

# Voters

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# Papers

## 1. Lee et al (2004)

What impact voter preferences have on how politicians vote in the US Congress

## 2. Alesina and Fuchs-Schündeln (2007)

How communism affects the preferences of people wrt redistribution using German data

## 3. Dahlberg et al (2012)

How ethnic diversity affects redistribution preferences using Swedish data

## 4. Funk and Gathmann (2013)

How preferences and direct democracy affect gov size using data from Switzerland

# Do Voters Affect or Elect Policies?

## Intro

### Question

Which of the two competing views about the role of election is empirically more relevant?

1. When electoral promises are credible—as in a Downsian partial convergence—candidates will seek middle ground policy and general election will bring about some degree of policy “compromise”.
2. When voters don’t believe politicians’ promises, politicians will implement their most-preferred policy (the bliss policy) and general election brings no compromise.

Based on Alesina’s Analysis(1988), whether politicians’ promises are credible has sharply different predictions for the effect of electoral strength on her policy choices.

# Do Voters Affect or Elect Policies?

## Intro

### Motivation

To estimate the effect of electoral strength, we need an exogenous variation in who hold the seat. But unfortunately this is determined endogenously.

1. If we simply compare the voting record, the result is likely to be biased.
2. This paper focuses on the set of electoral races in which the incumbent party had barely won the previous election.
3. It is assumed that districts where the Democrats barely won are comparable to districts where the Republicans barely won. Some evidence is presented to support this assumption.

# Do Voters Affect or Elect Policies?

## Intro

### Result

This paper finds that the degree of electoral strength has no effect on legislator's voting behavior.

1. A large exogenous increase in electoral strength for Democratic Party doesn't result in shifting both parties' candidates to "left".
2. Voters seem to have no effect on politicians' choices during general election.

# Do Voters Affect or Elect Policies?

## Intro

### Evaluation

#### Strengths:

- credible identification argument
- captivating charts
- convincing analysis
- compelling refutation of influential piece of theory

#### Weaknesses:

- result not as grand as title of paper might have you expect
- there are interesting ways in which voters might exert influence on what policy makes it onto a platform that would not necessarily show up in 'Affect'

# Do Voters Affect or Elect Policies? Main Part, Identification I

## Problem

The most straightforward way is to compare candidates' most-preferred policies to the policies they would actually choose.

1. If the voting records are more moderate than their bliss point, we can say that voters can affect the policy and vice versa.
2. This comparison is impossible, as their bliss point is unobservable and we don't know it.

In this paper, A simple empirical test is done based on Alesina's point.

- If voters can affect politician's policy choices, the exogenous changes in their electoral strength have an impact on how they intend to vote if elected to Congress.

# Do Voters Affect or Elect Policies? Main Part, Identification I

## Thought Experiment

The outcome of Congressional election race in 1992 with the flip of a coin.

- The group of districts where the Democrats won would be random and this guarantees that the two groups are similar in the ideological positions of the voters and candidates, the demographic characteristics and so on.
- It is assumed that incumbents are known to have an electoral advantage(?). The random assignment guarantees electoral strength changes are exogenous.

# Do Voters Affect or Elect Policies? Main Part, Identification I

## Thought experiment

The 1995-996 voting "scores" of the winner in 1994 election where the Democrats held the seat during the 1994 campaign is examined and compare them with the scores of winners of elections where a Republican held the seat.

The difference between them reflects a causal effect of who holds the seat during the 1994 electoral races on 1995-1996 voting records. We call this difference the "overall effect".

# Do Voters Affect or Elect Policies? Main Part, Identification I

The "overall effect" can be decomposed into two part.

1. "Elect" component: The winner where a Democrat held the seat during the 1994 electoral race will behave more liberally just because the winner is more likely to be a Democrats.
2. "Affect" component: A Democrat who is challenging the incumbent in 1994 would have more conservative records in 1995-1996 compared to an incumbent Democrat.
3. If "Elect" component is dominant, it suggests fully policy divergence: politicians simple vote their own policy views.
4. If "Affect" component dominates, partial convergence is supported and politicians' choices are constrained by voters' preference.

