Marcus Kreuzer

Money, Votes, and Political Leverage

Explaining the Electoral Performance of Liberals in Interwar France and Germany

The capacity of political parties to adapt to rapid political change has received little attention. The literature on parties usually studies political organizations from either a sociological perspective, as if they are automatically transformed by socioeconomic changes, or a rational choice perspective, as if they optimally adapt themselves to environmental changes. Neither approach pays sufficient attention to parties’ internal decision making and its effect on their capacity to innovate. This article compares the Parti radical

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(French Radical Party, Radicals) with the Deutsche Demokratische Partei (German Democratic Party, DDP) and the Deutsche Volkspartei (German People’s Party, DVP) during the interwar period to demonstrate how electoral mechanisms can systematically account for their different innovative capacities.

The late nineteenth century’s insertion of mass politics into the liberal constitutional and economic order had major and frequently unanticipated consequences for its architects. Where liberals long had championed the rule of law, rationalism, and deliberation among disinterested elites, they now faced unfettered popular sovereignty, emotionally charged nationalism, and partisan conflict among political mass organizations. Liberals saw the effectiveness of their notable style of politics steadily undermined by these developments. Additionally, they saw their middle-class support base threatened by the distributional consequences of postwar inflation.

French and German liberals had markedly different success in coping with mass politics and postwar inflation. After winning 23% of the votes in 1918, the DDP and DVP’s support dropped precipitously to 16% in the mid-1920s and 2.2% in 1932. The Parti radical, on the other hand, lost only marginal electoral support. Its prewar vote share of 20–25% gradually dropped during the interwar period to 17–18% in the 1930s. This striking divergence in the electoral performance owes less to national differences in mass politics and inflation than to the party-internal choices of French and German liberals. Unlike the DDP and DVP, the Parti radical successfully rebuilt its organization after the war and adapted it to the ever-quickening pace of mass politics. This responsiveness allowed the Radicals to compete more effectively than German liberals in the increasingly polarized and professionalized interwar elections. Similarly, the Parti radical dealt more successfully with the distributional consequences of inflation. Its economic platform responded far more equitably than German liberals’ platforms to the divergent preferences about when and how to deflate that existed among the three parties’ wealthy, well-organized industrial backers and their vote-rich but unorganized middle-class voters. As a result, the Radicals protected their middle-class electoral base better than the DDP and DVP did.

Theoretically, three factors require attention: structural constraints, party-internal political equilibria, and institutional factors. First, structural constraints imposed by mass politics and postwar inflation need to be com-
Mass Politics

The shift from notable to mass politics involved a fundamental, qualitative transformation of electoral politics. In both countries, this transformation was set in motion by the introduction of universal male suffrage in 1870–71 and industrialization after the 1880s. In essence, mass politics transformed the legal, social, and organizational basis of electoral politics. In very similar ways, it required French and German liberals to modernize their logistical infrastructures so that they could keep up with their better-organized opponents and effectively campaign in increasingly partisan electoral contests. French and German liberals haltingly responded to mass politics. They clung to notable politics as much as possible and accommodated mass politics as little as necessary (Nipperdey 1961; Sheehan 1978; Berstein 1980; Bardonnet 1960). World War I amplified the logistical challenges of mass politics. It contributed most immediately to the organizational collapse of the liberal parties, which ceased to function during the war. The first task of liberals after the war, therefore, was to reestablish local party branches, revive party newspapers, and recruit new candidates. This was not an easy undertaking, since many activists either died in the war or were preoccupied with their own economic survival.

World War I accelerated the long-term organizational challenges that mass politics posed for the liberals’ notable style of politics. The war economy led to the rapid organizational consolidation of economic interest groups and the establishment of corporatist arrangements. This changed political economy, in turn, required political parties to improve their organizational capacities by modernizing their logistical infrastructures and governance mechanisms (Maier 1975). Moreover, wartime propaganda, the front experience, and the Versailles Treaty ignited political emotions and nationalist sentiments that diminished the already limited prewar appeal of liberals’ laissez-faire, cultural, and constitutional themes as well as the effectiveness of their rational, deliberative style of politics. World War I thus further undermined the personal electoral connection between liberal notables and their voters. It required liberal parties to quickly expand their logistical infrastructure and modernize their electioneering practices.

The logistical challenges of mass politics and World War I produced very different responses by French and German liberals. The Parti radical quickly rebuilt its organization and by the mid-1920s began to copy certain
organizational features of socialist parties. It sought to demarcate itself from socialists by sharpening its ideological profile and adopting a more modern, partisan campaign style. The DDP and DVP had some initial success building up their logistical infrastructures, but their organizations subsequently collapsed, and by the late 1920s both parties "were hardly anymore capable of executing their most important tasks such as running campaigns, formulating programs and recruiting young new members" (Albertin 1981: 57–58). The DDP and DVP did not attempt to adapt their antiquated style of notable politics to the more nationalized and partisan electoral contests of the interwar years.

