

# If you can't move, be ambiguous

## How income inequality can increase party platform ambiguity in majoritarian and proportional systems

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### Research question

Political information is receiving increasing attention, as both dependent and independent variable, especially in redistributive politics.

Most research examines voter demand for (or consumption of) political information. I look at supply of clear information by political parties, asking:

*When do political parties strategically adopt ambiguous platforms?*

### Contribution

The “strategic ambiguity” literature extends way back; this paper offers:

1. *New logic for ambiguity*: party policy preference based logic for using ambiguity when policy is constrained by intra-party divisions.
2. *Moving beyond majoritarian electoral systems*: extension to three-party post-election bargaining game (“PR” system).
3. *Measure of ambiguity*: new measure based on expert (not voter) surveys.
4. *Empirics*: preliminary assessment of platform ambiguity as dependent variable, applied to redistributive conflict.

### Game setup: economic and political environment

- Romer-Meltzer-Richard economy: voters differentiated by income  $y$ ; government implements linear tax  $\tau$ ; convex cost to taxation  $\tau^2 \bar{y}/2$ .
- Log-normal income distribution:  $Y \sim \ln \mathcal{N}(\mu, \sigma^2)$ .
- Voters receive concave utility from policy:  $u(\tau; y)$ .
- Party  $p$  has policy ideal point  $\tau(y_p)$ , but wants rents from office  $W > 0$ . All parties  $p \in \mathcal{P}$  choose a platform—a probability distribution  $h_p(\tau)$  over  $\tau$ .
- Two party strategy restrictions:
  1. Intra-party heterogeneity: must place positive probability on median voter's ideal point  $\tau(y_m)$ . Implication: *parties use ambiguity to move toward ideal point*.
    - Justification: party members have different policy preferences or electoral constraints.
  2. Uniform distribution: probability distribution must uniform. Implication: *parties commit to a policy interval*.
    - Justification: hard to send messages with discontinuous probability functions; messages not perceived with weight proportionate to usage.
- Define platform ambiguity as the interval  $[\underline{\tau}_p, \bar{\tau}_p]$  of policies chosen with positive probability (the support of  $h_p(\tau)$ ).

### Majoritarian systems

**Game structure:** (1) a left and right party simultaneously commit to  $h_p(\tau), p = l, r$ ; (2) sincere voting given policy utility and common (uniform) valence shock (*probabilistic voting*); (3) election is decided by plurality rule and winning party implements the realization of  $h_p(\tau)$ .

**Results** and intuitions from the unique SPNE:

- Wittman-Calvert divergence: left party chooses a larger  $\tau$  on average.
- Equilibrium platforms  $h_p^*(\tau)$  reflect: concavity of utility function; convexity of tax cost; party ideal points and probability of winning.
- Effect of a mean and median-preserving increase in voter income inequality (add  $\varepsilon > 0$  to all  $y > y_m$  except  $y_r$  and subtract  $\varepsilon$  from all  $y < y_m$  except  $y_l$ ): under a reasonable condition (such that utility concavity overpowers tax inefficiency convexity), *a rise in voter inequality increases the ambiguity of left parties; under some conditions right parties also become more ambiguous*.
  1. Since marginal utility of income is greater for poorer voters, an increase in inequality enables the left party to move toward its ideal point with little reduction in their probability of winning the election.
  2. While the right party wants to win the election to implement its policy, it also wants to move policy toward its ideal point if it wins office and may thus respond to the left party's increase in ambiguity by also offering a more ambiguous platform.

### PR systems

**Game structure:** (1) left, median and right parties commit to  $h_p(\tau), p = l, m, r$  knowing *bargained policy is a weighted average of coalition partner platforms*; (2) *rise in income inequality increases vote share of  $l$  and  $r$  at expense of  $m$* ; (3) coalition formateur is chosen probabilistically, increasing in vote share; (4) *Baron-Ferejohn bargaining* until majority coalition found.

**Results** and intuitions from unique stationary SPNE:

- Formateur always successfully proposes a winning coalition;  $m$  may form a minority government with the support of at least one party; both  $l$  and  $r$  must include  $m$  in a winning coalition and provide sufficient policy benefits to ensure  $m$  prefers to accept their offer than wait for another formateur.
- *A mean and median-preserving increase in voter inequality increases the ambiguity of  $l$  and  $r$ .*
- Logic: given non-centrist parties must appeal to the median voter, they increase ambiguous to commit to a policy closer to their ideal point when income inequality increases their bargaining power.
- Similar to majoritarian results despite working through post-election bargaining appeals to coalition partners—not pre-election appeals to voters.

### Some testable hypotheses

- H1** Platform ambiguity rises in PR systems as income inequality increases, and often rises in majoritarian systems.
- H2** Left parties become relatively more ambiguous as income inequality increases than right parties, especially in majoritarian systems.
- H3** Left parties are less ambiguous platforms than right parties when income inequality is low.

