

The Demand for Hatred in an Era of Political Divisiveness in the United States

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This paper uses conceptual economics to analyze the nationwide demand for hatred nurtured by political divisiveness and conflicts in the United States. The study asserts that politicians from the Democratic and Republican Parties are the prime suppliers of hatred that hate groups willfully consume to reveal their preference for overt racial-gender hatred and that the hate crime laws or the legal penalties of hate crimes may have altered the dynamics of hatred and hate crimes in both directions in the United States. In the current political environment, the consensus among political pundits and legal scholars is that the 45th President of the United States could be considered as one of the largest suppliers of conspiracy theories and disinformation used to nurture hate-creating stories and false narratives that many hate groups consumed nationwide thus their revealed preference for overt hatred and hate crimes. The aggregate demand for hatred depends on the legal penalty paid for hatred and the continuous hatred signals received from political leaders such as the 45th POTUS.

Keywords: hate, political divisiveness, democrats, republicans, POTUS, hate groups

INTRODUCTION

If the political economy of the United States is altered by the rising waves of racial-gender hatred fostered by partisan political divisiveness or polarization, one wonders the message this conveys to newly emerged and emerging representative democracies worldwide. The analysis of the political economy is complicated if we consider the most powerful country in the world, the United States, where growing racial-gender hatred and intense political divisiveness or partisan polarization could impede the governance and the effectiveness of its institutions. Glaeser's (2005) provided a detailed discussion of the political economy of hatred where he laid out the major contributors to hatred. It is now obvious that this may have a very strong ramification on representative democracy in the United States and worldwide.

The contribution of this study lies in its attempt to use the relevant interdisciplinary studies approach to analyze the extent the racial-gender hatred and political divisiveness or partisan polarization affect the political economy of the United States, a country most recognized and revered in the world for its representative democracy. For the past five or more decades, studies have attributed racial-gender hatred to politicians who supply hate-nurturing stories to hate groups within the electorate through the repetitions of false narratives, and that partisan political polarization is caused by the external and internal factors. Over the past five years, the internet and different social media platforms such as Facebook, Twitter, Instagram,

and YouTube have enabled hate groups to disseminate conspiracy theories and disinformation with aim to galvanize support for their hate-based ideologies of nationalism against “other groups.” The internet and these social media platforms have allowed hate groups to engage in online hate or cyber hate at no legal penalties or ramifications.

As further contribution to the literature, the paper uses simple conceptual economics to analyze the demand for hatred and its consumption in the United States in this era of extreme political animosity, which political leaders from both parties nurtured. The assertion is that, in this era of overt racial-gender hatred and partisan animosity in a toxic tribal politics, Congressional Democrats (DEM) and Republicans (REP) are hesitant to perform their Constitutional duty of providing the required checks and balances, thus they may enable any POTUS-REP or POTUS-DEM to propagate baseless conspiracy theories and disinformation for political interests. This means that any POTUS-REP or POTUS-DEM can contribute to the normalization of overt racial-gender hatred and partisan political polarization in order to deconstruct and undermine the basic principles of representative democracy. Eventually, this may lead to an authoritarian or an oligarchical “democracy” that exists in other countries. This study posits that hatred will have adverse effects not only on the political economy of the United States but will diminish its leadership roles in the global political economy.

Given the recent trends with respect to the rapidly changing electorate, another significant contribution of this study is its utilization of the concept of revealed preference to show that when politicians, especially the 45th POTUS-REP, who constantly peddled endless conspiracy theories and false narratives about the “other groups,” emboldened hate groups to transition from covert to overt racial-gender hatred. In addition, we use a simple game theory framework to show that Democrats and Republicans are players in a political game of tit-for-tat in an era where the political parties hate each other; therefore, the retaliatory tendencies from both parties will exacerbate overt hatred and partisan political polarization into the foreseeable future. In a politically divisive environment, both parties may be complicit by not enforcing the rule of law and all political norms whenever they control all branches of government; and this would continue to enable a POTUS-REP or a POTUS-DEM with authoritarian tendencies to undermine representative democracy. The events that led to the Capitol insurrection on January 6, 2021 in Washington, DC revealed not only the degree of intraparty and interparty political division with respect to both political parties but also the degree of hatred.

We organize the rest of this paper as follows. Section 2 reviews the recent literature on hatred and political polarization. Section 3 provides the theoretical analysis of the demand for hatred at the consumer as well as at the aggregate levels. Section 4 concludes with some political implications.

LITERATURE REVIEW

According to some historians such as Woodward (2002), racial hatred in the postbellum South was fostered by the press that sensationalized false crime stories of the Black race. In a seminar paper about the political economy of hatred, Glaeser (2005) develops a model to illustrate the interaction between the politicians who supply hate-creating stories as well as false narratives and the willingness of voters to consume hatred. According to Glaeser (2005), politicians foster hatred by supplying false stories about the crimes committed by the other groups because the susceptible hate groups willingly accept these false stories without any investigation, and that “the impact of these stories come from repetition and not truth.”

With respect to the issue of partisan political polarization, studies have also used different methods through which they have identified different causal factors that are considered to be internal and external [Rhode (1991), Sinclair (2006), Hacker and Pierson (2006), Mann and Ornstein (2012), McCarty, Poole, and Rosenthal (1997, 2006), Poole (2007), and Lee (2009)]. For the internal causal factors, studies attributed partisan polarization to procedural rule changes, majority-party agenda control, party pressures, teamsmanship, and the breakdown of partisan norms. Regarding the procedural rule changes, studies by Roberts and Smith (2003), Roberts (2007), Theriault (2008a), and Shor and McCarty (2011) argue that rule changes have made it easier for amendments to be proposed when considering legislation thereby forcing

the opposition party to cast unpopular votes in order to move on with the main piece of legislation, thus aggravating the partisan differences and ultimately polarization.