Postwar Inflation

Liberals' postwar economic policies illustrate another divergent response to similar historical circumstances. These policies responded to three inflationary legacies of World War I. First, low income and corporate taxes required French and German governments to cover the costs of the war and reconstruction (which were particularly high in France) by issuing bonds, borrowing abroad, and printing money. The resulting budget deficits and increases in money supply eroded the domestic and foreign value of money (Schuker 1976: 36; Maier 1975). Second, the postwar electoral gains of socialist parties, and especially the increase in union membership, created pressures for higher social welfare spending and made the old deflationary orthodoxies, with their emphasis on tax and spending cuts, politically less feasible (Maier 1975). "For the first time in history, workers were more nearly the political match of holders of capital, setting the stage for a 'the war of attrition,' that is a prolonged conflict over economic policies that arguably contributed to inflation and currency depreciation" (Simmons 1994: 28). Third, the reparations required under the Versailles Treaty added to inflationary pressures. Germany's reparation payments contributed to its budgetary deficit. They also undermined the government's will to contain inflation, since inflation permitted repaying the despised reparations with devalued money (Maier 1987: 203). In France, reparations contributed to budgetary ills because they encouraged the government to defer long-overdue expenditure cuts in anticipation of German reparations that never materialized (Schuker 1976: 41; Haig 1929: 101).
These inflationary legacies of the war had significant consequences for the electoral performance of French and German liberal parties, which are commonly analyzed by correlating the inflation rate with the defection rate of liberal voters. Weimar's hyperinflation thus becomes the sufficient condition for the collapse of the DDP and DVP. This strictly economic, correlational line of inquiry is insufficient for three reasons. First, it does not explain why the loss of the franc's domestic and foreign value did not undermine the Radicals' electoral base. France's inflation never matched Germany's hyperinflation, but it was high enough to become the central economic issue in the 1924 and 1928 elections. During this period, the French retail price index rose fivefold, while the franc lost much of its value against the pound and the U.S. dollar (Schuker 1976: 73; Keiger 1997: 313-20; Paxton 1997: 33). Robert Paxton (1997: 33) noted that "la vie chère [high cost of living] recurs everywhere in the economic and political commentary of the interwar period." Furthermore, as early as 1922, Gustav Stresemann was "acutely aware of the disintegrative effect that the inflation had on his party's predominantly middle-class base" (Jones 1988: 182). Clearly, German inflation corroded the liberals' electoral support long before it spiraled out of control in 1923–24. Second, inflation is not only an objective economic indicator but also has non economic, political antecedent causes that might be the more relevant determinants of electoral behavior (Maier 1975; Simmons 1994). Third, inflation rates tell us little about the deflationary policies that parties ultimately adopted and that voters most frequently used to evaluate their performance. In short, the electoral consequences of inflation cannot be inferred from its rate alone but also requires analysis of how parties responded to it with their economic programs.

The deflationary programs of German and French liberals were shaped by the party-internal political equilibria that existed between big business and the middle class. Inflation had created very different preferences between these two actors about when and how to deflate and thereby contributed to just as much of a distributial conflict among the liberals' very own ranks as it did in French and German society as large (Maier 1975: 510; Jones 1988: 163). As Larry Jones (1988: 163) notes, it "superimposed a pattern of social and economic conflict upon the political and ideological divisions that had already surfaced within the German liberal parties with the result that their integrative potential, already compromised by factors unrelated to the inflation, was further weakened."
This party-internal distributional conflict manifested similar battle lines in all three parties despite cross-national differences in the absolute rates of inflation. Each party was backed by important industrial interest groups. The Parti radical was supported by the Union des intérêts économiques (UIE) and the Comité Mascuraud, and the DDP and DVP were backed by the Kuratorium and the Commission for the Industrial Campaign Fund. These interest groups benefited in various ways from inflation and therefore were either indifferent or mildly opposed to deflationary policies. Inflation reduced the need to increase corporate taxes by allowing governments to pay off wartime bonds, foreign debts, and, in Germany, reparations with devalued money (Maier 1975: 490; 1987: 203). As Charles Maier (1975: 358) points out, "Inflation itself became a method of taxation. It reduced the real earnings of households so that by means of newly printed money the government could claim a share of the national income." Inflation also allowed businesses to use devalued money to pay off their debts and year-end taxes. It lowered labor costs, particularly in France, where workers were too weak to fight for wage indexation (Maier 1975: 361; 1987: 203–4). As long as inflation did not spin out of control and make economic transactions entirely unpredictable, business groups had few incentives to support deflationary policies that carried the risk of contracting the economy.

The economic preferences of the liberals' middle-class voters were diametrically opposed to those of business. The middle class strongly supported deflation and revaluing the currency until it returned to prewar gold parity (Simmons 1994: 22–50). Support for deflation was particularly strong among rentiers, pensioners, government bond holders, or anyone deriving substantial portions of their income from liquid assets (Schuker 1976: 73; Maier 1975). White-collar and salaried employees were insufficiently organized to force employers to index their wages. They also did not receive the same tax discount as industry, since they paid their taxes through monthly payroll deductions rather than at the end of the year. Finally, inflation hurt small shopkeepers, who paid wholesalers in cash but needed to extend credit to consumers (Maier 1975: 361).

