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Political disagreement and information in elections ☆

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ABSTRACT

We study the role of re-election concerns in incumbent parties' incentives to shape the information that reaches voters. In a probabilistic voting model, candidates representing two groups of voters compete for office. In equilibrium, the candidate representing the majority wins with a probability that increases in the degree of political disagreement — the difference in expected payoffs from the candidates' policies. Prior to the election, the office-motivated incumbent party (IP) can influence the degree of disagreement through policy experimentation — a public signal about a payoff-relevant state. We show that if the IP supports the majority candidate, then it strategically designs this experiment to increase disagreement and, hence, the candidate's victory probability. We define conditions such that the IP chooses an upper-censoring experiment and the experiment's informativeness decreases with the majority candidate's competence. The IP uses the experiment to increase disagreement even when political disagreement is due solely to belief disagreement.

1. Introduction

Voters and politicians are often uncertain about the possible repercussions of different policies. When candidates advocate different policies, this uncertainty plays an important role in defining electoral outcomes. Learning about the payoff consequences of policies can then change voters' preferences over politicians and affect electoral outcomes. The incumbent party (IP), through its control over the government, is in a privileged position to affect what voters can learn. In this paper, we study the effects of re-election concerns on the incumbents' incentives to shape the information that reaches voters.

There are many ways in which the incumbent can affect voters' learning. For example, the IP can run a small-scale pilot test of a novel policy or design an experiment to evaluate unobserved effects of existing policies.[1] Moreover, when designing the rollout of a complex new law, the IP can determine which aspects of the law will be enforced before and after the next election and which preliminary information will be released during the early stages of the reform.[2] Similarly,

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[1] See Greenberg and Schroder (2004) for many examples of social experiments.

[2] For instance, the Affordable Care Act (commonly called "ObamaCare") was signed into law in March 2010, but many of its payoff-relevant features were implemented only after the 2012 presidential election — e.g., the program's website HealthCare.org was launched in October 2013.

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the IP can establish disclosure rules for government agencies.[3] In all these cases, government's control of information affects what voters can learn and, consequently, electoral outcomes.[4]

Although our model fits all these interpretations, to simplify presentation, we will say that the IP engages in strategic policy experimentation — i.e., the IP can design a public signal that generates information about the expected payoffs from different policies. We model this strategic supply of information as a persuasion game (see Kamenica and Gentzkow, 2011, KG henceforth).

Our probabilistic voting model has the following ingredients: (i) Electorate: Uninformed voters are divided into two groups, majority A and minority B, with differing preferences over policies. (ii) Parties and Candidates: Two parties compete for office. Parties' candidates are differentiated in two dimensions — a position issue (policy) and a valence issue (competence). With regard to policy, the candidate from Party $\mathcal{A}$ will implement the preferred policy of group A if elected, while the candidate from party $\mathcal{B}$ defends the preferred policy of group B. Candidates also differ in their competence. (iii) Policy Experiment: Party $\mathcal{A}$ currently controls the government and, hence, has the authority to carry out a policy experiment that reveals information about voters' policy payoffs. Party leaders (or bureaucrats) are purely office-motivated; thus, Party $\mathcal{A}$ chooses an experiment that maximizes its re-election probability. (iv) Election: After observing the experiment's outcomes, candidates revise their beliefs, and, therefore, the policies that they will implement if elected, while voters update their evaluation of the candidates' policies. Voters already know the valence of the incumbent from party $\mathcal{A}$. During the electoral campaign, voters also observe a noisy signal about the valence of the untried candidate from party $\mathcal{B}$. Each voter then chooses candidate $\mathcal{A}$ if she is expected to deliver a higher total payoff (valence + policy) than $\mathcal{B}$.

We first note that, in equilibrium, the candidate representing the majority group wins with a probability that increases in the degree of political disagreement — defined as the difference in expected payoffs from the policies supported by the candidates. Therefore, the IP designs the experiment with the sole purpose of *increasing* political disagreement, which benefits its candidate.[5]

We start our analysis by studying, in Section 3, the effect that the incumbent's valence v^A has on the informativeness of the IP's optimal policy experiment. We first consider the case in which the valence distribution of the untried candidate has a log-concave probability density function (p.d.f.), such as a Normal Distribution. Then, regardless of the preferences of majority and minority voters, the following single-crossing property holds: If an experiment does not increase the incumbent's probability of victory when her competence is v^A, then this experiment does not increase her victory probability if her competence is higher than v^A (Lemma 1). This result implies that there are two cutoffs in the extended real line, such that the IP prefers to be fully transparent about policy payoffs and, thus, favors fully informative experiments when the majority candidate is sufficiently incompetent; prefers to be partially transparent for intermediate levels of competence; and prefers to be completely opaque — thus providing a completely uninformative experiment — when the majority candidate is sufficiently competent (Proposition 1 and Corollary 1).

The single-crossing property in Lemma 1 holds for *every* specification of the preferences of voters in the majority and minority groups. To characterize the optimal experiment, in Section 4, we focus on cases in which political disagreement *endogenously* increases in the voters' expectation over an unknown state. Experimental outcomes that lead to an upward revision of the average state would then magnify political disagreement, which benefits the IP, and outcomes that produce a downward revision of the average state would reduce disagreement. We show that, under the assumption of a log-concave p.d.f., it is optimal for the IP to use an upper-censoring experiment (Proposition 3). Such experiments define a cutoff state, and voters learn the true state when it falls below this cutoff; otherwise, voters learn only that the state is above the cutoff. That is, an upper-censoring experiment fully reveals low-disagreement states and pools high-disagreement states. An important implication is that, as the incumbent's competence improves, the IP monotonically provides less information to the electorate.

All of our results derive from the curvature properties of the incumbent's re-election probability. Under the log-concave assumption, the re-election probability is locally convex when the incumbent's valence and disagreement are low and locally concave when they are high. Intuitively, convexity gives the incumbent incentives to gamble on information — i.e., to generate an experiment that might increase or decrease disagreement — while concavity gives incentives to avoid such a gamble. Our results are reversed if the p.d.f. of the challenger's valence is log-convex. In the log-convex case, the incumbent's re-election probability is convex when her valence and disagreement are low and concave when they are high. Therefore, the single-crossing property goes in the opposite direction: lower values of the incumbent's competence induce less experimentation, while higher competence induces more experimentation. Moreover, if political disagreement increases with the expected state, then the IP would favor lower-censoring experiments in the log-convex case.

Our results highlight that one should view the idea of *gambling for resurrection* (e.g., Downs and Rocke, 1994) with caution. In a simple version of this story, an incumbent politician with a bad reputation and a low probability of re-election is willing to engage in war, hoping that a favorable outcome in the battlefield will increase her re-election chances. Our model complements these papers, by explicitly showing how the gambling for resurrection result relies on the shape of the

[3] For example, the IP can regulate what government agencies can investigate regarding current trends in gun violence, including what information can be collected. The information (or lack of information) generated by the government can influence voters' beliefs about the most appropriate gun control laws.

[4] See Bernecker et al. (2015) for an empirical study of how re-election concerns shape the incumbent's incentives to experiment.

[5] Stokes (1963) highlights the strategic use of information to shift the salience of issues. See Iyengar and Simon (2000) for a survey.