

# **The Shift to Commitment Politics and Populism:**

Theory and Evidence

---

Luca Bellodi   Massimo Morelli   Antonio Nicolo   Paolo Roberti

August 31, 2023

# Introduction

Economic crises + social and cultural threats may be responsible for

- increased demand of economic and identity protection policies and
- **reduced trust** in the reliability of representative politicians: 73% (1958) to 20% (2022) in US
- Beside the well documented **erosion of trust**, a well documented phenomenon is the **populism wave**: demand shift towards populist parties and supply shift especially after the financial crisis (Algan 2017, Guiso et al papers).
- **This paper** provides the missing logical link: **Commitment**.

## The intuition:

- Why more distrust → commitment politics?
  - **delegation without ex ante policy commitments** → better handling of changing circumstances in expectation when representative can be trusted not to be captured;
  - but free hand → potential **influence** of elite – establishment, interest groups...
  - If trust ↓, the latter effect dominates and the typical delegation of representative democracy starts to be disliked.
- More commitments → anti-elite rhetoric, in order to win against experts, media, judiciary, bureaucracy

## Objective

- Create a rational theory that generates demand and supply of commitment
- Provide a consistent explanation for many of the features that are usually linked with populism (anti-elite rhetoric, polarization, illiberal reforms,...)
- Provide the first empirical evidence of the main logical chain: distrust → commitment platforms plus anti-elite rhetoric
- Predictions and empirical evidence on turnout implications of the shift to commitment politics

## Agency Theory

- A principal  $G$  (a voter) delegates at time 1 an agent (a politician)  $g$  to choose a policy  $q \in \{\ell, h, z\} \equiv Q$  at time 2.
- The ex-post optimal policy for  $G$  depends on the state of the world at time  $t = 2$ , which is unknown at time 1 and is observed by the agent at time 2.
- The principal chooses among
  - full delegation  $S = Q$ ;
  - partial commitment  $S \subset Q$ ;
  - full commitment with singleton policy.

## The Possible Capture by the Elite

- If  $S$  is not a singleton, the principal assigns probability  $p$  that the agent's choice within  $S$  will be determined by an elite or interest group.
- The principal gets a policy utility normalized to 0 if the implemented policy is the ex post optimal  $q^*$  for her; If the implemented policy is a wrong one, then she gets  $-1$ .
- The agent's payoff is  $R - \epsilon(\mathbf{1}_{q \neq q^*})$ , with  $R$  large enough to guarantee that the agent has no incentive to choose a policy outside the contracted  $S$ .

## Ex ante beliefs

- Assume that  $z$  (e.g. status quo) is the preferred policy by the elite with probability  $\lambda > \frac{1}{3}$ ; with probability  $\frac{1-\lambda}{2}$  the elite preferred policy is  $\ell$  or  $h$ .
- Let  $\gamma_z < \frac{1}{3}$  be the probability that  $z$  is optimal for the principal, so  $z$  is never ex-ante optimal for the principal.
- Let  $\gamma_h$  ( $\gamma_l$ ) be the (ex-ante) probability that the policy or reform  $h$  ( $l$ ) is optimal for the principal ex post.

## Proposition 1

**When do we observe some form of commitment:** Delegation is less likely if  $p$ ,  $\lambda$  increase, and/or  $\gamma_z$  decreases – all capturing distance between principal and elite.

**When partial and when full commitment:** Partial commitment is chosen for intermediate levels of distrust and full commitment for higher levels of distrust.



## Two-party Competition

- Two parties,  $G = A, B$ , select a candidate  $g = a, b$  in the primaries ( $t = 0$ ) to compete in a general election ( $t = 1$ ). Each candidate  $j$  of party  $G$  in the primary proposes an electoral program  $e^j = S \subseteq Q$ .
- The winner of the general election chooses a policy  $q \in S$ .
- For each party the optimal policy depends on state of the world at  $t = 2$ , unknown at the gen election.
- After gen election the politician observes state of the world before the decision; members of party  $G$  assign a positive probability  $p^G$  that the choice of a politician in her electoral platform when in office is influenced by the elite.

