

6. CONCLUSION

This chapter has surveyed theories of organizational design from several fields: the theory of political entrepreneurship from the political economy literature; the theory of the firm in the industrial organization literature; and the Hobbesian theory of the state. From this survey we have pieced together a common view of the origin and functioning of organizations.

In rough outline, this view goes as follows: Collective action in any field of endeavor can produce a surplus, in the sense that collective output exceeds the sum of individual outputs. This surplus appears in firms, for example, whenever the production process is such that what worker A does increases the marginal productivity for worker B, and it appears in armies whenever what soldier A does increases the marginal effectiveness of soldier B. Such a surplus from collective action is an incentive to collective action. Unfortunately, even if the product is private (widgets or plunder) instead of public (national defense), a substantial free-rider problem stands in the way of voluntary cooperation. Absent unusual conditions, any single-period contract based solely on sharing the collective output leaves substantial incentives to shirk and free ride (Holmström 1982); and any multiperiod contract based solely on in-kind retaliation for shirking is implausible in large organizations. Thus, simple sharing rules and in-kind retaliation rules cannot sustain large organizations. Some attention to the actual actions taken by the various workers, soldiers, political activists, and so on is needed.

This necessity for keeping track of the actual effort and actions taken leads to the creation of specialists in monitoring—and gives rise to the profusion of auditors, managers, and supervisors observable in all real-world organizations of any size. But *quis custodiet ipsos custodes?* The answer has always been to arrange the incentives of auditors so that they will in fact ameliorate problems of collective action. The two basic forms this tinkering with incentives has taken are checks and balances (getting the auditors somehow to watch one another as well as those they audit) and hierarchy (placing auditors above the auditors). The latter solution, of course, leaves the top auditor unwatched, and here the solution has been twofold: to give the top auditor—whether general, CEO, or prime minister—a substantial personal stake in the success of the collective enterprise; and to provide a mechanism—coup, proxy fight, election, or whatever—for his or her removal.

Definitions of political parties have been offered from two main perspectives, one emphasizing structure, the other purpose. The structural perspective defines parties according to various observable features of their organization. Studies of the historical development of parties, for example, take pains to distinguish “premodern” parties from “modern” ones, typically by pointing to the increasing elaboration of extraparlimentary structures in the latter (Duverger 1954; LaPalombara and Weiner 1966). The purposive approach, by contrast, defines and categorizes political parties by the goals that they pursue. Typical examples include Edmund Burke’s definition of a party as a group of men who seek to further “some particular principle in which they are all agreed” (Burke 1975, 113); Schattschneider’s definition of a political party as “an organized attempt to get . . . control of the government” (Schattschneider 1942, 35); and Downs’s definition of a political party as “a team of men seeking to control the governing apparatus by gaining office in a duly constituted election” (Downs 1957, 25).¹

Neither the structural nor the purposive definitions of parties are suited to the needs of this chapter. The structural definitions take as defining features the kinds of things that we hope to explain. Moreover, these definitions generally turn on extraparlimentary organization rather than on the intraparlimentary organization that is our main concern.

1. Another approach, which defines parties in terms of the actions that they take, is pursued in Panebianco 1988.

The purposive definitions of party, by contrast, assume too much about the internal unity of parties. Indeed, the more formal definitions make parties into unitary actors who single-mindedly seek to maximize votes, probability of victory, policy-derived utility, or some such maximand.²

The unitary actor assumption has proven valuable for many purposes—spatial models of elections and models of coalition formation come readily to mind—but it is not a useful starting point from which to build a theory of the *internal organization* of parties. Such a theory must begin with individual politicians and their typically diverse preferences, explaining why it is in each one's interests to support a particular pattern of organization and activity for the party. Accordingly, we begin not with parties and postulated collective goals but rather with legislators and postulated individual goals. The task of this chapter is to explain how a party with substantial if not perfect coherence of collective purpose might emerge from the voluntary interaction of individual politicians. Put another way, we seek to answer the following question: How can a group of formally equal and self-interested legislators, with demonstrably diverse preferences on many issues, agree on the creation or maintenance of a party, on the organizational design of a party, and on the setting of collective goals? In answering this question, we borrow from the general perspective on organizational design developed in chapter 4.

The (admittedly partial) answer that we give to this question can be described as either neo-institutional or neo-contractarian, in the sense that these terms were used in the previous chapter. Those familiar with the economics literature will find it similar in intellectual content to the theory of the firm. We begin in section 1 by discussing the goals of individual legislators, accepting the usual emphasis on reelection but highlighting factors that improve the reelection probabilities of all members of a given party. Section 2 notes that not enough attention will be paid to these common factors—which are public goods to members of the same party—absent organized effort of some kind. In section 3 we argue that an important reason for the existence of legislative parties is to attend to the collective component in the reelection chances of its members. The arguments we employ are abstract enough that they might apply to a number of national and historical contexts. Our pri-

2. Downs (1957, 25) is explicit in stating that his party teams are "coalition[s] whose members agree on all their goals." A vast array of spatial models and studies of coalition formation also explicitly consider parties as unitary actors.

mary concern here, however, is suitability to the specific context of interest—the post–World War II American Congress.

1. THE REELECTION GOAL

The possible goals of rational legislators are many, including reelection, internal advancement, "good" policy, social prestige, advancement in the hierarchy of political offices, and so forth. Many studies, however, concentrate on the reelection goal, noting that reelection is typically necessary to satisfy other plausible goals. Although we do not assume that legislators are "single-minded" in their pursuit of reelection (Mayhew 1974), we do believe that it is an important component of their motivation and that, to begin with, it is reasonable to consider this goal in isolation.

The primary task of this section is to defend the notion that the probability of reelection of the typical member of Congress depends not just on such individual characteristics as race, sex, voting record, and so forth, but also on the collective characteristics of the member's party (cf. Arnold 1990). For some, this point might be entirely unobjectionable. After all, how many empirical studies of American voting behavior ignore the partisan attachments of the electorate as unimportant? Even some who have prominently argued that the electorate is "dealigned" judge contemporary levels of partisanship to be far from the point of "zero partisanship" (see Burnham's introduction to Wattenberg 1984, xi). And partisan attachments in the electorate imply a collective component in the reelection fates of candidates of the same party—as indicated in such venerable political science concepts as partisan "electoral tides" and presidential "coattails."

Nonetheless, many have noted that in the twentieth century the president's coattails have been getting shorter and shorter as the congressional and presidential party systems have become more and more separate (Calvert and Ferejohn 1983; Schlesinger 1985). It may also be that the steady stream of articles proclaiming party decline has planted seeds of doubt about the meaning of partisan electoral tides for today's well-entrenched House incumbents.

It is to those who entertain such doubts that we address this section. We start with a simple model in which the reelection probability of a typical House member may depend both on that member's characteristics and on the characteristics of the member's party. Notationally, we

shall write $R_i = R_i(c_i; p_i)$, where R_i represents the i th legislator's probability of reelection, c_i represents the i th legislator's individual characteristics, and p_i represents the i th legislator's party's characteristics.³ This notation reflects the "holy trinity" of voting research—party, personal characteristics, and issues—but collapses the latter two factors into c_i .

