

Discussion: The Quality of Bipartisan Legislation (L.Bethlendy)

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Short Recap: Motivation

- Opposition party sometimes opposes welfare-improving bills.

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- Opposition party sometimes opposes welfare-improving bills. Why?
→ support or lack thereof signals competences.
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- This paper:
 - electoral incentives mess with incentives to support legislation → making harder to recognize whether a bill is good solely based on its bipartisan nature.

Set Up

Timeline:

- ① Party M, competent w.p. μ , proposes a bill;
 - ② Competent Party m (competent w.p.) observes type of the bill and chooses whether to support it;
 - ③ Voter decides whether to elect m or M.
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Preferences:

- m party wants to get reelected (even at cost of implementing bad bill) \succ implementing good bill.

Results

- Minority always *panders* when reelection depends on it → minority's signal is not informative;
- Minority reveals information truthfully when reelection does not depend on it → minority's signal is informative.

Bipartisan support is only informative when 'decoupled' from electoral incentives.

Results

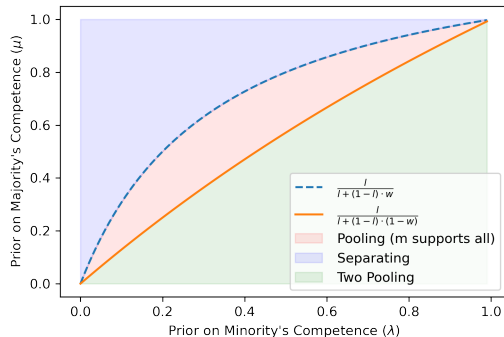


Figure 1: Minority opposes bill with low probability ($w = 0.25$)

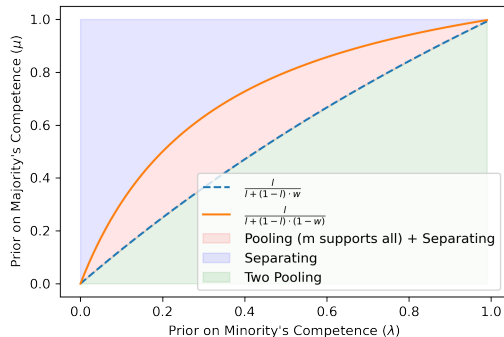


Figure 2: Minority opposes bill with high probability ($w = 0.75$)

Leverage Pandering + Pooling Zone

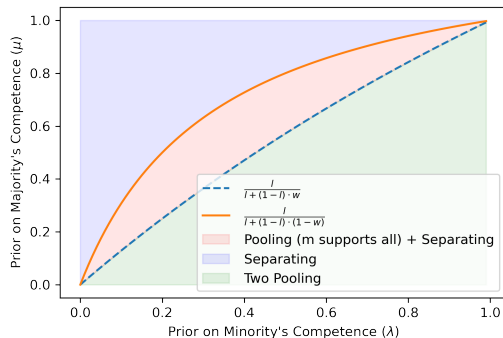


Figure 3: Caption

Leverage Pandering + Pooling Zone

- ① There is an interval when they both pander and separate \rightarrow because of the electoral incentives. It is because of the additional incentives to reveal information (policy-related). Leverage this. Study how much do you need to re-create exactly this.
- ② As w increases, separation interval (voter welfare maximizing) becomes larger. What about party m expected utility (before its type is realized)?

Minority Incompetence

- Minority's competence is its knowledge of state
 - but incompetent minority is not lack thereof.
- Are predictions robust to strategic incompetent minority? Is policy-related benefit enough to override incentives to pander?

Continuation Value

- One-period game that begins with bill's introduction and ends with the election:
 - there is no learning about competence of M from past election;
 - use prior beliefs to address this
 - competent minority party does not care about continuation payoff it received if incompetent party later takes office after minority wins
 - maybe introduce office term?
 - especially relevant when competent M party chooses bad policy – it should be aware it will do that in the next period too

Minor

Praising Good Behavior

- In equilibrium 'good behavior' (telling bill is good when it is good, telling bill is bad when bill is bad) is never rewarded
 - because we have only pure PBE.
- If the competent m can send signal good with probability inducing voter's indifference
 - voter can reward good behavior even when Prop.1(iii) is met
 - voter's welfare improvement.

Study-case Not sure it reflects the model's predictions – republicans opposition to 'border compromise' not necessarily signal of bill quality.