

## **Socio-economic Inequality and the Rational Candidate**

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### **Abstract**

Socio-economic inequalities began increasing in many Western-liberal democratic countries, including Canada and the United States, approximately three decades ago. The middle class has become polarized leading to an income gap and shift of the median voter. Accordingly, the question of when it will become “rational” for a candidate to campaign on the issue of economic inequality is analysed in this paper. Through the use of rational choice theory, it becomes apparent that when the median voter shifts to a lower socio-economic stratum, candidates will find it rational to campaign on the issue of socio-economic inequality. An analysis of the 2012 US Presidential election campaign and the November 2013 by-election of Toronto-Centre provide empirical support for when socio-economic inequality becomes a rational choice for candidates and parties to campaign on.

### **INTRODUCTION**

Beginning in the late-1970s socio-economic inequalities began emerging as a fundamental problem in many Western liberal-democratic states, including the United States, Canada, and the United Kingdom (Bartels, 2008; Dallinger, 2011; Gornick and Jantti, 2013; Neckerman and Torche, 2007; Solt, 2008). We define “democracy” as being the wide participation of citizens in all levels of government. However, the implications of growing socio-economic disparities give rise to concerns about citizen participation, as well as to the health and viability of democracies and democratic institutions. If socio-economic inequalities pose such a serious threat to democracy and democratic institutions, what does it take to get it on a government’s agenda?

The potential problem in raising awareness, or support, for dealing with growing socio-economic inequalities is that resources, power, and subsequent ability to affect government agendas and policies become unequal (Bartels, 2008). Accordingly, the ability of everyday citizens to affect change increasingly becomes limited. Consequently, increasing social and economic inequalities directly relate to political inequality, which ultimately becomes a reinforcing cycle. Thus, growing disparities will continue to increase unless there is a condition that will influence governments to do something. Under what conditions would a government commit to curbing and reversing inequalities? Perhaps this is too large of a question for scholars to accurately predict. Perhaps a more reasonable starting point would be to ask, under what conditions would a rational political candidate choose to campaign on the issue of socio-economic inequality?

In answering this question, the argument put forward by Simon (2002) insists that candidates will only campaign on certain issues if they believe doing so to be a rational decision, i.e. there must be an incentive to do so. Consequently, candidates will only prime an issue if they believe that, by doing so they will attract a majority of voters. Thus, if the majority of the electorate sit closer to the bottom of the socio-economic scale, and the middle class has basically disappeared, then candidates are more likely to take the issue of inequality seriously and make it salient. Arguably, this can be said to have occurred during the 2012 US Presidential election campaign. Obama arguably ran a campaign structured around class welfare and the prevalent income inequality (McCall, 2012). The November 2013 by-election in Toronto Centre is another example, where two candidates ran principally on the issue of inequality.

A closely related argument to Simon (2002) is that of Karen Long Jusko. Jusko asks, “[u]nder which conditions will electoral rules and electoral geography create incentives for the strategic mobilization of low-income citizens?” (2013: 5). Associated with this question is another, under what conditions will candidates and parties run on the issue of income inequality? Ultimately, what one wonders is how increasing socio-economic inequalities affect campaign dynamics? Specifically, when does the issue of inequality fit Simon’s (2002) game-theoretic model and Lynn Vavreck’s (2009) theory on insurgent campaigns, and influence the strategies of how a “rational” candidate would, or does act? Under what conditions would candidates find it rational to make inequality a salient issue during a campaign?

This paper argues that when the median voter falls lower on the income distribution scale, candidates will find it rational to run a campaign on the issue of income inequality. In other words, when candidates and parties believe that by making the issue of inequality salient, they will win seats and ultimately the election will they incorporate this issue into their election platforms and campaigns. This paper is structured into three major parts. The first will define and explain what is meant by inequality and address why it fundamentally matters to democracies. Accordingly, the different types of inequality including income, wealth, social, and political, will be explained. Subsequently, cross-country and time-period trends will be analysed to emphasise the rising disparities seen in a majority of Western liberal-democratic states. However, the United States and Canada will be the primary focus of this analysis.

