

Making executive politics mutually productive and fair

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Abstract Winner-take-all elections for executive offices create high-stakes electoral conflict that distorts policy-making and constitution-making behavior. When the stakes are high, so long as it increases the chances of victory, office-seekers seek to shift perceived benefits toward and burdens away from potentially pivotal participants. This can entail the strategic allocation of spoils, the strategic selection of public policies that mobilize one's base or divide the opposition, the strategic shifting of benefits into the present and costs into the future, and the strategic deception of the uninformed. This paper proposes a "turn-taking institution," an electoral system in which the whole term is only awarded to a sufficiently inclusive supermajority coalition; if no coalition qualifies, the plurality winner and the runner-up take alternating one-year turns for the length of the term. This institution lowers the stakes of electoral conflict by roughly an order of magnitude, and fosters the formation, enforcement and adaptation of mutually productive policy-making and constitution-making behaviors. Critically, these results hold up even when voters and policy-makers are impatient, and when only short-run commitments are possible.

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1 Introduction

In human societies there are both conditions that facilitate mutually productive relationships and those that yield mutually destructive relationships. The problem is how to facilitate the one and constrain the other by constituting order in human societies.

- Vincent Ostrom (1971: 48)

Over the last 60 years, economists and political scientists have conceptualized and documented many ways in which electoral conflict has perverse social consequences.

Elite office-seekers strategically allocate spoils in the form of appointments, subsidies, tax-breaks, monopoly privileges, and government contracts (Olson 1983; Krueger 1990; Murphy et al. 1993; Bates 2008). They strategically select public policies that mobilize co-partisans, bribe swing voters, and/or divide the opposition (Downs 1957; Stigler 1970; Cox 2009). Elite office-seekers strategically showcase and/or hasten the benefits of their agenda, while hiding and/or delaying its costs (Wagner 1976; Cowen 2005; Kotlikoff 2005). They strategically deceive uninformed but nonetheless pivotal segments of the electorate, whether by passively flattering their existing hopes and fears or by actively stoking new ones (Horowitz 1985; Brennan and Lomasky 1997; Glassner 2000; Glaeser 2005; Caplan 2007). In many cases, this means making scapegoats of foreigners, immigrants, ethnic minorities, the rich, the poor, the elite, the masses, the opposition, or the media.¹ Office-seekers use some or all of these strategies (or others like them), typically in combination. These strategies have large social costs, reckoned in terms of lives, wealth and welfare destroyed (Robinson 1998; Bueno de Mesquita et al. 2003).

Paraphrasing Vincent Ostrom (above), the fundamental remedy is to form, enforce and adapt institutions that constrain mutually destructive relationships and facilitate mutually productive relationships among citizens.

Winner-take-all electoral institutions are an important source of mutually destructive relationships on two levels. First, they raise the stakes of electoral conflict; the high stakes motivate the mutually destructive office-seeking behaviors listed above. Second, they undermine the fundamental remedy: the ability to form, enforce, and adapt agreements about the scope and structure of the executive office. In a sense, winner-take-all institutions make the disease strong and the remedy weak.

I propose a new alternative called a “turn-taking institution” as a way of making the disease weak and the remedy strong. This institution would lower the intensity of electoral conflict—thereby weakening the disease—and increase incentives to form, enforce and adapt agreements on the scope and structure of the executive office—thereby strengthening the remedy.

¹ Scapegoats make diagnosing and solving problems a relatively simple matter. In politics, the undesirable output of a complex system (e.g. a rising price) may be the “true villain” for whom or for which the scapegoat (e.g. greedy merchants and/or an ethnic minority) is made to cover. For a bias to exist, scapegoats need not be entirely innocent, just marginally *more* innocent than they are perceived and/or treated.

The gist of the proposed turn-taking institution is to allot the whole term only to a candidate who builds a sufficiently inclusive supermajority consensus; otherwise, major candidates take turns in office. The proposed institution has two “phases”—a turn-taking phase and a winner-take-all supermajority phase—whereas majority rule has one.² There are many ways to institutionalize the turn-taking principle (i.e. by varying the number of players in office, the supermajority threshold, the lengths of the turns or the term, the ballot type, etc.), but this paper can only treat *one* in any depth. To that end, I will focus on the case where a complete four-year term goes only to a 60% supermajority; otherwise, the top vote-getter and the runner-up take alternating one-year turns in office.³

There are some historical cousins to this mechanism that serve as inspiration. For roughly three hundred years during the Roman Republic, the two consuls took month-long turns presiding over the Senate. In our time, the Dayton Accords of 1995 set up a rotating presidency in Bosnia-Herzegovina. There are other examples like these, similar enough to the institution proposed here to provide inspiration but too different to provide test cases.⁴

The paper proceeds as follows (see Fig. 1). The next section shows why winner-take-all institutions induce high-stakes electoral conflict (“strong disease”) and weak incentives to form, enforce, and adapt agreements about the scope and structure of the office (“weak remedy”). The third section shows why turn-taking institutions would induce low-stakes electoral conflict (“weak disease”) and strong incentives to form, enforce, and adapt such agreements (“strong remedy”). This makes it a desirable reform. The fourth section argues for the political feasibility of adopting the turn-taking institution from the status quo. The fifth section discusses the probable impact of the turn-taking institution on some sample policy domains (social, economic, fiscal, and environmental).

The paper can also be summarized in terms of the four conjectures it defends. First, the turn-taking phase would lower the stakes of electoral conflict by roughly an order of magnitude. Second, the turn-taking phase would enable the formation, enforcement and adaptation of agreements about the scope and structure of the executive office.

Third, the supermajority phase would regulate the formation, enforcement and adaptation of those agreements. Fourth, under some circumstances, the adoption of the turn-taking institution would be politically feasible from within the status quo.

² Indeed, we can frame majority rule (or plurality rule) as a special case of this mechanism: the case where the threshold required to win it all is a majority (or plurality).

³ As an example of a relevant variation omitted here: rather than an absolute threshold of 60%, we might consider a rule where the 1st place team must be at least 1.5 times the size of the 2nd place team to win it all. When there are only two parties, this is equivalent to the 60% absolute threshold; when there are three or more, this version has the virtue of awarding the whole office to any party that stands out enough from the others.

⁴ Two other prominent examples are the presidency during the Frente Nacional in Colombia (1958–1974), and the Presidency of the Council of the European Union (1958–2006).

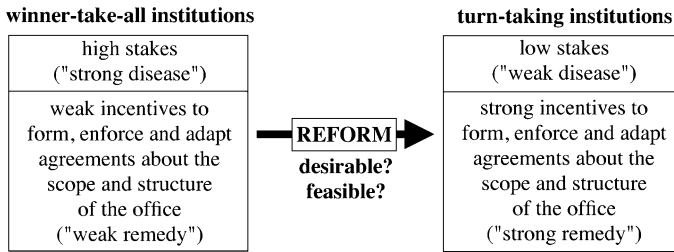


Fig. 1 The paper at a glance

In this paper I hope to begin a conversation about the turn-taking institution by defending conjectures about its first-order effects. I expect these conjectures will be controversial, but that—even if they were ultimately shown to be wrong—much would be learned from understanding why they were wrong. What should not be controversial is that there are interesting second-order effects that are omitted from the discussion. Unfortunately, there is barely room in the paper to attend to the basics. Objections and omissions (at least those of which I am aware) are addressed in the conclusion.

2 Winner-take-all institutions strengthen the disease and weaken the remedy

One way to summarize the many and diverse contributions tracing the consequences of electoral conflict is this: *So long as it increases their chances of victory in the next election, elite office-seekers tend to bias their agendas to concentrate material and symbolic benefits on potentially pivotal participants with limited regard for the costs imposed on others as a result.* Here “potentially pivotal participants” are a combination of swing voters who would otherwise vote for the other coalition, ideologically extreme voters who would otherwise abstain, and organized interest groups who provide money, labor or other resources to mobilize extreme voters or persuade swing voters. “Others” are a combination of infra-marginal coalition-members (the core voters whose votes are assured) and extra-marginal actors (those whose votes would be difficult or impossible to win), including the core voters of the other coalition, foreigners, and future generations.

Some qualifiers are in order. Relative to many non-democratic alternatives (e.g. office-holding by conquest, coup or birth), winner-take-all electoral conflict may be a “good”—indeed a *very good*—result.⁵ Moreover, especially insofar as there are large numbers of potentially pivotal voters (Wittman 1997; Bueno de Mesquita et al. 2003), elite office-seekers can afford only *marginal* distortions that add bias to agendas founded upon plausible conceptions of the general interest. Taking the distortions too far can come at the price of having fewer tax revenues available for

⁵ Alternative measures of the “good” would be highly correlated here. The improvement could be reckoned in terms of, for example, the magnitude of supermajority consensus, of economic growth rates, of life expectancies, or of the spread of basic political freedoms.

disbursement (Olson 1993), of negative spill-over effects on the income or well-being one's own coalition-members (Olson and McGuire 1996), of eliciting a blocking response by other veto players (Tsebelis 2002), of making it less costly for the opposition to bid for moderates or swing voters (North et al. 2009: 125–129), and of undermining voters and office-seekers' public-images and/or self-images as benevolent, competent actors (Schuessler 2000; Caplan 2001; Cowen 2005). If the gamesmanship goes too far, it hurts rather than helps office-seekers' chances of winning elections. The assumption here is not that electoral politics is *entirely* a matter of zero-sum or negative-sum rent-seeking; it is only the much weaker assumption that electoral politics typically has a zero or negative-sum component. Office-seeking behavior encourages mutually destructive public policy only on the margin.