# Do Voters Affect or Elect Policies? Main Part, Identification I

The initial "random assignment" of the outcome of the 1992 election is super important. Without it, the estimation result will be biased.

1. In reality, the outcome of elections is determined endogenously, influenced by the ideologies of the voters and candidates and other unmeasured characteristics of the districts.
  - ▶ Democrats are also more likely to be elected in places like Massachusetts than in places like Alabama.
2. The empirical strategy focuses on elections that were decided by a very narrow margin in 1992 and this paper examines elections that were decided by less than a 2% vote share.
  - ▶ Some evidence is present to argue that it is virtually random which of the two parties won the elections.

# Do Voters Affect or Elect Policies? Main Part, Identification II

can tell similar story using Alesina's (1988) model of electoral competition to give flesh to '**Affect**'

- politican behaviour: D and R maximise  $u(l) = -0.5(l - c)^2$  and  $v(l) = -0.5l^2$
- voters: expectations:  $x^e, y^e$ .
- voter behaviour:  $P(x^e, y^e)$  = probability D wins. increases (decreases) as expected D (R) policy becomes moderate
- if D wins, policy x implemented, if R wins, y
- rational expectations:  $x^e = x, y^e = y$
- game repeats
- types of equilibria: complete convergence, partial convergence, divergence

# Do Voters Affect or Elect Policies? Main Part, Identification II

- complete convergence:  $x^* = y^* = \lambda * c$
- Key result:  $\frac{dx^*}{dP^*} = \frac{dy^*}{dP^*} > 0$
- $P^*$  = probability D win if parties were believed to implement  $c$  and 0. measure of popularity
- they show key result also holds for partial convergence.  
 $0 \leq y^* \leq x^* \leq c$
- but not for divergence where  $\frac{dx^*}{dP^*} = \frac{dy^*}{dP^*} = 0$
- they argue that this derivative is identified, allowing evidence to discriminate between partial convergence and divergence

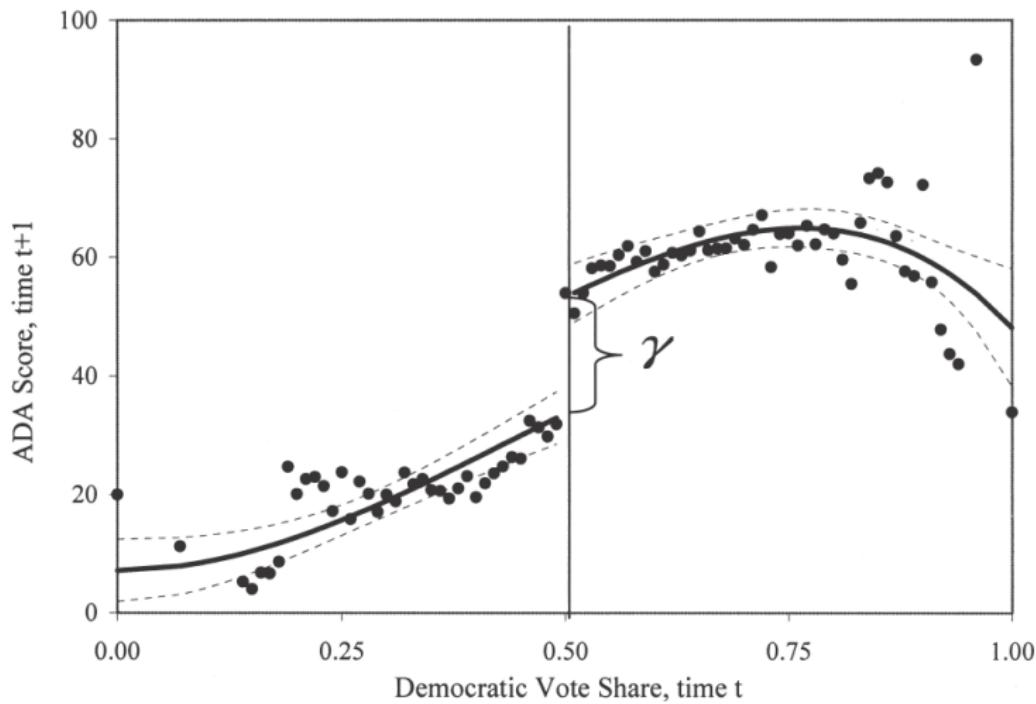
# Do Voters Affect or Elect Policies? Main Part, Identification II

