Bafumi, Joseph
Columbia University
Jb878@columbia.edu

"Animal Spirits: The Impact of Economic Expectations on Economic Performance"

Economists portray economic actors as exhibiting the qualities of adaptive expectations or rational expectations when making economic decisions. Adaptive expectations occurs when consumers make economic forecasts based on last period's forecast plus some fraction of the deviation between the forecast and the actual outcome. More simply, they use past information updated with current information to make economic predictions. Rational expectations portrays economic actors who use all available information to make economic predictions. They use both what they know from past and current periods as well as what they can glean about the future. Future-oriented information can take the form of expert reports, leading indicators, some sense of regression to the mean, suspicion, etc.

Retrospective voting is akin to voters who engage in adaptive expectations. They use current and past information to make voting decisions. Prospective voting occurs when voters use all available information (past, present and future) as rational expectations theory would suggest. The analogy allows for a formalized notion of retrospective and prospective voting that can be tested. Brought to its logical limit, the formalization will reveal much about both retrospective and prospective voting. For example, they need not be viewed strictly as competitors. Rather, retrospective voting is a subset of prospective voting. Prospective voters use all available information, including past and current information. They do not ignore available, relevant information about what's to come (such behavior would be irrational). Also, prospective voting does not necessitate a wildly sophisticated electorate. Remember that many individuals may err in their predictions but these errors are random. They cancel out in the aggregate. It is those most informed that then drive predictions. Thus, the mean prediction makes good sense (Page and Shapiro 1992 Erikson, MacKuen and Stimson 2002).

Just as rational expectations has trumped adaptive expectations in economics, the debate between retrospective and prospective voting has found the most convincing evidence for the prospective voter hypothesis (Fiorina 1981, Erikson, MacKuen and Stimson 2002, Clarke and Stewart 1994). Voters seem to make their decisions based on all available information including expectations for the economic future. If the public could not forecast future economic performance efficiently and consistently, the additional information provided by prospective voters would be meaningless. The ability of the American public to forecast coming economic performance, however, has received substantial support (Matsusaka and Sbordone 1995, Chappell and Keech, 1985, Erikson, MacKuen and Stimson 2002 but see Haller and Norpoth 1994 for an exception).

In both the discussion of rational expectations and prospective voting, an interesting but under explored possibility is that economic expectations predict economic performance and then candidate evaluations by something more than accurate forecasts. There may be a level of endogeniety between economic sentiments and economic performance that has sentiment actually drive performance levels (rather than just accurately forecast it). Consider the following scenario. Members of the public, on the whole, believe that good times are afoot. They have a greater sense of confidence and optimism about the economy to come. They, therefore, invest and consume in ways that bring about their very sentiments. They engage in a self-fulfilling prophecy. Since they believe the economy will do well, it actually does do well. Their predictions look accurate but it is partly or wholly an artifact of the self-fulfilling prophecy. If true, future research should concern itself with what influences economic sentiment. For example, political rhetoric may spark a level of optimism or pessimism in the American public (De Boef and Kellstedt 1999), which has an influence on actual economic performance. This would attribute much more power to presidential leadership on economic matters than is commonly thought.

To test these issues, I will employ time series techniques. Specifically, I will use Vector Autoregressions that can account for cointegrating relationships found in the data. These might be Bayesian Vector Autoregression, Fully Modified Vector Autoregression or Vector Error Correction. The debate on which is best is still open and offers another contribution this paper can make. Substantively, these models will allow me to measure the effect of one series (i.e. consumer sentiment) on another (i.e. gross national product) after proper controls, at varying lags and with no a priori assumptions on casual direction to yield a test of my hypothesis.

Blaydes, Lisa
UCLA
blaydes@ucla.edu

"External Rents and Regime Survival: A Bayesian Analysis"

The theory of the rentier state has been cited by researchers who use economic development to explain democratization but are hard pressed to rationalize why relatively wealthy Gulf states, like Saudi Arabia and Kuwait, failed to democratize despite their high levels of per capita income. Rentier state theory argues that countries that are heavily reliant on external rents, like oil profits, for government revenue develop a different bond between government and the citizenry than those regimes that rely primarily on taxation and that rent-reliant states are less likely to be democratic than their tax-reliant counterparts. In addition to theorizing about levels of democratization, the theory also makes predictions regarding regime stability. Governments that derive revenue from non-tax sources enjoy the benefits of allocating public goods to their citizenries without taking on the more difficult task of collecting taxes. Health, education, and other social services are heavily subsidized by the government, shoring up domestic support for the regime. Luciani argues that ``even limited revenue from abroad dramatically improves the state's ability to buy legitimacy through allocation and increases regime stability'' (Luciani 1987, 76).

A key alternative theory regarding the effect of rentierism is put forth by various researchers, including Kiren Aziz Chaudhry and Terry Lynn Karl. Chaudhry argues that states that rely on taxation for revenue take on ``strong'' state qualities while those that are dependent on external rents are ``weak'' states, particularly regarding political institutions and a state's capacity to respond to external shocks (Chaudhry 1997). A state with weak institutions that has difficulty responding to shocks is likely to be less stable. While Chaudhry builds her case focusing on the effect of oil rents and remittances in Saudi Arabia and Yemen, Karl makes a similar argument, focusing on the negative externalities of oil wealth in Venezuela (Karl 1997).

I hope to empirically test these two competing hypotheses using survival analysis where I would analyze the ``life'' of an autocratic regime given reliance on external rents as a key explanatory variable. If measures of a country's dependence on external rents are statistically associated with shorter terms of office for individual leaders this would lend support to the ``weak'' institutions hypothesis put forth by Chaudhry and Karl. If measures of rentierism are associated with increased regime survival, this supports the arguments made by Luciani and other traditional rentier state theorists.

I would like to analyze time to failure (end of the regime) using a hierarchical format in WinBugs. A hierarchical model is appropriate here since there are repeated measures of each country and country-specific effects on leadership duration are quantities of interest that I would like to estimate. The survival distribution is assumed to be Weibull for uncensored observations and truncated Weibull for censored observations. Observations that are censored are given a missing value in the vector of failure times those that "fail" are given a zero. It is possible, therefore, to get a full posterior distribution for the expected time to failure for censored observations. Other missing values will also be estimated in WinBugs.

Bullock, John
Stanford University
John.bullock@stanford.edu

"Rasch Assumptions: Problems in the Measurement of Political Knowledge"

Abstract: The amount of political knowledge held by individuals is one of the most prominent variables in the study of mass political behavior. It has held that status at least since the 1960 publication of The American Voter. But its prominence has not been met by sophisticated measurement: to the contrary, the dominant method used to measure political knowledge is exceedingly simple, and it has barely changed at all since The American Voter was published. Ceteris paribus, simplicity is good -- but in the case of political knowledge measurement, we achieve radical simplicity only by making untenable assumptions. Item response theory (IRT) is not much more difficult than the prevailing method, and it can sharply improve both our measurement of political knowledge and our construction of political knowledge scales.

The paper briefly details the history of political knowledge measurement. The history is necessarily brief, for it is dominated by a single theme: administer a battery of general questions about politics, sum the number correctly answered, and call it the "political knowledge score." The allure of the approach is easy to understand: it is simplicity. Nothing could be simpler than totaling the number of responses that a respondent gets right. Moreover, the practice has a foundation in educational testing theory: use of the sum of correct responses is consonant with the work of George Rasch, who devised a model in which the sum is a sufficient statistic for the latent knowledge of the respondents (Rasch 1960, 1966 Lord and Novick 1968). If that were true, conventional measurement of knowledge would not be faulty, and gains from a new method would be correspondingly limited. But it is not true, for a crucial assumption of the Rasch model is empirically indefensible.

Like all item response models, the Rasch model assumes that all items in a scale correspond to a latent trait that cannot be directly observed. Moreover, the Rasch model assumes that the probability that a respondent answers an item correctly is a function not only of his latent knowledge of politics, but also of the characteristics of the item. In this much, the Rasch model -- and by extension, conventional measurement -- is on solid ground. However, the Rasch model errs by assuming that all test items are equally capable of discriminating between respondents of different knowledge levels, i.e., that all items are equally good as measures of knowledge. The assumption defies common sense. It is also empirically indefensible. By recasting IRT in a Bayesian framework, I employ a simple two-parameter model that shows that the overwhelming majority of conventional knowledge items do not meet the Rasch assumptions about item discrimination. I proceed to apply the two-parameter model to a series of batteries constructed by Zaller (1992), thereby showing that it is a superior predictor of responses to knowledge items. Not less importantly, I demonstrate that our understanding of knowledge as an independent variable is contingent on the precision with which we

measure it: the conventional roles of knowledge as a predictor of vote choice and tolerance are substantially altered once we employ slightly more complex modes of measurement.

Cann, Damon
Stony Brook University
dcann@ic.sunysb.eddcann@ic.sunysb.eduu

"Leadership Investment in Legislative Loyalty: A Dynamic Panel Analysis"

Much has been made of the correlation between special-interest PAC contributions to congressional candidates and voting records. While corporate and labor PACs have received a great deal of attention for their contribution activities (i.e. Grenzke 1989, Wawro 2001), fewer scholars have devoted attention to the effect of party contributions. Party support is a critical part of a Congressional campaign (Herrnson 2000). Previous studies of party contributions have failed to show that contributions from party committees (e.g. NRCC, DCCC) are even correlated with party loyalty (Cantor and Herrnson 1997, Damore and Hansford 1999). Still, those studies fall short on three accounts.

First, they only consider the contribution activities of party campaign committees. Those scholars have concluded that party committees are indifferent to a member?s loyalty because having a party member in a seat is, no doubt, better than having a member of the other party occupying the seat. However, the proliferation of leadership PACs as campaign donors also merits attention. Some research has suggested that leadership PACs use a different allocation strategy than party committees (Kuhn 1999). Thus, this analysis will include both party contributions and contributions from leadership PACs. Leaders in the House may pay attention to the loyalty of legislators in addition to their party affiliation when making campaign resource allocation decisions.

Second, the studies do not distinguish between correlation of votes and causality. PAC contributions may influence the way a member of Congress votes (a legislative strategy, using Wright?s [1996] term), but it is equally plausible to argue that PACs donate to members of Congress who will already vote for the PAC?s preferences, hoping to improve the chances of the legislator being elected (an electoral strategy, again using Wright?s term). A model of this question must determine whether donors simply give to those who already agree with them (as a reward) of if donations actually change a legislator?s voting behavior.

Third, while both studies observe data over time, they simply perform OLS or Tobit regression. Not only does this lead to inaccurate results, but it also fails to take advantage of the temporal nature of the data which could potentially resolve the endogeneity of the money/loyalty question. Instead of correlating money and votes, a dynamic model considers the relationship between donations and changes in the vote. Examining the dynamics of money and loyalty over time allows us to properly consider the question of what causes what.

This paper will take advantage of a burgeoning literature in economics (some of which has begun to enter political science, see Wawro 2002) on the estimation of dynamic panel models. While standard fixed-effects models are asymptotically consistent and efficient when a lagged dependent variable is included, the asymptotics depend both the size of n and t. In Political Science, panel data often have a sufficient number of observations (n) to meet model assumptions, but often have a limited period of observation (t). In addition to giving some leverage on the causality problem in campaign finance, this paper will discuss the implementation of differing dynamic panel models in political science. I will investigate the use of Instrumental variables techniques (especially via GMM?see Arellano and Bond 1991, Wawro 2002) and a technique to estimate the bias in the LSDV estimates and correct it (Kiviet 1995).

