

PS422N: MODELS OF VOTERS, PARTIES, AND INTEREST GROUPS

Adam Bonica and Jonathan Wand

DESCRIPTION

In this course, we will examine models of voters, politicians, and interest groups. It has three main goals

1. From a methodological perspective, we will focus on three big questions
 - How to measure preferences?
 - How to distinguish between constrained (strategic) and unconstrained (sincere) models of preferences?
 - How to identify and measure the influence of money on political outcomes?
2. From an applied perspective, we will pay particular attention to three classes of questions,
 - How do candidates balance the need to raise money and appeal to voters?
 - What can we learn about politics from how interest groups allocate resources in elections?
 - How well are voters' preferences represented?
3. An additional goal is the introduction to new and established data sets, including,
 - Campaign finance
 - Federal expenditures
 - Legislative behavior

CONTACT AND MEETING INFORMATION

Professors:

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Class Meetings: Tuesday, 1:15-3:05, Econ 139

COURSE REQUIREMENTS

RESEARCH MEMOS: 30%

Each student will write three 3-4 page response papers on weeks of their choosing. The papers should be e-mailed by 7:00pm the evening before class so that we can incorporate your insights into class discussion. They may offer a critique of a particular reading or draw comparisons among multiple readings. Ideally, some portion of any critique should be constructive. It should either suggest specific improvements or conclude with a short discussion outlining how we can move forward as researchers. We encourage students to engage the data as way to supplement the readings and add insight to the response papers. We will help facilitate this by providing datasets related to the readings for many of the weeks.

PRESENTATIONS: 10%

Each student will choose a topic and prepare a 10-15 minute presentation to be given at the beginning of that weeks class. The presenter is expected to defend a reading or perspective of his or her choosing.

PARTICIPATION: 20%

Students are expected to contribute to seminar discussions on a weekly basis.

RESEARCH PAPER: 40%

The paper is an opportunity to further your research interests in one of the topics covered in the course. We do not expect a completed product by the end of the course. Rather we are looking for an early draft of a research paper no more than 20 pages in length. As this is a seminar, students will have the opportunity to present their research to the class at the end of the semester.

STUDENTS WITH DOCUMENTED DISABILITIES

Students who may need an academic accommodation based on the impact of a disability must initiate the request with the Student Disability Resource Center (SDRC) located within the Office of Accessible Education (OAE). SDRC staff will evaluate the request with required documentation, recommend reasonable accommodations, and prepare an Accommodation Letter for faculty dated in the current quarter in which the request is being made. Students should contact the SDRC as soon as possible since timely notice is needed to coordinate accommodations. The OAE is located at 563 Salvatierra Walk (phone: 723-1066)

COURSE OUTLINE BY WEEK

Week 1: INTRODUCTION AND ORIENTATION

Week 2: MEASURING PREFERENCES: THEORY

How do individuals choose among alternatives, and how can we infer strategies and preferences from the observed behavior?

With an eye to empirical study and estimation, consider

- What is observationally equivalent among models?
- Which assumptions or properties are empirically testable? How?

Readings:

Basic models,

- Poole, Keith T. and Howard Rosenthal. 1985. A Spatial Model for Legislative Roll Call Analysis. *American Journal of Political Science*, 29(2):357–384.
URL <http://www.jstor.org/stable/2111172>
- Morelli, Massimo. 1999. Demand Competition and Policy Compromise in Legislative Bargaining. *The American Political Science Review*, 93(4):809–820.
URL <http://www.jstor.org/stable/2586114>

Models that highlight endogenous revealed preferences. Examples of strategic selection of policy positions by candidates/representatives:

- Austen-Smith, David. 1987. Interest Groups, Campaign Contributions, and Probabilistic Voting. *Public Choice*, 54(2):123–139.
URL <http://www.jstor.org/stable/30024779>
- Snyder, James M., Jr. 1989. Election Goals and the Allocation of Campaign Resources. *Econometrica*, 57(3):637–660.
URL <http://www.jstor.org/stable/1911056>
- Baron, David P. 1989. Service-Induced Campaign Contributions and the Electoral Equilibrium. *The Quarterly Journal of Economics*, 104(1):45–72.
URL <http://www.jstor.org/stable/2937834>
- Prat, Andrea. 2002. Campaign Advertising and Voter Welfare. *The Review of Economic Studies*, 69(4):999–1017.
URL <http://www.jstor.org/stable/1556730>

Week 3: MEASURING PREFERENCES: EMPIRICAL

What identification strategies enable us to measure preferences based on observed behavior?

There are numerous challenges both for the basic models and their extensions,

- How to compare preferences of different actors, or the same actors at different times? We will consider strategies for “bridging.”
- How to model and test theories of actors pursuing multiple goals?
- How to model strategic competition among players?
- How to incorporate contextual information into models scale preferences?