In response to this similar distributional conflict, French and German liberal parties chose distinctly different economic programs. For this stage of the argument, it is sufficient to point out that the particular policies adopted by French and German liberals reflected the different political leverage that business could obtain from its financial contributions and the middle class
from its votes. The deflationary policies of the DDP and DVP responded far more closely to the preferences of big business than to those of middle-class voters. The two parties lost their policy-making autonomy to business interests and became increasingly unable to respond to voter preferences. In France, on the other hand, the Parti radical succeeded in allocating the costs of stabilization more equitably. Maier (1975: 509) concluded that the "French enterprises who benefited from . . . inflation could never impose the same policy of fiscal paralysis as in Germany." Parenthetically, it should be noted that these different outcomes cannot be readily attributed to the greater organizational cohesion of business groups in Germany than in France, since the organizational advantage of the former was offset by the greater strength of white-collar unions and professional associations in Germany than in France (Jones 1988: 178–79). The electoral implications of the different responses were straightforward. The DDP and DVP quickly became known as Bonzenparteien (parties of captains of industry), whose voters deserted them first for the various new special-interest parties and then for the NSDAP (Jones 1985: 23–27). The Parti radical, on the other hand, avoided this predicament by remaining the party of the "little man."

To explain these different electoral implications, we have to analyze how French and German electoral mechanisms affected the capacity of business and middle-class voters to translate their respective resources—money and votes—into political leverage.

Electioneering Costs and the Rate of Organizational Change

Organizational choices have significant electoral implications because they affect a party's ability to mobilize resources, coordinate local and national branches, and carry out election campaigns (Katz 1980: 30–31; Duverger 1951: 289–380). The divergences of these choices reflect the dramatically different electioneering costs faced by French and German liberal parties after 1918. Weimar's large physical district size, presidential elections, referenda, and variable parliamentary terms increased electioneering costs. In multiplying the number of electoral contests and nationalizing their focus, these electoral mechanisms required greater financial resources and more professionalized logistical infrastructures and ultimately made the DDP and
DDP in building a mass organization. Nevertheless, between 1919 and 1920, it increased the number of local branches from 1,063 to 2,181, increased the number of full-time employees from 91 to 161, and increased its membership from 258,000 to 395,000 (Jones 1988: 75–76).

The DDP and DVP could not sustain these initial successes because they lacked the ability to internally mobilize the necessary resources. By the mid-1920s, the DDP had lost half its membership, and the national party executive fought with local committees over the allocation of the ever-shrinking membership dues. In 1924, these dues accounted for only 5% of the party’s budget (Schneider 1978: 70). The financial decline of the DVP was less steep because fewer of its funds came from dues. But, like the DDP, it soon had to cut back its administrative staff and forgo further organizational expansions (Jones 1988: 165–66; Schneider 1978: 227–28; Albertin 1981: 44–45). Despite these setbacks, both parties undertook repeated, but ultimately futile, efforts to strengthen their organizations and lessen their dependence on economic interest groups (Albertin 1981: 58–65; Jones 1988: 97; 1974: 814). Interestingly enough, one such initiative involved championing a plurality electoral system with small single-member districts (Schneider 1978: 147–49).

The most direct effect of the high electioneering costs was to increase the DDP’s and DVP’s financial dependence on industrial interest groups. The Kuratorium, the political umbrella organization of industry, made considerable contributions to both parties. But these contributions could not be used to strengthen the central logistical infrastructure, since the Kuratorium regularly earmarked them for campaign expenditures or allocated them to regional organizations. Consequently, very little of the industrial money could be used by the national party executive to pay functionaries, finance newspapers, or cover operating expenses (Jones 1988: 189–90; Albertin 1972: 182–90).

Industrial interest groups used their financial leverage to gain direct influence over more and more aspects of the DDP’s and DVP’s organizations. In 1919, for example, the financial situation of 6 regional DVP associations (out of 35) grew so desperate that the industrialist Albert Vögler, together with the Commission for the Industrial Campaign Fund, took full control of them (Jones 1988: 52). In 1920, financial difficulties forced the DDP to accept a special economic advisory body (Reichsausschuss für
its operating costs and campaign expenses remained comparable to prewar levels. With 18,000 registered voters (after 1924), the French physical district size was 66 times smaller than the German, and France's fixed parliamentary terms meant that Radicals faced elections only every four years and three months. These modest and unchanged electioneering costs limited the necessity of organizational innovation and slowed the rate at which notable politics became obsolete. For example, Radicals managed to better preserve their electoral strength in rural districts than in urban ones. Rural districts were less affected by the increasing nationalization and collectivization of electoral politics and permitted the continuing reliance on personal and local networks. In such districts, personal endorsements and old friendships remained effective means for rallying voters (Florin 1974: 238–39; Berstein 1978: 77–88; 1980: 293–302). The Parti radical thus had to adapt its logistical infrastructure and electioneering practices only to mass politics and not to abruptly changing institutional exigencies.