Crespin, Michael
Carson, Jamie
Monroe, Burt
Michigan State University
crespinm@msu.edu

"Inferential Models of Social Networks with Applications to the Discipline of Political Science"

Subpaper 1: Ranking Political Science Departments: A Social Network Analysis of the Ph.D. Job Market
Subpaper 2: Ranking Political Science Journals: A Social Network Analysis of Citations

Uberabstract:
We present new models of tie-formation in social networks. While there is an extensive literature on social networks, it largely addresses descriptive and visualization concerns. The literature that seeks to provide a stochastic model-based analysis of network formation and growth is in its infancy (Wasserman and Pattison 1996 Snijders 2001 Handcock and Morris 2002 Raftery, et al. 2002) and suffers from a variety of problems, most notably overfitting and degeneracy. There are, additionally, almost no tools for inference about network properties of interest, such as centrality or clique membership. We discuss applications, including new analyses of the political science job market (with ties between hiring and PhD-granting department) and political science journals (with ties between the journals of citing and source articles). These examples, in addition to being of some interest in themselves, are particularly useful in illustrating some basic methodological points in networks with familiar mechanisms.

Subabstract 1:
We examine U.S. PhD-granting departments as a social network, with network ties established by the hiring of PhD's from one department by another. [The APSA Membership Directory and departmental websites provide the raw data.] From this analysis, we are able to 1) provide a market-based revealed-preference ranking of departments 2) make statements about the posterior probabilities of being hired at a given department for PhD's from any given department and in several subfields, and 3) evaluate hypotheses regarding regional, institutional, and methodological cliques in the PhD market.

Subabstract 2:
We examine journals in political science and related fields as a social network, with network ties established by citations from articles in one journal to articles in another. [The Journal Citation Reports provide the raw data.] From this analysis, we are able to 1) rank journals, 2) make statements about the posterior probability of being cited in a given journal for articles published in any given journal, and 3) evaluate hypotheses regarding subfield, methodological, and (world-)regional cliques in the political science literature.

By the way. We're thinking of this as a POSTER.

(coauthor) Jamie L. Carson, Michael H. Crespin

Diamond, Alexis
Harvard University
adiamond@fas.harvard.edu

“Propensity Score Matching: How to Negotiate with Terrorists and Other Useful Applications”

This poster will illustrate the logic and methodology of propensity-score matching and show how it is beginning to be utilized within political science.

The poster will also demonstrate (using an example from my research on the effects of interstate conflict on public health/human security) one of the unusual and little-known benefits of propensity score matching technology--that it can allow political scientists to design observational studies without identifying outcome variables. Matching methods encourage political scientists to commit to modelling treatment (selecting a set of pre-treatment covariates) which then allows for the rather straightforward assessment of causal effects across a range of possible types of outcome variables-of-interest.

Eom, Kihong
University of Kentucky
Keom0@uky.edu

"Ecological Inference and Regional Voting: The 16th National Assembly Elections of Korea"

A central characteristic of Korean politics is the concentration of votes along regional party lines in a number of Korean regions (Cho 1998 Kim 1994 Kim and Koh 1980 Lee and Brunn 1996 Shin and Cho 2001 Shin, Jin, Gross and Eom 2003). By definition, regionalism refers to the voters' affective identifications with, and support for, candidates with roots in their respective regions (Kim and Koh 1980). The formation and importance of specific parties covaries in a regional context with voters often casting votes in line with the regional party. Since this appears to happen regardless of the quality of candidates and the ideology of parties, voting patterns result in parties often being representatives of regions instead of districts or the nation.

Students of Korean politics explore what factors influence regional voting (Cho 1998 Kim 1994 Lee and Brunn 1996 Shin and Cho 2001). Based on survey data, Cho (1998) finds that regional voting is the consequence of economic discrimination on the basis of their native region. Lee and Brunn (1996) and Kim (1994) emphasize the role of political leaders in shaping regional voting patterns. A recent study (Shin, Jin, Gross and Eom 2003) shows, however, that regional voting patterns are related only to two regions representing two parties. Utilizing maximum likelihood heteroscedastic regression (MLHR), they demonstrate that, first, regional voting patterns have substantial variation across regions, and second, that it is difficult to identify the others as regional voting blocs.

In this paper, we examine the extent of regional voting along congressional districts. Specifically, we are interested in testing whether regional voting patterns appear in districts that lie in a region where opponents' party leaders were born, in a region where neither of the party leaders were born, or in districts that lie in a region where their party leader was born. This paper can demonstrate whether regional voting is a nationwide phenomenon - regional voting patterns appear outside a region where voters' party leader was born or a local occurrence - regional voting patterns emerge only when residential place and the birthplace of voters' party leader are the same. This is the first attempt to systematically examine the existence of regional voting patterns outside a region where voters' party leader was born.

The case studied is the 16th congressional election of Korea (April 2000). We utilize an ecological inference (EI) method to disaggregate the vote share of a candidate by the percentage of those voters who were born in such a region that a candidate's party was born in each district (Achen and Shively 1995 King 1997 Palmquist 1993 and Voss 2000). Since there are three alleged regional parties and regional blocs, the case for EI is

4 by 4 including the other categories (Cho forthcoming Rosen, Jiang, King and Tanner forthcoming)

We find that the level of regional voting varies substantially across congressional districts. Regional voting is least evident in districts that lie in a region where opponent's party leader was born, followed by districts that lie in a region where neither of the leaders was born. We find the strongest evidence of regional voting in districts that lie in a region where voters' party leader was born. This study suggests that region voting can be accentuated by regional consolidation or can be attenuated by residential assimilation.

We would like to thank you for your consideration and your time in reviewing this proposal. If you have any further questions, please feel free to contact to us.

Fang, Songying
University of Rochester
syng@troi.cc.rochester.edu

"Multiple Institutions and Institutional Power Linkage in World Politics"

International institutions have been argued exclusively as a means of promoting cooperation among states. However, there is much more to the relationship between states and international institutions. In this paper I argue that institutions can be a source of power for states and such power can be exercised across institutions by states. In other words, institutional power linkage is possible. I develop a formal model to look specifically at the working of institutional power linkage in a simple setting, where there are two institutions and two member states bargaining to advance their interests in two areas. I will then test the equilibrium results with data from major international institutions, including the UN, the World Bank, and the IMF.

A basic fact that has been overlooked in the international relations literature is that often a state is a member of several international institutions one membership might have a significant impact on another in terms of the bargaining power the state enjoys. It is conceivable that a state could advance its various interests more effectively by linking its power in different institutions. The model I develop looks at how different voting rules affect a state's ability to extend leverage from one institution to another. The two institutions in the model are a financial institution and a security institution. Two countries that are members of both institutions bargain to advance their interests in two areas. Under the same framework, I study two voting games. In the veto game a state is a veto player in an institution in the majority rule game it is a regular member getting what it wants only if it is in the majority. The difference in the voting power in an institution is shown to be crucial to what the state could take away from the bargaining table in another institution where it is a weak player. The equilibrium results show that the more power a state accrues from a particular voting rule in one institution, the more benefit it can extract from another institution. In other words, the linkage is more effective when the country wielding it enjoys a higher degree of voting power.

The most intuitive way of finding support for this game-theoretic model is to conduct case studies. There are a number of interesting cases where states make institutional power linkages. Less than two months before the Gulf War the UN Security Council passed resolution 678 (1990), which authorized the use of force by the US-led Allied Coalition against Iraq, by a vote of 12 to 2 and an abstention by China. Before the vote the United States used its considerable leverage with the World Bank and the International Monetary Fund to gather support from wide range of countries (Bennis 2000). The two financial institutions made loans to Jordan, Turkey, and Egypt on unusually favorable terms. These countries were not even on the Security Council, but deemed to be important in persuading their allies in the Security Council to vote with the United States. China was the sole member of the Security Council that was not ready to side with the United States. In the actual vote, China abstained on the resolution, and less than a week later, it was given access to $114 millions in new economic aid by the World Bank (Bennis 2000 Thalakada 1997). A similar pattern involving Russia and the United States is also observed (Voeten 2001). So it seems that states do recognize the potential benefits of linking institutional power and have used such linkages effectively.

The possibility of institutional power linkage has an important implication for our understanding of international politics. It tells us to look at more than one dimension in assessing a state's behavior in international arena. Having found important cases that support the model, I intend to systematically test the model~{!.~}s equilibrium predictions. It is an attempt to integrate formal modeling and empirical testing in an internally consistent manner. I will also be bringing the project to EITM this summer and expect to gain new insights by participating in the discussion of empirical implications of institutional models.

Farhang, Sean
Columbia University
Sf238@columbia.edu

The Civil Rights Act of 1991: A Structural Break in Civil Rights Enforcement

My paper investigates the effects of a scarcely studied dimension of the American state: the use of statutory rules and mechanisms to stimulate private enforcement of public regulatory laws through litigation. When a regulatory law is passed, Congress has a range of enforcement options. It can create an enforcement agency, and/or it can build rules into a statute that serve as incentives for private enforcement litigation. Such rules include provisions governing the allocation of attorneys' fees, damages enhancements or damages caps, the right to a jury trial, the specification of rules of evidence and proof, etc.

Scholars working under the banner of law and economics have long recognized the influence of legal rules and procedures on the choice to litigate, and, theoretically, have regarded the choice as one that could be manipulated through adjustment of such rules and procedures. (Posner 1973 Priest and Klein 1984). This basic idea was integrated into a model of political decision-making by members of Congress endeavoring to control the bureaucracy by McCubbins, Noll, and Weingast (1987) in their important article "Administrative Procedures as Instruments of Political Control." (see also McCubbins and Schwartz 1984 McCubbins, Noll, and Weingast 1989) The upshot of this literature is that Congress uses administrative rules and procedures to harness the energies and resources of private actors to achieve the purpose of controlling agency policymaking. This line of research, however, has been limited to the elaboration of theory and case studies, and has not been subjected to l!
arge N empirical testing.

My paper takes off from and extends this work in two ways. First, I explore the use of the same types of rules and mechanisms by legislators to mobilize direct enforcement against the objects of regulation -- generally private companies – as distinguished from this literature's focus on the use of such rules and mechanisms to control agencies. In addition to strategically structuring procedural devices (e.g., rules of standing, evidence, proof, statutes of limitations, class action devices, etc.), Congress also uses monetary damages awards such as plaintiffs' fee shifts, and damages above and beyond actual material damages suffered by the plaintiff-enforcer, to create economic incentives for enforcement. I refer to this constellation of rules as a regulatory statute's private enforcement regime. I maintain (in my broader research agenda) that such structural and monetary incentives for private litigation are a distinctive and integral part of the American regulatory state, and are self-consciously deployed by legislators to overcome institutional and political constraints on command-and-control regulation.

The second way in which I depart from existing work is that I test the efficacy of private enforcement regimes with a large dataset. The employment discrimination provisions of the Civil Rights Act (CRA) of 1964, and amendments to them in 1991, provide an ideal opportunity for such a test. As originally enacted, the CRA of 1964 only permitted recovery of actual monetary damages (lost wages), and did not contain a right to a jury trial. In the CRA of 1991, after three consecutive Republican administrations that Democrats complained were failing to undertake adequate enforcement of Title VII through the Equal Employment Opportunity Commission (EEOC), congressional Democrats added a set of incentives for private litigation calculated to ratchet up private enforcement, while creating no new substantive rights. These chiefly included creating the right to damages for emotional pain and suffering, punitive damages, and a jury trial (thought to favor plaintiffs in the civil rights context). Further, the CRA of 1991 had no affect on the private enforcement regime of the Age Discrimination in Employment Act (ADEA). I am thus able to examine private enforcement activity over time to determine whether the CRA of 1991 increased the rate of enforcement actions with respect to gender and race (protected classifications under the CRA of 1964), while having the control group of age discrimination claims, which were not affected by the CRA of 1991.

I have two data sources to probe this question. First, I have obtained data on monthly charges filed with the EEOC from the mid-1980s to the present that I am coding according to the type of discrimination claimed (e.g., race, gender, age). Second, I have obtained data from the EEOC on the average dollar settlement figure of charges filed which I am also coding according to the type of discrimination claimed.

I will apply structural break time series models to both series. This will allow me to test whether the CRA of 1991 caused an upward structural break on the series of the number of charges filed under the CRA of 1964, but not the ADEA. If so, this would support an inference that private enforcement regimes can be effective in achieving their intended purpose – to adjust the level of private enforcement activity under a statute. I will also be able to test whether the CRA of 1991 increased the average value of settled charges under the CRA of 1964, but not the ADEA. If so, this would crystallize one mechanism linking private enforcement regimes to the behavior of litigant enforcers, namely, monetary incentives for enforcement.

