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Vote-motivated candidates

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Abstract

We study stochastic voting models where the candidates are allowed to have any smooth, strictly increasing utility functions that translate vote shares into payoffs. We find that if a strict Nash equilibrium exists in a model with an infinite number of voters, then nearby equilibria should exist for similar large, but finite, electorates. If the votes are independent random events, then equilibria will not depend on the utility functions of the candidates. Our results have implications for existing models of redistributive politics and spatial competition, as the properties of pure-strategy equilibria in such games carry over to equilibria in games with arbitrary candidate preferences. On the other hand, candidate utility functions will matter if the individual voting decisions are correlated. In the presence of aggregate uncertainty, such as changing economic conditions or political scandals, the preferences of parties and candidates with respect to shares of votes will have an effect on political competition.
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1. Introduction

Modeling electoral competition is a key component of political economy analysis, as economic policy is often a result of past electoral promises. Parties and candidates are aware that voters have diverse political interests, but, at the same time, generally have imprecise knowledge about the response of voters to their electoral strategies. Probabilistic voting models of electoral competition assume that candidates (or parties) are conscious of this uncertainty, and make their decisions accordingly.[2]

The value of a given share of votes to a candidate or a party depends on political institutions. Candidates in executive elections and single-mandate electoral districts are obviously interested in obtaining a majority of votes and winning the election, but there are other (and substantial) electoral rewards, such as consolation prizes to close runner-ups and added benefits of large victory margins. In many countries, the number of parliamentary seats won by a party is roughly proportional to its share of vote, but the value of an extra seat is not constant, and may depend on the likelihood of it forming a coalition with the other parties (we discuss these reasons in more detail later in the text). At the same time, candidates and political parties are not necessarily risk-neutral, especially as elections usually happen once every few years and hold high stakes for their participants.[3]

Our goal is to investigate whether the way that vote shares translate into payoffs has an effect on the outcome of electoral competition. We model elections as a game between two candidates, each of whom chooses a policy platform. There is a large number of voters who have preferences over the policies. In addition, each voter derives some extra utility from voting for the first candidate; that amount of utility is random as far as the candidates are concerned. As a result, a candidate's share of vote is a random variable that takes values between 0 and 1. We assume that the candidates have preferences over the shares of vote expressed in utility functions, and examine whether their strategies are invariant with respect to their utility functions.

This is our principal innovation over the existing literature on electoral competition under stochastic voting. Previous works only compared policy outcomes for some very specific cases of candidate preferences, such as for candidates maximizing the probability of victory versus candidates maximizing the expected share of vote.[4] The approach that we use, on the other hand,

[2] Probabilistic voting models have been known since Hinich (1977), and were used to analyze distributive politics (Lindbeck and Weibull, 1987; Dixit and Londregan, 1996; Persson and Tabellini, 2000; Cox, 2010; Battaglini, 2014), candidate quality (Galasso and Nannicini, 2011), clientilism (Bardhan and Mookherjee, 2012; Robinson and Verdier, 2013), political activism (Miller and Schofield, 2003), public debt (Song et al., 2012), resource curse (Robinson et al., 2006, 2017), social policy (Schofield and Sened, 2006), voter turnout (Shachar and Nalebuff, 1999), and campaign spending (Stromberg, 2008; Casey, 2015), among others. Such models are especially suitable for the analysis of political economy outcomes for two reasons. First, voter response to candidate strategies, as measured using survey-based empirical methods, is inherently stochastic (Schofield and Sened, 2006; Quinn et al., 1999), which makes it possible to empirically estimate theoretical models. Second, probabilistic voting models are less prone to equilibrium failure, which is almost certain to occur if the vote is deterministic, and the number of issues that vote-motivated candidates compete upon is large (see literature reviewed in McKelvey and Patty, 2006, and Banks and Duggan, 2005).

[3] Empirical studies indicate that politicians may be more willing to take risks than the rest of the population (Hess et al., 2013), while willingness to take risks predicts political and civic participation (Kam, 2012), and there is evidence that politicians are not immune to framing effects (Fatas et al., 2007; Linde and Vis, 2017).

[4] Hinich (1977) and Ledyard (1984) suggested that for large electorates, expected payoffs of probability-of-victory and vote share maximizing candidates will be equivalent due to the law of large numbers. Duggan (2000) and Patty (2001) provided conditions for such equivalence under more general assumptions in two candidate elections, while in subsequent papers Patty (2005, 2007) extended the analysis to elections with multiple candidates.

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