Who is the Ultimate Boss of Legislators: Voters, Special Interest Groups or Parties?

Prof. Dr. David Stadelmann

University of Bayreuth (Germany)
CREMA - Center for Research in Economics, Management and the Arts (Switzerland)
IWP – Institut für Schweizer Wirtschaftspolitik (Switzerland)
IREF - Institute for Research in Economic and Fiscal Issues (France)
Ostrom Workshop at Indiana University (USA)

Round table on "**Populism, Voting Behavior and Public Policy**" at the
Università degli Studi di Bari Aldo Moro

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A. Introduction: Different principals matter for legislative decisions

- Theoretically **evident**: Common agency relevant in politics

- Empirically **challenging**: **Study multiple principals simultaneously?**

- **Aim:** Analyze **preferences of constituents**, **special interest** and **parties** for actual legislative decisions

- **Main results**
  - Preferences of different principals are positively correlated, *but* conflict occurs
  - Legislators assign weights to all principals
  - Weight assigned to constituent preferences ≈ 10.0%
  - Voters matter less in situations of conflict among principals

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Literature

B. Literature

1. Representation of constituents in legislative decisions
   - Downsian convergence rarely observed (e.g. Kau and Rubin 1979; Gerber and Lewis 2004; Ågren et al. 2007; Portmann and Stadelmann 2017; Potrafke 2017)
   - Representation of voters in general (e.g. Grofman 2004; Powell 2000; Powell 2009; Golder and Stramski 2010; Stadelmann et al. 2012; Padovano 2013)

2. Relevance of special interest groups
   - e.g. Snyder 1992; Stratmann 1995; Grossman and Helpman 1996; Bombardini and Trebbi 2011; Giger and Klüver 2016; Stadelmann et al. 2016

3. Party discipline in the legislative process
   - e.g. Alesina 1988; Grofman et al. 1990; Levitt 1996; Besley and Coate 1997; Stadelmann et al. 2019; Giger et al. 2020

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Measurement & data

C. Measurement challenges & solutions

- Measurement **challenges**
  - Measure preferences of constituents?
  - Identify affiliations of legislators with interest groups?
  - Measure preferences of special interest groups?
  - Measure preferences of parties?

- Proposed **solution**: **Match final votes on legislative proposal parliament with referenda in Switzerland**
  - Referenda ⇨ **revealed preferences of constituents**
  - Transparency law ⇨ **identify interest group affiliations of legislators**
  - Voting recommendations ⇨ **revealed preferences of interest groups**
  - Party recommendations ⇨ **revealed preferences of parties**

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Observe what politicians do
(2007-2014)

Counting hands in the Upper House
(57 legislative proposals, 80 distinct legislators)

Observe what constituents want
(2008-2014, 57 referendum decisions in 26 cantons)

