

# Political Party Endorsement

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## Abstract

I study the process of political selection. In particular, I analyze of how campaign resources and services are allocated within parties among candidates. I employ survey data on elections in European and Anglo-Saxon countries over the period 2006 - 2017. I estimate an OLS model to study the correlations between the measures of personal quality, campaign quality and loyalty related to each candidate and the level of endorsement received by the party during the electoral campaign. I find that quality rather than loyalty matters to parties in deciding how to allocate resources. My study is enriched by a principal component analysis. I estimate two components which summarize the information contained in the proxies of personal quality, campaign quality and loyalty. I also include an interaction term between the two principal components and the measure of constituencies' level of competition. My finding shows that the amount of support received is higher if the candidate stands in a competitive electoral district for a given level of quality.

## Introduction

In every day life, politicians still play an important role since they dictate the parliamentary agenda and determine legislative outcomes. Parliamentary deliberations have a tangible impact on countless field, from the real economy to the judicial system. The challenges of current times require firm and effective responses. For instance, the recent epidemic disease shows that a government's strong response is vital for the public interest. In this context, a party's ability to select candidates becomes crucial in analyzing the evolution of trends in political consensus. Parties

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may lose their credibility if they repeatedly select inadequate representatives.

To address the problem of political selection, I examine how parties support their candidates during electoral campaign. I focus on how parties distribute the available and constrained resources among candidates. Leveraging survey data on the parliamentary elections of 53 countries, I estimate an OLS model to determine which characteristics in candidates are associated with an increase support by the party. The focal point of the thesis lies in the analysis of the correlations between the endorsement received and three main factors: personal quality of the candidate, the quality of the organized electoral campaign and the candidates' loyalty to the leadership of the party.

There is evidence that a candidate's political experience and popularity with voters, as well as an efficient electoral campaign, are correlated with higher level of endorsement. Conversely, the correlation between different measures of loyalty and the level of endorsement is poorly supported by data. This suggests that parties value the former qualities more than loyalty to leadership.

Finally, I perform a principal component analysis to obtain a more clear interpretation of the results by reducing the dimensionality of the measures. In addition, I include an interaction term between the principal components and the constituencies' level of competition.

The results confirm the conclusion of the OLS analysis. Furthermore, I show that even if candidates are equally qualified, those who stand in competitive electoral districts tend to receive more support from their party.

Empirical evidence shows that organizational and financial resources are needed in order to maximize the electoral outcome, as candidates spend most of their time fundraising. Parties may consequently have a determinant role. As well as selecting candidates, parties supply a wide variety of resources in order to maximize the number of elected members. In most cases, financial backing from the party is combined with private donations. The latter constitute the majority of

the candidates' campaign budget, but the party supplies other services. These include assistance in creating a network of private donors, campaign management, media and communication platforms and the organization of public appearances. Therefore, the party's support is arguably the most important resource for a candidate. [10, 6].

Campaign finance data shows that during the 2018 midterm election in the US, the Republican and Democratic electoral committees handled conspicuous amounts of money. The Democratic National Committee, along with the Democratic Congressional Campaign Committee and the Democratic Senate Campaign Committee, managed an overall amount of more than \$600.000.000. Their Republican counterparts administered approximately \$650.000.000. Data for the 2013 Italian election shows that the average amount of funds received varies across parties and depending on the chamber for which the candidate stands. Contributions range between € 29.910,98 (Fratelli d'Italia, Chamber of Deputies) and € 455,71 (Movimento 5 Stelle, Senate). Pooling the candidates of all parties, the average financial support for Chamber of Deputies' candidates is € 10.664,39, while the average for Senate candidates is € 9.788,23 [12] .

The thesis is organized as follow: in section 1 I expose the literature related to the argument I study; section 2 is devoted to the exposition of the hypotheses I want to test; in section 3 I describe the data-set I employ; in section 4 I describe the variables of interest while in section 5 I introduce the empirical model that I test; finally, sections 6 and 7 are devoted respectively to the results and to the conclusions.

## 1 Related Literature

In a frictionless and competitive political environment, parties select and support the most valuable individuals. This approach assumes that voters are rational, i.e. they possess all relevant information about candidates and that their voting decision is not influenced by political ideology. Furthermore, in this scenario, the only factor that matters to voters is the quality of politicians. Parties are consequently induced to recruit better candidates than their competitors in order to win elections.

In practice, several factors contribute to the development of different political environments.

For example, there is evidence that political ideology does affect election competition. In an election, parties typically promote a program of policies and individuals evaluate these programs according to their political beliefs. Thus, the quality of the candidates is not the only factor in their decisions, because voters typically favor a politician whose political proposals align with their ideology. In this essay I define these individuals as “ideological voters”. In certain situations, their distribution across districts determines a party’s advantage over the competition. Electoral races may be uncontested. Being aware of this possibility, political parties can be instigated to make suboptimal decisions . For example, they may nominate and support candidates on the basis of internal hierarchies, regardless their actual value. Galasso and Nannicini [5] analyze whether competition in electoral districts increases the quality of the politicians who are selected by the party. These authors conclude that, during the 2008 parliamentary elections in Italy, more competitive constituencies were associated with more valid politicians. On the other hand, in districts where the level of competition was low (due to the presence of a high number of ideological supporters), parties decided to recruit low quality politicians who cost less.

The electoral goals pursued by parties may also affect how resources are allocated. In parliamentary elections, one possible goal is to obtain the majority of the seats, the other is to maximize the number of elected candidates. Snyder [13] studies how parties allocate resources based on these assumptions. Like Galasso and Nannicini, he finds evidences that in both cases parties typically spend more in competitive electoral districts. However, if the party is trying to win the majority of the seats, it must also consider whether the district is pivotal for its success.

