Political Conflict over Time

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Abstract: We study a model of electoral competition in which politicians must decide whether to initiate the provision of some public good and, afterward, how much of the public good to supply. The model illuminates how a project’s implementation affects elections and, conversely, how electoral considerations influence decisions about implementation. Under well-defined conditions, politicians will either implement projects that they do not like or delay projects that, absent electoral concerns, they would support. The model further reveals how the perceived benefits of holding office can impede the production of public goods about which there is broad consensus. And depending on facts about the program’s structure and the electoral landscape, a policy’s implementation can either mitigate or exacerbate political conflict.

Whether politicians disagree plainly depends upon what they are discussing. Observed levels of political conflict, as a result, crucially depend upon the contents of a policy agenda. And depending upon their stages of development, the initiatives that constitute that agenda can elicit very different political responses. Contemporary decisions about whether to (de)regulate a labor market, introduce a framework for public health insurance, launch a war, or build a border wall, to name just a few examples, constrain the policy options that are available to tomorrow’s incumbents and reconstitute the terms of subsequent political conflict. Consequently, programs that are up and running regularly stimulate altogether different levels of partisan disagreement than proposals for new ones.

For all the scholarly attention devoted to the topic of partisan polarization, however, we still know very little about how the evolving subjects of policy deliberation interact with features of the electoral landscape in order to foment or allay political conflict. Empirical studies of political polarization tend to abstract away from the composition of a political agenda (for reviews, see McCarty 2011; Schaffner 2011). Likewise, existing models of candidate polarization neither recognize the differences between initial and ongoing investments into a policy initiative nor evaluate the downstream electoral consequences of contemporary partisan disagreement (for summaries of standard approaches to studying political competition, see Gehlbach 2013; Roemer 2009).

To clarify the dynamic relationships between an evolving political agenda and political conflict, we study a model of electoral competition in which politicians decide whether to start a new political program and then, once established, how much to invest in the program. These long-run projects affect political actors’ payoffs both directly (in terms of the costs and benefits they create) and indirectly (by affecting the electorate’s preferences over who manages the program once it is established). Forward-looking, strategic actors evaluate both effects when deciding whether to support new projects.

Thus, in a variety of ways, politicians’ strategic decisions about whether to implement a project can deviate from naive assessments of a project’s direct costs and benefits. The establishment of a project can yield electoral effects that can benefit either the politician who supports the project or one who opposes it. If those effects are sufficiently important, an officeholder who dislikes a project may nonetheless implement it in order to negate an electoral advantage presently enjoyed by the opposition. Likewise, an officeholder who likes a project may postpone or even abandon it in order to prolong an existing electoral advantage.

We also find that concerns about the benefits of holding public office—understood either as rents or policy gains on purely ideological issues—can disrupt negotiations over a public good, even when both political actors would otherwise support its provision. When the perceived benefits of holding office are sufficiently high, we...
find, support by one political actor unavoidably stimulates opposition by the other, with consequences that are detrimental to the voter. In such situations, at least one party either supports a project that the voter opposes or opposes a project that the voter supports.

The article proceeds as follows. The first section summarizes the relevant empirical and theoretical literatures. The second section introduces the model, identifies instances when politicians behave in ways that deviate from their direct policy preferences, and offers a series of illustrative examples from contemporary U.S. and European politics. The third section presents graphical illustrations of politicians’ equilibrium behaviors across the parameter space. The fourth section defines ex ante and ex post political conflict and characterizes the interactions between the two. The final section concludes, and the supporting information contains proofs of the propositions.

**Literature Review**

This article draws upon a range of empirical and theoretical literatures on party polarization, issue salience, issue ownership, and candidate divergence. Each in their own way, these literatures recognize the relevance of past political choices for contemporary political conflict. None, however, characterizes how an endogenously chosen and structurally changing policy initiative stimulates varying levels of partisan conflict over time.

To start, consider the massive body of empirical scholarship that measures and tracks polarization between the two major parties in the United States. In addition to documenting the fact of rising polarization over the last half century, this literature also posits income inequality, changes in party structures, and money in politics as its causes (e.g., see McCarty, Poole, and Rosenthal 2016; Sinclair 2006; Theriault 2008). But as McCarty (2011, 91) points out, "very little is known about the dynamics of how issues map (or not) into the major dimensions of conflict over time." To be sure, scholars working within this research tradition recognize that estimates of politicians’ ideological differences, as measured by roll-call votes, critically depend upon the contents of the legislative agenda (Poole 2005). For the most part, though, these scholars treat the agenda as a nuisance parameter. Though a handful of studies leverage information about the distribution of estimated bill-specific cutpoints in order to characterize historical changes in the legislative agenda (e.g., see Poole and Rosenthal 1993), none offers a theoretically informed explanation of the strategic motivations that drive these changes or their consequences for political polarization.

Other empirical work assesses the salience of different policy considerations in different elections (e.g., see Ansolabehere, Rodden, and Snyder 2006). Whereas voters may choose between candidates on the basis of their education policy positions in one election, this literature points out, they may focus more on their health policy positions in another. Here again, though, scholars treat the agenda itself as something to be controlled for rather than explained. Given the clear endogeneity concerns at hand, it is not surprising that researchers working within this domain have had a difficult time recovering a defensible identification strategy. Just as important, though, none of these studies explains how contemporary policy debates reflect past political decisions to either create new programs or invest in existing ones.

Informing these empirical literatures are ample theories of political conflict that modify the standard spatial model to explain candidate and platform divergence. Contributing factors include policy motivation (e.g., Besley and Coate 1997; Calvert 1985; Londregan and Romer 1993; Martinelli 2001; Osborne and Slivinski 1996), entry deterrence (e.g., Callander 2005; Palfrey 1984), incomplete information among voters or candidates (e.g., Bernhardt, Duggan, and Squintani 2007; Callander 2008; Castanheira 2003), rent seeking (e.g., Van Weelden 2013), and differential candidate valence (e.g., Bierbrauer and Boyer 2013; Groseclose 2001; Krasa and Polborn 2010b, 2012). None of this work, however, recognizes the electoral implications of contemporary policy decisions, which, we show, can induce conflict even on projects whose direct payoffs are positive for both parties.¹

Callander and Raiha (2017) develop a dynamic model in which an incumbent chooses both the type and the amount of infrastructure investment.² As in our model, electoral considerations play a central role in the analysis, inducing the incumbent to invest in wasteful types of projects (i.e., ones that are not used by anybody in equilibrium) and in amounts that are socially suboptimal. Unlike our model, however, Callander and Raiha find that polarization between the two parties improves efficiency, and electoral considerations always reduce spending on useful infrastructure. By contrast, the effects of polarization and electoral considerations on implementation decisions are

¹Somewhat related, Krasa and Polborn (2014) present a model of electoral competition that supports ideological spillovers to economic policy choices. Their framework and results, however, differ markedly from our own.