2.1 Strengthening the disease: the high stakes of electoral conflict

There is a vicious cycle between electoral conflict (that is, the perceived difference between winning and losing an election) and policy conflict (that is, the perceived difference between having one's own side make policy and having the other side make policy). To see how these two kinds of conflict are mutually reinforcing, it is helpful to distinguish between the stakes of *electoral conflict* and the intensity of *policy conflict*. Let us begin with three definitions:

Definition The *per-election stakes of electoral conflict*, S_i , for citizen i is the expected marginal benefit of having his/her more preferred party win the election.

Definition The *per-year policy payoff*, q_i , for citizen i is the expected marginal benefit of having his/her more preferred party use the office to influence public policy for a year.

Definition The *per-year non-policy payoff*, r_i , for citizen i is the expected marginal benefit of having his/her more preferred party in the office for a year, regardless of any influence it has on policy.

The policy payoff per year, q_i , is the expected net present value of having one's preferred party in the position to influence policy for that year. This payoff is the *net* value of controlling an asset ("the executive office") for a year, relative to not controlling it. Once in office, there would be upfront costs to influencing outcomes; the benefits would accrue in the long run. But this stream of benefits and costs is collapsed back into a present value of controlling the office for one year and compared with the present value of not controlling it. The policy payoff per year, q_i , is the difference between these present values.⁶ Since q_i is only an *expected* value, there may be some years when there is little new policy to be made or old policy to be revised and other years when there is a lot. Moreover, there is no assumption that formal policy must change; the net value can come from *influencing* how policy is

⁶ Both teams of elites may offer a similar "core" of productive public policy that lifts these absolute payoffs above a historical baseline, while still maintaining the marginal differentiation that drives policy conflict.

made or implemented, whether with the bully pulpit or the threat of a veto, or with one's appointments to bureaucracies and courts. Even if the direct impact on policy is realized years and year later, the value of that impact is imputed back to the opportunity to initiate such chains of influence per year in office. The same considerations apply to the non-policy payoff per year, r_i , but the value comes from expected increases in income, status, and so forth that can be imputed back to controlling the office for 1 year.

This allows us to make explicit the relationship between electoral and policy conflict. First, consider the way policy conflict amplifies electoral conflict. Intuitively, when the per-year intensity of policy conflict is high, the stakes of electoral conflict will be high too. This suggests a simple multiplicative model, where the stakes are the product of an intensive dimension (per-year benefits from being in office) and a temporal dimension (years gained by winning). Suppose there are T years per term. As a first approximation, the intensity of electoral conflict would be:

$$S_i = (q_i + r_i)T \quad (1)$$

Second, consider the way electoral conflict amplifies policy conflict. The electoral conflict between elites motivates them to create policy conflicts between mass voters. Over some range, office-seeking behavior can yield Downsian policy convergence; typically, however elites must balance their attempts to persuade swing voters with their attempts to mobilize their base voters, so convergence is not complete (Dixit and Londregan 1998; Cox 2009). When the stakes are perceived to be high, each team of elites is averse to behavior that hurt its chances of winning. This fosters coordination upon behavior that is politically advantageous, even if—in the longer term—this is mutually destructive relative to feasible alternatives.

2.2 The fundamental remedy: the ability to form, enforce, and adapt agreements about the scope and structure of office

Executive powers go beyond formal powers such as the power to faithfully execute the law, to appoint executive administrators and judges, to issue executive orders, to command the military, and to veto legislation. They also include informal powers, such as the power to use the office as a “bully pulpit” (Tulis 1988; Neustadt 1991; Kernell 1992), and the power to act unilaterally (Moe and Howell 1999; Mayer 2001; Howell 2005).

Regulating *de facto* executive power is essential to the enterprise of sustaining good government and economic growth (Acemoglu and Johnson 2006; North et al. 2009). One aim of constitutional or institutional choice is to constrain the choices available to office-holders in a way that limits the intensity of policy conflict (Brennan and Buchanan 1985; Weingast 1997; Hardin 1999). This in turn lowers the intensity of electoral conflict, which limits the motivation elites have to seek electoral-political gains.

Those working within the tradition of “constitutional political economy” have identified opportunities for effectively regulating the scope and structure of elected offices (e.g. Brennan and Buchanan 1980, 1985; Buchanan 1993, 2005, 2008).

Agreements on the *scope* limit which decisions are made by the executive office-holder, and which are delegated to the legislature, an expert bureaucracy, a lower level of government, or civil society. Agreements on the *structure* limit how decisions are made by the office-holder within the allotted scope. This may mean abiding by an informal norm or formal rule about how bureaucrats are hired and fired (e.g. “hire and fire on the basis of professional merit, not political loyalty”), or how policy is proposed (e.g. “consult the opposition before going public,” or “make unpopular but necessary choices together”).

In practice, these opportunities have proven surprisingly hard to initiate and maintain. By way of explanation, scholars have conceptualized and documented many ways in which the conditions of real-world constitutional choice differ from those that would be normatively ideal. Once we see *constitutional* politics without romance,⁷ there is less reason to expect most formal constitutional amendments to offer a safeguard from the mutual destructiveness of “normal politics.”

The fundamental problem of effectively regulating executive power is that it is difficult for citizens to form, enforce, and adapt agreements regarding the proper scope and structure of office. With some variations, this is the “coordinationist” account given by Heckathorn and Maser (1987), North and Weingast (1989), Moe (1990, 2005), Hardin (1991, 1999), Elster (1995), Weingast (1997, 2005), and North et al. (2009).

It is difficult to *form* consensus, even when any consensus formed can be enforced. Citizens do not necessarily agree as to what the proper scope and structure of the executive office should be. As Weingast (2005) notes, “no natural consensus exists about the nature of rights, either among political philosophers ... or among citizens.” Individuals tend to have a clearer conception of their narrow and short-run interests, which are often in conflict with the narrow and short-run interests of others. In the short run, depending on the policies proposed, the interests of hawks and doves, producers and consumers, the old and the young, and the rich and the poor can be set in conflict. A subset of citizens—whether swing voters, base voters, or special interests—can typically reap immediate benefits from allowing the government to wield authority on its behalf. By contrast, non-immediate benefits from establishing the proper scope and structure of the executive office are obscured by the complexity of social, political, and economic phenomena (Jervis 1998; Friedman 2005, 2006).

It is difficult to *enforce* any consensus that is formed. There is typically no third-party who can monitor and enforce the contents of a constitutional agreement (Hardin 1988, 1991, 1999; Elster 1995; Knight 1998). Citizens cannot simply contract to have a constitutional agreement enforced. The scope and structure of the executive office must be enforced by citizens at large, often by throwing out the incumbent in the next election, and/or by supporting other office-holders who challenge the executive when he over-reaches (Weingast 1997; North et al. 2009). This requires the formation of conventions that coordinate citizens on checking

⁷ This is a take-off of the famous description of Buchanan (1972) of “public choice” as an attempt to see “politics without romance.”

over-reaching executives. By “convention,” I mean a specific and focal set of behaviors that are mutual best responses to one another.⁸ Office-seekers who are aware of the difficulty of forming or maintaining consensus can use the strategy of “divide and rule” to increase their chances of winning or retaining office by playing off one subset of citizens against the others (Weingast 1997, 2005).

It is also difficult to *adapt* conventions, even if initially they are successfully formed and enforced. The need to adapt the scope and structure may arise because the bargaining power of major players has shifted (North et al. 2009; Durant and Weintraub 2010), or because unforeseen contingencies and unintended consequences reveal the previous rules as inadequate for all. To further complicate matters, there is a tension between “strength and flexibility, commitment and mutability” (Bednar 2009: 1). If it is too *difficult* to renegotiate the “terms” of the scope and structure, then one or more players may no longer find it worthwhile to abide by the agreement. If it is too *easy* to renegotiate, then the credibility of commitment to any new agreement is undermined, and with it the anticipated gains from coordination. If a short-run agreement *can* be enforced, then there is a silver lining: forming a short-run agreement should entail lower negotiation costs than forming a long-run agreement (Fearon 1998). This is small consolation, however, given the hurdles that must be overcome to achieve it.

While “form, enforce and adapt” is the chronological order of the elements, their strategic logic puts them in a different order: “enforce, form, and adapt.” The ability to enforce agreements is necessary but not sufficient to the ability to form them; parties will not waste time and resources negotiating agreements that stand no chance of being enforced. The ability to form and enforce agreements is necessary but not sufficient to the ability to adapt them. The adaptive process consists of forming and enforcing a series of bargains in regular succession; even if elites can do this once, they may not be able to do so repeatedly.

2.3 Weakening the remedy: the lack of incentives to form, enforce and adapt agreements about the scope and structure

One of the founding principles of this journal, *Constitutional Political Economy*, was the notion that constitutional choice could be and should be win–win rather than win–lose or lose–lose.⁹ The “coordinationists” tend to agree that constitutional choice could be win–win, but note the impediments to realizing the gains from trade. Another possibility is that there are little to no mutual gains to realize; the incumbents have too much to lose and too little to gain from constitutional agreements.

From the perspective of the office-holder, the costs of cooperation are immediate while the benefits are delayed; conversely, the benefits of defection are immediate but the costs of punishment are delayed. When a new team takes office, they have

⁸ This is the sense used by Hardin (1999), who draws on David Hume, David Lewis and Thomas Schelling.

⁹ James Buchanan devoted the second section of the first article published in this journal, “The Domain of Constitutional Economics,” to this point (Buchanan 1990: 7–9).

little to gain and much to lose from abiding by this kind of constitutional agreement. The net benefits of such agreements will loom much larger once they are headed out of office, but by then the *in-coming* team will have little to gain and much to lose from cooperation.

There are at least two critical impediments to cooperatively regulating the scope and structure of elected offices. The first impediment is that people are *impatient*; that is, they discount the future, giving less weight to future rewards than to present rewards. The second impediment is that they have only limited capabilities to make commitments. Each of these two factors transforms coordination games into games of conflict.

