

Leaders and Labels: A Principal-Agent Perspective on Party Position Taking*

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Abstract

Who gets to make decisions inside parties? Political scientists have focused a great deal of attention on relationships *among* political parties, asking for instance how parties' legislative and electoral contexts affect policy positioning and coalition bargaining, but what goes on *within* parties has most often been left to one side. How decisions are made and who is involved in making them are fundamental questions, however, affecting not only how parties look to the outside observer but also the kinds of decisions they make. In this paper, I present a formal analysis of the relationship between a party's institutional context—specifically, the number of individual legislators it needs to be able to supply for publicly visible positions (e.g., government ministers)—and the optimal size of party leadership. One surprising implication from the model is that the costs typically associated with party discipline turn out to be irrelevant as long as the party leaders who define the party position value party unity. Finally, I derive testable propositions as well as propositions that would in principle be testable were it feasible to collect the requisite data.

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1 Introduction

Maurice Duverger (1976, viii) declared pessimistically in 1951 that “in another fifty years it might be possible to describe how political parties actually function.” At least since then scholars have tended to focus on *what* parties do, rather than *how* they do it. Those who do cast a glance inside parties argue that parties organize in order to achieve specific ends (though to what ends in particular is subject to is a matter of assumption and subject to debate) and to ensure that their elected agents work together toward those ends. Parties function, in other words, by organizing. Organization creates leaders and endows them with resources to ensure discipline among the rank and file so that the party can go about its business effectively. The conventional wisdom holds, in short, that parties organize both to ensure that their positions are constant and their messages are clear. Fifty years have come and gone, however, and Political Science’s understanding of intraparty politics remains limited largely to in-depth case studies, studies of the incentive effects of electoral rules, and examinations of the role and salience of factions. Party leaders are understood to be the captains of their organizations, wielding the whip of discipline as necessary to ensure their parties maintain unity in pursuit of their goals.

This paper builds on the basic point that party organization is instrumental for controlling the flow of parliamentary work. Parties organize to place agents in positions of influence, and how they organize depends on the extra-party positions (i.e., positions defined by legislative or constitutional, rather than party, rules) they can expect to control (cf. Cox 2006). This approach, building on the insights in Laver and Shepsle’s (2000) exploration of parties’ need to cultivate “ministrables” to fill government posts, highlights the question of whom party organization privileges in intraparty decision making. One key implication, that titular party leaders typically cannot act unilaterally, stands in stark contrast to the usual assumption that party decisions fall to the formal party leader (c.f., e.g., Kam et al. 2010). My argument, driven by the assumption that party leaders and backbenchers alike hold dear the clarity of their party label, suggests that the important question to ask of parties with respect to their labels is not whether they are unified, or how much (unity is important, but secondary), but rather *unified around what?*

The content of decisions depends on who makes them. Individuals who agree on goals are likely to disagree on how best to achieve them. Individuals who agree on how to achieve their goals

might disagree on strategic and tactical questions, e.g., how much to compromise goals in order to ensure broad support, the tradeoffs between current success and the ability to continue exercising influence in the future, or even whether it is better to fail utterly than to succeed partially. And even individuals who are in complete agreement about goals and tactics are likely to disagree about whose resources they prefer to use. Hence, the question of what parties decide to do boils down to how decision-making influence is allocated to individuals within them. Moreover, the observation of unity, commonly ascribed to carrots and sticks strategically wielded by party leaders (Laver 1999) and, in parliamentary systems, the role of party as the link between voters and the executive (Cox 1987; Laver 2006), turns out to be an endogenous consequence of how influence is allocated.

The linkage between legislative structure and party organization echoes Cox and McCubbins's (1993) sketch of parties as legislative cartels. Basically, parties give agents jurisdiction over defined policy areas and let them make policy via an intraparty logroll. Of course, if agents collectively are defining the party position they are for all intents and purposes making decisions for the party, something I take to be a privilege reserved for leaders. Simply put, policy authority implies leadership rank. In the US Congress, this means that committee chairs (and, for the party not in the majority, the ranking members of committees, at least for committees with politically salient jurisdictions) are effectively leaders. To extend the argument to parliamentary systems I focus on government ministries, though big-city mayors, presidents, chairs of important legislative committees (where committees matter; cf. Strøm 1990b), etc. also fit into the logic I lay out.

The basic point is that a given party can expect (or reasonably hope) to have to fill a more-or-less predictable number of extra-party positions in the aftermath of elections and coalition bargaining (Laver and Shepsle 2000), and as a consequence of legislative arithmetic. If the individuals who fill those posts can affect the party label—what the party does or how it is perceived—they also are in a position to hurt the party if they stake out positions at odds with its established position. If, as I argue, drawing these agents from party leadership—those within the party who set party policy positions—ensures that their behavior will reinforce the established party label—then it behooves the party to have a leadership group large enough to cover all the positions it needs to fill. While obviously true for parties in government, this conclusion implies as well that parties in opposition that have a reasonable shot at power also should make sure to have enough leaders available in case their political fortunes land them in government. Finally, to reiterate, the need for discipline

falls away because party agents who also are party leaders have no reason to deviate from the established party line.

To make this argument, I construct a formal model that makes party positioning dependent on the identity of party agents (similar to Laver and Shepsle’s 2000, “ministrables”; and cf. “mega-seats” from Carroll, Cox, and Pachón 2006). Ultimately, I show that party agents and party position are chosen jointly. I begin in the next section with a very brief overview of the literature on party organization, followed in Section 4.1 with the model itself. I endeavor to make the logic of and intuition behind the model comprehensible to the reader who prefers not to focus on notation, but the notation does provide clarity and nuance that the prose itself cannot. Section ?? explores some extensions to the model that align its conclusions more closely with politics in the observed real world. In Section 5, I conclude with a discussion of some of the model’s empirical implications.

2 Parties in Context

General studies of party organization usually revolve around discussions of how parties fit into or are evolving out of defined categories, such as mass, elite, or cartel parties (Katz and Mair 1995), or whether influence over party positions resides in parliamentary groups or extra-parliamentary organizations. Research along these lines, which builds on Duverger’s (1976) classic distinction between mass and cadre parties, is motivated by an evident decline of the role of parties in society (Dalton and Wattenberg 2000). Studies that look inside parties tend to focus on specific cases (Italy’s Christian Democrats and Japan’s Liberal Democratic Party stand out in this regard). Case studies are important for understanding how parties organize, but a focus on interfactional competition (Cox, Rosenbluth, and Thies 2000; Di Palma 1977; Mershon 2001a; b; Panebianco 1988) has left to one side the question of how what happens inside parties affect what parties do (but see Giannetti and Laver 2005). Even accepting that understanding factions is key to understanding party politics, the literature shunts aside the question. Instead, discussion focuses on factions themselves, e.g., whether they are cultural (Fukui 1978), ideological (Belloni 1978; Cyr 1978; Green-Pedersen and van Kersbergen 2002; McCubbins and Thies 1997; Roback and James 1978), geographical (Amorim Neto and Santos 2001; Carty 2004; Sabatini 2003), particularistic (Amorim Neto and Santos 2001; Bettcher 2005), or purely oriented to power inside parties (Bettcher

2005; Fukui 1978; Ignazi and Ysmal 1998; Nicholson 1978; Zuckerman 1979).

Whether honing in on intraparty resource allocation (e.g., Cox, Rosenbluth, and Thies 1999; Moreno 2005; Morgenstern 2001) or a party's public face (Samuels and Shugart 2010), the study of parties is largely tied up with the study of electoral incentives. Where it is not, the focus is primarily on coalitions and coalition bargaining (e.g., Laver and Shepsle 1990; 1996; Mershon 2001a; b). As a rule, whatever the focus, parties are taken to be objects of control by groups rather than as aggregations of individuals (but see Cox 2006; Cox and McCubbins 1993). How the aggregations of individuals who farm parties organize to engage in collective action—and thus to move their parties to action—has largely been treated in the literature as beside the point.