In order to say anything substantive about reelection, of course, we need more than this formal notation, which allows the possibility that R_i is a constant function of c_i , p_i , or both. We take it as uncontroversial that R_i depends substantially on c_i . Any reader who finds it uncontroversial that R_i also depends substantially on p_i may skip the rest of this section. Given the recent literature on the decline of party, however, we feel it necessary to defend this assumption explicitly.

1.1 THE PARTY RECORD

The degree to which p_i affects the probability of reelection depends, of course, on what exactly p_i stands for. Our interpretation is that p_i represents the *public record* of the i th legislator's party. Very briefly defined, this record consists of actions, beliefs, and outcomes commonly attributed to the party as a whole. For example, issue positions adhered to by substantial majorities of the party—especially if opposed by majorities of the other party—become part of its public record. Somewhat more carefully defined, a party's record is the *central tendency* in citizens' beliefs about the actions, beliefs, and outcomes attributable to the *national* party. Each of the italicized terms in this definition deserves some comment.

Taking the second term first, note that *party record* refers to *beliefs* about parties, not evaluations of them. This definition differs from notions of party identification—certainly from older versions that hinge on early socialization (Campbell et al. 1976), but also from revisionist versions that hinge on how voters evaluate the outcomes that they attribute to a party (Fiorina 1977). We follow Fiorina's account of party identification in our use of the term *party record* to refer to the things that might go into a voter's evaluative process; however, we construe these things more broadly, to include actions—and even beliefs—in addition to outcomes. A party's record, thus, is a commonly accepted summary of the past actions, beliefs, and outcomes with which it is

3. For each legislator i in the same party, p_i will be equal—but this does not mean that each legislator's reelection fate depends in the same way on the party's record, as we explain below.

associated. Of course, it is quite possible under this definition that some aspect of a party's record (some particular action, belief, or outcome) will help some of that party's incumbents, have no effect on some, and hurt still others. This does not mean that the party's record varies from district to district, but just that evaluations of it vary.

A party's record is best understood as the *central tendency* in mass beliefs rather than as a single primordial belief with which everyone is somehow endowed. Different individuals may identify the party with different actions, beliefs, and outcomes. Some may have no view at all. Others may have "erroneous" views (e.g., identifying the Republicans with more liberal policies). Nonetheless, there is generally a systematic and more or less "correct" component in mass opinions about the parties. Moreover, because *district* perceptions of what actions, beliefs, and outcomes should be associated with the parties are averages of *individual* perceptions, the systematic component in district perceptions is larger, and the idiosyncratic component smaller. Thus, incumbents—who, electorally speaking, face district rather than individual perceptions (or other group perceptions, such as that of the reelection constituency) of their party's record—tend to be faced with a similar perception of their party's record, regardless of where they run. The central tendency of district perceptions is symbolized formally by \bar{p}_i .

Of course, the difference between the Democratic party's record in Alabama and in Massachusetts is rather large, which is why our definition refers to *national* parties. There is no doubt that the Democratic party's record in Alabama was influenced by George Wallace and other state party figures. The actions, beliefs, and outcomes attributed to the national party, however, can vary independently of state and local factors. The national factors that have the best-documented impact on electoral results are the state of the economy and the performance of the president. But major pieces of legislation passed on a party basis presumably have some impact as well.

National events can have an impact both because of the evaluative response of voters—no doubt mediated by press reactions—and because potential candidates and contributors anticipate voters' responses (Jacobson and Kernell 1983). As Jacobson (1990, 4) puts it:

When national conditions favor a party, more of its ambitious careerists decide that this is the year to go after a House seat. Promising candidates of the other party are more inclined to wait for a more propitious time. People who control campaign resources provide more to challengers when conditions are expected to help their preferred party, more to incumbents when

conditions put it on the defensive. . . . The collective result of individual strategic decisions is that the party expected to have a good year fields a superior crop of well-financed challengers, while the other party fields more than the usual number of underfinanced amateurs.

The ultimate result is that general anticipations of a bad year help to bring about a generally bad year.

The logical extreme of Jacobson's argument could take the form of a self-fulfilling prophecy, with candidates' and contributors' responses to electoral chimeras working to transform rumor into reality. But as Jacobson (1990, 4) notes, "Decisions based on illusion are hardly strategic; national conditions must have some independent effect on the outcome for the argument to make sense."

As we noted above, a party's record may affect the reelection probabilities of its members in different ways: witness the civil rights issue in the 1960s. Nonetheless, substantial components of a party's record affect all its members similarly: for example, all are hurt by scandal or helped by perceptions of competence, honesty, and integrity; all or nearly all are helped by the party's platform, when taken as a package. Thus, party records often can be changed in ways that affect the vast majority of party members' reelection probabilities in the same way (either helping all or hurting all).⁴

If this claim is true, the election statistics for the House should reveal that the electoral fates of members of the same party are tied together, as suggested in the old metaphor of *electoral tides*. We shall now discuss three slightly different methods of testing whether this is the case in the postwar period.

1.2 THE EXISTENCE OF PARTISAN ELECTORAL TIDES

The first method of testing for the existence of electoral tides is that employed in the literature on the nationalization of electoral forces (Stokes 1965; Stokes 1967; Claggett, Flanigan, and Zingale 1984; Kawato 1987). The national partisan forces found in this literature are essentially what we are looking for: their statistical definition entails that they affect all candidates of the same party similarly. Much of the literature does not

4. This is not to deny that what is good for the legislative party may be bad for the presidential party. Individual Democratic legislators can run for reelection by picking and choosing the aspects of the overall party record that they wish to emphasize, avow, or disavow. Walter Mondale, by contrast, found it hard to repel the image of a party beholden to special interests that candidate Reagan conjured up during the 1984 presidential campaign.

bother to report tests of whether the national forces discovered are statistically significant, however. Thus, we briefly conduct our own analysis of variance, focusing on interelection vote swings to the incumbent party.

The vote swing to the incumbent party can be computed for every pair of consecutive elections held in a given district simply by taking the percentage of the two-party vote received by that party's candidate at the later election and subtracting from it the percentage of the two-party vote received by that party's candidate in the earlier election. If there are national factors that affect all candidates of a given party in similar fashion, then an analysis of the variance in these interelection swings should reveal a partisan effect: all Democratic candidates should tend to move together, and similarly for the Republicans.

We have examined this possibility. We shall not present the details of the analysis here, but the bottom line is that if party and year are included as main effects, along with their product as an interaction effect, all three factors are statistically significant in explaining interelection vote swings. This finding provides evidence that candidates of the same party do tend to be pushed in the same direction from year to year.⁵

Another way of demonstrating this sharing of electoral experience is to look at a subset of the data used in the analysis of variance—namely, those districts in which an incumbent was running against a major-party opponent. There were 292 such districts in the 1948 election, for example. If we regress the swing to each of these incumbents on a dummy variable equal to 1 if the incumbent was a Democrat and 0 otherwise, the resulting coefficient gives the difference between the average swings to Republican and Democratic incumbents; the associated *t* statistic tests whether the difference in average swings to the two parties' incumbents is statistically discernible from zero. The difference in average swings to the two parties' contingents of incumbents in 1948 was 14.6 percent, statistically significant at the .0001 level. Table 16 gives the corresponding significance levels (with the coefficient and its standard error) for all years from 1948 to 1988. The difference in swings to the two parties is significant at the .05 level (or better) in all years except 1968. This result is consistent with the hypothesis that there is some common element in

5. This analysis is essentially the same as that conducted by Kawato (1987), except that he deals with a longer time period and uses the components of variance technique. Kawato also found a statistically significant national or common element in interelection swings (personal communication).