Consider the first impediment—impatience—in more depth.¹⁰ Why do citizens give more weight to earlier rewards? An earlier reward may be preferred to a later reward of the same magnitude simply because it arrives earlier. This is referred to as “pure time discounting” (Elster 2007: 115) or the “time preference” (Frederick et al. 2002: 352). Beyond that, there are several mechanisms that *induce* people to prefer an early reward to a later reward of the same magnitude, even if they had no time preference per se. There are several mechanisms most relevant to the “reward” at issue here: that is, winning control of the office for a year. First, for strategic reasons, there are typically advantages to setting the agenda or moving first (Schelling 1960); some commitments will be costly or impossible to reverse. Second, the longer one must wait, the more exogenous events can intervene, for better or for worse. As a result, the value of winning control next year involves more *risk* than does winning control this year; risk-aversion can make a later reward less desirable (Elster 2007: 115). Third, material rewards that are received earlier can be invested, generating returns that make it worth more than the same reward later (Fuchs 1982).

At one extreme, if zero weight is given to the future—the “no patience” case—then future punishments do not deter present defections, even if the punishments last infinite periods. At the other extreme, if the same weight is given to future periods as to present periods—the “full patience” case—then even a low-intensity punishment could deter defection as long as the punisher’s commitment to it lasts long enough.

Consider the second impediment—commitment-capabilities—in more depth. At one extreme, if no commitment to punishment is possible—the “no commitment” case—then it does not matter how patient players are; a non-existent punishment cannot deter defection.¹¹ At the other extreme, if full commitment to punishment is possible—the “full commitment” case—then punishment can sustain cooperation as long as players are sufficiently patient. This is the “folk theorem.”¹²

¹⁰ This definition of impatience as some level of time discounting comes from Elster (2007: 154).

¹¹ This is equivalent to a Markov perfect equilibrium, a useful solution concept for modeling choices by ruling coalitions insofar as it captures the difficulty that such coalitions have in making binding commitments. As Acemoglu and Robinson (2006: 153) put it: “the advantage of the concept of Markov perfect equilibrium is that it incorporates the commitment problem in a simple way: given the state of the system...each party plays the best strategy for itself, irrespective of any promises made before or how the game was played in the past. Therefore, this equilibrium concept already builds in the commitment problem: all players know that each will play whatever is in their interest in the future.”

¹² For a discussion of the how folk theorem is used (and abused), see Gintis (2009: 216–217).

Economists and political scientists often invoke the folk theorem, asserting that cooperation can be sustained only if people are “sufficiently patient.” But are people in fact sufficiently patient? And can people make sufficiently durable commitments? These questions are too seldom asked. In the realm most relevant to this paper—inter-temporal cooperation by office-holders—the questions are not asked by Buchanan (1993), Buchanan and Congleton (1998), Rodrik (2000), Dixit (2003), or Weingast (2005), all of whom consider a kind of inter-temporal cooperation that depends critically upon the players’ levels of impatience and commitment-capability.¹³ If levels of patience and commitment-capability are too low, then players do not have the luxury of facing complex, dynamic coordination problems. They are simply in conflict.

When combined with empirically plausible levels of patience and commitment-capabilities, winner-take-all elections create a bias in the way citizens derive their preferences regarding the scope and structure of the executive office. Those who expect the officeholder to be responsive to them—the “ins”—are biased on the margin in favor of a broader scope and less restrictive structure. The “outs” are biased in the opposite way. Even if opposing parties spend or expect to spend *objectively equal* amounts of time in and out of office, they do not give equal weight to the “in” position and the “out” position when they form their preferences. Once we factor in plausible levels of time discounting, the current “ins” and the current “outs” expect to spend amounts of time in and out of office that are *subjectively unequal*, and dramatically so.

We can think of the office as generating a stream of payoffs per-year, weighted according to a discounting function. This allows us to construct a discounted expected utility model that aggregates the flow of control rights, akin to a model of discounted cash flows. The simplest and most common model of time discounting is that of exponential discounting, so that is the one I will use here.¹⁴ Suppose that citizens apply a discount factor, d , to each year out from the present, so that the first year is worth 1, the next d , the third d^2 , the fourth d^3 and so on. The sum of all discounted years is $1 + d + d^2 + \dots + d^\infty$, which converges to $1/(1 - d)$.

What is a plausible range of values for d ? The best survey of the literature on time discounting is in Frederick et al. (2002). They call the Warner and Pleeter (2001) field study “particularly compelling in terms of credibility of reward delivery, magnitude of stakes, and number of subjects.” In Warner and Pleeter (2001), over 60,000 participants were given a choice between a fixed sum payment and an annuity with an implied discount factor of .85. Over half the officers and over 90% of the enlisted men chose the fixed sum, suggesting discount factors per year of less than .85. These are the discount factors applied to a highly credible flow of cash. The electoral-political context typically involves more strategic advantages

¹³ That said, these accounts are a step forward from the standard account, which—in the tradition of Arrow (1951) and Downs (1957)—is a static, one-period account that precludes any inter-temporal cooperation by assumption.

¹⁴ It would be straightforward to adjust the account to allow for quasi-hyperbolic discounting, but it would not qualitatively affect the results here.

to going first, as well as more risk and uncertainty.¹⁵ Even if most office-seeking elites have time-discounting behavior that is closer to that of the officers, we might expect a distribution with its median at or below $d = .85$. Throughout, I use a discount factor per year, $d = .85$, for a point estimate, but we should probably consider this *upwardly* biased.

Let us refer to each coalition’s sum of expected, discounted years in office as its “weighted win-sum,” W , and its weighted win-sum as a proportion of the total as its “weighted win-share,” w . As complements, we also have the “weighted loss-sum,” L , the sum of discounted years that a coalition expects to lose, and its weighted loss-sum as a proportion of the total as its “weighted loss-share,” l .

The subscript J marks whether the electoral institution is the winner-take-all status quo institution ($J = SQ$) or the turn-taking institution ($J = TT$). The subscript k marks whether a citizen’s preferred coalition is in the first-place position (when $k = 1st$) or the runner-up position (when $k = 2nd$). The subscript t marks the number of years before the next election. Throughout, I assume that years per term, $T = 4$. Thus, immediately after an election, $t = T = 4$; immediately before an election, $t = 0$.

Whether in the winner-take-all status quo or with the turn-taking mechanism, if we know the weighted win-share or the weighted loss-share of one of the parties, then we know the weighted win-share and the weighted loss-share of both:

$$w_{J,t}^{1st} = l_{J,t}^{2nd} = 1 - w_{J,t}^{2nd} = 1 - l_{J,t}^{1st} = \frac{W_{J,t}^{1st}}{W_{J,t}^{1st} + L_{J,t}^{1st}} = \frac{W_{J,t}^{1st}}{1/(1-d)} \quad (2)$$

For example, if the first-place team’s win-share is 74%, then its loss-share is 26%; the second-place team’s win-share is 26%, and its loss-share is 74%. These happen to be the numbers when $d = .85$ and there is no incumbency advantage, so that each side expected to win an equal share of the terms to come. The equations for the weighted win and loss-sums are available in the appendix.

This formulation in terms of weighted win-sums allows us to revise our estimate of the stakes in equation (1), swapping out the difference in weighted win-sums for T :

$$S_i = (q_i + r_i)(W_{J,t=4}^{1st} - W_{J,t=4}^{2nd}) \quad (3)$$

Thus, it is not just the per-year policy and non-policy benefits that enter into the intensity of electoral conflict, but also the impatience of participants.

The impatience of elites has more indirect effects on the per-year policy and non-policy benefits. If elites expect to hold office for 75% of all discounted years, they will give more weight to the advantages of broader scope when “in” and less to its disadvantages when “out.” Those elites that expect to be in office for 25% of all discounted years would give more weight to the disadvantages of broader scope when “out” and less to its advantages when “in.”

The anticipated fluctuation of electoral fortunes through time undermines elites’ ability to achieve time-consistent (or self-enforcing) conventions, even as the

¹⁵ The stream of payoffs within the electoral-political context would be different than the choice between a lump sum and a stream of dollar payments, a point made by Brennan and Buchanan (1985: chapter 5).

difference between “ins” and “outs” at a given time undermines their ability to form conventions *ex ante*, even if it could be stipulated that they would be enforced by a third-party.

The intensity of the per-year policy conflict, q_i , depends upon whether elites coordinate upon a single policy or not. When elites agree upon policy, suppose the per-year policy payoff, $q_i = 0$. When policy-makers do not agree upon policy, those in office receive a per-year benefit of b_i for unilaterally pursuing their preferred policy, while those not in office suffer a per-year cost of c_i , so that the per-year difference between making policy and not making it is $\bar{q}_i = b_i + c_i$. The stakes are considerably lower with such cooperation than without:

$$1 - \frac{S_{i,J=SQ|coop}}{S_{i,J=SQ|def}} = 1 - \frac{(q_i + r_i)(W_{J,t=4}^{1st} - W_{J,t=4}^{2nd})}{(\bar{q}_i + r_i)(W_{J,t=4}^{1st} - W_{J,t=4}^{2nd})} = 1 - \frac{r_i}{\bar{q}_i + r_i} \tag{4}$$

Notably, this percentage decrease in the stakes would be much smaller for citizens for whom $q_i \ll r_i$. According to the typical modeling assumptions—masses care only about policy, elites only about winning—this sort of cooperation would eliminate electoral conflict (i.e. decrease 100%) for mass citizens and not affect the intensity of electoral conflict for elite citizens at all.

