17.812J / 14.296J Collective Choice I Fall 2008

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Problem 4.A

Consider the framework of Snyder (1994), where two "disciplined but democratic" political parties compete for election. Assume that the policy space is the unit interval [0, 1]. There are *n* legislative districts, with *n* odd. Each party nominates one candidate to run in each district. Each party also chooses a "platform": party *X* chooses a platform *x*, and party *Y* chooses a platform *y*. Whichever party wins a majority in the legislature enacts its platform (this is the "disciplined parties" assumption, and we also ignore commitment issues).

Voters vote on the basis of the platforms, and also on the basis of the relative ability of the parties to prevent corruption, a. Thus, if party X wins, then a voter with ideal point at z receives utility $U(z, x, y, a) = -(z-x)^2 + a$, and if party Y wins the voter receives utility $U(z, x, y, a) = -(z-y)^2$. Voters vote sincerely and myopically. Let the median ideal point in district i be M_i , and assume $0 \le M_1 \le ... \le M_n \le 1$.

Each party chooses its platforms by majority-rule voting at a caucus meeting, but only the party's *incumbents* are eligible to vote in the caucus (this is the "democratic parties" assumption). Also, *each incumbent cares only about winning her own seat*. When voting, incumbents do not know the value of a, but only that it is distributed uniformly on the interval [-1, 1].

Suppose that at time t = 0 party X has incumbents in a subset of districts with medians $S_X^0 \subset \{M_1, ..., M_n\}$, and party Y has incumbents in districts with medians $S_Y^0 \subset \{M_1, ..., M_n\}$. Define a "platform equilibrium" for the election at t=1 as a pair $\{x, y\}$ such that x is a majority-rule-winner inside party X's caucus given y, and y is a majority-rule-winner inside party Y's caucus given x.

- (1) Characterize each incumbent's preferences over her party's platform.
- (2) Characterize the platform equilibria of model. Do the parties ever adopt the same platform? Which party is more likely to win a majority in the legislature at t = 1? (Begin by making specific assumptions about S_X^0 and S_Y^0 , and then generalize.)
- (3) Consider a simple case with three districts, and district medians at $M_1 = 0$, $M_3 = 1$, and $M_2 \ge 1/2$. What can we say about the long-run tendencies of the system? Will one party tend be advantaged? How does this depend on the distribution of district medians?

References

[1] Snyder, James M. 1994. 'Safe Seats, Marginal Seats, and Party Platforms: The Logic of Platform Differentiation', *Economics and Politics* 6: 201-13.