²See also Callander and Martin (2017). A related theoretical literature analyzes the adoption of reforms that benefit some voters and harm others, often under conditions of uncertainty (Coate and Morris 1999; Fernandez and Rodrik 1991).
ambiguous in our model, and voters are more likely to suffer from projects that were implemented for strategic reasons.

Most relevant, perhaps, is Besley and Coate (1998), which presents a dynamic citizen–candidate model in which first-period policy choices affect the second-period electorate by, for example, lifting some voters out of poverty and into the middle class so that they henceforth oppose redistribution. In this setting, a first-period incumbent who is worried about the next electorate ceasing to be majority-poor might forgo the opportunity to implement such a policy. Since the identity of the voter is fixed in our model, none of our results are based on the incumbent’s desire to alter the composition of a future electorate. Furthermore, Besley and Coate do not evaluate projects that require management after implementation. For them, short-term policy choices regarding a policy’s implementation and execution occur concurrently. In our model, we relax this assumption and allow opinions about a public good to vary over the course of its life span—a fact, we explain below, that has important implications for both the electoral landscape and the policy choices that politicians make.

The Model

We analyze a $T$-period model in which players’ payoffs depend on public goods and private consumption. A voter of type $\theta$ receives policy utility $u_\theta(c, g) = c + \theta g$ in each period, where $g$ is the quantity of the public good and $c$ is private consumption in that period. Thus, $\theta \geq 0$ measures how much a voter values one unit of public good consumption relative to private consumption. The voter’s type is denoted by $\theta$, and the discount factor between periods is denoted by $\delta \in [0, 1]$.

Public good provisions depend on decisions made by the officeholder in each period. If a public project has not yet been started, the officeholder chooses whether to initiate one. Initiation requires a setup cost of $K$ per citizen, and no benefits accrue in that period. In each period thereafter, the officeholder chooses how much additional money to allocate to the project, denoted by $I$ on a per citizen basis.

Formally, the officeholder cannot eliminate the project from the policy landscape and thereby return to the implementation stage of the game. Once a project has been implemented, the only decision concerns the amount of investment to be made in the operational project, $I$. Depending on this amount, the project then supplies $g = f(I)$ units of the public good, where $f' \geq 0$ and $f'' \leq 0$. For a variety of reasons, this simplifying assumption adheres well to observed empirical phenomena. Notice, for starters, that the model permits the officeholder to support an implemented project at any amount she likes. Nothing about the current setup precludes her from completely defunding an existing project. Moreover, as soon as one recognizes that the initial investment $K$ covers not only administrative and operational costs, but also the acquisition of expertise about how a project might work, it becomes difficult to imagine how an officeholder could conceivably “destroy” a program, once and for all. So although a substantial empirical literature demonstrates that government programs do not live in perpetuity (e.g., see Berry, Burden, and Howell 2010; Maltzman and Shipan 2008; Patashnik 2008; Pierson 2005), the demise of an existing project does not return the government to a prior state that proscribes any subsequent incumbent from producing public goods with the project without paying the full implementation costs.

In each period, two candidates $L$ and $H$ (for low- and high-demanding types, respectively) compete in an election. Candidates’ preferences resemble those of voters, with type parameters $\theta_L \leq \theta_H$, where at least one of these inequalities is strict. In terms of a project’s direct utility, therefore, high-demanding types prefer more of the public good than the voter; and the voter, in turn, prefers more of the public good than low-demanding types.4

Unlike voters, candidates receive an additional pay-off of $\psi \geq 0$ in each period that they or their party win the election. The payoff $\psi > 0$ can be understood as stemming from either the personal benefits of holding office (“ego rents”) or the additional benefits associated with the officeholder’s ability to advance a strictly ideological—that is, nonprogrammatic—agenda (“ideology rents”).5 Candidates cannot commit to a policy position ex ante. Upon being elected, therefore, an officeholder either chooses to initiate the project or, if the project is already underway, selects $I$ to maximize her own utility.

4 Starting with only two parties, our model does not allow additional parties to form and enter an electoral competition. Future iterations may wish to evaluate the relevance of endogenous candidate entry for candidates’ decisions and the incidence of political conflict.

5 Note that the latter benefit would also accrue if the incumbent is term limited. In this case, $\psi$ can be interpreted as the incumbent’s ideological benefit from being succeeded by a member of her own party, rather than the opposition.

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3We have in mind a project that takes some time to build or launch, which delays the public good’s provision. However, this assumption can be relaxed without qualitatively affecting our results below.
In addition to the voters’ utility from public good provision and private consumption, there is an election-specific shock $v_t$, which can be interpreted as the additional utility from the low-demanding type holding office due to other issues that are salient at time $t$. (The additional utility from the high-demanding type is normalized to 0.) Thus, $v_t > 0$ corresponds to states of the world where, all project-related matters equal, the voter prefers $L$; and $v_t < 0$ indicates a state of the world in which, all else equal, the voter prefers $H$. We assume that $v_t$ is drawn independent and identically distributed across time according to a distribution with cumulative distribution function $\Phi(\cdot)$, and a probability density function that is strictly positive around 0.

In each period $t = 1, \ldots, T$, the following sequence of events takes place.

1. The election shock $v_t$ is realized, and the voter elects one of the two candidates.
2. If the project has not yet been started, then the winning candidate decides whether to initiate the project, which costs each voter an amount $K$ for setup costs.
3. If the project was started in a previous period, then the winning candidate chooses $I$, the amount each voter is taxed for public good provision in that period, and a quantity $f(I)$ of the public good is provided.

We assume that all agents’ utility is equal to the sum of their (discounted) period utilities.

