades o la democracia. La idea históricamente básica del movimiento socialista, o de la izquierda, si se quiere, es la idea de una mayor igualdad en lo político y en lo económico. Los Gobiernos de derechas no tienen esta preocupación por la igualdad, aunque recientemente -no históricamente- sí se preocupan por la libertad, que es una reivindicación tradicional de la izquierda en el mundo.

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Un cierto grado de desigualdad económica es inevitable e incluso puede ser estimulante, como lo demuestran las experiencias revolucionarias soviética o china: la igualdad absoluta, la falta de estímulos materiales, hacen que no funcione el mecanismo económico. La idea fundamental de los socialistas es no aceptar más desigualdades que las estrictamente necesarias para que el conjunto de la sociedad mejore; la derecha acepta desigualdades excesivas y no justificadas, como la desigualdad de oportunidades de raíz económica...

ANNEX 5. GLOBALIZATION QUOTATIONS IN THE PROGRAMS

This annex includes all quotations referred to globalization found in the party programs.

Output generated by: ATLAS/ti Query Tool

HU: Electoral programs PSOE

File: [c:\documents and settings\maria jimenez buedo\my documents\analisisdetextotesis\electoral programs psoe restored]

Edited by: Super

Global selection criteria:

All

5 Primary Docs in query:

16 quotation(s) found for Query (Infix-Notation):

"Globalización"

P1: programa PSOE 1982.txt - 1:198 (3732:3736) (Super)

Media: OEM

Codes: [Globalización]

El mutuo entendimiento, el respeto, la globalización de las relaciones y la cooperación constituirán la base de una convivencia armónica con los países que componen el área más próxima a España y que requieren, por tanto, relaciones especiales, aunque diversas entre sí.

P1: programa PSOE 1982.txt - 1:199 (1194:1212) (Super)

Media: OEM

Codes: [Globalización]

Financiación exterior

La inversión extranjera en sus diversas formas ha supuesto un notable aporte a la economía española que en el futuro debe seguir manteniéndose. La internacionalización de la economía española debe continuar, pero enmarcada en una política global adecuada.

El diseño y aplicación de esta política requiere al menos los siguientes elementos: ampliación y mejora del aparato estadístico, reestructuración de los órganos interministeriales, definición clara de las prioridades sectoriales y regionales, capacidad de control de los precios de transferencia, beneficios, pagos por "royalties" y asistencia técnica, y sobre todo, robustecimiento de la capacidad negociadora ante las inversiones extranjeras. Los mismos principios cabe aplicar a la inversión-crédito. Nuestro endeudamiento ha de servir para financiar eficiencia y no para subvencionar la ineficiencia.

La inversión española en el exterior, especialmente la inversión directa ligada a actividades de exportación, seguirá siendo apoyada por el Gobierno, estableciéndose las garantías oportunas para impedir movimientos especulativos.

P2: programa PSOE 1986.txt - 2:271 (339:352) (Super)

Media: OEM

Codes: [Globalización]

5. UN PAÍS CON MAYOR PRESENCIA EN EL MUNDO

Cercano ya el siglo XXI, es imposible trazar cualquier proyecto de futuro sin tener en cuenta la posición de cualquier nación en

el contexto internacional y la interdependencia de los problemas y soluciones.

Nuestra generación es testigo de una creciente universalización de las formas de vida: mediante las nuevas tecnologías se ha producido un intercambio cultural, informativo y socioeconómico que hace que cualquier intento de solución deba tener necesariamente en cuenta el contexto exterior en que se produce.

Los sistemas económicos están cada día más relacionados entre sí, creándose una dependencia multilateral que hace imposible el mantenimiento de situaciones de aislamiento y proteccionismo económico.

P2: programa PSOE 1986.txt - 2:272 (208:224) (Super)

Media: OEM

Codes: [Globalización] [Riqueza]

La construcción de un tejido industrial tecnológicamente avanzado en España debe basarse tanto en la iniciativa privada como en el apoyo y estímulo del Estado. La sociedad española debe prepararse para afrontar este reto, Ello significa avanzar fundamentalmente en los siguientes aspectos:

- Modificar el aparato productivo con el fin de crear más riqueza y de ofrecer lo que la demanda social exija
- Conseguir una sociedad más flexible, en la que el ocio enriquecedor, a través de la cultura, tenga un papel preponderante.
- Avanzar decididamente en el progreso científico, estableciendo el necesario control social en la introducción de las nuevas técnicas para que se imposibiliten o minimicen los costes o efectos no deseados.
- Conseguir una mayor internacionalización económica y social, respetando las características e nuestro patrimonio cultural

P2: programa PSOE 1986.txt - 2:273 (3598:3611) (Super)

Media: OEM

Codes: [Globalización]

6.5. LA COOPERACIÓN INTERNACIONAL CONTRA LA CRIMINALIDAD

Los Tribunales de Justicia y la policía española han tenido que abordar el problema de la brusca internacionalización de la criminalidad, evidenciada tanto por el número creciente de extranjeros implicados en la aplicación de la ley penal como por la emergencia de una criminalidad transnacional organizada

Por estas razones, además de la específica cooperación que en materia de terrorismo y tráfico de drogas existe entre los diferentes Estados, se continuará propugnando en los correspondientes organismos internacionales una política criminal que tenga en cuenta esa nueva dimensión transnacional de la criminalidad y que fomente para su prevención y represión la coordinación necesaria, especialmente entre los Estados con similares problemas.