## Heterogeneous preferences and beliefs

- A candidate's payoff is the same as the agent's payoff if elected, and zero otherwise.
- The utility of a citizen is the policy utility of the principal minus the cost of voting.
- Members of the different parties may have different preferences;  $\gamma_q^G$  denotes the probability that members of  $G$  ex ante assign that  $q$  will be optimal for them (  $\lambda^G > 1/3$  as before ).
- Voting in primary elections is costless (for simplicity), it is costly in the general elections.

## Theory

- Citizens vote as if pivotal, i.e. they vote if the diff in utilities is larger than cost of voting  $c_v^G + \mu^G$ .
- $c_v^G$  distributed unif on  $[\underline{\phi}, \overline{\phi}]$ .  $\mu^G \in [-\frac{1}{2\psi}, \frac{1}{2\psi}]$  is a party specific voting costshock that realizes after primaries and before gen elect. We assume  $\psi$  not too large.

## Results - Turnout

- **Proposition 2:**

Assume in equilibrium  $A$  does full delegation and  $B$  some commitment. Then decrease in  $p^A$  decreases the turnout of  $A$ . Increase in  $p^B$  increases the turnout of  $B$ .

## Results - Anti-elite Rhetoric

- **Proposition 3:**

Whenever a party  $G$  chooses some commitment and faces a delegated opponent, then it is always in the interest of their candidate to use anti-elite rhetoric (i.e., pushing down  $\gamma_z^G$  and up  $\lambda^G$ ) in the electoral campaign.

# Homogeneity

- **Proposition 4:** Suppose without loss of generality that  $\gamma_h^G > \gamma_l^G$ . Candidates with some degree of commitment are more likely when  $\gamma_h^G$  increases, i.e., when within a party the policy preferences are more homogeneous.

# Evaluation of Predictions

## Context

- US Congressional Elections and Campaigns,
- Single-member districts allow match between voters and candidates,
- Candidates' campaign strongly targeting local needs, preferences, issues,
- Vast use of social media with high-frequency campaigns.

## Preview Results

1. Candidates running in districts with **high distrust** use more commitments and populist rhetoric in their tweets,
2. Especially when the tweet pertains to topics with **uniform** voter preferences,
3. **Turnout** of citizens supporting a commitment (and populist-rhetoric) candidate increases when distrust is large.

# Data

1. Distrust: time-changing estimates at congressional district level,
2. Commitment & Populist Rhetoric: supervised ML to classify  $\approx$  2 mln tweets of congressional candidates,
3. Preferences: data driven selection of policy areas (topics) based on policy preferences of voters,
4. Self-reported turnout in surveys.



## District Estimates of Distrust

Derive estimates of distrust at sub-national level from nationally representative survey  
Multilevel regression and post-stratification (**MrP**) method.

## Measure for Estimates of Distrust

Survey data from ANES. Waves 2012 (5,704 respondents), 2016 (4,080), 2020 (7,093)

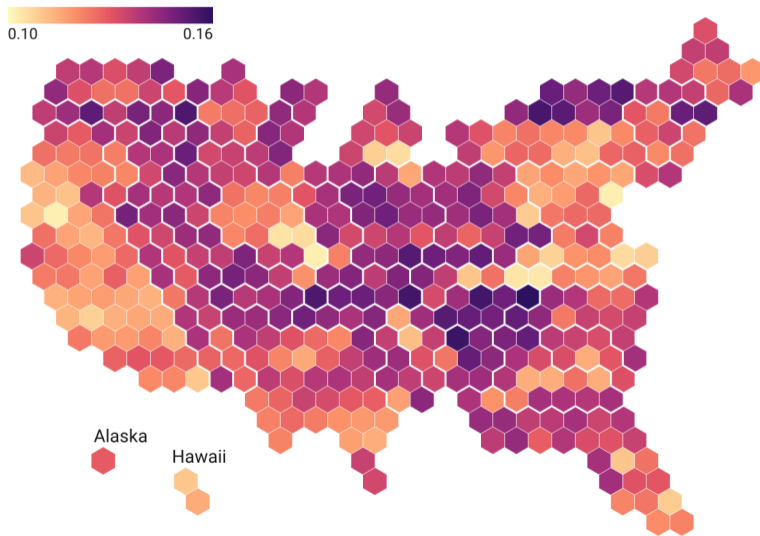
*How often do you trust the government in Washington to do what is right?*