The modeling approach I am currently contemplating is one developed by Bai and Perron (2001). There is considerable uncertainly as to when after the enactment of the CRA of 1991 I should anticipate a break in the series. There is a process of information spread and learning among prospective plaintiff-enforcers and lawyers that may have to transpire between the enactment of a legal innovation (the CRA of 1991) and an actual change in rates of enforcement actions. The Bai and Perron method is designed for questions in which there are expected to be structural breaks in a time series at unknown dates, and the method identifies breaks in the series (if any).

Bai, Jushan, and Pierre Perron, 2001, "Computation and Analysis of Multiple Structural Change Models." Mimeo, Boston College. Forthcoming, Journal of Applied Econometrics

McCubbins, Mathew D., Roger G. Noll, and Barry R. Weingast. 1987. “Administrative Procedures as Instruments of Control.” Journal of Law, Economics, and Organization 3: 243-77.

McCubbins, Mathew D., Roger G. Noll, and Barry R. Weingast. 1989. “Structure and Process, Politics and Policy: Administrative Arrangements and Political Control of Agencies.” Virginia Law Review 75: 431-82.

McCubbins, Mathew D., and Thomas Schwartz. 1984. “Congressional Oversight Overlooked: Police Patrols versus Fire Alarms.” American Journal of Political Science 28: 165-79.

Posner, Richard A. 1973. “An Economic Approach to Legal Procedure and Judicial Administration.” Journal of Legal Studies. 2:399.

Priest, George L., and Benjamin Klein. 1984. “The Selection of Disputes for Litigation.” Journal of Legal Studies. 13:1.

Franz, Michael
University of Wisconsin-Madison
mmfranz@polisci.wisc.edu

"The Agenda Politics of Political Action Committees"

Research has demonstrated that PACs make short-term contribution decisions, usually on the basis of a candidate's electoral vulnerability and the ideological match between candidate and group. For the most part, these studies explicitly explore PAC/Candidate relationships as the unit of analysis. Nonetheless, in asserting that many PACs are motivated to replace unfavorable members, and as such "change the composition of Congress," the implication is that political action committees care about the ideological and partisan distribution of members as a whole.

My paper, as a consequence, broadens the unit of analysis to the political action committee and argues that PACs are also interested in which party or ideology controls the larger policy space. I advance two hypotheses. First, ceteris paribus, those groups more satisfied in the existing policy environment are less likely to employ tactics designed to affect electoral outcomes. Participation in this form is high risk (the group's favored candidates are more likely to lose) for small gain (the group is already satisfied with the existing distribution of members). Second, groups less satisfied in the existing policy environment are more likely to contribute in ways designed to help candidates win elections. Participation by these groups in these ways is low risk (if the group is unsuccessful, you return the status quo) for high gain (victory has pleasing aggregate effects of shifting the median voter). I define these "replacement" strategies as contributions and independent expenditures in competitive contests, as well as contributions to party committees, maximum hard money contributions, and competitive contributions late in the electoral cycle.

I test these hypotheses statistically using PAC data from the Federal Election Commission for a number of electoral cycles. My unit of analysis is the political action committee, and my dependent variables are expenditures in the varying forms described above. My key independent variable is the PAC's ideological distance from the median voter and median majority party member. I expect the greater the distance (and as such, the greater the dissatisfaction with the existing policy space) the greater the replacement goals behind electoral participation. I control for organizational factors, such as the size and type of organization.

The methodological focus of this paper is in building on previous work that has operationalized PAC ideology points (see the work of McCarty and Rothenberg, for example), using a number of election cycles to improve estimation. What are the virtues of such an approach? Recent work has challenged the common assumption that all labor organizations act the same that all corporations act the same and that non-connected PACs are more likely to be ideological. Scholars usually operationalize these assumptions by including dummy variables for each type of PAC in models of campaign activity and by using these variables as the substantive covariates of interest. I argue, by contrast, that all PACs likely have some ideological ideal point independent of the effects of organizational style, and that this ideal point – relative to the existing legislature – should be a powerful predictor of campaign activity.

This work will be substantively important in showing that groups are often concerned with larger issues of agenda control, as much as they are with helping specific candidates in specific contests.

Golder, Sona
New York University
sin202@nyu.edu

"Pre-Electoral Coalition Formation"

In most democracies, single parties are unable to command a majority of support in the legislature. Many political parties who wish to exercise executive power are typically forced to enter some form of coalition. In effect, they can either form an electoral coalition with another party (or parties) prior to election or they can enter a government coalition afterwards. I define pre-electoral coalitions fairly broadly to include cases in which party leaders either announce to the electorate that they plan to form a government together if successful at the polls or agree to run under a single name (with joint lists or nomination agreements). The common link between these situations is that parties or party leaders never compete in elections as truly independent entities. For instance, in legislative elections in 2002, certain parties in both France and Germany publicly coordinated their electoral strategies, forming pre-electoral coalitions. On the other hand, all of the Dutch parties campaigned independently in the 2002 elections.

Current research on coalitions has little to say about pre-electoral coalitions. Those formal models of coalition behavior that exist are typically used to predict which government coalition will form, how long the government coalition will last, and how effective it will be. These models do not incorporate the possibility of pre-electoral coalitions. Although electoral coalitions are occasionally discussed in single-country case studies, especially in countries such as France, Germany, or Ireland, they are rarely the focus of systematic investigation. This study seeks to redress this imbalance in our knowledge of coalitions by focusing on pre-electoral coalitions. Specifically, it aims to explain electoral coalition formation.

The logic of electoral coalition formation that I present is based on the belief that party leaders must ultimately weigh the incentives to form electoral coalitions against the incentives to remain separate. I develop a two-stage complete information bargaining game between two party leaders who must decide whether to form an electoral alliance or contest an election independently. The general theoretical framework focuses on the electoral bonus associated with the potential coalition as well as distributional and ideological issues. I am able to derive several implications that relate the likelihood of seeing pre-electoral coalitions to variables employed in the game-theoretic model. Of the hypotheses that are generated, the most important are that electoral coalitions are more likely (i) the greater the electoral bonus associated with the coalition (ii) the more extreme the ideological position of opposition parties (iii) the closer the ideological position of the potential coalition partners and (iv) the more divisible the spoils of office.

I test these implications using a new dataset that covers each legislative election in 22 advanced democracies between 1946 and1998. The data on pre-electoral coalitions were collected from a careful reading of a wide variety of country-specific sources dealing with particular parties and elections. Ideology data for the parties were constructed using the Manifesto Research Group dataset (Budge et al., 2001), while electoral system variables came from Golder (2003). The data are organized in a dyadic format so as to better test the hypotheses regarding the likelihood of observing electoral coalition formation. Several methodological problems had to be overcome. For example, it is quite probable that a coalition between Party A and Party C is less likely to form if one has already formed between Party A and Party B, all else being equal. If this is true, then the disturbances will be correlated across observations and it would be incorrect to use a probit estimation procedure. In order to overcome this problem, I employ a Markov chain Monte Carlo approach.

Gwiasda, Gregory
Ohio State University
Gwiasda.1@osu.edu

"Information and Opinion Variance in Attitudes Toward the Vietnam War"

A prevailing belief among many public opinion scholars is that most people do not hold a single fixed attitude on a given issue rather, they hold a set of considerations on the issue that has both a central tendency and a spread (e.g. Alvarez and Brehm 2002, Feldman and Zaller 1992, Page and Shapiro 1992, Zaller 1992). From this perspective, people do not have a fixed "true response" for survey questions rather, each person samples from a set of considerations when answering an opinion question. While scholars generally acknowledge the importance of considerations, to date, most studies of public opinion still focus solely on movement in the central tendency of opinions (e.g. what factors lead to more or less support of an issue) and ignore the potential changes in the public's underlying considerations on the issue (but see Alvarez and Brehm 2002). My study, however, addresses this issue by examining how changes in the external information environment (e.g. media messages) affect an individual's distribution of opinion considerations. I argue that considerations can be modeled as a function of both the mean and variance in individual responses to survey questions. Therefore, individuals who have a large number of considerations about an issue will have more variance associated with their predicted responses to survey questions.

To test this proposition, I build on Zaller's (1992) findings and employ pooled cross-sectional data from the 1964-70 National Election Studies. I investigate what impact moving from a one-sided (pro-war) message environment to a two-sided (pro and anti-war) message environment had on opinions towards the Vietnam War. I utilize a heteroskedastic ordered probit likelihood function to estimate both the changes in individual opinions over time (e.g. the central tendency), as well as changes in the variance of these predictions. My results reveal a general increase in the variance of responses over this period, but that ideology and sophistication moderate this effect. Combined, this work provides both theoretical and methodological improvements on previous works of public opinion.

There are two main theoretical contributions from this work. First, while a few studies are beginning to estimate what factors affect the variance of predicted opinions (e.g. Alvarez and Brehm 2002), these studies focus on how individual traits such as education or ideology affect variance. My paper, however, adds a temporal dynamic to the model and explores how variance in predicted responses is also influenced by the interaction of individual traits and changes in the external information environment over time. Second, this paper incorporates information from both the mean and variance predictions to get an estimation of an individual's actual set of opinion considerations. This method will enable me to distinguish between the 3 basic consideration structures an individual might have: (1) support or opposition for the issue (preference), (2) conflicted views on the issue (ambivalence), or (3) no opinion on the issue (indifference). Further, each of these structures has a unique distribution of considerations. Preference is represented by considerations spread out to the left or right of the neutral midpoint of the scale and a mean that is also located to the left of right of the midpoint. Ambivalent considerations have a mean located over the midpoint and a large degree of variance (e.g. many positive and negative considerations). Indifferent considerations also have a mean located over the midpoint, but have small variance (e.g. no considerations on the issue). Thus, by examining the shape of one's distribution of considerations, I can determine whether one moves from a state of indifference to ambivalence, ambivalence to preference, and so on. This improves upon previous heteroskedastic models that draw inferences based solely on changes in the variance (e.g. Alvarez and Brehm) without simultaneously accounting for changes in the mean of the distribution.

Methodologically, this paper contributes to the literature by demonstrating how heteroskedastic likelihood functions can be used to provide meaningful insights for our understanding of public opinion. While we are seeing an increase in the use of heteroskedastic functions in political science in general, these functions are often simply employed to ensure the consistency of parameter estimates. This paper demonstrates how estimates of the variance component of the function themselves can be used to test specific hypotheses for theories of public opinion. Finally, this paper draws upon a specific function, the heteroskedatic ordered probit function, that has seen virtually no use in political science.

Combined, this paper will help clarify how an emerging statistical method can further elucidate the process of the formation of political attitudes. While this paper focuses on how this method can be better used for studies of public opinion, the implications from this paper can be transferred to all areas of political science research.

Hirano, Shigeo
Harvard/MIT/Cbrss
shirano@fas.harvard.edu

"Selection Effects in Measuring Presidential Ideology"

In numerous quantitative estimates of politicians□f ideological positions, the president is found to be more extreme than the median members of their parties. In this project I intend to show that presidential extremism is partly an artifact of selection issues related to the way the president□fs ideological position is estimated. The common way a president□fs ideological position is measured is by treating him as if he were a member of congress and his roll call votes are coded according to whether or not he supports the roll call vote in the Congressional Quarterly. However, there is likely to be an underlying selection mechanism in the types of roll call votes the presidents will publicly support in CQ. Part of this project investigates the empirical implications of this selection for how we measure presidents□f ideological positions. By examining how legislators who vote with the president on the roll call votes the president publicly supports vote on other roll call votes, we can create a wider range of possible ideological positions for the president. With this new measure of presidential ideology we can re-visit several existing empirical papers that use the old measure of presidential ideology. The other part of this project will be to develop a formal model for explaining why the president would choose to announce their positions on particular types of roll call votes. This project has several implications for the study of the presidency and the relationship between the presidency and congress.

