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A carrot and stick approach to agenda-setting[☆]

Matthias Dahm[a], Amihai Glazer[b,*]

[a] School of Economics, University of Nottingham, University Park, Nottingham NG7 2RD, United Kingdom
[b] Department of Economics, University of California, Irvine, CA 92697, USA

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ABSTRACT

This paper models a legislature in which the same agenda setter serves for two periods, showing how he can exploit a legislature (completely) in the first period by promising future benefits to legislators who support him. In equilibrium, a large majority of legislators vote for the first-period proposal because they thereby maintain the chance of belonging to the minimum winning coalition in the future. Legislators may therefore approve policies by large majorities, or even unanimously, that benefit few, or even none, of them. The results are robust. But institutional arrangements (such as entitlements) can reduce the agenda setter's power by reducing his discretion to reward and punish legislators, and rules (such as sequential voting) can increase a legislator's ability to resist exploitation.

1. Introduction

Much legislation is usefully viewed as imposing a tax on all legislators (or their constituents), and distributing the benefits among only some individuals or groups. It may therefore appear that proposed legislation can gain majority support only if in a majority of districts the amounts distributed exceed the taxes collected. The existence of large majorities thus suggests wide benefits from a policy. Nevertheless, redistributive legislation often gains strong political support though benefits are concentrated among few districts (as with farm bills).[1] In these cases suspicion falls on special interests with much influence.

Our explanation differs, allowing current policy proposals and voting outcomes to depend not only on current benefits, but also on past decisions and on expectations of future behavior. These implicit connections between policies were well captured by a study of the Connecticut legislature (Barber, 1996) that reports

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* Corresponding author. Tel.: +1 949 824 5974; fax: +1 949 824 2182.
E-mail addresses: matthias.dahm@nottingham.ac.uk (M. Dahm), aglazer@uci.edu (A. Glazer).

[1] Agricultural policy in the U.S. is periodically renewed. Consider the Food, Conservation, and Energy Act of 2008. It passed in the House (Vote #353) by 306/110 and in the Senate (Vote #144) by 77/15. Moreover, both the House and the Senate overrode a veto by the President with a 2/3 majority. Data on commodity subsidies from 1995 to 2010 for 400 congressional districts shows that the 24 districts (6% of all districts listed) that received the largest subsidies obtained 52.8% of the total of $167.3 billion.

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> But for a considerable number, the relevant patronage is not that which can be offered here and now, but, in effect, all the patronage which the leaders are expected to control in the future. For these members the important thing is to build a favorable record of party service, so that when and if some opportunity is presented, perhaps years hence, they will be among the eligibles . . . Party allegiance is motivated in part by vague hopes that sometime in the future, should the member want help of some unspecified kind—a job, an administrative decision, a local bill passed—the leadership would remember his yeoman service in the party ranks. As one legislator said, "It isn't what you've been promised, it's what you hope for that helps, that will swing a person into line."

The analysis below formalizes and extends this idea, focusing on an agenda setter who issues promises and threats, showing how he can induce a majority of legislators to vote for a policy that directly benefits few, or even none, of them: he threatens legislators voting against him in one period that he will exclude them from the winning coalition in a following period. Of course, an agenda setter cannot always exploit the legislature; for example, he may be unable to forbid amendments to a policy he proposes. Rather, one contribution of our analysis is to point to conditions that allow for exploitation, and conditions or institutional arrangements that limit it.

A classic example of a legislative leader who long controlled the agenda and used this power, among other powers, to control policy is Joseph Cannon, Speaker of the U.S. House of Representatives from 1903 to 1911, and called at the time the "Tyrant from Illinois." He was reported to punish disloyal members by refusing to schedule their favored legislation, and declining to recognize them to offer amendments or private bills. When chairing the House Rules Committee, he limited amendments that could be made on the floor of the House. Nevertheless, he did not punish all opponents or reward all supporters. Our model can explain how an agenda setter can wield great power even when rewards and punishments are rare or small.

Our analysis has more than historical interest. Though currently the Speaker has less power than Cannon enjoyed, congressional committees have agenda-setting powers, particularly when the vote on the floor of the House of Representatives is made under the closed rule.[2] Thus, congressmen with some agenda-setting power enjoy greater pork-barrel spending in their districts. Such congressmen include party leaders (Balla et al., 2002; Hird, 1991), committee chairs (Ferejohn, 1974), and members of prestige committees, especially the Appropriations Committee (de Figueiredo and Silverman, 2006). Members of Congress with proposal power—those sitting on the Transportation Committee—get more spending on transportation projects in their districts than do other congressmen (Knight, 2005).[3]

A study of earmarks in senatorial bills finds that the number of earmarks Senate majority leader Harry Reid received was more than one standard deviation above the mean number of earmarks for the Senate (Engstrom and Vanberg, 2010). In both the Senate and the House, members of the Appropriations Committees received larger earmarks. In the House, party leaders received more earmarks (Lazarus and Steigerwalt, 2009). Similarly, Hardin (1958) argues that farm policy is inefficient, but nevertheless supported in the U.S. Congress, because committee chairmen with agenda power come from farm districts.

In different settings different people can set the agenda. Under fast-track legislation in the U.S., the president proposes a treaty that Congress can either accept or reject, but not amend. In the European Union, the Commission has significant agenda-setting power: in some policy domains, only the Commission can propose a policy, and the power of the Council and the Parliament to amend the proposal may be restricted (as by super-majority requirements) depending on the legislative procedure used. Many parliamentary democracies allow the government to propose a policy as a confidence vote, which the legislature can adopt or reject, but not amend. In Germany, Finland, France, Italy, Portugal and Spain, the constitution authorizes the government to make policies questions of confidence. By convention, the government can make the vote on a specific policy a question of confidence in Australia, Canada, the Netherlands, New Zealand, Norway, and the United Kingdom. Other parliaments permit votes of confidence. For example, in 1995 members of the Italian Lower House proposed more than 150 amendments to a budget introduced by the Prime Minister. The Prime Minister eventually invoked a confidence vote procedure on his budget package, which the legislature passed without the amendments.[4]

The agenda setter could more generally be the bureaucracy, as in the seminal work by Romer and Rosenthal (1978). But their model underestimates the agenda setter's power, because it assumes voters must be indifferent between the proposal and the status quo, without looking at the bureaucracy's ability to punish opponents. Niskanen (1971) similarly assumes that the executive branch's power is limited to making take-it-or-leave-it offers. Thus, they do not consider the possibility that all voters vote for a policy in some period which hurts them all. We do.

Our model has the agenda setter credibly punish legislators. Such threats are observed. When Senator James Buckley tried to delete forty-four public works projects at the committee stage in the Senate, the members voted down all his amendments, but cut out projects in his home state (as reported by Epple and Riordan, 1987). Senator William Proxmire was similarly punished for supporting proposals to cut appropriations for the Department of the Interior—a House-Senate Conference

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[2] Price (2006) reports that the incidence of completely closed rules that preclude the offering of any amendments whatsoever, including the traditional minority substitute, was 28% in the 108th Congress (2003–2005). Doran (2010) reports that the closed rule is now used for half of the controversial House floor agenda.

[3] Because, however, different committees may have agenda-setting powers over different policy areas, the benefits members of any one committee can gain may be smaller than the benefits gained by an agenda setter with control over all policy proposals, which we consider.

[4] This discussion of confidence votes is based on Huber (1996).