Dependent Variable: Interelection vote swing to incumbent candidate^a

Year	Absolute Value of Estimated Coefficient of Party Dummy ^b	Standard Error	Significance Level
1948	14.6	.76	.0001
1950	5.1	.60	.0001
1952	4.8	.74	.0001
1954	8.1	.56	.0001
1956	4.6	.59	.0001
1958	13.6	.64	.0001
1960	5.9	.62	.0001
1962	2.0	.68	.004
1964	10.2	.68	.0001
1966	14.6	.73	.0001
1968	1.2	.74	.112
1970	7.3	.75	.0001
1972	3.6	1.00	.0004
1974	13.3	1.05	.0001
1976	4.8	.87	.0001
1978	5.5	.98	.0001
1980	7.2	1.02	.0001
1982	7.0	.94	.0001
1984	8.6	.83	.0001
1986	6.5	.76	.0001
1988	2.0	.81	.014

^a Defined as the percentage of the two-party vote received by the incumbent candidate at election *t*, minus the percentage of the two-party vote received by the incumbent candidate at election *t* - 1. Only contests with incumbent candidates are analyzed.

^b The party dummy variable equals 1 if the incumbent was a Democrat, 0 otherwise. Third-party incumbents are excluded.

the electoral fates of incumbents of the same party that distinguishes them from the other party.⁶

A third method of illustrating the existence of such a common element looks directly at the probability of winning, which we have posited to be of central concern to all incumbents. Pooling all contests with opposed incumbents in the period 1948-88, we have estimated each incumbent's probability of victory (using probit) as a function of two variables: the percentage of the vote garnered in the previous election, and the average swing to all *other* incumbents of the same party in that year (the value of the swing variable for Tony Coelho in 1984, for example, is the average of the 1982-84 swings to all Democratic incumbents other than Coelho). The coefficient of the party swing variable is of the expected (positive) sign and statistically significant at the .0001 level (table 17).

What this coefficient means in terms of the typical incumbent's probability of victory is explored in the lower panel of table 17. It should first be noted that one would expect the impact of national electoral tides to vary from district to district. After all, even a very large positive swing cannot improve the chances of an incumbent already certain to win, but the same swing may substantially improve the chances of an incumbent who is in a close race. Thus, the answer to the question, How much would a one-percentage-point change in the swing to an incumbent's party change her chances of victory? depends on the initial probability from which the change is to be made. The "Initial Probability" column in the lower panel gives a series of such hypothetical initial probabilities. The impact of a one-percentage-point decrease and of a five-percentage-point decrease in the swing to the incumbent's party is

6. We performed a similar analysis for open seats. In 1948 (again) there were thirty-five contests in which no incumbent candidate ran. The swing to the incumbent party in these districts was regressed on a dummy variable equal to 1 if the Democrats were the incumbent party, 0 otherwise. The coefficient on the dummy variable tests the hypothesis that there is no difference in the average swing to two groups of candidates: (1) Democratic candidates defending a seat from which a Democratic incumbent has retired; and (2) Republican candidates defending a seat from which a Republican incumbent has retired. If we did not include the dummy variable and simply regressed swing on a constant term, the results would give the average swing to a party losing an incumbent candidate—that is, an estimate of what is usually called the "retirement slump." By including the party variable, we test whether the slump a party suffers on retirement of one of its incumbents is worsened—or offset—by national partisan swings. The results can be summarized as follows: prior to 1966 all but two of the party coefficients are significant at the .05 level; afterward, as one would expect from the literature on the "incumbency effect," all but two of the party coefficients are insignificant. The last year in which open seats were identifiably affected by national partisan trends was 1974.

TABLE 17. PARTISAN SWINGS AND INCUMBENT CANDIDATES' PROBABILITIES OF VICTORY

Dependent Variable: Equal to 1 if incumbent candidate won election, 0 otherwise

Independent Variables	1948-88	1966-88
Constant term	- 3.996 (.350)	- 2.950 (.374)
Incumbent candidate's vote in last election ^a	.095 (.006)	.076 (.006)
Average swing to incumbent's party ^b	.156 (.009)	.140 (.012)
N	6,249	3,639

Interpretation of Results

Decrease in Probability Due to a Decrease in the Swing to Incumbent's Party of

Initial Probability	1%	5%
.99	.005	.051
.95	.018	.144
.90	.030	.208
.75	.052	.292

^aThe percentage of the two-party vote received by the incumbent in the previous election.

^bThe average of the swings to all other incumbents in the incumbent's party.

given in the columns headed "1%" and "5%." Thus, for example, an incumbent with an initial probability of victory of .90 would suffer a decline of .03 (to .87) were unexpected events to generate a one-percentage-point decrease in the swing to her party. A five-percentage-point decrease would produce a decline of .208 (to .692). The interpretation, of course, is not that the swing itself produces such effects but that the unobserved forces that harm other members of the party also hurt the member in question. In other words, the common factors in the reelec-

tion chances of incumbents of the same party are large enough that the chances of each can be predicted by the average experience of the rest.

1.3 SECULAR TRENDS AND REGIONAL DIFFERENCES

The three sets of results just presented are sufficient to show both that there really is a common element in the reelection fates of incumbents of the same party and that it is large enough to be worth doing something about. Nonetheless, two questions about these results might occur to those who view House elections as essentially local phenomena in which the impact of any national or common element is negligible. First, it might be thought that the size of the common element will have declined substantially in and after the 1960s, with the growing importance of the "incumbency effect." Second, it might be thought that the degree of commonality has been overstated for the Democratic party because of an underrepresentation of southern Democrats in the data. We turn next to these two concerns.

A slight decline in the strength of partisan electoral tides can be seen in three different analyses. First, the average difference in the swings to Democratic and Republican incumbents has declined a bit: from 7.2 percent in the 1950s to 6.8, 6.9, and 6.3 percent in the succeeding three decades (table 16, column 1). Second, table 17 provides a probit estimation of incumbents' probabilities of victory for the period from 1966 to 1988 (chosen because 1966 is often found in the literature on incumbency to be an important turning point); the coefficient on the party swing variable declines from .156 to .140, remaining significant at a high level. Third, Jacobson (1990) has estimated similar probit equations for the 1972-86 period and found quite comparable results. His equations have the additional merit of controlling for several variables not included here: whether the challenger had held previous elective office, how much the challenger's campaign spent, and how much the incumbent's campaign spent.⁷ All told, the evidence points to only a slight decline in the magnitude of national partisan tides over the postwar period.

