# The Determinants of Success of Special Interests in Redistributive Politics

Dixit and Londregan, 1996

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How do politicians choose recipients of redistribution policies?

- Sometimes politicians "take care of their own"
- Othertimes, they take loyal supporters for granted

## Model: Voters

A voter $V$ has given characteristics:

- level of affinity for party L or R $(X)$
- desire for consumption $(C)$
- utility function $U_i(C_i)$
- vote choice function of affinity and benefits: $U_i(C_{iL}) - U_i(C_{iR}) > X$

## Model: Groups

An identifiable number of groups $G$ exist in the voting population with
characteristics:

- heterogeneous voter preferences $X$ and $C$ within a group
- is the level that politicians can target for distributive goods
- since benefits are constant within group, voting selects on individual
  affinity: $U_i(C_{iL}) - U_i(C_{iR}) = X_i$ (where $X_i$ is the cutoff affinity)

## Model: Politicians

- fixed amount of redistribution available
- must allocate transfers according to marginal vote-share return
- seek to maximize vote

## Model: Leaky Bucket

- variable ability to turn transfers into benefits for individual group members
- variable ability to raise taxes across groups

## Model: Change Factors

- $\kappa_i$ (greediness)
- distribution of group at cutpoint $X_i$
- exogenous income level of group members $Y_i$
- relative leakage
- vote gains in group 2 compared to vote losses in group 1

## Outcomes: Swing vs. Core

- parties equally able to target groups: swing
- parties differentially able to target groups: core