Electoral campaigning is a dynamic process. In recent years there have been instances where candidates who were behind in the polls beat the odds by organizing an efficient campaign, most famously in the 2016 Presidential election in the US. Therefore, parties may decide to provide extra resources to candidates with proven skills in managing campaigns. Herrnson’s article [6] tests this hypothesis, assuming that competition and candidate incumbency are not the only factors which matter to parties.

In any elections, candidates differ in political experience: some have already stood as can-

didates in the past, while others have already held a public office. During their mandate, incumbents have the opportunity to gather visibility and influence, thereby acquiring a certain degree of independence from their party. As a consequence, a conflict may arise between parties and their incumbents regarding how resources should be allocated, and their interests may no longer align. Incumbents seek to be reelected to further their career, while parties prioritize collective success. Jacobson [7] investigates the effect of this contrast on resources allocation among candidates. He reports that during the House and Senate elections in 1980 and 1982 incumbents influenced party strategies, which led to suboptimal decision. As a result, part of the resources assigned to incumbents remained unspent.

Damore and Hansford [4], expand on Jacobson's theories, hypothesizing that leaders may try to solve the aforementioned conflict between parties and incumbents. In their view, campaign resources are used in order to strengthen the candidates' loyalty to the party. Party contributions can be employed both to reward loyal behavior and to encourage it. Similarly, Leyden and Borrelli [10] identify loyalty as an influential factor in resource allocation. They argue that the first goal of a party is to maximize the electoral result, but also that parties may favor more loyal candidates in an election. They use campaign resources to achieve this objective. If the competitiveness of the elections is low, parties may decide to prioritize loyalty rather than other qualities.

Finally, Katz [8] hypothesizes a centralized candidate selection, based on the theory of the development of a cartel of parties [9]. Similarly to Jacobson, he claims that national office leaders are motivated by personal interests rather than political ideology, so their electoral goal is to preserve their office. In order to succeed they tacitly cooperate with members of other parties. In this framework, political selection is characterized by an increasing marginalization of the power of the local factions of the parties. National leaders tend to promote skilled and experienced politicians who already belong to the cartel.

## 2 Hypotheses

As mentioned in the previous section, the electoral goal of a political party is to gain as many seats as possible, either to win the majority or to maximize the electoral outcome, depending on the characteristics of the party. Elections are a very competitive process. Candidates' chances to win elections depend crucially on the amount of resources they dispose since the cost of an effective electoral campaign is huge. Although most of the monetary resources are typically gathered either through private donations or a candidate's personal funds, parties still play a determining role by providing a variety of resources. However, these are constrained and not sufficient to cover the expenses of all the candidates. Electoral committees must therefore decide how to allocate them selectively.

Given that the goal is to maximize electoral outcome, parties should "bet" on higher quality politicians, who have more chances to be elected.

*Hypothesis: parties give more electoral support to politicians who have a better chance to win elections*

Parties are organizations whose members share a common political orientation. However, several internal factions can compete for the leadership. Therefore, a national leader may plausibly aim to increase the chances of success for the candidates who belong to her faction. A cohesive parliamentary group is easier to control for the leader, as well as a higher number of elected MPs belonging to the leader's faction strengthens her position within the party. Hence, politicians who prove loyal to the leader may be rewarded, receiving more support during the electoral campaign.

*Hypothesis: politicians who belong to the same faction as the leader receive more support*

Leaders know that political ideology may induce citizens to vote for their party's candidate even if they are not convinced of her qualities. In constituencies where the number of ideological voters is particularly high, races may be uncontested. In these cases, leaders may decide to

allocate more resources to loyal but low-quality candidates. Conversely, if the outcome of the race is uncertain, leaders are forced to support high-quality candidates to maximize the electoral result, because a leader's dominating position depends on the electoral outcome. A defeat may create the opportunity for a process of power reallocation.

*Hypothesis: competitive races determine a situation in which quality rather than loyalty matter with respect to resource allocation*

### 3 Data Description

I use the Comparative Candidate Survey data [1, 2] on Parliamentary elections in European and Anglo-Saxon countries. Data are available for 53 elections and they have been gathered in two different waves through harmonized questionnaires. The first wave of the survey includes elections for the period 2006-2013. The data collected during the second wave regard elections organized in the period 2013-2017. The sample universe varies across countries, as in some countries questionnaires were sent only to candidates of "competitive parties" (parties which won at least a seat), while in others the sample universe coincides with the universe of candidates. Data are self-reported and are referred to information about past political experience (whether a candidate has experience in local or national/European institution, if she stood as a candidate/was elected in the last five ballots, political party affiliation etc.), campaign organization (time devoted to campaign activities, campaign funds, etc.), opinions about relevant international/local issues (immigration, fiscal policy, international relations, etc.), opinions about the political system (political representation, degree of development of democratic institutions, etc.), demographics (age, gender, citizenship, level of education, etc.).

I gather data about electoral results by different sources: the European Election Database, the German Federal Returning Officer website (for the 2009 and 2013 Bundestag elections) and the Statistic Iceland website (for 2016 election in Iceland).

In some countries, such as Romania, electoral results were available only for coalitions. However, alliances changed during the time occurred between two elections. Therefore, I decided to gather

data only for countries characterized by a stable political environment.

## **4 Measuring Endorsement, Quality, Loyalty and Constituency's competitiveness**

The variable of interest is a party's endorsement of candidates. Endorsement is defined either as financial or organizational support that parties provide during the electoral campaign.