As for the southern Democrats, it is best to start with an account of

7. Jacobson (1989) recently performed a probit analysis over the entire 1946-86 period in which time trend interaction terms were included for all his variables. He found a statistically significant decline in the party swing coefficient, but the decline was not particularly large in a substantive sense.

why they are underrepresented in the data. Any analysis of House election results must make a decision regarding uncontested races. We have followed conventional procedure and excluded these races.⁸ Because most uncontested races are in the South, and because the vast majority of southern representatives are Democratic (especially in the early postwar years), the result is that a smaller proportion of southern than of northern Democrats who sought reelection make it into the analysis: 29 percent as opposed to 86 percent. This in turn means that the southern Democrats constitute 34 percent of all Democrats seeking reelection but only 15 percent of all Democrats in the analysis.

Because of this underrepresentation of southern Democrats, it is possible that our results overstate the magnitude of the common or national element in Democratic electoral chances. One way to test this hypothesis is to look at the average interelection vote swings to three groups of incumbents—Republicans, southern Democrats, and northern Democrats—for the twenty-one election years from 1948 to 1988. The correlation between the yearly swings to the northern and southern contingents of the Democratic party is .79 (significant at the .0001 level). By comparison, the correlations between the yearly swings to Republican incumbents and to the two groups of Democratic incumbents (northerners and southerners) are $-.92$ and $-.68$, respectively. These figures suggest that the difference in electoral experience *between* the parties has been far larger than any internal Democratic difference.

Another way to assess the differences in electoral experience of northern and southern Democrats is to look at how well the average swing to the northerners predicts success in the South, and vice versa. If the South were *sui generis*, then presumably electoral tides there would not be a good clue to northern success, nor would northern tides predict southern success. Table 18 presents the results of a test of this null hypothesis. Equation 1 in that table is the same as the first equation in table 17, except that only Democratic incumbents are included; the estimated coefficients for Democratic incumbents by themselves are quite similar to those for Democrats and Republicans together. The second equation in table 18 uses the average swing to incumbents in the "other" region of the party in place of the average swing to the full Democratic party; that is, the value for southerners is the swing to northerners, and the value of northerners is the swing to southerners. The coefficient on

8. An *uncontested race* is defined as one in which only one major party candidate seeks election to the seat in question.

TABLE 18. NORTHERN DEMOCRATIC SWINGS, SOUTHERN DEMOCRATIC VICTORIES, AND VICE VERSA^a

Dependent Variable: Equal to 1 if incumbent candidate won election, 0 otherwise		
Independent Variables	Equation 1	Equation 2
Constant term	-3.672 (.502)	-3.516 (.484)
Incumbent candidate's vote in last election ^b	.089 (.009)	.086 (.009)
Average swing to incumbent's party ^b	.164 (.016)	—
Average swing to regional Democrats ^c	—	.078 (.008)
N	3,176	3,176

Interpretation of Results		
<i>Decrease in Probability Due to a Decrease in the Swing to Regional Democrats of</i>		
<i>Initial Probability</i>	1%	5%
.99	.002	.016
.95	.009	.055
.90	.014	.086
.75	.025	.138

^a Only Democratic incumbents were included in the analysis.

^b See table 17.

^c For northern (southern) Democrats, this is the average of the swings to southern (northern) incumbents.

"regional party swing" is significantly different from zero at the .0001 level but about half the size of that on "full party swing": .078 versus .164. As shown in the lower panel of the table, this translates into impacts on probability of victory that are about half the size of those reported in table 17. The conclusion to draw from this evidence is that there is some regional variation in interelection vote swings, with southern and northern Democrats facing somewhat different electoral tides.

But there nonetheless remains a detectable common element, so that tides in one region are a good clue to success in the other.

1.4 THE PERCEPTION OF PARTISAN ELECTORAL TIDES

The last subsection provided evidence of a common element in the electoral chances of House incumbents of the same party. We now ask whether members of the House recognize this commonality.

One way to answer the question is by asking members directly. Responses in interviews are not always frank or well thought out, however, and in any event we do not know of any interviews that have asked the appropriate question. Another method is to note those instances in which members seem clearly to act on the hypothesis that there is a common element in electoral politics. As Thomas B. Edsall noted (*Washington Post Weekly*, 27 Mar. 1989, 29), for example, Newt Gingrich's attack on Jim Wright's ethics seems to have been motivated by such a belief. Unfortunately, we do not know quite how to assess this kind of evidence—how many such episodes would be convincing?—and so have not pursued it.

The method that we have pursued is to allow members of Congress to speak for themselves through their retirement decisions. If partisan electoral tides are perceived by members of Congress in roughly the same fashion (so that there is rough agreement on which way the tides will be flowing), then there ought to be a negative correlation between the rates at which incumbents of the two parties retire. Examining data from 1912–70, Jacobson and Kernell (1981, 54) report that “removing the secular growth of careerism by examining change scores and omitting [the 1942 war election], we find that Republican and Democratic retirements do move in opposite directions. The $-.43$ correlation (significant at $.01$) of the partisan retirement ratio indicates a pronounced systematic component in behavior which heretofore has been viewed as idiosyncratic.” Jacobson and Kernell note that the post-1970 period has seen substantial changes in retirement benefits, which have altered the pattern in retirement rates.

1.5 SOME CRUCIAL PREMISES

The argument in the rest of this chapter depends crucially on the premise that party records have at least a “noticeable” impact on the reelection probabilities of their members. We cannot quantify the degree of

impact, but we can say that the stronger the reader believes the electoral impact of party records to be, the more convincing will be the arguments to come.

The evidence presented above should at least convince the reader that there is a common element in the electoral chances of members of the same party. This does not prove that party records must be important, of course, because there may be other mechanisms that produce a correlation between the electoral fates of members of the same party, mechanisms that are not related to or mediated through the party record and reactions to it. Nonetheless, we believe that any plausible explanation for electoral tides must to some degree involve party records and voter responses to parties as collectivities.⁹

It is not enough that what parties do—as encapsulated in their party records—affects the (re)election chances of their members. Some researchers view national partisan swings as largely outside the control of members of Congress. For example, Mayhew (1974, 28) writes that “national swings in the congressional vote are normally judgments on what the president is doing . . . rather than on what Congress is doing.” He cites Kramer (1971) as showing that “the national electorate rewards the congressional party of a president who reigns during economic prosperity and punishes the party of one who reigns during adversity.” A bit later (30–31) he notes the difficulty of finding “an instance in recent decades in which any group of congressmen . . . has done something that has clearly changed the national congressional electoral percentage in a direction in which the group intended to change it.” If one accepts this view, then the prospects for the remainder of our argument—or for any argument that views congressional parties as instruments to improve the collective electoral fate of their members—are bleak.

