The Effect of Party Discipline on the Electoral Accountability of Politicians

Nicolas-Guillaume Martineau*

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Abstract

This paper examines the influence of a politician’s political party on her accountability vis-à-vis the electorate. It also considers what the conjectured waning importance of political parties may imply for the effectiveness of elections in disciplining politicians – holding them accountable to the voters’ interests and preferences – and for voter welfare. In light of such conclusions, it considers whether the normative model of a “responsible party” should be upheld. The paper models the election mechanism as a principal-agent relationship between the representative voter (principal) and the politician in office (agent), following Besley (2006), with the difference that politicians may be welfarists or ideologues, and are subject to their party’s discipline. The party is modelled as being heterogeneous, and composed of three factions with different preferences, following Roemer (1999): militants, who are concerned about ideology; opportunists, who care solely about re-election; and moderates, who care about the utility of the average party member. The party acts as a coercive force on the politician, by threatening to remove its leader if its preferred policy is not implemented while the politician is in office. It is found that internally-democratic means of coercion by the party generally perform better than putschist threats, provided that the majority voting rule is not too stringent. Surprisingly, the militant putschist faction is found to be particularly accountability- and welfare-enhancing when the election mechanism’s effectiveness is weakened by a distortion. Finally, it is found that the low informedness of party factions weakens internally-democratic means of coercion, while not affecting putschist threats. In contrast, all types of discipline are weakened by far-sighted behaviour on the part of factions.

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*Queen’s University, Kingston, Ontario, CANADA. E-mail: ngmartineau@gmail.com. The most recent version of this paper can be found at http://www.econ.queensu.ca/students/phds/martineau/docs/martineau_acc.pdf. I particularly wish to thank Robin Boadway at Queen’s University for his continued support and numerous insights. I also wish to thank Dan Usher and Jean-Denis Garon at Queen’s University for useful comments.
1 Introduction: motivation and research questions

In parliamentary systems, and to a lesser extent in presidential systems\(^1\), the organization and composition of political parties are determinant forces in the choice of policy. When choosing policies while in office, a party leader must lend an ear to the demands of the party’s grassroots, activists, and other factions, or else face disavowal and a forced exit.

There are salient examples which show party leaders being ousted from their posts while also in office. Most recently (June 2010, as reported by Le Noël 2010), Australia’s Labor Party leader and Prime Minister Kevin Rudd was removed from his post as his party deemed his performance in office, characterized by certain policy choices, to be unsatisfactory\(^2\). This came in light of his waning popularity with the electorate and a decline in the Labor Party’s forecast electoral fortunes. Bowing to party pressure in the form of a “bloodless coup” led by Deputy Prime Minister Julia Gillard, Rudd chose to resign.

The demise of Margaret Thatcher’s leadership forms another notorious example of a party leader being shown the door due in part to her choice of policies. In 1990, she faced opposition within Conservative Party ranks to her continued leadership, which was partly attributable to the introduction of a poll tax and controversial decisions concerning the European Monetary Union (EMU). She thereafter chose to resign.

Yet another Conservative British Prime Minister was also forcibly coerced by his party. John Major’s mettle was tested when, in 1992, speculative attacks on the pound sterling – leading to the forced devaluation of Black Wednesday and the United Kingdom’s exit from the Exchange Rate Mechanism (ERM) of the EMU – put his government’s economic policies and leadership in doubt. This perceived policy blunder contributed to Major’s resignation from the Conservative Party’s leadership in 1995, yet he cleverly outplayed leadership contenders and factions opposed to him when he ran for his own succession, and won (see for instance Richards 2008).

It is therefore plain to see that parties seek to hold their leaders responsible for their policy choices when in office, and do so through the threat of non-confidence and removal. Moreover, the preceding examples only constitute a fraction of such events, since non-salient cases of leaders who responded well to party discipline (such that they avoided triggering their own demise) are much harder to establish.

Define *accountability* as meaning to act in the voters’ interests, and to have to show for it or face dismissal from office. How can one then reconcile party discipline with the traditional mechanism for keeping politicians accountable for their policy choices, this time to the broader electorate (the party being a mere subset of it), that is elections? They provide retrospective-looking voters with a means of removing an incumbent who displeases them. This disciplines the politician in office, thus creating an imperfect contract between the politician – the agent – and the representative voter – the principal. Interestingly, and motivating in part this paper’s enquiry, this line of research has largely been left unexplored,

\(^{1}\)Many presidential systems have party primaries, which can either amount to routine coronations, or harsh disavowals of the leader by party members and affiliated supporters. For a clear example, see the United States’ Democratic Party’s internal divisions over the Vietnam War, and how it led to Lyndon B. Johnson’s decision not to run for a second (full) term as president, following some poor primary results.

\(^{2}\)The very policies that caused his demise were the abandonment of a carbon dioxide emission control plan, and a plan to further tax the profits of mining companies.
as this quote by Besley patently demonstrates:

In almost all democratic settings, parties play an important role in the workings of political competition. *How they affect the process of political accountability is not altogether clear.* Parties may have longer time horizons and may therefore make individuals who hold power take a longer view, leading to less opportunistic behavior by incumbents. Obviously the degree of attachment of the incumbents to parties and the kinds of sanctions that parties have are crucial here.

(Besley, 2006, p. 105; emphasis added)

The importance in establishing clearly the role of parties for electoral accountability and voter welfare is made even more relevant by claims of the demise of the traditionally-upheld model of a political party. The ideal party organization, as favoured by a 1950 report by the American Political Science Association (“Toward a More Responsible Two-Party System”), can be likened to a “responsible party” most associated with the British parliamentary system, and consisting of cohesive organizations with collectively-drafted and well-defined programs, strong and active supporters, and a permanent staff (Whiteley and Seyd, 2002, p. 11).

However, as cited by Whiteley and Seyd (2002, p. 12), various theses have been put forward to describe changes in the parties’ importance for political life, away from the responsible party model. For instance, the “cartel” party thesis (Katz and Mair, 1995) views parties as having become mere agencies of the state, and thus having lost their autonomy. The “electoral-professional” party thesis, first championed by Panebianco (1988), sees the party as having become a mere electoral machine, devoid of grassroots support and internal democracy.

Such claims, while disputed by many (including Whiteley and Seyd), nonetheless cast doubt as to whether the party still can, or could in the near future, be a disciplining force on politicians. This is also compounded by declining trends in active participation in political parties (Whiteley and Seyd, 2002), which might call into question their existence as mass organizations with a popular legitimacy.

These considerations therefore motivate the present paper’s focus, which can be summarized by the following research questions:

- What is the influence of the party on the politician, conditional on the type of discipline exerted, and on her accountability vis-à-vis the electorate?

- How does the party factions’ access to information regarding policy affect the politician’s accountability and ex-ante expected voter welfare? And what of their near- or far-sightedness?

- Is the “responsible party” model one that should be favoured, with regards to its effect on the accountability of politicians vis-à-vis the electorate?

In tackling these questions, this paper uses an approach that borrows from the models of political agency of Barro (1973), Ferejohn (1986), Austen-Smith and Banks (1989), and Besley (2006), and their emphasis on a politician’s accountability vis-à-vis the electorate, in the presence of a representative voter casting a ballot retrospectively. The basic agency framework is taken from Besley (2006), with the present paper’s contribution being mainly
the inclusion of the incumbent politician’s party and its coercive effect on its leader in office. The party is modelled as being heterogeneous and consisting of factions following Roemer (1999), with its internally-diverging interests not necessarily agreeing with its leader’s or the electorate’s. (A minor contribution pertains also to the use of ideology as a motivation for policy choices, cf. infra).

In this paper’s political agency model, the politician’s innate preferences over policy – which vary according to the politician’s type (either welfarist or ideological) and which may or may not coincide with the electorate’s – must be balanced with ego rents from being in office, and thus a concern for re-election. To this end, a two-period model (where challengers elected after the first period are “lame duck” politicians) is used.

Considerations of a party’s discipline (or coercion – the two terms are used interchangeably throughout the paper) on its leader are included by introducing a supplementary agency relationship between the leader and incumbent politician (the agent), and her party (the principal). The timing of the game is such that the party may choose to remove the politician at its helm before the election is held at the end of the first period.

The party’s preferences over policy are assumed to be heterogeneous, with the party being composed of three factions. They take their names from Roemer’s work, but their preferences are tailored to suit the paper’s needs. These include: militants, whose concern is ideology; opportunists, who favour being in office above all else; and reformists, whose objective is to maximize the utility of the average party member, deemed here to match the preferences of the representative voter. This heterogeneity of preferences means that discipline can express itself either through majority rule (ex-ante through a policy line with full commitment to remove an incumbent not abiding by it, or ex-post through a leadership review) or via a coup de force, that is a putsch against the party leader.

This paper finds that the party as a means of coercion on the incumbent politician’s choices has ambiguous results on accountability and ex-ante expected voter welfare, all dependent on context. In the setting which serves as this paper’s benchmark, and in which the election is an effective mechanism for keeping the politicians in office accountable to the representative voter’s interests, the introduction of the party – a distortion – diminishes both political accountability and voter welfare when its coercion is expressed through non-democratic means (i.e., the threat of a putsch). Meanwhile, it can at best be accountability- and welfare-enhancing when its coercion is expressed through democratic means.

In contrast, in a second-best setting – where welfarist politicians are induced to pander to the electorate, resulting in a distortion that diminishes the effectiveness of the electoral mechanism for keeping politicians accountable – the party’s presence is generally accountability- and welfare-enhancing, relative to the second-best results where the party is absent. This is particularly so for democratic means of coercion, but also holds surprisingly for the influence of putschist militants on accountability and welfare.

It is also found that the factions’ low informedness considerably weakens the effectiveness of internally-democratic means of coercion, with detrimental effects for accountability and welfare in a second-best setting. It is to be noted, however, that putschist threats are just as effective in the presence of imperfect information. Far-sighted factions meanwhile cause all means of party discipline to be generally less effective in a second-best setting. Finally, findings related to the responsible party model depend on what exactly are the factors affected by the decline of parties and of political participation, for instance the size of certain factions.
or the quality of the pool of politicians.

The paper is organized as follows. The section that follows reviews the literature on political agency, and with regards to internal party dynamics. The third section presents the benchmark model of political agency, which is then updated with the party’s presence in section 4. Section 5 presents and contrasts results when a distortion, pandering welfarist politicians, is introduced. The sixth section discusses the effect of imperfect information on the results. Finally, section 7 concludes, summarizing results and answering questions concerning the responsible party model and theses of party decrepitude.

2 Related literature

The present paper draws from and contributes to the areas of the political-economic literature on political agency and heterogeneous political parties, which are surveyed below.

2.1 Political agency

The basis of the political agency problem, as described by Besley (2006), is the following: the principals (the voters) delegate authority to the agent (the politician) to act on their behalf while in office. The nature of this class of problem is widely referred to as “common agency”. In its most simple incarnation, however, voters are homogeneous and therefore can be aggregated as if there were one “representative voter” or “representative citizen”, thus making the problem more akin to the original model of agency.

Barro (1973) and Ferejohn (1986) are among the early seminal works on this topic. They deal with cases of pure moral hazard caused by a hidden action, similar in that respect to the founding principal-agent model of Holmstrom (1979). In these models, an homogeneous class of politicians seeks to hold political office as a means of pursuing an agenda of their own, irrespective of the voters’ wishes. The hypothesis of retrospective voting, by which voters are deemed to hold incumbents seeking re-election accountable for policies implemented during their time in office, is also characteristic of these models. This central hypothesis is used for the purpose of evaluating the effectiveness of elections as a means of disciplining politicians, and preventing them from “shirking” — following an agenda other than that entrusted to them by voters.

Other models combine both problems of moral hazard (attributable to a hidden action, to which the outcome is not directly correlated; e.g., a choice of effort with a reward that is partly stochastic) and adverse selection (stemming from different types of politicians). This allows for the inclusion in the analysis of the politicians’ competence, and the further refinement of conclusions regarding the efficacy of elections as a mechanism to achieve political accountability. Seminal papers related to this thread of the literature include for instance those of Austen-Smith and Banks (1989), Besley and Case (1995), and Coate and Morris (1995). More recently, Besley and Smart (2007) examine the effect of limits on the fiscal instruments which can be used by incumbent politicians, when bad politicians have an incentive to overstate the cost of public goods so as to underprovide them and extract rents instead. The trade-off available to voters is between keeping bad politicians accountable, or using the electoral mechanism to oust them from office. Their main finding, which states that
restricting the tax instruments at the incumbent’s disposal can be advisable for questions of 
improving the selection of good and bad politicians, provides in the authors’ view the basis 
of a theory of the political second-best. Through its consideration of the political party as a 
distortion on the electoral mechanism, the current paper mirrors such a view.

It is perhaps best to summarize the findings of the above papers by paraphrasing Besley, 
who noted that policy choices by incumbent politicians act as a signalling device in an 
attempt to convince the electorate of the politician’s type (true or not), so as to maximize 
one’s chances of re-election. The resulting classes of equilibria — separating and pooling — 
may or may not prove to be sub-optimal from a social welfare perspective [Besley 2006, p. 
107]. The present paper presents a case where the choice of policy (i.e., the action) may 
or may not be known. However, what truly matters are the payoffs stemming from it, and 
the type of politician at its source: adverse selection is therefore the more prevalent problem 
here.

Another significant branch of the political agency literature, albeit one whose influence on 
this paper’s analysis is be more limited than that of the previous works, is characterized by 
the work of Grossman and Helpman (notably Grossman and Helpman [1994, 1996] and Dixit, 
Grossman, and Helpman (1997), the latter written with Avinash Dixit). These articles are 
based on the seminal contributions of Bernheim and Whinston [1986a,b], which respectively 
formalized the multilateral relationship between many principals and one agent known as 
common agency, and found an efficient solution to the problem in a non-cooperative menu 
auction. While pertaining originally to the field of industrial organization, these results have 
then been adapted and applied to problems of political agency similar to those outlined 
before: contributions to special interests, lobbying, etc. The current paper also features a 
certain type of political agency as the incumbent politician (the agent) has two principals: 
its party, and the representative voter. Due to the timing being that each’s actions is made 
sequentially, however, the problem differs from the examples above.

2.2 Heterogeneous political parties

The political economic literature on heterogeneous parties is fairly recent, and among its 
seminal contributions is an article by John Roemer entitled “The Democratic Political Econ-
omy of Progressive Income Taxation” [1999]. In this article, Roemer defined political parties 
as consisting of three factions: the militants, the opportunists, and the reformists. The first 
faction is the most ideologically rigid. It wishes to propose a policy closest to the party’s 
(predetermined) ideal ideological point, and is uninterested in what its impact might be on 
the electoral outcome. The opportunists are the most self-interested politicians (they care 
solely about the benefits of holding office), whereas the reformists lie somewhere in-between 
the other two factions, since they seek to maximize the expected utility of an average party 
member, given its preference ordering over policies. Roemer’s model originally served to re-
solve the issue of the existence of a political equilibrium in Wittman’s (1973) multidimensional 
model of electoral competition under uncertainty, introducing the concept of Party-Unanimity 
Nash Equilibrium (PUNE, generally multiple equilibria). By this concept, the factions have 
complete preference orderings over the policy space, yet can only agree on a partial ordering. 
This establishes the existence in such as setting of a stable political equilibrium devoid of 
cycling.
Roemer further uses these concepts in a 2008 working paper, and other researchers have since been contributing to this strand of the literature (e.g. Persico et al., 2007; Panova, 2008).

Finally, other approaches to the question of the internal dynamics of political parties and their choice of policy platforms, but that are not directly drawn from in this paper, notably include works by Bernard Caillaud and Jean Tirole (see for instance Caillaud and Tirole, 1999, 2002). These articles generally consider how a party’s internal organization impacts its electoral fortunes, through internal debate (or lack thereof) over policy and how it affects the party’s credibility in the electorate. The foremost example considered in Caillaud and Tirole (1999) is that of centrist parties. In them, the high degree of congruence between the leadership and the rank-and-file over policy choices leads voters to perceive that the policy is chosen on the grounds of its partisan- and office-seeking appeal (which coincide for centrist policies), rather than its quality. A greater degree of party heterogeneity and debate, characterized by an ideological “dissonance” between the office-seeking leadership and the partisan base, therefore improves the electoral fortunes of the party in question by signalling disagreement over the merits of populist yet mediocre policies.

This concludes this paper’s survey of the related literature. The next section presents the benchmark model.

3 Benchmark

3.1 Timing of the game and environment

The world lasts for two periods, $t \in \{1, 2\}$. At the beginning of period 1, the politician is chosen to lead the party and is henceforth elected in office, both processes from which we abstract as they are of no interest to the question of political accountability.

At the beginning of each period, the politician in office observes a state of the world $(s_t \in \{0, 1\}$, each equally likely to occur), unknown to the representative voter, and which is known to party members in this benchmark. The incumbent must then decide which one of two policies to implement, $p_t \in \{0, 1\}$. Assessing the policy’s worth is impossible for the representative voter without also knowing the state of the world. The policy could then be observed by the representative voter, or not.