Proposition 1 shows that subgame-perfect equilibria always exist and payoffs are generically unique; that is, subgame-perfect equilibria are unique except for the case in which the voter is exactly indifferent between the candidates.\(^6\)

**Proposition 1.** There exist subgame-perfect equilibria in pure strategies. Furthermore, for all subgame-perfect equilibria (pure or mixed) starting at the beginning of each period $t$, expected payoffs to the voters are the same. The expected payoffs for candidates are the same except for the single electoral shock realization at which the voter is indifferent between the candidates.

In the following, we will focus on the case where $T = 3$, which allows us to derive key effects in the simplest possible framework.\(^7\)

\(^6\)If the shock is such that the voter is indifferent between candidates, candidates’ payoffs depend on how the voter breaks the indifference, whether by randomization or by selecting one candidate with probability 1.

\(^7\)For any finite number of periods $T$, the equilibrium can be found through backward induction, and this equilibrium is (generically) unique. In contrast, in an infinite period setup, a large number of subgame-perfect equilibria arise because of repeated game effects that do not align with the main interest of this article. One way to exclude these reward-and-punishment equilibria is to focus on Markov-perfect equilibria in which the voter’s election decision only depends on whether the project has already been implemented and on the electoral shock in period $t$. If we restrict our attention to Markov-perfect equilibria, we can show that the main results derived for the three-period model go through qualitatively unchanged.

\(^8\)If, instead, $\theta_P f'(0) \leq 1$, then $I_P = 0$. If, in addition, $f(0) > 0$, then a project generates payoffs without incurring any additional maintenance expenses.

**Equilibrium Analysis**

Our analysis proceeds in two steps. First, we identify the optimal level of investment in a project that is up and running, and then we characterize the decision about whether to initiate a project. In so doing, we identify a series of cases in which electoral considerations cause politicians to behave in ways that do not accord with their immediate policy preferences. Illustrative examples are provided throughout the discussion that follows.

**Investment Decisions Post-Implementation**

If the project was already implemented in a previous period, then the officeholder of type $\theta_P$ chooses her optimal level of public good provision by solving

$$\max_{I} m - I + \theta_P f(I).$$

(1)

Let $I_L$ and $I_H$ be the solutions of this optimization problem for $L$ and $H$, respectively. In an interior solution, the first-order condition of (1) is $\theta_P f'(I_P) = 1$.\(^8\)

If investments are strictly positive and $f'' < 0$, then, from the voter’s perspective, $L$ underinvests and $H$ overinvests in the project. Formally, $I_L < I_V < I_H$, where $I_V$ solves (1) for $\theta_P = \theta_V$.

The voter understands that if party $P$ wins, then public good investments will be $I_P$. The voter is thus indifferent between the two candidates if

$$v^* + m + \theta_V f(I_L) - I_L = m + \theta_V f(I_H) - I_H,$n

which implies

$$v^* = (\theta_V f(I_H) - I_H) - (\theta_V f(I_L) - I_L).$$

(2)

We denote the post-implementation valence cutoff $v^*$ without a time subscript since it is constant across every period after implementation. If $v < v^*$, then $H$ wins the election; if $v > v^*$, then $L$ wins. The first and second terms in parentheses in Condition (2) are the voter’s utility if $H$ or $L$, respectively, choose the amount of public good
expenditures, so that \( v^* \) is equal to the voter’s net policy benefit from having \( L \) rather than \( H \) manage the public good. Thus, for \( H \) to win the election when \( v^* > 0 \), she needs an electoral shock that is at least as large as \( L \)’s policy advantage. For \( v^* < 0 \), the same holds true for \( L \).

Once the project is implemented, the payoffs are the same in all subsequent periods. Let the expected post-implementation policy payoff for type \( \theta \) be denoted by

\[
\Delta(\theta) = [1 - \Phi(v^*)](\theta f(I_L) - I_L) + \Phi(v^*)[\theta f(I_H) - I_H].
\]

(3)

The expected payoffs for candidate \( L \), candidate \( H \), and the voter, respectively, are

\[
W_L = \Delta(\theta_L) + \psi [1 - \Phi(v^*)], \quad W_H = \Delta(\theta_H) + \psi \Phi(v^*),
\]

\[
W_V = \Delta(\theta_V) + \int_{v^*}^{\infty} v \, d\Phi(v),
\]

(4)

where the voter’s payoff includes the expected valence payoff after implementation. Clearly, there is also a valence payoff in periods when the project is not (yet) implemented. Consequently, only the expected valence difference is relevant for welfare comparisons for the voter, an issue we return to below.

The Implementation Decision

We now analyze implementation decisions in periods 1 and 2. In this section, we focus on cases in which the electoral consequences of implementation cause at least one of the politicians to behave in ways that deviate from her direct policy preferences. Then, in the subsequent section, we evaluate the regularity of these nonconforming equilibrium behaviors across the full parameter space supported by Proposition 1.

Seizing an Electoral Advantage, Enduring an Electoral Loss. Because of its electoral consequences, the decision to implement a project does not always follow straightforwardly from a politician’s views about its merits. In some instances, a politician who opposes a project will nonetheless see fit to implement it. In others, a politician will abide her policy preferences in only the most exceptional of circumstances.

Let us begin with the first scenario, wherein \( L \) implements a project that she intrinsically does not like, but that provides her with an electoral advantage post-implementation because the voter trusts her management of the project more than her opponent’s. Notice that \( L \) does not benefit directly from the project if the discounted expected payoff after implementation, \((\delta + \delta^2)\Delta(\theta_L)\), is strictly less than the project’s implementation cost \( K \), that is, if \( \Delta(\theta_L) < K/(\delta + \delta^2) \). Nonetheless, \( L \) would implement the project if it provided a sufficiently large electoral advantage \textit{ex post}, that is, if the cutoff valence \( v^* < 0 \) (recall that \( L \) wins if \( v > v^* \)). \( L \) receives this electoral advantage if the voter strictly prefers that she handle the project.

In particular, let \( \theta^* \) be the voter type who is indifferent between the politician handling the project in the last period, that is, \( \theta^* f(I_L) - I_L = \theta^* f(I_H) - I_H \). Solving for \( \theta^* \) yields

\[
\theta^* = \frac{I_L - I_H}{f(I_L) - f(I_H)}.
\]

(5)

In order for the voter to prefer that \( L \) handle the project, it must be the case that \( \theta_V < \theta^* \). If the electoral advantage is sufficiently important, \( L \) will initiate the project. This is shown formally in Proposition 2, which, for simplicity, focuses on a two-period model (i.e., the subgame starting in period 2, given that the project was not implemented in period 1).

