IDEOLOGY

Paul H. Rubin

Correspondence:
Paul H. Rubin
Department of Economics
Emory University
Atlanta, GA  30322
(404) 727-6365
prubin@emory.edu

Forthcoming in in William F. Shughart II and Laura Razzolini, editors, Elgar Companion to Public Choice, Edward Elgar, in press.
I. Introduction

Public choice scholars have addressed two major questions related to the influence of ideology on political behavior. One is essentially an existence question: Is there an influence? The second is the role of the ideology of the elected representative himself versus the role of constituent ideology. This has been addressed as shirking: Do elected representatives shirk by voting their own ideological preferences instead of the interests of their constituents? We now have answers to these questions. First, ideology does matter. Second, it is not shirking; rather, elected representatives follow their constituents’ interests rather faithfully. However, in the process of answering these questions, the analysis of ideology has been extensively developed. This analysis shows that ideology may be a fundamental building block of political behavior. I discuss each of these issues: existence, shirking, and current and new problems related to ideology.

If the issue of the importance of ideology were raised today, it is unlikely that there would be a debate. Important political conflicts seem to deal with issues such as abortion and homosexual rights, issues far from economic interest as normally understood. Often the perception of an official’s “liberalism” or “conservatism” is independent of his views on economic issues, and determined solely by his position on issues such as abortion. Moreover, issues seem to be melded together: it is difficult or impossible to find an elected politician who is in favor of reduced economic regulation and also in favor of abortion rights, and conversely. As we shall see, both of these observations – the importance of non-economic ideological issues, and the linkage of issues so that the ideological space is one-dimensional – are consistent with what we have now come to understand is the nature of ideology in politics.

II. Existence

Stigler (1971) created interest in ideology, although inadvertently. Stigler took an extremely strong stand against the importance of ideology, and argued that virtually all economically relevant political behaviors could be explained by economic self-interest. (See also Peltzman, 1976 and Posner, 1974). This was appealing to economists for two reasons. First, the hypothesis was sharp and was
subject to empirical test. Second, the nature of the hypothesis was one that created sympathy among economists; economists are happy to believe that economic self-interest is the prime motivator for behavior. This may be because such a belief creates a stronger position for economics as a discipline, and hence is in the economic self-interest of economists.\(^1\) On the other hand, it may be because economists themselves behave this way, and expect others to do so as well; see Carter and Irons, 1991. In other words, economists liked this hypothesis for reasons related both to their own self-interest and to ideology.

However, as much as we might like the hypothesis, it is fair to say that the results are in, and the hypothesis has been falsified. There has been a substantial body of empirical analysis of congressional voting and it has shown that factors measuring ideology have large power in explaining congressional voting.\(^2\) The major initial contributors to the literature were Kau and Rubin (1979, 1981; Kau, Keenan and Rubin, 1982).\(^3\) Kalt and Zupan (1984) also made an important contribution. These scholars have found that ideology, measured as a score on a voting index such as the Americans for Democratic Action (ADA) or measured by the presidential vote in the congressional district, has significant explanatory power in predicting voting by individual congressmen. These results may be considered as confirming Schumpeter's (1950) claim that ideology is important in economic affairs (although not his claim that it would lead to the fall of capitalism, which has recently been falsified.)

The basic method has been to use Congressional voting on issues as the dependent variable and a list of factors aimed at measuring constituent economic interests and also ideological variables as the independent variables in a probit or

---

\(^1\) On the other hand, as Stigler (1976) indicates, this argument reduces the role for economists in policy decisions.

\(^2\) See also Mueller, 1989, p. 213, note 14, for a discussion essentially agreeing with this conclusion.