The second section will then analyse the middle class, including the numerous definitions associated with this “class”. Specifically, this section will examine the claim that the middle class is disappearing and why this is important for elections. Primarily, this section will emphasise those conditions that lead to candidates running on the issue of income inequality. It will become evident that if one believes candidates to be rational actors, then only when the conditions are “right” will candidates choose to run on certain issues. In explaining this argument, the game-theoretic model put forward by Simon (2002), alongside the theory of insurgent campaigns presented by Vavreck (2009), will be used.

The final section will present two case studies that highlight these theories in “action”. The 2012 US Presidential election, along with the November 2013 by-election in Toronto Centre, will be examined. It is with the analysis of these two case studies, along with the theories of Simon (2002) and Vavreck (2009), that the answer to the above questions – of under what conditions will candidates and parties run on certain issues – will become apparent.

## **RISING INEQUALITIES: WHAT OF IT?**

## Explaining Inequality: Measuring, Types and Trends

In its very basic sense, socio-economic inequality is understood as occurring when “disparities of wealth, income, human capital [including] skills and knowledge, and opportunities” (Janmaat, 2008: 183) exist in a given society. Accordingly, in order to adequately explain what socio-economic inequality is, several different types of measurements may be used. However, for the purpose of this paper, the Gini coefficient and income distribution will primarily be utilized.

The Gini coefficient is defined as:

“A measure based on the disposable income of households adjusted for household size, as defined by the Organisation for Economic Co-operation and Development (OECD)... [Accordingly, it] assigns a numeric value to disparity, ranging from 0 to 1, where 0 corresponds to no disparity (i.e., everyone has the same income), and 1 corresponds to extreme disparity (i.e., where one person has all the income, and everyone else has zero income).”  
(Glossary HRSDC, 2013)

In this definition, “disposable income includes all cash and near-cash earnings, capital income, other private income, public transfers, less direct taxes” (Gornick and Jantti, 2013: 7). As a result, by using this measurement, cross-country analyses can easily be conducted. Thus, according to Gornick and Jantti (2013), the United States is the second most unequal country in the OECD with a Gini coefficient of 0.377. The United Kingdom, similar to the US, ranks number four with a Gini coefficient of 0.352. All the while Canada ranks somewhat better, with a Gini index of 0.324<sup>1</sup> as of 2007. Although by these coefficients alone we can conclude that the amount of equality differs across these countries, they do not tell us trends in rising or declining inequality. Thus, over-time analyses must also be conducted.

According to Foster and Wolfson (2010), Canada’s Gini index was 0.297 in 1988, and the United States coefficient was 0.357. Accordingly, by these indexes alone, we can induce that inequalities have in fact increased over the last two decades. Indeed, Sharpe and Capeluck (2012) argue that Canada has seen an increase of just over nineteen percent between 1981 and 2010 in its Gini coefficient. Consequently, due to the growth of income inequality, by the late 2000s Canada ranked 24th out of 35 OECD countries for after-tax income equality (Sharpe and Capeluck, 2012).

Thus, we can conclude that disparities have indeed grown over the last several decades. However, who and where the increases have affected and occurred most are not so easily discernible. Thus, income distribution, along with income growth, must also be examined. According to Bartels (2008), analysing incomes in the US in 2005 dollars, working poor families comprising those below the 20<sup>th</sup> percentile, or the bottom 20 percent, earned less than \$26,000. Whereas middle class families comprising the 40<sup>th</sup> to 60<sup>th</sup> percentiles, earned on average just over \$56,000. However, affluent families, comprising those above the 80<sup>th</sup> percentile, or the top

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<sup>1</sup> Note that these Gini coefficients predate the economic crisis of 2008, and consequently, current Gini indexes may not necessarily be the same and have most likely increased. However, current Gini coefficients are not available.

20 percent, earned at least \$103,000, and the even more affluent – that is, the top 5 percent – earned more than \$184,000 on average.

Bartels (2008) states that since the end of the Second World War, “the average rate of real income growth was about 1.4 percent per year for families at the 20<sup>th</sup> percentile” (Bartels, 2008: 7); whereas families at the 95<sup>th</sup> percentile saw on average 2 percent growth. This translates into increases of less than \$15,000 and almost \$130,000 in real income of families at the 20<sup>th</sup> and 95<sup>th</sup> percentiles, respectively. Dahl’s *economic notables* – the top 0.1 percent of income-earners– have seen their share of income more than triple, going from approximately 3 percent in the late 1950s to almost 11 percent by 2005 (Bartels, 2008). Concurrently, the top 1 percent saw their shares more than double, moving from just over 10 percent to almost 22 percent (Bartels, 2008).