P3: programa PSOE 1989.txt - 3:150 (3013:3028) (Super)

Media: OEM

Codes: [Globalización]

Cooperación al desarrollo

La distancia entre los países en vías de desarrollo y los países desarrollados ha aumentado dramáticamente desde el comienzo en 1982 de la crisis de la deuda externa. Pero las dificultades de los países en desarrollo van más allá de los problemas planteados por su deuda externa.

En un mundo cada vez más interdependiente no cabe concebir un crecimiento estable del Norte sin abordar decididamente los problemas de desarrollo del Sur, sometido a una creciente

Annex 5. Globalization quotations in the programs / 337

presión demográfica y con una capacidad de compra prácticamente estancada

Una política de cooperación al desarrollo para estos países debe contemplar, junto con la ayuda humanitaria, aspectos comerciales, técnicos y de inversión.

Durante la próxima legislatura se realizará un esfuerzo sustancial para aproximar nuestra Ayuda Oficial al Desarrollo a la media de los países de la OCDE.

P4: programa PSOE 1993.txt - 4:132 (471:489) (Super)

Media: OEM

Codes: [Competitividad] [Globalización]

Una Política industrial que favorezca la competitividad y apoye la Internacionalización de nuestro sistema productivo.

La existencia de un sector industrial sólido es la garantía del desarrollo económico de un país, de la generación de empleo directo e indirecto y, en definitiva, de la obtención de un nivel de bienestar social satisfactorio para sus ciudadanos. Por ello, uno de los objetivos prioritarios de la política económica consiste en la mejora de la competitividad de nuestras empresas para aprovechar las oportunidades que el Mercado Único Europeo nos ofrece.

Deberán alcanzarse continuos avances en la productividad de las empresas, una mayor diferenciación de los bienes ofrecidos, la calidad en la gestión empresarial, la formación adecuada de los trabajadores, la adaptación tecnológica continua, en definitiva, un esfuerzo constante por incrementar nuestra competitividad.

La sociedad española, tiene ante sí un importante reto industrial, por lo que elaboraremos las líneas maestras de una nueva política industrial. Dentro de ella, se buscará un amplio

consenso con las partes interesadas para adaptar a las condiciones de los diversos sectores industriales.

P4: programa PSOE 1993.txt - 4:141 (3821:3831) (Super)

Media: OEM

Codes: [Globalización]

LAS CUESTIONES GLOBALES

Vivimos en un mundo que, simultáneamente, se diversifica y se hace más interdependiente, más interconectado, más uno. Nadie tiene el poder necesario para conformar a su gusto ese mundo, ni nadie tiene la posibilidad de aislarse de él. Ni siquiera un grupo de países poderosos. Hay problemas que son globales y que sólo con el concurso de todos pueden ser resueltos. Son problemas vitales: la vulneración de los derechos humanos, la proliferación nuclear, el deterioro de la atmósfera, el cambio climático, la explosión demográfica, la extensión de la pobreza y la enfermedad, el narcotráfico, el terrorismo.

P4: programa PSOE 1993.txt - 4:142 (501:520) (Super)

Media: OEM

Codes: [Globalización]

Internacionalización de la empresa española.

Daremos máxima prioridad a la promoción de las exportaciones y a la internacionalización de las actividades de las empresas. Se reforzarán y adaptarán a las nuevas circunstancias de la competencia internacional los instrumentos financieros de apoyo a la exportación de forma que el volumen, coste y modalidades de financiación resulten equiparables a los de los competidores exteriores. Se facilitará el acceso de las empresas españolas a los programas de Cooperación Comunitaria y a las instituciones multilaterales de Ayuda al Desarrollo. Se

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mantendrán los incentivos fiscales que favorecen el desarrollo de la presencia de las empresas españolas en el exterior.

Se reforzarán los servicios prestados a las empresas en el exterior a través de las oficinas comerciales y la información a las empresas exportadoras, así como los programas de formación del ICEX Potenciaremos la máxima coordinación entre las distintas instancias públicas y privadas competentes en la promoción comercial. Se facilitará la complementariedad entre las actividades del ICEX y de las Cámaras de Comercio, a través del Plan Cameral, contando con la colaboración de las Comunidades Autónomas, con competencia sobre las Cámaras de Comercio.