\(^3\) The first paper using ideology as a determinant of congressional voting was Kau and Rubin, 1978. However, Kau and Rubin, 1979, first drew the attention of the economics profession to
logit regression. The constituent characteristics typically include income, age, urbanization, race, education, unemployment, industry of employment, unionization, measures of government spending in the district, and sometimes measures of particular types of economic activity in the district. Following Kau and Rubin (1979) it is common to regress these measures on a measure of ideology such as ratings by the Americans for Democratic Action or another ideological pressure groups and then use the residual as the measure of “pure” ideology. Sometimes a simultaneous model is used where contributions are also controlled for (e.g., Chappell, 1982; Kau, Keenan and Rubin, 1982; Kau and Rubin, 1982, 1993. See also Stratmann, 1992a, for a careful analysis of this issue.) Logrolling is also controlled for in some specifications (e.g., Kau and Rubin, 1979; Stratmann, 1992b.) In such analyses, the measure of ideology is invariably statistically and economically significant.

What has perhaps been equally influential in convincing many scholars that ideology is an important variable have been relatively unsuccessful attempts to challenge the hypothesis. Indeed, the original work by Kau and Rubin was intended to show that ideology did not matter, and was unsuccessful. Later, Peltzman (1984, 1985) engaged in a determined effort to show that ideology was not important. Peltzman (1984) controlled more carefully than had others for constituent characteristics, specifically by measuring the characteristics of those who actually voted for Senators rather than by measuring characteristics of all voters in the electoral district (here, the state.) In this way he was able to reduce the impact of the ideological variable, but not, in general, to eliminate it. In other words, Peltzman (1984) found that ideology mattered, although perhaps not as much as others had suggested. Indeed, in a subsequent paper Peltzman (1985) found much the same result as others: while economic factors matter in explaining congressional voting, and, in particular, trends in such voting, non-economic
factors also are extremely significant. Peltzman (1985) generally calls these non-economic factors “history” but he indicates (p. 666) that “...one could allude to regional differences in ideology as easily as to ‘historical inertia’...” In his 1985 paper, Peltzman himself relegates the results of his 1984 paper to a footnote (Note 19). Thus, the existence of ideology as an important determinant of congressional voting has survived a concerted attack by an accomplished econometrician.4

Additional evidence for the importance of ideology is provided by an examination of campaign contributions. Changes in campaign finance laws led to a large increase in the ability of various organizations to contribute to political campaigns through the formation of Political Action Committees (PACs). Historically, labor unions had contributed significantly to campaigns. However, changes in the law enabled business and ideological groups to form PACs and use contributions to attempt to achieve their goals. (It is interesting to note that the changes in the law which caused the rise of the PACs were endorsed by labor unions, apparently because they failed to forecast the effect of these changes on the ability of businesses to contribute to campaigns.) Both business and ideological PACs contributed substantially to political campaigns. The structure of these contributions is analyzed more fully in Poole and Romer (1985), who show that there is an important ideological component to contributions in general.

The large volume of contributions generated by ideological PACs is itself evidence against the strong economic interest hypothesis. These contributions show that many are willing to spend money to achieve non-economic goals. This apparently demonstrates that these contributors have tastes for public goods. This observation is of course not inconsistent with economic theory (where the elements of the utility function are left unspecified) but it is inconsistent with the

---

4I do not offer a complete analysis of the economic literature relating ideology to passage of legislation. There are numerous papers providing such analysis; Lott and Davis (1992, footnote 1) cite 18 such papers. Kalt and Zupan (1990, footnote 2) in cite 20, with only partial overlap with those cited by Lott and Davis.
strong claim that political action is aimed only at increasing money income. If some are willing to contribute money to change public policy for non-economic reasons, then it is not surprising that people are willing to use their votes to achieve these same goals. It would not be surprising if people were willing to vote for candidates who promised to support legislation which would satisfy voters' ideological, as opposed to economic, preferences.

This is especially true when we recall that the act of voting is itself not explicable in terms of economic rationality, since the probability of any one vote changing the outcome of an election is minuscule and voting does have positive costs. (Downs, 1957.) However, Nelson (1994) has recently presented a model, discussed more fully below, in which political activity, including apparent ideological activity, serves a private goal; see also Morton (1991).