Herriot's successful rebuilding of the Parti radical was followed by Edouard Daladier's effort to modernize it. In 1927, Daladier was elected party chairman with an explicit mandate from grassroots members to reorganize the party along the socialists' mass mobilization model. He consolidated the party's administrative structure by further strengthening departmental federations and integrating local committees more directly into regional branches. He also set up various ancillary organizations to widen the membership and improve the party's electioneering capacity (Berstein 1982: 83). By 1929, Daladier's organizational reforms led one deputy to declare, "Yesterday, many sections of the Parti radical were mere committees assembled around an elected deputy. . . . Since, the party has become an organized party with statutes that were . . . applied and which were less flexible than their predecessors" (ibid.: 92–93).

The modest electioneering costs became most visible in the limited resources the Parti radical had to mobilize. The party was never very aggressive in recruiting members. Consequently, it had a modest but stable membership of 100,000 (Bardonnet 1960: 51, 190). The dues paid by members were insufficient to sustain a large party administration or extensively subsidize newspapers. As a result, Radicals could not do without industrial groups like the UIE and Comité Mascraud, which helped to cover their operating expenses and campaigning costs (Berstein 1980: 157–58). How-
ever, the modest electioneering costs limited the scale of these financial contributions. For example, one of the Radicals’ more important categories of contributors were brewers and distillers. Their contributions consisted of supplying cheap liquor during campaigns and pressuring local taverns owners to deny the Radicals’ opponents the use of their establishments for political meetings (Bardonnet 1960: 258). Outright financial donations were less essential in the Third Republic, since its low electioneering costs preserved the effectiveness of informal personal networks. Through such networks, local politicians could provide national politicians with important nonfinancial resources by endorsing them, furnishing information about local issues, arranging free transportation, or facilitating the free use of public auditoriums.

Finally, it should be pointed out that the formation of electoral alliances between the two election rounds helped Radicals reduce the costs that two electoral contests created. Usually, front-runners tried to convince fledgling candidates to withdraw and possibly endorse them on the second ballot. The rationale of this strategy was to pool votes through relatively inexpensive extra-electoral bargaining. Such bargaining was inexpensive because local departments would trade off withdrawals across different districts. Occasionally, side payments were required in the form of reimbursing candidates for their campaign expenses if they stepped aside (Larmour 1964: 46–48). This vote-pooling strategy particularly benefited the Radicals, who used their centrist position to form alliances with socialists, as well as members of various other bourgeois parties (Berstein 1980: 115–22; 1982: 67–69; Florin 1974: 238–60). The significance of such electoral alliances was to increase the Radicals’ vote base without requiring any resources that would have enhanced the financial leverage of economic interest groups. The switch from a double ballot to a proportional representation system in 1918 deprived German liberals of the ability to pool votes which had mitigated the influence of business groups (Nipperdey 1993: 502, 532).

Career Uncertainty and the Leverage of Money

The uncertainty that liberal politicians faced over their recruitment played a crucial role in determining how readily big business could leverage its finan-
cial influence into actual policy outcomes. Financial contributions alone did not guarantee such outcomes, since party congresses, legislative log-rolling, or bargaining among governmental coalition partners could easily overturn or compromise the informal policy promises made by party leaders to interest groups. The degree of uncertainty politicians faced over their recruitment determined how credibly interest groups could commit parties to honor their policy promises. Low career uncertainty allowed industrial interest groups to make financial contributions contingent on the selection of their favorite candidates. This opportunity diminished as party leaders' control over the recruitment of candidates decreased. In short, career uncertainty determined how effectively big business could translate its money into direct control of party-internal decision making. Consequently, it affected the liberal parties' policy-making autonomy and their ability to devise economic programs that equitably allocated the costs of deflation.

Weimar's low career uncertainty greatly facilitated the efforts of industrial interest groups to firmly commit the DDP and DVP to its promises. It was the result of three electoral mechanisms: district magnitude, ballot structure, and national adjustment seats. The most important one was district magnitude, which refers to the average number of seats allocated in each electoral district (Rae 1967; Katz 1980). Weimar's large magnitude of 18 seats helped to centralize the candidate selection process and created long electoral lists with numerous safe list positions. Consequently, it gave party leaders considerable control over the entry and reentry of candidates. The categorical ballot structure and national adjustment list reinforced this effect. The structure of ballots had important consequences for the ranking stage in the recruitment process. It affected whether the ranking belonged to the party-controlled selection process or whether it became part of the voter-controlled electoral process. Categoric ballots, unlike ordinal ones, denied voters the opportunity to differentiate among same-party candidates and therefore removed any incentive for candidates to become entrepreneurial (Katz 1986). National adjustment lists, in turn, virtually assured the election of anyone selected for one of its seats. These seats were so safe because they were allocated with remainder votes that were recycled from regular electoral districts and thus remained unaffected by electoral swings. National adjustment seats particularly helped to reduce career uncertainty of small parties like the two liberal parties; 54.8% of DDP deputies and
40.5% of DVP legislators were elected through national adjustment seats (Statistisches Jahrbuch, various years).

The leaders of the DDP and DVP quickly responded to the possibility of reducing their career uncertainty. The national executive and regional party leaders wrested control over candidate recruitment from local party branches. In doing so, they disregarded the provisions of their party statutes, which sought to preserve the prewar practice of local branches selecting candidates (Albertin 1972: 93–98, 151–52; Schneider 1978: 213–22). However, in attempting to reduce their own career uncertainty, liberal party leaders inadvertently tilted the party–internal political equilibrium from the middle class to industrial interest groups.