Proposition 2. Consider the subgame that starts in period 2 when no implementation occurred in period 1. Suppose that the voter prefers that type \( L \) runs the project; that is, \( \theta_V < \theta^* \), where \( \theta^* \) is given by Equation (5). Further, suppose that type \( H \) likes the project, but type \( L \) dislikes it; that is, \( \Delta(\theta_H) < K/\delta < \Delta(\theta_L) \). Then there exist \( 0 < \tilde{\psi}_1 < \tilde{\psi}_2 \) such that

1. Only \( H \) implements the project if \( \psi < \tilde{\psi}_1 \).
2. Both \( H \) and \( L \) implement the project if \( \tilde{\psi}_1 < \psi < \tilde{\psi}_2 \).
3. Only \( L \) implements the project if \( \psi > \tilde{\psi}_2 \).

Furthermore, there exists \( \bar{\theta} > \bar{\theta}_L \) such that the voter is worse off if the project is implemented when \( \theta_V < \bar{\theta} \).

If the voter’s preferences are close to those of candidate \( L \), then the voter would prefer that the project not be undertaken. In addition to obtaining the project with a lower valuation, the voter also loses in expectation because after implementation, candidates with negative valence may get elected. (Recall that the project gives an \textit{ex post} electoral advantage to \( L \), and hence a negative valence candidate can win the election.)

Contemporary politics furnishes numerous examples of politicians behaving in ways that are consistent with the cases identified in Proposition 2. For the first two cases of Proposition 2, when a low-demanding type
implements a project for electoral reasons even though she directly dislikes it and/or a high-demanding type chooses to forgo a project, consider the German government’s reform program dubbed “Agenda 2010,” which was implemented by a coalition government of the left-wing Social Democratic Party (SPD) and Green Party under Gerhard Schröder. Agenda 2010 included “drastic cuts to welfare budgets, tax breaks to workers and corporations, weakening the then-stricter labor laws to allow easier hiring and firing of employees [and] changing the rules to allow for more part-time and temporary work.” Not surprisingly, “the reform measures were warmly welcomed by businesses and conservative politicians but loathed by the left and Germany’s labor unions.”

Why would a liberal coalition—particularly one that historically showed little appetite for deregulatory labor market reforms—do such a thing? Part of the answer may have involved a concerted effort to undermine even more drastic cuts to workers’ rights and a general realignment of party platforms. Our model, however, suggests another possibility, which relates to changes in the electoral landscape wrought by this neoliberal policy’s adoption. With employment contracts deregulated, German workers became increasingly vulnerable during economic recessions, making the insurance function of the government more important. This singular change to the policy landscape yielded clear electoral advantages to liberal parties that promised relief to voters’ emergent economic anxieties. At a time when the viability of a left-wing coalition government was being called into question, therefore, the SPD and Green Party opted to embrace Agenda 2010 and thereby shift the terms of policy debate in ways that played to their distinct electoral advantage.

Before the reform’s adoption in 2003, the SPD/Green Party government barely won the 2002 Bundestag election only because the competition was saddled with significant liabilities (Pulzer 2003). The opposition candidate for chancellor, Edmund Stoiber, was both an exceptionally inept communicator and widely suspected of supporting the U.S.-led Iraq War, a wildly unpopular position in Germany at the time. Immediately after the election, Stoiber was replaced by Angela Merkel, and the popularity of the conservative block (CDU/CSU/FDP) soared to 54%, as compared to 39% for the governing SPD and Green Party. Subsequently, Schröder set to work on enacting the various elements of Agenda 2010. In the following election in September 2005, SPD and the Green Party received a combined 42.3% of the popular vote, whereas the conservative block received 45%. Though still a loss, the SPD/Green coalition avoided the rout predicted by earlier opinion polls. And because the conservative block missed an outright majority of seats in the Bundestag, SPD remained in power, albeit as a partner with CDU and CSU in a Grand Coalition. Overall, from an electoral standpoint, Agenda 2010 proved to be a tactical success for Schröder.

We now turn to an example for case 1 of Proposition 2, which identifies when a politician will undertake a project knowing full well that its adoption will degrade her future electoral prospects. Returning to the model, let us now suppose that \( H \) likes the project, that is, \( \Delta(\theta_H) > K(\delta) \). The willingness of \( H \) to implement the project depends on the relative size of the electoral disadvantage and the project’s direct benefit. If electoral concerns dominate, that is, if \( \psi \) is sufficiently large, then \( H \) will not implement the project, whereas the reverse is true if \( \psi \) is smaller. In other words, \( H \) is willing to “expend political capital” and implement a project if and only if her direct project benefits outweigh her loss from the subsequent electoral disadvantage.

Barack Obama’s decision to enact the Affordable Care Act (ACA) in 2010 provides an illustrative example. Before he assumed office, nearly every recent Democratic president had sought to reform the nation’s health care system. And until Obama enacted the ACA, every one had failed. Powerful interest groups like the American Medical Association, the American Hospital Association, and the American Association for Retired People, as well as...
as insurance companies, doctors associations, and the pharmaceutical industry consistently stood in the way of any substantial reform, and they stood ready to punish anyone who tried (Hacker 1999; Starr 2013; Steinmo and Watts 1995).

In 2009, however, Obama saw an opportunity to break through this impasse, and he took it, knowing full well that his party would suffer collateral damage. As he explained in a joint session of Congress in the fall of 2009, when debate over the ACA was in full bloom: “I understand that the politically safe move would be to kick the can further down the road—to defer reform one more year, or one more election, or one more term. But that is not what the moment calls for. That’s not what we came here to do. We did not come to fear the future. We came here to shape it.”

Four months later, Obama signed the ACA into law. And sure enough, in the years that followed, “bashing Obamacare became a winning Republican message—an indictment of its polarizing namesake, of big-spending Democrats and of the boogeyman of creeping socialism all rolled into one.”

In the following midterm elections, Republicans regained control of both the House and Senate. And though Obama would win reelection in 2012, four years later Republicans secured more elected offices at the state and federal levels of government than at any time since the 1920s. Obama, however, showed no signs of regret. For him, the immediate policy benefits of enacting ACA more than compensated for the electoral disadvantage that he and his party would consequently endure.