Players can use conditional cooperation or “trigger strategies,” where the punishment is triggered immediately after the choice is revealed. Mutual cooperation can be sustained as a subgame-perfect Nash equilibrium so long as the cost of defection when out of office exceeds the benefit of defection when in office when—at $t = 4$, immediately post-election¹⁶—behavior is chosen:

$$c_i L_{J,t} > b_i W_{J,t} \tag{5}$$

This can be re-written as:

$$\frac{c_i}{b_i} > \frac{W_{J,t}}{L_{J,t}} = \frac{w_{J,t}}{l_{J,t}} = \frac{w_{J,t}}{1 - w_{J,t}} \tag{6}$$

In all likelihood, not all future years would be choice-relevant. Let us add a subscript, H , to mark the commitment-capability horizon (hereafter, “commitment horizon”), which limits the number of years over which each side can commit to punish defections.

$$\frac{c_i}{b_i} > \frac{w_{J,t,H}}{1 - w_{J,t,H}} \tag{7}$$

when $H = 4$, for example, the sum of discounted years in the relevant future is $1 + d + d^2 + d^3$. So, regardless of the discount factor, the choice-relevant weighted win-share for the winner of a four-year term immediately post-election is $w_{J=SQ,t=4,H=4}^{1st} = 1$. Under these conditions the threat of reciprocation cannot

¹⁶ Here we restrict our focus to the case where players choose 4 years at a time, and their choices are revealed as soon as they are chosen. This greatly simplifies this exposition without qualitatively changing the results. In Durant and Weintraub (2010), players choose 1 year at a time (which happens to be equivalent to the case where they choose continuously).

sustain cooperation even if the cost of defection when out of office is infinite and the benefit of defection when in office is minimal. Here the threat of reciprocity is not likely to be the binding constraint reining in socially destructive behavior.

Where those with high-levels of patience and commitment-capabilities face coordination problems (i.e. opportunities for mutual benefit), those with low levels face conflict (i.e. opportunities and threats for mutual exploitation).

3 The turn-taking institution weakens the disease and strengthens the remedy

The proposed turn-taking institution has some interesting properties. Whereas with winner-take-all elections, there are two possible outcomes (i.e. winning it all or losing it all), here there are four: winning it all, winning the right to take the first and third turns, winning the right to take the second and fourth turns, or losing it all. In effect, there are two “phases”: a turn-taking phase and a supermajority phase. Sections 3.1 and 3.2 focus on the case where the electorate is roughly evenly divided into two major coalitions—sometimes one is the majority, sometimes the other—but it is common knowledge that no 60% supermajority coalition can be built: the turn-taking phase is it. Section 3.3 considers the supermajority phase, and its interaction with the turn-taking phase.

3.1 Weakening the disease

Conjecture #1: The turn-taking phase would lower the stakes of electoral conflict by roughly an order of magnitude.

There are two ways to lower the stakes as defined by equation (3): either lower the “additional years” in office that go to the winner, $W_{J,t=4,H=\infty}^{1st} - W_{J,t=4,H=\infty}^{2nd}$ or lower the “additional benefits” per year when in office, $q_i + r_i$. If there were no additional years in office from winning *or* if there were no additional benefits per year from being in office, then the stakes—the marginal benefit of winning—would be zero.

Consider the former in more depth. Suppose we were to zero out the stakes of the electoral conflict by zeroing out the “additional years” in office that go to the winner. Paradoxically, this can be done while holding constant the term-length (i.e. the number of years between elections). Without time-discounting, there is no difference between winning the first and third years and winning the second and fourth years of the term.

With time-discounting, the turn-taking phase would reduce the “additional expected discounted years” in office by roughly an order of magnitude (see Fig. 2). Within the turn-taking phase, the reduction of the “additional years” in office relative to the status quo by roughly an order of magnitude reduces the stakes by an equal amount. This dampens the incentive office-seekers have to bias their agendas to concentrate material and symbolic benefits on potentially pivotal participants.

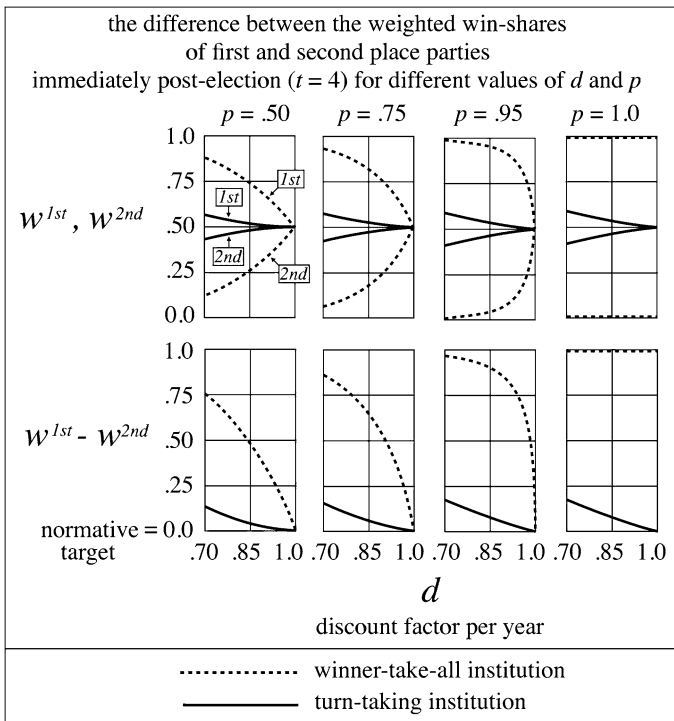


Fig. 2 The *top row* shows the weighted win-shares for the 1st and 2nd place parties in the winner-take-all and the turn-taking institutions, when the incumbent's probability of re-election, $p = .5, .75, .95$, and 1.0 and the discount factor, d , varies from $.7$ to 1 . The *bottom row* shows the *difference* between weighted win-shares for the 1st and 2nd place parties under the same set of parameters

Even if we were to zero out the stakes by fully zeroing out the “additional years” in office that go to the winner, there would still be the “additional benefits” per year that each side expected when in office.¹⁷ That is, even if office-seekers were to cease to discover and promote *new* goods to be targeted at potentially pivotal participants, there would still be the path-dependent, status quo level of “additional benefits” to serve up. The fear would be that biased office-holders would continue to pursue their biased agendas in turn, handing out spoils and implementing divisive public policy, “to get while the getting is good.” The next sub-section argues that the turn-taking phase enables citizens to form, enforce, and adapt mutually productive and fair rules in order to avoid this fate.

¹⁷ A different paper (Durant 2010) proposes the application of the “divide and choose” algorithm to decide turn-length within the term in a way that reliably zeroes out the stakes entirely for office-seekers. The 1st place candidate chooses to be Divider or Chooser. The Divider divides the term into two pieces, and the Chooser picks which piece he prefer. In equilibrium, most candidates (and citizens) are likely to be roughly indifferent between the pieces, so that the marginal benefit of being in 1st place is roughly zero.

3.2 Strengthening the remedy

Conjecture #2: The turn-taking phase would enable the formation, enforcement, and adaptation of agreements about the scope and structure of the executive office.

Agreements between elite office-seekers would shift back the supply of “additional benefits” targeted at their coalition-members.¹⁸ Oftentimes, the *scope* and *structure* that would be a hindrance when (aligned with those) in office would be vital safeguards when (aligned with those) out of office. I define “cooperation” as “abiding by the informal or formal agreement” between elites, typically about the scope and structure of the office. I define “defection” as “abrogating the informal or formal agreement.” This means following the course of action that is most immediately advantageous for oneself and one’s coalition members.

The most destructive cases are those where $b_i < c_i$ (or, $c_i/b_i > 1$) for many or all citizens. As an example, suppose citizens on both sides agree that transgressing against a particular convention costs the “outs” *three times* as much as it benefits the “ins,” so that $c_i/b_i = 3$. An example could be a “no spoils” convention on allocating positions in the civil service on the basis of merit rather than political loyalty. Wouldn’t both sides be able to see this convention as mutually productive?

Not necessarily. Typically, those in office see themselves as disproportionately bearing the burden rather than reaping the benefits of a narrower scope and more structure; those out of office have the opposite perspective. Suppose that there is a four-year horizon within which citizens can make commitments (so that $H = 4$), that there is no time-discounting (so that $d = 1$), and that all citizens expect the team in office to “win” office 100% of those years (so that $W^{1st} = L^{2nd} = 4$ and $W^{2nd} = L^{1st} = 0$). Let us normalize the per-year benefit, b_i , to one, so that $c_i = 3$.

There are two things to note about Fig. 3. First, in the status quo institution, defection brings a net benefit for the 1st place team; the “no spoils” convention is *not* mutually productive. Indeed, with the other parameters as they are, this would be true even if c_i/b_i were much greater than three. Second, in the turn-taking institution, the convention *is* mutually productive. Indeed, with the other parameters as they are, this would be true so long as c_i/b_i is greater than one.

The opportunity to form, enforce and adapt agreements is greatest when both sides maintain weighted win-shares near 50%, even when considering a relatively short horizon ($H = 4$). Note that this is the *same* target that zeroes out the stakes of electoral conflict.

The enforcement of agreements. So long as neither side manages to build a supermajority, both sides expect to remain in the turn-taking phase, where they maintain roughly equal weighted win-shares. This is conducive to convention-enforcement because office-seekers can strike informal bargains enforced by reciprocity. They can engage in tacit reciprocity, applying the Kantian heuristic—“what if everyone did that?”—or the golden rule—“treat others as you would be treated”—to discover mutually productive opportunities for self-restraint. It is important to note that these “generalizing” heuristics deliver best results when both sides expect to be in both

¹⁸ This would further lower the stakes by limiting the “additional benefits” available to winners.

		Per-year benefit of defection to "ins" \downarrow (b_i)	x	Expected, discounted years as "ins" \downarrow (W)	-	Per-year cost of defection to "outs" \downarrow (c_i)	x	Expected, discounted years as "outs" \downarrow (L)	=	Net benefit of defection
Winner-take-all institution ($J = SQ$)	1st place:	(1)	x	(4)	-	(3)	x	(0)	=	4
	2nd place:	(1)	x	(0)	-	(3)	x	(4)	=	-12
Turn-taking institution ($J = TT$)	1st place:	(1)	x	(2)	-	(3)	x	(2)	=	-4
	2nd place:	(1)	x	(2)	-	(3)	x	(2)	=	-4

Fig. 3 The net benefit of defection for the 1st and 2nd place parties with the winner-take-all status quo and the turn-taking institution, when $c_i/b_i = 3$

positions in the immediate future, as they do in the turn-taking phase. If instead the winner is expected to win a disproportionate share of the discounted future, then the generalized “best response” may be “to get while the getting is good,” as this is what the other side can be expected to do when their turn comes.