$$\text{Distrust}_i = \begin{cases} 1 & \text{if Never} \\ 0 & \text{if Always, Most, Half, Some of the Times} \end{cases}$$

Implementation:

- Post-stratification data from US Census
- Estimation performed separately for each wave
- AutoMrP package in R, which improves standard MrP models by employing a number of machine learning techniques.

# Percent of Individuals Who Distrust Federal Government, 2016

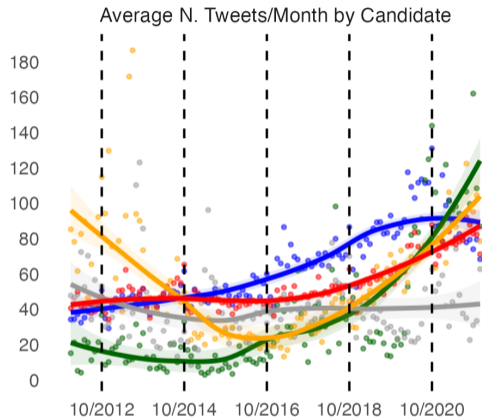
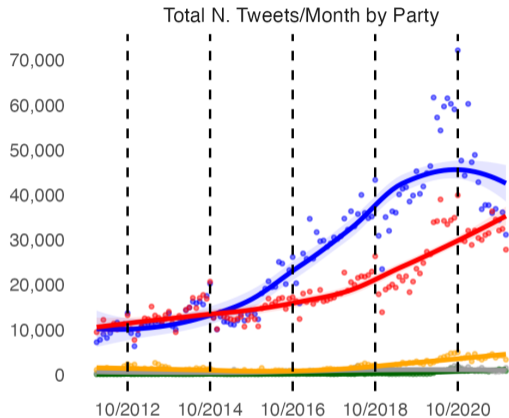


## Twitter Accounts

Twitter activity of congressional candidates running b/w 2012-2020.

- 3,579 unique candidates spanning 5 election years 2012-2020
- Obtain twitter handle by scraping Ballotpedia (and other sources)
- We recover accounts for 64% of candidates
- We use Twitter API to download 5.9 mln tweets posted b/w 2012-2021 by 2,296 candidates
- We match tweets posted in the 2 months before election day to each of the three elections for which we have data on distrust (2012, 2016, 2020)

# Number of Tweets Over Time



Party — Democratic — Green — Independent — Libertarian — Republican

## Measuring Commitment and Populist Rhetoric

**NLP + Generative language models + supervised ML** to classify each tweet into commitment/populist rhetoric  $\{0, 1\}$

Steps:

1. Vector representation of documents (SentBERT)
2. Build training dataset of 3,000 tweets
3. Annotate tweets with assistance of ChatGPT (OpenAI API)
4. Validate ChatGPT annotations: large agreement with independent coder
5. Train a ML classifier on ChatGPT annotated tweets
6. Validate classifier on held-out test set of tweets (all performance metrics  $> .8$ )
7. Predict commitment/populist for all remaining tweets
8. Conservative threshold:  $\text{Commitment}_i = 1$  if  $\text{Pr}(\text{tweet}_i \in \text{Commitment}) > .8$  and  $= 0$  otherwise