When making her choice, the politician in office has to take into account her own preferences (that vary according to her type) for policy, and the representative voter’s preferences (which determine her chances of re-election). Politicians discount future (second-period) payoffs at rate $\delta < 1$, which is fully observable by everyone.

More precisely, policies and thus payoffs to the representative voter and welfarists are state-dependent, meaning that $p_t = s_t$ yields payoff $\Psi$, and $p_t = 1 - s_t$ yields zero payoff to both agents. Payoffs from the welfare-maximizing policy are fully known to everyone.

However, ideological politicians (also referred to as ideologues) only derive rents from implementing the ideologically-identified policy, which is deemed to be $p_t = 1$, by assumption. These rents, denoted by $r_t$, are stochastic and drawn from distribution $F$ with support $[0, R]$ and mean $\bar{r}$. It is assumed to be $C^2$ (i.e., smooth, continuous, and twice-continuously differentiable) and increasing. Its cumulative distribution function (c.d.f.) is denoted by
while its probability density function (p.d.f.) is $F'(\cdot) = f(\cdot)$. The distribution, its mean and support are fully known to everyone, but only ideologues are privy to the rents’ realization.

The rents’ stochastic character (shared by Besley’s characterization of “dissonance rents”), while perhaps not the most realistic of assumptions, serves an important purpose as it introduces fluctuations in the behaviour of ideologues, and allows to characterize probabilistically their electoral accountability. This is of particular use for both the researcher in performing comparisons between equilibria, and for the representative voter in forming posterior beliefs (see below).

Furthermore, all types of politicians, but not the representative voter, receive ego rents both for being in office ($E_t$), and at the party’s helm ($e_t$). These are fully known by everyone. Note that party leadership ego rents are included throughout this benchmark for consistency with sections to follow, but do not matter in this section due to a lack of party discipline.

In choosing whether or not to re-elect the incumbent politician at the end of period 1, the representative voter seeks to remove ideologues from office, as they do not have his best interests’ in mind. He thus observes policy benefits (i.e., the signal of an incumbent acting in the representative voter’s interest), and compares his posterior belief (derived via Bayes rule) of the incumbent being a welfarist with the prior, $\pi \in (0, 1)$, which is the identical across parties. This is so as all leaders can be thought of as drawn from a single pool (i.e., party leaders as a professional class of its own), or that the incidence of ideological bias among potential leaders is the same across parties. If the voter’s posterior belief exceeds his prior belief, the incumbent is re-elected with certainty.

The second period is a repeat of the first period, except that politicians are now unburdened by electoral concerns: all challengers elected at the end of period 1 are “lame ducks” politicians. No strategic concerns thus apply to policy choices made in the second period.

To summarize, the full timing follows.

In $t = 1$:

1. Nature plays: the state of the world is realized, and ideological policy rents $r_1$ are revealed to the ideological politician.

2. The incumbent politician chooses policy, after having observed the state of the world, and in the case of ideologues, $r_1$, and correctly anticipating the representative voter’s beliefs and behaviour.

3. The payoffs from policy are revealed to the representative voter. The representative voter thus forms beliefs regarding the type of politician in office.

4. End of $t = 1$: The incumbent faces re-election.

In $t = 2$:


2. The politician chooses policy, driven by the state of the world, and her innate preferences.

3. The world ends.
3.2 State-dependent policies: examples

The reader might have some difficulty grasping what is meant by state-contingent policies, that is policies that yield voters (and/or politicians) payoffs only in certain states of the world. In order to facilitate the comprehension of the sections to follow, some plausible examples of state-contingent policies are presented below.

In the case of economic policies, it is possible to claim that their complexity, especially with respect to context (the so-called state of the world) often escapes the general public. It is therefore plausible for the politician to be more informed about what is best than the representative voter, and especially about the exact economic context, or state of the world.

A canonical example of such a state-dependent policy choice relates to the presence or the absence of market failure. There is a theoretical case for government intervention whenever such a market failure is present – as famously pointed out by Greenwald and Stiglitz (1986), it is even nearly always the case that government intervention is in theory welfare-improving in the presence of imperfect information and incomplete markets – provided that public choice concerns about government failure are not too prevalent. Let state \( s_t = 0 \) denote no market failure, while letting \( s_t = 1 \) denote the presence of market failure, in one or several markets (which may vary across time \( t \)). It follows that the welfare-maximizing policy here is *laissez-faire* (\( p_t = 0 \)) in \( s_t = 0 \), and *interventionism* (\( p_t = 1 \)) in \( s_t = 1 \).

A more precise example, culled from the literature on optimal taxation, concerns the enactment of a minimum wage (and any further changes in that wage rate, for that matter). It was shown by Lee and Saez (2008) that the imposition of a binding minimum wage (e.g., \( p_t = 1 \)) can be welfare improving when there is *efficient rationing* (\( s_t = 1 \)) in the labour market (i.e., workers receiving the least surplus from working – the utility from consumption derived from wage income, minus the disutility from labour, which is heterogeneous across workers, relative to the utility from not working – are laid-off first by firms, following the enactment of a minimum wage), rather than *uniform rationing* (\( s_t = 0 \), where workers are fired independently of their surplus as a result of the minimum wage’s enactment). This binding minimum wage makes redistribution towards low-income workers (in the form of an earned-income tax credit, for instance) more effective, as it prevents supply-side effects that would normally depress low-skill wages and partially offset government transfers. The state here can also be conceived to represent how well the (otherwise perfectly competitive) labour market functions in screening workers in terms of their preferences for leisure.

It is of great importance to this paper that these examples of state-dependent policies also have clear ideological implications. The political left can historically be said to have favoured interventionism in the economy over laissez-faire, at least until the social-democratic “Third Way” (arising from the writings of Anthony Giddens\(^3\)) in the United Kingdom, and applied notably by the centre-left governments of Tony Blair, in the UK, and Gerhard Schröder, in Germany) of the 1990s moderated such leanings. In contrast, the political right has tended to favour economic laissez-faire both out of ideology, and when intervention is nonetheless deemed desirable by some, then out of the perceived greater inefficiency of government relative to the private sector. More pointedly, the political left was historically supportive of minimum wages (with an emphasis on their redistributive purpose, at little to no cost for the state), while the political right deemed that the fiscal burden of low-income support should not fall

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\(^3\)See for instance Giddens (1998).
on employers, when it did not oppose minimum wages for reasons of economic liberalism.

Let us now turn to defining the equilibrium concept of this game, as well as presenting some benchmark results.

3.3 Equilibrium
In this framework, let us characterize a perfect Bayesian equilibrium (PBE), as defined below.

Definition 3.1. A PBE is:

• a set of policies \( P = \{p_{1,W}, p_{2,W}, p_{1,I}, p_{2,I}\} \) encompassing all periods \((t = \{1, 2\})\) and all types \((j = \{W, I\})\), which stand respectively for welfarist and ideologue), such that an incumbent’s intertemporal utility is maximized given the representative voter’s beliefs;

• a set of equilibrium prior and posterior beliefs for the representative voter, the latter generated using Bayes rule, with corresponding out-of-equilibrium beliefs, such that the representative voter’s decision to re-elect or not the incumbent is optimal given these beliefs and the incumbent’s policy choice (itself optimal given the representative voter’s beliefs and decision).

This equilibrium is solved for by backward induction, that is by determining what choices are made by the politician in \( t = 2 \), and then by finding the representative voter’s equilibrium and out-of-equilibrium posterior beliefs of the politician’s welfarism at the end of \( t = 1 \). These, in turn, determine the politician’s optimal action in \( t = 1 \). This is done in the subsections that follow.

3.4 Of welfarist and ideological politicians
Recall that policy rents to ideologues are only derived if \( p_t = 1 \), the ideological policy choice (irrespective of the state of the world). By construction, welfarists fully behave according to their type and are thus re-elected with certainty.

3.4.1 Behaviour in \( t = 2 \)
In the second period, when in office, both types of politicians choose their preferred policy since they have to worry neither about their tenure at the helm of the party, nor about their chances of re-election. Their payoffs and policy choices are summarized by the following proposition.

Proposition 3.2. In \( t = 2 \), politicians in office behave non-strategically. Welfarists choose \( p_2 = s_2 \) and receive utility \( U_{2,W} = E_2 + e_2 + \Psi \). Ideological politicians choose \( p_2 = 1 \) and obtain utility \( U_{2,I} = E_2 + e_2 + r_2 \).
3.4.2 Equilibrium and out-of-equilibrium posterior beliefs of the representative voter

The representative voter judges a politician’s performance based on whether or not they observe payoffs $\Psi$ before the election; this follows from the assumption of retrospective voting. They also update their beliefs, and hence form posterior beliefs of a politician’s welfarism, based on that observation. The posterior equilibrium beliefs that arise via Bayes rule is that a politician yielding $\Psi$ cannot be deemed less welfarist than he previously was (given by the prior, $\pi$). The implications of such updating of beliefs are summarized below.

**Proposition 3.3.** The representative voter will not re-elect an incumbent unless she acts as a welfarist, that is provide them with payoff $\Psi$, in which case the probability of re-election is 1. Their out-of-equilibrium posterior belief that an incumbent not producing $\Psi$ is welfarist is zero, and they re-elect her with probability 0.

**Proof.** The representative voter’s estimate of the probability of receiving payoff $\Psi$ is given by Bayes rule:

$$P(\Psi) \equiv P(\Psi|W)P(W) + P(\Psi|I)P(I) = \pi + \bar{\lambda}(1 - \pi) \leq 1 \quad (3.1)$$

Hence, his posterior belief $\Pi$ is given by Bayesian updating:

$$\Pi = \frac{\pi}{\pi + (1 - \pi)\bar{\lambda}} \geq \pi \quad (3.2)$$

where $\bar{\lambda} \in [0, 1]$ is the probability of an ideologue yielding payoffs $\Psi$ in $t = 1$. His posterior belief exceeds his prior $\pi$, which gives him an inclination to re-elect the incumbent with certainty.

As $\Pi \geq \pi$, any politician who implements $p_1 = s_1$ is re-elected. In this setting, $\bar{\lambda}$ can be thought of as an “index of political discipline” ([Besley, 2006] p. 110) as it measures the likelihood that an ideologue would “control” herself so as to cater to the voter’s best interests (in $s_1 = 0$) rather than follow an agenda of her own.

3.4.3 Welfarists’ behaviour in $t = 1$

In the first period, a politician has to weigh current and expected future payoffs from a particular action: the representative voter judges a politician’s performance based on whether they observe $\Psi$, and will therefore not re-elect an incumbent unless she acts as a welfarist.

**Problem 3.4.** The welfarist’s problem in $t = 1$ is given by the following equations:

$$E[U_W(p_1 = 0, s_1 = 0)] = E_1 + e_1 + \Psi + \delta(E_2 + e_2 + \Psi) \quad (3.3)$$
$$E[U_W(p_1 = 1, s_1 = 0)] = E_1 + e_1 + \delta(e_2) \quad (3.4)$$
$$E[U_W(p_1 = 0, s_1 = 1)] = E_1 + e_1 + \delta(e_2) \quad (3.5)$$
$$E[U_W(p_1 = 1, s_1 = 1)] = E_1 + e_1 + \Psi + \delta(E_2 + e_2 + \Psi) \quad (3.6)$$
Equations (3.3) and (3.6) represent the intertemporal utility of a welfarist who behaves according to what her preferences dictate in each state, while equations (3.4) and (3.5) represent a welfarist’s intertemporal utility if she were to diverge from those preferences, for reasons of re-election, for instance. Since the welfarists’ incentives to deviate from their prescribed behaviour are not a concern here (for it must be that the electoral system at the very least keeps them fully accountable, if it is to be well-functioning in this benchmark), it must be that

\[ E[U_W(p_1 = 0, s_1 = 0)] \geq E[U_W(p_1 = 1, s_1 = 0)] \] and

\[ E[U_w(p_1 = 1, s_1 = 1)] \geq E[U_w(p_1 = 0, s_1 = 1)] . \]

This requires:

\[ \Psi \geq -\frac{\delta E_2}{1 + \delta} \] (3.7)

which holds for any \( \Psi > 0 \), and hence by assumption.

For simplicity, let us denote expected utilities from now on for all types, policies, and states in the form \( E[U_j(p_1, s_1)] \) \( \forall j \). For instance, \( E[U_W(p_1 = 0, s_1 = 0)] \) now becomes \( E[U_W(0, 0)] \).

### 3.4.4 Ideologues’ behaviour in \( t = 1 \)

**Problem 3.5.** By the time ideologues make their choice of policy, the ideological rent \( r_1 \) is assumed to have been revealed, making it simple to compute their lifetime expected utility:

\[
E[U_I(0, 0)] = E_1 + e_1 + \delta (E_2 + e_2 + \bar{r}) \\
E[U_I(1, 0)] = E_1 + e_1 + r_1 + \delta (e_2) \\
E[U_I(0, 1)] = E_1 + e_1 + \delta (e_2) \\
E[U_I(1, 1)] = E_1 + e_1 + r_1 + \delta (E_2 + e_2 + \bar{r})
\]

Solving this problem yields the following proposition.

**Proposition 3.6.** In state \( s_1 = 0 \), the behaviour of politicians pools whenever \( r_1 \leq \delta (E_2 + \bar{r}) \), while it separates whenever \( r_1 > \delta (E_2 + \bar{r}) \). In state \( s_1 = 1 \), the behaviour of politician pools whenever \( r_1 \geq -\delta (E_2 + \bar{r}) \), which in fact means that it always does (recall \( r_t \in [0, R] \)). This is driven by the ideologues’ innate preferences, which coincide with the welfarists’ preferences (and the representative voter’s) in \( s_1 = 1 \).

In other words, whenever first period rents are sufficiently low in \( s_1 = 0 \), we have a pooling equilibrium for this game. This is more likely the higher is the mean of future rents (\( \bar{r} \)), the higher is the discount rate (\( \delta \), that is the more patient are politicians), and the greater are the future ego rents from office (\( E_2 \)): unsurprisingly, politicians thus behave so as to be re-elected the more profitable is re-election.

### 3.4.5 Effect on accountability

To perform an analysis of the ideologues’ inclination to act following the electorate’s wishes, let us determine probabilistically when ideologues mimic welfarist types. In doing so, cut-off values of \( r_1 \) and the likelihood that \( r_1 \) falls below such a threshold again matters. One can
therefore obtain values for the index of accountability, $\lambda$, in each state. It is found that in $s_1 = 0$:

$$\lambda_{s_1=0} = F(\delta (E_2 + \bar{r}))$$  \hfill (3.12)

while in $s_1 = 1$:

$$\lambda_{s_1=1} = 1$$  \hfill (3.13)

Therefore, averaged across states, it yields:

$$\bar{\lambda} = \frac{1}{2}\lambda_{s_1=0} + \frac{1}{2}\lambda_{s_1=1} = \frac{1}{2}F(\delta (E_2 + \bar{r})) + \frac{1}{2}$$  \hfill (3.14)

### 3.4.6 Effect on welfare

Ex-ante expected voter welfare is characterized by the fact that ideologues will act in the representative voter’s interest (and thus provide them with $\Psi$, while still receiving $r_1$) half of the time by implementing $p_1 = s_1 = 1$. This is of course driven by the fact that each state of the world has an equal chance of occurring. Given these considerations, ex-ante voter welfare can be expressed in the following way:

$$E[W(\lambda_{s_1=0})] = P(s_1 = 0) (\pi + (1 - \pi) \lambda_{s_1=0}) \Psi + P(s_1 = 1) (\pi + (1 - \pi) \cdot 1) \Psi + \delta \pi \Psi + \delta \Psi P(s_2 = 0) P(s_1 = 0) (\pi (1 - \pi) (1 - \lambda_{s_1=0}))$$

$$+ \delta \Psi P(s_2 = 1) P(s_1 = 0) (1 - \pi)$$

$$+ \delta \Psi P(s_2 = 1) P(s_1 = 1) (1 - \pi)$$  \hfill (3.15)

This fully captures the effect of the state of the world on the ideologue in office, and how any mimicking behaviour on her part in $t = 1$ impacts expected welfare in $t = 2$, since re-election is a given if $\Psi$ is observed by the representative voter. As for the effect of accountability on welfare, it yields:

$$\frac{\partial E[W(\lambda_{s_1=0})]}{\partial \lambda_{s_1=0}} = \frac{1}{2} \Psi (1 - \pi) \left( 1 - \frac{1}{2} \delta \pi \right) > 0$$  \hfill (3.16)

The effect of accountability on welfare is therefore unambiguously positive, and the more so whenever $\pi$ and $\delta$ are low. This is so as when the quality of the pool of politicians decreases (i.e., as $\pi$ falls), the effect on welfare on making ideological politicians in office accountable in $t = 1$ is greater, as expected second-period welfare is then lower. Similarly, as future utility is discounted more heavily (i.e., the lower is $\delta$), the more welfare-maximizing (i.e., accountable) behaviour on the part of ideologues in office matters for ex-ante expected voter welfare.