Ho, Daniel
Harvard University
deho@fas.harvard.edu

"Majoritarian Electoral Systems and Consumer Power: A Matching Rejoinder"

In a substantial contribution to the positive political economy literature, Rogowski and Kayser (2002) finds that "systems of proportional representation . . . systematically advantage producers and disadvantage consumers." I find that there is no evidence to sustain that conclusion. The originally study overlooks the fact that proportional representation countries are systematically different from majoritarian district countries in their background characteristics. Accounting for these differences by matching on the propensity score forces us to discard observations that severely extrapolate from the data, yielding estimates of such high variance that we cannot find evidence for the price-level effect. The only way to reassess the hypothesis without bias or implausible assumptions is to gather a larger dataset, which by including non-OECD countries increases the observations from 24 to 67. Yet even in this new dataset the price-level effect remains undetectable. The conclusion of a price-level effect is thereby based on modeling assumptions that are simply untenable.

Holbrook, R. Andrew
Ohio State University
holbrook.61@osu.edu

"Getting the Most Out of Experimental Data: Estimating Priming Effects Using Two-Stage Conditional Ordered Probit"

Bartels (1993) demonstrates that media effects are often under-estimated due to poor statistical modeling and the limitations of research design. Laboratory experiments are typically used to solve the second of these two problems, and generate the strongest support for media effects (e.g. Iyengar and Kinder 1987 Miller and Krosnick 2000). In regards to the first of these two problems, however, there is room for considerable improvement.

Laboratory evidence suggests that two media effects in particular, agenda-setting and priming, influence public opinion. Agenda-setting is observed when media consumers judge the nation's most important problems to be those issues given more prominent attention by media outlets. Priming occurs when this increased attention increases the prominence of these issues when people form judgments about public officials.

Although theoretically bound, these two effects are often estimated separately. This is partially because exposure to a particular media message is argued to be driving both effects. Whereas agenda-setting is conditional on exposure to a media message, priming is conditional on exposure to a media message and agenda-setting. Another reason why these effects are estimated separately is that evaluations of public officials in regards to specific issues are endogenous to general evaluations of such officials, and including agenda-setting in models of priming complicates the issue. The endogeneity issue has not stopped many from estimating the effects of agenda-setting, exposure, and issue-specific evaluations on general evaluations using single-stage models (e.g. Miller and Krosnick 2000). Significant improvements in statistical modeling are necessary to simultaneously account for the direct and indirect effects of media exposure and the inherent endogeneity between general and specific evaluations of political figures.

To more precisely model the theoretical relationship between agenda-setting and priming, I propose an extension of two-stage conditional maximum likelihood (2SCML). 2SCML generates consistent estimates of nonrecursive choice models with discrete dependent variables (Alvarez and Glasgow 2000). Although this estimation technique has seen increased use in political science (e.g. Alvarez and Butterfield 1999 Shotz and Lubell 1998 Rivers and Vuong 1988), there are a couple of issues yet unresolved regarding its employment. One, it is unclear how this family of estimators performs using relatively small samples (i.e. N Ł 250). Two, although first-stage estimates using discrete dependent variables have been employed (Shotz and Lubell 1998), they are treated as continuous variables. More precise estimation techniques in the first stage (e.g. ordered probit) might help to isolate a more significant portion of variance to generate sufficient second-stage estimates.

Experimental demonstrations of agenda-setting and priming effects offer a unique opportunity to explore both of these issues. Because most experiments generate smaller samples than do surveys, many have rightfully shied away from using estimators with asymptotic properties in modeling effects generated in the laboratory. Experimenters in political science have responded to this by increasing sample sizes, but not to the levels used in developing these estimation techniques. Also, because priming effects are often measured using ordinal variables, estimating these effects using 2SCML will allow this author to explore improvements in first-stage estimation techniques.

This project relies on three sets of data. One will be generated using Monte Carlo simulations to explore the properties of these estimators in relatively small samples. The other two data sources come from experimental demonstrations of agenda-setting and priming. Miller & Krosnick (2000) generated a sample of approximately three hundred students to show these effects in response to exposure to television news programs. These data will be used to show how more precise modeling can lead to very different predictions than those presented by the authors. Finally, data collected by the author estimating agenda-setting and priming effects in prime-time crime dramas will also be employed (Hill and Holbrook 2003).

Hwang, Wonjae
Michigan State University
hwangwon@msu.edu

"Multilevel Hierarchical Modeling in International Political Studies"

From a theoretical view, strategic approach is powerful in explaining international political phenomena. By assuming that political leaders give the highest priority to maintaining themselves in power, strategic approach potentially makes a paradigmatic shift of substantial importance (Ray 1999). Such a theoretical innovation makes it possible to integrate domestic and international "games" (Putnam 1988 Morrow 1991 Fearon 1994 Mo 1994,1995) played by autocratic leaders as well as democratic leaders in a theoretically coherent manner. Strategic approach in international political studies, therefore, requires the analysis of multilevel data structures.

This paper will discuss various statistical methods of exploiting the information found in multilevel data structures in international politics. While the use of multilevel hierarchical data structures is common in international political research, proper statistical methods to deal with multilevel data structures have not widely been used (Beck & Katz 2001 Rodriguez & Goldman 1995). Formal explaining about the interaction between multilevel actors and theoretical arguments about the relationship between agent-centric values and institutional structures should also be discussed in this data structure (Buzan 1995). As a result, this research attempts to build a multilevel hierarchical model that captures multilevel data structures and determines how different levels interact each other discussing theoretical issues in a formal way.

Multilevel (hierarchical) modeling has rapidly become established as the appropriate tool for modeling data with complex hierarchical structures. Discussing theoretical and statistical issues in regard to modeling multilevel data structures, this research will show why multilevel modeling could be so powerful in international political studies. That is, monitoring how political institutions play out differently in different settings, this model attempts to explain causal heterogeneity, providing more accurate forecasts and estimates (Western. 1998). As substantive examples of hierarchical analysis, the heterogeneous effect of trade on interstate conflict will be discussed (Garztke & Li 2001 Maoz & Russett 1993 Oneal & Russet 1997, 1999, 2001 Barbieri & Schneider 1999 Beck & Tucker 1997 Beck, Katz, & Tucker 1998). Analyzing policy orientation or ideal point of international institutions such as the U.N. will also be important in explaining the probability of interstate conflict or war onset. In this case, international institutional level becomes another higher level. Analyzing the role of the U.N. in interstate conflict will be another example.

Meanwhile, this research will show how different methods of statistical inference for the multilevel model work out. That is, maximum likelihood estimation (Steenbergen and Jones 2002), Bayesian hierarchical estimation (Martin 2001 Browne and Draper 2000), and generalized estimating equations (Goldstein 1995 Zorn 2001) will be used and each statistical result will be compared for this purpose. In order to simultaneously estimate the first-level parameters and the hyper-parameters, I employ Markov Chain Monte Carlo (MCMC) estimation methods. The Winbugs statistical package will be used for this purpose. MLwiN statistical package will also be used for maximum likelihood estimation (Steenbergen and Jones 2002).

Kelly, Nathan
UNC Chapel Hill
njkelly@email.unc.edu

"Who Gets What? The Politics of Income Inequality in the United States"

"Who gets what?" is the central question of political contestation in the United States and around the world. Nearly every divisive political debate, in fact, relates to this question. For example, the Civil Rights movement in the United States sought an answer to this question in terms of what rights would accrue to which citizens. Most commonly, however, the object of this question is economic. Disagreements occur in political systems around the world regarding who will bear the tax burden, what benefits social programs will offer, and how economies should be organized. In essence, "Who gets what?" most often means "Who gets the money?"

The empirical answer to this question is the distribution of income, or income inequality. Income inequality, then, is one of the most important outcomes of any political-economic system. While much intellectual energy has been given to explaining income inequality, there is a great deal to be learned about how government influences this outcome. This paper analyzes two mechanisms through which government influences income inequality - redistribution and the manipulation of economic opportunity. The paper begins with a discussion of theoretical perspectives that lead to divergent predictions about how government influences income inequality. The theoretical expectations developed are then tested using data from the post-WWII United States. Finally, the broader implications of these results are discussed.

How does government influence income inequality? This is the most fundamental question of political science research on the distribution of income. One of the leading theoretical understandings of this question is derived from power resources theory (Esping Andersen 1990 Hicks 1999 Hicks and Swank 1992 Huber, Ragan, and Stephens 1993 Huber and Stephens 2001 Korpi 1978, 1983 Stephens 1979). This view suggests that the lower classes in society organize politically by supporting parties of the Left. When the economically poor are politically strong, they elect parties of the Left that, in turn, implement policies that favor their base of power. In terms of income inequality, then, left-leaning policies produce programs whose beneficiaries are low income individuals and families. In other words, when the lower classes are politically strong, they use the power of government to their economic benefit.

This theory has been tested in a variety of contexts. Specific to the topic of this paper, it has been examined by analyzing the connection between partisan control of government, governmental action to reduce inequality, and multiple indicators of economic inequality (Bradley, et al. 2003 Hibbs and Dennis 1988 Hicks and Swank 1984 Korpi 1983, 1982 Mitchell 1991 Stephens 1979). An important finding of this literature is that post-tax-post-transfer income inequality is lower when Left parties are strong. Analyses of the causal mechanisms underlying this connection show that it exists because Left and Center parties favor not only a larger welfare state in general, but also a welfare state that is much more redistributive than that preferred by parties of the Right (Bradley et al. 2003 Hibbs and Dennis 1988). In sum, previous research tells us that Left and Center party strength reduces economic inequality and that the primary mechanism through which this influence occurs is redistribution - transfers of money from the rich to the poor.

Left party strength, and the policies that these parties implement, is the political outgrowth of the power resources of the lower class. Lower class power resources are also organized in the economic sphere (Korpi 1983 Stephens 1979). When it comes to income inequality, the lower class mobilizes their power resources economically through labor unions. Labor unions can be powerful actors in the labor market, influencing the distribution of wages through collective action in wage bargaining. Essentially, organization in unions shifts power away from capital owners toward the union members. The distributional consequence of union strength is more equal distribution of income (Bradley et al. 2003 Stephens 1979). This is due to the fact that unions minimize income inequality among union members, and also minimize the income gap between union and non-union members (Danziger and Gottschalk 1995).

As previously conceptualized and tested, power resources theory shows that the lower class utilizes political and economic power to produce outcomes consistent with their self-interest. Specifically, they organize in labor unions and political parties to influence the market and the state in a way that produces a more egalitarian distribution of income. As a first stage in the distributional process, the market produces some degree of inequality, and empirical studies show that labor unions intervene at this point in the process to make the market income distribution more equal. The state gets involved in the second stage of the distributional process - government can take explicitly redistributive action to equalize further the economic outcomes produced in the market. Previous empirical work shows that this happens to a greater degree when Left and Center parties control government than when parties of the Right are in charge.

Direct redistribution, however, is only one type of government activity. When government acts, there are almost always winners and losers - even when the action is not explicitly redistributive. Some people benefit from government while others receive no direct benefit or are disadvantaged. Think, for example, about public education. It costs a certain amount to provide a student with a primary and secondary education - these expenditures are fairly explicit benefits to families with children. But the distributional effects of public education go far beyond the money spent to provide it. Without public education the poor would be less able than the wealthy to provide their children with a basic education. This means that the economic opportunities of the poor would be diminished without the public provision of this service. In this way public education and other programs that do not explicitly redistribute income influence income inequality through the manipulation of economic opportunity.

Studies of fiscal incidence attempt to determine who benefits from a wide variety of state activities - both those that explicitly redistribute income and those that do not. Classic fiscal incidence research essentially addresses two questions (Meerman 1979 Selowsky

1979). First, how is income distributed in the counterfactual absence of government? Second, which counterfactual income classes benefit from government activities? This body of research has argued that a wide variety of government benefits, even those that are not designed to redistribute income, may be unevenly distributed (Musgrave and Musgrave 1989 Peppard and Roberts 1977).

