TO LEAD OR TO FOLLOW: INCENTIVE TO PANDER UNDER WINNER-TAKE-ALL AND UNDER POWER SHARING

BANG DINH NGUYEN†

ABSTRACT. This paper compares the incentives of political candidates to pander under two electoral systems: a winner-take-all system and a proportional representation system. We set up a model of electoral competition, in which two candidates receive private signals about the true state of the world and pre-commit to policies before the election. Candidates are both office-motivated and policy-motivated. Voters have heterogeneous beliefs and vote for the candidate whose proposed policy gives them a higher expected utility. We find that if candidates are sufficiently policy-motivated and the gap between the majority and the minority is sufficiently small, candidates have less incentive to pander under a proportional system than under a winner-take-all system.

Keywords: Pandering, Electoral competition, Winner-take-all, Proportional representation, Power sharing

JEL classification: D72, D82.

Date: September 24, 2019.
†Stern School of Business, New York University. Email: bnguyen@stern.nyu.edu.