

On the Ideology Motive in Political Economy Models

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Abstract

This note provides a simple political economy model which captures the trade-off of political parties between catering to their “core” constituency and appealing to middle-of-the-road voters, who are not intrinsically attached to a party. The analysis reconciles seemingly ideology-motivated behavior of political parties with vote-maximization.

Key words: ideological polarization; partisan constituency; political parties

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1. Introduction

Commentators of election campaigns and polls frequently highlight the trade-off of political parties (and their candidates running for office) between catering to their “core” constituency, i.e., partisans who are inclined to some ideology associated with a party, and appealing to middle-of-the-road voters, who are not intrinsically affiliated with a party. The issue has recently gained considerable attention in the light of the general debate on increasing polarization in US politics over the last decades (see for example Poole and Rosenthal, 2001; *The Economist*, 2003). For instance, Democratic and Republican members of congress have become clearly separated with respect to the one-dimensional measure for ideological predispositions proposed by Poole and Rosenthal (1991, 1997), and in particular scores of Republican party activists have surged towards ideological biases.

This paper offers a simple model which captures the basic problem faced by political actors in proposing their policy platform, to motivate partisans to participate in the election while at the same time attracting non-partisans, and presents empirical evidence which supports its main hypotheses. The model basically gives an alternative foundation of the “citizen-candidate” model of

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political parties (e.g., Osborne and Slivinski, 1996; Besley and Coate, 1997; Cukierman and Tommasi, 1998; Dixit and Londregan, 1998). The key issue in this note is to gain insight into the ideology-motive of political parties (or candidates). The analysis suggests that the behavior of political actors is consistent with purely Downsian behavior (Downs, 1957), i.e., behavior is exclusively motivated by increasing vote share or being elected to office. The perception that parties are partly driven by ideology may thus be interpreted as an attempt of parties to cater to their core constituency rather than reflecting true ideological preferences. Moreover, the model proposed in this paper suggests a simple measure of ideological polarization which can be used in empirical tests of political economy models.

2. A Simple Model

Consider a simple model with two political parties, called leftwing (L) and rightwing (R). Parties choose a platform from some policy space $\Pi \subseteq \mathfrak{R}$ before elections take place. The payoff of party $i = L, R$, conditional on platform $P_i \in \Pi$, is given by

$$\pi_i = m_i + (1 - F_i(|P_i - (\bar{P}_i + \beta)|))n_i, \quad (1)$$

where F_i is an increasing function with $F_i(0) = 0$, which is bounded by unity. The standard interpretation of this form in the existing political economy literature runs as follows. The first term (m_i) reflects a Downsian motive which can either be interpreted as utility from being elected to office (e.g., Osborne and Slivinski, 1996; Cukierman and Tommasi, 1998) or as the party's vote share (e.g., Dixit and Londregan, 1998). This utility of a party (or a "citizen-candidate") is often called ego rent. The second term captures that parties care about the implemented policy or ideology, respectively. Thereby, $\bar{P}_i + \beta$ may be interpreted as the "ideal" or "bliss" point of party i , which consists of a party-specific component, \bar{P}_i , and the state of the economy, reflected by β , which may be a random variable.

The party-specific component may reflect the political preference of a candidate or may be a compromise between different groups associated with the party. For concreteness, suppose $\bar{P}_R > \bar{P}_L$. The component β captures external circumstances which affect all parties' ideal policy in a similar way. For instance, parties' attitude to the extent of the tax burden may differ fundamentally in general. However, it may change in the same direction for example in case of a technological shift which raises skill requirements of individuals and which therefore could be accompanied by higher public education spending. (Whether the state of the economy enters parties' payoff is not of central importance in what follows.) F_i indicates a loss function from deviation from party i 's bliss point and n_i may be interpreted as a party-specific preference parameter which measures the marginal rate of substitution (i.e., the relative importance) of ideology vis-à-vis power hunger.