These findings from fiscal incidence research coupled with power resources theory lead to the prediction that explicit redistribution should not be the only mechanism utilized by the state to influence income inequality. If the state is a tool of those in power to improve their economic fortunes, as power resources theory suggests, then every state activity that could serve this end should be so utilized. Since government manipulation of economic opportunity can provide disproportionate benefits to the rich and poor, this type of activity should be friendlier to the lower classes when Left policies are enacted than when policy moves toward the Right. If this is the case, then Left policies should equalize the distribution of income through the manipulation of economic opportunity in addition to the effects of explicit government redistribution.

Other theoretical views, however, lead to different conclusions. While power resources theory argues that the distributional outcomes of welfare policy are a central goal of state activity, a second view suggests that this welfare policy is primarily about the provision of insurance (Barr 1992 Casamatta, Cremer, and Pestieau 2000 De Donder and Hindricks 2000 Sinn 1995 Wright 1996). Under this view, welfare policies are created to protect against risks like income loss, which private insurance will not or cannot cover. So, even state programs that, in practice, explicitly redistribute income are not primarily designed for this purpose. If this view is correct, then it is improbable that the manipulation of economic opportunity will be used to influence income inequality.

Even if the insurance view of welfare programs is incorrect and the state does attempt to influence distributional outcomes through programs that are not explicitly redistributive, rational expectations economics suggests that such attempts would be difficult. Simply stated, the rational expectations hypothesis maintains that economic actors will utilize all relevant information when making their decisions (Muth 1961). This means that economic decisions will be based both on the current situation and any information that is available about the future. As an example, consider a new policy proposal that would equalize income equality by enhancing the economic opportunity of the lower class while making it more difficult for the rich to maintain their current wealth. The rational expectations hypothesis suggests that wealthy individuals will consider the likelihood that the proposal will become law. They will then modify their behavior to minimize the effect of the new program based on the probability that the policy will be enacted. Thus, through rational expectations, the effect of the new policy can be minimized (Sargent and Wallace 1975).

Two factors influence the degree to which rational expectations can minimize the distributional effects of policy. First is the ability of decision makers to correctly anticipate governmental actions. If government action is unexpected, then economic actors cannot fully avoid the effects of the policy. When this happens, the policy can have an effect during the time that it takes for behavior modification. The second factor is the ability of economic actors to avoid the effects of policy by modifying their behavior. If policies are designed and implemented in such a way that the effects cannot be avoided, then no amount of anticipation on the part of economic actors will eliminate the policy effects. The key point is that some types of policy are more susceptible to rational expectations than others. Previous research shows that explicitly redistributive programs equalize the distribution of income (Bradley, et al. 2003 Hibbs and Dennis 1988), meaning that the effects of this kind of policy are not fully eliminated through rational expectations. It is not known, however, whether the potential distributional effects of government manipulation of economic opportunity can be avoided through rational expectations.

In sum, it is an open question whether or not the state utilizes policies that are not explicitly redistributive to influence income inequality. If power resources theory and the findings of fiscal incidence research are correct, then policies of the Left should lead to a more egalitarian distribution of income even when excluding the effects of explicit government redistribution. On the other hand, to the extent that the insurance view of welfare programs or the rational expectations hypothesis is correct, then the state should be unwilling (insurance view) or unable (rational expectations) to use the manipulation of economic opportunity to influence inequality. This paper explores the validity of these theories by examining the extent to which government shapes income inequality through the manipulation of economic opportunity. A variety of time series methods will be used to test this theory in the context of the United States from 1952-2000.

Kwon, Hyeok Yong
Cornell University
hyk1@cornell.edu

"Has Economic Insecurity Produced Left-wing Voters? A Markov chain Approach"

This paper explores electoral consequences of increasing economic insecurity in advanced industrial countries. Both `globalization backlash' arguments and the literature on partisan politics in the global economy (Rodrik 1997 Garrett 1998) single out economic insecurity as a crucial element of their arguments. Yet both arguments have relied on speculation of the political consequences of economic insecurity rather than theory or empirical evidence.

Interestingly, rarely have there been studies that investigate the electoral mechanism---voting---related to the issue of economic insecurity. Though recent studies have exmanined the effect of employment insecurity on electoral choice in the American elections (Grafstein 2000 Mughan and Lacy 2002) or in the comparative context (Aldrich et al. 2002), too often guiding theoretical frameworks and appropriate specification for statistical analysis were missing. As a result, we are not confident about how individuals express economic insecurity through their ballots. This paper tries to tackle this question. More specifically, does individual economic insecurity translate into changes in electoral choice? Is there individual or group heterogeneity in linking economic insecurity and vote choice?

Drawing theoretical insights from the policy-oriented voting models (Wittman 1990 Persson and Tabellini 1992) and extending the institutional balancing models in the American politics (Alesina and Rosenthal 1995 Mebane 2000), I argue that economic insecurity increases the likelihood of voter transition to left parties with the expectations about the public provision of social protection. Moreover, I contend that the insecurity-left-wing vote link is mediated by individual and group attributes and contextual heterogeneity of various forms.

I estimate a first-order Markov chain transition model of binary process of the data (Jackman 2000 Beck et al. 2001). By estimating the transition probabilities, instead of static logit/probit analysis, my empirical analysis can take the voter's party allegiance in the previous period into account. Without masking or exaggerating the effects of regressors, estimation of a Markov chain transition model using "Eurobarometer" data finds evidence that supports my arguments. Specifically, the results suggest that the likelihood of transition of previous right-wing voters toward left votes increases in the degree of subjective economic insecurity. Middle income group, non-union members, and individuals located in the regional context of higher job loss rate increase the probability of the transition to left-wing votes. Cross-national variation in the insecurity-left-wing votes link is found in the context of the labor market institutions. More precisely, countries without corporatist institutional arrangements (e.g., Britain) clearly show the pattern of the policy-motivated transition of vote choice, while the electoral effect of economic insecurity is dampened in corporatist countries (e.g., Sweden). This pattern is understood in terms of voters' motivation for institutional balancing between the two social protection providers: the governing party and the labor market institutions.

Perceived to be a ``missing link'' (Aldrich et al. 2002) in the comparative political economy literature, the intersection of political economy and voting is an important research venue. A contribution of this paper is to present individual-level evidence of the transition of voter choice triggered by economic insecurity. To the extent that the voters who are likely to make transition are located in the neighborhood of the median voter, the findings of this paper provide an answer to the question of why larger welfare states are viable in the era of globalization.

Levendusky, Matthew
Stanford University
mattlevy@stanford.edu

"Measuring Constituency Ideology: A New Approach"

Many theories of democratic politics hinge on the connection between the preferences of the constituency and the preferences of the candidates or member of legislature. For instance, spatial voting models presume that citizens have preferences that can be expressed as points on a left-right continuum (usually interpreted as ideology), and so constituency preferences can be summarized with the location of the constituency's median voter. Likewise, candidate preferences (incumbents and challengers) can be represented as points on a continuum. Political science devotes an considerable energy to measuring legislator preferences (measuring challenger preferences—a more difficult project—has received significantly less attention). But measures of constituency preference are underdeveloped relative to measures of incumbent preferences, yes are a critical part of testing theories of representation and legislative behavior.

Past work has employed roughly three types of measures for district preferences: surveys, election returns, and demographic data. Surveys usually suffer from the "Miller-Stokes" problem: with the resources typically available to social scientists, national probability samples of a few thousand respondents usually wind up with very few respondents per Congressional district. Stratified samples can result in good characterization of district preferences, but usually only for a small number of districts. As a result, political scientists usually resort to proxy measures, such as presidential election returns in the district. Though not without its faults, presidential vote seems in some respects the best available proxy, as it is based on actual constituent behavior and is clearly linked to the liberal/conservative choice space of American elections. However, this proxy suffers from some potential pitfills: (1) districts may vary in the way presidential vote share reflects constituency ideology, limiting the cross-district comparability of the presidential vote share proxy (2) over time, elections differ in the extent to which presidential vote shares reflect underlying preferences on the left-right continuum, limiting the over-time comparability of the proxy (3) given that presidential vote share is a single indicator, there is no way to assess whatever measurement error it contains, nor to assess the consequences of that measurement error in analyses that use presidential vote share as an independent variable. In short, over the long run, presidential vote share is an unbiased or valid indicator of district ideology, but we remain unsure as to its signal-to-noise ratio (i.e., its reliability).

Demographic indicators are an attractive source of data for improving measures of district preferences. Used on their own, using demographic indicators to measure constituency preferences suffer from a lack of validity: that is, while demographic indicators may correlate highly with one another and would appear to measure something that districts have in common, what guarantees that they in fact tap district preferences on a left-right ideological continuum? Ideally, we would like to leverage the strengths of both the presidential vote share proxy and demographic indicators against each other, to derive a measure of constituency preferences that had both high validity and for which we could assess its reliability.

We develop and estimate a statistical model that combines both demographic indicators and presidential vote share, to recover estimates of district ideology. The model bears a resemblance to an item-response model, with district ideology as the latent trait and the observed district characteristics (presidential vote share and demographics indicators) modeled as conditionally Gaussian regression functions of the latent trait. Identification (and validity) is achieved by (1) the equivalent of a factor loading (or item-discrimination parameter) for the presidential vote share proxy is set to 1.0, reflecting our belief that on average, presidential vote share is a valid but imperfect indicator of district ideology (2) specifying N(0, 1) priors for the district ideology parameters.

Examination of 39 plausible demographic indicators (for the 105th Congress) and their relationship to the underlying ideology of the district shows some interesting, though preliminary results. The most reliable indicator of district-level liberalism is population density (indicators tapping similar facets of districts such as percent urban or rural, or percent foreign born, are also highly reliable indicators). Economic variables such as median income and economic sector variables seem much less reliable indicators of district ideology, probably reflecting the fact that districts are quite internally heterogeneous with respect to these indicators (and hence, once aggregated, are poor indicators of district ideology).

Surprising results–such as lack of an economic component to district preferences (at least in the 105th Congress)–demonstrate the importance of a measurement model of district level preferences. In the paper we aim to show first, what indicators matter most for measuring the ideology of the district and how the relationship between variables changes over time and second, demonstrate that better measures of district ideology lead to more accurate tests of important hypotheses, properly accounting for the measurement error inherent in measure of district ideology. Hypotheses we expect to be implicated by an improved measure of district ideology include: does legislator extremism lead to electoral danger what is the role of national forces in elections and the relationship between party loyalty and electoral margin when controlling for district characteristics. We expect to examine these hypotheses to discover the effects of properly controlling for the measurement error inherent in measures of district ideology.

Li, Tao
Harvard University
Li7@fas.harvard.edu

"Legislative Rule Selection: Data Overdispersion and Correction"

This is similar to the random-effect model in econometrics. The details are going to be supplied later. The procedure is standard. We first estimate the parameter posterior modes using EM algorithm. Then we use MCMC to estimate the posterior distributions, which will be the basis of Bayesian analysis and model checking. I do not expect the result to be significantly different from the previous rudimentary analysis, though any difference will be interesting.

Linzer, Drew
University of California
dinzer@ucla.edu

"Incumbency as an Electoral Liability for Parties in Parliamentary Democracies"

I devise and test an evolutionary model to explain voter turnout, as an alternative to conventional utility-based models. In my model, turnout is dependent on evolutionary fitness rather than individual-level utility. The standard individual-level utility model, from Riker and Ordeshook (1968), suggests that because the probability of being the pivotal voter in a given election is approximately nil, then only those people vote whose positive utility derived from the act of voting outweighs the negative utility costs of voting. However, this formulation is unsatisfactory for three primary reasons: it is theoretically post-hoc (and largely tautological), it is nearly impossible to test empirically, and it completely ignores political considerations. My evolutionary model, on the other hand, is deductive, testable, and explicitly political, and demonstrates that under a diverse set of conditions, voting is an evolutionarily stable equilibrium.

