

# Compromise Against Extremism: How U.S. House Incumbents React to Challenger Positions

Felix Schönenberger  
USI Lugano  
[felix.schoenenberger@usi.ch](mailto:felix.schoenenberger@usi.ch)

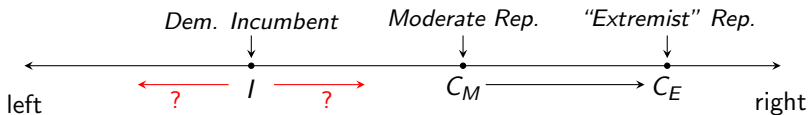
EEA Congress, August 22, 2022

# Motivation

- ▶ Electoral competition is at the heart of representative democracy
- ▶ In theoretical political economy, public policy is determined by *strategic interaction between candidates* prior to elections
- ▶ Yet, we know surprisingly little about how politicians compete against each other
- ▶ *Do* incumbent candidates strategically adjust their policy positions in response to their challengers'? And if so, *how?*

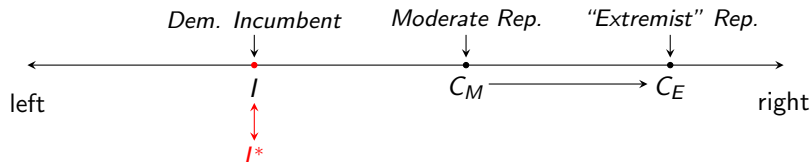
## Question

- ▶ What happens to the incumbent's position when she gets an *extreme* instead of a *moderate* challenger?
- ▶ i.e. what happens to a Democratic (Republican) incumbent when she gets a *relatively* conservative (liberal) challenger?



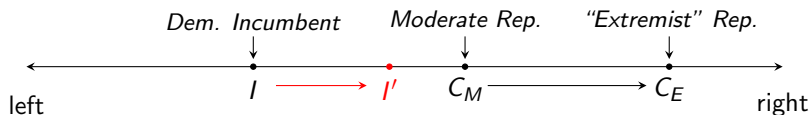
- ▶ Three theoretical answers:
  1. "nothing" (incumbent policy persistence)
  2. "moderate" (policy platforms as strategic complements)
  3. "polarize" (policy platforms as strategic substitutes)

# Theoretical Prediction I: Policy Persistence



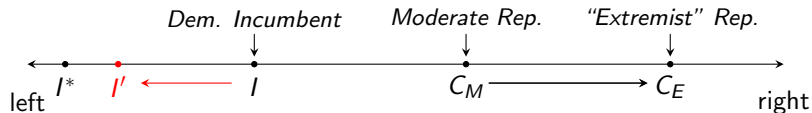
- ▶ citizen-candidates models (Osborne & Slivinski, QJE 1996; Besley & Coate, QJE 1997)
- ▶ candidates cannot credibly commit to policy platforms
- ⇒ *Incumbent policy persistence*: once elected, politicians implement their preferred policy

## Theoretical Prediction II: Policy Moderation



- ▶ office-motivated candidates commit to policy platform so as to win elections candidates (Hotelling, EJ 1929; Downs, JPE 1957)
  - ▶ under proximity voting, policy moderation in response to an “extremist” increases probability of winning
  - ▶ policy-motivated candidates, if risk-averse, may moderate in order to prevent extremist opponent from winning (e.g., Wittman, JET 1977; Calvert, AJPS 1985)
- ⇒ policy platforms as *strategic complements*

## Theoretical Prediction III: Policy Polarization



- ▶ given the incumbents' position, an "extremist" challenger increases the incumbent's probability of winning
  - ▶ an "extremist" relaxes the incumbent's re-election constraint
  - ▶ a policy-motivated incumbent has leeway to deviate toward his own ideal point (Alesina, AER 1988; Lee & Moretti & Butler, QJE 2004)
- ⇒ policy platforms as *strategic substitutes*