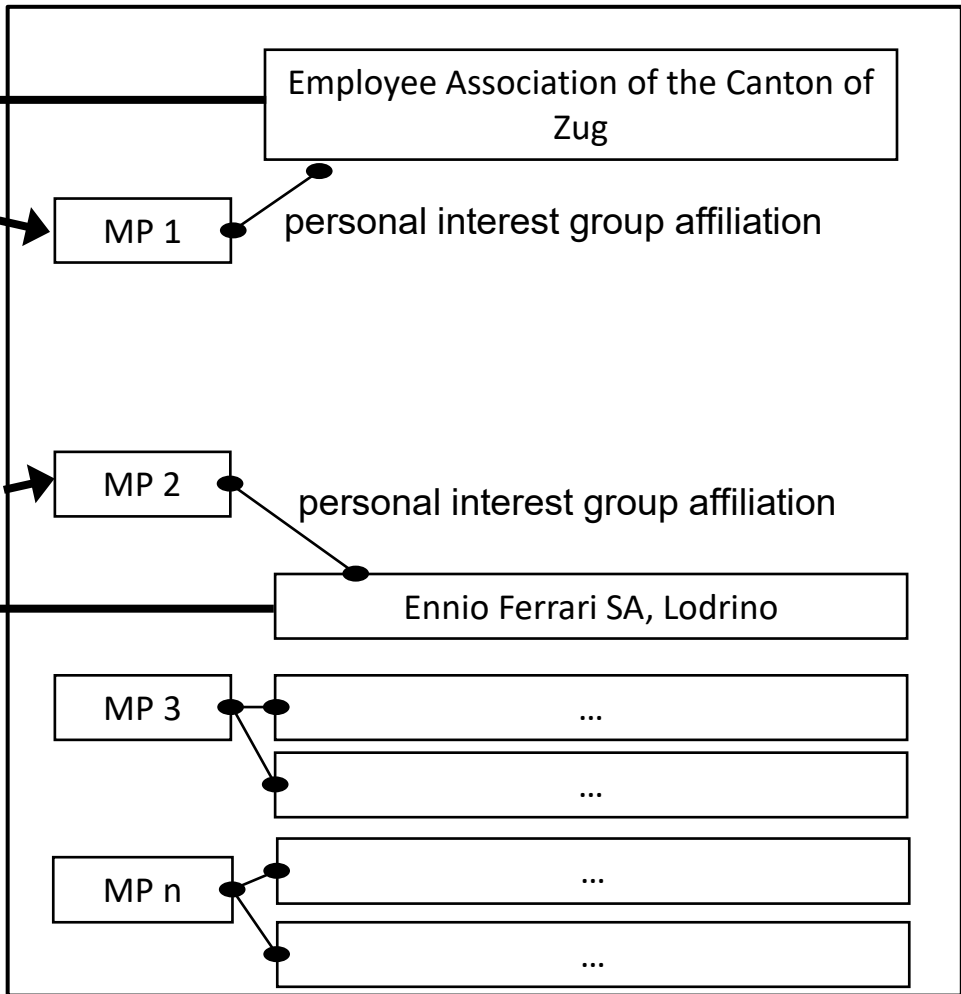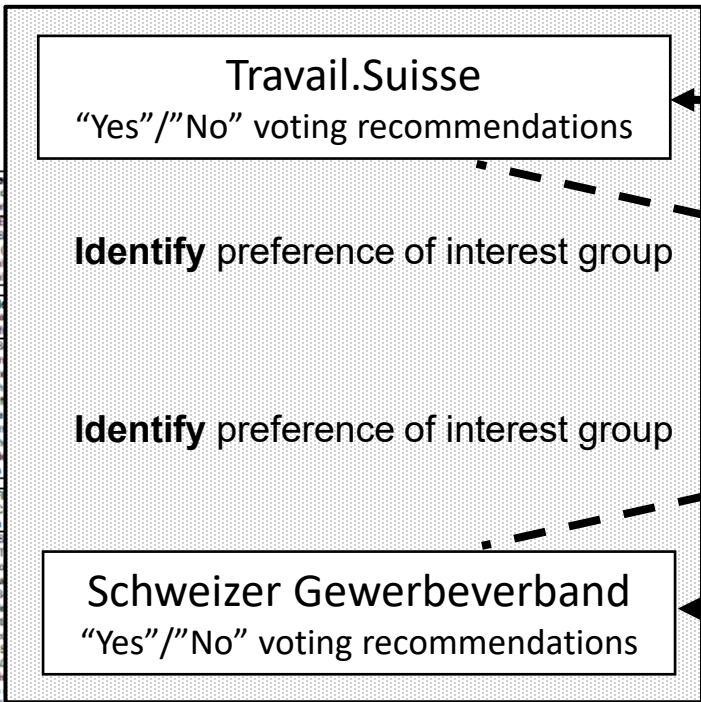| Lombardi Filippo		
Gruppo PCD-PEV-glp / TI		
Giornalista RP/Imprenditore dei media		
Aqua Nostra Svizzera	Assoc.	CD / VP
Aqua Nostra Ticino	Assoc.	CD / P
ASPASI, Associazione Passeggeri Aerei della Svizzera italiana, Lugano	Assoc.	CD / P
Telesuisse, Associazione delle TV regionali svizzere	Assoc.	CD / P
Ballenberg - Schweizerisches Freilichtmuseum für ländliche Kultur, Brienz	Fond.	CD / M
Fondazione del Centenario Raiffeisen, San Gallo	Fond.	CF / M
Mediapulse Stiftung, Bern	Fond.	CF / VP
Centro di calcolo elettronico SA (CCE), Minusio	SA	CA / M
Ennio Ferrari SA, Lodrino	SA	CA / M
Mediapulse AG, Bern	SA	CA / M
Pizzarotti (Suisse) SA, Lugano	SA	CA / M
Polo Floricolo del Gottardo SA, Quinto	SA	CA / M
Radio 3iii, radioemittente, Melide	SA	CA / Del.
TeleTicino SA, Melide	SA	CA / Del.
RCS Sagl, Manno	Sagl	- / Amm.
AKW, Arbeitskreis Kapital und Wirtschaft	-	- / M
CERTIL, Confederazione europea RTV indipendenti locali	-	- / M
Comitato del San Gottardo	-	C / M
Forum Finanzplatz Schweiz	-	- / M