Let us now turn to the model of interest *per se*, that is the above benchmark augmented with the politician’s party.

### 4 Adding party discipline

Party discipline on its leader can be modelled simply as the possibility that she gets ousted from her post. This can be a certainty that results from the democratic choice of an ex-ante party policy line by party factions (with full commitment to removing a politician who crosses this line), or from a democratic ex-post leadership review after the policy has been
announced. It can also occur with some probability, such as the probability that a putsch to remove the leader is successful.

The former cases of discipline are weaker in the sense that more party support is needed to oust the politician, but the sentence without appeal if that conclusion is reached. Of course, the voting (or majority) rule plays an important role: the weakest form of discipline would be *unanimous* assent of party members to *remove* the leader, while its strongest form would be *unanimous* assent of party members to *keep* the leader.

In contrast, the probability of a putsch removing the leader is lower, yet it is far more arbitrary as it requires only a determined subset of the party’s members to succeed.

All cases are herein considered. Timing in the presence of these different means of coercion is given below, and by the figure that follows.

In $t = 1$:

1. Nature plays: the state of the world and the ideological policy rents are realized.

2. If applicable, the party chooses a policy line by democratic means (i.e., majority voting). This takes into account rational expectations of the politician’s choice, subject to the information available to the party factions concerning the state of the world, ideological policy rents, and ego rents.

3. The politician is elected in office and chooses a policy after observing the state of the world, and the ideological rents, if applicable.

4. Once the incumbent politician has chosen a policy, she is deemed worthy or unworthy of remaining at the helm of her party in an ex-post leadership review, by commitment (or lack thereof) to an ex-ante policy line, or through the influence of putschist factions. Either she is removed, or remains party leader.

   (a) Should she remain party leader, she is then either voted in for a second mandate in office or voted out in favour of the challenger party’s candidate, whose type is unknown but about whom the representative voter has prior belief $\pi \in (0, 1)$.

   (b) In the event that the incumbent is removed by party factions before the election, her replacement is also drawn from the pool of available politicians and hence is a welfarist with probability $\pi$; the election is therefore a toss-up, with each party’s candidate being elected with probability 1/2.

5. The representative voter observes benefits from the policy enacted, and updates his beliefs concerning the incumbent politician’s type ahead of the election.

6. The incumbent (or the new leader of the incumbent party) faces re-election (resp. election). If defeated, the challenger party leader takes power.

In $t = 2$:


2. The politician in office chooses a policy.
3. There is no effective party discipline in $t = 2$ as the world ends.

![Diagram]

Figure 1: Timing of the game in the presence of different forms of party discipline

### 4.1 Equilibrium

**Definition 4.1.** A PBE now becomes:

- a set of policies $P = \{p_{1,W}, p_{2,W}, p_{1,I}, p_{2,I}\}$ encompassing all periods ($t = \{1, 2\}$) and all types ($j = \{W, I\}$, which stand respectively for *welfarist* and *ideologue*), such that an incumbent’s intertemporal utility is maximized given the representative voter’s beliefs;
- a set of equilibrium prior and posterior beliefs for the representative voter, the latter generated using Bayes rule, with corresponding out-of-equilibrium beliefs, such that the representative voter’s decision to re-elect or not the incumbent is optimal given these beliefs and the incumbent’s policy choice (itself optimal given the representative voter’s beliefs and decision);
- a set of optimally-chosen coercive measures by party factions, given the optimal choice of actions from the politicians and the representative voter’s optimal beliefs.

This equilibrium is again solved for by *backward induction*.

The organization of the following subsections is as follows. First, party factions and their objectives are described at length. Then, the effect of different forms of discipline on the leader are considered and contrasted, along with their effects on accountability and voter welfare. Throughout this section, party factions are deemed to have access to the same information about the state of the world and policy as the politician, with the exception of the realization of ideological rents. Section 6 considers what happens when that assumption is relaxed so that an informational asymmetry is present.

### 4.2 Party factions: descriptions and preferences

Let us suppose that there are three factions $\Phi \in \{m, o, r\}$ in the party, the size of which is normalized to be $N = 1$. All factions have an informational advantage over the representative voter in that they know the exact policy that was implemented. The first faction is that of the militants ($m$), the size of which is denoted by $\mu \in (0, 1)$: they only care about policy as
they would like to take a stance for the party’s principles. Assume here that their objective function is maximized if \( p_t = 1 \) (the ideologically-identified policy). This is done in the simplest way by assuming a utility function such as:

\[
v_m : P = \{0, 1\} \rightarrow \mathbb{R}
\]

which is normalized to yield:

\[
v_m(p_t = 1) = v_m > 0
\]

\[
v_m(p_t = 0) = 0
\]

The opportunists constitute the second faction, of size \( \omega \in (0, 1) \): they care about staying in office, and their objective function is to maximize the probability of re-election. It is given by:

\[
v_o(p_1, s_1) = \begin{cases} 
\Pr(\text{Re-elect} | p_1 = 0, s_1 = 0) = 1 \\
\Pr(\text{Re-elect} | p_1 = 1, s_1 = 0) = 0 \\
\Pr(\text{Re-elect} | p_1 = 1, s_1 = 1) = 1 \\
\Pr(\text{Re-elect} | p_1 = 0, s_1 = 1) = 0 \\
\Pr(\text{Re-elect} | \text{Leader replaced}) = \frac{1}{2}
\end{cases}
\]

The third faction is composed of reformists, and is of size \( \rho = 1 - \mu - \omega \): their objective function matches the representative voter’s, yet only provided that their party is in office when the policy is chosen (thus mitigating their benevolence), meaning that their payoffs are:

\[
v_r(p_1, s_1) = \begin{cases} 
\Psi > 0 & \forall p_1 = s_1 \\
0 & \forall p_1 = 1 - s_1
\end{cases}
\]

Contrary to reformists, militants and opportunists are active factions in the sense that they might initiate a putsch against a leader whose policy choice they dislike. Reformists are therefore only needed when voting ex-ante on a policy line or ex-post in a leadership review is required.

4.3 An ex-ante policy line with full commitment

Assume at the outset that no single faction has a simple majority of members (50%+ 1 vote), yet any two factions voting together satisfy the majority rule \( Q \geq 1/2 \). All results are conditional on this voting rule being sufficiently low for effective majorities to prevail: for \( Q \) sufficiently high, discipline is much weakened since any two factions voting together may not satisfy it. It then amounts to requiring unanimity among all factions. The propositions that follow all come with the caveat that an agreement satisfying \( Q \) is found, provided that a consensus exists.

All factions are assumed to be voting sincerely, which allows one to focus solely on the Condorcet winner, should it exist. If no majority is found, the status quo consisting of no policy line – \( N \) – then prevails. By assumption, and so as to avoid ambiguities whenever unimodality of preferences is violated, should a faction be ambivalent between a policy line and the status quo, it sides for the latter in any pair-wise vote.
Due to the policy line being determined before the politician’s choice of policy in office, the benefits of each choice must be derived by backward induction. Rational expectations regarding the behaviour of both types of politicians subject to party discipline are given by the following problems. Recall that a leader who does not toe the line is deemed to be automatically dismissed, a stark punishment.

4.3.1 Rational expectations of a policy line’s effect on the leader’s choices

Problem 4.2. Welfarist politicians in $s_1 = 0$ face the following lifetime expected payoffs, given a policy line of $p_1 = 0$:

$$E[U_W(0, 0)] = E_1 + e_1 + \Psi + \delta (E_2 + e_2 + \Psi)$$
$$E[U_W(1, 0)] = E_1 + e_1 + 0$$

which causes them to always choose $p_1 = 0$. If the policy line is $p_1 = 1$ in $s_1 = 0$, their lifetime expected payoffs are:

$$E[U_W(0, 0)] = E_1 + e_1 + \Psi$$
$$E[U_W(1, 0)] = E_1 + e_1 + 0 + \delta (e_2)$$

Hence, $p_1 = s_1 = 0$ is always chosen by welfarist politicians as long as $\Psi \geq \delta e_2$. Meanwhile, in $s_1 = 1$, if the policy line chosen is $p_1 = 0$, expected payoffs are given by:

$$E[U_W(0, 1)] = E_1 + e_1 + 0 + \delta (e_2)$$
$$E[U_W(1, 1)] = E_1 + e_1 + \Psi$$

Thus, $p_1 = 1$ is chosen provided again that $\Psi \geq \delta e_2$. For a policy line of $p_1 = 1$, it yields:

$$E[U_W(0, 1)] = E_1 + e_1 + 0$$
$$E[U_W(1, 1)] = E_1 + e_1 + \Psi + \delta (E_2 + \Psi + e_2)$$

This leads to an unambiguous choice of $p_1 = 1$ by welfarists.

In the case of ideologues, the effect of party discipline is given by the next problem.

Problem 4.3. Ideologues’ incentives change in $s_1 = 0$ when $p_1 = 0$ is chosen as a policy line. They now opt to mimic welfarists with probability denoted $\lambda'_{s_1 = 0}$, to distinguish it from probability $\lambda_{s_1 = 0}$ when there is no party discipline:

$$\lambda'_{s_1 = 0} = F (\delta (E_2 + r + e_2)) > F (\delta (E_2 + r)) = \lambda_{s_1 = 0}$$

Ideological politicians are also induced to toe the policy line when it is chosen to be $p_1 = 1$ when $s_1 = 0$: $\lambda'_{s_1 = 0} = 0$, that is no ideologue ever mimics a welfarist.

Little change in behaviour is expected when either policy line is chosen in $s_1 = 1$. If $p_1 = 0$ were chosen, for instance, then any ideologue choosing $p_1 = 1$ would be removed from the party’s helm. However, scarcely any benefits, future or present, would accrue to her if she were to toe the policy line, as she would then be ousted from office by the representative voter.
Precisely, the policy line is never toed whenever $r_1 \geq \delta e_2$, which holds for low enough rents from party leadership and a high enough degree of impatience. This makes the politician accountable in $s_1 = 1$ with probability:

$$\lambda'_{s_1=1} = 1 - F(\delta e_2) < 1 = \lambda_{s_1=1}$$

which is therefore less than in the status quo. In the event where the policy line chosen is $p_1 = 1$, there is absolutely no change in incentives.

### 4.3.2 The factions’ choice of policy line

The expected payoffs for each faction, given the known state of the world and the politician’s reaction, for each choice of a policy line, are presented in the following tables:

<table>
<thead>
<tr>
<th>Policy line</th>
<th>$p_1 = 0$</th>
<th>$p_1 = 1$</th>
<th>$N$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunists, $\omega$</td>
<td>$\pi + \frac{1}{2} (1 - \pi) (1 + \lambda'_{s_1=0})$</td>
<td>$\frac{1}{2} \pi$</td>
<td>$\pi ((1 - \pi) \lambda_{s_1=0})$</td>
</tr>
<tr>
<td>Militants, $\mu$</td>
<td>$v_m (1 - \pi) (1 - \lambda'_{s_1=0})$</td>
<td>$v_m (1 - \pi)$</td>
<td>$v_m (1 - \pi) (1 - \lambda_{s_1=0})$</td>
</tr>
<tr>
<td>Reformists, $\rho$</td>
<td>$\Psi (\pi + (1 - \pi) \lambda'_{s_1=0})$</td>
<td>$\Psi \pi$</td>
<td>$\Psi (\pi + (1 - \pi) \lambda_{s_1=0})$</td>
</tr>
</tbody>
</table>

Table 1: Expected payoffs for factions, for each choice of a policy line, in $s_1 = 0$, given rational expectations and full commitment, and assuming $\Psi \geq \delta e_2$.

<table>
<thead>
<tr>
<th>Policy line</th>
<th>$p_1 = 0$</th>
<th>$p_1 = 1$</th>
<th>$N$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunists, $\omega$</td>
<td>$\frac{1}{2} \pi + \frac{1}{2} (1 - \pi) \lambda'_{s_1=1}$</td>
<td>$1$</td>
<td>$1$</td>
</tr>
<tr>
<td>Militants, $\mu$</td>
<td>$v_m (\pi + (1 - \pi) \lambda'_{s_1=1})$</td>
<td>$v_m$</td>
<td>$v_m$</td>
</tr>
<tr>
<td>Reformists, $\rho$</td>
<td>$\Psi (\pi + (1 - \pi) \lambda'_{s_1=1})$</td>
<td>$\Psi \pi$</td>
<td>$\Psi (\pi + (1 - \pi) \lambda_{s_1=0})$</td>
</tr>
</tbody>
</table>

Table 2: Expected payoffs for factions, for each choice of a policy line, in $s_1 = 1$, given rational expectations and full commitment, and assuming $\Psi \geq \delta e_2$.

This leads to factions having the following preference orderings:

<table>
<thead>
<tr>
<th>Opportunists, $\omega$</th>
<th>Militants, $\mu$</th>
<th>Reformists, $\rho$</th>
</tr>
</thead>
<tbody>
<tr>
<td>$s_1 = 0$</td>
<td>$s_1 = 1$</td>
<td>$s_1 = 0$</td>
</tr>
<tr>
<td>${p_1 = 0}$</td>
<td>${p_1 = N}^*$</td>
<td>${p_1 = 0}$</td>
</tr>
<tr>
<td>${p_1 = N}$</td>
<td>${p_1 = 1}^*$</td>
<td>${p_1 = N}$</td>
</tr>
<tr>
<td>${p_1 = 1}$</td>
<td>${p_1 = 0}$</td>
<td>${p_1 = 0}$</td>
</tr>
</tbody>
</table>

Table 3: Preference rankings for factions under no-pandering, for each choice of a policy line, in each state, given rational expectations and full commitment, and assuming $\Psi \geq \delta e_2$. (An asterisk denotes an ex-æquo ranking.)

Recall that ex-æquo rankings exhibit status quo bias by assumption. That is to say that no policy line is always preferred to a policy line when the expected benefits from both choices are the same. The result is that $\{p_1 = 0\}$ is a Condorcet winner in $s_1 = 0$, while $\{p_1 = N\}$ is chosen in $s_1 = 1$. 

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4.3.3 Effect on accountability and ex-ante expected voter welfare

The effect of such a choice of ex-ante policy line with full commitment is to further coerce ideologues in \( s_1 = 0 \). No such choice is made in \( s_1 = 1 \), since it is rationally expected by factions to not have any effective impact on the incentives of politicians, such that it would benefit a majority of party members.

**Proposition 4.4.** In the benchmark case where welfarists behave true to their type, the choice of \( p_1 = 0 \) as an ex-ante policy line by fully-informed factions further constrains ideologues in \( s_1 = 0 \). They mimic welfarists with greater probability, provided that future party ego rents, \( e_2 \), are positive. This is welfare-increasing. In \( s_1 = 1 \), no such discipline is effective or beneficial to a majority of members. No policy line is thus chosen in that state.

4.4 An ex-post leadership review, with factions voting retrospectively

In the case of an ex-post leadership review, one must again proceed by backward induction, by first looking at the factions’ choice.

In \( s_1 = 0 \), militants are the only faction that would like to see a politician who implemented \( p_1 = 0 \) removed. Since \( \mu < Q \), no politician who chose this is ever removed. However, a politician who chooses \( p_1 = 1 \) is disavowed by a majority of party members, \( \omega + \rho \geq Q \). This expected discipline weakens the incentives of ideologues to act true to their innate preferences, which means that they now mimic welfarists with probability:

\[
\lambda'_{s_1=0} = F(\delta (E_2 + \bar{r} + e_2)) > F(\delta (E_2 + \bar{r})) = \lambda_{s_1=0}
\]

In \( s_1 = 1 \), no faction likes to see a politician choose \( p_1 = 0 \), which means that anyone doing so is unanimously disavowed and removed. However, since both types of politicians would choose \( p_1 = s_1 = 1 \) anyway, this does not amount to an effective means of coercion. In turn, the lack of effective discipline causes the incentives of politicians of all types to be unchanged.

These results lead to the following proposition.

**Proposition 4.5.** In the absence of pandering by welfarist politicians, an ex-post leadership review is an equivalent means of changing the incentives of ideological politicians in \( s_1 = 0 \) compared with a ex-ante policy line with full commitment. (It is also equally ineffective in \( s_1 = 1 \).) This requires that the voting rule, \( Q \), be the same in both processes.

**Corollary 4.6.** The fact that factions vote retrospectively is sufficient to ensure full commitment when it is not assumed at the outset. This is so as they would not renge on the decision to remove the leader who crossed the policy line even if they were given the opportunity to do so.