# This Paper

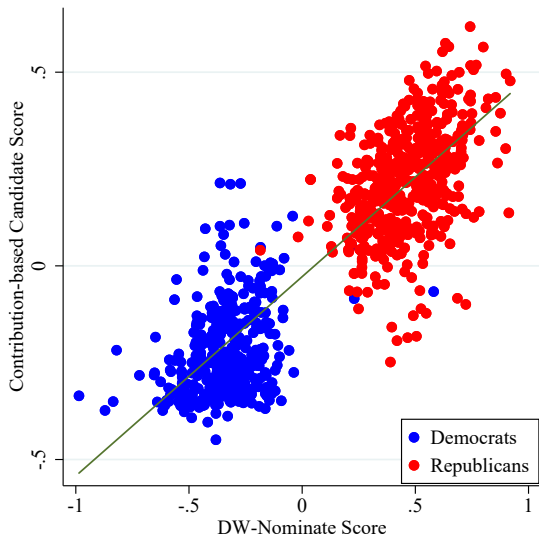
- ▶ estimates the *causal effect* of facing a relatively extreme (instead of a relatively moderate) challenger on U.S. House incumbent's roll-call voting behavior.
- ▶ infers relative extremism of opponent party's potential nominees (i.e., conservatism of Republican, liberalism of Democratic primary candidates) from pre-primary campaign contributions
- ▶ addresses the twofold identification challenge that candidates' strategic positions are likely to be interdependent (simultaneity) and co-determined by constituency preferences (omitted variable bias)
- ▶ uses an RDD exploiting “quasi random” assignment of incumbents to extremist vs. moderate challengers by close primary elections of the opponent party (assignment variable: the extremist's primary vote share)
- ▶ finds that incumbents moderate their voting behavior prior to elections in response to an extremist challenger, suggesting strategic complementarity of policy positions

# Estimating Primary Candidate's Position

- ▶ DW-NOMINATE scores (Poole & Rosenthal, 1997) scale legislators' roll-call voting behavior on a liberal-conservative scale from -1 (very liberal) to 1 (very conservative)
- ▶ The policy position of non-incumbent candidates must be inferred indirectly from candidate surveys or campaign donations
- ▶ I follow the approach of Hall & Snyder (2015) and use *pre-primary* contributions from common donors to bridge roll call based scalings of incumbents to non-incumbent candidates [▶ details](#)
- ▶ Underlying assumption: donors prefer donating to ideologically proximate candidates
  - ⇒ more conservative primary candidates receive more funds from donors who support more conservative incumbents
- ▶ Validation of Hall-Snyder scores: comparing *incumbents'* donation-based scores to roll-call-based DW-NOMINATE scores



## Validating donation-based scores



# Classifying Extremists vs. Moderate Primary Candidates

- ▶ Donation-based scores are weighted-averages of DW-NOMINATE scores, hence bounded between -1 and 1, where increasing values indicate more conservative candidates
- ▶ For Republican primaries, I classify the more conservative (with a score closer to 1) as the relative extremist
- ▶ For Democratic primaries, I classify the more liberal (with a score closer to -1) as the relative extremist

# Identification

- ▶ Focus on re-election seeking incumbents whose opponent party conducts a competitive primary with at least two candidates running for nomination
- ▶ We have precise knowledge of the assignment mechanism that determines whether an incumbent runs against an extremist or a moderate challenger, i.e. if a Democratic (Republican) incumbent runs against a more or less conservative (liberal) challenger
- ▶ The incumbent gets assigned to an extremist challenger if and only if the more extreme primary candidate gets the plurality of the vote in the opponent party's primary election