According to Rohde (1991) and McCarty *et al.* (2006), the leaders of the majority party in both the House and the Senate have used the power of their gavel to control the legislative agenda in order to build party loyalty, thus leading to party-line votes and increased polarization. The power vested in the party leaders in the House and the Senate has enabled them to use the necessary tools with which to apply stronger pressures on members to vote party lines, either by coercion or by offering rewards in terms of committee membership and/or chairmanship [see Snyder and Groseclose (2000), McCarty *et al.* (2001), Theriault (2008b), and Edwards (2012)].

Another internal causal factor of partisan political polarization is teamism. Gilmour (1995), Groseclose and McCarty (2001), and Lee (2009) contend that as the two parties become more competitive in seeking control of national agenda, the desire to differentiate one party from the other has forced both parties to engage in strategic confrontation in order to highlight their partisan political differences at the national stage and thus garner the attention of the electorate. With respect to the breakdown of partisan norms, Eilperin (2007) argues that members of Congress spend more time on fundraising in their districts and less time in Washington, thus they are unable to build partisan and bipartisan coalitions, trust and civility within and across party lines.

Partisan animosity among the polarized electorate, unabated district gerrymandering, primary elections, economic inequality, money in politics, and the media environment are the external causal factors that have been attributed to political polarization in the United States. Many studies such as McClosky *et al.* (1960), Bartels (2000), Layman and Casey (2002), Sunstein (2002), Klinkner (2004), Fiorina *et al.* (2005), McCarty *et al.* (2006), Clinton (2006), Fiorina and Abrams (2008), Levendusky *et al.* (2008), Levendusky (2009), Gelman (2009), Bishop (2009), Abramowitz (2010), Bafumi and Herron (2010), Lenz (2012), Shaw (2012), and Fiorina (2013) argue that legislators at various levels of government behave in ways that reflect the preferences of their polarized constituents, and some of who belong to hate groups with willingness to consume conspiracy theories or hate-creating stories from their elected politicians. According to Tufte (1973), Carson *et al.* (2007), Theriault (2008), McCarty *et al.* (2006, 2009), the unabated district gerrymandering has empowered State legislatures to draw congressional districts that enabled members of Congress to remain in office to retain political rather than compete for votes at the center.

Kaufman *et al.* (2003), McCarty *et al.* (2006), Hirano *et al.* (2010), and Bullock and Clinton (2011) argue that the both parties have moved from closed partisan primaries to open primaries, which allowed the participation of independents. In this current era of political divisiveness, partisan primaries have become the channels used to prevent party members, from the House and the Senate, who are considered not loyal enough to the party's agenda and/or the POTUS from their party. According to Brewer *et al.* (2002), Piketty and Saez (2003), McCarty *et al.* (2006), Bartels (2008), Gelman (2009), Garand (2010), and Gilens (2012), the issue of increased economic inequality is highly correlated with political polarization.

As for money in politics, studies such as Hall and Wayman (1990), Jacobson (1990), Baron (1994), Smith (1995), Ansolabehere *et al.* (2003), Moon (2004), McCarty *et al.* (2006), Ensley (2009), Bafumi and Herron (2010), Stone and Simas (2010), Lessig (2011), and Bonica (2013) contend that partisanship and polarization are directly linked to the current system of private campaign finance used in United States elections. This is premised on the idea that politicians pursue the extreme policy objectives on behalf of their special-interest funders. Finally, studies such as Groseclose and Milyo (2005), Gentzkow and Shapiro (2006), Zelin (2006), DellaVigna and Kaplan (2007), Prior (2007), Gerber *et al.* (2009), and Snyder and Stromberg (2010) argue that changes in the media environment of politics, specifically since the Watergate scandal and the advent of cable news networks and social media platforms have also contributed to partisan polarization.

The significance of partisan political polarization was highlighted and discussed in an issue of *Polity*, Volume 46, No.3 in which four symposium articles addressed the issue of partisan political polarization and American democracy. In summarizing these symposium articles, Ladewig (2014) highlights the main premise of the lead article where Hare and Poole (2014) argue that “the level of partisan and ideological polarization between the two major American parties is as high as it has been any time since the Civil War.”

Furthermore, Hare and Poole (2014) point out that the roots of the modern trend to greater polarization can in part be found in the passage of the Civil Rights Act of 1964 and the Voting Rights Act of 1965, which changed the voting direction of Southern Whites. Both parties view liberalism and conservatism from a combination of three different issues and lenses: economic, political, and social, which have resulted in different types of partisan sorting among Congressional Democrats and Republicans as well as the electorate. According to Hare and Poole, Southern Whites began to vote for Republican candidates as the process of issue evolution over race played out. In Ladewig's opinion, the findings of the second symposium article by Sulkin and Schmitt (2014) "dovetail with and reinforce the conclusions of Hare and Poole, including finding very high levels of polarization alongside some intraparty divisions."

In Ladewig's summary of the third article by McDermont and Belcher (2014), he notes that both authors "offer another analysis of the enlarging issue scope" and that "they are particularly interested in the role that race has played during and after the unprecedented elections of America's first African-American president, Barack Obama... The authors find that racial antagonism among white Democrats dropped significantly immediately after Obama's 2008 victory, and that afterwards white Democrats' racial antagonism remained significantly lower than was white Republicans' racial antagonism. This provides further evidence of an expanded issue scope—at the mass level—upon which modern polarization is built." In summarizing the final symposium article by Jones (2014), Ladewig asserts that Jones "explores a vastly under-examined phenomenon: the changing electoral consequences of the parties in a polarized political environment based on their party majority or minority status in the Congress," and that Jones "theorizes and then demonstrates through analyses of public-opinion surveys that, at the current levels of polarization, the public now forms and uses separate evaluations of congressional performance for each party." Ladewig concludes that "None of the articles in this Symposium foresees a reduction in polarization over the near future."