Notice that Proposition 2 does not exclude the possibility that in the first period both $H$ and $L$ will implement the project even when the voter dislikes it. Thus, electoral concerns in our model may yield a surprising nonmonotonicity in which both candidates go against the wishes of the voter regarding project implementation, even though one candidate has a stronger direct preference for the project than the voter, and the other candidate has a weaker one. The nonmonotonicity can take one of two forms: Both candidates may implement a project opposed by the voter; and, alternatively, both candidates may refuse to implement a project that the voter supports.

**Proposition 3.** There exist model parameters such that both candidates implement the project even though the voter strictly prefers that the project is not implemented. In this case, there must be ex post conflict about the funding level; that is, $I_H \neq I_L$ and the voter strictly prefers that $L$ handles the project ex post, that is, $v^* < 0$.

Similarly, both candidates may not implement the project even when the voter strictly prefers it to be implemented. In this case, there must also be ex post conflict about the funding level, that is, $I_H \neq I_L$.

How does the nonmonotonicity of Proposition 3 arise in our thoroughly spatial model? Consider the second case, in which both candidates oppose a project even though the voter supports it. Suppose, for example, that after implementation the optimal level of investment $I$ from the voter’s point of view is zero; and, further, suppose that the voter prefers that $L$ maintain the project after implementation. Knowing this, $H$ must compare the direct policy benefits against the indirect electoral losses of a project’s implementation. For intermediate values of $\psi$ and sufficiently large policy disagreements, there are instances when the direct gains for $H$ associated with adopting a project do not outweigh the relatively large electoral disadvantage that follows. Because the policy returns are not symmetric, however, $L$ may choose the same action as $H$. When the relatively large direct losses for $L$ associated with implementing a project overwhelm the relatively small gains in electoral advantage, $L$ will also pass on the project. As a result, neither candidate implements the policy even though the voter supports it.

Note that the example provided in the proof of Proposition 3 does not require that high types care more about reelection than low types. Throughout, we assume that $\psi$ is the same for both. Furthermore, we should emphasize that Proposition 3 requires that politicians care about both policy and reelection. This result could never arise in a Downsian framework in which both candidates care exclusively about being elected and therefore abide the voter’s wishes (here, by implementing the project). Nor could this result arise in a citizen–candidate model in which candidates lack office motivation, belong to one of the two groups of voters, and simply pick their voter group’s ideal policy, as in Besley and Coate (1998).

**Taking an Issue off the Table, Keeping an Issue Alive.** Rather than tilt the electoral landscape to one party’s distinct advantage, the adoption of a project may level it. Here again, though, candidates may behave counter

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17 Opinion polls routinely show that the public trusts Democrats more than Republicans in handling health care. Consistent with the model, however, these differences attenuated markedly immediately after the enactment of the ACA. See, for example, Pew Research Center, “Public Dissatisfaction with Washington Weighs on the GOP,” April 17, 2017. https://www.people-press.org/2017/04/17/public-dissatisfaction-with-washington-weighs-on-the-gop/.
to type. A high-demanding politician may choose not to implement a project, whereas a low-demanding type may choose to proceed with one. Each does so, however, not so much to secure an electoral advantage tomorrow but rather to prolong her current advantage or to short-circuit her present disadvantage.

To identify circumstances under which such behaviors occur, we first must review the implementation decision in period 2. Specifically, we are interested in the case that, in period 2, only a high-demanding incumbent would implement the project. This case requires

$$\Delta(\theta_H) > \frac{K}{\delta} - \psi \left( \Phi(v^* - \Phi(0)) \right), \text{ and}$$

$$\Delta(\theta_L) < \frac{K}{\delta} + \psi \left( \Phi(v^* - \Phi(0)) \right). \tag{6}$$

The first inequality stipulates that $H$’s direct expected payoff in the last period is greater than the implementation cost and the value of her electoral disadvantage in period 3. Note that $\Phi(0) - \Phi(v^*)$ is the extent to which $H$’s reelection probability decreases, relative to the case when the project is not implemented. Of course, if $\Phi(0) - \Phi(v^*) < 0$, then $H$ secures an electoral advantage in period 3. The second inequality in (6) states that implementation will not occur if $L$ is the incumbent in period 2.

If (6) holds, the identity of the period 2 officeholder matters for the voter because only $H$ implements the project. The voter in the period 2 election is indifferent between the candidates at a valence $v_2$ such that $-K + \delta W_v = v_2 + \delta \int_0^{\infty} v d\Phi(v)$. Thus,

$$v_2 = -K + \delta \Delta(\theta_V) - \delta \int_0^{v^*} v d\Phi(v). \tag{7}$$

Note that $\int_0^{v^*} v d\Phi(v) \geq 0$ for all $v^*$. (If $v^* < 0$, then the integrand is negative, but the lower integration bound, 0, is larger than the upper bound $v^*$.) This is interesting, as it implies that if the voter’s expected payoff from the project is exactly as large as the cost (i.e., the first two terms add to 0) and $v_2 = 0$, then the voter strictly prefers the candidate who will not implement the project. Why?

If the project is implemented, then, in period 3, the voter sometimes (for values of $v_3$ between 0 and $v^*$) chooses the candidate with the lower valence because she provides a higher project-related utility. In contrast, without implementation, the higher valence candidate always wins, so that project implementation leads to a reduction in expected valence. Consequently, candidate $H$ in period 2 must be sufficiently good to compensate for this effect in order to be elected.

Having clarified the voter’s decisions in periods 2 and 3, we now can stipulate when, in period 1, a high-demanding type will forego implementing a project in order to safeguard her electoral advantage.

**Proposition 4.** Suppose that voters do not care who manages the project after implementation, that is, $v^* = 0$. Further, suppose that $\Delta(\theta_H) > K/\delta$, whereas $\Delta(\theta_L) < K/\delta$; that is, only $H$ would implement the project in period 2. Let $\hat{v}_2$, given by Equation (7), be the net discounted payoff for the voter if the project is implemented in period 2. Then if $\hat{v}_2 > 0$, there exists $V$ such that $H$ implements the project in period 1 if $\Psi < \hat{v}_2$ and delays implementation to period 2 if $\Psi > \hat{v}_2$.