In centralizing the recruitment of candidates, the leaders of the DDP and DVP made it easier for economic interests to extend their financial leverage over party–internal personnel choices. Party leaders repeatedly complained that this influence of industrial interest groups undermined their ability to effectively respond to voter preferences. In 1924, a DDP internal memo noted that it “is unacceptable that a political party owes its existence to the coffers of a few interest groups which mercilessly exert their power in the nomination of candidates and abandon the party whenever it does not satisfy its smallest demand” (Schneider 1978: 73). In a similar vein, the leader of the DVP, Streseman, warned about “capitalistic interests . . . gaining an excessive influence on the formation of the Reichstag” and even went so far as to recommended public party financing to better protect the policy-making autonomy of parties (Pollock 1932: 253). Middle-class voters were aware of the infiltration of the DDP and DVP by industrial interest groups, since it was widely reported in the press (ibid.: 251).

Weimar’s low career uncertainty thus amplified the already considerable financial leverage of big business by making it possible to estimate the value of candidate selections. These estimates became the basis for bargaining between interest groups and party leaders because they allowed interest groups to peg their contributions to the specific worth of a list ranking, national adjustment seat, or multiple selections. Furthermore, assuring the election of its own representatives permitted big business to leverage its financial contributions into firmer policy commitments. These representatives could monitor the compliance of liberal party leaders with their initial policy promises. In parliament, business representatives could sanction any
inability of party leaders to regularize electoral careers limited business's ability to extend its already limited financial leverage over personnel choices. Monographs on the Parti radical are striking for their limited references to the UIE's and Comité Mascraud's involvement in the candidate recruitment process and economic policy making. These two interest groups could use their financial leverage only to discreetly lobby for their favored candidates; they could not brazenly demand the selection of hand-picked candidates (Larmour 1964: 178; Schlesinger 1974: 478–80). Consequently, they abstained from influencing the actual recruitment process and concentrated their activities on lobbying incumbent candidates (Berstein 1980: 158). The UIE, for example, would formulate a fairly general economic program and make contributions to candidates promising to support it (Pollock 1932: 303–9). Because they were limited to such lobbying, the UIE and the Comité Mascraud lacked the direct, party-internal political control of their German counterparts. They could not back their economic demands with threats to use their candidates to break with party discipline or defect to another party. The influence of the UIE and Comité Mascraud was therefore limited to whatever lobbying pressure their financial contributions exerted.

The candidate recruitment in the 1924 election illustrates the limited political leverage the UIE and the Comité Mascraud derived from their financial contributions. The prospect of an electoral alliance between the Radicals and the Section française de l'internationale ouvrière (SFIO) mobilized business groups as never before. Moreover, the hybrid 1919–24 electoral system facilitated the UIE's and Comité Mascraud's task because the greater district magnitude (6.5) reduced career uncertainty and made it somewhat easier for the UIE and the Comité to oppose the impending formation of the Cartels des gauches. Yet despite these favorable circumstances, the effort of business to pressure candidates it financially supported not to join lists with the SFIO thoroughly failed (Berstein 1980: 158). In retaliation, the UIE set up a new party, the Fédération française des comités républicain radical et radical socialiste, through which it hoped to nominate its own candidates in the future. The Fédération quickly folded, and the UIE was forced to return to its traditional lobbying strategy (ibid.: 377).

High career uncertainty preserved the Radicals' political equilibrium not just by limiting the influence of interest groups but also by preserv-
ing the vitality of local organizations. By keeping the important task of recruiting candidates local, France’s electoral mechanisms protected the autonomy of the Radicals’ local branches, which frequently were the stronghold of factions whose political viewpoints closely reflected the concerns of middle-class voters (Bardonnet 1960: 148–49n; Berstein 1982: 129; Larmour 1964: 178). The Young Turks formed the most prominent dissenting faction. Their spokesmen, E. Roche, Matinaud-Deplat, J. Zay, J. Kayser, E. Pfeiffer, P. Cot, P. Mendès-France, and B. de Jouvenel, advocated close collaboration with the SFIO, criticized economic interest groups, and generally represented petit bourgeois interests (Burrin 1986: 33; Bouet 1996: 126–27; Schlesinger 1974: 478–84). Even though the Young Turks’ political platform drew the ire of economic interest groups, the high career uncertainty made it difficult for these groups to oppose their selection.

The Young Turks were important in another way as well. They pushed to modernize the Radicals’ campaign strategies. They played an important role in shifting their party’s platform from its universalist cultural and constitutional themes toward sectional economic interests. One of their activists recognized that “the moment of the big anti-clerical battles is past. . . . The moment of the big social battles has arrived” (Berstein 1982: 99 [quote]; Bardonnet 1960: 177–78).