4.5 A putsch by one or more factions

But it would be somewhat naïve to think that parties are utterly democratic bodies. Cloak-and-dagger moments also have their place, and one must reckon with a *coup de force* by a determined minority ousting the party’s leader.
Let us thus model a party’s discipline by minority interests in such a fashion that the size of the two putschist factions (militants and opportunists, the most extreme factions or “hardliners”, in political jargon) also corresponds to the probability of that faction successfully removing the leader alone through a putsch, rather than through democratic means. The preferences of each faction are here unchanged, with putschist opportunists seeking to remove any leader not choosing \( p_1 = s_1 \forall s_1 \), and succeeding with probability \( \omega \), and militants any incumbent not choosing \( p_1 = 1 \forall s_1 \), their probability of success being \( \mu \). Factions are once again first assumed to be perfectly informed about the state of the world. Only later on in Section 6 are they assumed to only observe policy.

As a result of the putschist factions’ presence, the behaviour of politicians is changed in the manner characterized by the following two problems, respectively for welfarists and ideologues.

**Problem 4.7.** Welfarists in \( s_1 = 0 \):

\[
E[U_W(0, 0)] = E_1 + e_1 + \Psi + \delta (1 - \mu) (E_2 + e_2 + \Psi)
\]
\[
E[U_W(1, 0)] = E_1 + e_1 + 0 + \delta (1 - \omega) e_2
\]

where

\[
\Psi \geq \frac{\delta ((\mu - \omega)e_2 - (1 - \mu)E_2)}{1 + \delta (1 - \mu)} \tag{4.1}
\]

which holds by assumption for any \( \Psi > 0 \) given that \( E_2 \gg e_2 \), that is the ego rents from holding office far exceed those of being at the party’s helm.

Welfarists in \( s_1 = 1 \):

\[
E[U_W(1, 1)] = E_1 + e_1 + \Psi + \delta (E_2 + \Psi + e_2)
\]
\[
E[U_W(0, 1)] = E_1 + e_1 + 0 + \delta (1 - \mu - \omega) e_2
\]

There is here no question that welfarists conform to their innate preferences by choosing \( p_1 = s_1 = 1 \), as otherwise they lose the subsequent election, and also risk losing their place at the party’s helm. Let us now turn to the ideological politicians’ analogous problem.

**Problem 4.8.** Ideologues in \( s_1 = 0 \):

\[
E[U_I(0, 0)] = E_1 + e_1 + 0 + \delta (1 - \mu) (E_2 + e_2 + \bar{r})
\]
\[
E[U_I(1, 0)] = E_1 + e_1 + r_1 + \delta (1 - \omega) e_2
\]

Therefore, the accountability index, now denoted by \( \lambda''_{s_1=0} \) to distinguish it from accountability resulting from democratic coercion (\( \lambda'_{s_1=0} \)) or from the absence of a policy line (\( \lambda_{s_1=0} \)), is given by:

\[
\lambda''_{s_1=0} = F (\delta (1 - \mu) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2) > 0
\]

In state \( s_1 = 0 \), the behaviour of politicians pools whenever:

\[
r_1 \leq \delta \left( (1 - \mu) (E_2 + e_2 + \bar{r}) - (1 - \omega) (e_2) \right)
\]

while it separates whenever:

\[
r_1 > \delta \left( (1 - \mu) (E_2 + e_2 + \bar{r}) - (1 - \omega) (e_2) \right)
\]
Ideologues in $s_1 = 1$:

\begin{align*}
E[U_l(0,1)] &= E_1 + e_1 + 0 + \delta (1 - \mu - \omega) e_2 \\
E[U_l(1,1)] &= E_1 + e_1 + r_1 + \delta (E_2 + \bar{r} + e_2)
\end{align*}

Therefore, the accountability index in $s_1 = 1$ remains:

$$\lambda''_{s_1=1} = 1$$

This is so since in state $s_1 = 1$, the behaviour of politician pools whenever:

$$r_1 \geq -\delta (E_2 + \bar{r} + (\omega + \mu)e_2)$$

It thus implies that it always does (i.e., recall $r_t \in [0, R]$). This is driven by the ideologues’ innate preferences, which coincide with the welfarist politicians’ preferences (and the representative voter’s) in $s_1 = 1$.

### 4.5.1 Effect of fully-informed putschist factions on accountability

What does this entail for accountability? As before, let us determine probabilistically when ideologues mimic welfarist types. In doing so, one must look at the cut-off values of $r_1$ and the likelihood that $r_1$ will fall below such a threshold, as determined by the c.d.f. of $r$, $F$. One therefore obtains new values for the index of accountability, $\lambda''_{s_1}$, in each state. It is found that in $s_1 = 0$:

$$\lambda''_{s_1=0} = F (\delta (1 - \mu) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2)$$

While in $s_1 = 1$:

$$\lambda''_{s_1=1} = 1$$

It is therefore that across all states:

$$\bar{\lambda}'' = \frac{1}{2} \lambda''_{s_1=0} + \frac{1}{2} \lambda''_{s_1=1} = \frac{1}{2} F (\delta (1 - \mu) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2) + \frac{1}{2}$$

The ex-ante probability of ideologues acting opportunistically across states may be compared with the case where party discipline is absent, where:

$$\bar{\lambda} = \frac{1}{2} F (\delta (E_2 + \bar{r})) + \frac{1}{2}$$

Hence, it holds that:

$$F (\delta (1 - \mu) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2) < F (\delta (E_2 + \bar{r}))$$

since whatever gain in party ego rents exists on the left-hand side is likely to be minuscule if both factions are close in relative size, and for $E_2$ sufficiently large relatively to $e_2$. By normalizing future party leadership ego rents, that is setting $e_2 = 0$, a clearer result is obtained. It shows that accountability is unambiguously reduced as a result of the party’s putschist factions’ coercive influence, whenever party ego rents are sufficiently low:

$$F (\delta (1 - \mu) (E_2 + \bar{r})) < F (\delta (E_2 + \bar{r}))$$
4.5.2 Effect of fully-informed putschist factions on ex-ante expected voter welfare

Recall that ex-ante expected voter welfare can be expressed in the following way, which is an increasing function of the accountability index across states of the world, $\lambda''$, or equivalently here, of $\lambda'' s_1=0$ since $\lambda'' s_1=1=1$:

$$E \left[ W (\lambda'' s_1=0) \right] = Pr (s_1 = 0) \left[ \pi + (1 - \pi) \lambda'' s_1=0 \right] \Psi + Pr (s_1 = 1) \left[ \pi + (1 - \pi) \cdot 1 \right] \Psi + \delta \Psi \Pr (s_2 = 1) \Pr (s_1 = 0) \left[ (1 - \pi) (1 - \lambda'' s_1=0) \right]$$

(4.8)

As the accountability of ideologues is reduced by the putschist factions’ coercion, ex-ante expected voter welfare is consequently reduced. As for the respective effect of each faction’s size on welfare, it paints an unambiguous picture: the opportunists’ clout is accountability- and welfare-increasing, while the ideologues’ influence is rather accountability- and welfare-decreasing. The faction of ideologues is determined in making ideological politicians select $p_1 = 1$, which is welfare-decreasing in $s_1 = 0$; it has no positive effect in one state ($s_1 = 1$, where it is now a given what policy is implemented by ideologues, with or without any party discipline) that could counteract its negative effect in the other ($s_1 = 0$). The results in terms of comparative statics are summarized by the following equations, while the proposition below reprises the results that concern accountability, welfare, and the influence of both putschist factions.

$$\frac{\partial}{\partial \alpha} \quad = -\frac{1}{2} \delta (E_2 + \bar{r} + e_2) f (\delta (1 - \mu) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2) < 0$$

$$\frac{\partial}{\partial \beta} \quad = \frac{1}{2} \delta e_2 f (\delta (1 - \mu) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2) > 0$$

(4.9)

**Proposition 4.9.** Coercion by putschist factions reduces the accountability of ideologues vis-à-vis the electorate, thereby reducing ex-ante expected voter welfare. More precisely, the influence of the militant faction is accountability- and welfare-decreasing, while that of opportunists is accountability- and welfare-increasing.

5 Pandering welfarist politicians and party discipline

Looking back at the previous section’s results, nothing is terribly surprising: putschist militants, by threatening to forcibly remove a leader who dares choose a policy that is not true to the party’s ideology, thus reduce the accountability of ideological politicians, and ex-ante expected voter welfare. Putschist opportunists have the opposite effect, as they seek to maximize the probability of re-election, hence always striving to provide the representative voter with whatever policy benefits will lead him to believe that a welfarist politician is in office.

Meanwhile, due to the agreement between the opportunists and reformists, they effectively coerce politicians through democratic means in $s_1 = 0$. This makes democratic means of coercion accountability- and welfare-increasing, provided still that majority voting rule $Q$ is satisfied.

But this lack of surprises is largely driven by the informational structure of the game, the resulting beliefs, and the incentives for both welfarist and ideological politicians. It is
conducive to the unvarying behaviour of welfarist politicians, who are comforted in acting according to their innate preferences regarding the choice of policy for it guarantees their re-election. It is also key to their democratically-unchallenged leadership of the party. Yet what if incentives are present for welfarists to choose a policy that does not necessarily maximize voter welfare, yet maximizes their own lifetime expected utility? In other words, what if welfarists are induced to *pander* to the electorate, in spite of their own innate preferences for policy, so as to ensure their re-election and remain in office for another term? To this effect, consider the following modifications to the structure of the game, with regards to the representative voter’s beliefs and access to information.

### 5.1 A second-best benchmark: pandering welfarist politicians

To induce welfarist politicians to *pander* to the electorate – defined here as acting according to what the representative voter wants to see or hear, not what is necessarily best for him, to the end of being re-elected – suppose that the representative voter now necessarily observes policies, yet only observes payoffs before the election with probability $q$, unknown to him.

Furthermore, assume that policy $p_t = 1$ now has an ideological connotation for the representative voter as well, causing any politician implementing it to be branded as an ideologue in the eyes of the representative voter, unless payoffs are revealed before the election, in which case the previous equilibrium and out-of-equilibrium beliefs prevail. Conversely, the choice of $p_t = 0$ is judged to be a sign of welfarism, unless payoffs are revealed before the election is held to show otherwise; the previous equilibrium and out-of-equilibrium beliefs then hold. The probabilities of re-election are therefore now given by:

$$\begin{align*}
\Pr (\text{Re-elect} | p_1 = 0, s_1 = 0) &= 1 \\
\Pr (\text{Re-elect} | p_1 = 1, s_1 = 0) &= 0 \\
\Pr (\text{Re-elect} | p_1 = 0, s_1 = 1) &= 1 - q \\
\Pr (\text{Re-elect} | p_1 = 1, s_1 = 1) &= q \\
\Pr (\text{Re-elect} | \text{Leader replaced}) &= \frac{1}{2}
\end{align*}$$

While one might object to the *ad hoc* (and mistaken) nature of such beliefs, which are used in a similar example by [Besley (2006, p. 136)](), they merely serve to induce a bias against a subset of policies. This type of bias may well be present in the electorate against, say, the enactment of a minimum wage, or all types of government intervention. They also provide an easy way of inducing welfarist (yet office-motivated) politicians to pander. For instance, if there is no coercion by the party, as in the previous benchmark case, the lifetime payoffs of welfarist politicians are now:

$$\begin{align*}
E [U_W(0,0)] &= E_1 + e_1 + \Psi + \delta (E_2 + e_2 + \Psi) \\
E [U_W(1,0)] &= E_1 + e_1 + 0 + \delta e_2 \\
E [U_W(0,1)] &= E_1 + e_1 + 0 + \delta ((1 - q) (E_2 + \Psi) + e_2) \\
E [U_W(1,1)] &= E_1 + e_1 + \Psi + \delta (q (E_2 + \Psi) + e_2)
\end{align*}$$
Welfarist politicians still always opt for $p_1 = s_1 = 0$, yet while they were previously deemed to choose $p_1 = s_1 = 1$, it now happens that whenever:

$$\Psi < \frac{\delta (1 - 2q) E_2}{1 - \delta (1 - 2q)}, q < 1/2$$

(5.1)

welfarist politicians pander by choosing $p_1 = 1 - s_1 = 0$, the policy which maximizes lifetime expected utility and, de facto, chances of re-election.

In contrast, the basic problem for an ideologue when policies are observed by the representative voter is now given by:

$$E [U_I(0, 0)] = E_1 + e_1 + 0 + \delta (E_2 + e_2 + \bar{r})$$
$$E [U_I(1, 0)] = E_1 + e_1 + r_1 + \delta e_2$$
$$E [U_I(0, 1)] = E_1 + e_1 + 0 + \delta ((1 - q) (E_2 + \bar{r}) + e_2)$$
$$E [U_I(1, 1)] = E_1 + e_1 + r_1 + \delta (q (E_2 + \bar{r}) + e_2)$$

In $s_1 = 0$, the condition for ideologues being held accountable (i.e., here now defined as acting true to the representative voter’s – known – interests, not their perception thereof) is left unchanged (see equation 3.12), yet in $s_1 = 1$ it now becomes:

$$r_1 \geq \delta (1 - 2q) (E_2 + \bar{r}), q < 1/2$$

or in probabilistic form:

$$\lambda_{s_1=1} = 1 - F (\delta (1 - 2q) (E_2 + \bar{r})) < 1$$

The accountability of ideologues is reduced in this setting, relative to the initial benchmark where policy is not observed. If one can label the first benchmark case derived above in Section 3 as being “first-best”, since welfarists always behaved true to type, then this new benchmark with pandering is definitely a second best. These results are summarized by Proposition 5.1 next.

**Proposition 5.1.** When payoffs from the welfare-maximizing policy are low enough (see condition 5.1, above), and given that the representative voter deems any politician choosing $p_1 = 1$ to be an ideologue, then the office-motivated welfarist panders to the representative voter. This is welfare-reducing relative to the initial benchmark case without pandering, and so is the ideological politicians’ diminished incentives to be held accountable (here, meant to be acting in the representative voter’s interest) in $s_1 = 1$. This is therefore a “second-best” benchmark.

As a result, there are three possible equilibria for this new benchmark:

---

4Pandering is welfare-decreasing relative to the case where the policy is always observed, the payoff is only observed with probability $q$, and there is no pandering; for a proof, refer to Appendix A on page 44. Yet it is also that as the accountability of ideologues is decreased in $s_1 = 1$, the latter case remains stricteo sensu a second best relative to this paper’s initial benchmark, where policy is unobserved but payoffs are, and there is no pandering. The case with pandering and decreased accountability of ideologues is therefore strictly speaking a “third best” relative to the other two cases.
- one where welfarists pander and choose \( p_1 = 0 \) in both states, while ideologues are held accountable by choosing \( p_1 = s_1 \) (i.e., whenever \( r_1 \in [\delta (1 - 2q) (E_2 + \mu), \delta (E_2 + \bar{r})] \)), their behaviour thus pooling in \( s_1 = 0 \) and separating in \( s_1 = 1 \);

- one where welfarists pander and choose \( p_1 = 0 \) in both states, while ideologues are held accountable only in \( s_1 = 0 \) (i.e., whenever \( r_1 < \delta (1 - 2q) (E_2 + \bar{r}) \)), thus pooling in both states;

- and one where welfarists pander and choose \( p_1 = 0 \) in both states, while ideologues are held accountable only in \( s_1 = 1 \) (whenever \( r_1 > \delta (E_2 + \bar{r}) \)), their behaviour thus separating in both states.

5.2 An ex-ante policy line with full commitment

To examine the effect of democratic means of coercion on accountability and welfare, one must proceed by backward induction, and examine how the threat of sure removal for crossing the policy line affects behaviour of both types of politicians. This allows the ranking of choices for an ex-ante policy line, under rational expectations of compliance with it that arise from the previous step.

5.2.1 Rational expectations of a policy line’s effect on the leader’s choices

Problem 5.2. Let us first consider party discipline through a policy line chosen democratically. Proceeding still by way of backward induction, let us first examine the effects of discipline on the behaviour of both types of politicians, in both states.

Welfarist politicians in \( s_1 = 0 \) face the following lifetime expected payoffs, given a policy line of \( p_1 = 0 \):

\[
E[U_W(0, 0)] = E_1 + e_1 + \Psi + \delta (E_2 + e_2 + \Psi)
\]

\[
E[U_W(1, 0)] = E_1 + e_1 + 0
\]

which causes them to always choose \( p_1 = 0 \). If the policy line is \( p_1 = 1 \) in \( s_1 = 0 \), their lifetime expected payoffs are:

\[
E[U_W(0, 0)] = E_1 + e_1 + \Psi
\]

\[
E[U_W(1, 0)] = E_1 + e_1 + 0 + \delta e_2
\]

Hence, \( p_1 = s_1 = 0 \) is still chosen by welfarist politicians as long as \( \Psi \geq \delta e_2 \). Meanwhile, in \( s_1 = 1 \), if the policy line chosen is \( p_1 = 0 \), expected payoffs are given by:

\[
E[U_W(0, 1)] = E_1 + e_1 + 0 + \delta ((1 - q) (E_2 + \Psi) + e_2)
\]

\[
E[U_W(1, 1)] = E_1 + e_1 + \Psi
\]

Thus, \( p_1 = 0 \) is chosen provided that:

\[
\Psi < \delta ((1 - q) (E_2 + \Psi) + e_2)
\]

\[\iff\]

\[
\Psi < \frac{\delta ((1 - q) E_2 + e_2)}{1 - \delta (1 - q)}
\]
A policy line of \( p_1 = 1 \), on the other hand, yields:

\[
E[U_W(0, 1)] = E_1 + e_1 + 0
\]
\[
E[U_W(1, 1)] = E_1 + e_1 + \Psi + \delta (q (E_2 + \Psi) + e_2)
\]

This means that pandering is eliminated by the choice of policy line \( p_1 = 1 \).