- actual RC depends on who wins:  $RC_t = (1 - D)y_t + D_t x_t$
- parametrise:  $RC_t = \text{constant} + \pi_0 P_t^* + \pi_1 D_t + \epsilon$
- now  $\frac{dx^*}{dP^*} = \pi_0$ .  $\pi_1$  is the average difference in voting record between Dems and Repubs ceteris paribus
- using  $D_t$  set by coinflip.  $E[RC_{t+1}|D_t = 1] - E[RC_{t+1}|D_t = 0]$
- $= \pi_0[P_{t+1}^{*D} - P_{t+1}^{*R}] + \pi_1[P_{t+1}^D - P_{t+1}^R] = \gamma$
- $\gamma = \text{Affect} + \text{Elect}$
- $E[RC_t|D_t = 1] - E[RC_t|D_t = 0] = \pi_1$
- $E[D_{t+1}|D_t = 1] - E[D_{t+1}|D_t = 0] = P_{t+1}^D - P_{t+1}^R$
- Affect is identified because  $\gamma$ ,  $\pi_1$  and  $P_{t+1}^D - P_{t+1}^R$  are all identified, provided  $D_t$  is random

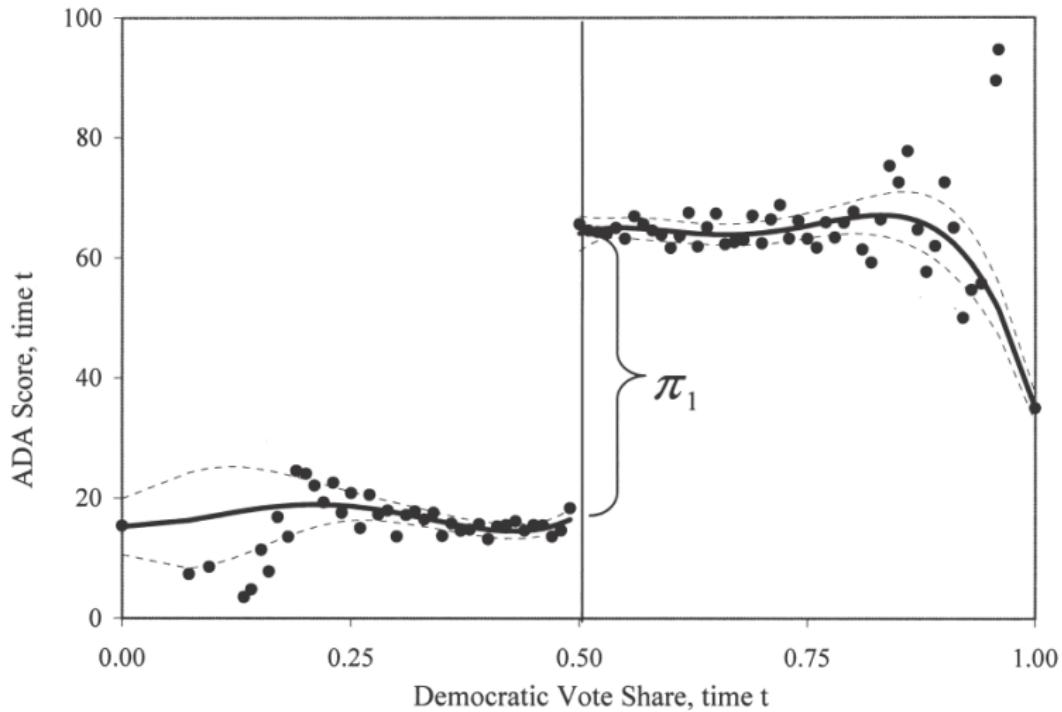
# Do Voters Affect or Elect Policies? Main Part, Background