That the details of how parties organize to do what they do remain largely hidden is consistent with Duverger's (1976) lament. Indeed, from one standpoint it ought not to be necessary to bother; if parties serve distinct, sociologically defined constituencies (Lipset and Rokkan 1967; and see, e.g., Amorim Neto and Cox 1997; Ordeshook and Shvetsova 1994) *and are good agents for those constituencies*, the only consequential organizational decisions should revolve around the most useful manner of organizing to win elections (for an interesting, useful, and theoretically innovative take on party organization, electoral rules, and electioneering, see Buliga-Stoian 2009). Suggestions that might do so differently depending on electoral rules (e.g., Cox 1987; Cox, Rosenbluth, and Thies 1999; 2000; Katz 1996) raise few suspicions. Similarly, scholars also have begun to turn their attention to party organization in light of constitutional structure—for instance, whether a system is presidential or parliamentary (see, e.g., Kam 2009; Samuels and Shugart 2010; 2003), or bicameral (VanDusky-Allen and Heller 2014). The presumed reason for organizing in the first place, however, remains the desire to win elections.

As a discipline, political science possesses the tools to look beyond elections in seeking to understand party organization. Strøm (1999; 1994; 1990a; see also Müller and Strøm 1999), for example, has labored long and hard to show that elected politicians do not necessarily selflessly channel their constituents' desires. Nonetheless, as the rich literature on how parties organize for and are affected by elections makes clear, at the end of the day parties are, or at least look like they are, collective entities. They enter and exit governments as a unit (Laver and Schofield 1990, ch. 2), their members by and large vote and speak alike in the plenary, and—with due allowance for differences in electoral systems—their members' careers depend on their electoral and coalitional

fortunes (Laver 2006).

The observation that parties appear to have agency, taken in tandem with the principal-agent theory that underpins the entire concept of democratic representation, yields a puzzle. Parties exist in large part to exercise power—legitimately seized and constitutionally defined power, perhaps, but power nonetheless—to which end they seek to control offices (e.g., the presidency, the prime ministership, cabinet posts, important committees, key state and city governments, and so forth; Cox 2006). But the offices in question can be held, and their authority wielded, only by individuals; and individuals are, as a rule, imperfect agents. How, then, to reconcile the image of unified parties with parties that actually get things done?

To address this question, I treat parties as creatures of individuals' ambitions (cf. Aldrich 1995), rather than as aggregators of individual preferences. The former, of course, implies the latter: party "preferences" (their policy positions) are defined by the individual preferences of influential party members, whose influence is created, shaped, and constrained by their party's *legislative* influence and how it organizes to exercise the same. The electoral connection is vital, of course, and in what follows I assume that a strong electoral connection depends on a strong party label, which in turn requires party members to back each other up in word and deed. Party members, rank and file and leaders alike, therefore hold party unity particularly dear—albeit not so dear that the prospect of using party resources for individual purposes, even at the risk of damaging the party label, could not be tempting. My treatment of the question, to which I turn in the next two sections, is theoretical.

3 Parties and Party Members

The main questions to answer are four. First, who gets to wield influence in intraparty decision making? Second, where will party decision makers set their party's policy positions in policy space? Third, whom does a party choose as its agents in publicly visible offices (e.g., ministries, important committee positions, or party spokespersons)? And fourth, will those agents' statements agree with established party positions? These questions are both tightly interconnected and fundamentally important for understanding the development and maintenance of party labels as cues to party policy positions.

To get at these questions, I formally define a strategic context in which individual players seek to maximize their own utility as members of a political party. What happens inside the party might or might not affect legislative policy *outcomes*—obviously, a small party in opposition in a parliamentary system is unlikely to be able to influence much—but it seems a reasonable bet that an actor who has no influence in her party also will have no influence in the legislative process more generally. Ultimately, I show that the more important is a clear party label, the more likely it is that party decision makers and publicly visible party representatives will be the same people; and the decisions they make about party positions will balance their own preferences and beliefs (e.g., about voter preferences) with their desire to maintain party-label clarity. Along the way I find, surprisingly and contrary to conventional wisdom, that the kinds of costs typically thought to keep party agents in line are irrelevant in equilibrium.

Throughout this paper, I take the term “party members” (which I use largely interchangeably with “legislators” or “representatives,” unless context suggest an alternative interpretation) to refer to individuals who have been elected or appointed to some office—I focus on those who occupy legislative seats, but participation in party extralegislatve organization also could fit—in which they serve under the mantle of some party. Party “members” in the electorate, i.e., individuals who have at least formally expressed an affinity with the party, who may pay dues or even participate actively in the party, but who neither hold elected office nor serve in the party organization, lie outside the scope of this analysis. Party supporters and their electoral relationship to party members (as defined here) are important, of course, but have little opportunity or authority to influence the party label or perceptions of it.

3.1 Party positions

What a political party is is defined by its label. A party label, for its part, comprises perceptions of the party with respect to such considerations as, among others, its policy positions, the honesty of its members, the constituencies it seeks to serve, its prospects for influencing policy outcomes, and its reliability (e.g., to stand by its commitments, policy or otherwise). Some of these things, party position chief among them, the party members can affect; others, they can affect only marginally if at all. Alternatively, everything other than party policy positions might be considered “valence” (cf., e.g., Adams and Merrill 2008; Ansolabehere and Snyder 2000; Groseclose 2001; Schofield 2007;

Schofield and Sened 2005; 2006), which parties may or may not be able to affect by intent. In short, a party might gain the support of voters for any number of reasons. It makes sense, however, that voters should care where it stands on policy. After all, while the non-policy components of the party label might turn off voters who appreciate its stated positions, it seems unlikely that high marks on non-policy concerns will earn the support of voters who find the party position abhorrent.¹

To begin, a policy position $x \in R^m = (x_1, x_2, \dots, x_m)$ is a vector of positions in m -dimensional policy space.² A party policy position is a vector $x_p = (x_{p1}, x_{p2}, \dots, x_{pm})$. If the status quo is $x^q = (x_1^q, x_2^q, \dots, x_m^q)$, then the position of a party that takes no position at all on the i th and j th dimensions is $x_p = (x_{p1}, x_{p2}, \dots, x_i^q, x_j^q, \dots, x_{pm})$. That is, for any dimension on which the party takes no position, for whatever reason, it effectively adopts the status quo position on that dimension as its own.³

Taking position x_{pi} on the i th dimension requires sending a signal. The intended recipient of the signal is irrelevant for present purposes, but in the real world the signal probably would be intended at a minimum for voters and, depending on circumstances, the leadership of other parties. The important point is that signals are meaningful both to those who receive and those who send them. If a party sends different signals about its position on at least one dimension, its perceived position is no longer a specific point, but rather a distribution, call it Ω ; given two competing signals, x_p^1 and x_p^2 , of party position x_p , for example, $x_p \sim \Omega_{x_p^1, x_p^2}$ (see Figure 2).

The problem with identifying a clear party position (i.e., a position for which no signals on any dimension are in conflict) is twofold. First, arriving at a position is subject to all the social-choice instability problems that confront any collective decision-making endeavor. And second, once a position is established—and because it is unlikely that the party position corresponds to the ideal point of any particular party member—it is not obvious that anyone in a position to communicate the position to others would do so accurately. I elaborate on these problems in the next subsection.

¹I simplify, of course. For instance, voters might be inclined to look favorably on policy positions taken by an individual they like and trust. Alternatively, voters could interpret the seemingly non-policy things that make a candidate attractive as cues about the kinds of outcomes he or she wants to achieve (cf. Popkin 1994). For present purposes, I simply assume that the party policy position is the only significant component of the party label, or at least the only piece over which party members have any control.

²Any position in R^m is a multidimensional policy package.

³On low-salience dimensions, adopting the status quo provides little information about how strongly a party would defend it. Where other parties make a point of offering alternatives, contrast, adopting the status quo by default—through silence—suggests that it is considered unimportant. If different members take different positions vis-à-vis the status quo on a given dimension, then no observer can have a clear idea of where the party stands on that dimension.