## Policy with Homogeneous Preferences

We expect the effect of distrust on commitment to be **stronger** when tweet is about topics on which voters of a party highly **agree** with one another

*Cooperative (Congressional) Election Study*: data-driven selection of topics/policy

- 55 policy preference questions about a wide set of topics from 2006-2021
- Sample of respondents 50,000+
- Take question with lowest SD across party-year-state combinations of respondents

Repeat this exercise for party  $\times$  state  $\times$  year combinations

**Example:** 94% of the 103 Rep respondents in 2020 in New Mexico approve **increase spending on border security by 25 billion dollars, including building a wall between the U.S. and Mexico.**

→ topic: **immigration**

→ These are also topics with largest differences in preferences, i.e., most **polarizing**.

Only 8% of Dem respondent in NM responded “support” to the build-a-wall question

## Detect Topics in Tweets

Topic-specific dictionaries with the 20 words most similar to topic label

Train word2vec model on all tweets to learn meaning of words from language used by candidates on Twitter.

E.g., Label: **Immigration**

1. immigrant
2. asylum\_seeker
3. undocumented\_immigrant
4. refugee
5. legal\_immigration
6. illegal\_immigration

...

Tweet about **homogeneous topic** if

- candidate running in district where immigration is top topic/policy in terms of preferences homogeneity
- tweet contains  $\geq 1$  of the words in the immigration dictionary

E.g., a tweet given by a **Rep candidate** on **immigration** in a race for a district in New Mexico in 2020 will be considered about a homogeneous topic.



## Evidence on Commitment and Populist Rhetoric

We estimate the following linear probability models

$$y_{icdt} = \alpha_c + \gamma_d + \eta_{st} + \beta \text{Distrust}_{dt} + \epsilon_{icdt}$$

$y_{icdt}$  is the probability of a commitment/populist rhetoric tweet

$\alpha_c$ ,  $\gamma_d$ , and  $\eta_{st}$  are candidate, district, state-by-election year fixed effects

$\beta$  is identified by comparing over-time changes in the twitter activity among candidates *who experience a change in the level of distrust in the district where they run* → 404 candidates

Standard errors are clustered by district.

Sample of tweets posted up to 60 days before election day.

## Results

	Commitment				Populist Rhetoric	
	(1)	(2)	(3)	(4)	(5)	(6)
Distrust (+10%)	0.044*** (0.008)	0.071*** (0.012)		0.059*** (0.011)	0.012* (0.007)	0.014** (0.007)
Homog. Topic			0.024** (0.011)	0.024** (0.011)		
Controls: Party	✓				✓	
Controls: Incumbent	✓	✓	✓	✓	✓	✓
Topic Dummies			✓	✓		
R <sup>2</sup>	0.019	0.029	0.074	0.074	0.015	0.023
Observations	274,253	274,253	255,196	255,196	274,253	274,253
District FE	✓	✓	✓	✓	✓	✓
State-Year FE	✓	✓	✓	✓	✓	✓
Candidate FE		✓	✓	✓		✓

Notes: OLS estimates. SE clustered by district. DV is a dummy measure for commitment/populist tweets. Distrust measured on a 1-10 scale, so that a one-unit increase in distrust is equal to a +10% of distrustful individuals. Signif. codes: \*\*\*: 0.01, \*\*: 0.05, \*: 0.1.