The formation of agreements. The agreement-formation process can be understood by analogy to “veil constructs,” like the “veil of ignorance” (Rawls 1971) or “veil of uncertainty” (Buchanan and Tullock 1962).¹⁹ With a veil construct, participants are induced to choose mutually advantageous and fair rules because their ignorance or uncertainty leads them to give equal weights to possible positions within the ensuing game. In the turn-taking phase, similarly, citizens are stuck in a situation where they expect to be roughly half “in” and half “out” on an on-going basis so long as no supermajority exists. Thus, if defecting from an agreement imposes greater costs when “out” than it generates benefits when “in,” then—supposing it could be enforced—it would be reckoned as mutually productive on net. Moreover, it is typically easier to form agreements when they are informal and binding only for the short-term (Fearon 1998).

The adaptation of agreements. The key to adaptation is having the means to form and enforce agreements that are only temporary or provisional, so that they can be iteratively revised. Office-seekers (and citizens at large) are stuck in a situation where they expect to be half “in” and half “out” on an on-going basis. This allows agreements to be temporary, tacit and exploratory, rather than rationally optimized and agreed upon at the outset. Elites can “try out” conventions that can be discarded or refined if they fail to be mutually advantageous and fair. Arrangements that work well can be recognized and eventually ratified by citizens at large. Over time, this would tend to increase the procedural fairness and productivity of the policy-making process.

When both sides expect to spend equal time in and out of office in the short term, then short-term agreements become mutually advantageous, and short commitment

¹⁹ The difference between veil constructs and the turn-taking phase is that veil constructs assume participants can identify what would work and come to agreement *ex ante*, and can enforce their agreement *ex post*. These are heroic assumptions (Hardin 1988, 1991; Elster 1995; Knight 1998).

horizons can be a feature (that allows adaptation), not a bug (that undermines enforcement). A series of ten stand-alone contracts for four-years at a time is likely to adapt better than a single contract intended to last forty years.

The formal framework. Whereas the *difference* between the winner and runner-up’s weighted win-shares is the key to the stakes, the *ratio* of the winner and runner-up’s weighted win-shares is the key to forming, enforcing and adapting mutually productive conventions. Let $Z_{i,t,H}$ be the ratio of a citizen’s weighted win-share to loss-share, the ratio of weighted time “in” to “out,” at time t with a commitment horizon H . Let \bar{Z} be the expected cost-benefit ratio of defection when office-seekers behave in a way that maximizes their chance of election or reelection. This is not unreasonable behavior for elite office-seekers who reap disproportionate benefits from being in office itself (regardless of policy), so that $q_i \ll r_i$.

Rewriting equation (7), mutual cooperation can be sustained as a subgame-perfect Nash equilibrium when—at $t = 4$, immediately post-election—the cost of defection when out of office exceeds the benefit of defection when in office over the choice-relevant horizon for all players i :

$$\bar{Z} > Z_{i,t,H} \tag{8}$$

It is easiest to form, enforce, and adapt cooperation when $Z_{i,t,H} = 1$, so our target value, \bar{Z} , is one (see Fig. 2). The ideal is to *robustly* maintain a $Z_{i,t,H}$ near \bar{Z} ; to have $w^{1st}/(1 - w^{1st}) \approx 1$ even as parameter values fluctuate.

Three parameters factor into the ratio: the discount factor, d , the horizon of commitment in years, H , and the incumbent’s probability of re-election p . Even a rough survey of the parameter space is enough to show that the turn-taking institution keeps Z robustly closer to one (see Fig. 4).

In the turn-taking phase, when the discount factor $d = .85$ and the horizon of commitment $H = 4$, the ratio of time “in” to time “out” is roughly 1.2 (that is, .54/.46). When the horizon of commitment $H = 8$, the ratio is between 1.2 and 1.1 (that is, between .54/.46 and .52/.48); the higher value occurs when $p = 1.0$, the lower when $p = .50$. When the horizon of commitment $H = \infty$, the ratio is—once again—between roughly 1.2 and 1.1 (that is, between .54/.46 and .52/.48); again, the higher value occurs when $p = 1.0$, the lower when $p = .50$.

In the status quo, by contrast, when the discount factor $d = .85$ and the horizon of commitment $H = 4$, the ratio is ∞ (that is, 1/0). When the horizon of commitment $H = 8$, the ratio is between ∞ and 3.35 (that is, between 1/0 and .76/.24); the higher value occurs when $p = 1.0$, the lower when $p = .50$. When the horizon of commitment $H = \infty$, the ratio is between ∞ and 2.85 (that is, between 1/0 and .74/.26); the higher value occurs when $p = 1.0$, the lower when $p = .50$.

A note on robustness. We do not need precise estimates of these parameters to compare the two institutions. Presumably, there is no commitment horizon that is common to all citizens, or fixed for one person through time. A robust institution would allow many conventions to work for H -values that varied across citizens and through time; likewise with d and p . The turn-taking institution keeps us close to the target value even when *all* of the parameters are in the “bad” side of their domain ($H = 4, d = .70, p = .95$). In fact, the status quo institution does not get us as close to the target value even when any *one* of the parameters is in the “bad” side of the

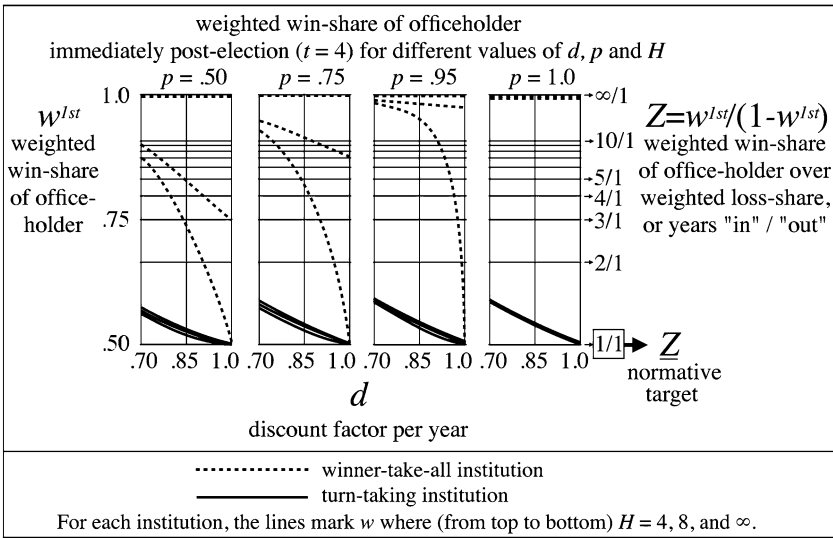


Fig. 4 The weighted win-shares, and the ratio of weight win-shares and loss-shares for the 1st place team after the election, taken over the next H years in the winner-take-all and the turn-taking institutions, when the incumbent’s probability of re-election, $p = .50, .75, .95,$ and 1.0 and the discount factor, d , varies from $.7$ to 1

domain (for example, look at $H = \infty, d = .70, p = .50$; and $H = 4, d = .95, p = .50$; and $H = \infty, d = .95, p = .95$). If two of the three parameters go into the “bad” side, much less all three, the Z -value blows up in the status quo.

In summary, the common knowledge that both sides will be robustly near the target of equal time in the “in” and “out” positions on an on-going basis elicits the formation, enforcement and of agreements about the scope and structure of office.

3.3 The supermajority phase

Conjecture #3: The supermajority phase would regulate the formation, enforcement, and adaptation of the agreements on the scope and structure of the executive office.

The proposed institution has two “phases”—the turn-taking phase and the supermajority phase—but so far we have focused only on the turn-taking phase. This subsection discusses the supermajority phase and its interaction with the turn-taking phase. The supermajority phase could moderate behavior in the turn-taking phase even if in equilibrium the system was in the supermajority phase only rarely. The threat or opportunity of a supermajority take-over disciplines the coordination on policies and policy-making processes within the turn-taking phase. An office-seeker that is too “partisan” runs the risk that the other will include enough moderates to form a supermajority consensus. Thus, a well-chosen supermajority threshold can make it easier to coordinate on mutually productive and fair policy and policy-making processes.

Before we consider which supermajority threshold would be optimal, we should consider whether *any* supermajority threshold is feasible. Supermajority rules are

clearly feasible in the parliamentary, legislative and constitutional contexts; there the debate centers around what the optimal threshold would be (Buchanan and Tullock 1962; Cebula and Kaflogis 1983; Spindler 1990). But there has been little discussion of *electoral* supermajority rules, especially in large electorates (those with thousands or millions of voters). This is because it is not feasible to simply *require* that the winning candidate get a supermajority of the popular vote. The problem is what to do when no candidate meets that threshold.

This is one way in which *electoral* supermajority rules are fundamentally different than their parliamentary, legislative and constitutional cousins. In the legislative and constitutional cases, there is a default “status quo” option that wins if no new alternative meets the supermajority threshold (even if the default does not). In the parliamentary case, a small number of party leaders have the desire and opportunity to negotiate until a sufficiently inclusive coalition is formed. In the electoral case, however, the “status quo” is not available as a default option if no candidate meets the required threshold²⁰; moreover, in a large electorate, there are too many participants to negotiate around a deadlock.²¹ As a result, it is possible to have a deadlock even with only two candidates in the race. This makes strict electoral supermajority rules *infeasible*. The turn-taking institution is the first variant on a supermajority rule that makes it feasible to elect a single winner in a large electorate without risking deadlock: so long as no supermajority consensus emerges, the turn-taking phase prevails.