Readings:

Measuring spatial, sincere preferences

- Bonica, Adam. 2012. Ideology and Interests in the Political Marketplace. URL http://www.stanford.edu/~bonica/files/PAC_Ideology_01_2012.pdf
- Tausanovitch, Chris and Christopher Warsaw. 2012. Testing Theories of Representation in Congress, State Legislatures, and Cities Using a “Super Survey”. URL http://www.stanford.edu/~cnt/SuperSurvey_Measurement_Paper_June2011.pdf
- Wand. 2012. *Private Interests Financing Public Elections*

Measuring non-spatial preference: and non-sincere behavior

- Ansolabehere, Stephen, James M. Snyder, Jr., and Charles Stewart, III. 2001. The Effects of Party and Preferences on Congressional Roll-Call Voting. *Legislative Studies Quarterly*, 26(4):533–572. URL <http://www.jstor.org/stable/440269>
- Cox, Gary W. and Keith T. Poole. 2002. On Measuring Partisanship in Roll-Call Voting: The U.S. House of Representatives, 1877-1999. *American Journal of Political Science*, 46(3):477–489. URL <http://www.jstor.org/stable/3088393>
- Clinton, Joshua D. and Adam Meirowitz. 2001. Agenda constrained legislator ideal points and the spatial voting model. *Political Analysis*, 9(3):242
- Jeong, G.H., G.J. Miller, and I. Sened. 2009. Closing the Deal: Negotiating Civil Rights Legislation. *American Political Science Review*, 103(04):588–606

Week 4: PRIVATE INFORMATION AND REPUTATION

How do principal-agent problems, and the effects of asymmetric information more generally, shape political outcomes?

In particular, consider,

- (a) What can voter, MC (or us) learn from campaign expenditures and contributions about friendliness and trustworthiness of a candidate?
- (b) How do PACs establish credible relationships with MC? e.g., Is money entry fee or signal of friendliness?
- (c) What is missing from models? E.g., no post-election monitoring or repeated game with voters.

Readings:

Uncertainty over type of MC, from voters, without monitoring

- Ashworth, Scott. 2006. Campaign Finance and Voter Welfare with Entrenched Incumbents. *The American Political Science Review*, 100(1):55–68.
URL <http://www.jstor.org/stable/27644331>
- Baron, David P. 1994. Electoral Competition with Informed and Uninformed Voters. *The American Political Science Review*, 88(1):33–47.
URL <http://www.jstor.org/stable/2944880>
- Houser, Daniel and Thomas Stratmann. 2008. Selling Favors in the Lab: Experiments on Campaign Finance Reform. *Public Choice*, 136(1/2):215–239.
URL <http://www.jstor.org/stable/27698299>

Uncertainty of PAC/SIG type, from MC

- Austen-Smith, David. 1995. Campaign Contributions and Access. *The American Political Science Review*, 89(3):566–581.
URL <http://www.jstor.org/stable/2082974>
- Lohmann, Susanne. 1995. Information, Access, and Contributions: A Signaling Model of Lobbying. *Public Choice*, 85(3/4):267–284.
URL <http://www.jstor.org/stable/30027052>
- Snyder, James M., Jr. 1992. Long-Term Investing in Politicians; Or, Give Early, Give Often. *Journal of Law and Economics*, 35(1):15–43.
URL <http://www.jstor.org/stable/725553>

Week 5: CREDIBLE COMMITMENT

How can agreements be enforced without formal contracts?

Questions,

- Can MC credibly commit to interest groups, or voters, to pursue specific actions, or represent their interests more generally?
- Does modeling relationships between interest groups and MC as a spot market useful? plausible?

Readings:

- Snyder, James M., Jr. 1990. Campaign Contributions as Investments: The U.S. House of Representatives, 1980-1986. *The Journal of Political Economy*, 98(6):1195–1227.
URL <http://www.jstor.org/stable/2937755>
- McCarty, Nolan M. and Lawrence S. Rothenberg. 1996. Commitment and the Campaign Contribution Contract. *American Journal of Political Science*, 40(3):872–904.
URL <http://www.jstor.org/stable/2111799>
- Kroszner, Randall S. and Thomas Stratmann. 1998. Interest-Group Competition and the Organization of Congress: Theory and Evidence from Financial Services' Political Action Committees. *The American Economic Review*, 88(5):1163–1187.
URL <http://www.jstor.org/stable/116865>
- Snyder, James M., Jr. 1992. Long-Term Investing in Politicians; Or, Give Early, Give Often. *Journal of Law and Economics*, 35(1):15–43.
URL <http://www.jstor.org/stable/725553>
- Wawro, Gregory. 2001. A Panel Probit Analysis of Campaign Contributions and Roll-Call Votes. *American Journal of Political Science*, 45(3):563–579.
URL <http://www.jstor.org/stable/2669239>

Week 6: HOW DO RULES OF GAME INFLUENCE OUTCOMES?

How do we measure the impact of institutions on political outcomes?

Questions:

- How do the institutional/rules of the game change whose preferences are acted upon?
- Can we price the value of controlling an institution?
- How do SIGs influence and explain the organization of Congress?