3.2 Individual preferences and collective positions

If party decisions are taken collectively, deciding on a specific party position $x_p \in X \subseteq R^m$ should be problematic. There is no a priori equilibrium position (except under highly improbable circumstances; see Plott 1967), and in the absence of restrictions on individuals' ability to participate in decision making no decision (or at least no *coherent* decision) is likely (cf. Cox 2006). Such restrictions imply organization, i.e., intraparty structure and process. If, by contrast, the party position is chosen by a single leader, there is no collective-action problem in setting x_p , but, *if party-label clarity is important*, there might be in communicating the position after it has been decided.

A political party P is composed of a number of individual members $l \in P$ with ideal points $x_l \in R^m$. The size of the party does not matter, as long as it is not too small to support a sufficiently large leadership group (Laver and Shepsle 2000); see Corollary 2. While it makes sense to presume that the ideal points of all $l \in P$ generally are close together relative to members of other parties, I do not constrain party-member preferences to be similar, much less identical, on any dimension.⁴ They could be, but it is unlikely. Members' revealed preferences are constrained, e.g., by constituent pressures or by decisions taken in (infrequent) party congresses, but those pressures define X and not some specific point. Importantly, that members have their own ideal points in policy space means that they are not simply automatons driven by reelection concerns or (legal or illegal) rent seeking; each prefers the party's position to be close to his or her ideal point, all else equal.

Party-label clarity is valuable because a party that signals one position and enacts another will be seen as unreliable. A reputation for reliability is a valuable asset both for attracting voters and negotiating with potential coalition partners. The problem lies in that any member who is in a position to represent the party position has an incentive to signal that the position is as close to his ideal point as possible (given the constraint that it be in X).⁵ Where the party position is a collective decision and hence reflects no individual's ideal point, this means that the party cannot simply assign to one member the task of communicating its position, but rather needs to find some

⁴I further take it on faith, in line with common practice in the American Politics literature (building in particular on Fenno 1978; Kingdon 1989; and cf. Kam 2009), that legislator ideal points incorporate voter preferences, at least to the extent that electoral rules permit voters to pay attention to individual legislators (cf. Carey and Shugart 1995; Carey 2008), alongside their personal tastes.

⁵Each party member's preferred party position is defined by his own policy preferences in combination with his beliefs about the kinds of position that voters and party activists will reward.

means of ensuring that the signals members send match the position set by intraparty decision makers. Where the party position is chosen by a single individual, communicating the correct party position is not an issue as long as the person who set it is the person signaling to others where it is. If that is not possible—e.g., if the party controls several positions, such as government ministries, held by different individuals—the problem remains.

It is worth asking what a party agent might gain from signaling something different from the previously established party position. If the agent is influential in the policy process—e.g., a Government minister—the answer is obvious: she gets policy outcomes closer to her preferred policy. If she is an agent for a party in opposition, by contrast, she can affect not policy making, but only perceptions of what her party stands for. If a party prospers as a result of divergent signals and despite the consequent muddying of the party label they cause, leaders might seek to clarify the label by moving their position, x_L , closer to the position signaled by defecting agents.

Can parties communicate clear positions and, if so, how? The standard answer that, at least in parliamentary systems, the efficient secret connecting voters to the Cabinet via parties (Cox 1987) and the party as the vehicle for advancing political careers (Laver 2006, 126) rein in the potential for dissent is unsatisfactory because it is incomplete. These factors go a long way toward explaining party unity in legislative voting, but they sidestep the crucial question of what the party position (around which its members unify) is. While party leadership control over career advancement might motivate the rank and file to evince loyalty to the party line, that same motivation dissipates for members who move into leadership. Moreover, to the extent that members' ambition makes them toe a party line they otherwise would not, leaders can learn little about member preferences and, consequently, about whether any given rank-and-file member would like to move the party if she could (see Hu 2013; Hu and Heller 2011).⁶ I argue instead that there ought to be a close relationship between who gets to represent the party in publicly visible positions, e.g., Cabinet ministers, spokespersons, and—though in what follows I concentrate on legislative positions and so ignore offices in other levels or branches of government—big-city mayors and directly elected

⁶The logic of Hu's argument, briefly stated is as follows: Party leaders promote backbenchers to positions of influence (i.e., to leadership). Leaders care about policy and so prefer to promote backbenchers with preferences similar to their own. Consequently, ambitious backbenchers will evince agreement with current leaders, creating a pooling equilibrium in which all backbenchers consistently toe the party line. Once given influence in party decision making, however, those whose apparent loyalty was insincere can—and, if rational, should—move the party position more in line with their own preferences.

executives (my reasoning here is closely related to the argument of Samuels and Shugart 2010 with respect to parties in presidential systems). I detail the logic of this argument in the next section.

4 The Logic of Party Positioning in Institutional Context

In order for a party position to be backed up by clear and consistent signals about its location, two conditions must hold. First, the position must be an equilibrium: no decision maker within the party should have any incentive to change it unilaterally. In light of the numerous social-choice results highlighting the generic instability of collective choices (see, e.g., McKelvey 1976; Plott 1967; Schofield 1983), and taking as given that policy is multidimensional, the requirement that the position be an equilibrium implies that it must be structure induced (Shepsle 1979). If there is only one decision maker, this latter requirement is trivial; the structure that gives authority to the sole decision maker induces party preferences at that person's (constrained) ideal point. With two or more decision makers, however, things get more complicated. How and why, as I will argue below, depends on the larger institutional context and the party's position within it.

The second condition is that no one with authority to send signals about the party position should have incentive (or ability) to signal positions that are inconsistent with each other or with the established party position. Since in the absence of constraints no agent of the party can commit to signaling a position different from her ideal point—and since the kinds of constraints that would allow such commitment create problems⁷ of their own—the selection of party agents empowered to send signals about the party position (such as ministers, legislative spokespersons, and committee chairs) is a delicate matter. As noted in the previous section, however, because party label clarity implies an emphasis on party unity in legislative voting and public speech, and assuming that whoever is in a position to promote members to leadership prefers to promote those who evince support for the existing party position over those who do not, the task of selecting agents who will faithfully transmit the party position to the watching world also is problematic.⁸

⁷Principal among these problems is the question of whether enforcements of specified constraints is credible *ex ante*.

⁸It might be argued that party members could freely express their disagreements with the party line in private—behind closed doors, within the confines of the party—without damaging public perceptions of the party label. As long as leaders prefer to promote members who support the party position established by said leaders, however, ambitious rank-and-file members have a dominant strategy to evince agreement with the party line (Hu 2013). In interviews I conducted in spring and summer 2009 with party leaders and sitting or former legislators in five countries (Denmark, Finland, The Netherlands, Spain, and Sweden), I found uniform agreement (along with the belief that a

The point here is that the establishment of a party position and the task of communicating that position beyond the confines of the party are linked. The crux of the link is the relationship between internal party organization and the selection of party agents. To analyze this relationship, in what follows I model a sequence of actions and decisions by party leaders and their agents and then back out a basic logic of party organization from that. Throughout, I assume rational actors with heterogeneous preferences; information is incomplete in that actors do not know each other's preferences *ex ante*.

4.1 Making and communicating party decisions

All actions are the purview of members of party P and directed toward defining the party position x_p . Each party member $l \in P$ (with ideal point x_l) can be part of party leadership $L \subseteq P$, one of a set $A \subseteq P$ of publicly visible party agents, neither ($l \in P \setminus A \cup L$), or both ($l \in A \cap L$; i.e., leadership and agent roles are not mutually exclusive). All players have Euclidean preferences, which I treat here as symmetric and unweighted. Relaxing either assumption on preferences does not affect the logic of the argument. The game begins when the party leadership chooses a party position $x_L = (x_{L1}, x_{L2}, \dots, x_{Lm}) \in X$, which it then signals to non-party actors through extra-legislative channels (e.g., party publications and press releases). The full sequence of choices is shown in Figure 1.