Proposition 4 describes a situation in which the voter supports a project that only $H$, on purely policy grounds, is willing to implement. Consequently, $H$ retains an electoral advantage in period 2 if the project is not yet implemented. Should winning be sufficiently important ($\Psi$ large), then we can expect $H$ to bypass the opportunity to implement the program in period 1. In so doing, she suffers an immediate policy loss but recovers a potentially larger electoral gain.

During his first 2 years in office, Donald Trump’s persistent, and largely ineffectual, efforts to secure funding for a wall along the U.S. southern border with Mexico provide an illustrative example of a high-demanding politician forestalling implementation of a project he ostensibly supports. There are, of course, a bevy of potential explanations for why Trump failed to deliver on this defining promise of his 2016 presidential campaign. His lack of discipline, intraparty and interparty divisions, and the (de)merits of the policy itself all may have been contributing factors. Our model, though, suggests another potential reason: As long as the national conversation fixated on whether to build a wall, Trump believed that he stood to benefit electorally; but once the wall was erected, and deliberations turned to the more mundane matter of maintenance, Trump’s expected electoral advantage would promptly vanish. And having formally announced his 2020 reelection bid on the day of his inauguration in 2017, there is ample reason to believe that Trump put greater weight on electoral considerations than he did on any particular policy, very much including border security.

For Trump, the wall served a variety of political purposes. Materially, it addressed a long-standing problem of border security; and metaphorically, it spoke to Americans’ deep anxieties and prejudices surrounding immigration. Though its registered popularity varied across

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opinion polls, the wall clearly enjoyed substantial support among the president’s electoral base. Reflecting on his political rallies, the president noted, “You know, if it gets a little boring, if I see people starting to sort of, maybe thinking about leaving, I can sort of tell the audience, I just say, ‘We will build the wall’ and they go nuts.” It was a device he would employ not only during his own run for office, but also while governing and during the 2018 midterm elections. Rather than extol the demonstrable improvements in the domestic economy, Trump spent the fall of 2018 railing against a small caravan of Central American migrants heading north while demanding that his wall finally be built. The president was quite convinced that the wall made for good politics.

Throughout his first 2 years in office, however, Trump refused to take actions that would materially advance his cause. While lauding the benefits of a “great, great wall,” the president never offered detailed plans for its construction. Though Republicans held majorities of both chambers of Congress, Trump never offered congressional leaders specific policy concessions in exchange for the wall’s construction. Just the opposite—Trump repeatedly declined offers by Democratic leaders for funding packages that significantly exceeded anything he would actually secure. Meanwhile, the president characterized the infrastructure project in ways that altogether ensured that compromise could not be reached. It was not until early 2019 that Trump finally took executive action on the matter by declaring a national emergency on the southern border. With a judicial challenge invariably following, however, even this move did not settle the matter.

Why did he behave this way? Political commentator Ezra Klein suggests an answer that is entirely consistent with our model’s predictions: “Trump doesn’t want the wall. He wants a fight about the wall.” And with reason. As Trump himself noted, debates over the wall’s construction were a “total winner” for his party. Rather than promptly deliver on this singular campaign promise, therefore, the president dragged out the debate just as long as he could, confident that the politics played to his advantage.

**Polarization Begets Dysfunction.** Above and beyond the electoral advantages associated with a project’s implementation, the benefits of holding office also bear upon the politicians’ behaviors. Specifically, we show that higher valuations of holding office inevitably lead to conflict regarding project behaviors. No matter how beneficial or detrimental a project may be for the two candidates and the voter, exactly one candidate will support the project and the other candidate will oppose it. Partisan conflict, in this sense, is inescapable, as each political actor adopts exactly the opposite position of her competitor.

**Proposition 5.** Suppose that $\theta_c \neq \theta^*$, where $\theta^*$, as defined in Equation (5), is the voter type who is indifferent between candidates $L$ and $H$ after project implementation. There then exists $\psi_1$ such that if $\psi > \psi_1$, one party supports and one party opposes implementation. Moreover, such a conflict equilibrium can arise in cases where the voter either supports or opposes implementation.

For voters, this effect can be extremely detrimental. Given sufficiently high $\psi$, it is guaranteed that one type of incumbent will either rationally forgo a project that the voter supports or implement a project that the voter opposes. This is true even if the project is unambiguously “good” (i.e., everyone would receive a positive expected payoff) or unambiguously “bad” (i.e., everyone would receive a negative expected payoff). In contrast, if the officeholder cares very little about who succeeds her, good projects (in the sense defined above) will be reliably implemented, and bad projects will not.

There are at least three ways of thinking about $\psi$, the benefits accrued from holding office. Most naturally, perhaps, $\psi$ reflects material, reputational, or egoistic rents. To wit, holding office may improve a politician’s ability to raise funds, augment her party’s brand, or deliver

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simple pleasures. Viewed this way, the model underscores the ways in which political rents can disrupt policy negotiations over which general consensus may exist. Indeed, as Proposition 5 shows, when these rents are sufficiently large, negotiations over public good provisions necessarily falter.

Alternatively, we might interpret $\psi$ as the level of disagreement between politicians on strictly ideological policies, which are unrelated to the kinds of public goods that our model explicitly studies. As these ideological divisions become more pronounced, the perceived stakes of an election rise and $\psi$ increases in value. Understood this way, the model illustrates how strictly ideological considerations can infect deliberations over seemingly nonideological public projects from which both parties receive a positive direct utility. As ideological disagreement rises, politicians may be less willing to compromise even on issues that are, in principle, nonideological. In this way, topics of ideological contestation may bleed into negotiations over policies where both parties stand to receive an immediate positive payoff.\(^{25}\)

One also might think of $\psi$ as a measure of available opportunities for corruption among elected officials. Understood this last way, the model reveals yet another reason why public fraud hurts citizen welfare. In addition to the waste and inefficiency they present, opportunities for corruption distort the electoral incentives of elected officials to pursue popular public goods and ignore less popular ones. Our model, as such, helps explain why investments in public goods in those countries where corruption is rampant (within Europe, think Greece or Italy) do not align nearly as well with the voters’ interests as those countries where corruption is less common (think England or France).

**Summarizing the comparative statics on implementation.** As the examples in this section make clear, the implementation of a policy can have very different consequences for a politician’s direct utility and her subsequent electoral fortunes. The comparative static effects of parameter changes on the implementation decision, therefore, tend to be ambiguous. Beyond issues of measurement and sample selection, this ambiguity illuminates why it can be so difficult to empirically study the causes and consequences of changes in political conflict over the life span of a government program.