Let us then now turn to the ideologues’ problem.

**Problem 5.3.** Ideologues in \( s_1 = 0 \) face the following lifetime expected payoffs, allowing for the choice of policy line \( p_1 = 0 \):

\[
E[U_I(0, 0)] = E_1 + e_1 + 0 + \delta (E_2 + e_2 + \bar{r})
\]
\[
E[U_I(1, 0)] = E_1 + e_1 + r_1
\]

Such a policy line affects their incentives in \( s_1 = 0 \), since the accountability index becomes:

\[
\lambda'_{s_1=0} = F (\delta (E_2 + \bar{r} + e_2)) > F (\delta (E_2 + \bar{r})) = \lambda_{s_1=0}
\]

Now, allowing for the choice of a policy line \( p_1 = 1 \) in \( s_1 = 0 \):

\[
E[U_I(0, 1)] = E_1 + e_1 + 0
\]
\[
E[U_I(1, 0)] = E_1 + e_1 + r_1 + \delta e_2
\]

Ideologues are therefore never held accountable here, due to party discipline. In other words, the accountability index \( \lambda_{s_1=0} \), which used to be positive (yet less than 1) in the benchmark case, is then reduced to zero. In contrast, in \( s_1 = 1 \), if the policy line chosen is \( p_1 = 0 \), their payoffs are:

\[
E[U_I(0, 1)] = E_1 + e_1 + 0 + \delta ((1 - q) (E_2 + \bar{r}) + e_2)
\]
\[
E[U_I(1, 1)] = E_1 + e_1 + r_1
\]

This reduces their accountability in \( s_1 = 1 \), since

\[
\lambda'_{s_1=1} = 1 - F (\delta ((1 - q) (E_2 + \bar{r}) + e_2)) < 1 - F (\delta (1 - 2q) (E_2 + \bar{r})) = \lambda_{s_1=1}
\]

Meanwhile, if \( p_1 = 1 \) is chosen as a policy line, lifetime payoffs become:

\[
E[U_I(0, 1)] = E_1 + e_1 + 0
\]
\[
E[U_I(1, 1)] = E_1 + e_1 + r_1 + \delta (q (E_2 + \bar{r}) + e_2)
\]

Similarly to welfarists, ideologues are now constrained in \( s_1 = 1 \) by the party’s coercion whenever the policy line is \( p_1 = 1 \), thus making them perfectly accountable to the representative voter’s interests:

\[
\lambda'_{s_1=1} = 1 > \lambda_{s_1=1}
\]

This form of coercion is therefore welfare-improving in all states by taming the welfarists’ tendency to pander, the ideological politicians’ office-motivated behaviour in \( s_1 = 1 \), and their ideologically-motivated behaviour in \( s_1 = 0 \).
5.2.2 The factions’ expected payoffs, preference orderings, and choice of ex-ante policy line

Given that politicians are expected to behave in the way represented above, the payoffs of all factions for each choice of policy line, in every known state, are given by the following tables:

<table>
<thead>
<tr>
<th>Policy line</th>
<th>$p_1 = 0$</th>
<th>$p_1 = 1$</th>
<th>$N$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunists, $\omega$</td>
<td>$\pi + \frac{1}{2} (1 - \pi) (1 + \lambda'_{s_1=0})$</td>
<td>$\frac{1}{2} \pi$</td>
<td>$\pi + (1 - \pi) (1 - \lambda_{s_1=0})$</td>
</tr>
<tr>
<td>Militants, $\mu$</td>
<td>$v_m (1 - \pi) (1 - \lambda'_{s_1=0})$</td>
<td>$v_m (1 - \pi)$</td>
<td>$v_m (1 - \pi) (1 - \lambda_{s_1=0})$</td>
</tr>
<tr>
<td>Reformists, $\rho$</td>
<td>$\Psi (\pi + (1 - \pi) \lambda'_{s_1=0})$</td>
<td>$\Psi \pi$</td>
<td>$\Psi (\pi + (1 - \pi) \lambda_{s_1=0})$</td>
</tr>
</tbody>
</table>

Table 4: Expected payoffs for factions with pandering, for each choice of a policy line, in $s_1 = 0$, given rational expectations and full commitment, and assuming $\Psi \geq \delta e_2$.

<table>
<thead>
<tr>
<th>Policy line</th>
<th>$p_1 = 0$</th>
<th>$p_1 = 1$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunists, $\omega$</td>
<td>$(\pi + (1 - \pi) (1 - \lambda'<em>{s_1=1})) (1 - q) + \frac{1}{2} (1 - \pi) \lambda'</em>{s_1=1}$</td>
<td>$q$</td>
</tr>
<tr>
<td>Militants, $\mu$</td>
<td>$r_1 (1 - \pi) \lambda'_{s_1=1}$</td>
<td>$r_1$</td>
</tr>
<tr>
<td>Reformists, $\rho$</td>
<td>$\Psi (1 - \pi) \lambda'_{s_1=1}$</td>
<td>$\Psi$</td>
</tr>
</tbody>
</table>

Table 5: Expected payoffs for factions with pandering, for each choice of a policy line, in $s_1 = 1$, given rational expectations and full commitment, and assuming $\Psi \geq \delta e_2$.

These yield the following preference orderings:

<table>
<thead>
<tr>
<th>Opportunity, $\omega$</th>
<th>Militants, $\mu$</th>
<th>Reformists, $\rho$</th>
</tr>
</thead>
<tbody>
<tr>
<td>$s_1 = 0$</td>
<td>$s_1 = 0$</td>
<td>$s_1 = 0$</td>
</tr>
<tr>
<td>${p_1 = 0}$</td>
<td>${p_1 = 0}$</td>
<td>${p_1 = 0}$</td>
</tr>
<tr>
<td>${p_1 = N}$</td>
<td>${p_1 = N}$</td>
<td>${p_1 = N}$</td>
</tr>
<tr>
<td>${p_1 = 1}$</td>
<td>${p_1 = 1}$</td>
<td>${p_1 = 1}$</td>
</tr>
</tbody>
</table>

Table 6: Preference rankings for factions under no-pandering, for each choice of a policy line, in each state, given rational expectations and full commitment, and assuming $\Psi \geq \delta e_2$.

In $s_1 = 0$, the Condorcet winner is policy line $p_1 = 0$, due to the joint influence of the opportunists and the militants, while in $s_1 = 1$ it is $p_1 = 1$, this time due to the convergence between the interests of the militants and the reformists.

Two equilibria are consequently possible in the presence of party discipline through the choice of an ex-ante policy line with full commitment: one where ideologues pool with welfarist politicians in either state of the world (i.e., both choosing $p_1 = s_1 \forall s_1$, which happens whenever $r_1 \leq \delta (E_2 + \bar{r} + e_2)$), and one where they behave true to their type’s innate preferences over policy in both states of the world by choosing $p_1 = 1 \forall s_1$ (which happens whenever
$r_1 > \delta (E_2 + \bar{r} + \mu)$, thus separating in $s_1 = 0$. Proposition 5.4 summarizes this subsection’s results.

**Proposition 5.4.** When factions choose an ex-ante policy line with full commitment, under full information and rational expectations, they choose $p_1 = s_1 \forall s_1$. All incumbent leaders not toeing the policy line are removed, which then eliminates pandering of welfarist politicians in $s_1 = 1$, while also improving the accountability of ideologues in $s_1 = 1$ relative to the second-best benchmark. This type of discipline is therefore unambiguously welfare-improving.

### 5.3 An ex-post leadership review, with factions voting retrospectively

By the equivalence between an ex-ante policy line and an ex-post leadership review in disciplining the politician in each state, which still holds as retrospective voting by factions and identical majority rules (i.e., $Q$) are maintained (see Proposition 4.5), the results above carry through for the latter’s effect on the politician. Any leader not choosing $p_1 = s_1 \forall s_1$ is removed in an ex-post leadership review, in $s_1 = 0$ by the coalition of opportunists and reformists (assuming again that $\omega + \rho \geq Q$), and in $s_1 = 1$ by the coalition of militants and reformists (provided that $\mu + \rho \geq Q$).

### 5.4 A putsch by one or more of the factions

How effective in comparison with democratic means is the threat of being forcibly removed on a leader? That is what this section endeavours to establish. Let us proceed as in Subsection 5.4, keeping in mind how the benchmark results have changed with the change in the informational structure of the game (recall the second-best benchmark that opened Section 5).

#### 5.4.1 Full information: state of the world known, and $q$ known to the putschist factions

Let us assume that party factions are still fully informed, yet now have to contend with the probability of payoffs being revealed, $q$. (Remember that by assumption, so as to induce pandering, $q < 1/2$.) This will cause the opportunistic faction to weigh differently whether or not to attempt a putsch. Namely, the ex-ante probability of re-election if $p_1 = 1 = s_1$ is chosen and the incumbent remains at the party’s helm is $q$, whereas the ex-ante probability of (party) re-election if $p_1 = 1 = s_1$ is chosen and the incumbent politician be removed by the opportunistic faction is $1/2$. In consequence, the faction of putschist opportunists will not be as virtuous as it used to be.

**Problem 5.5.** Welfarist politicians in $s_1 = 0$ now face the following choice:

\[
E[U_W(0, 0)] = E_1 + e_1 + \Psi + \delta (1 - \mu) (E_2 + e_2 + \Psi)
\]

\[
E[U_W(1, 0)] = E_1 + e_1 + 0 + \delta (1 - \omega) e_2
\]

which causes them to always choose $p_1 = s_1 = 0$ for all $\Psi > 0$, as before. What happens in $s_1 = 1$, in contrast? Expected utilities – given that the opportunistic faction now prefers to
see $p_1 = 0$ being implemented, as it maximizes the politician’s re-election chances – are given by:

$$E[U_W(0, 1)] = E_1 + e_1 + 0 + \delta (1 - \mu) ((1 - q) (E_2 + \Psi) + e_2)$$
$$E[U_W(1, 1)] = E_1 + e_1 + \Psi + \delta (1 - \omega) (q (E_2 + \Psi) + e_2)$$

The condition for welfarist incumbents to pander to the representative voter and choose $p_1 = 1 - s_1 = 0$ is therefore modified to become:

$$\delta (1 - \mu) ((1 - q) (E_2 + \Psi) + e_2) > \Psi + \delta (1 - \omega) (q (E_2 + \Psi) + e_2)$$
$$\iff \Psi < \frac{\delta ((1 - 2q) E_2 - (\mu (1 - q) - \beta q) E_2 - (\mu - \omega) e_2)}{1 - \delta ((1 - 2q) - (\mu (1 - q) - \omega q))} \quad (5.2)$$

This leads to the following proposition.

**Proposition 5.6.** Coercion by putschist factions may reduce the incidence of pandering by welfarist incumbents for any given payoff $\Psi > 0$, or even eliminate it for all possible $\Psi > 0$. In the former case, this happens whenever a certain threshold $\mu > \tilde{\mu}$ is met, where:

$$\tilde{\mu} = \frac{qE_2 + e_2}{(1 - q) E_2 + e_2}$$

and in the latter case, whenever a certain (stronger) threshold $\mu > \hat{\mu}$ is met, where:

$$\hat{\mu} = \frac{(1 - 2q) E_2}{(1 - q) E_2 + e_2} + \omega \left( \frac{qE_2 + e_2}{(1 - q) E_2 + e_2} \right)$$
$$= \frac{(1 - 2q) E_2}{(1 - q) E_2 + e_2} + \tilde{\mu}$$

*Proof. See Appendix B on page 44* \(\square\)

Let us now turn to the ideological politicians’ problem.

**Problem 5.7.** The ideologues’ problem in $s_1 = 0$ is left unchanged, which means that the accountability index is also unchanged from the case with putschist factions, and without pandering from welfarist politicians, i.e.:

$$\lambda_{s_1=0}' = F (\delta (1 - \mu) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2) > 0 \quad (5.3)$$

This is of course not the case in $s_1 = 1$, where the coercion by party factions has changed, with the opportunistic faction now demanding to see $p_1 = 0$ as it maximizes chances of re-election:

$$E[U_I(0, 1)] = E_1 + e_1 + 0 + \delta (1 - \mu) ((1 - q) (E_2 + \bar{r}) + e_2)$$
$$E[U_I(1, 1)] = E_1 + e_1 + r_1 + \delta (1 - \omega) (q (E_2 + \bar{r}) + e_2)$$

Therefore, the accountability index becomes:

$$\lambda_{s_1=1}' = 1 - F (\delta ((1 - \mu) (1 - q) - (1 - \omega) q) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2) \quad (5.4)$$
It is thus plain to see that the faction of militants has an ambiguous effect on the accountability of ideologues, as an increase in its size coerces them to select $p_1 = 1$ more often across all states, which is beneficial in $s_1 = 1$ and detrimental in $s_1 = 0$. Similarly, the faction of opportunists increases the accountability of ideological politicians in $s_1 = 0$ while reducing it in $s_1 = 1$.

Six equilibria are therefore possible in the presence of party discipline through putschist factions. Three equilibria exist where there is pandering:

**Case 1.** An equilibrium where ideologues fully pool with pandering welfarist politicians in either state of the world by choosing $p_1 = 0$ in all states, that is when:

$$r_1 \leq \delta ((1 - \mu) (1 - q) - (1 - \omega)q) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2$$

**Case 2.** An equilibrium where they behave true to their type’s innate preferences over policy in both states of the world by choosing $p_1 = 1\forall s_1$, thus fully separating given pandering welfarists always choosing $p_1 = 0$, whenever:

$$r_1 > \delta (1 - \mu) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2$$

**Case 3.** An equilibrium where ideologues choose $p_1 = s_1$, therefore pooling with pandering welfarists in $s_1 = 0$, and separating in $s_1 = 1$, which occurs whenever:

$$r_1 \in (\delta ((1 - \mu) (1 - q) - (1 - \omega)q) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2, \delta (1 - \mu) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2]$$

And three equilibria exist where there isn’t any pandering:

**Case 1.** An equilibrium where ideologues choose $p_1 = 0$ in all states, their behaviour pooling with that of welfarists in $s_1 = 0$ and separating in $s_1 = 1$, i.e., whenever:

$$r_1 \leq \delta ((1 - \mu) (1 - q) - (1 - \omega)q) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2$$

**Case 2.** An equilibrium where ideologues choose $p_1 = 1$ in all states, pooling with welfarists in $s_1 = 1$, and separating in $s_1 = 0$ (i.e., whenever $r_1 > \delta (1 - \mu) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2$);

**Case 3.** A fully-pooling equilibrium where $p_1 = s_1\forall s_1$ for both types of politicians, which requires:

$$r_1 \in (\delta ((1 - \mu) (1 - q) - (1 - \omega)q) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2, \delta (1 - \mu) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2]$$

for ideologues to comply with such policy choices.

To assess the overall influence of both putschist factions on welfare, one must therefore weigh the effects of both on the welfarists’ pandering relative to keeping ideologues accountable to the representative voter’s interests. More precisely, is it worthwhile to have enough militants to prevent welfarists politicians from pandering, when it clearly might also reduce the accountability of ideologues? The next sub-subsection addresses this question.
5.4.2 Effect on accountability and ex-ante expected voter welfare

The overall effects of putschist factions on accountability and ex-ante expected voter welfare are in general ambiguous. However, one can get precise results when policy payoffs are never revealed to the representative voter before the election is held (i.e., \( q = 0 \)). The threshold \( \hat{\mu} \) that eliminates pandering then reduces to:

\[
\hat{\mu} = \frac{E_2 + \omega e_2}{E_2 + e_2}
\]

This undeniably violates the previous assumption that \( \mu < 1/2 \) (i.e., to prevent any one faction from controlling the party on its own, through a weak majority rule for instance; however, it is only a crucial assumption for democratic means of coercion) for all \( E_2 > e_2 \).

Let us nevertheless consider how welfare behaves as \( \mu \) increases and nears this threshold. Since welfare without pandering always exceeds welfare with pandering (see Appendix A on page 44), the threshold value \( \mu = \hat{\mu} \) is at least a local maximum of ex-ante voter welfare, as it eliminates pandering.

Proposition 5.8. In the presence of pandering, and when payoffs from policy are never revealed before the election (i.e., \( q = 0 \)), the influence of putschist militants is strictly welfare-increasing for all \( \mu \in [0, 1] \), and particularly so for \( \mu > \hat{\mu} \), as pandering is then eliminated. This results in a jump in the ex-ante expected voter welfare function at that point. In contrast, the influence of putschist opportunists is strictly welfare-decreasing for all \( \omega \in [0, 1] \).