The assumption that a party's payoff depends inter alia on ideology is often exploited to derive the result that proposed platforms differ from the platform

preferred by the median voter, P^m . This is in contrast to the prediction in the classical study by Downs (1957) that parties' platforms converge to P^m . Indeed, recent evidence from the US by Reed (2006) suggests that policy platform divergence is prevalent in the sense that political control of a party matters for the policy outcome. Reed (2006) shows that state tax burdens are higher under control of the Democrats than under control of the Republicans.

The purpose of the remainder of this note is to propose an alternative interpretation of expression (1) which is consistent with the view that parties are fully Downsian (thus exclusively caring about political power) rather than being concerned with ideology or policy issues per se. Hence, the apparent platform divergence can be reconciled with vote-maximization and may not reflect intrinsic utility of parties (or candidates) to implement a particular policy.

The following simple model captures the fundamental trade-off of parties to cater to their ideology-driven core constituency on the one hand and non-ideological voters on the other hand. A microfoundation of expression (1) in this spirit, based on empirical evidence presented in the next section, may run as follows. Suppose there are three groups of voters, leftwing diehards, rightwing diehards, and middle-of-the-road (M) individuals. For each group, there is a continuum of individuals, of mass n_L , n_R , and n_M , respectively. All voters may form beliefs about the state of the economy and vote accordingly in order to maximize some (possibly state-dependent) utility.

Partisans and M -voters differ in the following sense. Whereas M -voters behave in the standard way (choosing between the two parties), diehard voters decide whether to vote for the party which they associate to be prone to their ideology or to abstain from the election. The ideology of diehards is reflected by ideal points $\bar{P}_L + \beta$ and $\bar{P}_R + \beta$, where β may again be a random variable reflecting the state of the economy and $\bar{P}_R > \bar{P}_L$. Within the two groups of diehard voters, individuals are heterogeneous in the intrinsic utility:

$$\gamma - |P_i - (\bar{P}_i + \beta)|, \quad (2)$$

derived from voting for their respective party $i = L, R$.

Let $F_L(\gamma)$ and $F_R(\gamma)$ denote the cumulative distribution functions of γ for leftwing and rightwing diehards, respectively. That is, partisans of a given group are heterogeneous with respect to the intrinsic value attached to the party to which they feel affiliated. Their utility when abstaining from participating in an election is normalized to zero. Thus, according to intrinsic utility from voting (2), if proposed platform P_L of party L differs from $\bar{P}_L + \beta$, a leftwing diehard supports party L if and only if $\gamma \geq P_L - \bar{P}_L - \beta$. Otherwise, she withdraws support and abstains from voting (not turning to party R either and deriving zero utility). Thus, given platform P_L , the mass of leftwing diehards voting for party L is given by $(1 - F_L(|P_L - \bar{P}_L - \beta|))n_L$. Similarly, given platform P_R , the mass of rightwing diehards voting for party R is given by $(1 - F_R(|\bar{P}_R + \beta - P_R|))n_R$. Finally, let m_i be the number of M -individuals who vote for party i .

This setup provides a simple foundation of each party's payoff reflected by expression (1). In this model, the objective of each party simply equals the total number of its voters. The reason why parties may be motivated by the number of supporters rather than aiming at a simple majority may be manifold (see Dixit and Londregan, 1998, p. 506, for a discussion). First, even if a politician only cared about winning the election and were significantly ahead in opinion polls before the election, she would not stop campaigning. One reason for this may be the possibility that some scandal or campaign gaffe, occurring just before the election, would induce a non-negligible share of voters to rethink their voting intention; stated differently, there is always uncertainty about winning the election. Moreover, a politician's margin of winning an election may be important for securing intra-party support for a longer time-horizon and thereby increase the probability to run for office a further time.