Not all affiliations shown

Identification of affiliations of legislators with special interest groups

Sources: Die Bundesversammlung — Das Schweizer Parlament, Filippo Lombardi, https://www.parlament.ch/de/biografie/filippo-lombardi/540

Interest group affiliations of Members of Parliament (MPs)

Observe what special interest groups want
(1503 final observations)

Observe what parties want

Theory consistent estimation

Theory and estimation equation

- Legislator i weights principals when deciding on vote V im legislative proposal l:

$$U_{il} = -\left(\begin{array}{c} \alpha(V_{il} - C_{il})^2 + \beta(V_{il} - S_{il})^2 + \gamma(V_{il} - P_{il})^2 \\ +(1 - \alpha - \beta - \gamma)(V_{il} - I_{il})^2 \end{array} \right)$$

- Utility maximization yields optimal voting decision

$$V_{il}^* = \alpha C_{il} + \beta S_{il} + \gamma P_{il} + (1 - \alpha - \beta - \gamma)I_{il}$$

  - where α, β, γ are weights

- Empirical **estimation equation corresponds to theoretical model**

$$P\big((MP\ votes\ \text{Yes} = 1)_{il}\big) = \Lambda(\alpha C_{il} + \beta S_{il} + \gamma P_{il})$$

  - everything measured on same scale {0,1}

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Results

	Constituent preferences	Interest group preferences	Party preferences
Constituent preferences	1		
Interest group preferences	0.455	1	
Party preferences	0.571	0.450	1

Notes: Pearson correlation coefficients are presented based on 1503 observations.

Preferences of principals are positively correlated (⇨ some alignment)…

	Conditional probability that …		
	… constituent preferences = "Yes"	… interest group preferences = "Yes"	… party preferences = "Yes"
… constituent preferences = "No"	0	0.355	0.317
… constituent preferences = "Yes"	1	0.728	0.718
… interest group preferences = "No"	0.229	0	0.199
… interest group preferences = "Yes"	0.591	1	0.757
… party preferences = "No"	0.225	0.239	0
… party preferences = "Yes"	0.614	0.798	1

Given that …

Notes: The conditional probability that different principals accept a legislative proposal is presented.

… but conflict occurs

	(1)	(2)	(3)	(4)
Dependent variable		*MP votes "Yes"*		
Sample		Full sample		
Constituent preferences = "Yes"	0.8241***			0.5551***
	(0.1706)			(0.1941)
Interest group preferences = "Yes"		1.5993***		0.9031***
		(0.2564)		(0.2508)
Party preferences "Yes"			3.9956***	3.7995***
			(0.2701)	(0.2756)
Referendum type FE	Yes	Yes	Yes	Yes
n. Obs.	1503	1503	1503	1503
Pseudo R2	0.5298	0.5692	0.7774	0.7867
Brier	0.138	0.1288	0.0731	0.0703
		Discrete change in probability that MP votes "Yes"		
Discrete change of constituent preferences from "No" to "Yes"	0.1227*** (0.0298)			0.0996*** (0.0359)
Discrete change of interest group preferences from "No" to "Yes"		0.2867*** (0.0589)		0.1758*** (0.0497)
Discrete change of party preferences from "No" to "Yes"			0.6161*** (0.0558)	0.7236*** (0.0404)

Notes: ***, **, and * indicate a mean significance level of <1%, 1-5%, and 5-10%, respectively. Logit models are estimated and robust clustered standard error estimates are reported. Discrete changes are calculated from logit models with the Delta method. When calculating discrete changes, the preferences of the respective other principals are held at zero in specification (4).