Furthermore, the continued political significance of local district organizations helped mobilize activists who were attuned to the preferences of middle-class voters and were less motivated by careerist interests. Compared to the DDP and DVP, their influence was far more visible and helped to preserve the Radicals’ political equilibrium. In 1926, for example, activists forced Edouard Herriot from the party’s helm for having supported Raymond Poincaré’s stabilization program, which was viewed as too pro-business. They shifted their support to Daladier, who in 1928 campaigned against Poincaré by accusing him of being a “tool of powerful economic interests.” This episode is not meant to suggest that the Parti radical always favored the interests of the little man over those of business. Many deputies, for example, discreetly disassociated themselves from Daladier’s antibusiness position after Poincaré’s deflationary program proved successful and popular (Schlesinger 1974: 480–85). This episode, however, serves to illustrate that the Parti radical preserved its policy-making autonomy and represented the preferences of its middle class as well as industrial constituencies. It clearly avoided the fate of becoming a Bonzenpartei.
Strategic Voting and the Leverage of Votes

Middle-class voters were silent bystanders to the party-internal wheeling and dealing between liberal leaders and economic interest groups. As consumers, bond holders, pensioners, or small businessmen, they lacked the organizational cohesion and financial leverage that permitted big business to directly lobby liberal party leaders. Moreover, liberal parties did not recruit a large mass membership that could offset the influence of business interests. Consequently, the ballot box provided the most important, albeit only indirect and retroactive, opportunity for middle-class voters to influence the programmatic choices of liberal parties. It allowed middle-class voters to make up for their organizational and financial disadvantages through their superiority in numbers.

The political leverage of the middle class’s large numbers depended on the incentives that electoral mechanisms created for strategic voting. Strategic voting refers to the casting of ballots on the consideration of both a politician’s winning prospects and his or her electoral platform. It is the opposite of sincere voting, in which a voter selects a party solely on the basis of policy consideration, without evaluating its chances of winning. The level of strategic voting is the direct result of how inaccurately electoral procedures translate votes into seats. The more inaccurate the translation, the more likely it is that voters will cast a strategic vote. The ostensible purpose of such strategic voting is to counteract the greater possibility, in electoral systems that inaccurately translate votes into seats, of wasting one’s vote on a party with limited winning prospects. (Sartori 1994: 32–33; Cox 1997). Strategic voting increases voters’ leverage because it turns elections into what Karl Popper called “judgment days” (1988: 22). It makes parties’ strategies highly interdependent, since a party’s success becomes directly tied to the failure of its opponent. This strategic interdependence increases the importance of modern campaigning techniques because it allows the quick exploitation of mistakes made by one’s opponent or opportunities arising from changing political circumstances. Strategic voting thus makes the political behavior of political actors highly contingent on voter preferences and on the strategic moves of their opponents. It exerts an important multiplier effect on parties’ actions in the sense that their conduct will be highly sensitive to small shifts in public opinion, the strategies of other parties, or structural changes within the political environment.
The Third Republic’s small district magnitude created strong incentives for strategic voting, as did the majoritarian effect of the *apparentement* provisions used in the 1919–24 system. It maximized the numerical leverage provided by the middle class’s superior numbers and further weakened the already limited party-internal influence of economic interest groups. The clearest evidence for this leverage can be found in the deflationary measures that the radical-led Cartel government entertained between 1924 and 1926. These measures did not add up to a coherent and easily labeled economic program, but their incoherence reflects the Radicals’ effort to distribute the costs of deflation as widely as possible. The Radical finance minister M. Clémentel, for example, declared that his government “decided to demand entirely from acquired wealth and income the supplementary revenue necessary for balancing the budget” (Haig 1929: 108). A brief synopsis of the Radicals’ economic policies illustrates how they sought to accomplish this objective.

The most significant and controversial measure of the Radicals’ economic program was a planned capital levy. This new tax was to be imposed on property holders and industry to reduce the budget deficit and repay government bonds held by the middle class (Haig 1929: 123–25). Radicals also strongly pushed to democratize the tax system and to spread the costs of deflation more widely and evenly. They tried to shift the revenue base from regressive, indirect taxes to more progressive, direct taxes. They also advocated a more progressive tax rate (Schlesinger 1978: 220–23). In the Cartel’s closing days, finance minister Joseph Caillaux, who belonged to the party’s more conservative, probusiness faction, opposed the capital levy and the democratization of the tax system. This exposed him to heavy criticism inside the party. At the 1925 Nice party congress, Caillaux was attacked by delegates for “having yielded to financial interests. Instead of frankly and forcefully asking from established wealth the necessary sacrifices, . . . he proposed an increase in taxes . . . which will weigh heavily on consumers, shopkeepers and artisans” (Berstein 1980: 414). When the congress strongly reaffirmed the party’s support for a capital levy and tax democratization, Caillaux resigned (Nogaro 1925: 292–93).

Radicals also tried to protect their support among civil servants by shielding them from the costs of deflation. The Cartel government, for example, resisted any governmental layoffs demanded by business. It repealed
measures passed by the preceding, conservative Poincaré government to eliminate the eight-hour day for civil servants and cut administrative expenditure by one billion francs (Schlesinger 1978: 226; Haig 1929: 102–3). Until 1929, the Parti radical also opposed trade protections, which it believed benefited big business and hurt small consumers (Berstein 1978: 76–88).