In comparison, the Canadian government has stated that income disparities have also increased, particularly, between 1995 and 2011. Families at the 20<sup>th</sup> percentile saw their after-tax incomes increase by 12.7 percent, while families in the middle saw an increase of just over 23 percent, and all the while families at the 80<sup>th</sup> percentile saw an increase of 37 percent. Furthermore, “the difference between the top-20 percentile income group and the bottom-20 percentile” (HRSDC, 2013) grew by 41 percent, increasing from approximately \$88,000 in 1995, to over \$124,000 in 2011. Simultaneously, the difference between the top-20 percentile and the middle-60 percentile’s incomes, increased from approximately \$58,000 to \$86,000, or by nearly 48 percent (HRSDC, 2013).

Once more, from the above data, we can conclude that inequalities have undoubtedly increased in both the United States and Canada over the last few decades. Needless to say, the experiences in these countries have differed, as have their resultant rates of inequality. However, what the resultant implications could be must also be addressed.

### Why does this matter?

In a political system where nearly every adult may vote but where knowledge, wealth, social position, access to officials, and other resources are unequally distributed, who actually governs? – (Dahl 1961 quoted in Bartels, 2008: 1)

Dahl’s question poses intriguing implications for countries where inequalities are on the rise. As the previous section exemplifies, socio-economic inequalities have increased, implying that disparities in resources have also increased. Does this mean that governance itself has become unequal? If so, are politicians as accountable to the public as they arguably should be? If not, then, how viable and realistic is democracy in countries where stark disparities exist? Thus, if politicians and governments insist they are democratic, do the issues of inequality, particularly economic and to an extent social, become an important issue for candidates and parties to campaign on?

Solt argues that “economic inequality powerfully depresses political interest, discussion of politics and participation in elections in all but the most affluent” (2008: 48). Other scholars argue that high levels of inequality also “[cause] voter disillusionment, widespread distrust, perceptions of unfairness, and ultimately disenfranchisement” (Gornick and Jantti, 2013: 4).

Thus, it becomes “worrisome that inequality seems to adversely affect political participation and the nature of political decision making” (Gornick and Jantti, 2013: 4).

Neckerman and Torche (2007) argue that one of the major implications of socio-economic inequalities is the adverse effects on social capital and general trust. Although it is argued that social capital has been steadily decreasing since the 1960s, well before the growth of socio-economic inequalities, it has been suggested that these inequalities have perpetuated the diminishing social cohesion of Western democratic societies, ultimately contributing to declining social capital (Janmaat, 2008). Neckerman and Torche argue that “long-term declines in social capital are associated with rising income inequality and that levels of trust and civic participation are lower in areas with greater income inequality” (2007: 344). In other words, increasing inequalities adversely affects social capital, which in turn affects political participation. Declining social capital and increasing economic disparities have also been argued to be contributing to deteriorating social relations and increasing economic segregation between the affluent and less affluent (Neckerman and Torche, 2007).

Neckerman and Torche argue further that,

Economic inequality may become more entrenched through the attainment process, as economic disadvantage is compounded by disadvantages in health, education, and other domains, through growing segregation in residence and social relations, and through politics, as power and influence become more concentrated among the affluent. (2007: 345-346)

In other words, socio-economic inequalities may be compounded by a vicious cycle of poor education and health, and social and economic segregation. This all is argued to be contributing to further disadvantages and reduced opportunities, continuing the cyclical nature of socio-economic inequalities into future generations.

Socio-economic inequalities are intrinsically connected to political inequality. Similar to the above societal issues, socio-economic inequalities have severely influenced and affected political equality, participation, and public engagement in most Western democratic states (Dahl, 2006; Neckerman and Torche, 2007; Solt, 2008). The fact that not only income, but also wealth, is so unevenly distributed in democratic societies, especially in the US, the UK, and Canada, means that the political scales are tipped in the favour of the wealthy (Solt, 2008).