The effects of the supermajority phase depend upon the level of the supermajority threshold. What is the optimal threshold? At one extreme, unanimity is required to win the whole term; at the other, only a plurality is required. Each marginal move of the threshold from the high extreme to the low extreme (1) decreases the *number* of citizens that a given non-supermajority coalition must include to become a supermajority coalition, (2) decreases the social/ideological *distance* between the marginal member of a given non-supermajority coalition and that of a supermajority coalition, and (3) as a result of the previous two, increases the *likelihood* of a supermajority winner.

Suppose the threshold is set at a level where it is perceived as systematically “out of reach.” As a rough estimate, anything above 65% would be too high to be achievable (more on this below). Raising the threshold above this point on the margin would have little impact, because all thresholds above 65% are equally insurmountable. Lowering the threshold on the margin would allow the supermajority phase to provide an exit from the turn-taking phase if one set of elites were to try to extort disproportionate gains for themselves or their hardcore supporters. This threat would make it easier for both sets of elites to coordinate within the

²⁰ Even if the incumbent is eligible as a candidate, it would patently unfair to allow him to win it all when his opponent has more votes, though not enough votes to meet the threshold.

²¹ See Colomer and McClean (1998) for a history of the deadlocks arising from electing the Pope by a supermajority rule. Often this meant re-running the election dozens or even hundreds of times. Rules emerged to make the process increasingly uncomfortable in order to hasten agreement: locking the cardinals in the “conclave” (meaning “under key”), restricting their access to personal staff, rationing their food, requiring them to sleep in cramped and austere quarters, etc. This is not an approach that can be used to resolve deadlocks in large electorates.

turn-taking phase, knowing that opportunistic behavior by either side could be met not only with reciprocation, but also by “outside appeal” to swing voters or moderates on the other side.

The problem is to make the “judges” of this outside appeal neither too hard nor too easy to persuade. If the threshold is too high, they will be impossible to win over, and so the process of forming, enforcing and adapting mutually productive agreements must be self-regulating. If the threshold is too low, they will be too easy to win over, and the political process reverts to a competition to target net benefits at them. Somewhere in between is a place where the process of forming, enforcing and adapting mutually productive agreements is *mostly* self-regulating, but within boundaries set by the supermajority phase.

It is easier to identify the extremes than to pinpoint where the optimal threshold would be. What I propose is that we think in terms of a “90% rule”: we want to choose the rule where the system ends up in the turn-taking phase 90% of the time. If the supermajority is in fact achieved 10% of the time, it may be that one or both sides *try* to achieve it two or three times as often (that is, 20 or 30% of the time).

What should the threshold be if we want the turn-taking phase to prevail 90% of the time? To provide a rough benchmark, Fig. 5 shows the percentage of the popular vote won by US presidential candidates since the election of 1900. Notably, in no election did the winner receive more than 65% (or even 62%) of the popular vote; only in $\sim 14\%$ (or 4/28) of elections did the winner receive more than 60%. This paper focuses on the case where the supermajority threshold is 60% for three reasons: concrete examples make it easier to get the conversation started; round numbers are focal; and 60% seems to be in the right ballpark (see Fig. 5).

These candidates were seeking to win a majority in the Electoral College, not to win a turn or the whole term within the turn-taking institution. What is the bias of this proxy relative to the turn-taking institution? Would the numbers be higher for turn-taking institutions because they reward office-seekers who build supermajority coalitions? Perhaps: but if so, the effect would be small.

The primary difference in results would come from the difference in the *motivation* of office-seeking elites. In both institutions, each set of elites would prefer to win the whole term. In the turn-taking institution, this would motivate them to them to build a supermajority. Winning the whole term in the supermajority phase yields an additional two years relative to the turn-taking phase; similarly, losing the whole term comes at the cost of two fewer years relative to the turn-taking phase. As a first approximation, if each election were independent of the previous one, the stakes of winning it all are roughly half of what they are in the status quo.²² As a second approximation, where—relative to the turn-taking phase—the marginal utility is less from winning it all than it is from losing it all,²³ we would expect the underdog elites to be more highly motivated on average.

²² The weight of the second and fourth years is $d + d^3$. This makes the additional weighted win-share from winning the supermajority $(d + d^3)(1 - d)$, whereas with a winner-take-all election it would be $(1 + d + d^2 + d^3)(1 - d)$. When $d = .85$ (or $.75$ or $.95$), this makes the stakes of the move into or out of the supermajority phase roughly 46% (or 40 or 50%) of a winner-take-all election.

²³ This would be true insofar as (1) elites have diminishing marginal utility for non-policy and policy benefits alike, (2) elites predominantly care about non-policy benefits of holding office that would not

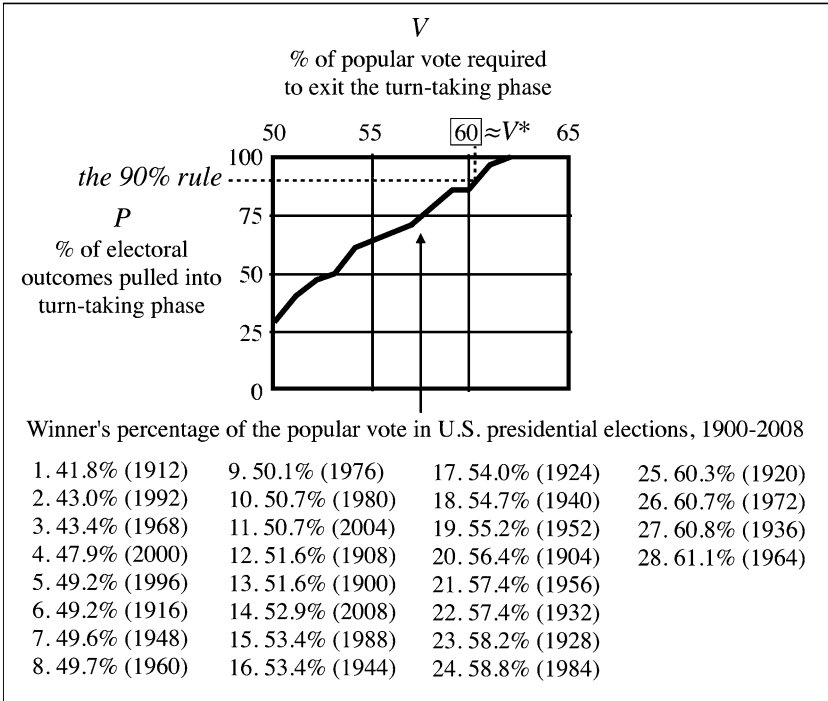


Fig. 5 The percentage of electoral outcomes pulled into the turn-taking phase as a function of the supermajority threshold, the percentage of the popular vote required to win it all. V^* is the supermajority threshold that roughly satisfies the 90% rule

Finally, the supermajority threshold puts the non-cooperative struggle to win it all in the service of consensus-building. As a general proposition, broadening one's coalition limits the office-seeker's ability to target spoils and divisive policies to its hardcore members. Spoils must be divided between more members (Bueno de Mesquita et al. 2003). Policies must be made to accommodate members with more diverse beliefs and values (Buchanan and Tullock 1962). Office-seekers must reach out *past* swing voters to accommodate the moderates on the other side. Policy proposals would have to focus on creating universalistic or general benefits rather than particularistic or partisan benefits. Of course, universalistic appeals by one office-seeker could be adopted by the other, with the result that they split the vote and take turns. Even if neither side manages to maintain a winning supermajority coalition, each side is induced to consider and pursue policies with appeal to a broader swath of moderates.

Footnote 23 continued

double in the supermajority phase, (3) the policy benefits of preventing domination in the turn-taking phase are greater than those of dominating in the supermajority phase.

4 The feasibility of the turn-taking institution: getting from here to there

Conjecture #4: Under some circumstances, the adoption of the turn-taking institution would be politically feasible from within the status quo.

Even if the turn-taking institution would be perceived as mutually advantageous and fair *ex post*, it need not be politically feasible *ex ante*. My conjecture is that incumbent elites and a supermajority of citizens would be able and willing to adopt the turn-taking institution to solve *immediate* political problems without requiring appreciation of its longer-term desirable consequences.

First, it is notable that the turn-taking institution—as a simple, electoral procedure—is *capable of being chosen*. Not all mutually productive factors are “choosable.” Even though a history of good governance is conducive to good governance and economic growth in the present (Acemoglu and Johnson 2006; North et al. 2009), a history of good governance cannot be chosen, not even unanimously. A polity either has it or it does not.²⁴ Nor would unanimous demand make policy-makers more trustworthy or citizens more patient, even if these things were somehow put up for referendum. The turn-taking institution is meant as a choosable substitute for these non-choosables.

Second, a supermajority must *want* to choose the turn-taking institution. This is a non-trivial obstacle; a majority may see itself as better-off dominating within the winner-take-all system. Even so, there are several circumstances—windows of opportunity—in which a supermajority might *want* to choose the turn-taking institution: (1) to insure *ex ante* against losing a close election, (2) to resolve an election that remains “too close to call” *ex post*, and (3) to allow a popular but term-limited executive to extend his tenure by replacing term-limits with turn-taking, when he would lack the votes for a full repeal. Under these conditions, the turn-taking institution could be chosen for concrete short-run benefits. Diffuse and complex long-run benefits from lowering the stakes of electoral conflict and fostering mutually productive cooperation would emerge as a by-product.