- data from US congress districtional elections
- main vars are vote share, adjacent years, 1946 - 1995, districts
- no term limit (rep important), elections every two years
- and ADA (Americans for Democratic Action) score,  
constructed to help public decide liberalness of politicians,  
based on congress votes
- ADA score for a few 2014 senators of note:
  - Cruz: 5%
  - Rubio: 5%
  - Sanders: 95%
- scores by other orgs used to probe robustness

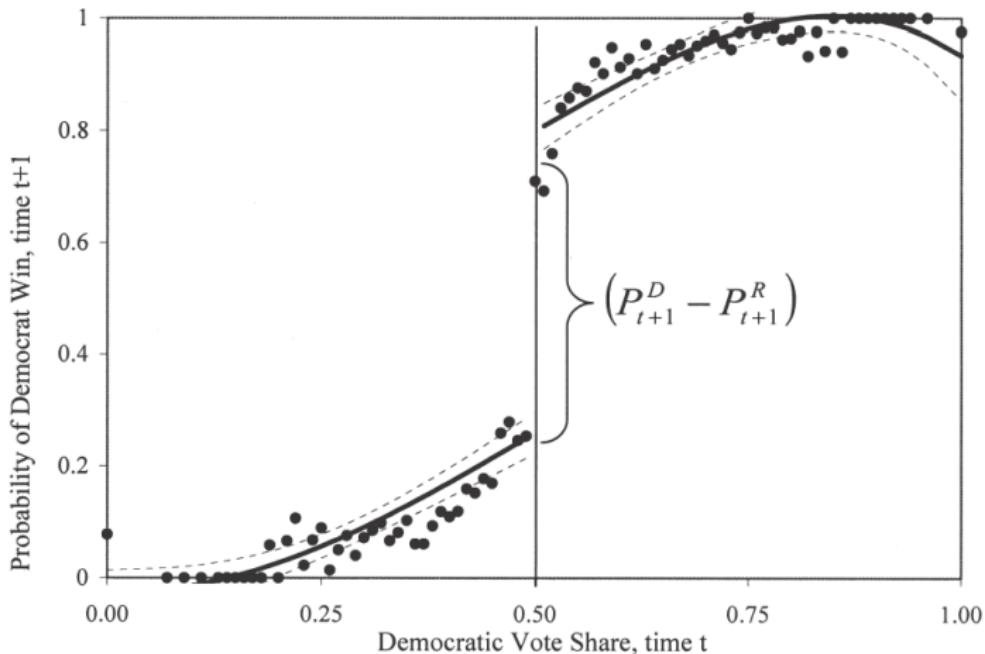
# Do Voters Affect or Elect Policies? Main Part, Results



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# Do Voters Affect or Elect Policies? Main Part, Results

- Once the estimates are used to subtract  $\pi_1 \cdot P_{t+1}^D - P_{t+1}^R$  from  $\gamma$ , nothing is left for Affect
- estimates based on best RDD practise
- who won in very close congressional races earlier does not affect how the winners of the next round vote in congress
- politicians do not respond to the disadvantage of (exogenous) incumbency by moderating their position

# Do Voters Affect or Elect Policies? Main Part, Robustness

it was assumed that for vote share close to 0.5, whether R or D wins is essentially random.

- implies standard RDD assumption (continuity of difference of potential outcome functions at threshold), but not implied by it
- so it's stronger than necessary for their strategy, but the pay off is that it has clear testable implications just like real randomisation
- pre-determined characteristics should on average be equally distributed across districts won by R and D
- holds for most important characteristics

# Do Voters Affect or Elect Policies? Main Part, Robustness

TABLE II  
DIFFERENCE IN DISTRICT CHARACTERISTICS BETWEEN DEMOCRAT AND REPUBLICAN  
DISTRICTS, BY DISTANCE FROM 50 PERCENT