My model supposes two parties (though is scalable upward to larger-sized party systems) and within each, a distribution of voters with probabilities of turning out on the interval [0,1]. Strategy types with higher probabilities of turning out are modeled as increasing in fitness when paired with members of the opposite party and decreasing in fitness against non-voters from the same party. Similarly, strategy types with lower probabilities of voting are modeled as decreasing in fitness when paired with members of the opposite party, and increasing in fitness when paired within the same party. I believe these constraints approximate real-world voting interactions, where pressures on the individual voter evolve over time, to abstain from voting if one's co-partisans vote but to turnout if the opposing party is also turning out in force. I investigate the effects of mulitpopulation models and non-random pairing, so that co-partisans are more likely to be paired than opposing partisans (i.e., co-partisans' types are correlated). I model voter turnout in this model both analytically and numerically and show it can be sustained under broad conditions. In equilibrium, the model yields testable implications for the conditions under which voter turnout should be expected to vary. It also makes dynamic predictions about how turnout rates vary over time which I also test using a series of US and British elections using appropriate models for compositional data.

Long, Karen
University of Michigan
kjlong@umich.edu

"Rational Ignorance, Party Competition and the Information Costs of Voting"

The relationship between political information and turnout is well established in the American context (e.g. Delli Carpini and Keeter 1996). However, as elections differ in the information costs they impose on voters, it is reasonable to expect that the relationships between political information and the likelihood of voting vary in systematic ways. For example, one way that elections differ in the amount of information required of voters is in the number of parties competing for office: Studies conducted at the aggregate level have shown a negative relationship between levels of turnout and the numbers of parties competing for office (e.g. Jackman 1987 Blais and Carty 1990 Blais and Dobrzynska 1998). Indeed, the paradox of multiparty elections lies in that "the type of political system which seems to offer the voter a more definite choice among policies in fact offers him a less definite one. This system may even make it impossible for him to choose an election at all" (Downs 1957:155). In other words, the information costs imposed by multiparty competition may exceed voters' abilities to make decisions, and therefore reduce their likelihood of voting.

Note that the effect of the number of parties competing in an election on the likelihood of voting should vary with voters' abilities to make decisions: Individuals who are well equipped to generate expectations about which coalitions are likely to form after an election are unlikely to be affected by the number of parties competing in an election. Alternatively, individuals who are unable to navigate the choices before them may be more likely to be discouraged by multiparty elections. Following Franzese (2002), the proposed discussion suggests that the relationship between the number of parties competing in an election and voter decision-making is interactive: Political information contributes to the likelihood that a citizen will vote to the extent that political decision-making is made "costly" by multiparty competition.

The proposed discussion will examine how this particular aspect of political context- the number of choices voters have available to them- shapes voter decision-making across a large sample of elections. In doing so, the discussion will demonstrate a strategy for the analysis of cross-national public opinion data. Several features of these data render the usual statistical techniques cumbersome. However, a meta-analytic or "study of studies" approach fully incorporates these features, while simultaneously allowing for rigorous comparative analysis and attention to within-country political dynamics. In short, this discussion smoothes over the distinction often made between large-n analyses and the case study approach, presenting a generalizable research strategy for the analysis of cross-national public opinion data.

The Comparative Study of Electoral Systems (CSES) Micro-District-Macro data are well suited to this task: Surveys conducted after national elections in thirty-five countries, and then supplemented with district and national level electoral returns, offer a double-large-n resource through which to study political decision-making. By using the CSES data, the proposed discussion will demonstrate the utility of this project for the comparative analysis of electoral behavior.

References

Blais, A. Carty, K. (1990). "Does proportional representation foster voter turnout?" European Journal of Political Research 18 167-181.

Blais, A. Dobrzynska, A. (1998). "Turnout in electoral democracies." European Journal of Political Research 33 239-261.

Delli Carpini, M. Keeter, S. (1997). What Americans Know about Politics and Why it Matters. New Haven: Yale UP.

Downs, A. (1957). An Economic Theory of Democracy. New York: Harper & Row.

Franzese, R. (2003). “Quantitative Empirical Methods and Context Conditionality.” @CP: Newsletter of the Comparative Politics Organized Section of the American Political Science Association 14(1): 20-24.

Jackman, R (1987). "Political Institutions and Voter Turnout in Industrial Democracies." American Political Science Review 81:2.

Maimone, Christina
Stanford University
cmaimone@stanford.edu

"Measuring Social Diversity: An Item-Response Model in Cross-National Survey Data"

Estonia declared its full independence from the Soviet Union in 1991, generating a remarkable political conflict centered on identity and language.
Since independence, Estonian citizenship and access to government jobs have been increasingly subject to proficiency in the Estonian language. Russian had been the primary language under Soviet rule, and so Russian-Estonians (approximately one-third of the population, many of whom held administrative, professional, and government jobs under Soviet rule) are particularly impacted by the new language requirement the two languages are quite distinct. Proponents of the language requirement portray it as a critical part of a broader program of social integration: they claim that a broad range of social and cultural differences separating Estonians and Russian-Estonians will fade away with linguistic integration.

In this paper I systematically examine this premise: that there are large cultural and social differences between Estonians and Russian-Estonians. I use data from the 1990 and 1995-1997 waves of the World Values Survey (WVS), containing indicators of social attitudes on (1) religion, (2) family and sexuality, (3) political interest, (4) civic virtue, (5) individuality, and (6) work. Six to thirteen survey questions were used for each topic area, yielding 51 items in all. Data from the USA, Finland, West Germany, Russia, and Estonia are used to provide a context in which the social attitudes of Estonians and Russian-Estonians can be compared. Respondents from Estonia are divided into Estonians and Russian-Estonians, based on the language in which the survey was conducted. To contrast the Russian-Estonian and Estonian difference, I also divide US respondents into two groups - self-identified African-Americans and others in the US. In total there are over 14,000 respondents across the five countries and two study waves.

I employ an item-response model for the binary and ordinal responses in the WVS, embedding each respondent's latent traits as parameters to be estimated, one for each of the six topic areas. For the binary items the model is a two-parameter item-response model, Pr(yij = 1) = F(xi*Bj1-Bj2), where xi is the latent trait of respondent i = 1,....,n, Bj1 is the discrimination parameter and Bj2 is the difficulty parameter of item j = 1,...,m, and F() is the logistic CDF. For the ordinal items the binary model is generalized to include a series of difficulty parameters (thresholds), and resembles an ordinal logit model.

The model is identified via constraints on the way particular "reference items" (one per topic area) discriminate with respect to the latent traits, ensuring a unique polarity for the unidimensional latent trait underlying each topic area. The respondents' latent traits are also modeled as a function of a set of fixed effects specific to each country-year, letting us assess how important within-country heterogeneity is relative to the total variability in the latent traits. Social-structural and demographic characteristics are also included at this level of the model, again, to assess how much country/year-specific variation persists. This is particularly useful in assessing claims as to the social and cultural distinctiveness of Russian-Estonians (since I code Russian-Estonians as a country/year distinct from Estonian-speaking Estonians).

I use Markov chain Monte Carlo (MCMC) to estimate the model parameters within a Bayesian framework (via relatively simple WinBUGS programs). Aside from the identification constraints, all model parameters are assigned vague prior distributions. The Gibbs sampler appears to converge reasonably quickly for this problem: I use a burn-in period of 5,000 iterations and then record every 10th iteration of the next 5,000 iterations, which results in 500 samples from the posterior density of the parameters. The means of the 500 samples (i.e., the estimated posterior mean) for each individual on each attitude scale are then used as the estimates of the respondents' social attitudes.

Of all the 51 item discrimination parameters, only 2 are not statistically significant discriminators with respect to the latent social attitude being estimated (at conventional 95% levels of significance) the large and significant discrimination parameters on the remaining items indicate that the questions were indicators of the underlying social attitude.

Examination of the group measures indicates that using an item-response model to estimate the social attitudes of survey respondents was an appropriate choice in this case. The measures of social attitudes for the 14 groups match the general patterns expected. For example, on average Finland, West Germany, and the USA are on the liberal side of the family and sexuality scale while Russia, Estonians, and Russian-Estonians are on the conservative side of the scale. Changes in social attitudes within the groups also match expected patterns. There was little change in the importance of religion for most groups, since religious beliefs are not likely to change quickly, but there was a large decrease in political interest among Russians, Estonians, and Russian-Estonians reflecting the change from a situation of revolution in 1990 to a more stable political environment in 1996.

On the whole, Estonians and Russian-Estonians are not drastically dissimilar in their social attitudes, but there are differences between the groups. Additionally, there is evidence that there was divergence in social attitudes during the first half of the 1990s, with Russian-Estonians becoming more similar to Russians that to Estonians. During the 1990 wave, Russian-Estonians and Estonians were about as dissimilar as African-Americans were from others in the US, but during the 1995-1997 wave, there was greater dissimilarity among Russian-Estonians and Estonians than African-Americans and others in the US.

These results suggest that there is not a high level of social integration in Estonian society that can support the efforts of the national government's integration program. The current integration program, implemented in 2000, is likely working against a trend towards a deeper separation of Estonian society from Russian-Estonian society. If the goals of the proponents of integration extend beyond requiring Russian-Estonians to speak Estonian, greater efforts to achieve social integration will have to be undertaken to combat the divergence in social attitudes that occurred during the 1990s.

Noel, Hans
University of California at Los Angeles
hnoel@ucla.edu

"The Coalition Merchants: The Spatial Structure of Ideological Discourse in American Politics"

QUESTION: Do "ideas matter" in political coalitions? More specifically, do changes in the ideas that unite coalitions drive or merely echo changes in the coalitions themselves?

LITERATURE AND THEORY: Studies of partisan alignments have explored shifts in party coalitions in congressional voting, public opinion and national elections. Explanations have focused on strategic moves by politicians (e.g.Riker 1982 Riker 1989 Sundquist 1983 Carmines and Stimson 1989) and demographic shifts in the electorate (e.g.Key 1955 Sundquist 1983). I propose an explanation at the level of ideas. The ideological justification for party coalitions must shift as coalitions shift. But ideological change could create pressure for change in party coalitions or merely follow change created for other reasons. I claim that these ideologies are a form of political organization, distinct from party, that leads and presumably shapes party coalitions at least some of the time. We are used to looking at parties themselves as coalitions (e.g.Schwartz 1989 Aldrich 1995), but there is reason to believe that ideologies themselves should be seen as coalitions as well (Bawn 1999). If this is so, then each kind of organization may influence the other. And since ideology is less likely to be tied to specific careers in politics they way that party is, ideology is more flexible and might change more quickly in response to new events.

METHOD: Supplementing existing in depth analysis (Hartz 1991), I look for spatial structure underlying the writings of leading opinion journals and court decisions at several points in American history. More specifically, I code each opinion source on a number of issues and then estimate their spatial positions using standard scaling techniques. I then test whether attitude patterns among leading public intellectuals follow or lead congressional and electoral shifts in party coalitions. An example will illustrate the patterns sought: Socialist Jane Hull's first attempts at improving the lot of the poor appealed to moral improvement and temperance. By the end of the century, however, she abandoned this remedy and instead called on the government to take responsibility for the plight of the poor. Thus, "aid to the poor" was no longer associated with "moral control" and became associated with "big government." Similar calls can be found in the work of Herbert Croly. The coding of many such issue positions over many thinkers would yield evidence on the structure of political ideology.

EXPECTATIONS AND IMPLICATIONS: Given my theoretical expectations, I would expect changes in the structure of intellectual debate to precede changes in the structure of the same issues in Congress and in the party coalitions at least some of the time. I am particularly interested in when "racial equality" began to cluster with the ideas we now recognize as modern (sometimes called "revisionist") liberalism. This paper aims to accomplish the initial task of mapping ideological space in a few key moments in time. This project is just underway, so the findings are not all clear. But I see the research as valuable in two respects. First, the study would bridge methodological traditions: Many scholars who believe that ideas matter avoid the use of quantitative data and sometimes impugn it. And scholars who use quantitative data often doubt the importance of ideas. But there is little reason to believe that ideas cannot be studied quantitatively, especially in conjunction to the vast qualitative work done in this area. Second, however it comes out, my study would provide further insight into the role of ideas as leading or derivative forces in politics.

WORKS CITED:

Aldrich, John 1995. Why Parties? The Origin and Transformation of Political Parties in America. Chicago: University of Chicago Press.