# Identification

- ▶ Assuming that in toss-up primaries agents have “imprecise control” (Lee and Lemieux, JEL 2010) over the nomination outcome, close primary elections generate “as good as” random assignment of incumbents to an extremist instead of a moderate challenger
- ▶ Using RDD, I recover a LATE comparing otherwise identical incumbents’ post-primary voting behavior, who only differ in whether the extremist or moderate candidate won nomination by a narrow margin
- ▶ Local randomization occurs at the district level, which – given single-member districts – coincides with the incumbent-level
- ▶ Thus, the design addresses the twofold identification challenge of
  - i) simultaneity due to strategic candidates choosing their policy position interdependently and
  - ii) omitted variable bias from unobserved voter preferences

# Measuring Incumbent Moderation

- ▶ We are interested in whether and how re-election seeking incumbents commit to a new policy position in response to an extremist vs. a moderate challenger
- ▶ Focus on post-primary roll calls held within 120 days prior to the general election

## 1. A spatial (NOMINATE-based) measure of incumbent policy *moderation*: distance to theoretical extremes [▶ details](#)

$$Moderation_{i(p)} = \begin{cases} 1 - Nominate_{i(p)} & \text{if } p = \text{Republican} \\ |-1 - Nominate_{i(p)}| & \text{if } p = \text{Democrat} \end{cases}$$

- ▶ clear spatial interpretation: higher moderation score means that a Democratic (Republican) incumbent's voting record becomes more conservative (liberal)
  - ▶ quantitative interpretation less immediate (→ back-of-the-envelope calculation)
- ## 2. A directly interpretable measure of roll-call *extremism*: party-line voting on divisive issues
- ▶ i.e., party-line voting in votes on which the majority of Democrats disagrees with the majority of Republicans

# Empirical Model and Estimation

I implement the RDD, estimating equations of the following form:

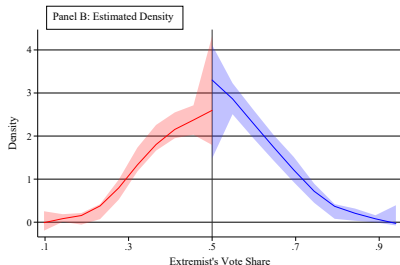
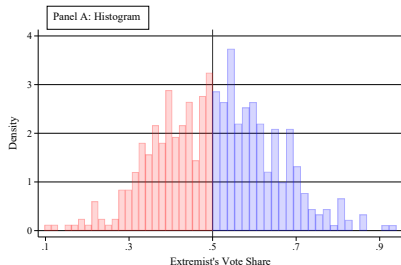
$$Y_{i(d)} = \alpha + \theta T_{i(d)} + \beta_1 X_{i(d)} + \beta_2 X_{i(d)} T_{i(d)} + [\beta_3 X_{i(d)}^2 + \beta_4 X_{i(d)}^2 T_{i(d)}] + \varepsilon_{i(d)}$$

- ▶  $Y_{i(d)}$ : a (first-differenced) measure of roll-call moderation
- ▶  $T_{i(d)}$ : a dummy = 1 if incumbent  $i$ 's opponent party nominates the more extreme of the top-two-candidates
- ▶  $X_{i(d)}$ : the extremist's top-two candidate primary vote share, normalized such that  $T_{i(d)} = 1$  if  $X_{i(d)} > 0$  and  $T_{i(d)} = 0$  if  $X_{i(d)} < 0$ .

Estimation (Calonico et al., ECMA 2014; Calonico et al., REStat 2019):