The serious problem associated with unequal wealth distribution, is how it adversely affects political equality. According to Dahl (2006) wealth contributes to the political resources of an individual. Thus, if wealth is distributed unevenly, so are political resources. Dahl defines political resources as “is any means that a person can use to influence the behavior of other persons, [including] money, information, time, understanding... social standing, effective rights, [and] votes” (2006: 51). Therefore, someone who is wealthy has the money to influence political behaviors and decisions of other individuals, communities, governments and possibly even whole societies.

Solt contributes to the argument that socio-economic inequalities contribute to political inequality and “[depress] political engagement, particularly that of poorer citizens” (2008: 48). He suggests that “economic inequality powerfully depresses political interest, discussion of

politics, and participation in elections among all but the most affluent” (Solt, 2008: 48). He continues by arguing that “where income and wealth are more concentrated, power will also be more concentrated” (Solt, 2008: 48), suggesting that less affluent individuals will be turned away from participating in the political process as they will see that it is not worth their time and effort. This may be a major factor contributing to the declining voter participation seen in most Western liberal democratic countries.

Another serious implication of rising socio-economic and political inequalities is diminishing trust and faith in the democratic political system (Neckerman and Torche, 2007; Janmaat, 2008). Janmaat argues that “the poor have [indeed] lost faith in liberal democracy as a political system responsive to their needs” (2008: 180). Therefore, if individuals of lower socio-economic standing feel that the political system no longer meets their needs they may turn their back on the system, which could lead to many other issues, such as political instability (Solt, 2008; Janmaat, 2008). Janmaat suggests that,

If the poorer sections of a population feel increasingly abandoned by representative democracy, they may no longer accept its rules and laws as legitimate. This in turn might induce them to take illegal violent actions to achieve their aims...the emergence of an underclass which is increasingly alienated from the rest of society constitutes a time-bomb jeopardizing a democratic order. (2008: 181)

Accordingly, one of the fundamental questions currently being asked is, how does and is economic inequality affecting politics in both Canada and the United States? Primarily, how has the increase in social and economic inequalities affected the middle class? Is the middle class disappearing? If so, where are they going? How, then, does this affect political representation? More specifically, does a disappearing middle classes affect how candidates run election campaigns? What does it take for candidates to run on issues such as inequality? Does it matter where the majority of voters sit in relation to economic status?

Thus, from the above, we can conclude that rising inequalities are a serious problem for Western liberal-democratic countries. Accordingly, one begins to wonder, why has it not been addressed yet? What does it take to get the issues of both social and economic inequality on the agenda of governments? In the next section, the circumstances that ultimately dictate when the issue of inequality will be addressed by governments will be examined. In particular, it will be argued that only under certain circumstances – that of the shifting median voter – will candidates through election campaigns address the issue of income inequality.

## **THE DISAPPEARING MIDDLE CLASS AND THE RATIONAL CANDIDATE**

### Who and What is the Middle Class?

Thus it is manifest that the best political community is formed by citizens of the middle class, and that those states are likely to be well-administered, in which the middle class is large... where the middle class is large, there are least likely to be factions and dissension. (Aristotle 306 BC in Easterly 2001, 317)

The next major question, associated with growing inequality, that must be addressed is, what about the middle class? More specifically, what has happened to the middle class and the median voter? Unfortunately, defining the middle class is about as easy as having a cohesive postmodern definition of feminism. In other words, it is complicated and depending on which approach one takes, there are numerous different defining factors. Accordingly, if one takes a purely economic approach, income or consumption distribution are used as a gauge to measure who are categorized as middle class. However, if one takes a sociological approach, education and occupational characteristics are used. Consequently, there is no real consensus on one definition for middle class.

For that reason, if one wanted to have a truly holistic understanding of the dynamics of the middle class, both economic and sociological definitions should be used. However, for the purpose of this paper's argument, the economic definition of income will be used. There are a number of benefits associated with this approach. First, it allows citizens to link the idea of the middle class to the economy, which is fundamental to most individuals, as well as to election campaigns. Second, the definition itself allows researchers to gain an insight into what most people term the "growing gap"; that is, the growing income disparity between the rich and the poor. Third, this approach is the simplest in terms of understanding and explaining, and will be more than sufficient for a paper of this length.