Even if we believe that the ideological PACs actually achieve economic goals, economic theory still has difficulty in explaining their existence. This is because such PACs must overcome substantial free rider problems, as discussed by Olson (1965). Even for a potential contributor who believes in the goals of these organizations, the optimal strategy would be to refrain from contributing, and to free ride on the contributions of others. Thus, when we observe individuals voluntarily contributing to ideological PACs, we have already observed a phenomenon that is inconsistent with the narrow view of self interested rationality.

It may be that, in addition to tastes for policies, individuals also have tastes for feeling that they themselves have influenced this policy. However, whatever theories may be evolved to explain these organizations, their existence and size does present a puzzle for the strong versions of the economic theory of politics.

**III. Shirking**

Even if it is conceded that ideology matters in congressional voting, a question remains. This is the issue of whose ideology is important. Congressmen voting ideologically might be reflecting tastes of constituents. Alternatively, they
might be reflecting their own preferences (Wittman, 1977, 1983). This is essentially a principal-agent question: Are legislators good agents for their constituents’ (principals’) ideological views, or are they shirking and representing their own views?

This issue has been extensively addressed in the literature. However, there has been some confusion in many analyses. The initial work (Kau and Rubin, 1979) was concerned with the issue of whether noneconomic factors (called ideology) influenced legislation; this work did not attempt to distinguish between the ideology of the representative and that of his constituency.\(^5\) However, others have conflated the question of ideological impacts on voting with the question of ideological shirking. Peltzman (1984), for example, views his analysis as testing between the impacts of constituent interest and ideology. It is possible for a representative to represent constituent ideological interest, so Peltzman's categories are not mutually exclusive.

Conceptually, issues of ideology and of shirking should be separated. It is possible to have ideologically based voting without shirking. It is also possible to have shirking without ideologically based voting. For example, a representative might vote in response to contributions received from various special interests, and thus shirk with respect to his constituents' desires, but in a way unrelated to ideology. Indeed, Kau and Rubin (1993) find exactly this form of shirking. This last possibility has not been carefully studied in the literature, which has focused on ideological shirking. (See Bender and Lott, 1996, for an analysis.)

Kalt and Zupan (1984, 1990) argue strongly that observed voting behavior of representatives is based on the representatives' own ideology, and is therefore shirking. Nelson and Silberberg (1987) test for responsiveness of their measure of shirking to relative prices. However, as Bender and Lott (1996) indicate, their

\(^5\)Kau and Rubin stated explicitly, “The representative (or his constituency) may be ideologically in favor of the bill...” (Kau and Rubin, 1979), at 366.
measure (relative strength of ADA ratings in explaining voting on general versus special interest bills) is flawed. A better measure is the behavior of legislators in the last period when reelection is not an issue; using this measure, Lott (1987) finds that such legislators shirk by voting less often, but do not change their positions. Dougan and Munger (1989) following Downs (1957) argue that what appears to be ideology is actually a signal of reliability and commitment, indicating that representatives will not behave opportunistically, and is evidence of nonshirking. They argue that past votes create a valuable reputational asset that provides a commitment for future voting. Both Kalt and Zupan and Dougan and Munger present empirical evidence that they argue is consistent with their positions.

In a recent important paper, Lott and Davis (1992) have criticized the methodology of both Kalt and Zupan and of Dougan and Munger. More importantly, Lott and Davis (1992) and Bender and Lott (1996) have shown that voters punish shirking, to the extent that it exists, and that empirically it is a small issue. One result is that Senators who deviate from the interests of their constituents by as little as 1.27 percentage points are ultimately defeated. Thus, they conclude that whether or not shirking exists is unimportant since if there is shirking it is strongly punished by political markets. Kau and Rubin (1993) also find that if there is ideological shirking, it is strongly and quickly punished. The argument is that political markets do a good job of sorting legislators. That is, to be elected requires that the representative be in agreement with his constituency.