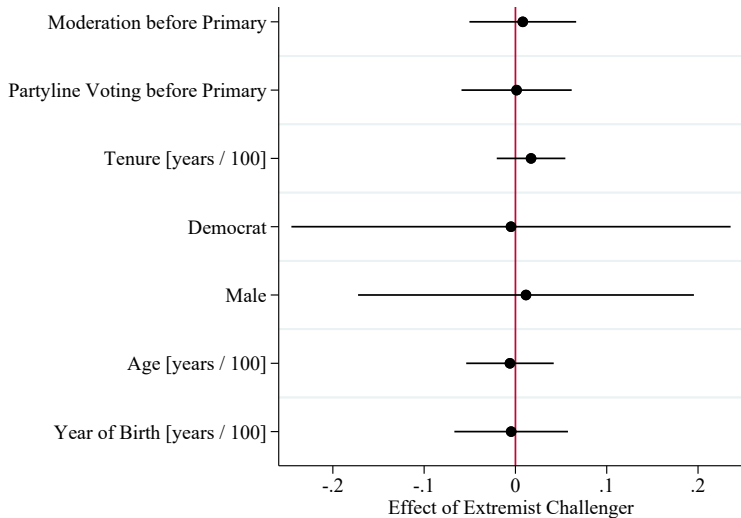
- ▶ non-parametric approach fitting local lower-order polynomial splines on each side of the cutoff
- ▶ robust confidence intervals from bias-adjusted estimates
- ▶ MSERD-optimal bandwidth

# Validity: No Sorting at the Cutoff



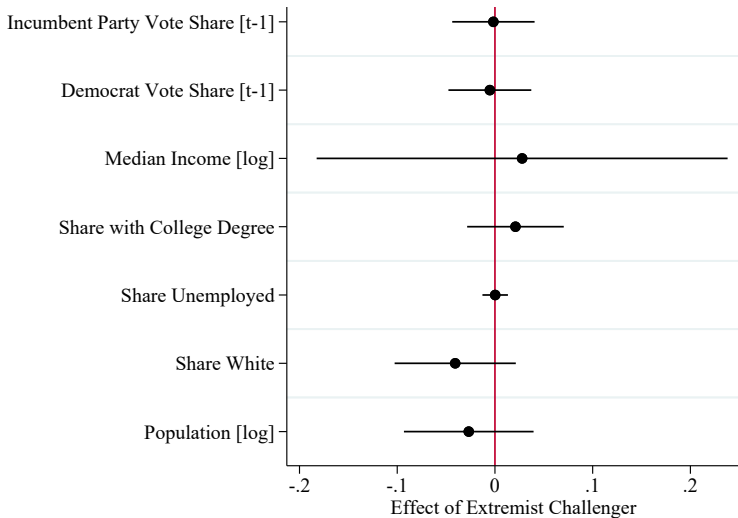
- ▶ A McCrary (JoE 2008) test fails to reject equal density at the cutoff ( $p = 0.79$ )

# Validity: Incumbent Characteristics Continuous at Cutoff

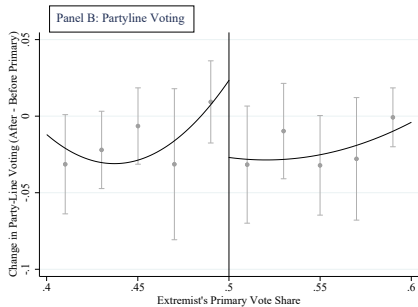
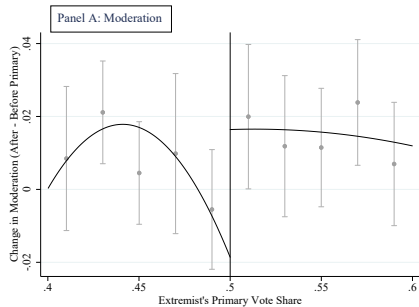




# Validity: District Characteristics Continuous at Cutoff



# Results: Grapical Evidence



## Results: Effects of Extremist Challenger

PANEL A: EFFECT ON PLATFORM MODERATION	(1)	(2)	(3)	(4)
	0.032**	0.029**	0.039**	0.037**
	(0.014)	(0.014)	(0.017)	(0.016)
	[0.028]	[0.044]	[0.037]	[0.050]
MSERD-Optimal Bandwidth	0.068	0.068	0.101	0.101
Effective Observations	191	191	270	270
PANEL B: EFFECT ON PARTYLINE VOTING				
	-0.049**	-0.043**	-0.061**	-0.056**
	(0.026)	(0.024)	(0.031)	(0.029)
	[0.015]	[0.025]	[0.020]	[0.023]
MSERD-Optimal Bandwidth	0.072	0.072	0.106	0.106
Effective Observations	203	203	286	286
Observations	517	517	517	517
Polynomial Order	1	1	2	2
Covariates	N	Y	N	Y

