So closed: Political selection in proportional systems

Vincenzo Galasso *, Tommaso Nannicini

Bocconi University, CEPR, IGIER, Dondena, Via Rontgen 1, 20136 Milan, Italy

A R T I C L E   I N F O

A B S T R A C T

We analyze political selection in a closed list proportional system where parties have strong gate-keeping power, which they use as an instrument to pursue votes. Parties face a trade-off between selecting loyal candidates or experts, who are highly valued by the voters and thus increase the probability of winning the election. Voters can be rational or behavioral. The former cares about the quality mix of the elected candidates in the winning party, and hence about the ordering on the party list. The latter only concentrate on the quality type of the candidates in the top positions of the party list. Our theoretical model shows that, to persuade rational voters, parties optimally allocate loyalists to safe seats and experts to uncertain positions. Persuading behavioral voters instead requires to position the experts visibly on top of the electoral list. Our empirical analysis, which uses data from the 2013 National election in Italy—held under closed list proportional representation—and from independent pre-electoral polls, is overall supportive of voters' rational behavior. Loyalists (i.e., party officers or former members of Parliament who mostly voted along party lines) are overrepresented in safe positions, and, within both safe and uncertain positions, they are ranked higher in the list.

© 2015 Elsevier B.V. All rights reserved.

1. Introduction

Electoral rules are recognized to influence policy outcomes (e.g., see Persson and Tabellini, 2000).[1] A recent literature has begun to suggest that they may also affect political selection (e.g., see Myerson, 1999; Besley, 2005). Political scientists have studied how the political representation of women and ethnic minorities varies under different voting rules (Norris, 2004), but even the valence of the elected politicians may depend on the rules of the electoral game. The recruitment of good politicians relies on candidates' decision to run for office (Caselli and Morelli, 2004) as well as on the selection of good candidates by political parties (Galasso and Nannicini, 2011)—and both choices are likely to depend on the electoral rule.

So far, in the political economy literature, the typical electoral comparison has been between proportional and majoritarian systems. Much less attention has been devoted to the different internal details characterizing each system, which may largely modify the selection incentives for political parties. Among proportional systems, for instance, the electoral rule may dictate closed or open lists. In the former case, voters cast a ballot for a party, and candidates are elected into Parliament according to their ranking on the party list. In the latter case, voters can express one or more preferences for the candidates on the party list. Clearly, these two systems award a very different gate-keeping power to the party leaders, which will in turn affect their selection criterion when choosing candidates.

---

* Corresponding author.
  E-mail addresses: vincenzo.galasso@unibocconi.it (V. Galasso), tommaso.nannicini@unibocconi.it (T. Nannicini).
  [1] For instance, majoritarian systems have been shown to rely more on targeted redistribution and less on public goods than proportional systems, while rent-seeking tends to be higher in proportional systems (Persson et al., 2003; Persson and Tabellini, 2003; Gagliarducci et al., 2011).

In this paper, we study political selection in a closed list proportional system. This electoral rule has received little attention in the literature, in spite of its empirical relevance, but even more of the critical role assigned to the party leaders.[2] With closed lists, in fact, party leaders can effectively nominate candidates to the Parliament by allocating them in the secure positions at the top of the party list. Unlike in proportional systems with open list, candidates do not compete against each other in the electoral race, which is instead run by the parties. The allocation of candidates on the party list may also represent a crucial instrument for party leaders to convey votes to the party.

The extent to which parties are able to use the selection and allocation of candidates as a tool of political persuasion rests ultimately on the voters' preferences for the type of candidates, and hence on their voting behavior. We follow the literature on valence, and postulate that voters prefer competent politicians. Moreover, we consider two types of voters: rational and behavioral. Rational voters recognize that the policy outcome carried out by the winning party depends on the quality mix of the elected politicians. Since a candidate position on the party list determines her probability of being elected, these rational voters will pay close attention to the ranking on the party list, when taking their voting decisions. Behavioral voters instead refrain from these complex calculations and use simple rules of thumb to determine their vote choice. In particular, we consider behavioral voters who only focus on the quality type of the candidates in the top few positions of the party list. This simple rule of thumb is consistent with the evidence in Norris (2004), who shows that knowledge about the names of the candidates is lower in closed list proportional systems than in any other electoral rule (such as open list proportional or majoritarian systems).