If ideological voting is based on constituent ideology, this also has created a puzzle for economists. We have had no theory of constituent ideology. Indeed, we have had no theory of political behavior in general by individuals. Revealed theory cannot explain why individuals will rationally vote.

Recently, however, Nelson (1994) has presented a theory of both political and ideological behavior. Nelson begins with the standard observation that the
chance of any given voter influencing the outcome of an election is trivial and that therefore there is no private motive related to an expectation of influencing the outcome for voting. However, Nelson goes on to argue that there is a private motive for voting and for expressing a political (ideological) position, separate from the chance of influencing the election. “Political positions are then chosen not because these positions are the desired outcome for voters, but rather because one wants to associate with certain people and they have certain positions. People imitate others in choosing political positions.” (p. 92.)

Nelson presents empirical evidence, relating to political behavior of ethnic groups, which is consistent with his hypothesis. For example, he shows that membership in various ethnic groups is significant in determining political affiliation (after adjusting for economic variables) and that income of the ethnic group sixty years ago is significant in explaining its political orientation today. Thus, Nelson has presented a theoretical and empirical basis for constituent ideology based on private motives and normal utility maximization. This model should make the use of variables related to constituent ideology less controversial among economists.

IV. Current Research and Remaining Questions

Any future work on ideology must begin with a very important analysis of ideology and probably the most significant public choice analysis of Congress. This is Poole and Rosenthal (1997). This is a book length treatment of roll call voting by the House and Senate for all roll calls from the first Congress in 1789 to 1985. It is based on numerous articles by these authors and others; I will refer to the book rather than to the articles. Poole and Rosenthal find that what they call ideology is the basic organizing principle behind all such voting. They define ideology (p. 4): “That is, voting is along ideological lines when positions are predictable along a wide set of issues.” They show that individual Congressmen can be arrayed along a continuum for most roll call votes.
side of a “critical point” on this continuum will vote one way and almost everyone to the other side will vote the other way, with errors being clustered near the critical point. The winner in any vote is then determined by the location of this critical point.

Ideology as so defined is more important than constituent economic interest in explaining voting by legislators. Moreover, it is even more important in explaining policies that are actually selected than in explaining voting. Policies adopted tend to be systematically biased away from the center of the distribution of legislators and towards the ideological center of the majority party. Ideology is more important in influencing the outcome of the legislative process than in influencing voting by legislators, even though voting is what has most often been studied.

A major issue raised by Poole and Rosenthal is the nature of the voting continuum. They define it in several ways. It is roughly defined in terms of conflict over economic redistribution. It also generally reflects party loyalty. A key point is that the continuum represents logrolling. That is, votes are structured so that coalitions are maintained across most issues. This explains in part why economic interests of constituents are not significant in any one vote. The vote trading reflected in the continuum in part accounts for these interests. One theoretical treatment consistent with these arguments is Hinich and Munger (1996). However, as discussed below, the nature of this continuum is one of the most important research question in the study of ideology.

Poole and Rosenthal also show that for most of American history, a single ideological dimension is all that is required to array votes. For two periods (the 1830s-1840s and the 1940s-1960s) a second dimension dealing with race was also useful. From the New Deal until the 1970s, they find that there was actually a three party system in the US (Republicans, Northern and Southern Democrats.) More recently, the country has returned to a single dimension and a two party
This is not a logical necessity. For example, Poole and Rosenthal point out that it would be possible for two dimensions to be required, and the actual number needed is an empirical matter. They give the example of social and economic ideology, with economic liberals favoring government intervention in economic matters and social liberals favoring no intervention in social or behavioral issues. It would then be possible for two dimensions to be needed to explain voting. But the fact that one dimension is sufficient is because in fact social conservatism and economic liberalism are correlated, and the reverse. Other than readers and writers of this book, there are relatively few libertarians, and also relatively few who favor both social and economic interventionism.