Notes: Robust p-values based on bias-adjusted estimates in brackets: \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

## Results: Interpretation

- ▶ Incumbents moderate roll call voting in response to an extremist challenger
- ▶ An increase in the moderation measure by 0.03 corresponds to an increase by a 0.25 standard deviation
- ▶ Applying a 0.25 standard deviation to DW-NOMINATE scores in the U.S. Senate, this corresponds to
  - ▶ a shift from (relatively conservative Republican Senate Leader) Mitch McConnell to (relatively liberal) Mitt Romney
  - ▶ 1/5 the distance between (the most conservative Democrat) Joe Manchin and Bernie Sanders
- ▶ Results on party-line voting tell a qualitatively consistent story: Incumbents compromise in response to an extremist challenger by voting 5ppt more with the opponent party on divisive issues

# Conclusion

- ▶ Incumbents *do* commit to different policy platforms depending on challenger
  - ▶ Incumbents moderate their policy position in response to a more extreme challenger
  - ▶ suggesting a co-movement, i.e., strategic complementarity of candidate positions
- ▶ Empirical literature on policy convergence
  - ▶ mixed results on incumbent policy persistence after shifts in electoral strength (Lee et al., QJE 2004; Jones & Walsh, JPubE 2018)
  - ⇒ This paper: strategic adjustment of policy platform in response to challengers', inconsistent with incumbent policy persistence
- ▶ Empirical literature on legislator behavior
  - ▶ has identified legislators' own ideology (Levitt, AER 1996), their daughters (Washington, AER 2008) and peers (Harmon et al., AEJ applied 2019), their voters' preferences (Mian, AER 2010), media coverage (Snyder & Strömberg, JPE 2010) as important drivers of legislative behavior.
  - ⇒ This paper: identifies challengers as an additional, previously disregarded determinant of legislators' voting behavior.

# Estimating Primary Candidates' Position

Using transaction-level campaign finance data from the Federal Election Commission (FEC), I estimate primary candidates' position in two steps:

1. Map incumbents' DW-NOMINATE scores to donors

$$DonorScore_j = \frac{\sum_i Contribution_{ij} Nominate_i}{\sum_i Contribution_{ij}}$$

where donor  $j$ 's score is the contribution-weighted average of incumbents' roll-call based DW-NOMINATE scalings to whom donor  $j$  contributed.

2. Map donor scores to non-incumbent candidates

$$CandidateScore_k = \frac{\sum_k Contribution_{jk} DonorScore_k}{\sum_k Contribution_{jk}}$$

where candidate  $k$ 's score is the contribution-weighted average donor scores of donors who contributed to  $k$ .

## Measuring Incumbent Moderation

I calculate each incumbent's moderation score for post-primary roll calls held in the 120 days before the general election, proceeding in two steps

1. Calculate each incumbent  $i$ 's *indirect DW-NOMINATE* as the agreement-rate weighted average DW-NOMINATE of other incumbents  $j \neq i$ :

$$IndirectNominate_i = \frac{\sum_j \alpha_{ij} Nominate_j}{\sum_j \alpha_{ij}}$$

where  $\alpha_{ij}$  is the agreement rate between incumbents  $i$  and  $j$ , i.e. the share of roll calls for which both  $i$  and  $j$  vote for the same side.

2. Get a normalized measure of incumbents' roll-call moderation, computed as the distance of the *indirect DW-NOMINATE* from its theoretical extreme:

$$Moderation_{i(p)} = \begin{cases} 1 - IndirectNominate_{i(p)} & \text{if } p = \text{Republican} \\ |-1 - IndirectNominate_{i(p)}| & \text{if } p = \text{Democrat} \end{cases}$$