

Policy platforms, campaign spending and voter participation [☆]

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Abstract

We model electoral competition between two parties in a winner-take-all election. Parties choose strategically first their platforms and then their campaign spending under aggregate uncertainty about voters' preferences. We use the model to examine why campaign spending in the United States has increased at the same time that politics has become more polarized. We find that a popular explanation — more accurate targeting of campaign spending — is not consistent. While accurate targeting may lead to greater spending, it also leads to less polarization. We argue that a better explanation is that voters preferences have become more volatile from the point of view of parties at the moment of choosing policy positions. This both raises campaign spending and increases polarization. It is also consistent with the observation that voters have become less committed to the two parties.

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1. Introduction

Three stylized facts about recent electoral politics in the US are (1) an increased polarization of the Democratic and Republican parties, (2) a substantial increase in campaign spending, and (3) a reduction in the voters' commitment to the two parties. Poole and Rosenthal (1997) and McCarty, Poole and Rosenthal (2006) provide some evidence on polarization, based on the average distance between Democratic and Republican members of Congress on a liberal–conservative scale. They find that polarization has been sharply increasing since around 1980, after a long period of decline starting around 1900. With respect to campaign spending, using data from the Federal Election Commission, Corrado (2005) estimates that spending by parties in federal campaigns went from 58 million dollars in 1976 to over 1 billion in 2004 in nominal terms — this is an increase from 0.66 to 3.11 per capita in real terms (2000 dollars). About the campaign effort of political parties and allied interest groups, an interesting indirect source is the percentage of

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respondents in public opinion studies contacted by political parties in elections. [National Election Studies \(2007, Tables 6C.1a, 6C.1b and 6C.1c\)](#), provides evidence of a sharp increase in the percentage of respondents contacted by either party since 1990. Finally, with respect to the commitment of voters to the two parties, party affiliation has fallen enormously since 1960. According to observers, the fraction of voters who register as neither Democrat nor Republican has gone from 1.6 in 1960 to 21.7 in 2004 (see [Committee for the Study of the American Electorate, 2005, p. 11](#)). The party identification data from the [National Election Studies \(2007, Tables 2A.1, 2A.2 and 2A.3\)](#) is consistent with this view. The percentage of voters who declare themselves as independent or leaning independent has gone from 25 in 1960 to 37 in 2002.

In this paper, we provide a model in which party platforms, campaign spending and turnout are determined by the decisions of parties in reaction to underlying voters' preferences and the technology employed by parties to bring voters to the booth. Thus, we provide a framework to explain the recent trends in US electoral politics. We model electoral competition as a two-stage game. In the first stage, two parties (with both an ideological and an office motivation) strategically choose their platforms. In the second stage, parties decide how much to spend on the campaign. Turnout for each party is a function of campaign spending as well as voters' bias in favor of one or the other party. We treat party bias as subject to aggregate shocks. Shocks to party bias reflect voters' learning after policy positions are fixed as well as about the candidates' policy intentions with regard to issues on which parties cannot precommit. We consider campaign spending as having an impact on turnout via mobilization of voters. We pay special attention to the effectiveness of campaign targeting. If the targeting ability of parties is low, then campaign spending partially misfires, by mobilizing voters in favor of the other party; if the targeting ability of parties is high, each party's spending mobilizes only voters in favor of that party.

We consider two possible explanations of the aforementioned stylized facts. First, commentators have suggested that the reason for both the increased polarization and campaign spending is that skilled political operatives using sophisticated statistical tools and purchasing advertising in local markets are better able to target particular voters (see for example [Tilove, 2004](#)). However, in our model improved targeting may indeed lead to an increase in campaign spending — but it also leads to a *reduction* in polarization. The reason for the reduction in polarization is that, in deciding their policy platforms in the first stage of the game, parties anticipate an increase in campaign costs in the second stage as a result of more accurate targeting. Polarized platforms become too costly.

The second explanation — and our favored one — is that voters preferences have become more volatile. By increased volatility, we mean larger aggregate shocks to party bias. We show in our model that increase in volatility leads to both an increase in campaign spending and an increase in polarization. The effect of volatility on polarization is very intuitive. Greater volatility means that the results of elections are less certain. Consequently, the parties have less reason to please the centrist voters, and are free to move towards their own extreme preferences. The effect of volatility on campaign spending is less intuitive. We can decompose it in two effects. First, holding fixed the party positions, increasing volatility unambiguously lowers spending. However, increasing volatility also increases polarization in the first stage of the game. That means that in the second stage game, the stakes are higher — it is better to win and worse to lose. That increases the marginal benefit of spending. So there are two offsetting effects, and the comparative static corollary shows that the increased spending dominates if there is not much polarization in the initial situation.

The classical rationale for party loyalty, as spelled out by [Downs \(1957\)](#), is that party brands allow voters to save on the cost of acquiring or processing information about the policies actually espoused by the parties on many issues that may be important for voters. From this perspective, an increased access of voters to relevant information about the candidates and their policy intentions will result in a reduction in the value of political brands as an informational short cut and thus in a weakening of the voters' commitment to parties. The increased volatility in voters' preferences may well reflect the flow of information to voters in the course of political campaigns which we see as the result of changes in the media industry well beyond the control of the parties.

Previous literature since the work of [Wittman \(1983\)](#) and [Calvert \(1985\)](#) has dealt with role of electoral uncertainty in electoral competition. We innovate with respect to previous literature by considering simultaneously the role of electoral uncertainty and that of campaign spending — in particular targeting accuracy. While the importance of the anticipation of campaign spending on the positions adopted by parties may not be intuitive at first sight, political parties do spend considerable money and effort to encourage people to vote. This includes such things as decreasing the direct cost of voting — for example by providing volunteers who drive voters to the polls; decreasing the cost of acquiring information — for example by publicizing attractive aspects of their platforms and candidates and negative aspects of their rivals; increasing the cost of not voting — for example via social sanctions; and by signaling the closeness and

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