Proof. It is the case that since \( q = 0 \) and \( \partial \bar{\lambda}'' / \partial \mu = 0 \):

\[
\frac{\partial E(W)}{\partial \mu} = \frac{1}{4} \delta \Psi \pi (1 - \pi) \left( -\frac{\partial \lambda''_{s_1=0}}{\partial \mu} + \frac{\partial \lambda''_{s_1=1}}{\partial \mu} \right) > 0
\]

as:

\[
\frac{\partial \lambda''_{s_1=0}}{\partial \mu} = -\frac{1}{2} \delta (E_2 + r + e_2) f (\delta (1 - \mu) (E_2 + 1) + \delta (\omega - \mu) e_2) < 0
\]

and:

\[
\frac{\partial \lambda''_{s_1=1}}{\partial \mu} = \frac{1}{2} \delta (E_2 + r + e_2) f (\delta (1 - \mu) (E_2 + 1) + \delta (\omega - \mu) e_2) > 0
\]

It is also that:

\[
\frac{\partial^2 E(W)}{\partial \mu^2} = \frac{1}{4} \delta \Psi \pi (1 - \pi) \left( -\frac{\partial^2 \lambda''_{s_1=0}}{\partial \mu^2} + \frac{\partial^2 \lambda''_{s_1=1}}{\partial \mu^2} \right) > 0 \tag{5.5}
\]

since \( \partial^2 \lambda''_{s_1=0} / \partial \mu^2 < 0 \), \( \partial^2 \lambda''_{s_1=1} / \partial \mu^2 > 0 \), whenever \( F(\cdot) \) is strictly concave (for \( F(\cdot) \) strictly convex, the sign of equation 5.5 above is simply reversed). The effect of the putschist militants for \( F(\cdot) \) strictly concave can in turn be represented graphically by the figure below.
Figure 2: The effect of the putschist faction of militants on ex-ante expected voter welfare, when $q = 0$ and for $F(\cdot)$ strictly concave.

Conversely, the influence of putschist opportunists on welfare is detrimental, for when $q = 0$, $\partial \bar{\lambda}'' / \partial \omega = 0$ and:

$$\frac{\partial E(W)}{\partial \omega} = \frac{1}{4} \delta \Psi \pi (1 - \pi) \left( - \frac{\partial \lambda''_{s_1=0}}{\partial \omega} + \frac{\partial \lambda''_{s_1=1}}{\partial \omega} \right) < 0$$

as:

$$\frac{\partial \lambda''_{s_1=0}}{\partial \omega} = \frac{1}{2} \delta e_2 f (\delta (1 - \mu) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2) > 0$$

and:

$$\frac{\partial \lambda''_{s_1=1}}{\partial \omega} = - \frac{1}{2} \delta e_2 f (\delta (1 - \mu) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2) < 0$$

The proposition below summarizes Section 5’s findings.

**Proposition 5.9.** In the presence of an additional distortion — welfarist politicians who pandering to the representative voter’s beliefs to the end of remaining in office — party discipline on the politicians is now both accountability- and welfare-increasing. This results holds
unconditionally in the case of democratic means of coercion, and conditionally on parameters and functions in the case of coercion by putschist factions. Additionally, the lower is the probability of payoffs being revealed, q, the more welfare-increasing is the influence of the putschist faction of militants, while opportunists have the opposite effect.

These results can be likened to a second-best argument: in the absence of any other distortions, the party’s coercive influence on the politician might weaken the accountability-inducing effects of the electoral mechanism (relative to the benchmark case, and especially for putschist factions), while in the presence of a pre-existing distortion (pandering politicians), the reverse is true.

6 The effect of information and far-sightedness on the effectiveness of the party’s discipline

In the previous two sections, party factions had an informational advantage over the representative voter, and were just as informed as the politician in office. While this is arguably a reasonable assumption (party members usually being more aware of policy debates, and of the prevailing conjuncture or state of the world, than the average member of the voting public), how do the results obtained above depend upon this assumption?

It was also assumed earlier that party factions vote retrospectively in an ex-post leadership review, which was key to the equivalence result with the choice of an ex-ante policy line, as well as being determinant for the effect of putschist factions. How crucially do the previous results depend on that assumption, and how are they affected when party factions are far-sighted instead?

In the current section, the assumption that party factions can observe the state of the world is relaxed, and results are assessed. This is followed by a similar analysis of the case where party factions are far-sighted.

6.1 Imperfect information with pandering welfarist politicians and party discipline

First consider the effect of imperfect information on party factions. To this end, recall the second-best benchmark developed earlier: as in Section 5, welfarist politicians are inclined to pander in $s_1 = 1$. This happens for all other parameter values if $\Psi$ falls below the threshold found in equation 5.1.

6.1.1 The choice of an ex-ante policy line with full commitment

The preference rankings or both opportunists and militants, since they agree in both states of the world, carry through when their expected value (i.e., a convex combination of payoffs in each state) is considered. However, the reformists’ preference orderings are not state-invariant.
\begin{table}[h]
\centering
\begin{tabular}{|l|c|c|}
\hline
Policy line & \multicolumn{2}{c|}{Next period expected payoffs} \\
\hline
& \multicolumn{2}{c|}{\text{with pandering, for each choice of a policy line, with the state being unknown, given rational expectations and full commitment, and assuming } \Psi \geq \delta e_2} \\
\hline
Opportunists, $\omega$ & \( \frac{1}{2} \pi + \frac{1}{2} (1 - \pi) \lambda_{s_1=0} + \frac{1}{2} (\pi + (1 - \pi) (1 - \lambda_{s_1=1})) (1 - q) + \frac{1}{2} (1 - \pi) \lambda_{s_1=1} ) \) & \( \frac{1}{2} \pi + \frac{1}{2} q \) \\
Militants, $\mu$ & \( \frac{1}{2} r_1 (1 - \pi) (1 - \lambda_{s_1=0}) + \frac{1}{2} r_1 (1 - \pi) \lambda_{s_1=1} \) & \( \frac{1}{2} r_1 (1 - \pi) + \frac{1}{2} r_1 \) \\
Reformists, $\rho$ & \( \frac{1}{2} \Psi \left( \pi + (1 - \pi) \lambda_{s_1=0} \right) + \frac{1}{2} \Psi \left( 1 - \pi \right) \lambda_{s_1=1} \) & \( \frac{1}{2} \Psi \pi + \frac{1}{2} \Psi \) \\
\hline
\end{tabular}
\caption{Expected payoffs for factions with pandering, for each choice of a policy line, with the state being unknown, given rational expectations and full commitment, and assuming $\Psi \geq \delta e_2$.}
\end{table}
Table 10: Preference rankings for factions with pandering, for each choice of a policy line, with the state being unknown, given rational expectations and full commitment, and assuming $\Psi \geq \delta e_2$.

The preference ranking of reformists is generally indeterminate. Precisely:

$\{p_1 = 0\} \succ \{p_1 = 1\} \iff \lambda'_{s_1=0} + \lambda'_{s_1=1} \geq \frac{1}{1 - \pi} \quad p_1 = 0$

$\{p_1 = N\} \succ \{p_1 = 0\} \iff \lambda_{s_1=0} + \lambda_{s_1=1} \geq \lambda'_{s_1=0} + \lambda'_{s_1=1} \quad p_1 = N$

$\{p_1 = N\} \succ \{p_1 = 1\} \iff \lambda_{s_1=0} + \lambda_{s_1=1} \geq \frac{1}{1 - \pi} \quad p_1 = N$

Twelve (12) cases may hold, as summarized by the table below:

<table>
<thead>
<tr>
<th>Policy line</th>
<th>$p_1 = 0$</th>
<th>$p_1 = 1$</th>
<th>$N$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunists, $\omega$</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Militants, $\mu$</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Reformists, $\rho$</td>
<td>?</td>
<td>?</td>
<td>?</td>
</tr>
</tbody>
</table>

Table 11: Preference rankings for the reformist faction with pandering, for each choice of a policy line, with the state being unknown, given rational expectations and full commitment, and for different parameter values. (A asterisk denotes an ex-æquo ranking.), and assuming $\Psi \geq \delta e_2$.

For a high-quality pool of politicians in both (or across) parties, that is whenever $\pi \geq 1/2$, the sum of accountability indices for both states cannot exceed the ratio $1/(1 - \pi)$. Pandering is then the most troublesome problem across states. The reformist faction consequently prefers $p_1 = 1$ to be chosen as a policy line whenever the pool the politicians is of sufficiently high quality, and $p_1 = 0$ or $p_1 = N$ otherwise.

**Proposition 6.1.** Party discipline through an ex-ante policy line with full commitment, when factions are uninformed about the state of the world and in the presence of pandering, performs worse in terms of accountability and welfare than under full information. This is
so as it weakens the accuracy of the coercive instrument, which must now be state-invariant. Poor information also weakens the determinacy of the reformists’ preferences: they may well hedge state uncertainty by choosing the status quo (i.e., $p_1 = N$), which would render coercion through an ex-ante policy line completely ineffective.

### 6.1.2 An ex-post leadership review

No additional information regarding the state of the world is revealed to party factions by the time an ex-post leadership review is held. While the opportunists seek to remove anyone not choosing $p_1 = 0$, and militants only support politicians choosing $p_1 = 1$, it is not so clear how reformists behave. Due to the timing of the game, and contrary to what happens for the choice of an ex-ante policy line, they do not account for the review’s effect on accountability when making their choice. It is thus that, if reading from the above table:

$$
\lambda_{s_1=0} = \lambda'_{s_1=0}, \lambda_{s_1=1} = \lambda'_{s_1=1}
$$

Two determinate cases are thus possible. Either:

$$
\lambda_{s_1=0} + \lambda_{s_1=1} > \frac{1}{1 - \pi}
$$

and the party leader and incumbent politician is only supported if $p_1 = 0$ is chosen, or:

$$
\lambda_{s_1=0} + \lambda_{s_1=1} < \frac{1}{1 - \pi}
$$

and a leader is only supported if she chose $p_1 = 1$. For a high enough quality of the pool of politicians, in particular when $\pi \geq 1/2$, the sum of accountability indices is always below the ratio $1/(1 - \pi)$, which means that a leader not choosing $p_1 = 1$ is removed by a coalition of reformists and militants. This is so since reformists perceive the chance of a new welfarist leader being chosen (as a result of the previous leader’s dismissal) as fairly high. Such a threat also has the effect of eliminating pandering, even if it is at the expense of the accountability of ideologues in $s_1 = 0$.

Finally, in the event where:

$$
\lambda_{s_1=0} + \lambda_{s_1=1} = \frac{1}{1 - \pi}
$$

then the preferences of reformists are indeterminate, meaning that no leader is ever removed. It is so for when reformists abstain, neither of the other factions satisfies majority rule $Q$ on its own.

**Proposition 6.2.** When factions are uninformed about the state of the world, the equivalence between an ex-ante policy line and an ex-post leadership review may still hold. The effect of poor information on coercion through an ex-post leadership review is to reduce the effectiveness of party discipline on the leader: either by not discouraging pandering (i.e., when $p_1 = 0$ is favoured in all states), or by decreasing the accountability of ideologues in $s_1 = 0$ (i.e., when $p_1 = 1$ is favoured by the party in all states). It may also be that no coercion is possible, due to the preferences of the reformist faction being indeterminate.
6.1.3 A putsch by one or more factions

What does coercion by putschist factions imply when they are not informed about the state of the world, like the representative voter and contrary to the incumbent?

The opportunistic faction still maximizes the expected probability of re-election, here given by \( (1/2)(2-q) \) if \( p_1 = 0 \) is chosen, \( q/2 \) if \( p_1 = 1 \) is chosen, and \( 1/2 \) if the leader is successfully removed through a putsch. Opportunists therefore still favour \( p_1 = 0 \), and any leader choosing \( p_1 = 1 \) faces the threat of a putsch from that faction. Militants still favour \( p_1 = 1 \), the ideologically-identified policy, with a leader choosing \( p_1 = 0 \) also incurring the threat of a putsch from that faction.

This leads to exactly the same problems for both types of politicians. Coercion by putschist factions thus leads to an increase in the accountability of ideological politicians relative to the no-coercion case in a way that mirrors exactly that in Subsection 5.4 on page 28. Furthermore, under imperfect information the coercion mechanism remains just as effective as under full information: there is therefore no change in accountability or voter welfare relative to the case of fully-informed putschist factions. This can be explained by the fact that neither of their preference orderings are state-dependent (unlike, say, the reformists’), and also because they can act unilaterally.

Let us summarize the results concerning the effects of imperfect information on both types of coercion mechanisms in the next proposition.

**Proposition 6.3.** When the second-best benchmark (where welfarist politicians are inclined to pander) is modified to account for party factions having imperfect information about the state of the world, the efficacy of democratic mechanisms in constraining the politician in office is reduced, while putschist factions are just as effective in coercing politicians to be held accountable.

6.2 Far-sighted factions: strategic interactions between parties and the decision to remove the leader

In weighing whether to remove the leader or not, if factions act by looking retrospectively only, then the outcomes outlined described in Section 5 prevail. Yet what if they now look forward as well? Only the behaviour of militants and reformists is then changed, as opportunists still only care about the probability of re-election, which is left unchanged.

6.2.1 The choice of an ex-ante policy line with full commitment

When factions are far-sighted, i.e. vote prospectively in an ex-post leadership review, the equivalence between the disciplining effect of an ex-post leadership review and an ex-ante policy line with full commitment generally does not hold, as one might well then renege ex-post on a policy line chosen ex-ante.

Furthermore, difficulty in ranking outcomes implies that there does not necessarily exist a Condorcet winner in each state for the choice of a policy line (see Appendix C on page 45). This ensures that there is no certainty that the equivalence between an ex-ante policy line (with full commitment to removing a leader who crosses it), and an ex-post leadership review, carries through with far-sighted factions.
Proposition 6.4. In the choice of an ex-ante policy line in the presence of far-sighted factions (assuming that they could commit to it regardless), the preference rankings of the opportunists and reformists fully agree in \( s_1 = 0 \) to favour \( p_1 = 0 \). However, the preference rankings for militants and reformists in \( s_1 = 1 \) are indeterminate, as they depend on rational expectations of the policy line’s effect on accountability and the nature of the distribution of ideological rents.

This means that in the presence of pandering welfarists, far-sightedness weakens party coercion through an ex-ante policy line, with detrimental effects for accountability and welfare, in comparison with coercion through factions voting retrospectively.

6.2.2 An ex-post leadership review

In an ex-post leadership review, far-sighted factions only effectively consider whether given the politician’s choice of policy, it is better to remove her or keep her in terms of lifetime benefits. The results are summarized by the proposition that follows, a full technical explanation for which is found in Appendix D on page 49.

Proposition 6.5. An ex-post leadership review in the presence of far-sighted factions will remove any incumbent politician choosing \( p_1 = 1 \) in \( s_1 = 0 \) from the party’s helm. This happens through the unanimous assent of all party factions. A politician choosing \( p_1 = 0 \) in \( s_1 = 0 \) is never removed.

Meanwhile, in \( s_1 = 1 \), a leader choosing \( p_1 = 0 \) may or may not be removed. If the accountability index in state \( s_1 = 1 \) exceeds a certain threshold given by:

\[
\hat{\lambda}_{s_1=1} = \max \left\{ 1 - \frac{1 - \pi (\frac{3}{2} - q)}{2 (1-q)(1-\pi)}, 1 - \frac{1 - \pi (3 - 4q)}{2 (1-q)(1-\pi)} \right\}
\]

then the militants and reformists jointly seek to remove such a leader. Furthermore, a leader choosing \( p_1 = 1 \) in \( s_1 = 1 \) is always unanimously removed from her post by the party.

This implies that the accountability of ideological incumbents increases in \( s_1 = 0 \), while it decreases in \( s_1 = 1 \). Also, pandering by welfarists in \( s_1 = 1 \) is not generally eliminated by party discipline. An ex-post leadership review with far-sighted factions performs generally less well than when they vote retrospectively.

Militants and reformists, by being far-sighted, align their preferences with the incumbent politician’s and recognize her re-election motives for choosing certain policies. This is why they choose to champion politicians choosing \( p_1 = 0 \) in all states, which fosters pandering on the part of welfarist politicians, as well as leading to an decrease in the accountability of ideologues in \( s_1 = 1 \), and an increase in \( s_1 = 0 \). Overall effects on welfare are thus ambiguous, but it is apparent that coercion performs less well than with retrospective voting factions, for it is less tailored to the state of the world.

It appears moreover that far-sighted militants in \( s_1 = 1 \) may turn out to be “refuseniks” by seeking to have any leader removed (i.e., regardless of the policy choice) if the accountability index for ideologues in \( s_1 = 1 \) is sufficiently high. This is so as they know that by removing a leader choosing \( p_1 = 0 \) in \( s_1 = 1 \), they are almost surely removing a welfarist, and replacing her with an ideologue with probability \( 1 - \pi \). All this, with only a limited impact on re-election probabilities \( (1/2 \text{ rather than } 1 - q) \), which is more negligible the higher is \( q < 1/2 \).
It is however puzzling as to why reformists may also behave in the same way, unless it is seen as a means of punishing pandering welfarists.