Note that parameter n_i in (1), which according to the standard interpretation reflects the importance of ideology motives relative to power hunger, is now interpreted as the number (or, alternatively, the population share) of partisans attached to party $i = L, R$. Hence, the proposed model suggests a particularly simple measure of ideological polarization in a society: denoting by n_L^j and n_R^j the number of leftwing and rightwing diehards in a society j , society A is more polarized than society B if $n_i^A \geq n_i^B$ for $i = L, R$, with at least one strict inequality.

Two remarks are in order. First, there are other possible measures of ideological polarization, such as the distance between bliss points of rightwing and leftwing partisans (in a two-party system), $\bar{P}_R - \bar{P}_L$. Such a measure would be issue-specific, however, whereas the share of party-identifiers is not. Second, the proposed measure obviously does not allow for a complete ranking of all societies. Application to the US, however, suggests that US politics has indeed become more polarized, as size of the core constituency of the Republican party (n_R) has clearly risen in the last few decades, whereas that of the Democrats (n_L) seems fairly stable (e.g., Fiorina, 1999).

3. Empirical Evidence

So far we have argued that a party's objective function (1) is consistent with a fully Downsian party that faces the trade-off between attracting their "core" constituency, among which partisans decide whether or not to support their preferred party, and other, non-affiliated voters who choose among parties. This section briefly discusses empirical evidence to support these hypotheses by focussing on the behavior of party identifiers. In brief, we argue that party identification is an important phenomenon which is to a large part driven by ideology (subsection 3.1), that partisanship may give rise to perceptual biases which prevent a switch to the other party, irrespective of proposed platforms (subsection 3.2), and that abstention of partisans from elections is systematically related to alienation from their preferred party, depending on the distance between a voter's preferred policy and her party's proposed policy platforms (subsection 3.3).

3.1 Partisanship and Ideology

As can be seen from Table 1, in 2000 about one-third of the electorate in the US who put themselves on the standard seven-point scale identify strongly with a party (15.9% with Democrats and 17.8% with Republicans) and around 7% identify as extremely liberal (1.9%) or extremely conservative (5.2%). Not surprisingly, ideology and party identification are positively correlated. 47.8% of those who self-report as extremely liberal have a strong preference for the Democratic party and 65.2% of extreme liberals clearly support the Democrats (although not necessarily strongly). Similarly, 70.3% (62.5%) of those who self-identify as extreme conservatives identify themselves clearly (strongly) with the Republican party.

Table 1. Contingency Table of Ideology and Party Identification in the US in 2000

(%)	Strong Democrat (1)	Weak Democrat (2)	Independent (3-5)	Weak Republican (6)	Strong Republican (7)	Total
Extremely Liberal (1)	47.8	17.4	30.4	0	4.4	100
	5.6	2	1.7	0	0.5	1.9
Liberal (2)	38.8	20.2	33.2	3.4	4.5	100
	35.2	18	14.6	2.8	3.6	14.4
Middle (3-5)	13.9	21.2	39.1	20	5.8	100
	46.4	69.5	63.4	61.5	17.3	53.1
Conservative (6)	5.4	6.4	23	22.7	42.5	100
	8.7	10	17.8	33.3	60.5	25.4
Extremely Conservative (7)	12.5	1.6	15.6	7.8	62.5	100
	4.1	0.5	2.5	2.4	18.2	5.2
Total	15.9	16.2	32.8	17.3	17.8	100
	100	100	100	100	100	100

Notes: Calculations based on data from NES (2002); figures based on seven-point scale on ideology and party identification. The number in parentheses refers to the position in this scale, i.e., the three middle categories have been condensed to one for both measures. The first (upper) number in a cell refers to the row percentage (e.g., 47.8% of extreme liberals are strong democrats), the second number refers to the column percentage.