After party leaders have set x_L , they select agents $l \in A$ to both translate the general position they have chosen into the vernacular of legislative debate and signal that position in the context of day-to-day politics. These agents, in the public eye and understood to be speaking for the party, might be involved in actual policy making (e.g., for parties in government, Cabinet ministers) or related activities (e.g., high-ranking members of oversight committees). Alternatively, as probably is the norm for parties in opposition, their job is simply to keep their parties and the alternative policies they espouse in the public eye. Whether in opposition or in government, each agent $l \in A$ carries out her duties by signaling $x_p^l \in X$; if the agent's remit is limited to a subset of dimensions in R^m , then she cannot signal a party position on a dimension beyond her authority. (Table 1 provides a handy reference to the notation.) To begin (following Shepsle 1979), I limit my analysis initially

clear party label is important) that members should be free to defect from the party line *on issues for which they already had taken a public position different from that of the party* and as long as they informed their legislative leaders of their intent.

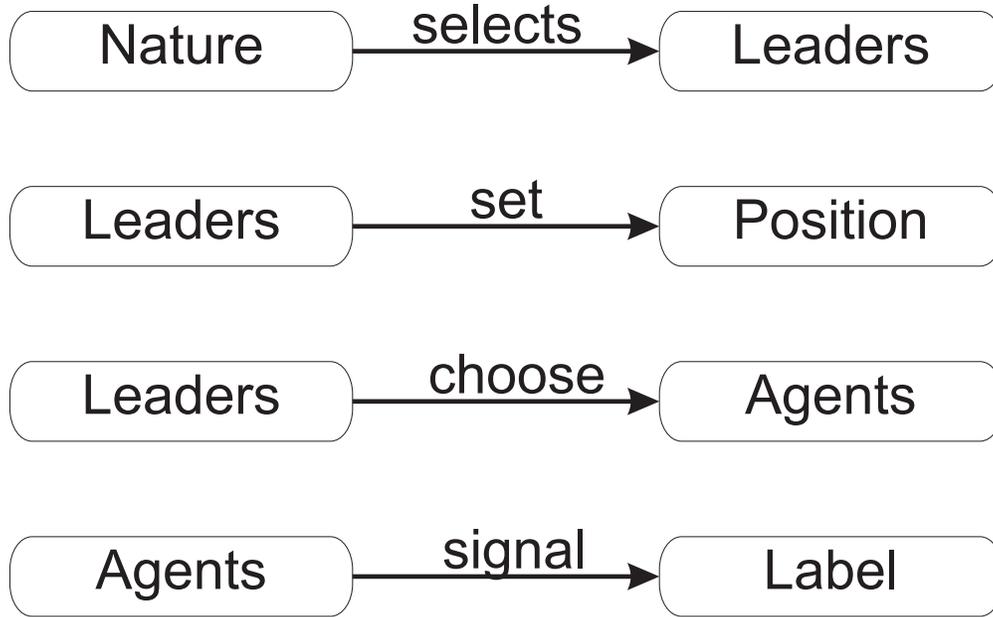


Figure 1: Sequence of Moves

to cases where each party agent has authority over only one dimension (Section ?? addresses the issue of agents with multidimensional authority), and no two agents share authority over the same dimension. Finally, to keep things simple and taking a step away from at least some places in the real world (see, e.g., Mershon 2002), I assume that the number of available portfolios is exogenous.

I do not model the leadership selection process. Rather, building on work by Weiwei Hu (2013), I begin my analysis after Nature selects party leadership. Leaders in essence do only three things—they decide on and set their preferred party position, $x_L \in X$, they choose agents $l \in A$ to represent the party to the outside world via signals $x_p^l \in X$ about it, and they promote rank-and-file members to leadership positions as necessary. However, because backbenchers who would prefer a party position different from that set by their leaders have every reason to hide their true preferences until they are in a position to do something about them—until, that is, they make it into leadership themselves—promotion of backbenchers cannot be strategic. I therefore neither model it nor include the possibility of leadership-ranks renewal in my model.⁹ Note that while the

⁹There is, as is so often the case, more nuance here than I let on. The pooling equilibrium wherein all potentially dissenting backbenchers hide their true preferences does not hold under all conditions (Hu 2012; see also Heller and Hu 2011), and in some circumstances a party might tolerate or even encourage a little overt dissension (see, e.g., Kam 2009; and cf. Alesina and Cukierman 1990). That said, it is clear that the usual assumption in the literature that legislators, and especially copartisans, know each other’s preferences is too strong. My assumption that leaders can infer nothing about backbencher preferences from their behavior is reasonable inasmuch as it builds on the (implicit) assumption that a well-behaved backbencher’s chances of making it into leadership are fairly high, or at least higher

Table 1: Summary of Notation

P	A political party with n members $l \in P$
x_p	Party P 's perceived position in m -dimensional policy space R^m
L	The leadership of party P , $L \subseteq P$
x_L	Party P 's policy position as defined by $\{l \in L\}$
A	Publicly visible members of party P , $A \subseteq P$
x_p^l	A signal about the party position sent by each $l \in A$
c_p	Cost paid by each member of party P when $p(x_p = x_L) < 1$
c_A^l	Cost imposed on party agents by leaders when $x_p^l \neq x_L$
c_L	Cost paid by leaders (each $l \in L$) when $p(x_p = x_L) < 1$
d_i	Basis vector for the i th dimension in R^m
α	A switch indicating whether an agent is a member of party leadership, $\alpha = 1$ if $l \in A \cap L$
$\Omega_{x_L, \{x_p^l: l \in A\}}$	Distribution of beliefs about party position x_p after agents send their signals

choice of x_L can be strategic, the communication of the leadership position is not. I assume, for all intents and purposes, that once leaders have decided x_L they write it down and post it in public view for all to see.

To sum up, the game is confined to *intraparty* politics: all players are members of a single party and hold whatever authority they have by virtue of their party affiliation. The game begins when party leaders $l \in L \subseteq P$ decide on a party policy position $x_L \in X \subseteq R^m$. After choosing the party position, leaders then select party members to act as party agents $l \in A \subseteq P$ in representing the party to the outside world. Once selected, each agent $l \in A$ sends a signal $x_{pi}^l \in X$ of party P . The combination of the leadership position plus all agent signals determines $x_p \sim \Omega_{x_L, \{x_p^l: l \in A\}}$, where if $x_p^l = x_L \forall l \in A$ then $x_p = x_L$. Figure 2 illustrates a party position as perceived by voters conditional on leadership and agent signals, with a single agent.¹⁰ In both Figure 2a and Figure 2b, the agent signal is depicted by the lowest curve, the leadership signal by the middle curve, and the perceived distribution (Ω) of the party position by the highest curve, which covers both leadership and agent positions. The leadership signal is at 0. In Figure 2a, the agent signal is the same as the leadership signal, and the party position clearly is located at the position signaled by leadership. In Figure 2b, by contrast, the agent signal is to the right of the leadership signal, inducing a less clear public perception of the actual party position.

than those of a backbencher who ignores leaders' direction.

¹⁰The figure is drawn with some noise around a central tendency primarily for purposes of exposition. That there might be such "noise" certainly is possible, if for example individual voters perceive or process signals differently or with error, but it is irrelevant to the argument here.