THE INCREASING RACIAL-GENDER HATRED AND PARTISAN POLITICAL DIVISIVENESS

We can glean from the studies highlighted in the literature review section that unabated political polarization or divisiveness will foster both intraparty and interparty hatred across the political spectrum especially in the current political environment where social media platforms are utilized to spread baseless conspiracy theories and disinformation. Glaeser's (2005) model highlights the interaction between the politicians who repeatedly supply hate-creating false stories with the intention to discredit the other groups and the willingness of some voters and/or hate groups from both parties to consume the hatred-laden false stories without verification. He also pointed out that the hate-creating stories of the crimes committed by the other groups tend to feed into the beliefs and practices of various hate groups and that the impact of these stories comes from the repetitions of the false narratives about the other groups. According to the Southern Poverty Law Center (SPLC), hate groups across the United States rose from 917 in 2016 to 954 in 2017. The SPLC defines hate groups as organizations with beliefs or practices that demonize a class of people because they look different. This section takes a related route using simple conceptual economics for illustrative purposes.

The Demand for Covert and Overt Hatred

This model highlights the demand by racial-gender hate groups who engage in covert and/or overt hatred. In the United States, the intensity of hatred is magnified by the political ideologies of the Democratic and Republican Parties to which these hate groups belong; and according to Glaeser (2005), "Hatred can be a tool of either the left or the right." Historians and pundits show that overt racial-gender hate groups existed nationwide before the passages of the Civil Rights and the Voting Rights Acts; and that after the passage of the modern hate crime statute in 1968, many hate groups transitioned into covert racial-gender hatred because of the legal penalties for such behavior, which was expanded under the Hate Crimes Prevention Act (HCPA) of 2009. The central question for analysis is: What is the true preference of hate groups in the current divisive political environment in terms of covert and overt hatred?

To answer this question, we concur with Glaeser (2005) and other studies that politicians are the principal suppliers of hate, and that hate groups are the agents willing to consume repeated hate-creating stories without verification. Hate groups represent a fraction of the population or electorate, and they maximize their utility (U) by engaging in covert and overt racial-gender hatred based on the political ideologies of the parties to which they belong; and they face legal costs or penalties for such conduct. We use a simple algebraic methodology based on Ellenberg's (2001) argument that any model or "statistical method is fundamentally sound if only it tells you things you already know." Therefore, the models used in this paper tell us everything that we know during the current and previous administrations. Algebraically, we express the objective of any hate group as:

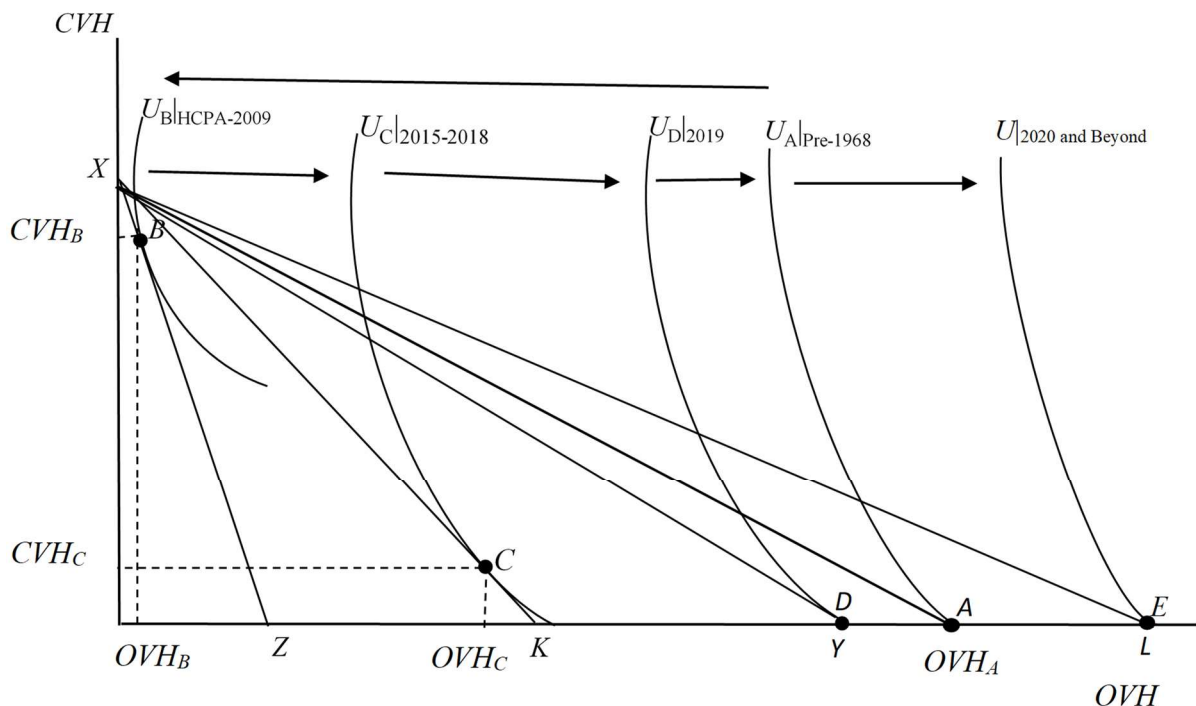
$$U = f(CVH, OVH) \tag{1}$$

subject to

$$TCH = \beta CVH + (\eta + \theta) OVH \tag{2}$$

where TCH stands for the total costs to hate groups with propensities for racial-gender hatred, CVH stands for covert racial hatred and β is the price to the hate groups that engage in covert racial-gender hatred, OVH is overt racial-gender hatred, while η is the price of overt hatred while θ captures the legal penalties to hate groups that engaged in overt racial-gender hatred. To put equations (1) and (2) in the proper context, we use the conventional indifference curve and budget line graphical analysis in Figure 1 to demonstrate the true preferences or choices of many hate groups with respect to CVH and OVH in a politically divisive environment in the United States. Line XY is the downwardly sloped hatred budget line touching the hatred indifference curve (U_A) at point A prior to 1968 when hate groups faced little or no legal penalties for committing hate crimes.