Legislators assign weights to all principals…
… but weight assigned to constituents ≈ 10.0%

	(1)	(2)	(3)
Dependent variable		MP votes "Yes"	
Sample	No alignment among principals	Alignment among principals	Full sample
Constituent preferences	0.6372**		0.5180
	(0.2843)		(0.3709)
Interest group preferences	0.8816**		1.1966***
	(0.3609)		(0.3054)
Party preferences	3.9152***		4.2422***
	(0.3435)		(0.3789)
All principals agree in their preferences		4.9702***	
		(0.4678)	
Constituent preferences * Interest group preferences			0.2066
			(0.3860)
Party preferences * Interest group preferences			-0.8509*
			(0.4369)
Constituent preferences * Party preferences			-0.1324
			(0.4035)
Referendum type FE	Yes	Yes	Yes
n. Obs.	635	868	1503
Pseudo R2	0.6333	0.8766	0.7887
Brier	0.1137	0.0377	0.0695

If preferences of principals **do not align**, the **weight legislators put on constituents decreases** and becomes statistically insignificant. (Relatively precisely estimated zero effects.)

Discrete change of all principals preferences from "No" to "Yes"	0.7654***
	(0.0841)

Notes: ***, **, and * indicate a mean significance level of <1%, 1-5%, and 5-10%, respectively. Logit models are estimated and robust clustered standard error estimates are reported. Discrete changes are calculated from logit models with the Delta method. When calculating discrete changes, the preferences of the respective other principals are held at zero in specification (1) and (3).

Constituents matter less in situations of conflict among principals

Conclusions

Thank you

- Find my research on:

  https://www.entwicklung.uni-bayreuth.de/en/team/david-stadelmann/

- … or search on Google:
  - "David Stadelmann" Bayreuth

- … or on Twitter:
  - @davidstadelmann

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Appendix

Appendix: "Data – Overcoming challenges"

- Legislators cast votes in parliament ⇨ **observe legislators' choices**
  - Observe final votes, interest group affiliations, personal characteristics, etc.

- Swiss referenda ⇨ **observe preferences of constituents**
  - Preference ranking ≈ identical to policy proposals
  - Direct measure of congruence (e.g. Brunner et al. 2013; Giger and Klüver 2016; Matsusaka 2017; Barceló 2019; own contributions)

- Recommendations ⇨ **observe preferences of special interest groups and parties**

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Appendix: "Congruence – Comparison to existing measures"

- "Usual" measures of representation
  - Ideology scores (e.g. ADA, DW-Nominate)
  - Electoral platforms: Experts' placements
  - Surveys: Citizens' placements

- Our measurement of representation
  - Politicians **actual decisions on real issues**
  - **Preferences** of constituents and business group
  - **Real policy consequences**
  - **Direct comparability** of politicians' decisions and constituents' preferences

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Theory and estimation equation

Endogenous ideology of the MPs

So far, we have assumed that the ideological preferences of the MPs are not related to their principals' preferences. Since MPs have been elected in previous elections, which require the support of voters, interest groups and the party, it would be surprising that the ideological preferences of the MPs are not affected by principals' preferences. For example, more conservative constituencies, interest groups and parties will only support and help electing more conservative MPs. Next, we explore this possibility. In particular, assume that:

$$X_{il}^I = \sum_{p=C,S,P} \gamma^p X_{il}^p + \left(1 - \sum_{p=C,S,P} \gamma^p\right) e_{il} \qquad (7)$$

where $\gamma^p \in [0,1)$, $\sum_{p=C,S,P} \gamma^p < 1$ and e_{il} has cumulative distribution function F with support on $[0,1]$, $F(0) = 0$ and $F(1) = 1$. That is, the ideology of an MP is a weighted average of the