When we can parse the electoral effect from the consumption effect, it is possible to unambiguously sign the comparative statics. Consider, for instance, technological changes that make a project more attractive without altering the electoral advantage generated by the project ex post—say, a decrease in the implementation cost $K$, or a uniform increase in output for any investment level (i.e., going from production function $f(I)$ to $f(I) + m$, for some $m > 0$). In these instances, both politicians receive a higher direct consumption effect and neither suffers electorally. Consequently, both $H$ and $L$ become more inclined to implement the project.

Most comparative statics, however, have consequences for players’ direct policy utility and their subsequent electoral fortunes. These comparative statics, as such, tend to be ambiguous. Consider, for example, an increase in $\theta_H$. Directly, this parameter change increases the high type’s payoff from the project and (weakly) increases her investment level after implementation, $I_H$. Because she becomes a worse representative of the voter, however, the electoral effect of implementation is negative for $H$; and depending on which of these effects dominates, $H$ may become more or less inclined to implement the project. For similar reasons, the effect of an increase in $\theta_H$ on $L$’s implementation decision also is ambiguous. On the one hand, since $H$’s post-implementation investment $I_H$ increases (which is anyway already too high from $L$’s point of view), $H$’s continuation payoff after implementation, and thus her incentive to implement the project, decrease; on the other hand, the electoral effect that was negative for $L$ is positive for $H$, making her more inclined to implement. Depending on the circumstances, either effect may dominate.

Now consider an increase in $\theta_L$, the voter’s appetite for the project. Although this change has no direct payoff-relevant effect for either $L$ or $H$, it implies that the attractiveness of $H$ (relative to $L$) increases after implementation. This makes high-demanding types more inclined to implement the project, and low-demanding types less inclined to do so.

An increase in $\theta_L$ directly affects $L$’s payoff, but it also makes her more attractive to the voter ex post. Thus, low-demanding types become decidedly more inclined to implement the project. The effect of a change in $\theta_L$ on $H$’s implementation decision, however, is ambiguous since the positive consumption effect (i.e., if $L$ is in charge post-implementation, she now provides more investment, which $H$ likes) is counteracted by a negative electoral effect.

\(^{25}\)These results speak to a small, formal literature that analyzes the costs and benefits of polarization (Bernhardt, Duggan, and Squintani 2009; Krasa and Polborn 2010a, 2010b). In these articles, a central question is whether the equilibrium positions taken by candidates in electoral competition are “too similar” or “too different” with respect to voters’ preferences. The results presented here, by contrast, show that polarization on moral and cultural issues may spill over to nonideological issues and create political conflict even about public policies over which there is broad public agreement.
The effect of an increase in $\psi$, the importance of reelection concerns, depends on whether implementation favors the party of the current incumbent. If and only if the answer to this question is affirmative, the incumbent becomes more inclined to implement.

**Equilibrium Behaviors across the Parameter Space**

Our model supports several distinct types of equilibrium behavior. In some cases, implementation decisions conform with politicians’ policy preferences, whereas in others, they do not. To gauge how frequently each of these cases arises, we evaluate some numerical examples and graph the parameter regions for which different types of equilibrium behavior obtain. Rather than being exceptional, nonconforming behaviors turn out to be quite common.

Figure 1 graphs how different implementation regions depend on the importance of reelection concerns $\psi$ and the voter’s policy position $\theta_V$, for a project with implementation cost $K = 2$, discount factor $\delta = 1$, $\theta_L = I_L = f(I_L) = 0$, $\theta_H = I_H = 1$, and $f(I_H) = 2$. Net valence is drawn from a normal distribution with $\mu = 0$ and $\sigma = 0.5$. The left panel displays the officeholder’s decision in period 1, and the right panel her decision in period 2.

In period 2, neither type of politician would implement the project on its merits, as the project in period 3 requires one unit of investment to generate two units of output. Because the project also requires two units of initial investment, the net return is strictly negative for all types.

If the project is implemented, then, by Equation (5), type $\theta^* = 0.5$ is indifferent between the candidates. Thus, the project’s electoral effects favor $H$ if $\theta_V > 0.5$ and favor $L$ if $\theta_V < 0.5$. Consequently, for sufficiently large reelection benefits $\psi$, the favored candidate accepts the policy loss and implements the project. Since $H$ also receives direct payoffs from the project, whereas $L$ does not, the implementation set for $H$ is slightly larger than the one for $L$.

Now consider the candidates’ implementation choices in period 1, shown in the left panel. Again, without benefits from holding office ($\psi = 0$), the project will not be implemented because the expected payoff of even type $\theta_V = 1$ is negative (even if candidate $H$ were to win in both periods after implementation, his net project payoff is only $2 - K = 0$). The project is only implemented if one of the candidates has a sufficiently large ex post advantage, that is, if $\theta_V$ differs sufficiently from $\theta^* = 0.5$, and if $\psi$ is large.

The areas in which the project is implemented look similar to those in the right panel, except that the areas shift to the left. The reason for this is simple: Both the project returns and the ex post benefits from reelection accrue over two periods instead of one, making both politicians more willing to implement.

Consider now Figure 2, which changes the following parameters relative to Figure 1: $K = 0.4$, $f(I_L) = 1.5$, and $f(I_H) = 3$. This project is thus more attractive to implement, both because of lower implementation costs $K$ and because the returns from investment are larger (and positive even when $L$ does not spend anything in a period after implementation).

The right panel shows the implementation parameter areas for period 2. Without reelection concerns ($\psi = 0$), $H$ strictly prefers to implement, as she secures a payoff of at least $1.5 - 0.4$, even if $L$ wins in period 3. For $H$ not to implement, it must be true that $H$ has an electoral disadvantage (i.e., $\theta_V$ is sufficiently low), and that $\psi$ is sufficiently large. As $L$ receives no direct payoff from the project, her only motivation to implement comes from the electoral effect, so it is necessary for $\theta_V$ to be sufficiently small and $\psi$ to be sufficiently large. The parameter sets for which $L$ and $H$ implement, respectively, overlap for this project so that there are some values for which both candidates implement, whereas there are none when nobody implements.