FIGURE 1
TRANSITIONS INTO COVERT AND OVERT RACIAL-GENDER HATRED



Since there were little or no legal penalties for engaging in overt hatred before the passage of the hate crimes statute of 1968, hate groups maximized their utility by consuming zero CVH_A and all OVH_A at point A . Given the legal costs outlined in the passage of the hate crime laws of 1968 and its expanded version in HCPA of 2009, and $\theta \neq 0$, line XY rotates inward to line XZ and this means that $\eta + \theta > \beta$, thus, some of the hate groups transitioned into covert racial-gender hatred. In other words, the legal costs associated with the passage of the first hate crimes statutes of 1968 and HCPA of 2009 forced many hate groups to reduce their preference for overt hatred. Instead, they chose more covert hatred and less overt hatred as the hatred budget line XY rotated inward to XZ and tangent to $U_B|_{HCPA-2009}$ indifference curve at point B with combination of CVH_B and OVH_B .

Now that many hate groups are emboldened by the current divisive political environment, especially given that when the 45th POTUS-REP announced his candidacy for president in 2015, he made racial comments about Mexicans immigrants, which even the then Speaker of the House, Paul Ryan, classified as “textbook racism,” we see the revived energy by many hate groups to reveal their true preference for overt racial-gender hatred, despite national condemnations. The stereotyping of Mexican immigrants lend credence to the assertion that politicians succeed in peddling false stories to their agents (hate groups) about the other group through repetition [see Glaeser (2005)]. The Republican Party never condemned their presidential nominee in 2015 for his racial-gender overtones, and when they controlled the Senate and the White House prior to the 2018 mid-term election, many hate groups that transitioned to point B , post-1968 became emboldened to reveal their true preference for overt racist propensities given the implicit reduction in the legal penalties as indicated by line XZ rotating out to line XK with combination CVH_C and OVH_C at point C .

Ultimately, the hope of the hate groups is to get back to the preferred pre-1968 period when overt racial-gender hatred was more blatantly prevalent. Since the current divisive political environment enabled the most powerful political leader, 45th POTUS-REP, to peddle conspiracy theories and disinformation with which they propagated repeated hate-creating stories and false narratives about the other groups and countries which the hate groups consume without verifications, the hate groups became emboldened to once again reveal their true preference for overt racial-gender hatred with the hope to transition back to the pre-1968 level and thereby take back America. These hate groups saw the actions of the 45th POTUS-REP as a signal of implicit support and normalization of racial-gender hatred; therefore, when the 45th POTUS-REP and politicians emboldened and condoned overt racial-gender hatred, this exacerbated tribal-racial politics and partisan polarization, which damaged and almost destroyed representative democracy in the United States. Violent hatred is a renewed phenomenon that permeates the fabric of society at the national and international levels; therefore, it is essential to examine hatred and hate crimes from the aggregate perspective.

Aggregate Demand and Aggregate Supply of Hatred in the United States

Given the dramatic increase in hate-motivated crimes in the United State since the 2016 presidential election and the current politically divisive environment that condones socio-political chaos and racial-gender bigotry, it is important to analyze hatred within the concept of aggregate demand for hatred (ADH) and aggregate supply of hatred (ASH) in order to highlight some of the underlying determinants. Expressing ADH and ASH algebraically, we have

$$HD = f[P_H, LP, TH, PT, PL(SP), PDE, FB, EA] \quad (3)$$

$$HS = g[P_H, LP, HG, PL(SP), CTDIS(SMP)] \quad (4)$$

and

$$HD = HS = H \quad (5)$$

where HD and HS represent the aggregate quantity of hatred demanded and supplied, respectively; P_H is the price and LP is the legal penalty for hate crimes at the federal, state, and local levels captured by all the hate crime statutes since 1968; TH is a catch-all term for the taste for hate-motivated crimes normally embedded in prejudice attitudes that can be associated with political ideology, race, religion, sexual orientation, disability, and transgender; PT captures the perceptions of threats that perpetrators of hate crimes falsely expect from the “other groups” – typically the minorities; PL captures political leaderships (at the federal, state, and local levels) who utilize hate speeches (SP) to incite and whoop up hate crime perpetrators; PDE captures political divisive environment or political polarization; while FB and EA represent the family background or upbringing and the educational attainment of the perpetrators of hate-motivated crimes, HG stands for the growing number of hate groups, $CTDIS$ is an interactive term for conspiracy theories and disinformation, and SMP represents the unregulated social media platforms such as Facebook, Twitter, YouTube, and Instagram – to mention just a few – where hate groups and other suppliers of hate disseminate conspiracy theories and disinformation to galvanize more supporters or suppliers of their hate-based ideologies. It is important to note that HD , HS , and P_H are the endogenous variables while LP , TH , PT , $PL(SP)$, PDE , FB , EA , HG , and $CTDIS(SMP)$ are the exogenous variables in equations (3) and (4). Equation (5) simply depicts the equilibrium condition.

As we pointed out earlier, legal penalty for hate-motivated crimes was enacted in 1968, followed by the Violent Crime and Law Enforcement Act of 1994, the Church Arson Prevention Act of 1996. The Matthew Shepard and James Byrd, Jr. Hate Crimes Prevention Act (HCPA) in 2009 under Obama’s administration, further strengthened by the previous hate crime laws. According to Walters and Brown (2016), there are four types of hate crime perpetrators: (a) thrill seekers who are generally motivated by the thrills and excitements they obtain when they participate in hate crimes, (b) defensive perpetrators are those motivated by the desire to protect their perceived beliefs and territories, (c) retaliators are those who act in retaliation for perceived attacks against their own group, and (d) mission perpetrators who make it their mission in life to eradicate perceived difference.