We need, therefore, to reconsider the evidence. Two points bear

9. What form would be taken by an explanation for electoral tides that made no reference to party records? One might suppose that Republicans do worse on average than Democrats in some given year because most of them have supported some specific policies that their constituents have judged harshly. But then one must ask why more Republicans than Democrats were unable to predict what the reactions of their constituents would be to their legislative actions. If all politicians are equally good at catering to their constituencies, then tides of this type should rarely occur. Another possibility is that most of the Republicans bought into a particular policy stand that events then undermined. Voters do not think of the policy as a Republican policy; they just think of it as a failed policy, and most of the candidates who supported it happen to be Republicans. Of course, this scenario provides what are seemingly ideal conditions for collective responsibility to be assigned, and one must ask why it is that voters blame individual Republicans for the failure of a policy to which they as individuals contributed only one vote.

stressing. First, although the extant literature (e.g., Kramer 1971; Tufte 1975; Bloom and Price 1975) does find that macroeconomic conditions and presidential popularity account for a substantial portion of the variation in the aggregate House vote, these variables are far from accounting for all the variation.¹⁰ Second, even that portion of the variation that is accounted for *statistically* by presidential popularity and macroeconomic conditions is not beyond congressional influence. If one believes that legislation can have a substantial impact on presidential popularity (or macroeconomic health) and that members of Congress are aware of this, then one must conclude that presidential popularity (or macroeconomic health) is the outcome of a game in which both Congress and the president have a role (see Kernell 1991). Members of Congress, in other words, collectively can influence the variables that influence partisan electoral tides.¹¹

2. REELECTION MAXIMIZERS AND ELECTORAL INEFFICIENCIES

The argument of the rest of the chapter is simply that the element of commonality in the electoral chances of incumbents of the same party is strong enough to merit attention; parties that organize sufficiently to

10. Kramer (1971), for example, explains about 64 percent of the variation. Tufte (1975) explains 91 percent but has only eight data points. Respecifications of Tufte's model on longer time series show significantly lower R^2 's. Are congressional actions important in explaining that part of the variance not accounted for by the economy (and presidential popularity)? To show this positively, one would need some way of measuring what Congress does. But such measurement is unavoidably difficult because of the nature of legislative action. Social Security legislation, for example, has not waxed and waned over the years as has the economy. It is therefore difficult to find its effect in aggregate time-series analysis—and the same problem besets virtually any issue. One might resort to some sort of analysis focusing on the point in time that the legislation was first passed. But suppose one were to find an issue that seemed to spark a noticeable gain for one party. That would beg the question of why this issue, if so profitable, was not pushed earlier. Finding an issue big enough to be clearly identifiable in the way that Mayhew (1974) demands is equivalent to finding a big mistake—a protracted failure to recognize the growing salience of the issue—by one of the parties. If the parties are actively sniffing out electoral advantage, then big issues with a clear national impact should be rare. This is not to say that congressional parties do not contribute to the record on which their collective interests ride, but only that the contribution comes in many small payments, each difficult to be sure of by itself.

11. Another route to showing that not all the action is extracongressional is to run the probits in table 17 again, including economic variables and presidential approval ratings. We have done so and found no change in the size and significance of the party swing variable. The common element in the electoral fates of incumbents of the same party cannot be explained simply by economic and presidential variables.

capture these potential collective benefits will be more successful electorally, hence more likely to prosper, than parties that do not.¹²

Before showing how the organized may prosper, however, we shall consider how the unorganized may not. We assume, to begin with, that each legislator seeks to maximize her probability of reelection and can take a variety of actions in the legislature (e.g., speaking and voting) that affect either her individual reputation, her party's collective reputation, or both. Because individual reputations (c_i) are essentially private goods, it is not difficult to explain why legislators undertake activities—such as pork barreling and casework—that enhance their own reputations. In contrast, the party's reputation, based on its record (p), is a public good for all legislators in the party. This means that party reputations may receive less attention than they deserve, for the usual kinds of reasons (Olson 1965).

Consider, for example, the transition rules employed by House Ways and Means Committee chairman Dan Rostenkowski to facilitate passage of the 1986 Tax Reform Act. Certainly the Democratic members of Congress who benefited from these transition rules were in favor of them. Yet, had Rostenkowski been too liberal in his distribution of this largesse, presumably there would have come a point at which the damage done to the reputation of the party as a whole would have outweighed the sum of individual benefits. Republicans nationwide would have champed at the bit to run against the party that had sold out so completely to the special interests, and everyone in the Democratic party could be made electorally better off by some package of retrenchments on transition rules and alternative, less-sensitive side payments to those bearing the brunt of the retrenchment. Yet no individual Democrat would have an incentive unilaterally to give up her transition rule(s), and so—absent collective action of some sort—the party's reputation on matters financial would be tarnished.

Another scenario in which both party and individual reputations might be tarnished, absent collective action, arises when legislation confers collective benefits and costs on many voters in many districts. Such legislation by definition poses at least two collective action problems that

12. A somewhat different starting point for a theory of parties would see them as organizations designed to facilitate passage of those policies that members of the party hold in common. We do not intend to deny the validity of this approach by pursuing the one that we do in the text. Rather, just as in the literature on party behavior, it seems fruitful to pursue an analytical policy of "divide and conquer"—considering the main motivations behind party development one at a time. (We intend to address the concept of parties as vehicles for producing policy in future work.)

interfere with its being translated into electoral profit. First, benefits and costs are not excludable: they accrue to all citizens regardless of whether they individually have supported or opposed any legislators deemed responsible. Second, because bills are enacted by majority vote in a large assembly, no individual legislator can credibly claim personal responsibility for providing the benefit (Fiorina and Noll 1979). Both these problems make it less likely that any single legislator can turn her support of legislation conferring collective benefits into electoral profit. This difficulty in turn makes it theoretically less likely that legislation conferring collective benefits would ever get passed—or, more to the point, that it would ever get pushed far enough along in the legislative process so that it might actually come up for a vote.

The difficulty facing collective-benefits legislation of this kind can be exposed in the simple question, Who is to bear the costs of drafting and negotiating logrolls in support of such legislation? This problem does not arise in complete information models, as can be seen in the following example.

Suppose that the majority party is divided into two factions, *N* and *S*. They face a unified opposition, *R*, and any two voting blocs constitute a majority. Only two bills are under consideration, *N* (proposed by *N*) and *S* (proposed by *S*). It is common knowledge that all legislators seek to maximize their own probability of reelection and that preferences over the bills are as follow (where *N*s stands for the outcome in which bill *N* passes and bill *S* does not, *ns* means that neither bill passes, and so forth):

everyone in *N*: $Ns > NS > ns > nS$
 everyone in *S*: $nS > NS > ns > Ns$
 everyone in *R*: $ns > Ns > nS > NS$

Given these preferences, both bills will fail if everyone votes sincerely and the bills are voted on separately. But *N* and *S* can do better if they agree to package their bills and vote directly on the question “both (*NS*) or neither (*ns*)?” Moreover, there is no informational impediment in this model to *N* and *S* concluding this deal. Any individual in *N* or *S* would happily bear the apparently trivial costs of proposing such a package during floor consideration—and so the logroll might well occur. (The only “problem” in this model—and it does not obviously impede the logroll—is majority-rule instability: once *NS* is passed or about to

be passed, *N* and *R* could both do better by supporting *N*s, and so forth.)