### Data

Examine 15 Western European democracies: 2 largest parties in majoritarian systems; 3 largest in non-majoritarian. 108 observations.

**Dependent variable:** *party platform ambiguity* = standard deviation of expert party ratings on left-right economic policy and general ideology dimensions; 1999, 2002, 2006 Chapel Hill surveys. 5 to 18 experts per party.

### Statistical model

OLS with all interactions:

$$y_{ijt} = \beta_0 + \beta_1 \text{market inequality}_{jt} + \beta_2 \text{right partisanship}_{ijt} + \beta_3 \text{majoritarian}_j + \beta_4 (\text{market inequality}_{jt} \times \text{majoritarian}_j) + \beta_5 (\text{market inequality}_{jt} \times \text{right partisanship}_{ijt}) + \beta_6 (\text{majoritarian}_j \times \text{right partisanship}_{ijt}) + \beta_7 (\text{market inequality}_{jt} \times \text{right partisanship}_{ijt} \times \text{majoritarian}_j) + \gamma \mathbf{x}_{ijt} + \epsilon_{ijt}$$

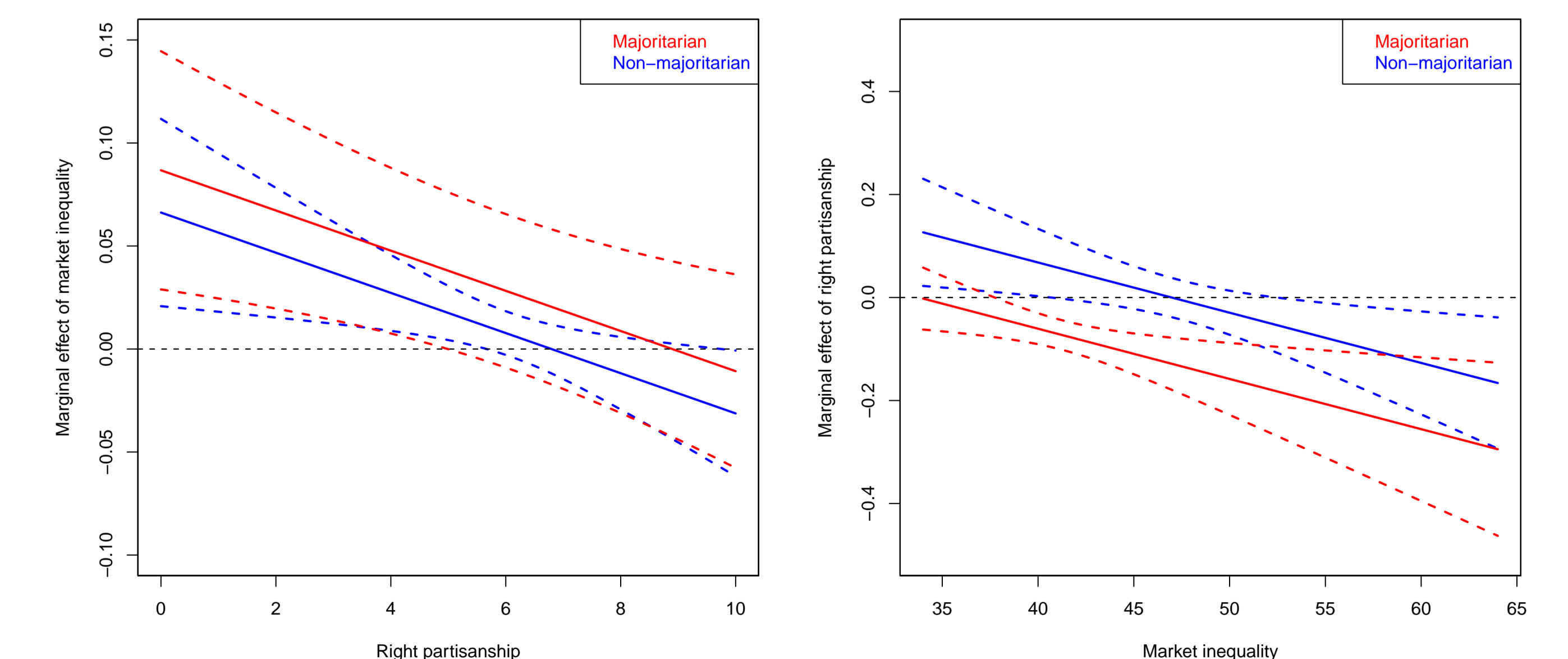
Controls: incumbent, growth, competition, vote share, years until election.

Cluster SEs at country level; use block bootstrap for robustness.

### Results

Positive correlation for market inequality without interactions (H1).

Support conditional hypotheses: H2 (left); H3 (right). No triple interaction.



Generally robust: wave, country and party FEs; AR1 correction; WLS by # experts; Benoit-Laver single-wave dataset with more majoritarian cases.