Accordingly, to define the middle class in terms of income through the economic approach, we must first define the class's limits. The simplest definition is defining the middle class in relation to any particular country's income distribution. Accordingly, Gornick and Jantti define the middle class as "those households that fall in the 'middle' ... of the income distribution" (2013: 9). I.e. the middle 60 percent of the income distribution, with the most affluent comprising the top 20 percent, and the poor, or those at risk of poverty, in the bottom 20 percent (Gornick and Jantti, 2013).

However, this middle 60 percent encompasses an incredibly large area of both income distribution and population spread, and it does not allow for easy analysis of the trends in income, or growth. Thus, as several scholars have suggested, the middle 60 percent should be split into three distinct groups, so that there is a lower-middle class, a middle-middle class, and an upper-middle class. Consequently, Dallinger (2011) argues that by differentiating the middle class into the three groups, the middle class subsequently becomes analytically useful, as patterns of growth in income, or disparities, are not necessarily the same across the groups.

Accordingly, with dividing the middle class into three more groups, we find that we now have five percentiles to work with for analysing the income distribution in society (Gornick and Jantti, 2008). This approach enables different questions to be answered, and we can compare characteristics of middle classes (absolute income levels; wealth holdings; political behaviour) across countries, time, and income definitions. A quick note must be addressed here, that is, both the top and bottom 20 percentiles can be divided further to get a deeper understanding of exactly where income growth has been the most or least beneficial (Gornick and Jantti, 2013; Bartels, 2008). However, for the purpose of this paper's argument, and this section, only the middle class will be analysed.

#### Income Polarization and the *New Median Voter*

Now that we have a working definition of what is, and who comprises, the middle class we can examine what has happened to their share of income over the last 30 or so years. Going back to the definition of inequality, we find that associated with rising disparities, is the polarisation of income. Income polarisation is described as occurring when households move both toward the top and bottom of the income distribution, resulting in the hollowing out of the middle. Subsequently, upgrading occurs when households move towards the top percentiles, whereas downgrading occurs when households move towards the bottom percentiles.

Dallinger argues that as of 2011, the upper classes of the United Kingdom and the United States have 3.3 and 3 “times more market income share than the middle” (2011: 16), respectively; indicating that the distance between the middle and top has grown. Furthermore, this trend is not unique to the UK and the US, but in many countries, “the top [percentile] has [in fact] pulled away from the middle in market income” (Dallinger, 2011: 16). A consequence resulting from “a ‘top-heavy’ growth in income inequality” (Gornick and Jantti, 2013: 101) is that the relative household incomes of the middle class tends to be reduced, “leading them to fall even further behind those at the top of the income distribution” (Gornick and Jantti, 2013: 101).

Consequently, as the middle class lags further and further behind, and due to increasing disparities and ultimately a hollowing out of the middle, the median voter’s position has also shifted. According to Bartels, a “*median voter* [is the] ideological centrist whose vote should be pivotal in any collective decision arrived at, directly or indirectly, by majority rule” (2008: 26). Accordingly, the *new* median voter is now sitting closer to the bottom, less affluent percentiles.

Accordingly, there are many concerns over the deteriorating middle class and its effect on socio-economic inequalities. This is because, historically, it has played a crucial role in the development of Western democratic political institutions, as well as economic growth and prosperity in these societies (Easterly, 2001; Foster and Wolfson, 2010). Correspondingly, the middle class has historically played a vital role as a mediator between the affluent and non-affluent classes, as well as provided a voice for those without one (Dallinger, 2001). Foster and Wolfson argue that “[a] healthy middle class is necessary to have a healthy political democracy. A society made up of rich and poor has no mediating group either politically or economically” (2010: 248). Dallinger suggests that “[a] decline of the middle class is seen as problematic not just because it means an expansion of the lower class, but because [it] is taken as evidence of having successfully achieved social equilibrium” (2011: 2). Therefore, it is essential for the maintenance of political stability, social balance, and economic growth to have a large middle class.

