Political Theory and Strategy Formulation
Agenda

- More political theory
  - Logrolling (“vote trading”)
  - Median voter theorem
  - Veto game
- Generic political strategies
  - Majority-building
  - Representation
  - Mobilization
  - Informational
Logrolling

- Also known as “vote trading”
- Individual projects without majority support as standalone policies
- Bundling projects together so that the package passes
Logrolling can be efficient

<table>
<thead>
<tr>
<th>Project</th>
<th>Ann</th>
<th>Bob</th>
<th>Carl</th>
<th>Net Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital</td>
<td>200</td>
<td>-50</td>
<td>-55</td>
<td>95</td>
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<tr>
<td>Library</td>
<td>-40</td>
<td>150</td>
<td>-30</td>
<td>80</td>
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<tr>
<td>Pool</td>
<td>-120</td>
<td>-60</td>
<td>400</td>
<td>220</td>
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<tr>
<td>Indiv. Benefits</td>
<td>40</td>
<td>40</td>
<td>315</td>
<td>395</td>
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Or inefficient $\Rightarrow$ No logroll

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<td>-100</td>
<td>175</td>
<td>-35</td>
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Minimal coalition logroll (but still inefficient)

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| Indiv. Benefits | 160 | 40 | -225 | -25 |

-15
-10
-25
Median Voter Theorem

- Under what conditions might majority rule be coherent and predictable?

- Conditions:
  - Policies represented as points on a line
  - Voters have single-peaked (and symmetric) preferences

- Then between two policies, majority rule will choose the one closest to the median voter’s most-preferred policy
Low taxes  High taxes
Utility function: Symmetric, single-peaked

Equality

Ideal point

Efficiency

M
Red policy is closer to both L and M’s ideal points than the blue policy.
Given two policies, the one closer to the median voter’s will be preferred by a simple majority.
Median Voter Theorem

Add an “open rule” voting process

- Any alternative can be proposed
- Every new proposal is voted against the last proposal adopted
Once the policy located at the median’s ideal point is chosen, nothing else can defeat it.
Implications

- The MVT is a powerful and useful tool for analyzing political outcomes
- Identifies forces pushing outcomes towards the middle of political spectrum
- Legislative institutions
- Electoral competition
- Caveat: But procedures matter...
Veto Game
Majority-building

- Obtain enough votes
- In the right places (committees, floor, etc)
- At the “least cost” to ensure desirable outcome
Federal Express

- **Status quo:** Ambiguous jurisdiction allows local unionization
- **Desired policy:** Clear Railway Labor Act jurisdiction, national unionization only
- **Current situation:**
  - Amendment added in conference of “must-pass” authorization bill
  - Opponents mounting filibuster
Federal Express

- Requires 60 votes to invoke “cloture” (end filibuster)

Federal Express needs to recruit 41-45 (5 votes); 46-100 already support bill (55 votes)

q = 30  f = 41  b = 60

“cutpoint” = 45
Representation

- What is it based on?
- How much constituency influence?
- Application of median voter theorem to candidate ideological positioning
- Implies convergence to district median voter
Politicians’ Motivations

- Helps to know how to influence them
- Re-election
  - Constituency support
  - Campaign funding
- Personal policy interests or ideology
- Influence
  - Committee work
  - Party loyalty
- Progressive ambition
Coalition building

- **Horizontal mobilization**
  - Allies, even competitors
  - Industry coalitions

- **Vertical mobilization**
  Rent chain: Set of stakeholders that earn rents as a result of interaction with the firm

Employees       Suppliers
Customers       Distributors
Representation

- Focuses on the electoral connection
- Geographic coverage is key
- If coverage does not exist, mobilize rent chain or industry coalitions
Informational

- Technical information
  - Feasibility
  - Policy consequences
  - Cost
- Political information
  - Effects on constituents
  - Extent of support
- Requires credibility to be effective