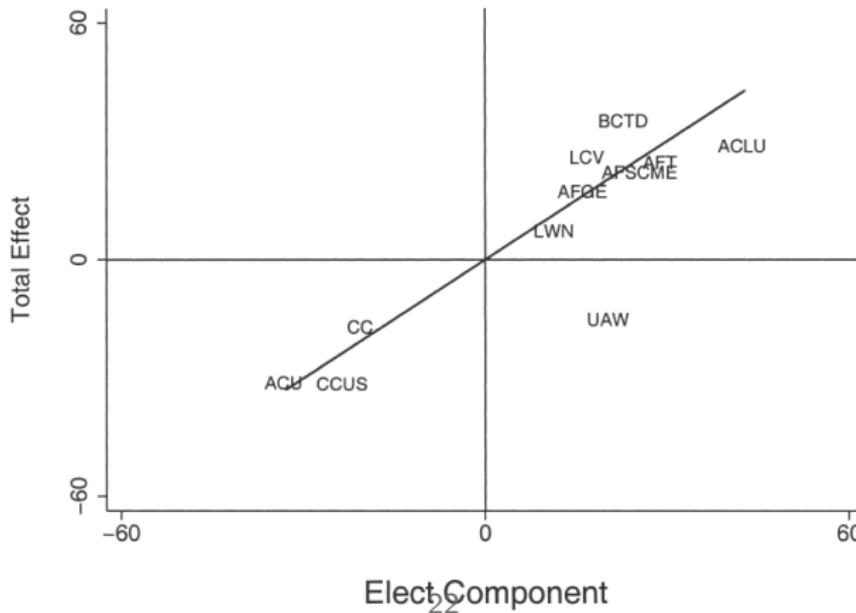
	All (1)	+/- 25 (2)	+/- 10 (3)	+/- 5 (4)	+/- 2 (5)	Polynomial (6)
North	-0.211 (0.018)	-0.156 (0.019)	-0.096 (0.021)	-0.054 (0.024)	-0.059 (0.036)	-0.041 (0.045)
South	0.250 (0.015)	0.145 (0.014)	0.093 (0.016)	0.053 (0.019)	0.009 (0.028)	0.015 (0.036)
West	-0.031 (0.013)	-0.012 (0.015)	-0.036 (0.020)	-0.003 (0.017)	0.001 (0.020)	0.001 (0.036)
Log income	-0.086 (0.013)	-0.036 (0.012)	0.014 (0.014)	0.026 (0.017)	0.030 (0.026)	0.052 (0.033)
Percentage high-school grad.	-0.035 (0.003)	-0.024 (0.003)	-0.008 (0.004)	-0.001 (0.004)	0.001 (0.007)	0.008 (0.008)
Percentage urban	0.070 (0.011)	0.065 (0.011)	0.053 (0.012)	0.053 (0.014)	0.056 (0.023)	0.053 (0.028)
Percentage black	0.082 (0.005)	0.042 (0.004)	0.013 (0.004)	0.003 (0.005)	-0.003 (0.009)	-0.053 (0.013)
Manufacturing employment	-0.002 (0.001)	0.000 (0.001)	0.004 (0.002)	0.004 (0.002)	0.005 (0.004)	0.003 (0.005)
Total population	-1817.9 (3517.3)	3019.2 (3723.0)	4961.5 (4562.4)	3211.4 (5524.2)	8640.4 (8427.9)	2007.5 (10483.0)
Percentage eligible to vote	0.005 (0.002)	0.010 (0.002)	0.007 (0.003)	0.006 (0.004)	-0.003 (0.006)	-0.003 (0.007)
Open seats	0.070 (0.011)	0.065 (0.011)	0.053 (0.012)	0.053 (0.014)	0.056 (0.023)	0.053 (0.028)

# Do Voters Affect or Elect Policies? Main Part, Robustness

- result robust to other choices of dep var: scores by conservative orgs, other dem orgs, academics

*DO VOTERS AFFECT OR ELECT POLICIES?*

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# Do Voters Affect or Elect Policies? Main Part, Robustness