The most explicit measure of endorsement is the position in the electoral list that parties assign to each candidate, as it is arguably correlated with the chances to win a seat. I use this measure of endorsement for three reasons. Firstly, the position of a candidate in a list may be used by parties as a signal of their preferences. This signal is particularly informative to ideological voters, i.e. the individuals who trust their party and do not change their preference in any case. The remaining reasons are related to a problem of asymmetric information [11, 3]. Parties presumably possess more information about candidates and they may consequently try to bridge the information gap with their voters. Therefore, parties have incentives to provide information to voters about the quality of the politicians and they may do so through the allocation of names in the electoral list. Finally, this signal may be used in case voters are lazy, i.e. they do not have the time or are reluctant to collect information on a candidate's characteristics. These voters express their preference using simple and easy rules, for instance by choosing the first candidate in the list. Moreover, in some electoral systems, voters can choose to vote for party symbols; this choice is equivalent to expressing a preference for the first candidate in the list. Therefore, I argue that occupying the highest position in the electoral list provides an electoral advantage. The second measure of endorsement is the monetary contribution of a party to a candidate's campaign budget. In this sample, parties contribute on average to 27% of the whole budget. This percentage is smaller than the amount withdrawn from the private resources of candidates (which are on average 50% of the campaign budget). Nonetheless, the impact of such a form of support on a candidate's chances to win the race is huge. In competitive races the marginal contribution of any additional euro is high, as confirmed by the fact that candidates spend a disproportionate amount of time fundraising. Money is crucial for financing electoral campaign, since politicians typically face countless sources of expenses. Furthermore, receiving monetary



resources from the party reduces the need to look for extra funds. Hence, receiving financial support by the party translates into an advantage in terms of time administration.

Quality has a wide range of acceptations, particularly in politics. Typically, the quality of a politician is defined with regard to her contribution to parliamentary works (rate of absenteeism, number of bills which bring her sign and so on). However, given the assumption that a party's main goal is to maximize the electoral outcome, I measure the quality of a politician by her chances to win a seat. High quality politicians are those who have high probability to be elected. Arguably, chances to win election are positively correlated with personal characteristics and organizational skills of a candidate. Therefore, I use variables related to these factors as proxies of quality.

The first variable I employ is the amount of funds gathered through private donations. Individuals and companies are willing to contribute to the campaign budget of a politician as far as they believe that the investment will be fruitful. Individuals typically support politicians if that can contribute to the improvement of the political and social systems. On the other hand, companies arguably support the campaigns of successful politicians in order to extract some rents whether they are elected. Therefore, I use this variable as a proxy for quality, relying on the assumption that the amount of private donations received by each candidate should signal her perceived probability to win the elections.

Political experience is the other measure of personal quality that I use. Having held an office either in a national assembly or in the European Parliament represents a great advantage for politicians. Firstly, MPs have already had the opportunity to manage an electoral campaign and to improve their communicative skills, but more importantly, experienced politicians are arguably well-known to voters, as public exposition increases their visibility. In a context of asymmetric information, familiarity and notoriety become relevant characteristics to voters. As a result of these observations, being an experienced politician should be correlated with the probability of success.

Furthermore, a candidate's popularity can receive a boost from appropriate strategies. Therefore, variables related to the organization of the electoral campaign can be used as proxies for quality, as they may signal higher chances to win elections.

Hence, the last two measures of quality I employ are the hiring of a professional consultant to manage the campaign and the time devoted to relevant campaign activities (being interviewed for local/national newspaper/television and radio programs, organizing and joining large rallies, attending fund raising events, debating with competitive candidates, participating to events with companies, etc.). Winning candidates have to be prepared to debate on a wide variety of arguments, as well as to develop communicative skills to be more attractive to voters. Professional consultants help candidates to meticulously curate these aspects.

On the other hand, a candidate's chances to be elected are arguably correlated with her capacity to create a network of supporters and the more time she spends in crucial campaign activities the more her notoriety may be boosted.

Candidates who belong to the faction of the leader have been previously defined as loyal. Therefore, a suitable proxy of loyalty would have been the number of times a MP voted oppositely to the suggestions of her leader. Such a measure is missing in the dataset. However, candidates are asked how a MP should act in case her voting intention is misaligned with the party voting indication. Furthermore, I re-estimate the model using a second stronger proxy. Respondents express their opinions about the distribution of power within the party. The suitability of this measure of loyalty is related to the assumption that answering that the leader is too powerful should signal that the candidate does not belong to the dominant faction of the party.

Finally, constituency level of competition for each party is measured using its margin of victory or defeat in the previous ballot.

## 5 Empirical Model

The OLS model which I estimate is the following:

$$\begin{aligned} \text{Endorsement}_{i,j} = & \alpha_1 \cdot \text{Donations}_i + \alpha_2 \cdot \text{Experience}_i + \alpha_3 \cdot \text{Professional Consultant}_i + \\ & + \alpha_4 \cdot \text{Activism}_i + \alpha_5 \cdot \text{Loyalty}_i + \delta \cdot C_i + \gamma \cdot F.E._{t,c,p,d} \end{aligned} \quad [1]$$

The subscript i is referred to the i-th observation of the sample. On the other hand, j in-

**Table 1** Summary Statistics: List Position Sub-sample

	Mean	Std. Dev.	50%	25%	75%
List Position	7.95	7.36	5.00	2.00	11.00
Donations	5461.34	16591.11	55.17	0.00	3457.47
Elected in Last Election	0.16	0.37	0.00	0.00	0.00
Nat./European Career	0.19	0.39	0.00	0.00	0.00
Professional Consultant	0.12	0.32	0.00	0.00	0.00
Controversy	0.21	0.41	0.00	0.00	0.00
Age	46.55	12.91	48.00	35.00	56.00
Gender	0.35	0.48	0.00	0.00	1.00
Education	7.61	0.90	8.00	8.00	8.00
Membership	16.07	10.39	14.00	8.00	22.00
Private Monetary Resources	4327.73	8374.30	1103.45	232.16	4597.70
Observations	511				

icates the the measure of the endorsement used as dependent variable. It takes value 1 if the dependent variable is List position, 2 if it is the monetary baking received by the party (Budget).