Now consider a more complex model in which (1) everyone in *N* wants a bill, *N*, whose characteristics are common knowledge; (2) everyone in *N* (and *S*) thinks that there probably exists some sweetener *S* that will induce *S* to go along with them; but (3) no one knows exactly what this sweetener is; and (4) it would be costly to “invent” an appropriate sweetener and sell it to *S* (and *N*). In this model, a free-rider problem arises for the members of *N* (and *S*): no single one of them wishes to bear or contribute to the costs of searching for the sweetener, because this action is invisible to voters and they cannot credibly claim credit for it. Hence, collective-benefits legislation will be underproduced, entailing an *electoral inefficiency*: even though everyone in *N* and *S* could be made better off if a sweetener were produced, no one wants to contribute to the costs of its production, and so none (or too little) is produced.¹³

3. PARTY LEADERSHIP

In the last section we sketched two theoretical accounts of how unorganized groups of reelection-seeking legislators might overproduce particularistic-benefits legislation and underproduce collective-benefits legislation in an electorally inefficient fashion. We now argue that political parties can help to prevent electoral inefficiencies of this kind.

The way in which parties do this can be seen by considering the incentives of party leaders. So far, we have assumed that every legislator seeks simply to maximize her probability of reelection. This assumption led directly to the inefficiency result of the last section. Yet not all elections are created equal. The payoff to being reelected is higher if one's party wins a majority, as evinced by the obvious payoffs in terms of the Speakership and committee chairmanships, by the chronic and sometimes loud complaining of the Republicans in the House of Rep-

13. It is interesting, although tangential to our present purposes, to note that the free-rider problem in the production of collective-benefits legislation is prior to, and partially alleviates, the problem of instability. To get instability one needs complete and costless information about the electoral effects of all potential legislation, coupled with costless drafting of legislation. If drafting bills, communicating their characteristics (e.g., their likely effects), and negotiating logrolls are costly, then a free-rider problem may considerably reduce the supply of collective-benefits legislation—and hence the potential instruments by which instability could be revealed.

representatives, and by the pattern of voluntary retirements from the House.¹⁴ Moreover, there may well be a purely electoral payoff to majority status: how much less money would Democrats get from business political action committees if they were in the minority? It seems likely that they would lose more than could be accounted for simply by the loss in members. The payoff to being reelected is also higher if one is elected or appointed to a leadership position in one's party, rather than remaining in the rank and file. Both of these features are endogenous: majority status and leadership posts can be made more or less attractive by changes in House and caucus rules.

These simple facts—that majority status can be made preferable to minority status, that leading can be made preferable to following—suggest a rather different view of the motivation of rational legislators than that adopted in the last section. Reelection remains important, even dominant, but its importance can be modified significantly by the desire for *internal advancement*—defined both in terms of a party's advancement to majority status and in terms of the individual MC's advancement in the hierarchy of (committee and leadership) posts within her party. If internal advancement is to some extent contingent on the servicing of collective legislative needs, then the desire for internal advancement can play the leading role in solving the problems of electoral inefficiency mentioned in the last section. We show how this follows in the case of the Speaker of the House (other cases being similar in general outline).

We must first select a point in time at which to analyze the Speaker's preferences. There are two possibilities: the (short) period just after a

14. The Republicans have controlled the House only twice in the postwar period, in the Eightieth and Eighty-third Congresses. Thus, there is little variance in the majority status of the parties. Nonetheless, majority status, not party, predicts retirement rates. This can be shown as follows. Let the dependent variable be the retirement rate (computed, for a given party and Congress, as the percentage of all that party's sitting members who do not seek reelection, for some reason other than death). We have two observations per Congress, for a total of forty-two. Regress this dependent variable on the following independent variables: Party (= 1 for the Democrats, 0 for the Republicans); Majority Status (= 1 if the party controlled the House, 0 otherwise); and Presidential Status (= 1 if the party controlled the presidency in November of the election year ending the Congress, 0 otherwise). The result can be expressed as follows: Retirement = $8.99 - .04 * \text{Party} - 2.67 * \text{Majority Status} + 1.87 * \text{Presidential Status}$. The t statistics for Party and Majority Status were 0.03 and 1.95, respectively. Given that there was considerable collinearity between the Party and Majority Status variables (the Democrats were almost always in the majority), the results are surprisingly strong. They indicate almost no partisan effect and a substantial majority status effect: holding constant other variables, majority status is worth a decrease of 2.67 percentage points in the retirement rate of a party. The Presidential Status variable, which reflects the federal appointments available to a representative whose party controls the presidency, has a t of 2.30.

potential Speaker is elected to Congress but before he is elected as Speaker, and the (long) period after the Speakership election but before the next congressional election. In the first period, the goal of reelection to Congress has already been attained, as has the goal of majority party status. All that remains as an *immediate* goal is winning the nomination of the majority party as Speaker (which leads automatically to election by the House). In the second period, all three goals have been resolved for the present Congress but remain to be attained in the next Congress. Of course, all three goals must be achieved anew in the *next* Congress. The primary difference in preferences, then, is simply one of which goal is most immediate (i.e., least discounted). We have chosen to focus on the second and longer period because it yields a technically simpler maximand. (We do not make the assumptions necessary to drive a real wedge between *ex ante* and *ex post* preferences, as does Kramer (1983); nonetheless, some similar problems arise and are discussed below.)

Given a focus on the period after the Speakership election but before the next congressional elections, we can write out the implied maximand for the Speaker of the House. We normalize the utility of failing to be reelected to the next Congress to be zero and use the following notation:

u_{11}	=	the utility of being reelected, having one's party secure a majority, and being reelected as Speaker
u_{10}	=	the utility of being reelected, having one's party secure a majority, and <i>not</i> being reelected as Speaker
u_{01}	=	the utility of being reelected, having one's party secure a minority, and being reelected as leader of one's (now minority) party
u_{00}	=	the utility of being reelected, having one's party secure a minority, and <i>not</i> being reelected as leader of one's party
x	=	a vector of actions taken by the Speaker
$R(x)$	=	the Speaker's probability of reelection, given x
$M(x)$	=	the probability that the Speaker's party will secure a majority, given x and that he wins reelection
$S(x)$	=	the probability that the Speaker will be reelected as Speaker, given x , that he wins reelection, and that his party secures a majority

$L(x)$ = the probability that the Speaker will be reelected as leader of his party, given x , that he wins reelection, and that his party secures a minority

In terms of this notation, the Speaker's maximand can be written as follows (we suppress the functional dependence of R , M , S , and L on x for convenience):

$$R[MSu_{11} + M(1-S)u_{10} + (1-M)Lu_{01} + (1-M)(1-L)u_{00}]$$

The practical meaning of this expression is that Speakers are faced with a mixture of three motivations: increasing their personal probability of reelection (R); increasing the probability that their party secures a majority (M); and increasing the probability that they are reelected as leader of their party (S and L). It is important to note that these three goals can in principle conflict but that the degree to which they do so in practice is endogenous to the majority party.