6.2.3 A putsch by one or more factions

As stated earlier, the objective of the opportunists being strictly re-election, their decision-making process does not change when all factions are far-sighted.

The objective of militants is however modified: they have to weigh the benefits of having seen (or not having seen) $p_1 = 1$ with the prospect of seeing $p_2 = 1$. They thus need to consider expected utility in choosing policy optimally.

Putschist factions behave as opportunists and militants do in an ex-post leadership review (see the Appendix E on page 51 for details), which results in the choices described by the next proposition.

**Proposition 6.6.** Coercion through far-sighted putschist factions causes opportunists to seek the removal of any incumbent who did not choose $p_1 = 0 \forall s_1$. Militants meanwhile seek to remove any incumbent who did not choose $p_1 = 0 \forall s_1$, and may even always seek to remove the politician in $s_1 = 1$ if the accountability index in that state exceeds a certain threshold.

The result is that while the accountability of ideological incumbents is improved in $s_1 = 0$, it is diminished in $s_1 = 1$, with ambiguous results overall. Furthermore, welfarist politicians continue to pander in $s_1 = 1$, which is welfare-decreasing relative to the second-best benchmark.

Proposition 6.7 summarizes the above results concerning the effect of far-sighted factions on accountability and welfare.

**Proposition 6.7.** When factions weigh future utility concerns as well as present ones in judging the incumbent leader’s current choice of policy (i.e., are far-sighted, as opposed to voting retrospectively), and in the presence of pandering welfarist politicians, party discipline through democratic means is weakened since the factions’ interests then become more aligned with the incumbent politician’s.

Meanwhile, party coercion through putschist factions is also adversely affected: incentives for pandering are increased, while the accountability of ideologues is increased in $s_1 = 0$, and decreased in $s_1 = 1$.

7 Conclusions and summary: The decline in political participation, and the decline in the relevance of parties

This paper sought to model the coercion exerted by a politician’s party on her choice of policies while in office, and its resulting effect on political accountability and voter welfare. This this end, it used a model of political agency where the politician’s heterogeneous party, composed of factions, could remove her through different means before the election was held, and after the policy choice had been made. It did so in an otherwise unbiased setting, with full information concerning policy and the state of the world being available to the politician.
in office and to party factions, and with the representative voter observing policy payoffs before the election – the benchmark case. It also considered a second-best setting where otherwise welfare-preoccupied politicians put electoral success ahead of policies conducive to the maximization of voter welfare, thus leading them to pander to the electorate’s misguided beliefs about optimal policy choice. Comparisons were made, and the following results were found.

First, in the benchmark case – i.e., when welfarist politicians always behaved true-to-type by implementing the welfare-maximizing policy, and only ideologues needed to be forcibly made accountable to the representative voter’s interests – the party’s influence increased the accountability of politicians in office when discipline was expressed through democratic means. It however reduced the accountability of politicians in office, thereby also reducing ex-ante expected voter welfare, when discipline was expressed through the influence of putschist factions. Coercion by putschist factions made them less accountable: this was due to the influence of the militant faction, and contrary to that of the opportunistic faction, with the former influence prevailing.

The benchmark case was then modified, so as to allow for a different information structure and beliefs that enabled pandering by welfarist politicians (i.e., providing the representative voter with the policy he deems ex-ante to be in his interest, while he is imperfectly informed about its payoffs). It was found that coercion by the party through democratic means was now accountability- and welfare-increasing, relative to the case with pandering but without any party present, while results for putschist factions were mixed but nonetheless surprisingly highlighted the militant faction’s potentially beneficial influence. The party’s effect in this setting followed a second-best argument, where if there is a pre-existing distortion to the accountability-inducing mechanism of elections (i.e., the representative voter’s inability to always see payoffs before the election, and thus forming beliefs leading to pandering), then introducing another distortion (i.e., the party’s coercive effect on the politician which in a first-best setting was found to be welfare-decreasing) can now be shown to unambiguously increase welfare.

Finally, with regards to questions of the imperfect information available to party factions and of the far-sightedness of these same factions, these two factors tend to reduce the effectiveness of party discipline in improving accountability and welfare in a second-best setting with pandering. Coercion through democratic means is adversely affected by both imperfect information and far-sighted behaviour. Coercion by means of putschist factions is in contrast unaffected by imperfect information, but similarly adversely affected by far-sightedness, for it then aligns the factions’ incentives with those of careerist politicians.

On the topic of the “responsible party” model, and whether it should be upheld in the light of its effects on politicians’ accountability and voter welfare, the answer to that question is a conditional “yes”.

As implied by the above summary of findings, a responsible party (which consists of cohesive organizations with collectively-drafted and well-defined programs, strong and active supporters, and a permanent staff) will generally have a beneficial effect on accountability and welfare.

One would hope that such a party would be internally-democratic, in which event its effect is to unambiguously increase accountability and welfare, and particularly so in a second-best setting where welfarist politicians pander. The responsible party’s influence is in addition
especially beneficial if information is readily accessible to party factions – making them as informed as the politician in office – and if they are near-sighted – in the sense that they vote retrospectively, just as the representative voter is assumed to be doing.

It can also further be argued that the decline in parties, due for instance to the declining participation of the electorate as a whole in political parties, may have dire consequences on political accountability and voter welfare. One effect of this decline in participation could for instance be a decrease in the quality of political candidates (captured in the model exogenously by $\pi$, the quality of the pool of available politicians) vying for the party’s leadership. This would lead to ill-chosen policies and a consequent decrease in voter welfare. Furthermore, a decline in participation due to political alienation might for instance decrease the size of the militant faction, $\mu$. While this might improve accountability and welfare when the electoral mechanism functions well, its effects in this paper’s second-best framework would instead be detrimental.

In sum, this paper contributed to the literature on political agency by demonstrating how a party’s disciplining effect on its leader may have a beneficial impact on her accountability vis-à-vis the representative voter, even when the electoral mechanism is performing well. It also contributed to a theory of the political second-best by showing how a malfunctioning electoral mechanism, plagued by a distortion such as pandering welfarists, can be improved upon by the introduction of an additional distortion: putschist factions and particularly putschist militants. Finally, it provided evidence of the continued importance of upholding the normative idea of a responsible party.
References


A Pandering reduces ex-ante voter welfare relative to the no-pandering, second-best benchmark: A simple proof

Consider the difference between ex-ante expected voter welfare with and without pandering. Ex-ante expected voter welfare with pandering is given by:

\[
E[W(\lambda_{s_1=0}, \lambda_{s_1=1})] = \Pr(s_1 = 0) [\pi + (1 - \pi) \lambda_{s_1=0}] \Psi + \Pr(s_1 = 1) [0 + (1 - \pi) \lambda_{s_1=1}] \Psi \\
+ \delta \Psi \pi + \delta \Psi \Pr(s_2 = 0) \Pr(s_1 = 0) [\pi (1 - \pi) (1 - \lambda_{s_1=0})] \\
+ \delta \Psi \Pr(s_2 = 1) \Pr(s_1 = 0) (1 - \pi) \\
+ \delta \Psi \Pr(s_2 = 0) \Pr(s_1 = 1) (\pi (1 - \pi) (q (1 - \lambda_{s_1=1}) + (1 - q) \lambda_{s_1=1})) \\
+ \delta \Psi \Pr(s_2 = 1) \Pr(s_1 = 1) (1 - \pi)
\]

Ex-ante expected voter welfare in the absence of pandering is given by:

\[
E[W(\lambda_{s_1=0}, \lambda_{s_1=1})] = \Pr(s_1 = 0) [\pi + (1 - \pi) \lambda_{s_1=0}] \Psi + \Pr(s_1 = 1) [\pi (1 - \pi) (1 - \lambda_{s_1=0})] \\
+ \delta \Psi \Pr(s_2 = 1) \Pr(s_1 = 0) (1 - \pi) \\
+ \delta \Psi \Pr(s_2 = 0) \Pr(s_1 = 1) (\pi (1 - \pi) (q (1 - \lambda_{s_1=1}) + (1 - q) \lambda_{s_1=1})) \\
+ \delta \Psi \Pr(s_2 = 1) \Pr(s_1 = 1) (1 - \pi)
\]

Ex-ante expected voter welfare is diminished by pandering if and only if:

\[
\frac{1}{2} \Psi \pi + \frac{1}{2} \delta \Psi \left(\frac{1}{2} \pi^2 + \frac{3}{2} \pi\right) > \delta \Psi \pi \\
\iff \frac{1}{2} + \frac{1}{4} \delta (\pi + 3) > \delta \\
\delta < \frac{2}{1 + \pi}
\]

This always holds since by assumption \(\delta < 1\).

B Proof of Proposition 5.6 on page 29

If one compares it with the previous pandering threshold, given by

\[
\Psi < \frac{\delta (1 - 2q) E_2}{1 - \delta (1 - 2q)} , q < 1/2
\]

then it appears plainly that as long as \(\mu > \omega\), that is the faction of militants being larger than that of opportunists, then the incidence of pandering by welfarist politicians is reduced in the presence of coercion from putschist factions, for any given \(\Psi\). Formally, the (weaker) condition is that:

\[
\mu > \frac{q E_2 + e_2}{(1 - q) E_2 + e_2} \omega
\]
where since $q < 1/2$,
\[
\frac{qE_2 + e_2}{(1 - q) E_2 + e_2} < 1
\]
But can party coercion from putschist factions eliminate pandering $\forall \Psi > 0$, as was the case for a policy line chosen democratically? This would require:
\[
\frac{\delta \left( (1 - 2q) E_2 - (\mu (1 - q) - \omega q) E_2 - (\mu - \omega) e_2 \right)}{1 - \delta \left( (1 - 2q) - (\mu (1 - q) - \omega q) \right)} < 0 \quad (B.1)
\]
which holds if and only if:
\[
\begin{align*}
1 - \delta \left( (1 - 2q) - (\mu (1 - q) - \omega q) \right) &\geq 0 \\
(1 - 2q) E_2 - (\mu (1 - q) - \omega q) E_2 - (\mu - \omega) e_2 &\leq 0
\end{align*}
\]
simultaneously hold. Solving for $\mu$ yields:
\[
\begin{align*}
\mu &\geq 1 - \frac{1}{\delta (1 - q)} - \frac{q}{1 - q} (1 - \omega) \\
\mu &\geq \frac{(1 - 2q) E_2}{(1 - q) E_2 + e_2} + \omega \left( \frac{qE_2 + e_2}{(1 - q) E_2 + e_2} \right)
\end{align*}
\]
The first inequality in that system is inconsequential as $\omega < 1$, $\delta < 1$, $q < 1/2$, and $\mu > 0$ by assumption: it amounts to nothing more than imposing $\mu > 0$. Meanwhile, the second inequality amounts to a threshold on $\mu$ for no longer only reducing the possibility (conditional on parameters) of pandering, but rather eliminating its occurrence. Should the militant faction’s relative size be above this threshold, denoted by $\hat{\mu}$, it coerces absolutely the pandering welfarists, for all possible parameter values. The above system is then reduced to:
\[
1 > \mu > \frac{(1 - 2q) E_2}{(1 - q) E_2 + e_2} + \omega \left( \frac{qE_2 + e_2}{(1 - q) E_2 + e_2} \right) > 0 \quad (B.2)
\]
which, assuming that party leadership ego rents are small enough (i.e., setting $e_2 = 0$), further simplifies to be:
\[
\mu > 1 - \frac{q}{1 - q} (1 - \omega) \quad (B.3)
\]
the right-hand side being indeed less than 1 and greater than 0 for all $\omega \in (0, 1)$ and $q < 1/2$.

C Ranking the preferences of far-sighted factions in the choice of an ex-ante policy line

In $s_1 = 0$:
Table 12: Expected payoffs for factions with pandering, for each choice of a policy line, in $s_1 = 0$, given rational expectations, full commitment and far-sightedness, and assuming $\Psi \geq \delta_2$.

The rationale behind such expected payoffs for the reformist faction being that it does matter to them who is in power when choosing the welfare-maximizing policy. If they were purely benevolent, their expected lifetime benefits associated with policy line $p_1 = 0$ would for instance then be (notice the different probability, highlighted in red):

$$
\Psi \left( \pi + (1 - \pi) \lambda_{s_1=0} + \delta \left( \frac{1}{2} (1 - \pi) \lambda_{s_1=0} + \pi + 1 (1 - \pi) (1 - \lambda_{s_1=0}) \left( \pi + \frac{1}{2} (1 - \pi) \right) \right) \right)
$$

and in $p_1 = 0$:

$$
\Psi \pi + 1 \pi \delta \Psi \left( \pi + \frac{1}{2} (1 - \pi) \right)
$$

while those for policy line $p_1 = N$ would be the same as for $p_1 = 0$.

- Opportunists:

  $\{p_1 = 0\} \succ \{p_1 = 1\} \iff \pi + \frac{1}{2} (1 - \pi) (1 + \lambda_{s_1=0}) \geq \frac{1}{2} \pi$

  $\{p_1 = 0\} \succ \{p_1 = N\} \iff \pi + \frac{1}{2} (1 - \pi) (1 + \lambda_{s_1=0}) \geq \pi + \frac{1}{2} (1 - \pi) (1 + \lambda_{s_1=0})$

  $\{p_1 = N\} \succ \{p_1 = 1\} \iff \pi + \frac{1}{2} (1 - \pi) (1 + \lambda_{s_1=0}) \geq \frac{1}{2} \pi$

  It is therefore easy to rank the opportunists’ preferences, to the extent that $\lambda_{s_1=0} > \lambda_{s_1=0}^\prime$:

  $\{p_1 = 0\} \succ \{p_1 = N\} \succ \{p_1 = 1\}$

- Militants:

  $\{p_1 = 0\} \succ \{p_1 = 1\} \iff \lambda_{s_1=0}^\prime \leq 1 - \frac{(1 - \delta) - \pi (1 - \frac{1}{4} \delta \pi)}{(1 - \frac{1}{2} \delta) (1 - \frac{1}{2} \delta) (1 + \frac{1}{2})}$

  $\{p_1 = 0\} \succ \{p_1 = N\}$

  $\iff \frac{1}{2} \delta (1 - \lambda_{s_1=0}) \left( 1 - \frac{\pi}{2} \right) \geq (1 - \delta) (\lambda_{s_1=0} - \lambda_{s_1=0})$

  $\{p_1 = N\} \succ \{p_1 = 1\} \iff \lambda_{s_1=0} \leq \frac{\frac{1}{4} \delta \pi^2}{(1 - \delta) (1 - \pi)}$

<table>
<thead>
<tr>
<th>Policy line</th>
<th>$p_1 = 0$</th>
<th>$p_1 = 1$</th>
<th>$N$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunists, $\omega$</td>
<td>$\pi + \frac{1}{2} (1 - \pi) (1 + \lambda_{s_1=0}^\prime)$</td>
<td>$\pi + \frac{1}{2} (1 - \pi) (1 + \lambda_{s_1=0})$</td>
<td>$\frac{1}{2} \pi$</td>
</tr>
<tr>
<td>Militants, $\mu$</td>
<td>$\psi_m (1 - \pi) (1 - \lambda_{s_1=0}^\prime) + \delta \psi_m \left( \frac{1}{2} (1 - \pi) \lambda_{s_1=0} + \pi + 1 (1 - \pi) (1 - \lambda_{s_1=0}) \left( \pi + \frac{1}{2} (1 - \pi) \right) \right)$</td>
<td>$\psi_m (1 - \pi) (1 - \lambda_{s_1=0}) + \delta \psi_m \left( (1 - \pi) \lambda_{s_1=0} + \frac{1}{2} \pi \right)$</td>
<td>$\psi_m (1 - \pi) + \frac{1}{2} \pi \delta \psi \left( \pi + \frac{1}{2} (1 - \pi) \right)$</td>
</tr>
<tr>
<td>Reformists, $\rho$</td>
<td>$\psi (1 - \pi) \lambda_{s_1=0} + \delta \left( \frac{1}{2} (1 - \pi) \lambda_{s_1=0} + \pi + 1 (1 - \pi) (1 - \lambda_{s_1=0}) \left( \pi + \frac{1}{2} (1 - \pi) \right) \right)$</td>
<td>$\psi (1 - \pi) \lambda_{s_1=0} + \delta \left( \frac{1}{2} (1 - \pi) \lambda_{s_1=0} + \frac{1}{2} \pi \right)$</td>
<td>$\psi (1 - \pi) \lambda_{s_1=0} + \delta \left( \frac{1}{2} (1 - \pi) \lambda_{s_1=0} + \frac{1}{2} \pi \right)$</td>
</tr>
</tbody>
</table>
– In the first case, choosing policy line \( p_1 = 0 \) is preferred to \( p_1 = 1 \) only if the accountability index for state \( s_1 = 0 \) falls below a certain threshold. The underlying intuition is that current benefits from the ideological policy choice are more likely to occur the lower is \( \lambda'_{s_1=0} \), thus approaching the current benefits of policy line \( p_1 = 1 \) in this respect. One would in turn expect that a low accountability index would cause future payoffs to be lower: it is however so that the loss in terms of future payoffs to having a lower accountability index far outweighs the current benefit.