When I estimate the model using List Position as dependent variable, data about this variable are available only for the observations of the second wave of the survey. Therefore, the sample only includes candidates who stood in the following parliamentary elections: Switzerland 2015, Germany 2013, Germany 2017, Iceland 2013, Iceland 2016, Iceland 2017 and Romania 2016. Table 1 shows summary statistics of the variables of interest for this sub-sample.

The variable Donations refers to the amount of funds raised through private contributions and it is the first measure of personal quality. In the sub-sample, donations represent on average around 20% of the whole campaign budget.

Experience is the other measure of personal quality. I firstly estimate the model in Equation 1 using the indicator variable Elected in Last Election as regressor. This takes value 1 if the candidate has been elected in the most recent ballot. In this sub-sample of candidates, approximately 83% of the incumbents were reelected while just 9% of competitors won a seat. These statistics arguably justify the use of the variable as a proxy of quality. When I re-estimated the model, I improve the measure of political experience by employing two dummy variables. The first is

Local Experience, which value equal to 1 if the candidate had an experience in local institutions. The second one, Nat./European Experience, takes value 1 if the politician has held an office in the national and/or European assembly. These combined variables yield more robust results, because if I only considered incumbency as an indicator of political experience, I would inaccurately label politicians who have held relevant non-parliamentary positions as inexperienced.

Data about the time spent in relevant campaign activities are not available for the observations belonging to the second wave of the survey. Therefore, the only measure of the quality of the electoral campaign that I employ is the variable Professional Consultant, which is an indicator variable that takes value 1 if the candidate has hired at least one campaign manager.

The questionnaire sent to candidates in the second wave did not include either the question regarding the candidates' opinion about the concentration of power within the party. Therefore, the only measure of loyalty I use is Controversy, a dummy variable which takes value 1 if a candidate's voting intention is opposed to her party's voting indication. In figure 1 , I plot the densities of this variable for each ideological position<sup>1</sup>. Left-wing candidates are the most loyal in the sample. Almost all of them believe that an MP should follow her party position, overshadowing her own opinion, while the distribution of centrist politicians is balanced among loyal and non. Other parties' candidates are in between these two extreme cases, but their distributions are more similar to that of the left wing colleagues. Only in catch-all parties, the majority of their members believes that MPs should not sacrifice their own political beliefs in favor of their parties' interests.

Subsequently, I estimate the model in equation 1 using the amount of monetary resources received by the party (Budget) as dependent variable. The sample used for this specification

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<sup>1</sup>Parties have been divided in 6 categories depending on their ideological position (left, center-left, center, center-right, right and catch all parties) following the collocation of the parties suggested by Wikipedia (<https://it.wikipedia.org>). In some cases parties do not have a definitive position. Sometimes, some are allocated to a center to center-left position as well as to a center-right to right, etc. In these cases, I have decided to assign them the more "moderate" position. As a consequence, center-right to right parties have been considered to be center-right. In the sample only two parties are defined as catch-all party. The former is Movimento 5 Stelle in the Italian case, while the latter is the Social Democratic Party in Romania. These parties are considered catch-all because their electorates do not belong to a well defined political faction. Typically, these parties are considered to be transverse because they seek to be attractive both to left and right wing voters.