Consider first the possibility of conflict. The three goals of maximizing R , M , and S/L differ most clearly in terms of the set of districts to which the Speaker needs to pay attention in order to satisfy those goals. To win reelection to Congress, he can focus primarily on his own district; to win reelection as leader of his party, he will probably focus on those districts that returned or are expected to return members of his party (representatives from these districts constitute the "electorate" for the leadership contest); to secure a majority for his party, he may consider all districts. (If the action x that the Speaker takes is construed to be simply the selection of a policy from a unidimensional policy space—and if some rather heroic assumptions are made, which need not detain us here—then the potential conflict between a Democratic Speaker's goals can be expressed as follows: to maximize R he should choose x equal to the median of *his own* district; to maximize S/L he should choose x equal to the median of the *median Democrat's* district; to maximize M he should choose x equal to the median of the *median legislator's* district. The model that generates this result should not be taken too seriously, but it conveys the flavor of the possible conflict among the Speaker's goals.¹⁵)

15. The heroic assumptions are as follows: Assume that the policy space is unidimensional and interpret the action (x) that the Speaker takes as simply the selection of a policy that he will support using the power and resources of his office. This choice is made after the election of the Speaker in a given year; he anticipates the impact that his choice will have on R , M , and S/L two years hence. In this model, what is required to maximize R is

Despite the *potential* for conflict among the Speaker's goals, they may not conflict much in equilibrium. As we show below, this is primarily because the Speaker is elected and faces competition for the post *within his party*.

1. R versus S/L : If maximizing the probability of being elected as party leader requires, let us say, being in the middle of the party's ideological range, then presumably those who *are* in this range and have constituencies that allow or support this position are more likely to win the leadership election. Other things equal, party leaders are more likely to come from districts that are typical of the mainstream of their party than from atypical districts. But this should mean that those who actually win leadership elections are unlikely to face strong conflicts between the goal of reelection to Congress and reelection to the leadership.

This argument implicitly assumes that there is some equilibrium position that is best for winning one's party's nomination. But various instability results in the literature (McKelvey 1979; Schofield 1980; Schwartz 1986) imply that there will always exist some alternative set of actions and policies, regardless of what the Speaker's current set of actions and policies, such that some majority in the party would prefer the alternative to what the Speaker does. So why is a Speaker not always vulnerable to a "redistributive" attack from within his party? And why does this not make what is required to maximize S/L rather unpredictable, so that it is hard to say whether R and S/L conflict or not?

Our answer to the second of these questions hinges on some results in the spatial theory of electoral competition (N. Miller 1980; McKelvey 1986; Cox 1987). These results pertain to a model in which two aspirants for an elective office compete by announcing the policies that

clearly choosing x equal to the expected median of the Speaker's district. What is required to maximize M and S/L is more complicated. If we think of the individual reputation of each legislator (c) as being determined by his or her own choice of what policy to support, the party reputation (p) as being determined by the Speaker's choice of policy, and make the heroic assumption that the impact of c and p on R is additively separable, then each legislator will simply choose the median of his or her own district. In this case, maximizing S or L requires setting x equal to the expected median of the *median Democrat's* district, whereas maximizing M requires setting x equal to the expected median of the *median legislator's* district. This reveals a fairly clear potential tension between maximizing M and maximizing S/L . In the much more likely case that the impact of c and p on R is not additively separable, things are less clear. For example, if voters care a lot about any divergence between c and p , maximizing M may require something like minimizing the average divergence between c and p . In this case, the tension between maximizing S or L on the one hand, and M on the other, would be lessened.

they would pursue if elected. The model is multidimensional (there are many policy issues), and so in general there will be instability; that is, any given set of policies will be vulnerable to defeat by some other set of policies. McKelvey (1986), following N. Miller (1980), shows that the competitors in such an election would nonetheless confine themselves to a subset of the possible policy platforms, the so-called uncovered set. The important properties of the uncovered set are two. First, the uncovered set can be small, located near the "center" of the electorate's distribution of ideal points. Indeed, when the special conditions necessary for the existence of a multidimensional median are met, the uncovered set collapses to this single point; and when the conditions are "almost" met, the uncovered set is tiny. Second, in order to conclude that a competitor will choose a platform from within the uncovered set, one needs only to make the relatively mild assumption about motivation that no competitor will announce a platform X if there is another platform Y which is at least as successful against any platform the opponent might announce and is better against some. That is, one need only assume that no competitor will play game-theoretically *dominated strategies*.¹⁶

The uncovered set is relevant to the problem at hand because it shows that there are definite limits to the policy platforms that those seeking leadership positions will adopt—limits much more restrictive than the full range of opinion in the party. These restrictions in turn imply that a member whose constituency interests dictate something rather far from the competitively optimal platforms in the uncovered set is less likely to seek leadership positions—because implementing the optimal policies would be electorally hazardous—and also less likely to *win* those positions—because other members of the party will recognize the constituency conflict and therefore doubt the member's reliability in office. Thus, we are led again to predict that leaders will be chosen in such a fashion that their personal reelection is not too incompatible with the duties of office.

The primary weakness in the foregoing argument is that it relies on results that presume a two-way contest. What if there are more than two competitors for the Speakership nomination of the majority party? Cox (1989) has shown that certain types of voting procedures (what he

16. Of course, there are other assumptions—for example, regarding voters and the nature of competition—that must also be accepted. These assumptions, too, seem relatively mild. McKelvey (1986) used a somewhat restrictive assumption about voter utility functions to derive the result, but this restriction has been relaxed by Cox (1987).

calls "majority Condorcet procedures") induce candidates to adopt positions in the uncovered set regardless of the number of candidates. Although we have no formal results, we believe that the method used by the Democratic Caucus—which requires a majority for nomination—also places significant constraints on the range of policies that look good for winning the nomination.

There remains the question of why Speakers are not forever being turned out of office, as might be expected on the basis of the spatial instability theorems. The answer has to do with violations of the assumptions underlying these theorems. Instability theorems can be interpreted in two ways: either as statements about preferences or as statements about behavior. If they are interpreted as statements about preferences, then their assumptions are quite general and their conclusion compelling: there will always be some majority, all of those members could be made better off if policies were changed. If they are taken to refer to behavior, however, they entail the assumption that any coalition, all of whose members would individually benefit were another set of policies adopted, will in fact form and take action to ensure that appropriate change is forthcoming. This assumption ignores the costs of identifying coalitions and organizing them sufficiently so that their members' collective interests can be served. It ignores, in other words, the existence of the prisoner's dilemma that faces any hypothetical coalition seeking to overturn the status quo.

In our view, the legislative process in the House of Representatives is in important respects more like research and development than it is like the costless and instantaneous voting that occurs in the spatial model. We view each Speakership as embodying a certain set of policy deals within the majority party, but the alternatives to these deals are not as clear as they are in the spatial model. More to the point, *attainment* of one of these alternatives is not a matter of a single motion on the floor changing everything that needs to be changed all at once. It is instead a matter of many votes taken over an extended period, with many details too costly to specify in advance, and ultimate success uncertain. For this reason, we view Speakerships as Hobbes viewed governments (Hardin 1991): as (noncooperative) equilibria to coordination games rather than as (cooperative) equilibria to spatial voting games.