Bawn, Kathleen. 1999. "Constructing "Us": Ideology, Coalition Politics and False Consciousness." American Journal of Political Science 43 (April).

Carmines, Edward G. and James A. Stimson 1989. Issue Evolution: Race and the Transformation of American Politics. Princeton: Princeton University Press.

Hartz, Louis 1991. Liberal Tradition in America: An Interpretation of American Political Thought Since the Revolution. San Diego: Harcourt Brace Jovanovich.

Key, V. O. Jr. 1955. "A Theory of Critical Elections." The Journal of Politics 17 (February).

Riker, William. 1982. "The Two-Party System and Duverger's Law: An Essay on the History of Political Science." The American Political Science Review, 76 (Dec.): 753-766.

Riker, William. 1989. "Heresthetic and Rhetoric in the Spatial Model." Advances in the Spatial Theory of Voting. James Enelow and Melvin Hinich. New York: Cambridge University Press: 46-65.

Schwartz, Thomas 1989. Why Parties? University of California at Los Angeles: Unpublished ms.

Sundquist, James L. 1983. Dynamics of the Party System: Alignment and Realignment of Political Parties in the United States. Washington: Brookings Institution.

Pope, Jeremy
Stanford University
jpope@stanford.edu

"Measuring Constituency Ideology: A New Approach"

Many theories of democratic politics hinge on the connection between the preferences of the constituency and the preferences of the candidates or member of legislature. For instance, spatial voting models presume that citizens have preferences that can be expressed as points on a left-right continuum (usually interpreted as ideology), and so constituency preferences can be summarized with the location of the constituency's median voter. Likewise, candidate preferences (incumbents and challengers) can be represented as points on a continuum. Political science devotes an considerable energy to measuring legislator preferences (measuring challenger preferences--a more difficult project--has received significantly less attention). But measures of constituency preference are underdeveloped relative to measures of incumbent preferences, yes are a critical part of testing theories of representation and legislative behavior.

Past work has employed roughly three types of measures for district preferences: surveys, election returns, and demographic data. Surveys usually suffer from the "Miller-Stokes" problem: with the resources typically available to social scientists, national probability samples of a few thousand respondents usually wind up with very few respondents per Congressional district. Stratified samples can result in good characterization of district preferences, but usually only for a small number of districts. As a result, political scientists usually resort to proxy measures, such as presidential election returns in the district. Though not without its faults, presidential vote seems in some respects the best available proxy, as it is based on actual constituent behavior and is clearly linked to the liberal/conservative choice space of American elections. However, this proxy suffers from some potential pitfills: (1) districts may vary in the way presidential vote share reflects constituency ideology, limiting the cross-district comparability of the presidential vote share proxy (2) over time, elections differ in the extent to which presidential vote shares reflect underlying preferences on the left-right continuum, limiting the over-time comparability of the proxy (3) given that presidential vote share is a single indicator, there is no way to assess whatever measurement error it contains, nor to assess the consequences of that measurement error in analyses that use presidential vote share as an independent variable. In short, over the long run, presidential vote share is an unbiased or valid indicator of district ideology, but we remain unsure as to its signal-to-noise ratio (i.e., its reliability).

Demographic indicators are an attractive source of data for improving measures of district preferences. Used on their own, using demographic indicators to measure constituency preferences suffer from a lack of validity: that is, while demographic indicators may correlate highly with one another and would appear to measure something that districts have in common, what guarantees that they in fact tap district preferences on a left-right ideological continuum? Ideally, we would like to leverage the strengths of both the presidential vote share proxy and demographic indicators against each other, to derive a measure of constituency preferences that had both high validity and for which we could assess its reliability.

We develop and estimate a statistical model that combines both demographic indicators and presidential vote share, to recover estimates of district ideology. The model bears a resemblance to an item-response model, with district ideology as the latent trait and the observed district characteristics (presidential vote share and demographics indicators) modeled as conditionally Gaussian regression functions of the latent trait. Identification (and validity) is achieved by (1) the equivalent of a factor loading (or item-discrimination parameter) for the presidential vote share proxy is set to 1.0, reflecting our belief that on average, presidential vote share is a valid but imperfect indicator of district ideology (2) specifying N(0,1) priors for the district ideology parameters.

Examination of 39 plausible demographic indicators (for the 105th Congress) and their relationship to the underlying ideology of the district shows some interesting, though preliminary results. The most reliable indicator of district-level liberalism is population density (indicators tapping similar facets of districts such as percent urban or rural, or percent foreign born, are also highly reliable indicators). Economic variables such as median income and economic sector variables seem much less reliable indicators of district ideology, probably reflecting the fact that districts are quite internally heterogeneous with respect to these indicators (and hence, once aggregated, are poor indicators of district ideology).

Surprising results--such as lack of an economic component to district preferences (at least in the 105th Congress)--demonstrate the importance of a measurement model of district level preferences. In the paper we aim to show first, what indicators matter most for measuring the ideology of the district and how the relationship between variables changes over time and second, demonstrate that better measures of district ideology lead to more accurate tests of important hypotheses, properly accounting for the measurement error inherent in measure of district ideology. Hypotheses we expect to be implicated by an improved measure of district ideology include: does legislator extremism lead to electoral danger what is the role of national forces in elections and the relationship between party loyalty and electoral margin when controlling for district characteristics. We expect to examine these hypotheses to discover the effects of properly controlling for the measurement error inherent in measures of district ideology.

Ramsay, Kristopher
University of Rochester
rmsy@troi.cc.rochester.edu

"A Statistical Model of the Divide-the-Dollar Game"

\citeasnoun{lasswell-36} famously suggests that the fundamental question of politics is how people with conflicting interests distribute benefits when bargaining opportunities arise. Many scholars of politics agree, and also ask the further questions:
Why does bargaining breakdown when Pareto improving solutions exist, and how do the contingencies of participants, time, and place influence outcomes? For the last twenty years, formal models and quantitative analysis have been particularly useful in the search for answers to these questions.
\cite{banks-90,bennett-96,fearon-95,huth-allee-02,london-02,morrow-89,powell-87,powell-96-geb}.

Positive political theory, and in particular game theory, has provided a rigorous tool for understanding the basic logic of bargaining in the face of conflicting interests. In particular, divide-the-dollar games have offered a simple and general framework for analyzing strategic bargaining. As such, these simple bargaining games have frequently been the work horse in many theories of domestic and international politics
\cite{baron-ferejohn-89,fearon-95,mansfield-milner-rosendorff-00}.
These models demonstrate the importance of asymmetric and incomplete information in distributional politics, as well as highlight the importance of the reservation values of players for determining how a particular bargaining situation or policy conflict will be resolved. Yet, even with the precise logic of formal models, when scholars try to find empirical support for their theoretical claims, the vagueness of concepts like incomplete information and reservations values are difficult to operationalize, and even more difficult to meaningfully apply to a historical case, or class of cases, that are of substantive interest.

Alternatively, an increasingly sophisticated body of work has looked at the empirical relationship between soft theoretical constructs, such as regime type, economic interdependence, institutional rules, legislative composition, and bargaining outcomes \cite{bennett-96,milner-97,werner-99}. However, lacking an explicit model of the process that generates the empirical data, it is often the case that selection and omitted variable bias plague the analysis \cite{king-keohane-verba-94}. In particular, Signorino demonstrates that a strategic data generating process can lead to faulty inferences when traditional linear and categorical estimation techniques are used for analysis
\cite{signorino-99,signorino-02}. Given these findings, it is unclear how seriously we should take the inferences from these empirical models.

What is called for in the bargaining literature is an integration of formal theoretical models and statistical methods. In particular, analysts need a statistical tool that permits them to make unbiased inferences about the relationship between the substantive variables, the bargain struck, and the probability of bargaining failure.\footnote{For examples of other work that has begun to deal with this problem in alternative settings see \citeasnoun{wolpin-87}, \citeasnoun{merlo-wilson-95}, \citeasnoun{mckelvey-palfrey-96}, \citeasnoun{merlo-97}, and \citeasnoun{merlo-wilson-98}.} In other words, we need an estimator that explicitly models the strategic process. To move in this direction, we derive a statistical model for divide-the-dollar bargaining games. We show that in this class of games, a generically unique perfect Bayesian equilibrium exists for any common prior, and that all possible outcomes of the game occur with strictly positive probability. We then derive an econometric estimator that explicitly captures the relationship between the variables that affect the players's utilities and the outcomes of the bargaining game. Last, we generate data using a strategic bargaining process and show that our statistical model correctly estimates the coefficients for the substantive variables of interest. Moreover, we show that traditional OLS and censored variable models produce point estimates that are significantly biased, yet appear to be statistically significant. This implies that empirical analysis commonly found in the political science literature are often misleading.

Ridout, Travis
University of Wisconsin-Madison
tnridout@polisci.wisc.edu

"Do Undecided Voters Break for the Challenger?"

There is an adage in American politics that in a political race featuring an incumbent, voters who are undecided in pre-election polls will vote lopsidedly for the challenger. This rule of thumb gives comfort to a challenger who is polling behind the incumbent, but does the adage hold true? And if so, what explains voters' movement toward the challenger? This paper uses a transition model for panel data to assess the validity of what I call the "challenger rule" and to explore several hypotheses about the behavior of undecided voters

Why might undecided citizens vote for the challenger? I offer three competing explanations. The first hinges on the advantage incumbents have in terms of voter knowledge about them. If voters are risk averse, then they will favor candidates about whom they know more, all else equal. Thus, they may initially express support for a well-known incumbent. But as the campaign progresses and voters gain information about the challenger, the incumbent's advantage in terms of knowledge fades. As a consequence, voter support for the challenger may rise.

A second explanation for the "challenger rule" suggests that people who have doubts about the incumbent—who is generally popular—are too nice to express them to a pollster, or believe it is socially undesirable to express them, and so they hide their true views by saying they are "undecided." But on Election Day when the ballot is secret, they express their true preference for the challenger. A final explanation is one of partisans "coming home." People who have a favorable view of the incumbent (as most people do), but do not share his or her partisanship, may express support for that incumbent in a survey. But when they get into the voting booth, they are reminded of their partisanship and end up pulling the lever for the challenger.

Previous work on the behavior of undecided voters has had many limitations. One is the use of a single cross-section of survey data. Such an approach can tell us about the characteristics of the undecided but not about their Election Day behavior. Other work, using state-level data, falls victim to the ecological fallacy by inferring individual-level behavior from aggregate-level data. Finally, those studies that do use panel data to examine undecided voters over time have been unable to generalize their results because they examine only a single campaign (e.g., Traugott and Tucker 1984). I solve all three of these problems by using a unique panel survey conducted by CBS News in 1984. Respondents from across the country were asked in October about their voting intentions in their districts' U.S. House races and were asked post-election for whom they voted.

Another contribution of my work is that I employ what Beck, Epstein, Jackman and O'Halloran (2001) call a "full transition model" to estimate vote choice between incumbents and challengers. Not only does this model account for non-independence within individuals over time, but it conditions the effect of each predictor of vote choice on the voter's initial state (i.e., undecided, favors challenger, favors incumbent). In other words, the transition model allows the structure of the vote decision to be entirely different among those who are initially undecided, those who initially favor the incumbent and those who initially favor the challenger. To negotiate among the competing theories outlined above, I include in the model both campaign-level predictors (the competitiveness of the race) and individual-level predictors (the survey respondent's level of education, attention to the campaign, partisanship).

Given that the ranks of the undecided in pre-election polls are often high and vary considerably across contests, it is important to study such voters. Moreover, understanding the conditions under which one is likely to see a strong movement toward the challenger on Election Day will enable pollsters to do more than reflect opinion at a certain time, but to be better forecasters of election outcomes as well.