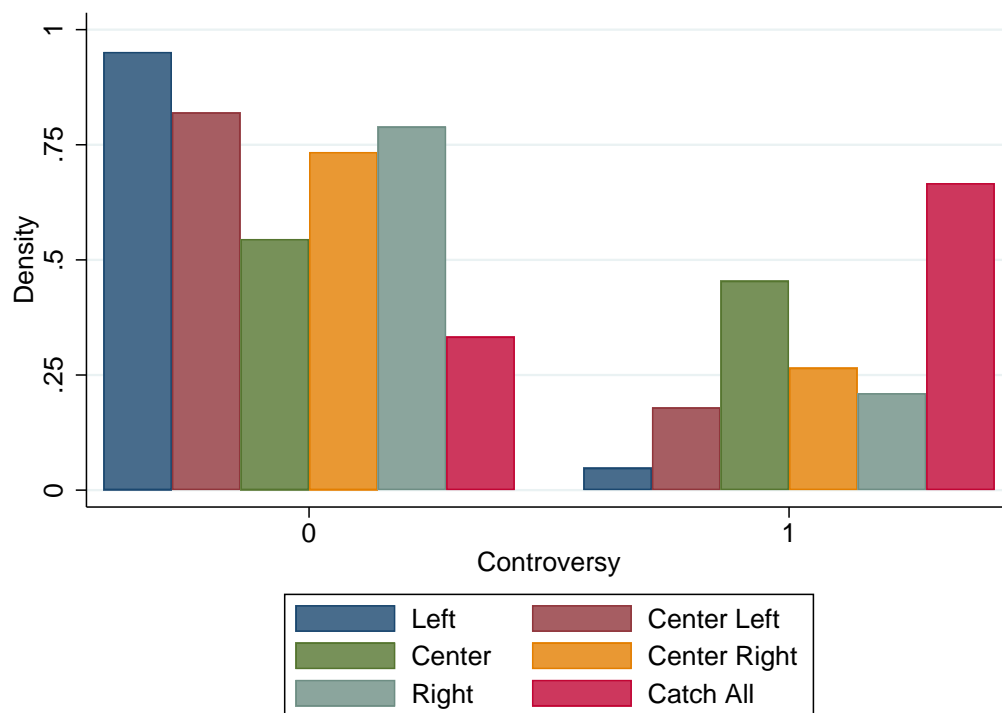


Figure 1 Controversy, by Ideological Position

**Table 2** Summary Statistics: Budget Sub-sample

	Mean	Std. Dev.	50%	25%	75%
Budget	2030.39	7831.30	71.50	0.00	1200.00
Donations	3039.48	8029.64	30.00	0.00	2000.00
Elected in Last Election	0.06	0.24	0.00	0.00	0.00
Nat./European Career	0.15	0.35	0.00	0.00	0.00
Professional Consultant	0.33	0.47	0.00	0.00	1.00
Activism	20.24	6.88	20.00	15.00	24.00
Controversy	0.25	0.43	0.00	0.00	1.00
Leader's Power	0.62	0.49	1.00	0.00	1.00
Age	44.03	13.54	45.00	33.00	54.00
Gender	0.33	0.47	0.00	0.00	1.00
Education	6.36	1.07	7.00	6.00	7.00
Membership	10.73	10.69	7.00	3.00	16.00
Private Monetary Resources	4431.52	10652.77	800.00	100.50	3888.00
Observations	2874				

includes only observations belonging to the first wave of the survey, as the candidates stood in the following elections: Switzerland 2007, Switzerland 2011, Greece 2007, Finland 2011, Portugal 2009, Portugal 2011, Iceland 2009, Denmark 2011, Romania 2012 and Italy 2013. Table 4 shows some summary statistics for this sub-sample.

On average, party contribution represents 28% of the whole budget of the candidates. In Figure 2 I plot the coefficient for the regression of the country fixed effects on the variable Budget. The base is Italy. There are no statistically significant differences in contributions between Italian, Swiss, Finnish and Icelandic parties, while parties in Portugal supply more resources to their candidates. The difference with the other countries is statistically significant both for the 2009 and the 2011 elections. In the Romania and Denmark, parties are also more generous to their candidates, although the coefficients are smaller than the Portuguese ones.

In figure 3 I plot the coefficients when the dependent variable is Budget and the regressors are the 5 dummy variables relative to the political ideology of the parties. The results show that ideology does not influence the allocation of monetary resources, since there is no statistical evidence that the coefficients associated to each positions are different. The only exception is

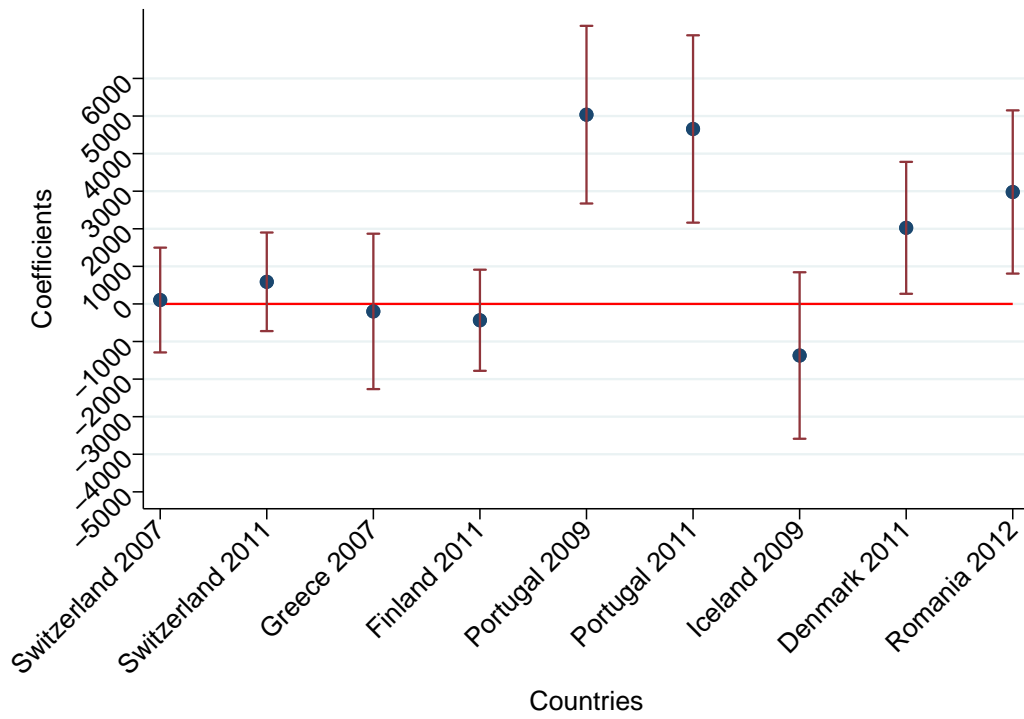


Figure 2 Country-Year Fix Effects

Note: the red bar represent a 96% confidence interval. Standard Errors are robust and clustered at country, year, party and constituency level.