We provide the partial differentiations of equation (3) and (4) in order to highlight the magnitude of each of the endogenous as well as the exogenous explanatory variables. For equation (3), while $\frac{\partial HD}{\partial P_H} < 0$ shows the inverse relationship between aggregate hatred and the price of hatred, $\frac{\partial HD}{\partial LP} < 0$ is the legal penalty aimed to deter the demand for hatred and hate crimes; $\frac{\partial HD}{\partial TH} > 0$ because the taste for hatred could be motivated by political ideology, racial-gender hatred, religious affiliation, and sexual orientation; and $\frac{\partial HD}{\partial PT} > 0$ because there are those who perceived threats from the other groups. In addition, $\frac{\partial HD}{\partial PL} = \frac{\partial HD}{\partial PL} \cdot \frac{\partial PL}{\partial SP} > 0$ when political leaders engage in hate speeches meant to be consumed by their constituents with the aim to promote national hatred and incite violent hate crimes; $\frac{\partial HD}{\partial PDE} > 0$ measures the degree to which an extremely divisive political environment, that we are experiencing today in the United States, can contribute to hatred and hate crimes; $\frac{\partial HD}{\partial FB} > 0$ since in many instances, hatred is embedded in some families or upbringing; and $\frac{\partial HD}{\partial EA} \geq 0$ because the level of educational attainments could have positive or zero effect on hatred and hate crimes.

For equation (4), $\frac{\partial HS}{\partial P_H} \geq 0$ and $\frac{\partial HD}{\partial LP} = \infty$ (infinite) and constant because the legal penalties laid out in hate crime laws do not change; $\frac{\partial HS}{\partial HG} > 0$ due to the emergence of more hate groups in the United States over the past decade; $\frac{\partial HS}{\partial PL} = \frac{\partial HS}{\partial PL} \cdot \frac{\partial PL}{\partial SP} > 0$ because many political leaders use hate speeches as the instrument with which to recruit more suppliers of hatred at all levels; $\frac{\partial HS}{\partial CTDIS} = \frac{\partial HS}{\partial CTDIS} \cdot \frac{\partial CTDIS}{\partial SMP} > 0$ because conspiracy theories and disinformation, which promote more national hatred and incite violent hate crimes are easily propagated through many unregulated social media platforms such as Facebook and Twitter.

Figure 2 provides a simple graphical illustration of aggregate demand for hatred (ADH) and aggregate supply of hatred (ASH) expressed in equations (3) and (4), holding constant the exogenous variables. Before the passage of the 1968 hate crime act and other hate crime laws prior to the HCPA in 2009, ADH and P_H show inverse relationship while ASH and P_H show slightly positive upward sloping relationship. In other words, prior to 1968 when hate crime perpetrators paid little or no legal penalty for committing heinous hate crimes, aggregate hatred supply given as ASH_0 intersected the ADH_0 at Point X in Figure 2 with equilibrium aggregate quantity of hate crimes and price given as H_X and $P_H|_{\text{Pre-1968}}$, respectively.

Next, Figure 3 shows that the passage of the 1968 hate crime act altered ASH_0 to a perfectly or infinitely elastic aggregate hatred supply curve, ASH_1 , because of the constant legal penalty (LP) on the perpetrators of hate crimes nationwide, thus point A shows that the aggregate quantity of hate crimes decline from H_X to H_A due to the legal penalty. $P_H|_{1968}$ is essentially $P_H|_{\text{Pre-1968}}$ plus the legal penalty, LP . The enforcements of the 2009 HCPA shifted ASH_1 to ASH_2 , thus reducing aggregate quantity of hate crimes from H_A to H_B with higher legal penalty stipulated for hate crimes shown at point B . In other words, $P_H|_{2009}$ is $P_H|_{1968}$ plus the new LP stipulated in HCPA of 2009.