Sousa, Mariana
University of Notre Dame
msousa@nd.edu

"Trade Openness and Democratic Survival: An Empirical Investigation"

Attributed to conventional wisdom is the belief that higher levels of international trade promote political stability and democracy. The rationale is that economic openness enhances democratic performance, increasing the probability of regime survival. Many have made such assertions without much theoretical or empirical justification. While policy-makers proclaim the wonders of free trade in promoting democratic values, scholars have addressed the matter in limited ways. This POSTER presentation attempts to remedy this lack of analytical attention by exploring the relationship between exposure to international trade and the prospects of democratic survival. Drawing on the evidence provided by a binary time series-cross-section (BTSCS) data set of 135 countries during the period 1950-90 (the Przeworski et al 2000 data set), it assesses the conditions under which democracies are more likely to survive. My main finding is that trade openness negatively affects the prospects for democracy.

Basically, this paper calls attention to a rich field of research involving the intersection of the literatures on democratization and globalization. Studies that do try to bring the two bodies of literature together suffer from two main shortcomings. First, they focus primarily on the effects of financial liberalization on democracy, rather than on the impact of trade. Second, among the studies that are concerned with trade, the large majority reverses the direction of causality. Instead of examining the influence of trade on democracy, they look into democratic regimes to find explanations for certain levels of trade openness.

The model here specified tries to capture the impact of both domestic and international level variables on the process of democratization. It is an improvement over earlier studies in the sense that it tries to control for the international political environment.
In addition, this study is methodologically innovative because it imports from the sub-field of International Relations the logit model with temporal dummies that account for temporal independence and applies it in the study of the determinants of democratic survival. The nature of the data poses challenges to the simple logit analysis. BTSCS observations are likely to violate the assumption of temporal independence of ordinary logit models. In this case, the coefficients are biased, and the inferences drawn from an ordinary logit analysis tend to underestimate the standard errors, yielding overly optimistic results. Based on a solution to this problem proposed by Beck, Katz, and Tucker's "Taking Time Seriously: Time-Series Cross-Section Analysis with a Binary Dependent Variable" (1998), we then estimate a logit model corrected for temporal dependence.

Just as we expect continuous time-series cross-section data to be temporally dependent (TSCS), BTSCS observations are unlikely to be statistically unrelated over time. Yet, most of the studies that employ this type of data ignore this temporal dependence, continuing to apply ordinary logit analysis (Farber and Gowa 1997, Oneal and Russett 1997). Since the remedies for TSCS data are not applicable to dummy dependent variables, scholars' best solution has been to downplay the severity of the problem.

For lack of better alternatives, some BTSCS analysts have instead preferred event-history methods. In their view, event-history methods are superior to the ordinary logit technique because they "allow corrections for censoring, heterogeneity, and duration dependence" (Beck, Katz, and Tucker 1998, p. 1264). Not surprisingly, the number of democratization studies using hazard models has considerably increased in recent years.

These two alternatives (i.e., ignoring the problem or using event-history methods) do not have to be the only options for the study of BTSCS. As shown by Beck, Katz, and Tucker (1998) a logit model – once corrected for temporal dependence – is, in fact, an event-history method for BTSCS data. By simply including dummy variables that "mark the number of periods since either the start of the sample period or the previous occurrence of an event" into the specification of the model, we can test whether or not the observations are indeed temporally correlated. If the answer is yes, then we should leave the dummy variables in the model otherwise, an ordinary logit model suffices.

Three main advantages of this type of model can be highlighted. First, the proposed technique does not require scholars to learn a totally new methodology to deal with BTSCS data. Second, as Beck, Katz, and Tucker (1998) well point out, a logistic regression corrected for temporal dependence can be readily "combined with Huber (1967) standard errors, which solve other problems inherent in BTSCS data" (p. 1283). Lastly, this method forces researchers to think about the problems of event-history analyses that are not addressed in logistic regressions.

Sweeney, Kevin
Ohio State University
Sweeney.101@osu.edu

"Testing the Balance of Power Theory: An Interest Based Explanation for Great Power Bargaining"

Theory

Despite an impressive collection of classical works on the international balance of power, little is known about the frequency or characteristics of Great Power alliance decisions to balance with the weaker side or bandwagon with the stronger side. Most works on the subject hold that balancing is the predominant Great Power alliance formation behavior because the anarchic nature of the international system makes the threat of war ubiquitous, and this threat forces Great Powers to balance with the weaker side in order to prevent hegemonic bids. Nevertheless many examples of Great Powers bandwagoning with the stronger side easily come to mind, and international relations scholars continue to debate the relative frequencies of these two behaviors. Despite the debate, no study to date has quantified the frequencies of Great Power balancing and bandwagoning. I clearly operationalize the concepts of balancing and bandwagoning with a novel research design and find that Great Powers ally with the stronger of two choices (i.e. bandwagon) more often than they ally with the weaker of two choices (i.e. balance). I argue that this surprising finding stems from the fact that Great Powers do not often face severe threats. As a result, they are not slaves to the international balance of power and are free to ally based on their interests – which are often counter to the balancing rationale. When Great Powers ally based on their interests, bandwagoning coalitions often form.

Design

To discern the relative frequencies of Great Power balancing and bandwagoning I investigate the alliance behavior of all Great Powers, as defined by the Correlates of War Project, between 1816 and 1992. Standard data designs in quantitative international relations are either monadic (one state is one observation) or dyadic (one pair of states is one observation). When considering the relative frequencies of balancing and bandwagoning, however, neither of these designs is sufficient because we need one state making the choice, and then two choices, in each observation. In essence, we need a triadic design. For each Great Power year I consider every dyadic pairing from the subset of remaining Great Powers. If the Great Power signs an alliance with at least one other Great Power in a given year four possibilities exist: it could ally with neither of the choices, it could ally with both of the choices, it could ally with the stronger side (bandwagon) or it could ally with the weaker side (balance). The frequencies of the latter two possibilities allow us to assess how common bandwagoning is relative to balancing. Between 1886 and 1992 I find that Great Powers bandwagoned with the stronger side 126 times and balanced with the weaker side 109 times. Based on a simple chi-squared test, we cannot reject the null hypothesis that bandwagoning occurs as often as balancing – a finding that is certainly counter to the expectations of classical balance of power theory. I test the interest based explanation for this relatively frequent bandwagoning behavior with an econometric model.

Methods

The data generating process of the phenomena under examination present unique methodological problems. Great Powers that sign alliances pacts are a non random sample of all Great Powers, thus a coefficients in a probit estimation where the dependent variable was bandwagoning would likely be biased. I account for this problem with a censored probit model. The selection equation predicts whether a Great Power will sign an alliance, with any other Great Power, in a given year. I argue the likelihood of Great Power alliance formation f(the cold war, the number of Great Powers in the system, the number of unallied Great Powers in the system, whether there is a world war ongoing, and whether the particular Great Power is a hegemon, fighting in a war, European, and signed an alliance last year). The selection equation is remarkably robust. All but one of the coefficients is in the correct direction and statistically significant ($p < .05$), and the model correctly predicts 91.57 % of Great Power alliance onsets. A simulation based method developed by Michael Herron shows that we are fairly certain of this percent correctly predicted (95% confidence intervals: 91.24%, 91.87%). The outcome equation, then, seeks to explain the instances of bandwagoning (given that an alliance has been formed), as a function of interests, threat, regime type, and contiguity.

Results

The results from the outcome equation strongly support the interest based explanation for Great Power bandwagoning behavior. Great Powers are more likely to sign alliances with the stronger of two options (i.e. bandwagon) the more similar their interests are with that option. This result is not only statistically significant ($p < .001$), it has strong substantive meaning as well. I extend the simulation based methodology developed by King et al. (clarify) to the censored probit model and find, for instance, if the level of interest similarity between a Great Power and its alliance partner increases by one standard deviation the probability of bandwagoning increases by 220.3% (95% confidence intervals: 126.7%, 259.7%) - by far the largest substantive change of any variable in the outcome equation. In fact, I find that the threat, regime type, and geography variables are unrelated to bandwagoning behavior.

Does this mean that balance of power theory is wrong? After having shown that bandwagoning is much more common that balance of power theory expects, and shown that interests explain this behavior, I investigate the conditions under which Great Powers do balance by reversing the dependent variable in the outcome equation. As I stated above, most classical works on the subject argue that balancing is most likely to occur when the level of threat in the international system is high, which they assume is often, if not always. In the second censored probit estimation I find that threat, indeed, is an important predictor of balancing behavior. These results combine to place important scope conditions around balance of power theory.

Walker, Robert
University of Rochester
wlkr@troi.cc.rochester.edu

"Monetary and Fiscal Policy with Endogenous International Finance"

This paper examines political and economic cycles with endogenous financial policies in (partially) open economies. There is widespread evidence that political systems generate differing incentives to employ general versus targeted opportunistic policies to encourage reselection (Persson and Tabeliini 2002). Monetary and fiscal policy differ significantly as instruments because monetary policy is nonexcludable whereas fiscal policy can be targeted. Thus, the incentives to utilize one policy versus the other depend critically on the desire for targeted versus general stimulation. At the same time, fiscal policy and monetary policy can be complementary, especially when general stimulus is the policy goal. In the abstract, monetary and fiscal policies can be substitutes or compliments in the pursuit of political gain. To adequately test hypotheses concerning the existence of political business cycles, it is imperative that this strategic interdependence be modeled.

Elsewhere, I demonstrate that the patterns of choice in financial policy (capital controls and exchange rate regimes policies) are nuanced and that these two policies are jointly endogenous (as Mundell suggests they should be). Taking Mundell's impossibility theorem as a point of departure, the effectiveness of monetary and fiscal policy to influence real outcomes then critically depends on the choice of financial policies. Thus, the available instruments (fiscal and monetary policy) depend critically on endogenous financial policy choices that are themselves conditioned on their instrumental value for achieving real economic objectives. These two motivations provide the foundations for the exploration of monetary and fiscal policies in related fashion. Just as there are strategic complementarities in the use of international financial policies, monetary and fiscal policies offer similar complementarities under imperfect capital mobility (A condition that most likely describes the real world. There is sizable evidence of a correlation between domestic savings and investment -- a correlation that should be zero under pure capital mobility). In a world of purely mobile capital, fiscal and monetary policy are pure substitutes.

In this paper, we combine the two aforementioned classes of endogeneity by examining regime-switching models of monetary and fiscal policy with endogenous state choices over ``financial policy regimes". We advance previous studies that have examined, in isolation, the effect of independent institutional actors in both fiscal and monetary policy by incorporating these constraints with the evidence and predictions of a simultaneous choice model of capital controls and exchange rate regimes. In effect, we allow monetary and fiscal policy to influence one another and investigate the patterns of substitution and complimentarity in a regime-switching model.

We argue that previous studies have obtained biased estimates of partisan and opportunistic cycles in fiscal and monetary policy because they have failed to consider the interdependence of monetary and fiscal policy by rational politicians. For example, if monetary and fiscal policy are both at least partially effective, then an adequate representation of electoral surprises must capture the effects on both policies and the possibility that leaders will substitute monetary for fiscal policy under certain conditions. Consider the following simple example.

Suppose that a government has complete control over both monetary and fiscal instruments and that this government has some target ``surprise" that is necessary to optimize the probability of reelection and social loss. If a government chooses either policy exclusively then strong evidence of an opportunistic cycle results on that policy, though other policies may remain fixed in the short-term leading to attenuated coefficients. If different policies have different appeal under certain circumstances, existing results are biased against the hypothesis that opportunistic cycles exist because existing results reflect some mix of the true effect and a zero effect because of the availability of multiple instruments.

However, beyond the simple motivation of the endogeneity of political cycle instruments, we examine the ways that international financial policy choices interact with the specific choice among monetary and fiscal instruments. Governments choose the relationship between the domestic and international economy and they do so in part because of the expected effects on domestic political competition. Therefore, an implicit theory to the modeling exercise is that policy makers choose among capital controls and exchange rate regimes with rational expectations about the need for stimulus and the optimal mix of monetary and fiscal policy for achieving their goals.

In short, our goal is to expand the study of partisan and opportunistic political business cycles to a more reasonable class of models given joint interdependence. Further, we test the relationship between financial policy choice and the mix of policy instruments that are employed. Finally, the structure of the theoretical model can be examined by employing comparative tests of different patterns of recursion in the system of equations that are consistent with different ways of conceptualizing partisan and opportunistic cycles in open economies.