Sufficiently risk-averse citizens may prefer to win half a term with certainty rather than take the gamble of winning the whole term or none of it. For the reform to happen, the all-or-nothing gamble would have to seem less preferred to both coalitions. This is most likely to happen when the election looks like it could go either way. Insofar as major coalitions *overestimate* their likelihood of winning (so that the sum of perceived probabilities of election is greater than one), the domain where this transition would work shrinks, and potentially disappears (Babcock and Loewenstein 1997). In the extreme, if both coalitions think of themselves as “destined” to win, then the choice is reduced to the trivial one of winning a whole term for sure or of winning only a half term for sure; in which case, the turn-taking amendment would not seem desirable.

Alternatively, the election can be held, and the results can be inconclusive *ex post*. Recent examples would include the election of the president of the United States in 2000, of Mexico in 2006, of Kenya in 2007, of Zimbabwe in 2008, and of

²⁴ Notably, emigration allows individuals to choose the history of governance of the polity they choose to inhabit.

Iran and Afghanistan in 2009. Majority rule can fall into a deadlock of approximately equal parties despite the fact that it is formally “decisive” (i.e. guaranteed to produce a winner). As theorists, we shrug off the problem of an exact tie by assuming an odd number of voters, or by assuming that a coin toss settles ties. But even without an exact tie, *approximate* ties in high stakes contests suffice to cause civil unrest. The losing side may suppose that perceived foul play on the part of the victors swung the election their way. While formal decisiveness is necessary to avoid deadlocks in large electorates, it may not be sufficient. Risk-averse coalitions may commit to the turn-taking institution when the outcome of recounts and such are as yet unresolved. In this way, the fact that the election is “too close to call” *ex post* helps dispel the bias that made transition seem undesirable *ex ante*.

A third possible transition mechanism would come from term-limited incumbent candidates who wish to repeal term-limits but recognize that a complete repeal would be insufficiently popular. Such an incumbent could propose the turn-taking institution as a way of extending his tenure in office at the price of taking turns with the representative of the other coalition. There are tens of thousands of mayors, hundreds of regional governors, and dozens of presidents who are term-limited in this way. The turn-taking institution can be tried first at the mayoral level. If it works there, it will be easier to trigger pilot studies at the gubernatorial or presidential levels.

5 Discussion and examples

Elite-level citizens are more likely to “do what needs to be done to win” when the marginal benefits of doing so (the stakes of the election) are high and the marginal costs (in terms of punishments that could otherwise be avoided) are non-existent. Note that defection is not a “punishment” if the other side will pursue the same opportunistic behavior regardless of what one’s own side chooses. If it seems to improve their chances of winning, office-seekers may support some combination of (1) destructive social policy (typically, a lack of toleration of the religion, culture or dignity of those in other coalition, immigrants or foreigners); (2) destructive economic policy (i.e. policy that subsidizes the lifestyle or livelihood of potentially pivotal segments of the electorate); and (3) fiscal and environmental policy that provides immediate benefits to potentially pivotal segments, and hides the long-run costs imposed on all.

The turn-taking institution changes the incentives. It dramatically lowers the marginal benefit (the stakes of winning) and increases the marginal cost of policy-making and constitution-making behaviors that are geared toward gaining at the other party’s expense. Rather than working out mutually productive policy directly, elites may choose to coordinate upon a scope and structure for the office that makes mutually productive policy a systematic downstream result (see Fig. 6).

Before the turn-taking institution was adopted, there would be some initial *de facto* allocation of decision-making rights across three categories: those decisions (type-1) beyond the scope of the executive office, (type-2) within the scope of the office, but governed by the structure of the office, and (type-3) within the scope of the office, and within the executive’s discretion. At the outset, there might be a lot of decisions in the type-3 category and relatively fewer in the type-2 and type-1 categories.

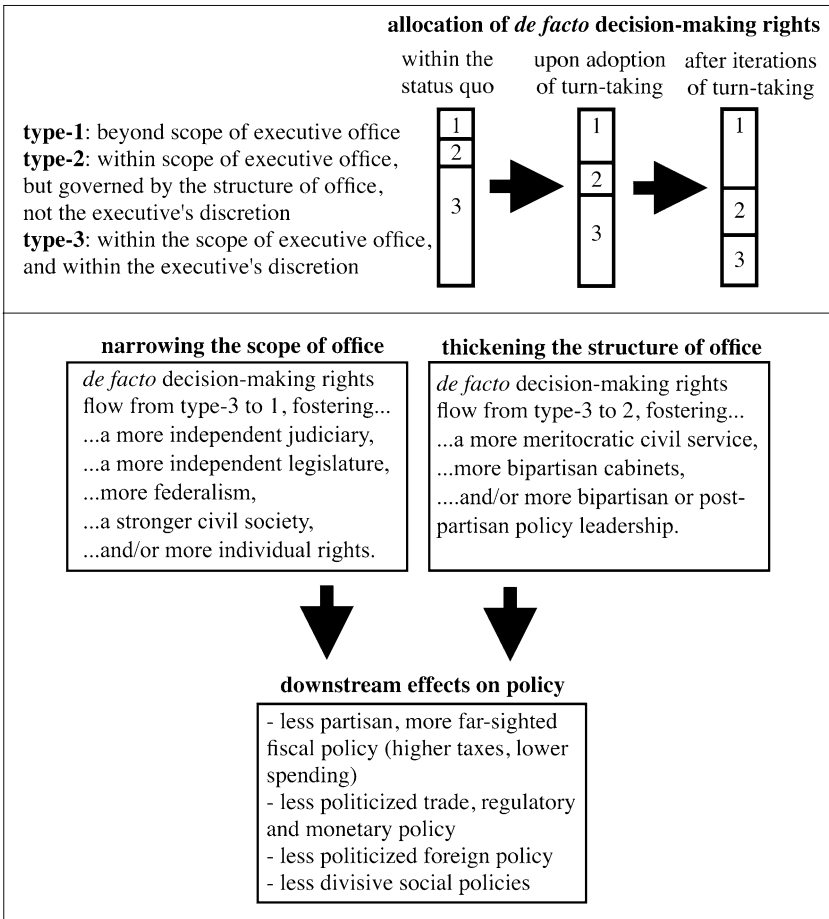


Fig. 6 The effects of the turn-taking institution on the scope and structure of the executive office. This table builds on the predicted consequences of a generality principle or amendment (Buchanan 1993: 5; Buchanan and Congleton 1998: part three)

Upon adoption of the turn-taking institution, the executives would face a much more straightforward choice between mutually productive and mutually destructive behavior. To avoid the latter, they would surrender some of their discretion either into the structure of the office or beyond the scope of the office altogether.

While there would be novelty in the details, much of the pattern would be familiar. Variants on the standard procedures for constraining executive abuse—for example, individual civil and property rights, the separation of powers, federalism, an independent judiciary, a meritocratic civil service, transparency, a free press, and a robust civil society—would take root for the first time or grow into a fuller form where they have already taken root.

The discussion so far has been pitched at a fairly high level of abstraction. The following examples make the discussion more concrete.

5.1 Example #1: limiting destructive social policy

When it comes to social policy (e.g. the relationship between church and state), each side may prefer public policy that is a (non-rivalrous, non-excludable) public *bad* for the other.

Those in the Red socio-religious group wish to impose their way of life on those in the Blue socio-religious group and vice versa. Each side's first-ranked outcome is to dominate and third-ranked outcome is to be dominated. Each side's second-ranked outcome is mutual toleration or "liberalism," where—roughly speaking—those on each side live according to their own view but cannot impose that view on others. For most, the per-year benefit of imposing rather than tolerating, b_i , is smaller than the per-year cost of being imposed upon rather than tolerated, c_i . When one side expects to be in the "in" role for the relevant future, they will prefer illiberal domination to liberalism. The other may object, but they would do the same if they were in the same position.

Liberalism is perceived as mutually productive only when both sides expect roughly equal time in the "in" and "out" roles. In effect, the options are: suffer through the lose-lose conflict of alternating mutual domination, or else find win-win opportunities through alternating mutual accommodation.²⁵ It is not an option to win while the other loses, or lose while the other wins. Even if initially the Red and Blue groups stumble along taking turns and imposing lose-lose policies, this is likely to be a temporary condition. In this case, each coalition would benefit from limiting the scope of the executive, and initiating or reciprocating some form of religious liberty.

The turn-taking institution peacefully recreates or simulates the circumstances in which the idea of individual religious liberty arose in its modern form. The idea arose in the early modern Europe as a "politique" compromise after coalitions of Protestants and Catholics came to see that neither could hope to achieve a decisive military victory over the other: "Toleration, as that age saw it, was not homage to the rights of conscience, but the recognition that one of two faiths was not strong enough to suppress the other, or that it would only succeed in doing so at the cost of wrecking the State" (Neale 1959: 53).²⁶ This is *not* to say that the same social or religious policy would emerge in each polity that used the turn-taking institution. There are a great number of mutually productive ways of harmonizing opposing social or religious visions, so the details of the conventions would be different in different circumstances and at different times.

5.2 Example #2: limiting destructive economic policy

The next example is the role of spoils and regulatory privileges, where each side may prefer to reap (rivalrous, excludable) private gains from public policy that impose private *bads* on the other (Olson 1983; Krueger 1990; Murphy et al. 1993; Bates 2008).

²⁵ A third option is to build a win-win supermajority consensus. This is likely to be similar to finding win-win opportunities through alternating mutual accommodation.

²⁶ For more on this point, see Olson (1993) and Skinner (1978: Ch. 8).

In a clientelistic system, office-seeking teams commit spoils to their primary supporters, and the primary supporters in turn use those spoils or other resources to mobilize voters. For both mass citizens and primary supporters, the first-ranked outcome is to win with spoils and third-ranked outcome is to lose and have the spoils go to the other side. Each side's second-ranked outcome is some structure or rule that limits the political allocation of spoils. For most, the per-year benefit of winning spoils, b_i , is smaller than the per-year cost of losing spoils, c_i . When one side expects to be in the "in" role for the relevant future, they will prefer a spoils system to a rule-based system. Again, the other may object, but they would do the same if they were in the same position. The rule-based system is perceived as mutually productive only when both sides expect roughly equal time in the "in" and "out" roles.

