

MULTIPARTY DEMOCRACY

This book adapts a formal model of elections and legislative politics to study party politics in Israel, Italy, the Netherlands, Britain, and the United States. The approach uses the idea of valence—that is, the party leader's nonpolicy electoral popularity—and employs survey data to model these elections. The analysis explains why small parties in Israel and Italy keep to the electoral periphery. In the Netherlands, Britain, and the United States, the electoral model is extended to include the behavior of activists. In the case of Britain, it is shown that there will be contests between activists for the two main parties over who controls policy. Regarding the recent 2005 election, it is argued that the losses of the Labour Party were due to Blair's falling valence. For the United States, the model gives an account of the rotation of the locations of the two major parties over the last century.

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Elections and Legislative Politics

NORMAN SCHOFIELD AND ITAI SENED

Washington University in St. Louis



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For Elizabeth and Sarit

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Preface

This book closes a phase of a research program that has kept us busy for more than ten years. It sets out a theory of multiparty electoral politics and evaluates this theory with data from Israel, Italy, the Netherlands, Britain, and the United States.

Four decades ago, our teacher and mentor, William H. Riker, started this effort with *The Theory of Political Coalitions* (1962). What is perhaps not remembered now is that Riker's motivation in writing this book came from a question that he had raised in his much earlier book, *Democracy in the United States* (1953): Why did political competition in the United States seem to result in roughly equally sized political coalitions of disparate interests? His answer was that minimal-winning coalitions were efficient means of dividing the political spoil. This answer was, of course, not complete, because it left out elections—the method by which parties gain political power in a democracy. His later book, *Positive Political Theory* (1973), with Peter Ordeshook, summed up the theory available at that time, on two-party elections. The main conclusion was that parties would tend to converge to an electoral center—either the median or mean of the electoral distribution. Within a few years, this convenient theoretical conclusion was shown to be dependent on assumptions about the low dimension of the policy space. The chaos results that came in the 1970s were, however, only applicable to two-party elections where there was no voter uncertainty. With voter uncertainty, it was still presumed that the mean voter theorem would be valid. The chaos theorem did indicate that in parliaments where the dimension was low and where parties varied in strength, stability would occur, particularly if there were a large centrally located or dominant party. Indirectly, this led to a reawakening of interest in completing Riker's coalition program. Now, the task was to examine the post-election situation in Parliament, taking

Preface

party positions and strengths as given, and to use variants of rational choice theory to determine what government would form. While a number of useful attempts were made in this endeavor, they still provided only a partial solution, since elections themselves lay outside the theory. One impediment to combining a theory of election with a theory of coalition was that the dominant model of election predicted that parties would be indistinguishable—all located at the electoral mean, and all of equal size.

A key theoretical argument of this book is that this mean voter theorem is invalid when voters judge parties on the basis of evaluation of competence rather than just proposed policy. Developing this new theorem came about because of an apparent paradox resulting from work with our colleagues Daniela Giannetti, Andrew Martin, Gary Miller, David Nixon, Robert Parks, Kevin Quinn, and Andrew Whitford. On the basis of logit and probit models of the Netherlands, it was found by simulation that parties could have increased their vote by moving to the center. However, when the same simulation was performed using an empirical model for Israel in 1988, no such convergence was observed. Some later work on the United States then brought home the significance of Madison's remark in *Federalist* 10 about "the probability of a fit choice." The party constants in the estimations could be viewed as valences, modelling the judgments made of the parties by the electorate. These judgments varied widely in the case of Israel, somewhat less so in Italy and Britain, and even less so in the Netherlands. The electoral theorem presented in Chapter 3 shows that if electoral uncertainty is not too high and electoral judgments are sufficiently varied, parties will, in equilibrium, locate themselves in different political "niches," some of which will be far from the electoral center. Immediately we have an explanation both for the occurrence of radical parties and for Duverger's (1954) hypothesis about the empty electoral center.

This book attempts to combine the resulting theory of elections with a theory of government formation, applicable both to polities with electoral systems based on proportional representation (or PR), such as Israel, Italy, and the Netherlands, but also to polities such as Britain and the United States with electoral systems based on plurality or "first past the post." Essentially we propose that, under PR, pure vote maximization is tempered by the beliefs of party leaders about the logic of coalition formation. Under the plurality electoral mechanism, party coalitions must typically occur before the election, and this induces competition between the activists within each party. Naturally, this model raises many new topics of theoretical concern, particularly since we combine notions of both

Preface

non-cooperative game theory and social choice theory. Because the theoretical model presented here is quite abstract and technically demanding, we suggest that only the first section of Chapter 3 is covered on first reading. The formal sections of this chapter on electoral uncertainty and on the heart can be left for reading after the more substantive chapters have been examined.

Over the years, we have been fortunate to receive a number of National Science Foundation awards, most recently grant SES 0241732. Schofield wishes to express his appreciation for this support and for further support from the Fulbright Foundation, from Humboldt University, and from Washington University during his sabbatical leave from 2002 to 2003. We are also very grateful to the Weidenbaum Center at Washington University for research support. We thank Martin Battle and Dganit Ofek for research collaboration, and Alexandra Shankster, Cherie Moore, and Ben Klemens for help in preparing the manuscript. John Duggan made a number of perceptive remarks on the proof of the electoral theorem. Jeff Banks was always ready with insights about our earlier efforts to develop the formal model. Jim Adams and Michael Laver shared our enthusiasm for modelling the political world.

Our one regret is that Jeffrey Banks, Richard McKelvey, and William Riker are not here to see the results of our efforts. They would all have enjoyed the theory, and Bill, especially, would have appreciated our desire to use theory in an attempt to understand the real world. This book is dedicated to the memory of our friends.

Norman Schofield and Itai Sened.
St. Louis, Missouri, April 14, 2006