Once a Speakership has been launched, the Speaker serves to police and enforce a particular set of deals. It is true that some other set of deals might be preferred by some majority in the party. But ousting the incumbent Speaker and his deals and installing a new regime cannot be

accomplished by a single costless vote: it requires a series of political battles, each with uncertain outcome. While the revolutionary battle rages, the value of the deals struck by the old Speaker may be lost to all members of the party. Moreover, when the dust settles and a new regime is in place, the original revolutionaries may or may not have gotten what they wanted.

2. *R* versus *M*: Potential conflict between *R* and *M* can be lessened by choosing a Speaker from a "safe" district, defined as one in which a wide range of values of *x* can be chosen, all of which maximize or nearly maximize *R*. A Speaker who is electorally safe in this sense is less likely to sacrifice collective goals (*M* or, for that matter, those implicit in maximization of *S/L*) for personal goals (*R*) simply because there is little need to do so. Hence, other things equal, party leaders are more likely to come from safe seats than from marginal seats. In view of the large number of safe seats in the postwar period, this hardly constrains the choice of leaders.

3. *M* versus *S/L*: The potential tensions between winning a majority and retaining support within the party were no doubt quite evident to Neil Kinnock, leader of the Labour party in Britain throughout the 1980s. But Kinnock's problems, it should be remembered, were not internal to the parliamentary party; those who seemed to be least interested in the electoral consequences of Labour party positions were the constituency activists, who were not running for office (Jenkins 1988). In general, it would seem that the goals of winning a majority and retaining support within the *legislative* party are not much at odds, if at all. Peabody (1967, 687), in a study of party leadership in the U.S. House of Representatives, notes: "Strong victories promote good will and generally reflect to the benefit of party leaders. Conversely, defeat results in pessimism, hostility and a search for scapegoats. If the net losses are particularly severe . . . then the possibilities of minority leadership change through revolt are greatly enhanced."

From a theoretical perspective, the best way to maximize the probability that one's party will win a majority next time may very well be to concentrate on getting the current majority reelected. After all, they have shown that they can win and have all the advantages of incumbency; challengers, by contrast, are much more risky. To the extent that this is true, of course, there should be very little conflict between the goals of maximizing *M* and maximizing *S/L*.

The bottom line of this discussion is that, by creating a leadership post that is both attractive and elective, a party can induce its leader to

internalize the collective electoral fate of the party. In Olsonian terms, creation of a position whose occupant is *personally* motivated to pursue *collective* interests serves to make the party a privileged group.¹⁷

The parameters of the model make clear what promotes and hinders this internalization of collective electoral interests. The more attractive is the leadership relative to rank-and-file status (the more intraparty inequality), the more attractive majority party status is relative to minority status (the more interparty inequality), and the less the leader has to worry about personal reelection, the more completely will the leader's induced preferences be a combination of a purely collective goal (maximizing the probability that his party wins a majority at the next election) and a goal (maximizing the probability that he is reelected as party leader) that is unattainable for those who neglect to service collective interests.

Party leadership in the United Kingdom seems to have been designed particularly well to achieve internalization. First, the inequality in power between the back benches and the front benches is quite large, so retaining the leadership is important relative to retaining a seat in Parliament. Second, the inequality in power between the majority and minority is large, so that retaining majority status is important relative to retaining a seat in Parliament. Third, important party leaders are always run in safe districts and, if they happen to lose nonetheless, are immediately returned at a by-election (some obliging backbencher having resigned his seat for the purpose). Party leaders thus have very little in the way of *parochial* electoral concerns.

U.S. parties cannot compete with their U.K. counterparts in purity of organizational design, but the same principles are evident nonetheless. Intraparty power in Congress may be decentralized, but there are still lumps of it piled up in the leadership positions that are worth striving for. The minority party may be more capable of influencing legislation in the House of Representatives than in the House of Commons, but it is still decidedly preferable to be in the majority. This can be seen

17. An example of how this logic might play out in practice can be given by continuing the example of the Tax Reform Act of 1986. Dan Rostenkowski, as chair of the committee on Ways and Means, is clearly in a position of great authority and power. This position has been to some degree elective for quite some time. Rostenkowski can be said to be from a typical Democratic district and to be reasonably safe. From our perspective, the reason he did not distribute "too much" in the way of transition rules is because he had partially internalized the collective costs of such a course of action. He did make sure that Chicago got its share of transition rule benefits, but he did not hand out such large amounts to his own or other districts as to lessen the Democratic party's chances of securing a majority or his own chances at retaining his seniority on Ways and Means.

in the significantly higher retirement rates among minority party members. The average postwar retirement rate for the Democrats, when in the minority, was 8.91 percent; when in the majority, 7.03 percent. The comparable figures for the Republicans were 9.96 percent and 6.37 percent. A multivariate explanation of retirement rates finds most of the action not in party, but in majority status.¹⁸ Finally, party leaders in the United States may not have a guaranteed return comparable to Margaret Thatcher's, but who was the last Speaker to be denied reelection by his constituents?¹⁹

If party leaders do internalize collective electoral interests along the lines suggested, then the rest of the argument is fairly close. Electoral inefficiencies that can potentially accumulate because of the free-rider problems inherent in legislation (of both the particularistic-benefits and collective-benefits kind) are prevented because party leaders have a *personal* incentive to prevent them. Thus, for example, leaders will be on the lookout for profitable logrolls within their party, for institutional arrangements that will encourage the discovery of information about potential logrolls and prevent their unraveling by bipartisan coalitions, and so forth.²⁰

4. CONCLUSION

In this chapter we have articulated a view of parties as solutions to collective dilemmas that their members face. Several points about this view merit notice here.

First, we have focused solely on collective dilemmas that entail *electoral* inefficiencies. Another perspective on parties might focus instead on collective dilemmas entailing *policy* inefficiencies (see Rohde 1991; Aldrich 1988; Cox, McCubbins, and Schwartz n.d.). For the purposes of our discussion here, however, the differences between these two views are inconsequential.

Second, the collective dilemmas facing a party are "solved" chiefly through the establishment of party leadership positions that are both

18. See note 15.

19. The answer is William Pennington, Whig Speaker in the Thirty-sixth Congress (1859–61).

20. Note that in the logrolling example given above, the Speaker's preferences would plausibly be NS first, regardless of whether he was in the N or S faction. He would prefer this outcome because he internalizes the reelection probabilities of all parts of the party. If true, then the logroll has an element of stability: the party leadership is interested in preserving it and will presumably seek to scuttle any legislation that would unravel it.

attractive and elective. The trick is to induce those who occupy or seek to occupy leadership positions to internalize the collective interests of the party, thereby converting the party into a privileged group (Olson 1965) for some purposes.

Third, solutions to collective dilemmas—that is, the institutions of leadership and particular elected leadership teams—are stable because they are, in essence, equilibria in *n*-person coordination games. Nearly everyone in the party prefers that there be *some* agreed-upon leadership team rather than that there be *no* agreed-upon leadership team, even if they disagree on which team would be best. Because each leadership team carries with it particular policy predispositions and deals, leadership stability leads to a certain amount of policy stability as well.