These and other measures did not add up to an effective macroeconomic policy and ultimately contributed to the Cartel's collapse in 1926. As Maier notes, the inability of Radicals to formulate a coherent economic policy partly reflects the "close connection of deputy and constituency in France, even under the modified PR [proportional representation] of 1919 and 1924, [and] made mediation of local interest a key function of the Chamber" (Maier 1975: 509). To the extent that Radical economic policies reflected narrow electoral considerations rather than sound economic management, they can at least be viewed as having effectively minimized the distributional conflict within the party's ranks.

Besides affecting programmatic choices, France's high level of strategic voting also created important incentives for Radicals to adopt modern campaigning techniques and place less emphasis on their traditional cultural and constitutional issues. These issues resurfaced only briefly during the opening months of the first Cartel government (June 1924–April 1925), when Herriot withdrew the newly appointed ambassador to the Vatican and sought to extend the separation of church and state to recently returned Alsace-Lorraine. These anticlerical issues, however, were quickly displaced by extensive party-internal debates about how to stabilize the economy (Berstein 1980: 407, 416). Furthermore, the Radicals' campaign style became more entrepreneurial after 1918, especially when compared to that of the DDP and DVP. Radicals were keenly aware that anticommunism, nationalism, and other emotionally charged issues were effective for mobilizing voters (ibid.: 125–27). From the late 1920s onward, the Parti radical also began to establish ancillary organizations to rally voters more effectively. The party headquarters designated full-time functionaries for organizing national propaganda strategies and coordinating local election campaigns. It distributed to local committees a package that contained posters, brochures listing past accomplishments and future plans, and a handbook with ready answers to the most commonly asked questions (Schlesinger 1974: 481; Berstein 1982: 83, 90–91).
Weimar's low level of strategic voting deprived German middle-class voters of the electoral leverage their French counterparts enjoyed. They could not translate their superiority in numbers into a sufficiently effective sanctioning mechanism to offset the influence of big business. Weimar's large district magnitude and national adjustment seats all contributed to such an accurate translation of votes into seats that voters had virtually no reason to cast their ballots strategically. These electoral mechanisms in effect reduced the marginal value of votes by making them decisive only for relative gains and losses in seats rather than success or failure of individual candidates. They weakened the sanctioning leverage that the electoral market offered middle-class voters and consequently reduced the pressure on the DDP and DVP to allocate the costs of deflation more equitably and to modernize their electioneering practices.

The effects of Weimar's weak strategic voting can be observed in the economic stabilization measures that the DDP and DVP considered in the early 1920s. Historical monographs point to a continuity in the DDP and DVP's deflationary programs during this period and do not indicate any sharp change in response to the 1923–24 hyperinflation. It is therefore reasonable to use the two parties' economic policies in 1923–24, which monographs discuss most extensively, as representative for the entirety of the early 1920s (Jones 1988: 182–83; Maier 1975).

These policies illustrated the limited leverage of middle-class voters. They closely reflected business' preferences of stabilizing the economy by drastically cutting government spending and lowering corporate taxes. In October 1923, the Streseman government sought to reduce the budget deficit by laying off civil servants and freezing their wages. Approximately 750,000 civil servants lost their jobs as part of this stabilization measure (Jones 1988: 210; Brustein 1996: 77). He also acceded to business's longstanding demand of rolling back the eight-hour workday and exempted it from the tax increases levied on homeowners and small business (Jones 1988: 210, 218; Fritzche 1990: 95–96). Furthermore, Streseman introduced an elaborate price-control system in an attempt to check inflation, even though such a system disproportionally punished artisans and small shopkeepers, who now were prevented from passing inflation on to consumers (Fritzche 1990: 97). Finally, the DDP and DVP rejected demands from the Protective Association of Mortgagors and Savers and other middle-class as-
sociations to fully revalue mortgages and other debts. The 1925 Revaluation of Mortgages Law revalorized debts only at 15% and exempted all government debts until the settlement of reparations payments (Jones 1988: 211; Southern 1981: 66). Jones (1988: 208) is therefore right to conclude that "in many essential respects, the stabilization of the mark . . . proved every bit as destructive as the runaway inflation in the early 1920s. . . . German liberal parties were compromised by their failure to protect middle-class economic interests during the stabilization process."

The years between 1920 and 1924 provide further evidence of the effects of Weimar's weak strategic voting. During this period, the leaders of the DDP and DVP failed to respond to the quickening defection of middle-class voters whom their earlier economic policies had alienated. The first signs of this alienation had already surfaced in 1922, when the Protective Association of Mortgagors and Savers was formed. The association pushed liberal parties to revalue debts and end the repayment of mortgages and loans in valueless currency. During its first two years, it functioned as a regular pressure group, but by 1924 some of its members had become so disenchanted with the DDP and DVP that they founded their own parties. Over the course of 1924, the Militant League of Beggars (Kampfbund der Geusen), the German Revaluation and Recovery Party (Deutsche Aufwertungs- und Aufbaupartei), and the Revaluation and Reconstruction Party (Aufwertungs- und Wiederaufbaupartei) were formed in time to run for the December election. Lacking effective organizations, these start-up parties won only a few hundred thousand votes. But they were part of large-scale voter defection to other parties, like the Economic Party (Wirtschaftspartei) and the Bavarian Peasant League (Bayerische Bauernbund). All these parties vociferously criticized the DDP and DVP as being Bonzenparteien and supporting economic policies that ignored the interests of the little man (Jones 1988: 253–302). The initial success of these special-interest parties was also, of course, a by-product of Weimar's low strategic voting, which made it easy for new, small upstart parties to gain an electoral foothold.