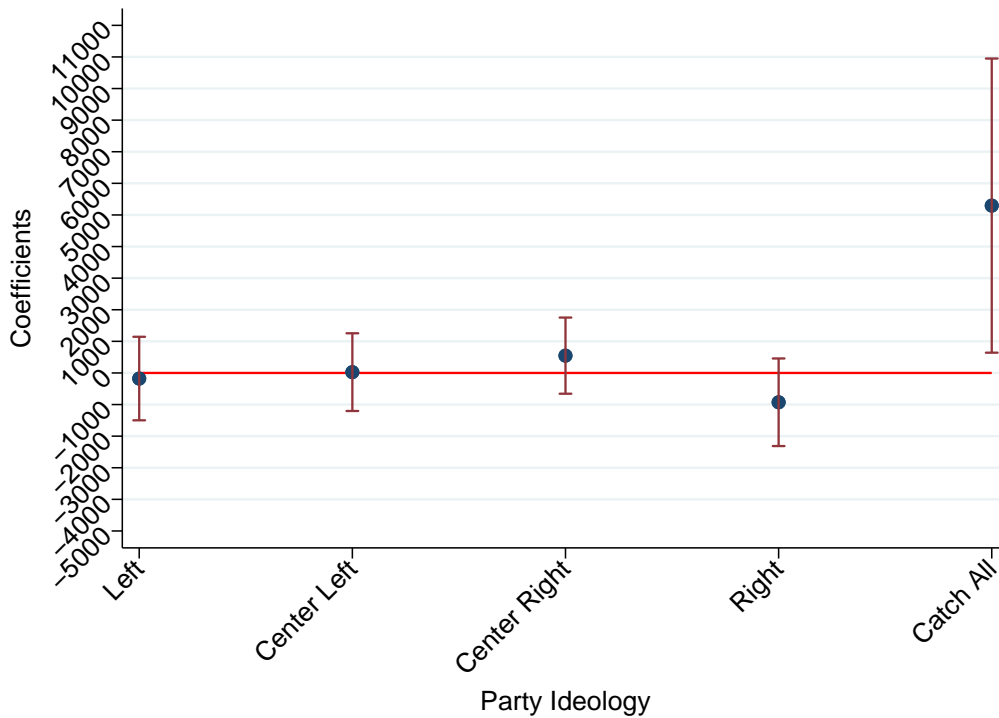


Figure 3 Party ideology Fixed Effects

Note: the red bar represent a 96% confidence interval. Standard Errors are robust and clustered at country, year, party and constituency level.

relative to the catch-All parties. However, this result may depend on the fact that their candidates represent only 0.44% of the whole sample. The standard error for this coefficient is indeed particularly high, suggesting that the estimate may be misleading.

There are no differences with respect to the proxies of personal quality from the previous specification of the model. Donations represent on average 20% of the campaign budget and relatively to political experience, 77% of the incumbents were reelected, while just 6% of the challengers won the seat.

For this sub-sample, in addition to the variable Professional Consultant, I have the variable Activism as a proxy for the quality of the electoral campaign, which represents the time devoted



to relevant campaign activities (being interviewed for local/national newspaper/television and radio programs, organizing and joining large rallies, attending fund raising events, debating with competitive candidates, participating to events with companies, etc.).

Moreover, I employ a second measure of loyalty: Leader Power, which describes a candidate's opinion about the distribution of the power within the party. In Figure 4 I plot the densities of the variables Leader Power and Controversy, both by country and political ideology. The emerging patterns suggest that the two measures point to the same direction. In subfigure (a), Greece is the country in which the most shared opinion among candidates is that power is too concentrated in the person of the leader. Moreover, subfigure (b) shows that the majority of the Greek candidates expresses the intention to follow their own opinions rather than the directives of the party in the case of a contrast. On the other hand, both proxies point out that in Switzerland and in Iceland, candidates are particularly loyal to the leadership of their party. With respect to subfigures (c) and (d), there are no notable differences with respect to the loyalty of candidates who belong to opposite ideological positions.

$C$  is a vector of controls. It includes both demographic (age, gender and education) and political variables (personal funds she disposed for the campaign, years of political affiliation to the current party). F.E. is a vector of fixed effects: year ( $t$ ), country ( $c$ ) and party ( $p$ ) interacted with constituency ( $d$ ).

Finally, I perform a principal component analysis. P.C. is a vector of two principal components: the first one summarizes the measures of quality Donations, Experience, Activism and Professional Consultant; the second one encapsulates the measures of loyalty Controversy and Leader's Power. Then, I compute the fitted value for each observation from the loadings of each principal component. Hence, I estimate the model in equation 2.

$$Endorsement_i = \beta \cdot P.C. \text{ \# Competition} + \delta \cdot C_i + \gamma \cdot F.E._{t,c,p,j} \quad [2]$$

When the dependent variable is List Position, I can only employ Controversy as a measure of