The procedure used to estimate the continuum is called “NOMINATE.” It is an iterative procedure, aimed at maximizing the probabilities assigned to the observed votes. The program and data are available at Poole and Rosenthal’s web site, http://voteview.gsia.cmu.edu/. They also develop a dynamic procedure, D-NOMINATE, that is based on assuming each legislator moves at most along a linear trend over his career. This assumption and trend line enables Poole and Rosenthal to estimate a common issue space for all US history. (Groseclose, Levitt and Snyder, 1996, estimate a similar function.) Because of the amount of data involved (11,473 legislators, 70,234 votes and 10,428,617 total decisions), the estimation requires the use of a supercomputer. A two dimensional model (i.e., an issue space allowing for two ideological dimensions) and a linear trend for each legislator provides as good a fit (about 85% of individual votes predicted correctly) as higher order models (with either more dimensions or a more complex polynomial time path for legislators.) Indeed, a one-dimensional model assuming each legislator maintains a constant position predicts about 80% of the votes correctly.

Poole and Rosenthal show that the NOMINATE variable is highly
correlated with more traditional measures of ideology, such as the ADA rating. This is a nice result since most researchers have used these scores in measuring ideology. NOMINATE is a preferred rating scale since it is more comprehensive and since traditional interest group ratings are subject to “folding” problems. That is, a legislator just a little more liberal than the ADA would get the same rating as a representative who was more conservative by the same amount. However, many of the major interest groups (e.g., ADA, ACU) are at or very near the (opposite) ends of the political space, so this problem is not acute.

The major theoretical issue regarding ideology is the low dimension of the ideological space, as found by Poole and Rosenthal. (This is consistent with others who have examined ideology, but Poole and Rosenthal document the result much more carefully and completely.) Indeed, it appears that the US system can only handle a one-dimensional space. In those two periods when the space increased to two dimensions, catastrophe followed. The first was the Civil War. The second was the chaos of the 1960s. Thus, it appears that our institutions may have difficulty with a policy space of more than one dimension. This of course would not be surprising; many of the theoretical results following Arrow show that the only guarantee of stability is a unidimensional unimodal issue space. But what has not been fully explored is the mechanism that constrains the US to remain in such a space.

The work of Poole and Rosenthal shows that such a mechanism must exist and that it is exceedingly important. Poole and Rosenthal have measured the issue space for Congressional voting. However, the results discussed above for the lack of shirking show that the Congressional issue space is congruent with the issue space of voters as well. In other words, if the ideological space for Congress is one-dimensional and unimodal, and if Congress faithfully reflects preferences of constituents, then the issue space of voters must also be one-dimensional and unimodal. This raises the question of which comes first – does the issue space
facing Congress come from the underlying preferences of constituents, or does the
cultural process somehow define the issue space for individuals?

Beyond this, there are fundamental questions of the nature of ideology itself. North (1990) has raised this issue and stressed its importance. He believes that the basic direction of society is determined by its ideological preferences and that we do not sufficiently understand there preferences. This means that, in addition to determining the mapping between constituent and representative preferences, the underlying structure of these preferences itself is an issue of fundamental importance.

V. Summary and Implications for Research

The initial interest in ideology was an effort to determine if noneconomic factors influenced economic legislation. The conclusion is that they do. The emphasis on shirking following this initial analysis has, in my view, been misguided. Constituent ideological preferences do have impacts on legislative outcomes, and the profession should devote its efforts to determining the source and nature of these beliefs. The recent work of Nelson (1994) is a good attempt at beginning this effort, and future research on ideology should focus on this issue, rather than on devising ever more scholastic tests to measure relative strength of constituent and legislator ideology. In addition, the factors that make the issue space unidimensional and unimodal are worthy of attention because these factors serve to eliminate problems of cycling and instability. Finally, the work of North (1990) tells us that the underlying structure of ideology is itself of crucial importance in ordering an economy, and we have no good theory to explain this structure.
REFERENCES:


http://voteview.gssia.cmu.edu/

cited in