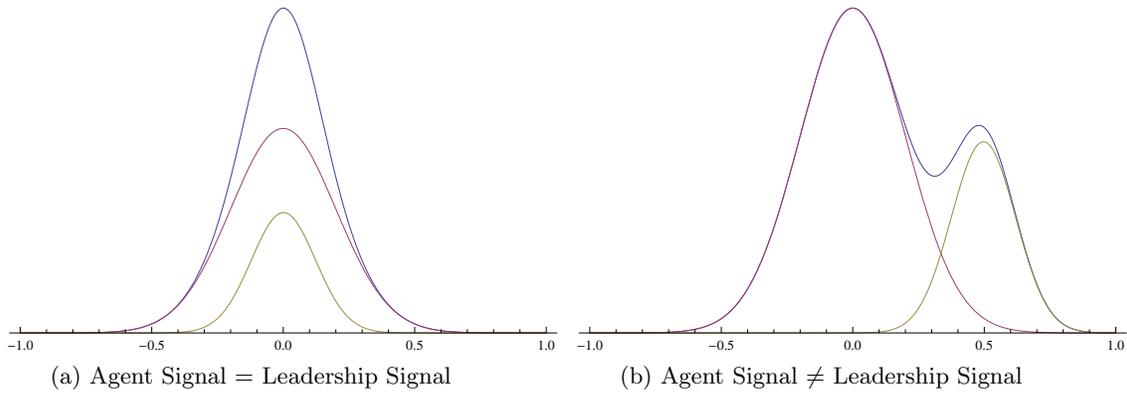


Figure 2: Effect of Agent Signal on Ω

Where will the party position be? For each agent, the best outcome is a party position that is close to her ideal point, at least probabilistically. For party leaders, the best outcome is to find some x_L that maximizes their collective payoffs, but in order to do so they have to minimize any agent’s incentives to signal a position different from X_L . In a game of incomplete information it is not immediately obvious how they can do so. To answer the question, therefore, I begin with some agent’s signal and work backward.

4.2 Principals, agents, and party positions

There are two key points to keep in mind throughout the analysis. First, I do not assume that party members share preferences. They can, of course, and it seems reasonable to presume that their preferences ought not to be wildly divergent, but just how close they are should depend in no small part on such exogenous factors as the party system, ease of party switching (Heller and Mershon 2009), or the diversity of the electorate and the degree to which any given candidate has to cater to a specific segment thereof (and other aspects of electoral rules), along with historical and sociological factors that are beyond the scope of this paper. Second, I assume that politicians’ ideal points are a product of some combination of their ‘raw’ or ‘true’ preferences (untinged by strategic or practical considerations) and strategic and practical concerns dictated by ambition, career, and expectations or beliefs about what is feasible. I also make some common assumptions about actors, to wit, that they are minimally rational—that is, when faced with a choice they will select whatever alternative they believe will improve their utility—and that they have spatial preferences over policy

positions.¹¹ Finally, because actors are rational and capable of being strategic, I do not presume complete information. Indeed, because actors are rational and know that their counterparts are as well (so they know that much at least), they must expect that any action of any consequence has a strategic component that probably or at least potentially makes it a poor indicator of the actor's desires.

I begin the analysis by looking at agent signals. Typically, agents are seen as constrained by the prospect of party discipline, which I represent as a set of costs. Hence, in principle, the signal that each party agent sends should be constrained, as all party members pay some cost c_p when those signals diverge from the leadership position. For any agent who also is a party leader, moreover (i.e., $l \in A \cap L$), divergence between x_L and x_p imposes the additional cost c_L . This leadership cost is functionally equivalent to making leaders desire a clear party label. From the agent's perspective the effect of her actions on c_p and c_L are marginal. That is, the agent's choice of signal cannot depend her expectations about her counterparts' actions; agents might not know each other's preferences, and no agent can hope that her signal will affect what any other agent does.¹² Defining $\alpha \in \{0, 1\}$ as a switch that indicates whether an agent also is a member of party leadership ($l \in A \cap L \rightarrow (\alpha = 1)$), the optimal signal for agent $l \in A$ thus is

$$x_p^{l*} = \begin{cases} x_L & \text{if } u_l(x_L) \geq u_l(x_p \sim \Omega_{x_L, x_p^l \in X \setminus x_L}) - (c_p|_{x_p^l} + c_A^l + \alpha c_L|_{x_p^l}); \\ \operatorname{argmax}_{x_p^l \in X \setminus x_L} & u_l(x_p \sim \Omega_{x_L, x_p^l \in X \setminus x_L}) - (c_p|_{x_p^l} + c_A^l + \alpha c_L|_{x_p^l}) \text{ otherwise.} \end{cases}$$

Rearranging terms, any agent $l \in A$ will signal x_L only if

$$u_l(x_L) - u_l(\Omega_{x_L, x_p^l \in X \setminus x_L}) \geq -(c_p|_{x_p^l} + c_A^l + \alpha c_L). \quad (4.1)$$

If the agent signals a party position closer than x_L to her ideal point,¹³ the left side of Equation 4.1 necessarily will be negative. Consequently, while the right side of the equation also always is negative, the inequality need not hold. The farther is x_L from l 's most preferred point in X , the

¹¹The action in the game takes place on the basis of expectations and beliefs, which could well be mistaken. For ease of exposition—to avoid spelling out long lists of caveats for every statement—I take it as given that politicians can observe accurately both their own ideal policies and the locations of alternative proposals *but not* the true ideal points of other politicians unless those politicians choose to reveal them in a credible manner.

¹²Detailed discussion of the costs—which, as noted, turn out not to matter—is in the Appendix.

¹³No rational agent ever would signal position *farther* than x_L from her ideal point.

less likely is the agent to toe the party line, all else equal. Thus, holding costs constant (and with the understanding that party leaders prefer to keep c_L low), the problem for the leadership is to select agents with ideal points (at least on the pertinent dimensions) at or close to x_L .

It is useful at this point to define agents' jurisdictional authority. Let d_i define the i th dimension in R^m , so that $D = \{d_i : i \in R^m\}$ is an orthogonal basis for R^m . An agent l 's jurisdictional authority is the set of dimensions on which she can send meaningful signals about her party's policy position. For the formal analysis (following Shepsle 1979), I allow agents authority over only a single dimension. Define d_i^l as l 's jurisdictional authority (cf. Shepsle 1979, 32), so l can signal only x_{pi}^l ; if $x_{pi}^l = x_{Li}$, her signal reinforces the perception that $x_p = x_L$. If, by contrast, she signals $x_{pi}^l \neq x_{Li}$, she weakens that perception, essentially skewing $\Omega_{x_L, \{x_p^l : l \in A\}}$ toward x_p^l and reducing its density at x_L (see Table 1).

Given a leadership-established party position, the optimal choice $C_L(l_A)$ for each dimension is an agent who will toe the party line. Following Equation 4.1, that implies that any benefit the agent might gain from signaling something different from the party position must be outweighed by the costs he would pay for so doing. Thus,

$$C_L^*(l_A : u_l(\Omega_{x_L, x_p^l \neq x_L}) - u_l(x_L) \geq c_p|_{x_p^l} + c_A^l + \alpha c_L).$$

Taking x_p^l as l 's induced ideal point in X , this is tantamount to choosing agents such that $x_{li} = x_{Li}$. The hitch, as noted previously, is that it is impossible to know any random member's ideal point because members have an incentive to toe the party line until they are in a position to affect it. Leaders' task would be much easier if they could get potential agents to reveal their ideal points ex ante, though simply knowing ideal points would solve the problem only where those ideal points match up dimension by dimension with the leadership party policy position choice. In order to mitigate agency loss (as a consequence of agents sending signals $x_p^l \neq x_L$), leaders have to choose x_L strategically so that each party agent can commit to signal $x_{pi}^l = x_{Li}$. To that end, they must select agents from within leadership, since in deciding on x_L leaders have to reveal something about their own preferences. To show this, I first posit a leadership decision-making process.

Leadership decision making. As noted previously, I begin with the assumption that copartisans

cannot be expected to know each other's preferences. Indeed, inasmuch as party members understand that advancement to a position of influence within the party—to, that is, leadership—requires evincing agreement (in legislative voting as well as in caucus) with policies set by current leaders, they also understand that copartisans who might prefer a different position from that set by their leaders are likely to hide those preferences in order to improve their chances of being promoted. Once in a position of influence, they could be in a position to move the party position (Hu and Heller 2011). In order to exercise their influence, which they do in the first instance by setting the leadership position x_L , I argue that leaders first have to discover a set of acceptable positions and then define a unique policy package as the leadership position.