# US Presidential Elections

## Turnout Prediction

Turnout of citizens supporting a commitment (and populist-rhetoric) candidate increases when distrust is large

**Donald Trump:** Uncontroversial example of committed-type politician who employs populist rhetoric

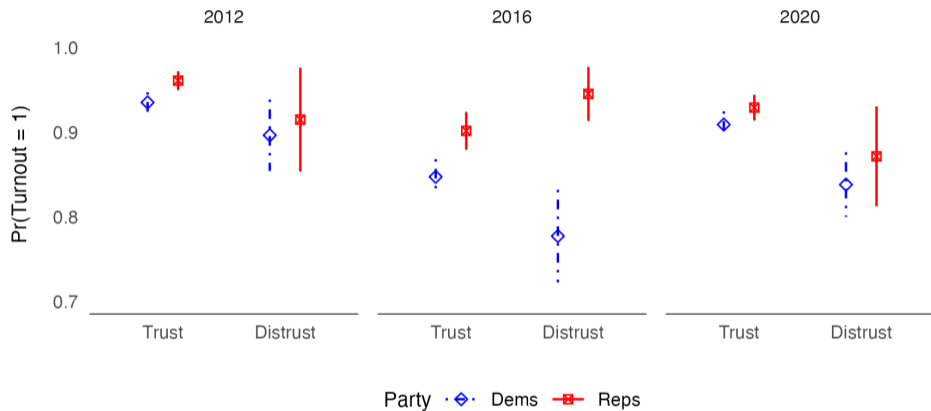
2012, Mitt Romney, 2016 Donald Trump, 2020 Donald Trump

We estimate the following equation with triple interaction

$$y_{idt} = \gamma_d + \gamma \text{Republican}_{idt} \times \text{Distrust}_{idt} \times \delta_t + \zeta \mathbf{X} + \epsilon_{idt}$$

$y_{idt}$  self-reported turnout of individual  $i$  registered in district  $d$  in presidential election  $t$  (repeated cross-section data from ANES,  $t = 2012, 2016, 2020$ )

# Trump Effect on Turnout of Distrustful Republicans



**Figure 1:** Predicted probability to turnout in presidential elections across different elections and levels of reported trust for respondents identifying as Republicans and Democrats.

## Extension: Commitment Politics and the Elimination of Checks and Balances

- We study the consequences of the shift to commitment politics for the survival of free media, independent bureaucracy and/or judiciary, and any other form of checks and balances
- Consider any “agency of restraint” modeled as a player  $A$  that can intervene only after the policy-maker has chosen the policy (at time 2 in the original timing).
- Assuming that  $z$  is the status quo and  $h$  and  $l$  are two possible reforms,  $A$  can act only as a veto player in case the policy-maker chooses  $h$  or  $l$ .
- If the reform is blocked,  $z$  remains. When agency wants to block, it succeeds with probability  $k$ ;  $\rho$  probability that the elite manages to influence  $A$ .

## Extension: Commitment Politics and the Elimination of Checks and Balances:

There are two cases in which the elite can distort  $A$ 's activities:

(i) in case the reform is optimal but the elite's preferred policy is  $z$ , with probability  $\rho$  the elite manages to influence  $A$  and to convince it to intervene to block the reform. The agency is effective in keeping the status quo with probability  $k$ .

(ii) in case the status quo is optimal and the elite's preferred policy is  $h$ , with probability  $\rho$  the elite manages to influence the agency and to convince it to not intervene.

## Full commitment → weakened agencies are preferred

- **Result:** if the principal believes the agency to captured by the elite with suff large prob ( $\rho$  large) and similarly, the agent to be captured by the elite with suff large probab ( $\rho$  large), **she chooses full commitment and prefers a weak agency** ( $k$  low).

## Conclusions

- We have provided the logical link: erosion of trust → more **demand and supply of commitment** → populist behavior and rhetoric.
- Stronger effects with homogeneous and polarized preferences.
- Opposite effects of distrust on turnout depending on whether there is commitment.
- Commitment → more likely support for illiberal reforms and reduction of checks and balances.



## Other extensions

- Complementary implications on endogenous decline of information acquisition incentives, increase in fake news production, and decrease in endogenous competence (see CEPR dp in 2021)
- Results on political agency should be general, but question for future research is whether there is quantitatively big difference of effects in parliamentary systems etc.
- Most important: need to study dynamics, conditions for persistence vs cycles, given some feedback to voters about effects of past choices.