Moreover, using Table 1, straightforward calculation implies that 39.8% of those who report a clearly liberal position are strong democrats, and 45.9% of clear conservatives are strong republicans. Interestingly, empirical evidence suggests a causal relationship running from ideology to party identification, rather than vice versa. For instance, Abramowitz and Saunders (1998) and Schreckhise and Shields (2003) find support for ideological realignment among American voters; they seem to seek congruence between ideological positions and partisanship. Both studies suggest that the impact of ideology on party identification has grown from the mid-1970s to the mid-1990s (whereas the impact of parental partisanship has declined). Not surprisingly, party identification is nowadays the most effective indicator of individual vote choice (e.g., Bartels, 2000).

3.2 Social Identification

In their seminal work on voting behavior, Campbell et al. (1960) stressed that social identification is the fundamental aspect of partisanship. This has strong implications on voting behavior, which suggests fundamental differences between partisans and middle-of-the-road voters. An important feature of the proposed model in Section 2 is that ideological voters would—irrespective of proposed policy platforms—not turn to the other party. Evidence on social identification supports this hypothesis. According to Greene (2004), strong partisans suffer from perceptual biases in evaluating their preferred party involving mental exaggeration of their party’s favorable characteristics. He also shows that social identification with a party has a substantial effect on both ideological self-placement and partisanship. Social identification thereby relates to the average response of an individual to 10 questions which measure Identification with a Psychological Group (IDGP), introduced by Mael and Tetrick (1992). The IDPG-measure is not specific to political parties but has turned out to be a reasonable concept for measuring identity for a variety of social groups.

Most importantly in light of our model, the overall feelings towards the non-preferred party is strongly negatively affected by a person’s ideology, implying that “defection from a party may become psychologically more difficult, if indeed partisan group belonging does contribute to one’s self esteem” (Greene, 2004, p. 148).

In a similar vein, using data from 10 European countries, Di Tella and MacCulloch (2005) present evidence for a strong effect of the party in power on subjective well-being (“happiness”) of partisans, i.e., declared happiness is substantially higher when the preferred party is in power and substantially lower if it is not. Also consistent with our modelling of diehard voters, Shachar (2003) concludes that partisanship involves habit formation from voting. He finds that the probability of voting for a party significantly depends on the voting choice in the previous election, even when accounting for candidates’ attributes and policy stands as well as for observed and unobserved voter characteristics. Finally, an intrinsic motivation to support one’s preferred party is also reflected by evidence on a positive relationship between partisanship and voting participation, as reported by Fiorina (1999) and Bartels (2000) among others.

3.3 Abstention Behavior

The preceding evidence does not imply, of course, that parties can be ensured of receiving support from their diehard constituency in any election. First, it has been established that even after controlling for previous party identification, issue evaluation, a variable constructed from a respondent’s position matched with the subjective position of parties on a variety of issues, significantly affects party identification (Franklin, 1992). Second, consistent with our hypothesis on turnout decisions of diehards, abstention in elections is strongly determined by alienation, i.e., is a function of the distance from a voter’s ideal point to the nearest candidate,

as found in both presidential elections (Zipp, 1985; Adams and Merrill, 2003) and midterm elections (Plane and Gershtenson, 2004).

4. Conclusion

This note has provided a simple microfoundation for the ideology component of political parties, which accounts for the fundamental trade-off of parties between catering to their diehard partisan constituency and appealing to non-partisan middle-of-the-road voters. Consistent with this model, we have presented empirical evidence which identifies intrinsic differences between partisan and non-partisan behavior regarding ideological predispositions, party identification, and turnout decisions.

There is a large literature studying the effects of changes in ideological polarization for various issues like credibility of politicians (e.g., Alesina, 1988; Cukierman and Tommasi, 1998), efficiency of public goods provision (Schultz, 1996) or convergence/divergence of policy platforms (Blumkin and Grossmann, 2005). The model proposed in this paper suggests a particularly simple measure of ideological polarization in a society related to the shares of voters which hold partisan preferences. This polarization measure can be exploited in deriving testable hypotheses of the impact of higher polarization on the equilibrium in political economy models.

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