Definition 1. Define the leadership Pareto set X_L as the set of Pareto optimal policy packages for all members of leadership, $X_L = \{x \in X : \nexists y \in R^m \text{ s.t. } u_l(y) \geq u_l(x) \forall l \in L\}$. Further define $C_L(l_{Ai})$ as the leadership choice of agent to represent the party position on dimension i .

Proposition 1. *The optimal choice of agent for dimension i is the member of leadership whose ideal point defines the party position on that dimension. Formally, $C_L^*(l_{Ai}) = l \in L : x_{li} = x_{Li}$.*

To prove Proposition 1, I begin with two foundational considerations. First, as indicated in the choice of $l^* \in A$ above, agents are selected on the basis of their preferences vis-à-vis the party's established position. In order for this to work, leaders need to be able to learn enough about each other's preferences accurately to link agent preferences to party positions. And second, x_L is defined as the dimension-by-dimension aggregation of leadership ideal points on each dimension in X .¹⁴ In essence, backbenchers recruited into leadership are assigned influence over a specific dimension (or dimensions). I assert this second point without proof.¹⁵

Lemma 1. *Leaders sincerely reveal their ideal points on the dimensions they influence.*

¹⁴It is perhaps worth noting that $X \subseteq R^m$ need not and probably cannot include all the dimensions in R^m . Party positions are defined in terms of politically relevant or salient dimensions, the definition of which is for the purposes of this paper exogenous.

¹⁵With respect to choosing agents on the basis of their ideal points, it would make sense to do otherwise only if the costs for bucking the party line were very high, which would in turn require decision makers to pay close attention to their agents and possibly on occasion to impose severe costs even for small deviations in order to demonstrate their credibility. This, as Heller and Mershon (2008) show, can be bad for the party. Absent such costs, agents cannot commit to signal anything but their own ideal points.

Proof of Lemma 1. The proof is simple. Let x_{ki} be the ideal point of some ($k \in L$) with influence on the i th dimension. Suppose that k sets $x_{Li} = x_{k'i}, x_{k'i} \neq x_{ki}$, so that (by definition) $u_k(x_{Li}) \leq u_k(x_{ki})$. Then $x_L = \{x_{L1}, x_{L2}, \dots, x_{k'i}, \dots, x_{Ln}\}$. But then $u_k(x_L) < u_k(x_{L'})$, where $x_{L'} = \{x_{L1}, x_{L2}, \dots, x_{ki}, \dots, x_{Ln}\}$, so k would have been better off setting $x_{Li} = x_{ki}$. \square

By Lemma 1, x_L must lie inside or on the leadership Pareto hull, defined on each policy dimension by the ideal point of the leadership member ($l \in L$) with authority over that dimension. The result is a unique point. Thus far, Proposition 1 follows almost trivially. It remains to be established whether the opportunity to be a party agent could induce backbenchers to reveal their preferences sincerely. It does not.

Lemma 2. *The possibility of being chosen as an agent does not induce backbenchers who would like to change the party position to reveal their preferences sincerely.*

Proof of Lemma 2. Backbenchers play no part in defining the party leadership position, x_L . Therefore, the advantage that accrues to a backbencher who is chosen as an agent comes from being able to signal that x_L is closer to her ideal point than it actually is, i.e., $x_p^l \neq x_L$. The only backbenchers who would send such a sincere signal are those for whom the inequality in Equation 4.1 does not hold, so that $u_l(\Omega_{x_L, x_p^l \in X \setminus x_L}) - u_l(x_L) > c_p|_{x_p^l} + c_A^l + \alpha c_L$. Because the signal they would send would damage the party label, irrespective of costs, party leaders would never select them to be agents if they were to reveal their preferences sincerely. Other backbenchers, for whom the relevant inequality does hold, gain nothing from being named agents and hence have no incentive to reveal their sincere preferences as long as doing so damages their prospects for entering the ranks of leadership. Further, because even in the absence of costs leaders have a dominant strategy to appoint agents whose preferences they know, only backbenchers whose preferences align with the party preferences established by x_L have an incentive to reveal their preferences sincerely, but in doing so they contribute to a pooling equilibrium in which they are indistinguishable from all other backbenchers whose behavior is strategic. \square

Proof of Proposition 1. Let c_A^{l*} be agent cost on top of c_p that induces an agent not in party leadership to faithfully signal the party position. Suppose party leaders choose just such an agent $l \in P \setminus L$ to represent the party on the i th dimension. By assumption, $\exists l \in P \setminus L : c_A^{l*} > c_A^l$, so

$E(x_p \sim \Omega_{x_L, x_p^l}) \neq x_L$. But if leaders choose agents from among themselves so that $C_L^*(l_{Ai}) = k \in L : x_{pi}^k = x_{Li} \forall i \in R^m$, then $x_p = x_L$. \square

The advantage to being a member of party leadership lies in being able to define the feasible set from which the party position is drawn. Leaders whose ideal points are used to define the party position realize the added benefit of having their preferences reflected in the party position. Backbenchers, by contrast (and consistent with conventional wisdom), have no influence in party decision making at all. The only reason for a backbencher to toe the party line is general agreement with the party position or the expectation of being able to affect that position in the future. Backbenchers who find themselves often at odds with their party's position and who have little expectation of being promoted to influence might do better if they could find a new party home (cf. Heller and Mershon 2008; 2009). While the conditions that affect backbenchers' ambitions (and the availability of outside options) will vary across systems, two interesting implications flow directly from Proposition 1 and Lemmas 1 and 2. I present them below without proof.

Corollary 1. *The costs related to agent signals that are different from the leadership-defined party position are irrelevant.*

Corollary 1 provides a somewhat counterintuitive spin on how Comparative Politics practitioners understand discipline, particularly as expressed through collective Cabinet responsibility. Simply put, in equilibrium party agents, including especially Cabinet members, toe the party line not because of the threat of punishment if they do not, but rather because they are the ones who define the party line from the outset. To the extent that costs matter at all, they do so in the background as a consequence of the assumption that the players in the political game hold party-label clarity to be important. Leaders don't pick backbenchers to be agents because doing so puts the party label at risk, and, consequently should never have to hold out the threat of, much less apply, punishment for sending discordant signals.

It is reasonable to ask in this context about coalition (as opposed to party) discipline. While this issue is beyond the scope of the present discussion, it bears reiterating that the similarity between the model laid out here and the Laver and Shepsle (1996) Portfolio Allocation Model of coalition formation and policy making is not coincidental. Both are based on Shepsle's (1979) Structure-Induced Equilibrium and build on the notion that the party or coalition agents who matter can

commit neither to push nor defend policy different from their ideal policy. Collective responsibility follows directly, as long as ministers stick to their jurisdictions.

Corollary 2. *Party leadership should comprise enough members to fill all available agent positions.*

Proposition 1 establishes that where a party has to delegate to agents—publicly visible actors imbued with (or at least perceived as being imbued with) the authority to represent the party’s policy position in their assigned jurisdictions—it chooses them from within the party leadership, where the leadership comprises all party members with influence in establishing the party position. Any given leader’s influence on any given policy dimension might be hard to detect observationally, since the preferences of any but the individual chosen to represent the party on the dimension in question are irrelevant to party policy, but it is greater by leaps and bounds than backbenchers’ influence.¹⁶ It follows straightforwardly that the party must include in its decision-making leadership at least enough members to occupy any positions that the party reasonably can hope to fill. Parties that expect to be in Government thus should have more expansive leaderships than parties that do not.

5 Discussion

The empirical implications of the preceding model are many. They also are problematic because the predicted effects might be hard to measure. One hypothesis stands out, however: parties with a realistic chance at governing should field a pool of credible spokespersons *while they are in opposition*. When their party gains office, those spokespersons should slide directly into government positions. Indeed, they should move into positions that mirror the jurisdictions they covered while in opposition, unless moving into government also requires interparty bargaining, in which case a clear one-to-one correspondence between title in opposition and government portfolio is less likely. Under no circumstances, however, should unknown backbenchers move into positions of influence or high visibility.