### The *New* Median Voter and Implications for Election Campaigns

Now that we have established that the middle class is essentially being “hollowed out”, we can examine how this will affect election campaigns and, more specifically, candidates’ rationality. Rationality, according to Vavreck, “refers to the decisions about the means of achieving a goal” (2009: 27). Consequently, a candidate is acting rationally when they commit actions that they believe will help them achieve their goals. Therefore, it would be entirely rational for a candidate to use her or his resources to mobilize the new median voter as they are an “important facilitator of campaign effects” (Johnston, Hagen, and Jamieson, 2004: 176), as well as are implicit in the outcomes of elections

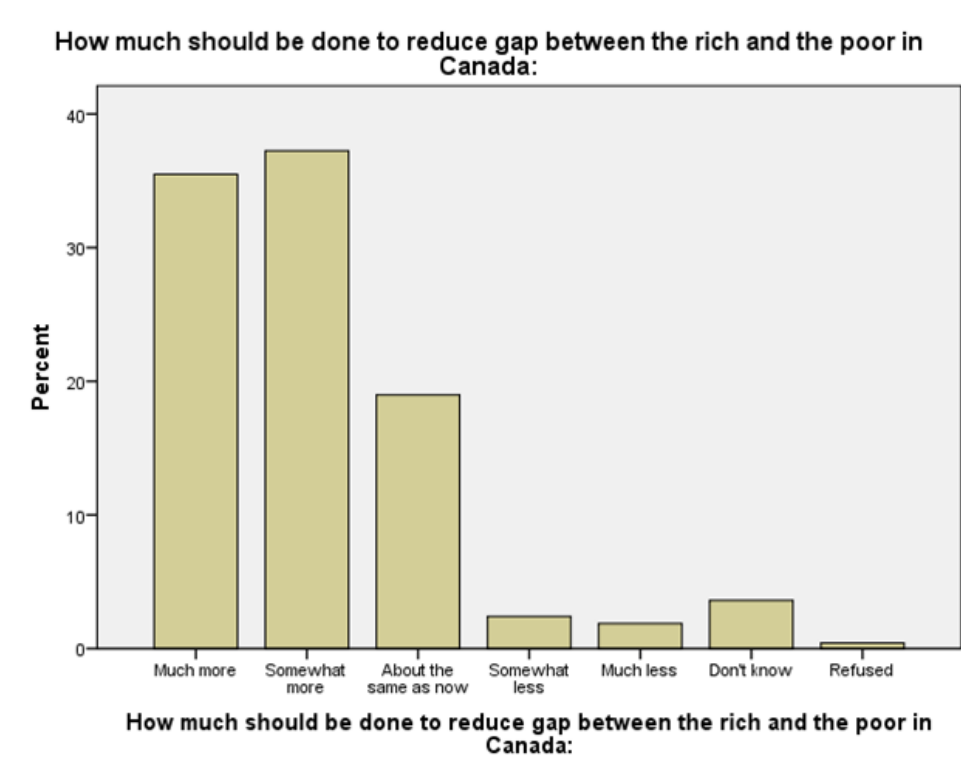


In keeping with this, Simon (2002) argues that candidates will only discuss certain issues during campaigns if doing so will maximize their vote share. Using the game-theoretic model, the issue of income inequality and the associated ‘gap’ between affluent and non-affluent citizens will only be addressed if candidates and parties feel and believe that it will help them to win the election. Thus, with a declining, or polarized middle class, and an inflating lower socio-economic class and subsequent cohort of voters, candidates are expected to run on the issue of income inequality more in upcoming elections. Accordingly, we can see that this has already begun to occur in recent elections, for instance, in the 2012 US Presidential election and the November 2013 by-election of Toronto Centre, both of which will be examined further in the next section.

Bartels argues that “wealthier and better-educated citizens are more likely than the poor and less-educated to have clearly formulated and well-informed preferences, and significantly more likely to turn out to vote” (2008: 252). Accordingly, Jusko (2013) and Simon (2012) argue that this is clearly factored into the calculations of candidates and parties when they are formulating their campaign strategies. Therefore, only when a significant proportion of voters fall into the latter categories will candidates and parties “pay” attention to them and actively try and mobilize this sector.