We introduce a theoretical model that derives empirical prediction about the optimal allocation of candidates on the party lists, depending on the type of voters—rational or behavioral—faced by the parties. Parties can choose between loyalists, who have low valence but do rent-seeking activities for the party, and experts, who are valuable only to the voters. We show that the party optimal persuasion strategy in order to convince rational voters is to allocate loyalists to safe seats and to send the experts to positions that are ex-ante uncertain, but that ensure the election of the candidates if the party wins the election. This is because rational voters only care about the quality mix of a party's candidates if this party wins the election and thus sets the policy. Persuading behavioral voters instead requires to position the experts visibly at the top of the electoral list.

To evaluate empirically the implications of our theoretical framework, we use data from the 2013 National election in Italy, which took place under closed list proportional representation. Our data include independent pre-electoral polls assigning the candidates of each party list in each district to "safe" positions (i.e., candidates expected to get elected), "uncertain" positions, and "unsafe" positions (i.e., candidates expected not to get elected). We assume this to be the information set of parties (leaders) at the time they had to form their list. We also have information on the gender, age, place of birth, professional background, political experience of all candidates, as well as on the parliamentary activity of the Members of Parliament (MPs, henceforth) who served in the term preceding the election (2008–13).

Our empirical findings show that candidates who are more likely to be loyal to the party are overrepresented in safe positions. We proxy party loyalty with a number of measures: (i) being a former MP with a low rebellion rate (i.e., the share of parliamentary votes where the MP did not follow the party's line); (ii) being a professional politician ("party officer"); (iii) being born in a city that does not belong to the electoral district (this usually happens for candidates who have strong ties with the National political leadership and are sent to safe, or at least uncertain, positions in any district). Our empirical analysis is overall supportive of rational behavior by voters (and by parties). In fact, consistent with our model, loyalists—that are, professional politicians, former MPs, and especially loyal MPs—are overrepresented in safe positions. Moreover, within both safe and uncertain positions, loyalists are ranked higher on the party list. Interestingly, among politicians who were already in the Parliament, those who showed more party loyalty—namely, by voting on issues along party lines—were more likely to be allocated in safe positions.

This paper contributes to a growing literature on the selection of politicians by parties competing in elections (see Galasso and Nannicini, 2011, 2014) by examining an electoral system—closed list proportional representation—which magnifies the gatekeeping role of political parties. Little emphasis has so far been given to this specific electoral rule. Notable exceptions are the papers by Besley et al. (2013) and Bagues and Esteve-Volart (2012), who analyze gender representation and the related effects on the quality of politicians in closed list proportional systems in Sweden and Spain, respectively.[3]

As this electoral system is known to provide little political accountability and electoral control over the candidates, one may expect voters to be more prone to use rules of thumb when taking their decisions. Studies in political science that are not fully consistent with rationality have been common in recent years (see Wilson, 2011, for a review), e.g., to explain turnout (Levine and Palfrey, 2007), incumbency advantage (Patty, 2006), and other voting behaviors. Departures from rationality typically involve social preferences (e.g., altruism toward the others), hyperbolic discounting, or framing. Alternatively, Hillman (2010) uses expressive utility as an additional element in the preferences of some voters (besides material utility) to account for voting behavior that would not otherwise be consistent with material preferences, such as the rich voting for parties that support redistribution.

The paper is structured as follows. The next section develops the theoretical model and predictions. Section 3 discusses the institutional features, Section 4 the data. The results are presented in Section 5, while Section 6 concludes. All proofs are in the Appendix A.

---

[2] According to Norris (2004), at the end of the 90s, around 35% of all lower houses were elected with this rule—including Portugal, Spain, and the Netherlands.

[3] Baltrunaite et al. (2014) analyze the effect of gender quota on political selection in Italian local elections run under a mixed system, which combines majoritarian voting for the mayor and proportional representation (with closed list and majority premium) for the city councillors.