P5: programa PSOE 1996.txt - 5:43 (295:299) (Super)

Media: ANSI

Codes: [Globalización] [Justicia]

Frente a una economía global en la que parece imponer su ley inapelable la opinión de los mercados, oponemos nuestra convicción de que la acción pública es insustituible para reducir desigualdades y proporcionar un marco de justicia en el que cada ciudadano pueda ejercer libremente sus derechos y desarrollar sus capacidades.

P5: programa PSOE 1996.txt - 5:303 (4934:4941) (Super)

Media: ANSI

Codes: [Globalización]

Política industrial

La economía mundial está inmersa en un proceso de rápida transformación hacia un modelo perfilado por la globalización de mercados, el protagonismo de las grandes potencias comerciales y la competencia abierta. El nuevo entorno está propiciando también la revolución de los métodos productivos y los hábitos de consumo, muy influidos por los avances

tecnológicos y la homogeneización internacional de los gustos de la población, respectivamente.

P5: programa PSOE 1996.txt - 5:304 (7040:7045) (Super)
Media: ANSI
Codes: [Globalización]

La amenaza global a la paz prácticamente ha desaparecido, pero surgen nuevos riesgos. La globalización en muchos campos de la economía y de la información es un factor de acercamiento de las sociedades, pero no es capaz de evitar la aparición de intolerancias excluyentes. Hay, además, problemas colectivos que sólo podrán encontrar una solución en un marco de cooperación supranacional.

P5: programa PSOE 1996.txt - 5:305 (4289:4310) (Super)
Media: ANSI
Codes: [Crecimiento] [Globalización] [Solidaridad]

Nosotros estamos persuadidos que la Unión Económica y Monetaria es un objetivo posible y altamente beneficioso para el bienestar de los españoles, y, por ello, lo consideramos que vale la pena hacer el esfuerzo necesario para estar en ella desde el comienzo.

Creemos que es un objetivo posible. En los últimos dos años hemos ido acercándonos al cumplimiento de los criterios establecidos en el Tratado de la Unión, sin. Por ello renunciar ni al crecimiento, ni a la generación de empleo, ni a las políticas de solidaridad. En este mismo año estaremos en posición de satisfacer los criterios de inflación y tipos de interés, al tiempo que se crean las condiciones para cumplir en 1997 con los otros dos criterios de estabilidad cambiaría NI de déficit público.

Y es un objetivo altamente beneficioso. Porque la experiencia de los países más prósperos y más solidarios nos demuestra que

la estabilidad macroeconómica que garantiza la pertenencia a la Unión Monetaria Europea

Es el mejor camino para sostener el crecimiento económico y, la Generación de empleo en una economía abierta e interdependiente. La supuesta contradicción entre el crecimiento estable y no inflacionario y la creación de empleo no existe. La amplia experiencia internacional indica que con más déficit y más inflación lo que se consigue es más paro y menos prosperidad. lo que hace imposible las políticas de solidaridad.

P5: programa PSOE 1996.txt - 5:307 (767:775) (Super)

Media: ANSI

Codes: [Globalización]

- Seguir favoreciendo la creación de un clima favorable a la empresa, mediante actuaciones específicas de mejora de la competitividad de las pequeñas y medianas empresas. Para ello, se eliminarán los obstáculos administrativos y normativos existentes para su creación y desarrollo, se mantendrán los incentivos a las nuevas iniciativas empresariales, el apoyo al esfuerzo inversor de las empresas en I+D y en formación profesional de sus recursos humanos y los incentivos fiscales a la creación de empleo, así como el apoyo a la internacionalización de las empresas españolas.

P5: programa PSOE 1996.txt - 5:308 (4540:4552) (Super)

Media: ANSI

Codes: [Globalización]

APOYO A LA COMPETITIVIDAD EL CRECIMIENTO Y EL EMPLEO

Una de las líneas centrales de la política económica seguida en la pasada legislatura, ha sido el apoyo a la actividad de las

empresas, a la inversión y el empleo. En esta política ha tenido un papel destacado la política fiscal.

Para los próximos años, la entrada en vigor de la Ley del Impuesto sobre Sociedades en 1996, supondrá continuar con esa línea de apoyo a la actividad productiva y de forma estable, ya que la Ley contiene medidas fiscales de apoyo a las PYMES y a la internacionalización de las empresas españolas. Asimismo se han mejorado los incentivos a los gastos en formación profesional, a actividades en I+D y a la actividad exportadora, y se mantiene para el ejercicio de 1996 la deducción por inversiones del 5%.

P5: programa PSOE 1996.txt - 5:309 (5194:5199) (Super)

Media: ANSI

Codes: [Globalización]

APOYAR LA INTERNACIONALIZACIÓN DE NUESTRAS EMPRESAS

Queremos seguir impulsando políticas activas que favorezcan la presencia de nuestros productos y de nuestros servicios en los mercados exteriores, mediante:

a) Medidas dirigidas a mejorar la eficacia del sistema de crédito a la exportación.

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