FIGURE 2
AGGREGATE DEMAND AND SUPPLY OF HATRED IN THE UNITED STATES, PRE-1968

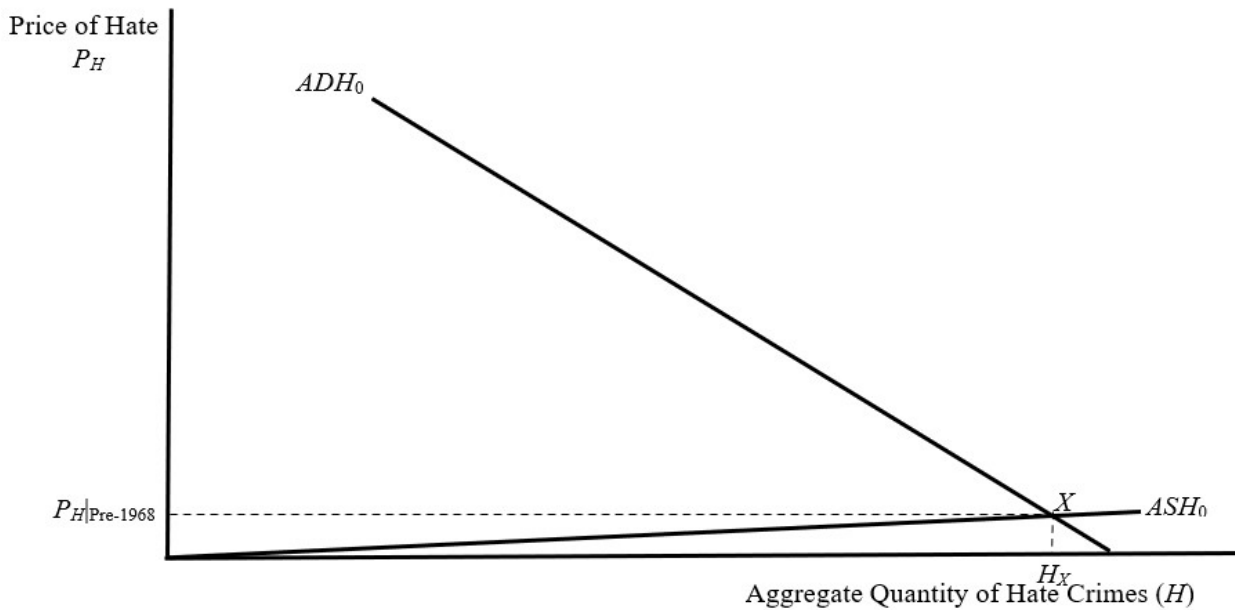
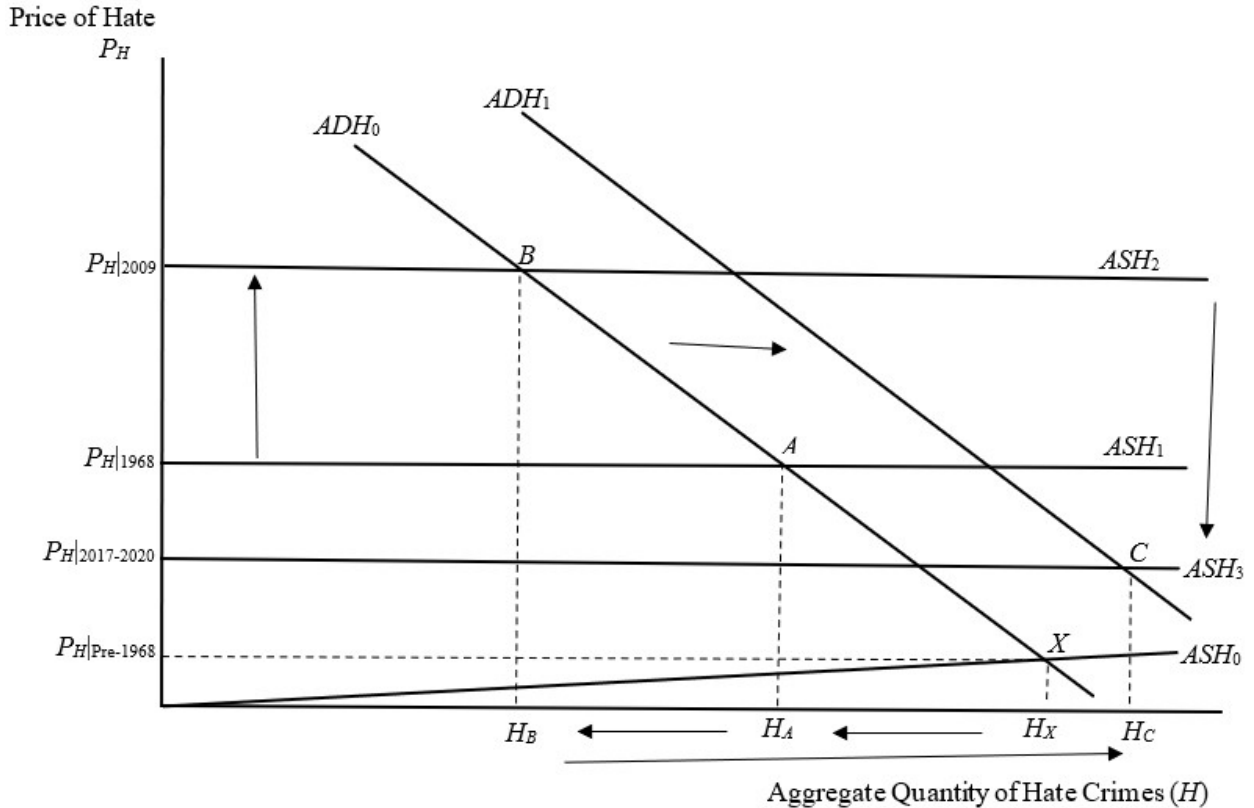


FIGURE 3
AGGREGATE DEMAND AND SUPPLY OF HATRED IN THE UNITED STATES, POST-1968



In the current environment of partisan political divisiveness, we have witnessed the utilization of baseless conspiracy theories and disinformation propagated by political leaders such as the 45th POTUS, some state governors, and city mayors to incite hatred and hate crimes. In addition, we have also witnessed the emergence of more hate groups ready to commit egregious hate crimes that fall into any one of the four types of hate crimes indicated by Walters and Brown (2016). In other words, the United States is in the era in which aggregate demand for hatred increased from ADH_0 to ADH_1 because many hate groups now willfully consume racial-gender false narratives, and simultaneously, the aggregate supply of hatred also shifted from ASH_2 to ASH_3 with the legal penalty for hate crimes falling from $P_H|_{2009}$ to $P_H|_{2017-2020}$ thus the aggregate quantity of hate crimes increased from H_B to H_C at point C , which could be lower than H_X depending on the magnitude of the shifts in ADH and ASH . If conspiracy theories and disinformation remain unabated, more hate groups will emerge and hate crimes may be normalized because the partisan political divisiveness and the baseless conspiracy theories and disinformation by political leaders would continue to embolden more hate groups to come out and commit more hate crimes. Newly emerged hate groups would consider themselves as retaliators forced to act in retaliation for perceived attacks against the interests of their own groups.