This is also related to Vavreck’s theory of insurgent campaigns. Vavreck (2009) argues that a rational candidate will make certain issues salient and run an insurgent campaign when either the economy is not favouring them, or when they believe that they have an upper hand on some issues. Arguably, this is what occurred during both the 2012 US Presidential election and the November 2013 by-election in Toronto Centre.

Another argument that relates to the above theories is public awareness and opinion on specific issues. Accordingly, if there is enough public pressure on the government, candidates contending for government will find it rational to campaign on these issues. Accordingly, the following bar graph is representative of survey results conducted by the Canadian Elections Studies in 2011. It emphasises the growing public awareness and concern regarding the income gap in Canada.



Consequently, with the increasing awareness of income inequality in the general public, the issue of income inequality is becoming a rational issue for candidates to campaign on. Subsequently, both Vavreck (2009) and Jusko (2013) argue that the campaign message matters in mobilizing lower socio-economic status voters. Accordingly, if a candidate chooses to run on the issue of income inequality, they necessarily must mobilize the cohort of voters whom will make the most difference.

### **CASE STUDIES: US 2012 and TORONTO 2013**

#### 2012 US Presidential Election

During the 2012 Presidential election, the incumbent, Democratic President Obama, ran an intriguing campaign. Obama chose to emphasise the issue of income inequality as part of his electoral campaign (McCall, 2012). This was intriguing due to the fact that, prior to this particular election, no candidate running for President, as either incumbent or opposition, had included the issue of inequality in their platform. By doing so, was Obama acting as a rational candidate should? If so, how is it possible that a candidate campaigning in the second most unequal of the OECD countries managed to make the issue of income inequality such an integral part of his re-election campaign? In order to answer these questions, we must turn to Simon's (2002) game-theoretic model, Vavreck's (2009) theory on insurgent campaigns, and Jusko's (2013) theory on mobilizing the electorate.

Recall that a candidate acts rationally when they utilize the means at their disposal for the purpose of achieving a specific goal, e.g., re-election as President. Thus, by choosing the issue of income inequality, Obama effectively chose an issue that had surprisingly gained serious grounding in the American public's mind, and interests, in the year prior to the election. This

was primarily the result of the *Occupy Wall Street* movement that began in 2011. Accordingly, “between September and November 2011, references to income inequality in the American national media increased by a factor of five” (Gornick and Jantti, 2013: 5). By emphasizing the issue of income inequality, and proposing ways to curb the growing disparities, Obama was effectively persuading and mobilizing the electorate in favour of his campaign.

Associated with this, Obama was also effectively running, as Simon’s game-theoretic model dictates, a rational campaign. This is because, as was previously alluded to, the median voter is now closer to the bottom of the income distribution scale. Thus, since a majority of the electorate now sit closer to the bottom percentile, it has become rational for a candidate to campaign on the issue of income inequality, as it is more likely to help, rather than hinder, the candidate’s chances at winning. Accordingly, the two candidates running during the 2012 Presidential election, in fact presented themselves as extreme opposites in regards to income inequality. The challenging candidate, Romney, presented himself, through his gaffes and election campaign, as someone who was not willing to deal with issue of income inequality. Accordingly, Romney was seen as the wealthy “man’s” candidate, as he was consistently portrayed in the media as such. Thus, the electorate who felt that income inequality was a major problem were turned away from Romney, and consequently backed Obama.

Not only did Obama’s campaign strategy fit Simon’s game theoretic model, but he effectively ran an insurgent campaign as well. Although Vavreck (2009) argues that an insurgent campaign is technically set prior to an election campaign actually commencing, under the specific circumstances occurring during the election, Obama switched tones in mid-summer, effectively making an insurgent campaign with his emphasis on income inequality. This occurred for a number of reasons. First, the economy was still somewhat deficient during 2012, and the persistent rates of relatively high unemployment were not boding well for re-election. Thus, it became imperative to find and focus the campaign onto something more substantive, and beneficial, which, subsequently, became the issue of income inequality. Thus, by Obama shifting the focus of the 2012 “election campaign away from health care and unemployment [onto] income inequality” (Yakabuski, 2012), Obama effectively ran both an insurgent and strategic campaign.