¹⁶There is a point at which the preferences of backbenchers or other non-leaders do matter, such that a leader who enunciates positions beyond that point risks provoking removal or party schism (or some other undesirable fate; cf. Heller 2001).

Table 2: Tory shadow cabinet and cabinet, 2010[†]

Position/Portfolio	Shadow Minister	Minister
Party Leader/Prime Minister	David Cameron	David Cameron
Party Leader/Leader of Lords	Lord Strathclyde	Lord Strathclyde
Foreign Affairs	William Hague	William Hague
Chancellor of the Exchequer	George Osborne	George Osborne
Energy and Climate Change	Greg Clark	Chris Huhne[‡]
Business	Kenneth Clarke^{††}	Vince Cable[‡]
Defence	Liam Fox	Liam Fox
Europe	Mark Francois	
Wales	Cheryl Gillan	Cheryl Gillan
Children, Schools and Families/Education	Michael Gove	Michael Gove
Home Secretary/Home Secretary and Women	Chris Grayling	Theresa May
Justice/Lord Chancellor	Dominic Grieve	Kenneth Clarke
Treasury	Philip Hammond^{††}	David Laws[‡]
Environment, Food and Rural Affairs	Nick Herbert	Caroline Spelman
Culture, Media and Sport	Jeremy Hunt	Jeremy Hunt
Health	Andrew Lansley	Andrew Lansley
Work and Pensions and Women/Work and Pensions	Theresa May^{††}	Iain Duncan Smith
Chief Whip	Patrick McLoughlin	Patrick McLoughlin
International Development	Andrew Mitchell	Andrew Mitchell
Scotland	David Mundell	Danny Alexander[‡]
Northern Ireland	Owen Paterson	Owen Paterson
Party Chairman	Eric Pickles^{††}	Lady Warsi
Housing	Grant Shapps	
Communities and Local Government	Caroline Spelman^{††}	Eric Pickles
Transport	Theresa Villiers	Philip Hammond
Community Cohesion and Social Action	Lady Warsi^{††}	

[†]Source: for Conservative party shadow cabinet, “David Cameron’s shadow cabinet reshuffle” [<http://www.guardian.co.uk/politics/2009/jan/19/kenneth-clarke-conservatives3>], accessed 29 December 2011; for Conservative–Lib-Dem government cabinet members, “Election 2010: the new cabinet” [<http://www.guardian.co.uk/politics/interactive/2010/may/12/election-2010-new-cabinet>], accessed 29 December 2011.

[‡] Lib Dem.

^{††}In cabinet with a different portfolio.

^{†††}In cabinet with a different portfolio, but also held on to the portfolio for Women.

Table 2 shows the Conservative party Shadow Cabinet and Cabinet (shared with the Liberal Democrats) before and after the parliamentary election of 2010. Most importantly, only one Conservative minister in 2010 had not held a position in the pre-election shadow cabinet. That individual, Iain Duncan Smith (Minister for Work and Pensions), had been party leader previously and, as such, would have been a known quantity. Only about half (twelve of twenty-three) of the Conservative ministers held the same portfolio as they did in the shadow cabinet, but six members of the shadow front bench held different portfolios. Theresa May, one of the three, held two portfolios both before and after the election, retaining one (Women) as she moved into government and switching the other from Work and Pensions to Home Secretary. Four of the remaining five portfolios were taken by Lib-Dem members of the Conservatives’ coalition partner, with the last held (as noted) by

Iain Duncan Smith. It remains to be seen (but my expectations are high) whether what evidence is available from previous changes in the complexion of government in the UK, as well as from other countries, will further corroborate the hypothesized correspondence between shadow governments and cabinet portfolios.

Figure 3 provides a visual and comparative check on the data in Table 2. The basic prediction is that parties in opposition, when they believe they will be able to control ministries after elections, should field a team of ministers in waiting whose job it is to a) define the party position in response to the actions of government parties and b) take over government if they do win elections. In keeping with Proposition 1, moreover, they should take over the *same* portfolios they shadowed while in opposition.

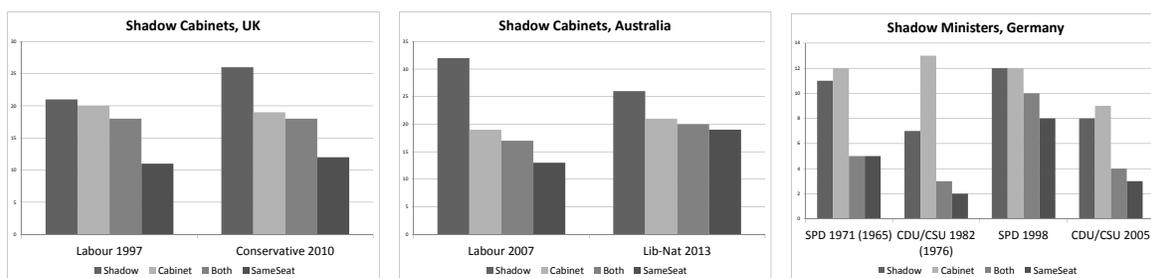


Figure 3: Cabinets and Shadow Cabinets in The UK, Australia, and Germany

As can be seen in the figure, Tony Blair’s 1997 shadow cabinet and Cabinet conform fairly well to expectations, except for the number of ministers holding the same portfolio across shadow cabinet and Cabinet. Taking the longer view, however, Blair was leader of the opposition for some time, during which he reshuffled his shadow cabinet several times. If putting people in charge of different policy dimensions over time gets them to reveal their preferences on each dimension they cover, then reshuffles can provide useful information.

The Conservative party’s 2010 shadow cabinet also lines up pretty well with the Conservative members who entered the Conservative–Lib-Dem coalition that year. The most visually striking distinction between Labour in 1997 and the Conservatives in 2010 is that the Conservative shadow cabinet was 20 percent larger than its Labour predecessor, while the number of members crossing from the shadow cabinet to the Cabinet was slightly less—a statistic easily attributable to the fact that the Conservatives had to share government with the Liberal Democrats. A similar pattern

holds in Australia for the Labour victory 2007 and the Liberal party and National party coalition in 2013. The case of Germany does not appear to follow expectations, except for the SPD in 1998, but the data come with enough caveats to suggest that it warrants further examination: for both the SPD–FDP and CDU/CSU–FDP governments in 1971 and 1982, respectively, available shadow-minister information dates from some six years prior to the formation of the cabinet in question. And the CDU/CSU 2005 shadow cabinet preceded a CDU/CSU–SPD grand coalition, which might color bargaining over who gets which portfolio in ways that my argument above does not consider.

One interpretation of the story here is that ministers get to where they are not so much because they have the good fortune to become leaders and then hold the “right” position on some policy dimension, but because they represent important interests within the party. In this view, Iain Duncan Smith made it into the 2010 Conservative–Lib-Dem cabinet because of his associations, not his positions.¹⁷ Following the reasoning through, at least some ministers are in the cabinet in order to salve rebellious or otherwise contrary interests in the party.

Assuming for the moment that some ministers essentially serve as envoys from important and possibly disgruntled groups in the party, it strikes me as unreasonable to suppose that they exercise less authority than other ministers. (If they did, they would be figureheads only, and it is hard to imagine that their impotent presence in the cabinet would keep their supporters quiet for long.) Moreover, I expect that they are expected to carry out their duties to benefit their supporters (and themselves), just as I argue above. Indeed, the only gap between this “Iain Duncan Smith” story and my model is that in the story the relevant positions on a specific subset of policy dimensions (I assume) is known ahead of time. But is it, and does it matter if it is?