The Game Theoretic Explanation of Partisan Political Divisiveness

According to Sulkin and Schmitt (2014), there is a growing consensus about the causes of partisan polarization or political divisiveness between Democrats and Republicans, but that much less is known about its consequences, especially how polarization has or has not affected other components of legislative activity, such as the issue agendas individual members of Congress pursue in their introduction and co-sponsorship of legislation. In their focus on the individual level, they ask three related questions with respect

to: partisan polarization in agendas of both Democrats and Republicans and whether they devote their time and effort to different issues, increasing partisan differentiation in agendas by both parties between the late 1980s and 2000s, and whether moderate and liberal Democrats or moderate and conservative Republicans differ systematically in their agendas and the degree of these differences overtime.

To comprehend the consequences of political divisiveness of partisan polarization on the political economy of the United States, we provide a game theoretical framework to highlight the irrationality underlying the strategic behaviors of Congressional Democrats and Republicans in either a united or divided Congress. Since the political economy encompasses the production and trade in relations to the rule of law, custom and government as well as the social welfare, we view the political economy of the United States from its ability to pass legislations required to strengthen its representative democracy, which requires bipartisan cooperation in Congress. To analyze the underlying factors with respect to why partisan polarization would continue into the foreseeable future, we show the political interactions between Democrats (DEM) and Republicans (REP) in Congress in a game theoretic framework under an environment in which POTUS and Congress can achieve high legislative productivity in a strongly bipartisan environment or low legislative productivity in an extremely partisan polarized environment in which both parties hate each other.

Wherever we have two or more political parties and these parties are aware that their legislative proposals are determined through bipartisan coalitions, they are players in legislative political games and oversights now engulfed with complete disrespect and hatred for each other. For simplicity, let us assume that the 46th POTUS has some sets of policy agenda, which he campaigned on during the 2020 presidential election circle and that the objective of the 46th POTUS and members of his party in Congress is to pass meaningful bipartisan pieces of legislations proposed by the 46th POTUS and his or her party. To comprehend the importance of cooperation in passing legislations, let us assume that α and λ represent the percentage of the current 271 Democrats and 261 Republicans in both Houses of the 117th Congress (which consists of 271 Democrats, 261 Republicans, and three vacancies due to death and resignation) who can support the 46th POTUS and his party's legislative agenda, while $(1 - \alpha)$ and $(1 - \lambda)$ represent the percentage from both parties in opposition to the 46th POTUS and his party's legislative agenda.

For further simplification, let S_i be the strategy space for DEM and REP and that both parties have the set of strategies $s_i = Support, Oppose$ available, and each party knows about the previous actions of the other party; therefore, the strategy tells both parties how to react to the actions of the other. The dominant

strategy for both DEM and REP is denoted as $s^*(S_{DEM}^*, S_{REP}^*)$, and this represents the best response to any strategy the other party chooses, even when such actions by the other party are considered to be irrational. It was obvious that the dominant strategy of the Democratic Party since President Trump's inaugural was *Oppose*; therefore, one can easily predict that the Republicans in Congress will reciprocate against the 46th POTUS-DEM in the White House. If both DEM and REP choose *Support*, *Support* strategy profiles in support of the legislative proposals of the 46th POTUS, then, we have a case of bipartisan support with the payoffs of $\alpha(271)$, $\lambda(261)$. Generally, the 46th POTUS-DEM or any POTUS-REP will welcome this outcome because it enhances effective governance for representative democracy and forces both parties to compete on party differentiation thus forcing both parties to campaign on strong economic, political, and social issues in order to win the support from the voters. Furthermore, let us assume that there are occasions in which DEM and REP choose the *Oppose* ($\alpha = 0$), *Oppose* ($\lambda = 0$) strategy profiles for a variety of reasons. For example, if both DEM and REP do come together to override the 46th POTUS' veto if they disagree with the position taken by the 46th POTUS on a particular legislation; and if this happens, the payoffs will be given as $(1-\lambda)261$, $(1-\alpha)271$.

The case of political polarization can be depicted if for the current 46th POTUS-DEM, Democrats choose *Support* with a payoff given as $\alpha 271$ and Republicans choose *Oppose* with a payoff given as $(1 - \lambda)261$ because they oppose the American Rescue Plan proposed by the current 46th POTUS-DEM. That is, $\alpha = 1$ means complete Democratic support and $\lambda = 0$ implied complete Republican opposition over the American Rescue Plan, this would yield $271 > 261$, and would lead to a complete partisan passage of the American Rescue Plan due to $DEM|majority > REP|minority$. This also holds true if any POTUS-REP

occupies the White House and his/her party holds the majority in both chambers of Congress and Republicans choose *Support* with payoff given as $\lambda \times \text{majority}$, and in retaliation, Democrats choose *Oppose* with a payoff given as $(1 - \alpha) \times \text{minority}$. In this instance, $\lambda = 1$ and $\alpha = 0$, and this would yield $\text{REP}|\text{majority} > \text{DEM}|\text{minority}$. This tit-for-tat actions, which manifested in the past two decades may continue into the foreseeable future. The retaliatory behavior from both parties has a multiplier effect as reflected in many areas of government including shutdowns, which was five under President Carter (POTUS-DEM) and was reciprocated by eight shutdowns under President Reagan.