Weimar's weak strategic voting affected not only the DDP's and DVP's programmatic choices but also their campaigning styles. The success of the new special-interest parties illustrated the effectiveness of mobilizing voters around narrow economic interests (Jones 1985: 31). Yet the two liberal
tial implications for studying party development in other democratizing countries as well as for institutional analysis in general.

Parties in contemporary transitional democracies face challenges very similar to those encountered by French and German liberals. They cope with distributional conflicts over allocating the costs of marketization or the need to build modern electoral organizations. The literature on party development devotes little attention to these issues. Instead, it analyzes how entire party systems evolve from certain social cleavages or uses behavioral measures for assessing the degree to which parties are institutionalized (Lipset and Rokkan 1967; LaPalombara and Weiner 1966; Dix 1992; Kitschelt 1995; Mainwaring and Scully 1995). The literature pays insufficient attention to the internal decision-making processes of parties and institutional factors structuring them. Consequently, the literature inadequately explains the actual political process that leads to the development of disciplined, responsive parties and competitive party systems.5

This article started out with a historical subject matter and concluded with a general, ahistorical finding. The conclusion that electoral mechanisms constitute a systematic, ahistorical determinant of party development raises questions about the theoretical status of this finding. There are few reasons to suspect that electoral mechanisms structure the choices of parties in postcommunist democracies any differently than they did in interwar France and Germany. The automatic, recurring constraints that electoral mechanisms impose on career prospects, resource mobilization, and voting choices clearly extend beyond the interwar period. In this respect, institutions constitute a genuinely systematic variable. Yet institutions' transhistorical quality does not make them a sufficient condition for explaining, let alone predicting, party development at all points in time. Institutions tell us little about the historical processes, like mass politics or inflation, that also shape the development of parties. Such contextual factors clearly distinguish today's democratizations from those of the interwar period. These factors consequently have to be specified and then analyzed for how they interact with systematic institutional factors.

Following historical institutionalists, I sought to combine contingent, historical factors with systematic, transhistorical institutional ones (Thelen and Steinmo 1992). I employed an explanatory framework that incorporates nonsystematic historical forces that affect the development of parties while simultaneously providing a general account of how mechanical, elec-
toral procedures translated these historical forces into different political outcomes. I tried to show that both factors, despite their different levels of regularity, constitute causally necessary conditions for explaining party development. The nonsystematic nature of historical factors does not make them causally irrelevant background noise; similarly, the systematic qualities of institutions does not grant them lawlike status sufficient for predicting political outcomes.

The systematic but non-law-like properties of institutions closely resembles what cognitive psychologists, historical sociologists, and economic sociologists refer to as causal mechanisms (Hedström and Swedberg 1998; Kiser and Hechter 1991; Elster 1989). Jon Elster (1989: 3) defines causal mechanisms as "explaining an event . . . [by] citing an earlier event as the cause of the event we want to explain together with some account for the causal mechanisms connecting the two events." For historical institutionalists, such mechanism-based explanations provide a possible grounding for their midlevel theorizing. They do so by challenging the common assumption that an explanation has to conform in its entirety to a single explanatory logic—that an explanation either follows physics, in seeking lawlike generalizations, or history in interpreting unique events. Mechanism-based arguments reject such dichotomies and open the possibility of thinking about explanations that combine systematic variables (i.e., mechanisms) with nonsystematic ones (i.e., historically contingent events). In the case of French and German liberals, mass politics and inflation constitute the nonsystematic, historically contingent factors, while electoral institutions comprise the causal mechanisms linking these contextual factors to political outcomes. Analysis of causal mechanisms would therefore allow historical institutionalists to produce more self-conscious treatments of the interaction between institutional and historical factors.

Notes

Marcus Kreuzer is an assistant professor of political science at Villanova University. His work focuses on political institutions’ impact on the development of parties in interwar Europe and postcommunist democracies. He is author of Institutions and Innovation: Voters, Politicians, and Interest Groups in the Consolidation of Democracy. France and Germany, 1870–1939 (University of Michigan Press, forthcoming) The research for this article was supported by the Canadian Social Science Research Council, Columbia Uni-
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1 These shortcomings are discussed by Giovanni Sartori (1969) and Herbert Kitschelt (1994).

2 Henry A. Turner (1984) further argues that German historiography generally over-estimates the organizational cohesion of big business.

3 The literature on political careerism and career uncertainty in American politics is very large. The following analysis borrows most directly from Mayhew 1974; Canon 1990; and Epstein et al. 1997.

4 The 1919–24 electoral system awarded all district seats to electoral alliances (e.g., apparentement) that won more than 50% of the votes. If no alliances passed the 50% threshold, seats were awarded proportionally. This majoritarian bonus significantly weakened the proportional effect of the 1919–24 electoral system and turned it into a de facto plurality system.

5 Kalyvas 1996 represents an excellent but rare example of how to avoid these shortcomings.

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