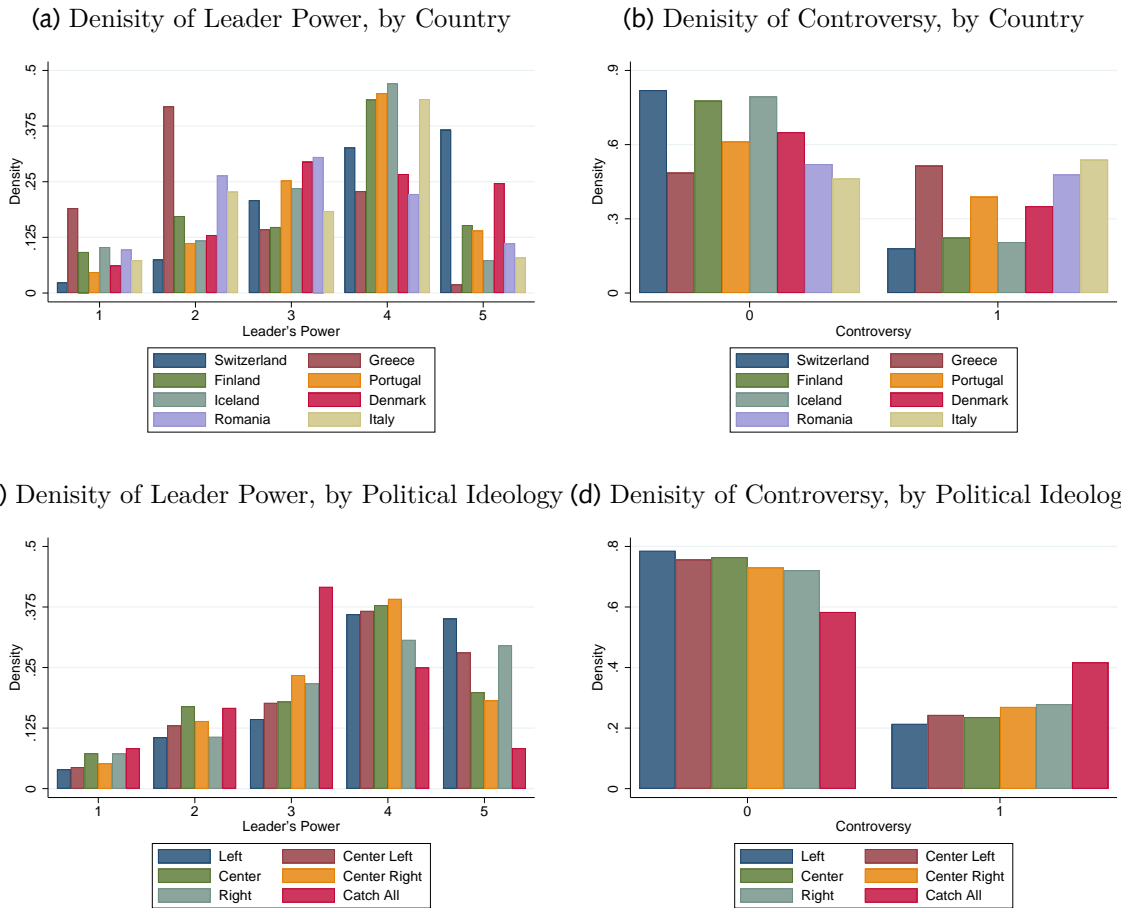


Figure 4 Density for the two measures of Loyalty

loyalty. Therefore, in this specification of equation 2, I cannot further reduce the dimensionality of the proxy of loyalty.

In the model I interact the two P.C.s with the variable Competition, which is a dummy variable that takes value equal to 1 if the constituency is competitive. I do not estimate equation 2 by splitting the sample in candidates who run in competitive and uncontested races for two reasons: firstly, I do not want to further reduce the number of observations, compromising the validity of the results; secondly, following my strategy, I impose the coefficients of the controls and of the fixed effects to be identical for the whole sample.

## 6 Results

Table 3 illustrates the result for the OLS analysis when the dependent variable is the measure of endorsement List Position. I have always used the sample relative to the specification (5) in order to obtain results which are not sample specific.

The coefficients associated to the proxies of personal quality of the candidates have the expected negative sign. More valid politicians occupy higher positions in the electoral list. The coefficients relative to the variable Donations are statistically significant at 1% in all the specifications of the model. The coefficients may seem negligible. However, receiving approximately €20000 in donations is correlated with the gain of 1 position in the list.

The values of the coefficients related to the proxies of the candidates' political experience of the candidates are interesting. Both for Elected in Last Election and Nat./European Experience the coefficients are statistically significant at 5% and their standard errors are particularly low. The value itself is notable. Experience is correlated with very high positions in the electoral list.

With respect to Professional Consultant, the variable related to the quality of the electoral campaign, the coefficients have the expected negative sign. However, they are not statistically significant, perhaps because parties typically have to present the official list in advance. For instance, in Italy the deadline for lists' presentation is the 44th day prior the elections. As a consequence, parties cannot allocate candidates in the list based on the quality of the campaign

because in these early stages of the process this information is still not available.

Finally, the coefficient associated to the proxy of a candidate's loyalty to the party has the expected sign. However, is not statistically significant.

To summarize, how parties allocate candidates in the electoral list is strongly correlated with their quality. Naturally, the decision has to be made on the basis of the information available at the time. As a consequence, parties have to ground their decisions mainly on the personal characteristics of the politicians. The coefficients can be explained either by the theory that incumbents may exert some pressure on the electoral committees or that parties feel more confident in supporting individuals whose past experience makes them more likely to win.

Table 4 depicts the result of the regression analysis when the dependent variable is the amount of monetary resources received by the party, in other words the variable Budget. I have always employed the same observations (relative to specification (6)) to ensure that the results are not sample specific.

The coefficients of the variable Donations all have the expected positive signs and are significant at 1%. This result confirms the findings in Table 3. Politicians who are considered valuable by privates and companies receive more support by parties. Every additional Euro gathered in donations is correlated with approximately 13 cents in party contributions. The result may be affected by a spurious correlation, as parties may strategically contribute a certain sum to the campaign budget for every extra euro gathered through donations. Even if the spurious correlation is indeed the result of such a strategy, this does not undermine my interpretation of the results. On the contrary, it would confirm that parties endorse more high quality politicians.

With regard to the measures of political experience, the coefficients associated to the variable Elected in Last Elections are positive but not statistically significant. This is not the case when I use the other proxies for political experience: Nat./European Experience and Loc. Experience. The associated coefficients are all positive and statistically significant. As expected, candidates

**Table 3** Results when the measure of endorsement is List Position

	(1)	(2)	(3)	(4)	(5)
Personal Quality:					
Donations	-5.73e-05*** (1.39e-06)	-4.31e-05*** (5.34e-06)	-4.48e-05*** (4.28e-06)	-4.17e-05*** (3.86e-06)	-4.52e-05*** (3.91e-06)
Elected in Last Election1		-4.813** (1.316)			
Nat./European Experience			-4.691** (0.984)	-5.002** (0.925)	-4.701** (0.982)
Campaign Quality:					
Professional Consultant				-0.205 (0.419)	-0.193 (0.429)
Loyalty:					
Controversy					-0.785 (0.534)
Controls:					
Age	0.0408** (0.0120)	0.0536** (0.0151)	0.0602* (0.0198)	0.0583** (0.0181)	0.0607* (0.0192)
Gender	-0.537 (0.569)	-0.570 (0.555)	-0.562 (0.498)	-0.624 (0.432)	-0.583 (0.456)
Education	-0.129 (0.363)	-0.211 (0.291)	-0.213 (0.329)	-0.345 (0.516)	-0.192 (0.323)
Membership	-0.00879 (0.0129)	0.00175 (0.0173)	-0.000211 (0.0168)	-0.00442 (0.0195)	0.00298 (0.0138)
Private Monetary Resources	-7.88e-05*** (5.74e-06)	-6.09e-05*** (7.17e-06)	-5.95e-05*** (5.55e-06)	-5.39e-05*** (5.93e-06)	-5.64e-05*** (5.89e-06)
Fixed Effects:					
Country	YES	YES	YES	YES	YES
Year	YES	YES	YES	YES	YES
Party#Constituency	YES	YES	YES	YES	YES
Observations	511	511	511	538	511
R <sup>2</sup>	0.480	0.509	0.509	0.553	0.510