Both scenarios above highlight that the current 46th POTUS-DEM or a future POTUS-REP would pass his/her legislative agenda only through partisan majority support. In other words, DEM and REP alternate *Support, Oppose* with *Oppose, Support* in a tit-for-tat strategy profiles. The passage of the Affordable Care Act under President Obama, the Tax Cuts and Job Act under President Trump, and the 2021 American Rescue Plan Act under President Biden are three illustrative examples of legislation passed with only partisan support. The problem with this alternation is that it may continue into the foreseeable future due to partisan polarization such that for the 46th POTUS-DEM, α will be consistently 1 and λ will be consistently zero. Similarly, for future POTUS-REP, λ will be consistently 1 and α will be consistently zero, which means we should not expect any strong bipartisan support in passing major legislations, either now or in the next Republican administration. For this repeated political game situation, the payoffs or outcomes are summarized in Table 1, which shows two important strategy profiles: *Support, Support* and *Oppose, Oppose*. The expected outcome for *REP* is $\lambda[\alpha + (1 - \alpha)] + (1 - \lambda)[0(\alpha) + 0(1 - \lambda)] = \lambda$ and for *DEM*, the expected outcome is $\alpha[\lambda + (1 - \lambda)] + (1 - \alpha)[0(\lambda) + 0(1 - \lambda)] = \alpha$; therefore, any POTUS or Congress would want $\alpha = 1$ and $\lambda = 1$, that is total bipartisan support – enhancing legislative productivity. If $\alpha = \lambda = 1$, we consider the *Support, Support* strategy profiles in cell I to be superior to the *Support, Oppose* in cell II and the *Oppose, Support* strategy profiles in cell III, which are also superior to *Oppose, Oppose* strategy profiles in cell IV. Essentially, the *Support, Support* and *Oppose, Oppose* strategy profiles are the best and the worst possible outcomes in terms of the sum of payoffs, respectively. The payoffs given as $(1 - \alpha)271$, $(1 - \lambda)261$ generated by the *Oppose, Oppose* strategy profiles can be considered to be Pareto-inferior when compared to the Pareto-superior payoffs given as $\alpha(271)$, $\lambda(261)$ generated by the *Support, Support* strategy profiles, which game theorists will consider to be the Nash equilibrium when $\alpha = \lambda = 1$. Essentially, the *Support, Support* strategy profiles as the Nash equilibrium Pareto-dominates the *Oppose, Oppose* strategy profiles.

TABLE 1
THE POLITICAL GAME BETWEEN CONGRESSIONAL DEMOCRATS AND REPUBLICANS
IN THE 117TH CONGRESS

| | | DEM | | | |
|-----|---------------------------------|--|--|---|---|
| | | I | II | III | IV |
| REP | <i>Support</i> (λ) | <i>Support</i> (α) $\lambda(261), \alpha(271)$ | <i>Support</i> (α) $\lambda(261), (1 - \alpha)271$ | <i>Oppose</i> ($1 - \alpha$) $\lambda(261), (1 - \alpha)271$ | <i>Oppose</i> ($1 - \alpha$) $\lambda(261), (1 - \alpha)271$ |
| | <i>Oppose</i> ($1 - \lambda$) | <i>Support</i> (α) $(1 - \lambda)261, \alpha(271)$ | <i>Support</i> (α) $\lambda(261), (1 - \alpha)271$ | <i>Oppose</i> ($1 - \alpha$) $\lambda(261), (1 - \alpha)271$ | <i>Oppose</i> ($1 - \alpha$) $\lambda(261), (1 - \alpha)271$ |

Note: The current numbers used here do not add up to 535 because of the three vacancies: 2 Republicans died and 1 Democrat resigned.

Given the level of partisan political divisiveness in the Congress of the United States over the past two decades, it is logical to infer that Congress may continue on the path of tit-for-tat legislative political game into the foreseeable future. In other words, the Congress of the United States may be locked into the payoff depicted by cell II or cell III into the foreseeable future depending on which party wins the White House. Many pundits consider this as a particularly disturbing phenomenon in this era of political polarization where some members of Congress continued to disseminate conspiracy theories and disinformation that hate groups willfully consume without verifications. In addition to the extreme political divisiveness, vicious hatred has infiltrated into both political parties over the past five years; and this could be destructive to American representative democracy.

CONCLUSIONS AND POLITICAL IMPLICATIONS

This paper analyzes the political economy of the United States in the era of increased racial-gender hatred and partisan political divisiveness. In doing so, we use the concept of revealed preferences of hate groups using the hatred curve analysis to show that racial-gender hatred by hate groups became covert due to the passage of the hate crimes statute of 1968, which the Hate Crimes Prevention Act of 2009 expanded on. In the current toxic political environment of partisan political polarization driven by extreme nationalism ideologies, hate groups are now emboldened to reveal their preference for overt racial-gender hatred. Essentially, hate groups are now encouraged to “stand back and stand by” and ready to commit egregious hate crimes similar to the pre-1968 hate crimes when there were little or no legal penalties for heinous hate crimes. In addition to using the hatred revealed preference analysis, we use a game theoretic framework to highlight the retaliatory behaviors of Congressional Democrats and Republicans based on their deep-rooted partisan ideologies, which now encompass hatred for the other party and no more party coalition. For instance, the passages of the Affordable Care Act of 2010 under a POTUS-DEM and the Tax Cuts and Job Act of 2017 under the 45th POTUS-REP with strictly partisan support lend strong credence to the tit-for-tat or retaliatory outcomes illustrated in cells II and III in Table 1.

In terms of political implications of the increasing demand for hatred in this era of political divisiveness, it is important to stress that political pundits and policymakers in Congress cannot underestimate the degree to which individuals and many hate groups consumed hatred over the past five years, and they are now ready to come out and commit hate crimes on the basis of reckless conspiracy theories and disinformation. To decrease the demand for hatred at the individual level depicted in Figure 1 and at the aggregate level depicted in Figures 2 and 3, the United States must consider monthly or quarterly engagement in national reorientation in order to defuse the propagation of reckless conspiracy theories and disinformation that would continue to fuel hatred and violent hate crimes. Furthermore, Congressional Democrats and Republicans need to engage in complete self-reassessments with respect to their contributions in propagating conspiracy theories and disinformation, thus promoting hatred and violent hate crimes nationwide. This is particularly important because the United States is in a challenging era where many voters now follow their political leaders blindly, and in the process, they willfully consume various conspiracy theories and disinformation without verifications thus they are willing to commit heinous hate crimes. Since some of these voters proudly belong to brutal hate groups who are now emboldened to commit violent hate crimes with little or no legal repercussions, hatred and hate crimes would have significant multiplier effects, nationwide.

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