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	(1)	(2)	(...)								(11)	(12)
		No alignmen...										
Sample											... Sectional > Cause	... Sectional ≤ Cause
	... Female	... Male	... E...									
Discrete change of constituent preferences from "No" to "Yes"	0.1814☐ (0.1925)	0.1249***☐ (0.0439)	0.069... (0.089...									
Discrete change of interest group preferences from "No" to "Yes"	-0.0257☐ (0.1347)	0.2158***☐ (0.0612)	0.191... (0.0907)	(0.0697)	(0.0722)	(0.0828)						
Discrete change of party preferences from "No" to "Yes"	0.7687***☐ (0.1363)	0.7437***☐ (0.0509)	0.6843***☐ (0.1051)	0.8063***☐ (0.0351)	0.7226***☐ (0.0519)	0.7421***☐ (0.0909)						
Discrete change of all principals' preferences from "No" to "Yes"							0.8909***☐ (0.0454)	0.6966***☐ (0.1068)	0.6561***☐ (0.1330)	0.8279***☐ (0.0841)	0.8568***☐ (0.0894)	0.7448***☐ (0.1226)
n. Obs.	110	525	313	322	286	349	151	717	387	481	435	433
Pseudo R2	0.708	0.6241	0.6583	0.6374	0.5933	0.6796	0.8509	0.8851	0.891	0.8699	0.8867	0.8682
Brier	0.0986	0.1146	0.1139	0.1068	0.1239	0.1006	0.0466	0.0358	0.0338	0.04	0.0333	0.0415

Notes: ***, **, and * indicate a mean significance level of <1%, 1-5%, and 5-10%, respectively. Logit models with robust clustered standard error are estimated employing all principals and referendum type fixed effects. Discrete changes in the probability that an MP votes "Yes" are derived from logit models and reported. Discrete changes are calculated with the Delta method. When calculating discrete changes, the preferences of the respective other principals are held at zero in all specifications.

Inset (zoomed detail):

	… Female	… Male
Discrete change of constituent preferences from "No" to "Yes"	0.1814☐ (0.1925)	0.1249***☐ (0.0439)
Discrete change of interest group preferences from "No" to "Yes"	-0.0257☐ (0.1347)	0.2158***☐ (0.0612)
Discrete change of party preferences from "No" to "Yes"	0.7687***☐ (0.1363)	0.7437***☐ (0.0509)

Appendix: "Heterogeneity more relevant in situations of conflict"

Appendix: "Robustness tests"

- Results hold …
    - for different topics
    - when applying rolling regressions
    - when weighting for turnout
    - when employing continuous measures for principals
    - when splitting according to languages
    - for clustering changes, logit, probit, LPM, etc.

- A (short) discussion on "**treatment**"/endogeneity …

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Appendix: "Discussion – Representation"

- "[If] wealth, access to officials, and other resources are unequally distributed, who actually governs?"

  Robert Dahl, "Who Governs", Yale University Press, 1961

- "You see, the rich are different from you and me: they have more influence."

  Paul Krugman, New York Times, September 19, 2010

- "Worries about the influence of powerful elites on democracy are as old as elections."

  The Economist, June 3, 2014

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Appendix: "Discussion – Timing"

- Timing (as it has to be! … Brunner et al. 2013)
  - MPs vote before citizens
  - MPs have to anticipate voters' preferences
  - MPs same instruments to predict voters' preferences as in representative democracy
- Sample selection: (most likely) no large effect because…
  - Mandatory referendums – no selection
  - Facultative referendums – threat of a referendum
  - Initiative – mitigates agenda setting issue

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Appendix: "Discussion – Generalizability"

- Direct democracy increasing in many countries and regions

- Direct democracy does not provide legislators with additional information on voters' views

- Median time of referendum after 120 days

- Continual threat of public referendum

- Who makes better decisions?
    - Currently working on theoretical model that voters make better decisions if strategic reporting in surveys (similar to Osborne and Turner 2010)

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