Behavior in period 1, shown in the left panel, is significantly more complex and displays different types of strategic considerations. When $\psi$ is close to zero, $H$ implements for any $\theta_V$ because she receives a positive net payoff from the project even if $L$ holds office in periods 2 and 3. Conversely, $L$ clearly has no reason to implement, so we are in a region where only $H$ implements. For slightly higher values of $\psi$, we enter a region in which the electoral effect is sufficiently important for $L$ to also implement.

For even higher values of $\psi$, this is followed by two separate areas in which only $L$ implements: one at high levels of $\theta_V$, and the other one at low levels of $\theta_V$, separated by a narrow path in which both types implement. In the light gray area with low values of $\theta_V$, only $L$ implements in period 1 because she enjoys a significant electoral advantage ex post. The reasoning there is thus the same as for the $L$-implementation area in period 2 on the right. In contrast, the light gray area with high values of $\theta_V$ corresponds to $L$’s taking an issue off the table, whereas $H$
**Figure 1** Implementation Regions for a Less Attractive Project

(a) Implementation at $t = 1$

(b) Implementation at $t = 2$

*Note: Dark gray area: only $H$ implements. Light gray area: only $L$ implements. White area: nobody implements. Parameter values as follows: $K = 2$, $\delta = 1$, $\theta_L = I_L = f(I_L) = 0$, $\theta_H = I_H = 1$, and $f(I_H) = 2$."

**Figure 2** Implementation Regions for a More Attractive Project

(a) Implementation at $t = 1$

(b) Implementation at $t = 2$

*Note: Dark gray area: only $H$ implements. Light gray area: only $L$ implements. Black area: both implement. Parameter values as follows: $K = 0.4$, $\delta = 1$, $\theta_L = I_L = 0$, $\theta_H = I_H = 1$, $f(I_L) = 1.5$, and $f(I_H) = 3$."
tries to keep it alive. In this region, if no implementation occurs in period 1, then only H implements in period 2 (see left panel). Because the voter likes the project, this creates a substantial electoral disadvantage for L when no implementation occurred—a situation that H wishes to perpetuate, whereas L wishes to end it.

Finally, there is one more region in which only type H implements the project, depicted by the narrow strip of dark gray at the right portion of the panel. To see what is happening here, it is useful to consider particular parameter values, which we now set at $\psi = 10$ and $\theta_L = 0.55$. Here, type L has an *ex post* advantage after implementation, resulting in a 64% probability of winning after the project is implemented. However, if L delays, she will win with an even higher 76% probability because H would not implement in the second period. Given that L does not derive direct benefits from the project, it is clearly better for her to delay. This reasoning, together with the fact that H’s direct project net payoffs are positive, implies that H wants to implement.

**Dynamic Political Conflict**

Our model clarifies how observed levels of political conflict can change over the course of a project’s life span. To see this, consider a baseline condition in which the opportunity to implement the project does not exist. In this scenario, the voter will always elect the candidate with the higher valence, that is, L if $v_L > 0$ and H if $v_L < 0$. Deviations of the cutoff valence from 0 (i.e., $|v^*|$), as such, can be understood as a measure of the project’s electoral salience for the voter in any given period.

Prior to its creation, a project’s electoral salience depends upon L and H making different decisions on whether to implement the project in that period. Post-implementation, the project’s electoral salience varies as L and H manage the project differently ($I_L \neq I_H$), as $v^* = (\theta_L f(I_H) - I_H) - (\theta_V f(I_L) - I_L)$ by Condition (2). Our model reveals how a project’s electoral salience can increase or decrease over time and, hence, how a project’s implementation can either mitigate or stoke observed levels of political conflict.

Consider, first, a case when implementation reduces political conflict. Here, we have in mind a project that has high implementation costs, but that both parties *ex post* would manage very similarly, so that $v^* \approx 0$ after implementation. If H would implement the project but L would not, or vice versa, then there generally is a pre-implementation electoral advantage for one party in the period $t$ election, depending on whether or not the voter

prefers implementation in period $t$. The electoral salience of this project, and all the controversy that surrounds it, tends to be front-loaded; once action is finally taken, the issue promptly fades from the political landscape.

Rather than mitigating political conflict, however, a project’s adoption can exacerbate it. Within the model, this can happen in one of two ways. First, any project that is implemented by both types but leads to different management *ex post* clearly has zero salience in a pre-implementation election, and, generically, nonzero salience *ex post* (except, of course, in the rare instance when the voter is indifferent between L’s and H’s management *ex post*).

Second, a project’s electoral salience can increase when it is implemented only by a high type whose direct preference for the project makes her willing to spend electoral capital, in spite of an electoral disadvantage she endures post-implementation. In this case, if the voter is *ex ante* close to indifferent towards implementation, then low salience of the issue before implementation gives way to a strong salience *ex post*, based on a preference for the low-demanding type’s management of the project.

**Conclusion**

Political conflict is not strictly a function of politicians arguing from fixed and uncompromising points of disagreement. Rather, the incidence of political contention crucially depends upon the subject of discussion and the electoral benefits afforded by its persistence. As political initiatives evolve and the electoral landscape shifts, some conflicts that were once intense may soften, just as other conflicts that were previously sublimated suddenly awaken.

In this article, we study a model in which a politician must decide whether to initiate a program at a fixed cost; and having succeeded in doing so, she then must decide how much to fund the program. Following each policy decision, the candidate faces a voter who decides whether to replace her with someone of the same or the opposite party. This simple framework reveals a great deal about how, in the presence of electoral uncertainty, the intrinsic benefits of holding office and players’ project-related preferences either exacerbate or mitigate political conflict.

The model also clarifies the conditions under which politicians will take policy actions that deviate from their immediate policy preferences. We identify conditions under which a politician will initiate a project that she opposes in order to restructure public debates in ways
that benefit her electorally. Similarly, we characterize conditions under which a politician will forestall action on a project she ostensibly supports in order to prolong the electoral advantages associated with its continued consideration.

Scholars have long recognized that observed levels of partisan conflict depend upon the policy agenda being discussed. This article clarifies the consumption and electoral incentives that affect the willingness of politicians to support the specific elements of that agenda, recognizing the underlying differences between an attempt to create a program and a commitment to sustain one. As we have seen, this distinction proves crucial, as it helps explain why some policy actions trigger latent disagreements, whereas others settle long-standing ones, once and for all.

References


**Supporting Information**

Additional supporting information may be found online in the Supporting Information section at the end of the article.

**Proofs of all propositions may be found online**