– In the second case, policy line \( p_1 = 0 \) is preferred to the absence thereof if the marginal future benefit from imposing such a policy line outweighs the marginal cost in present payoffs.

– Finally, no policy line is preferred to \( p_1 = 1 \) if the current payoffs from the status quo are high enough, relative to future payoffs; that is, if the accountability index is low enough. This follows the intuition of the first choice, above. In conclusion, there is no obvious way of ranking the above preferences without specifying a particular distribution of ideological rents.

- Reformists:

\[
\begin{align*}
\{p_1 = 0\} & \succsim \{p_1 = 1\} \\
\iff (1 - \pi) \left(1 + \frac{1}{4} (1 - \pi)\right) \lambda'_{s_1=0} \\
& \quad + \delta \left(\frac{3}{4} + \frac{1}{4} \pi (1 - 2\pi)\right) \geq 0
\end{align*}
\]

\[
\begin{align*}
\{p_1 = 0\} & \succsim \{p_1 = N\} \\
\iff (1 - \pi) \left(\lambda'_{s_1=0} - \lambda_{s_1=0}\right) + \delta \frac{1}{2} (1 - \pi) \left(\lambda'_{s_1=0} - \lambda_{s_1=0}\right) \\
& \quad + \frac{1}{2} \pi (1 - \lambda'_{s_1=0}) \left(\pi + \frac{1}{2} (1 - \pi)\right) \geq 0
\end{align*}
\]

\[
\begin{align*}
\{p_1 = N\} & \succsim \{p_1 = 1\} \\
\iff (1 - \pi) \left(1 + \frac{1}{2} \delta\right) \lambda_{s_1=0} \\
& \quad + \frac{1}{2} \pi \delta \left(\pi + \frac{1}{2} (1 - \pi)\right) \geq 0
\end{align*}
\]

It therefore follows that:

\[
\{p_1 = 0\} \succ \{p_1 = N\} \succ \{p_1 = 1\}
\]

when reformists are far-sighted, preferences that perfectly agree with those of the opportunists.

In \( s_1 = 1 \):

\[
\]
Expected payoffs for factions with pandering, for each choice of a policy line, in $s_1 = 1$, given rational expectations, full commitment and far-sightedness, and assuming $\Psi \geq \delta e_2$.

- **Opportunists:**
  \[
  \{p_1 = 0\} \succ \{p_1 = 1\} \iff \frac{1}{2} \delta (2 - \pi) (1 - q) \geq 0
  \]
  \[
  \{p_1 = 0\} \succ \{p_1 = N\} \iff \frac{1}{2} \delta (2 - \pi) (1 - q) \leq 0
  \]
  \[
  \{p_1 = N\} \succ \{p_1 = 1\} \iff \frac{1}{2} \delta (2 - \pi) (1 - q) \geq 0
  \]

  The opportunists’ preference ranking is therefore unchanged:
  \[
  \{p_1 = 0\} \succ \{p_1 = N\} \succ \{p_1 = 1\}
  \]

- **Militants:**
  \[
  \{p_1 = 0\} \succ \{p_1 = 1\} \iff 1 \geq \lambda'_{s_1=1} \geq \frac{2 - (1 - \pi) \lambda'_{s_1=1}}{1 - \frac{1}{2} \delta (2 - \pi) (1 - q)}
  \]
  \[
  \{p_1 = 0\} \succ \{p_1 = N\} \iff \frac{1}{2} \delta (2 - \pi) (1 - q) \leq 0
  \]
  \[
  \{p_1 = N\} \succ \{p_1 = 1\} \iff \frac{1}{2} \delta (2 - \pi) (1 - q) \geq 0
  \]

  This entails that the preference ranking of militants is generally indeterminate in $s_1 = 1$, since it dependent on the probability distributions chosen.

<table>
<thead>
<tr>
<th>Policy line</th>
<th>$p_1 = 0$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunists, $\omega$</td>
<td>$\Psi (1 - \pi) \lambda'<em>{s_1=1} + \delta \omega (1 - q) (1 - (1 - \pi) \lambda'</em>{s_1=1}) + \frac{1}{2} \delta (2 - \pi) (1 - \pi) \lambda'<em>{s_1=1} + \frac{1}{2} (1 - \pi) (\lambda'</em>{s_1=1} (\pi + \frac{1}{2} (1 - \pi)))$</td>
</tr>
<tr>
<td>Militants, $\mu$</td>
<td>$v_m (1 - \pi) \lambda'<em>{s_1=1} + \delta v_m (1 - q) ((1 - \pi) (1 - \lambda'</em>{s_1=1}) + \frac{1}{2} (1 - \pi) (\lambda'_{s_1=1} (\pi + \frac{1}{2} (1 - \pi))))$</td>
</tr>
<tr>
<td>Reformists, $\rho$</td>
<td>$\Psi (1 - \pi) \lambda'<em>{s_1=1} + \delta ((1 - q) (1 - \lambda'</em>{s_1=1}) + \pi) + \frac{1}{2} (1 - \pi) (\lambda'_{s_1=1} (\pi + \frac{1}{2} (1 - \pi))))$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Policy line</th>
<th>$N$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunists, $\omega$</td>
<td>$(\pi + (1 - \pi) (1 - \lambda'<em>{s_1=1})) (1 - q) + \frac{1}{2} (1 - \pi) \lambda'</em>{s_1=1}$</td>
</tr>
<tr>
<td>Militants, $\mu$</td>
<td>$v_m (1 - \pi) \lambda'<em>{s_1=1} + \delta v_m (1 - q) ((1 - \pi) (1 - \lambda'</em>{s_1=1}) + \frac{1}{2} (1 - \pi) \lambda'_{s_1=1} (\pi + \frac{1}{2} (1 - \pi)))$</td>
</tr>
<tr>
<td>Reformists, $\rho$</td>
<td>$\Psi (1 - \pi) \lambda'<em>{s_1=1} + \delta ((1 - q) (1 - \lambda'</em>{s_1=1}) + \pi) + \frac{1}{2} (1 - \pi) \lambda'_{s_1=1} (\pi + \frac{1}{2} (1 - \pi)))$</td>
</tr>
</tbody>
</table>
• Reformists:

\[
\begin{align*}
\{ p_1 = 0 \} & \succeq \{ p_1 = 1 \} \iff 1 \geq \lambda_{s_1=1} \geq \frac{1 - \frac{1}{2} \delta (1 + \pi) (1 - 2q)}{(1 - \pi) (1 + \frac{1}{2} \delta (\pi - (1 - 2q)))} \\
\{ p_1 = 0 \} & \succeq \{ p_1 = N \} \\
& \iff (1 - \pi) (\lambda_{s_1=1} - \lambda_{s_1=1}) \\
& \quad + \frac{1}{2} (1 - \pi) \delta \left( \frac{1}{2} - q \right) (2\lambda_{s_1=1} - \lambda_{s_1=1}) + \pi \left( \frac{1}{2} \lambda_{s_1=1} - q\lambda_{s_1=1} \right) \\
& \quad \geq 0 \\
\{ p_1 = N \} & \succeq \{ p_1 = 1 \} \iff 1 \geq \lambda_{s_1=1} \geq \frac{1 - \frac{1}{2} \delta (1 + \pi) (1 - 2q)}{(1 - \pi) (1 + \frac{1}{2} \delta (q\pi - (1 - 2q)))} 
\end{align*}
\]

This entails that the preference ranking of reformists is generally indeterminate in \( s_1 = 1 \), since it dependent on the probability distributions chosen.

**D Ranking the preferences of far-sighted factions in an ex-post leadership review**

In \( s_1 = 0 \), the opportunists will seek to have any politician not choosing \( p_1 = 0 \) removed, simply because the future probability of election with a new leader (i.e., \( 1/2 \)) exceeds that of keeping a leader having implemented \( p_1 = 1 \) (i.e., 0). In \( s_1 = 1 \), the outcome is the same, since \( p_1 = 0 \) guarantees re-election with probability \( 1 - q > 1/2 \), while \( p_1 = 1 \) does so only with probability \( q < 1/2 \), less than the performance of a new leader.

In the case of the militant faction in \( s_1 = 0 \), it must compare on the left-hand side (LHS) the expected lifetime benefits of keeping a leader who chose \( p_1 = 0 \), with the expected benefits from removing her from the party’s helm (on the right-hand side, RHS):

\[
0 + \delta v_m \left( 1 - \pi \right) \lambda_{s_1=0} + \frac{1}{2} \pi \ \geq \ 0 + \frac{1}{2} \delta v_m \left( (1 - \pi) + \frac{1}{2} \pi \right) \\
\iff 2 (1 - \pi) \lambda_{s_1=0} + \pi \ \geq \ (1 - \pi) + \frac{1}{2} \pi \\
\iff 2 (1 - \pi) \lambda_{s_1=0} \ \geq \ 1 - \frac{3}{2} \pi \\
\iff \lambda_{s_1=0} \ \geq \ 1 - \frac{\pi}{2 (1 - \pi)}
\]

Whenever \( \pi / (1 - \pi) > 1/2 \), or equivalently that \( \pi > 1/3 \), the RHS is negative, which entails that it is always best to keep the leader at the party’s helm.

As to a leader choosing \( p_1 = 1 = 1 - s_1 \), it leads to the following comparison:

\[
v_m + 0 \ \geq \ v_m + \frac{1}{2} \delta v_m \left( (1 - \pi) + \frac{1}{2} \pi \right)
\]

Any leader choosing \( p_1 = 1 \) in \( s_1 = 0 \) is thus wanted out by the militant faction.
In \( s_1 = 1 \), similar logic is applied. If \( p_1 = 0 \) is then chosen, it yields, supposing that the pandering politicians continue to pander and factions know it:

\[
0 + (1 - q) \delta v_m \left( (1 - \pi) \left( 1 - \lambda_{s_1=1} \right) + \frac{1}{2} \pi \right) \geq 0 + \frac{1}{2} \delta v_m \left( (1 - \pi) + \frac{1}{2} \pi \right)
\]

\[
(1 - q) \left( 1 - \pi \right) \left( 1 - \lambda_{s_1=1} \right) + (1 - q) \frac{1}{2} \pi \geq \frac{1}{2} (1 - \pi) + \frac{1}{4} \pi
\]

\[
(1 - q) \left( 1 - \pi \right) \left( 1 - \lambda_{s_1=1} \right) \geq \frac{1}{2} (1 - \pi) + \frac{1}{2} \left( q - \frac{1}{2} \right) \pi
\]

\[
1 - \frac{1 - \pi \left( \frac{3}{2} - q \right)}{2 (1 - q) (1 - \pi)} \geq \lambda_{s_1=1}
\]

This therefore may or may not lead to the politician’s removal ex-post, if the militants have their way.

If \( p_1 = 1 \) is chosen, there is however no difficulty in assessing that:

\[
v_m + q \delta v_m ( (1 - \pi) \lambda_{s_1=1} ) \geq v_m + \frac{1}{2} \delta v_m \left( (1 - \pi) + \frac{1}{2} \pi \right)
\]

\[
\iff \lambda_{s_1=1} \geq \frac{(1 - \pi) + \frac{1}{2} \pi}{2q (1 - \pi)}
\]

Since \( q < 1/2 \), it it always the case that the militant faction will seek to remove a politician choosing \( p_1 = s_1 = 1 \).

Performing the same exercise for the reformist faction, one finds that in \( s_1 = 0 \), a politician choosing \( p_1 = 0 \) is supported if and only if:

\[
\Psi \delta \left( \frac{1}{2} (1 - \pi) \lambda_{s_1=0} + \pi \right) > \frac{1}{2} \Psi \delta \left( \frac{1}{2} (1 - \pi) + \pi \right)
\]

\[
\iff \lambda_{s_1=0} > \frac{1}{2} - \frac{\pi}{(1 - \pi)}
\]

which agrees with the choice of the militant faction whenever \( \pi/(1 - \pi) > 1/2 \). Meanwhile, if \( p_1 = 1 = 1 - s_1 \) is chosen, the politician is supported if and only if:

\[
0 > \frac{1}{2} \Psi \delta \left( \frac{1}{2} (1 - \pi) + \pi \right)
\]

which is never the case.

In \( s_1 = 1 \) and if \( p_1 = 0 \), a politician is supported by the reformist faction if and only if:

\[
\Psi \delta (1 - q) \left( \frac{1}{2} (1 - \pi) \left( 1 - \lambda_{s_1=1} \right) + \pi \right) > \frac{1}{2} \Psi \delta \left( \pi + \frac{1}{2} (1 - \pi) \right)
\]

\[
1 - \frac{1 - \pi \left( 3 - 4q \right)}{2 (1 - q) (1 - \pi)} > \lambda_{s_1=1}
\]
which may or may not agree with the militant faction’s preferences. In \( s_1 = 1 \) and with \( p_1 = 1 \), support is granted if and only if:

\[
q \Psi \delta \left( \frac{1}{2} (1 - \pi) \lambda_{s_1=1} \right) > \frac{1}{2} \Psi \delta \left( \frac{1}{2} (1 - \pi) + \pi \right) \iff \lambda_{s_1=1} > \frac{(1 - \pi) + 2\pi}{2q(1 - \pi)}
\]

Again, the preferences of the reformists agree with that of militants, and support can never be granted since \( q < 1/2 \) and \( \lambda_{s=1} \leq 1 \).

### E The preferences of far-sighted putschist factions, and the politicians’ problems

#### Problem E.1. Welfarist politicians in \( s_1 = 0 \) face the following choice:

\[
E [U_W(0, 0)] = E_1 + e_1 + \Psi + \delta (E_2 + \Psi + e_2)
\]

\[
E [U_W(1, 0)] = E_1 + e_1 + 0 + \delta (1 - \mu - \omega) e_2
\]

While in \( s_1 = 1 \):

\[
E [U_W(0, 1)] = E_1 + e_1 + 0 + \delta ((1 - q) (E_2 + \Psi) + e_2)
\]

\[
E [U_W(1, 1)] = E_1 + e_1 + \Psi + \delta (1 - \mu - \omega) (q (E_2 + \Psi) + e_2)
\]

Welfarists choose \( p_1 = s_1 = 1 \) if and only if:

\[
\Psi \geq \frac{\delta (((1 - q) - (1 - \mu - \omega) q) E_2 + (\mu + \omega) e_2)}{1 + \delta (q - (1 - \mu - \omega) (1 - q))}
\]

or equivalently, they pander if and only if:

\[
\Psi < \frac{\delta (((1 - q) - (1 - \mu - \omega) q) E_2 + (\mu + \omega) e_2)}{1 + \delta (q - (1 - \mu - \omega) (1 - q))}
\]

This therefore means that compared with the previous pandering threshold, given by equation 5.2, it is *more likely to be satisfied*, thus meaning that party discipline is *detrimental and reinforces incentives for pandering*.

Meanwhile, for ideologues, this entails:

#### Problem E.2. In \( s_1 = 0 \):

\[
E [U_I(0, 0)] = E_1 + e_1 + 0 + \delta (E_2 + \bar{r} + e_2)
\]

\[
E [U_I(1, 0)] = E_1 + e_1 + r_1 + \delta (1 - \mu - \omega) e_2
\]
While in $s_1 = 1$:

$$E [U_1(0, 1)] = E_1 + e_1 + 0 + \delta [(1 - q) (E_2 + \bar{r}) + e_2]$$

$$E [U_1(1, 1)] = E_1 + e_1 + r_1 + \delta (1 - \mu - \omega) [q (E_2 + \bar{r}) + e_2]$$

The accountability index in $s_1 = 0$ is now $\lambda''_{s_1=0} = F (\delta (E_2 + \bar{r} + (\mu + \omega) e_2))$. Compared with the case of near-sighted factions, where the similar index was given by:

$$F (\delta (1 - \alpha) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2)$$

(see equation 5.3 on page 29), it represents an *improvement* in the accountability of ideologues in $s_1 = 0$.

However, in $s_1 = 1$, the accountability index is now given by:

$$\lambda''_{s_1=1} = 1 - F (\delta ((1 - 2q) + (\mu + \omega)) (E_2 + \bar{r}) + \delta (\mu + \omega) e_2)$$

(E.1)

This is lower than:

$$1 - F [\delta ((1 - 2q) - \mu (1 - q) - \omega q) (E_2 + \bar{r}) + \delta (\omega - \mu) e_2]$$

which is the accountability index in $s_1 = 1$ when factions are near-sighted and judging the politician purely retrospectively (see equation 5.4 on page 29), since the second term is unambiguous larger in the former case. The accountability of ideologues in $s_1 = 1$ is correspondingly *reduced* when factions are far-sighted, in comparison with the case where they are near-sighted.