Readings:

- Stratmann, Thomas. 2006. Contribution Limits and the Effectiveness of Campaign Spending. *Public Choice*, 129(3/4):461–474.
URL <http://www.jstor.org/stable/25487608>
- Coate, Stephen. 2004. Pareto-Improving Campaign Finance Policy. *The American Economic Review*, 94(3):628–655.
URL <http://www.jstor.org/stable/3592946>
- Esterling, K.M. 2007. Buying expertise: Campaign contributions and attention to policy analysis in congressional committees. *American Political Science Review*, 101(01):93–109
- Hall, Richard L. and Frank W. Wayman. 1990. Buying Time: Moneyed Interests and the Mobilization of Bias in Congressional Committees. *The American Political Science Review*, 84(3):797–820.
URL <http://www.jstor.org/stable/1962767>
- Cox, Gary W. and Eric Magar. 1999. How Much is Majority Status in the U.S. Congress Worth? *The American Political Science Review*, 93(2):299–309.
URL <http://www.jstor.org/stable/2585397>
- Jayachandran, S. 2006. The Jeffords Effect. *The Journal of Law and Economics*, 49(2):397–425
- Heberlig, Eric, Marc Hetherington, and Bruce Larson. 2006. The Price of Leadership: Campaign Money and the Polarization of Congressional Parties. *The Journal of Politics*, 68(4):992–1005.
URL <http://www.jstor.org/stable/4639924>

Week 7: HOW DO INTEREST GROUPS GET ORGANIZED AND REPRESENTED?

Not all groups have formal organizations, and not all organizations participate in politics. This has distracted research from answering more general questions of whether those groups who are organized get something for their efforts. Here we consider a description of groups and their impact on policy for two sets of groups.

Questions

- What coordination and collective action problems do competing firms within industries face?
- What leads to the adoption of policies that favor certain groups/industries at the expense of societal welfare?

Readings

- Busch, M.L. and E. Reinhardt. 2000. Geography, international trade, and political mobilization in US industries. *American Journal of Political Science*:703–719
- McGillivray, F. 2004. *Privileging industry: The comparative politics of trade and industrial policy*. Princeton Univ Pr

Week 8: HOW DO SIGS SHAPE POLICY AND AFFECT REPRESENTATION?

How does the private financing of elections change the behavior of MCs, and ultimately policy outcomes?

Open questions include,

- What is missing is electoral connection – how different people would get elected (in contrast to many models on that question).
- How to measure cost to constituents, and how to weigh national versus local interests.

Readings:

- Ansolabehere, Stephen, John M. de Figueiredo, and James M. Snyder, Jr. 2003. Why Is There so Little Money in U.S. Politics? *The Journal of Economic Perspectives*, 17(1):105–130.
URL <http://www.jstor.org/stable/3216842>
- de Figueiredo, J.M. and B.S. Silverman. 2006. Academic Earmarks and the Returns to Lobbying*. *The Journal of Law and Economics*, 49(2):597–625
- De Figueiredo Jr., Rui J. and Geoff A. Edwards. 2007. Does Private Money Buy Public Policy? Campaign Contributions and Regulatory Outcomes in Telecommunications. *Journal of Economics & Management Strategy*, Vol. 16, No. 3, pp. 547-576, Fall 2007
- Gordon, Sanford C. and Catherine Hafer. 2005. Flexing Muscle: Corporate Political Expenditures as Signals to the Bureaucracy. *The American Political Science Review*, 99(2):245–261.
URL <http://www.jstor.org/stable/30038935>
- Peoples, Clayton D. 2008. Uncovering Political Influence by Using Network Analyses and Exploring Contribution/Party Interactions: The Case of Ohio Legislative Voting. *Sociological Focus*, (41)
- Kluver, Heike. 2011. The contextual nature of lobbying: Explaining lobbying success in the European Union. *European Union Politics*, 12(4):483–506

Week 9: DO MCs EXTRACT RENT FROM VOTERS AND SIGs?

Once in office, MCs have considerable procedural advantages for controlling the agenda and shaping new policy. Are MCs able to use their office for private/fiscal or public/electoral advantage?

Questions:

- What are the opportunities for rent extraction?
- How do the private interests/preference of representatives create agency problems? How do private interests distort willingness to represent constituents?

Readings:

- Eggers, Andrew C. and Jens Hainmueller. 2009. MPs for Sale? Returns to Office in Postwar British Politics. *American Political Science Review*, 103(04):513–533.
URL <http://dx.doi.org/10.1017/S0003055409990190>
- Eggers, Andrew C. and Jens Hainmueller. 2012. Capitol Losses: The Mediocre Performance of Congressional Stock Portfolios, 2004-2008.
URL http://www.mit.edu/~jhainm/Paper/Eggmueller_CapitolLosses.pdf
- Ziobrowski, Boyd J. Cheng P., A. and B. Ziobrowski. 2011. Abnormal Returns From the Common Stock Investments of Members of the US House of Representatives. *Business and Politics*, 13(1)
- Tahoun, Ahmed. 2011. The Role of Stock Ownership by US Members of Congress on the Market for Political Favors. *SSRN eLibrary*

Week 10: DISCUSSION OF STUDENT PRESENTATIONS