If the dimensions to be controlled by a particular set of interests (a party faction by any other name) are known, and the set of interests to control them is known, then that potentially undermines the sincere-preference revelation mechanism of Lemma 1. Of course, if the group in question essentially has property rights over the relevant dimension, then it is the group and not the party leadership as a whole, that sets policy on those dimensions. The *group* then has to decide on who will represent it in cabinet, in which case its best bet is to replicate the situation depicted in the lemma. A faction with property rights over some subset of party policy is unlikely to need to have its ego stroked by leadership, however. Indeed, it is more likely to have to soothe than be

¹⁷I am grateful to Jane Green for point out this alternative interpretation.

soothed. In that case, a group that gets a representative into cabinet as a special consideration is likely to be more marginal. If it is, then even though its position on the relevant dimensions is well known it likely is less than certain that it will be represented in any given cabinet. The conditions of Lemma 1 thus hold.

6 Conclusion

This paper argues that party leadership in parties that control or harbor ambitions to control legislative offices must comprise at least as many individuals as offices in its sights. The immediate implication is that analyses that restrict party leadership to such intra-party offices as party leader and party whip might both overstate the significance of those offices and miss important aspects of intra- and inter-party politics. One such important and unanticipated aspects of intraparty politics is that the carrots and sticks commonly thought to induce party discipline do not matter in equilibrium; the reason that they do not matter is not because they are unobserved (after all, a punishment that is never used because it successfully deters punishable behavior clearly matters), but because ambition makes them irrelevant.

The argument builds on two simple observations of democratic political life and one assumption about individuals that, taken together, yield a puzzle. First, politics are structured so that political success requires collective action. Making policy implies being able to pass bills in majority-rule legislatures and defining the content of bills thus passed requires being able to influence decisions inside the governing majority. In most democracies, with the United States a rare exception, it is uncontroversial that policy-making are composed of and defined and structured by political parties, for whom defining, reinforcing, and maintaining the party label is an important priority. Second, the collective action required to get things done in legislatures is defined by legislative organization—essentially, offices whose occupants wield power in the legislature (i.e., “mega-seats”; Carroll, Cox, and Pachón 2006). And third, I assume that while individual preferences within a party might be (though they are not necessarily) closer to each other than to the preferences of members of other parties they still are distinct. The problem is that in order to fill mega-seats, a party has to name agents to speak for it; and agents, in turn, cannot commit to deviate from established party positions that lie anywhere but their own ideal points.

The puzzle is simple, but the solution to is less so. The best that party decision makers can do, of course, is to appoint agents (to occupy the mega-seats that the party controls) whose ideal points match that of the party. Their ability to do this depends on knowing the preferences of potential agents, but as a general rule they cannot count on such knowledge because anyone not in a position to influence intraparty policy decisions has a strong incentive to toe the party line (Hu 2013; Hu and Heller 2011). Indeed, the only people with incentive to reveal their preferences sincerely are those whose preferences define the party's position—i.e., party leaders. Hence, in order to ensure that the positions espoused by party agents gibe with the party's established positions, the agents who fill party seats should be the same people who define party positions. If a party whose position is defined by decisions made by a single leader or a small leadership group finds itself having to name more agents than it has leaders, it runs into problems. At the end of the day it ends up either wasting resources and membership good will imposing and enforcing discipline or seeing the party label erode as party agents deviate from established party positions.

One unexpected consequence of the relationship between party organization and legislative structure and process is the irrelevance of the kinds of disciplinary tools party leaders are thought to have at their disposal. As Hu (2013; Hu and Heller 2011) shows, observed backbench discipline in legislative parties is due not to threats of punishment or promised rewards, but rather to ambition and the possibility of advancement up the party career ladder. Once at the top of the ladder, however, why should party agents with their own preferences still toe the party line?

The conventional wisdom would suggest that they do so because they might lose their influence if they do not, but this is unsatisfactory. Not only should the threat of punishment for deviating from the party line make holding party-controlled mega-seats fairly unattractive for policy-motivated legislators (a party agent gains no policy influence), but it demands as well a level of resources spent on monitoring agent behavior that, I expect, could more fruitfully be put to other uses. Moreover, if the threat of discipline fails to keep some agent in line the damage is done, and punishing the agent might add insult to injury by, for instance, suggesting that leaders are too willing to employ harsh methods to maintain their influence (cf. Huber 1996). My argument, by contrast, suggests that spreading influence over party positions among a larger leadership group and then drawing from that same group for party agents is a more efficient solution; what an erstwhile sole leader loses in terms of policy position by sharing responsibility for party policy positioning is

compensated by both the peace of mind that comes from knowing that agents have zero incentive to shirk and the liberty to put resources that otherwise would have been wasted on discipline to better use (cf. Dunlavy 1992; North and Weingast 1989).

As is often the case in delving into interesting problems, the answers I have found suggest more questions worth exploring. Four in particular call out for attention. Foremost among these is the role of the titular party leader. The logic that yields Corollary 2 builds on the notion that leadership is defined by decision-making influence, not formal titles. Parties do have named leaders, however, and it would be rash to claim that they have no influence (even if their influence clearly is not absolute; Kam et al. 2010). What, then, do they do? Further, Corollary 2 places a lower limit on the size of party leadership, but suggests no upper bound. Should an upper bound exist, or could a party (and its decision-making members) gain from extending a share of influence to every member, as could be argued was the case for the German Greens before Joschka Fischer's *Realos* took control? Third, does the logic of my argument work only where single-party majority governments are the norm, or can it be adapted to coalition situations? And finally, given that the formal model allows a given individual to speak on only one policy dimension, would the results still hold if a single individual were allowed to speak for the party on multiple dimensions? My intuition tells me that the model laid out in this paper has more to say on these and other issues, but definitive answers will have to wait for future work.

This paper is about legislative parties. The intuition underpinning it is far broader, however. Basically, individuals organize with others to achieve things that they cannot achieve working alone. They organize out of self-interest. This implies that how organizations are structured should depend less on what people are trying to achieve than on the nature of the obstacles that make unilateral action ineffective. Party organizations should look different in presidential versus parliamentary systems, for example (cf. Samuels and Shugart 2010), or in bicameral versus unicameral legislatures (VanDusky-Allen and Heller 2014). Similarly, interest groups should organize (and behave) differently in different systems. And, farther from the political arena, changes in the rules governing team sports should affect strategies for playing—that is, how teams organize themselves and their play on the field. The key, as in all collective action, is that while individuals need the group to get what they want, what they want might well not be what is good for the group.

Appendix: Defining Costs

The primary source of costs is linked to the foundational assumption that party-label clarity is valuable: inasmuch as signals different from x_L reduce the clarity of the label, they thus impose costs on all party members. The first of these costs, borne equally by all party members, is $c_p = f(p(x_p = x_L), s(\Omega_{x_L, \{x_p^l : l \in A\}}))$, where $s(\bullet)$ is a measure of the distribution's spread and $\frac{\partial c_p}{\partial p(x_p = x_L)} < 0$ and $\frac{\partial c_L}{\partial s(\bullet)} > 0$. I assume that this cost is subject to the classic collective dilemma, whereby the damage c_p does to any individual agent's utility is less than her benefit from moving the party position closer to her own. If the cost were greater, no agent would ever signal anything but $x_p = x_L$, but then there would be nothing to gain from being an agent.

The second source of costs lies in the possibility that leaders can punish agents whose signals disagree with the party's leader-established position. This cost, $c_l^A = f(\|x_p^l - x_L\|, \frac{\partial c_l^A}{\partial \|x_p^l - x_L\|} > 0$, could for example be imposed through a Cabinet reshuffle or outright demotion, or in reduced levels of party support for a given candidate at election time.

Finally, party leaders pay an additional cost $c_L = f(p(x_p = x_L), s(\Omega_{x_L, \{x_p^l : l \in A\}}))$, $\frac{\partial c_L}{\partial p(x_p = x_L)} < 0$, $\frac{\partial c_L}{\partial s(\bullet)} > 0$ that essentially forces them to internalize the damage to the party label from agent signals that do not reinforce x_L .

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