The prediction is that the supply of targeted spending, tax breaks and/or regulatory advantages by elite-level citizens will shift back.²⁷ Over time, the result would be a simpler tax and regulatory code, and a less politicized fiscal and trade policies.

5.3 Example #3: limiting myopic fiscal or environmental policy

Another example is the problem of myopic policy, whether it is myopic fiscal or environmental policy. Here the essential problem is that neither side wants to be responsible for imposing or maintaining short-term costs on potentially pivotal segments of the electorate, even if the short-term costs eventually bring larger benefits.

A substantial subset of the electorate is mobilized or persuaded to vote by their evaluation of the recent past. So-called "retrospective voters" punish the incumbent if times are bad and reward the incumbent if times are good (Key 1966; Fiorina 1981; Besley 2006). Each voter's own well-being—especially as reckoned by his "pocketbook"—is taken as a measure of whether times are good or not. Short-run payoffs impact voters with partisan identification too. While retrospective voters' choose *whom* to vote for in response to recent payoffs, voters with strong partisan identification may choose *whether* to vote in response to recent payoffs (Cox 2009).

Unfortunately, executives not only can target net benefits at segments of the electorate who are expected to be pivotal by imposing costs on those who are not, they can also bring net benefits into the present by shifting costs into the future.²⁸ In the institutional status quo, policy that decreases immediate benefits available to potentially pivotal *myopic* voters is political suicide; this is the common thread that motivates office-seekers' aversions to policies with immediate costs and distant benefits. In fiscal policy, this leads to an aversion to tax increases or to spending cuts and especially to both together, despite the long-term benefits of fiscal solvency (Kotlikoff 2005). In environmental policy, this leads to an aversion to carbon taxes, despite the long-term benefits of mitigating global climate change (see even Lomborg 2010).

²⁷ Elsewhere, I intend to argue that the *demand* of mass-level citizens would shift back as well.

²⁸ As it happens, while the theoretical norm is to suppose that the whole term of the office-holder is evaluated, empirically it seems that the several months before the election are given dramatically more weight (Achen and Bartels 2004).

The turn-taking institution offers two paths to address myopic policy-making. First, a team of office-seekers may unilaterally support policies that cost them some popular support, without losing their chance to take a turn. A team can drop from 55 to 45% without losing everything. This does not mean that that team would be willing or able to unilaterally *make* those policies—so long as they are taking turns with the other side—but they can put them “on the agenda” in some sense. Second, teams of office-seekers can coordinate on mutually productive policies; even when those policies cause them each to lose some support, the losses may cancel out, preserving their relative position. The Red team gets spending cuts by going along with tax increases and a new carbon tax. The Blue team gets the tax increases and the new carbon tax but agrees to cut spending.

With the turn-taking institution, retrospective voters—who are looking only at immediate payoffs and not what is causing what—would have a harder time sorting out which set of elites should be rewarded/punished for the present state of affairs. This would lessen the influence of that segment. As for the retrospective element for those with stronger partisan identifications, if far-sighted policy means that each side is unable to mobilize one-third of their base in the next election, so be it.

Elite office-seekers should not and would not be given free rein to impose immediate costs in the name of illusory benefits; they would be constrained by their disagreements with one another, by the fact that they could be replaced as party nominees, and by the ability of the other side to push them out and build a supermajority. But within those constraints, there would be a pocket of space to make choices—especially together—that are temporarily unpopular with myopic voters.

6 Conclusion: objections and omissions

The fundamental conjecture of this paper is that the turn-taking institution offers a politically feasible way to weaken the office-seeking disease and strengthen the rule-making remedy. This conclusion considers the objections and omissions that should be the subject of further discussion and research.

Objection #1: Many polities already have regular turn-over in office and yet we do not observe inter-temporal cooperation of the kind discussed here. This is not actually an objection; it is precisely what is predicted by this paper. While some game theorists use infinite-period models to argue that cooperation could be sustained even within winner-take-all, majoritarian institutions (Alesina 1988; Dixit et al. 2000; Rodrik 2000), I side with those who propose that reputational equilibria have little to do with real-world cooperation in this context (North and Weingast 1989; Robinson 1998). Assumptions about time-discounting, commitment capabilities and incumbency advantages have to be unrealistic to sustain cooperation in a winner-take-all status quo.

Objection #2: Lowering the stakes of electoral conflict would lead to “lower participation,” especially when it comes to voter turn-out. Why should voters turn out if the major parties are going to take turns regardless of the outcome? I think this response is largely on target too; it is the normative premise that is off. High levels of voluntary participation can be a symptom of conflict and mutual distrust. Each

party brings as many soldiers as possible to battle, and the threat of the other's mobilization efforts serves as motivation for one's own. Voluntary and reciprocal decreases in participation are a form of mutual disarmament. Relative to the status quo, the turn-taking institution would probably lead to fluctuating levels of participation: it would be higher when one or both sides were trying to build a supermajority, and lower so long as both sides were reconciled to taking turns.

Objection #3: The kind of turn-taking institution proposed here would lead to destructive deadlock. Objection #4: The kind of turn-taking institution proposed here would lead to destructive switches in policy. These are opposite objections, but they are best treated together. There are several points worth keeping in mind. First, a sufficiently inclusive and representative coalition does not have to take turns. Second, even if the two parties were to take alternating years in office, there would still be only one executive at a time, so that decisive responses to crisis—the most basic contribution of executive leadership—would be feasible. Third, the executives have less motivation to engage in mutually destructive behavior when the electoral reward for such behavior is much smaller. Fourth, even if elites on both sides were so motivated, they would know going in that it would be mutually destructive for each to set short-run agendas that are controversial, divisive or partisan (since this would be reciprocated in the immediate future). This makes it likely that both sides would set up some basic procedural safeguards to help avoid conflicts *ex ante* or resolve them *ex post*. One such safeguard would consist of sorting out where problems from the *presence* of mutual vetoes would be worse than the problems from their *absence*. Fifth, the transaction costs are lower for two opposing executives to sort out where they can agree outright and where they must agree to disagree, than it would be for a supermajority in one or both houses of the legislature. But the bargains struck would offer focal points that would help overcome deadlock in the legislature as well. Sixth, lowering the stakes of conflict over the executive would decrease the extent of polarization in the legislature, where legislators in marginal districts often see their fate as tied to the success of the president (if he is of their party) or his failure (if he is not).

Objection #5: How do we know the turn-taking institution would work as predicted? The final and most general objection is that our knowledge of the institution is limited. This is the only objection that I believe should go entirely unqualified.

Here is a short list of omitted matters I hope to address in subsequent papers. How would the turn-taking institution affect the number and size of parties? How does the turn-taking institution relate to other well-known alternatives to plurality rule (for example, run-off voting, instant run-off voting, the Borda count, approval voting, and range voting)? How would the institution work when there are large ethnic blocs, especially ones already larger than the supermajority threshold? How would the formation, enforcement and adaptation of conventions work when citizens are not assumed to be rational? What would a more psychologically realistic account of that process look like? What are the dimensions across which turn-taking institutions vary, and which other designs should be considered? How would it work at the mayoral or gubernatorial level? What effects would turn-taking institutions at multiple levels and in multiple locations have on political culture? How would the turn-taking institution operate on a council or in a legislature? What

are the intellectual precursors to the idea that rotation in office is good, and—in particular—to the idea that rotation leads to mutually productive rule-formation?

This paper is best understood as a tentative framework for the further research of a novel institution. The object here is to motivate more formal theory, laboratory testing, and pilot studies that would allow a more definitive appraisal of its vices and virtues.

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Appendix

See Fig. 7.

	H	Weighted win-share, $w_{J,I-4,H}^{1st} = \frac{W_{J,I-4,H}^{1st}}{W_{J,I-4,H}^{1st} + L_{J,I-4,H}^{1st}}$				
		Analytic solution	Value when $d = .85$ and			
			$p = .50$	$p = .75$	$p = .95$	$p = 1.0$
Winner-take-all institution ($J = SQ$)	2	$\frac{1+d}{1+d}$	1.0	1.0	1.0	1.0
	4	$\frac{1+d+d^2+d^3}{1+d+d^2+d^3}$	1.0	1.0	1.0	1.0
	6	$\frac{1+d+d^2+d^3+pd^4(1+d)}{1+d+d^2+d^3+d^4+d^5}$	.88	.94	.99	1.0
	8	$\frac{(1+d+d^2+d^3)(1+pd^4)}{1+d+d^2+d^3+d^4+d^5+d^6+d^7}$	.83	.91	.98	1.0
	∞	$\left(\frac{(1-d^4p)(1+d+d^2+d^3)}{(1-d^4p)^2 - (1-p)^2 d^8} \right) \bigg/ \left(\frac{1}{1-d} \right)$	.74	.82	.95	1.0
Turn-taking institution ($J = TT$)	2	$\frac{1}{1+d}$	.54	.54	.54	.54
	4	$\frac{1+d^2}{1+d+d^2+d^3}$	.54	.54	.54	.54
	6	$\frac{1+d^2+d^4[p(1)+(1-p)(d)]}{1+d+d^2+d^3+d^4+d^5}$	.53	.54	.54	.54
	8	$\frac{1+d^2+d^4[p(1+d^2)+(1-p)(d+d^3)]}{1+d+d^2+d^3+d^4+d^5+d^6+d^7}$	.53	.53	.54	.54
	∞	$\left(\frac{(1-d^4p)(1+d^2)+(1-p)(d^4)(d+d^3)}{(1-d^4p)^2 - (1-p)^2 d^8} \right) \bigg/ \left(\frac{1}{1-d} \right)$	.52	.53	.54	.54

Fig. 7 The weighted win-shares for the 1st place party with the status quo and the turn-taking institutions

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