- pooling data over decades does not mask (substantial) heterogeneity (ie  $Affect > 0$  sometimes, just not on average)
- robust to allowing  $\gamma$  to vary across district and time

# Do Voters Affect or Elect Policies? Main Part, Evaluation

we liked:

- local randomness for tight elections shown to be very plausible
- it's all very clever
- nice graphs
- robust to alternative measures of RC and heterogeneity

# Do Voters Affect or Elect Policies? Main Part, Evaluation

limitations:

1. identification of ACE of who the incumbent was in last election on RC - very solid
2. decomposing ACE into those parts of Alesina model parameters that represent 'elect' and 'affect' - solid, depending on extent we believe model
3. decomposing ACE into intuitive 'elect' and 'affect' components - not that solid

might incumbency affect next winner's RC in other ways? (eg incumbent learning on the job )

# Do Voters Affect or Elect Policies? Main Part, Evaluation

result itself also not as interesting as one might hope:

- surely politicians and parties choose policy in part because they want to gain and retain political power
- paper rules out only a limited version of that story
- in reality, moderation isn't the only pandering politicians do. they also need to make sure their base turns out in force come election day
- as conceded by the authors, result also sheds no light on how politicians actually select policy
- plenty of scope for voters to affect that process even if 'Affect' = 0

# Other Papers

## 2. Alesina and Fuchs-Schündeln (2007)

How communism affects the preferences of people wrt redistribution using German data

## 3. Dahlberg et al (2012)

How ethnic diversity affects redistribution preferences using Swedish data

## 4. Funk and Gathmann (2013)

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# Good-Bye Lenin (or Not?)

Does living under communism affect preference for redistribution?

- use survey data from West and East Germany
- background: 1945, occupying allied forces randomly break up Germany to enable eventual estimation of treatment 'communism'
- Wiedervereinigung: 1990
- look at effect of having lived in East before 1990 on answers to survey questions, conditional on controls

# Good-Bye Lenin (or Not?)

- survey questions ask to which extent state vs private should provide financial security in case of unemployment, illness, families, old-age, care
- scale 1 to 5 from only private to only state, condensed into 2 categories
- also, what they believe about luck and social conditions as determinants of individual success
- **main results:** those in East favour state intervention more, effect stronger for older people
- even if effect due to receiving transfers netted out
- even conditional on same answer to how important social conditions for individual success are

# Ethnic Diversity and Preferences for Redistribution

How has an increasing immigrant population affected natives' views on redistribution and the size of the welfare state?

1. The main explanation that has been put forth to explain a negative link between heterogeneity and redistribution is that people exhibit so-called in-group bias.
2. The aim of this paper is to provide new and compared to what has previously been established, more convincing empirical evidence of the causal link behind this idea.

# Ethnic Diversity and Preferences for Redistribution

1. The main contribution of this paper is to use a new dataset to identify the causal effects of immigrant shares and the exogenous variations can make us better estimate the causal effect on individual preferences for redistribution.
2. The panel structure of the dataset enables us to control for individual fixed effect as well as for time trend in the preference for redistribution during this period.
3. The exogeneity is unlikely to be fulfilled in earlier studies and the empirical work in this paper offers an improvement to existing work.

# Voter preferences, direct democracy and government spending

Looks empirical patterns in preferences across space and time in Switzerland at federal and canton level

- data from 1950 to 2000, both at fed level and canton level
- preferences measured as revealed in vote shares on propositions on various topics (gov finance, price policy, education etc)
- preferences vary alot across cantons, and also slowly over time
- uses measure for preferences to get a more credible estimate of how Direct Democracy affects government spending

# Voter preferences, direct democracy and government spending

- look at proposals for gov spending and gov activity
- look at canton's support for such propositions relative to Swiss average
- other measure based on factor analysis
- for each canton, have results on 331 fed propositions
- 3 factors capture most variation
- pref measure used to uncover that it correlates with institutional features
- eg fiscally conservative people are in cantons with mandatory budget referendums, probably because they tend to bring it about

this insight plus a good preference measure allows them to estimate effect of mandatory budget referendum on spending, controlling for preferences