Accordingly, by emphasising the issue, Obama was as Jusko (2013) argues, mobilizing the cohort of voters who the message mattered the most to. In this case, it was both the middle and working classes. One large part of Obama’s inequality message was his proposed plans to increase taxes on the wealthiest, or top-1 percent, of Americans. This is a clear policy proposal to deal with the income gap that the majority of the American electorate could understand with relative ease. Subsequently, one article during the election campaign captures this perfectly. It stated that,

“Obama moved... to revive his push for higher tax rates on the wealthiest Americans, making the proposal a key plank of his re-election strategy. It marked a new offensive in his attempt to cast Republican nominee Mitt Romney as a ruthless corporate raider whose policies would protect the rich... [accordingly] polls show that a majority of Americans believe the wealthy should pay more in taxes” (Yakabuski, 2012)

Therefore, from this we can conclude that Obama's re-election campaign strategy was indeed rational, and that he acted as a rational candidate should, i.e. with the purpose of capturing the most votes and consequently being re-elected as President.

### 2013 Toronto Center by-election

The second case study, that of the November 2013 by-election of Toronto-Centre, is also an interesting case. As the election campaign unfolded, what was a multi-party race became focused on only two candidates due to the issues raised. Essentially, the two front-runners, the Liberal candidate Chrystia Freeland and NDP candidate Linda McQuaig, effectively based their campaigns on the issue of income inequality, which was already a primed and salient issue for the electorate, as previously indicated by the bar graph. How and why both candidates went about it is also interesting. Both candidates have written extensively on the issue of income inequality and are arguably activists in pushing for the Canadian government to step up, stop, and decrease socio-economic inequalities.

In conjunction with both candidates' active histories in acknowledging income inequality as a fundamental problem in democratic countries, the parties and party leaders backed their respective candidates' campaign platforms. Accordingly, both the federal NDP leader, Thomas Mulcair, and the federal Liberal leader, Justin Trudeau, had gone on the public record discussing this and the related issue of the disappearing middle class. Accordingly, Tony Coulson, the vice-president of corporate and public affairs at Environics Research, stated that by addressing the middle class, "people may [have felt that they were] being reached out to [by] a politician" (Payton, 2013). Consequently, we see the attempt of the candidates and associated parties in mobilizing the electorate in favour of their respective positions.

However, how the issue of income inequality was raised during this election can be argued as resulting from McQuaig's attempt at running an insurgent campaign. Accordingly, she stated that the "people [in Toronto-Centre were] more concerned with the lack of affordable housing, public transit, and federal subsidies" (CBC News, 2013) than they [were] of the economy or other issues. Accordingly, Nathan Rotman, the national director of the NDP, coincided with McQuaig and stated that, though people were told that the economy was doing well, they did not necessarily feel that it was working for them.

However, in order to be a real insurgent campaign, the other candidates would not be able to run a counter campaign on the same issue. Therefore, because the Liberal candidate, Freeland, was also actively aware of income inequality, she was able to counter McQuaig's insurgent campaign, and was able to run an effective clarifying campaign, as the Liberal party was the incumbent party. Ultimately, what occurred was that both candidates chose to campaign on the issue of income inequality, acting rationally as this was already a salient issue, particularly for this riding. Their ultimate goal was to mobilize as many supporters as possible. However, because both candidates chose this issue, how their respective campaigns functioned ultimately determined the final outcome, which eventually saw the incumbent party win.

## **CONCLUSION**

In conclusion, the argument presented in this paper suggests that the growing inequalities currently seen in Canada and the United States will increasingly become an important issue for

candidates to run on during election campaigns. By priming the issue, voters will become increasingly enlightened on the topic, consequently candidates and parties will have no choice but to earnestly consider the significant issue of income, and the related matters, social and political inequalities. Therefore, it will increasingly become rational for candidates to campaign on this issue, and accordingly, for governments to commit resources in curbing the income gap. By increasing the number of candidates and parties running on the issue of income, and to an extent social, inequalities, the government in these countries will eventually incorporate the issue of socio-economic inequality into their respective agendas, which will eventually lead to a curbing of inequalities. Consequently, “as Canada's politicians refine their messaging in the two years leading up to the next federal election, the focus on "middle-class priorities" is [only] bound to get sharper” (Payton, 2013), as is the focus on closing the income “gap”.

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