Standard errors in parentheses are robust and clustered at country, year, party and constituency level

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

who have experience in major offices received more support from the party. They have more chances to win given their popularity and confidence in managing the electoral campaign. However, parties are not indifferent to experience in local office, such as being elected in a regional assembly. These politicians are also rewarded, albeit to a lesser extent.

The two variables used as proxies for the quality of the electoral campaign are also associated to positive and statistically significant coefficients. Employing a professional consultant is associated with a higher amount of monetary resources received by the party. The result may be interpreted in two ways. Either the party provides the resources to increase the quality of the more valid candidate's campaign or the party rewards the politician who proves the most skilled organizer.

Despite being statistically significant and presenting the correct sign, the coefficients associated to the measure of the candidates' activism may seem negligible. However, the variable Activism takes values between 1 and 60. Every unitary increase represents 5 more hours devoted to strategic activities. Theoretically, 60 additional hours invested in campaigning should be correlated with the same amount of contributions as experience at a National/European level. Therefore, a significant amount of time spent in activism can be crucial in securing party resources.

Finally, the coefficient associated to the first measure of loyalty is statistically significant and with the expected sign. However, it is negligible when compared to the coefficients of the measure of quality. The coefficient associated with the other measure of loyalty, Controversy, is neither statistically significant nor with the expected sign. Therefore, loyalty seems to play a secondary role.

Results confirm that a party's primary goal is to maximize electoral results. As a consequence, electoral committees have to bet on the more competitive candidates, i.e. those with more political experience and organizational skills.

However, this analysis is only partial. In my previous estimations, results may be biased as a result of omitting the measure of constituency competition.

Table 4 Results when the measure of endorsement is Budget

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Personal Quality:							
Donations	0.133*** (0.0258)	0.129*** (0.0255)	0.127*** (0.0269)	0.124*** (0.0266)	0.122*** (0.0262)	0.122*** (0.0263)	0.138*** (0.0323)
Elected in Last Election		1,119 (612.2)					
Loc. Career			494.5*** (110.5)	465.6*** (120.9)	434.7*** (117.4)	442.6*** (119.7)	356.7** (120.0)
Nat./European Experience			1,591** (481.6)	1,573** (479.9)	1,490** (474.4)	1,494** (476.9)	1,069* (517.5)
Campaign Quality:							
Professional Consultant				452.2* (214.5)	359.7* (174.4)	366.4* (169.4)	428.4* (182.6)
Activism					65.25* (30.65)	65.18* (30.63)	76.43** (29.53)
Measures of Loyalty:							
Leader's Power						374.3* (173.7)	
Controversy							-211.5 (213.0)
Controls:							
Age	15.44** (5.933)	14.34** (6.007)	8.198 (4.939)	7.920 (5.055)	9.694* (4.958)	11.04* (5.235)	7.874 (5.178)
Gender	142.4 (151.3)	147.5 (148.4)	166.0 (139.0)	155.8 (138.4)	157.3 (133.1)	157.7 (137.3)	62.97 (86.13)
Education	119.0* (51.62)	111.8* (49.63)	99.65* (45.45)	96.62* (41.85)	101.3** (41.92)	102.8** (40.42)	95.13* (40.72)
Membership	-3.033 (8.399)	-5.952 (8.541)	-12.91* (6.627)	-12.74 (6.934)	-13.93** (5.815)	-14.72** (5.664)	-17.98** (6.417)
Private Monetary Resources	0.000347 (0.0117)	0.000272 (0.0118)	-0.00233 (0.0124)	-0.00468 (0.0123)	-0.00695 (0.0130)	-0.00616 (0.0126)	-0.0156 (0.0117)
Fixed Effects:							
Country	YES	YES	YES	YES	YES	YES	YES
Year	YES	YES	YES	YES	YES	YES	YES
Party#Constituency	YES	YES	YES	YES	YES	YES	YES
Observations	2,874	2,874	2,874	2,874	2,874	2,874	2,739
R <sup>2</sup>	0.383	0.384	0.386	0.387	0.388	0.389	0.389

Standard errors in parentheses are robust and clustered at country, year, party and constituency level  
\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table 5 illustrates the results of the OLS regression where the regressors are the fitted value obtained from the principal component analysis. This analysis includes both the variable which works as a measure of districts' competition and its interaction terms with the principal components. The estimated coefficients confirm the previous results: the quality of candidates is crucial when parties have to decide who to support.

The coefficient of the interaction term between competition and the quality principal component when the dependent variable is List Position has the opposite sign and is statistically significant at 5%. Selection bias is a possible explanation for this result: these figures show that parties reserve safer constituencies to higher quality candidates in order to secure their election. Thus, party endorsement is once again positively correlated with a candidate's quality rather than loyalty.

On the other hand, we can observe that when the dependent variable is Budget, the coefficient associated to the variable Competition is positive and statistically significant. In other words, candidates in competitive constituencies receive more resources regardless of quality or loyalty. Moreover, the coefficient associated to the interaction term between the quality principal component and Competition is positive and statistically significant at 10%. Therefore, equally qualified candidates receive a different amount of support from their party depending on the competitiveness of their constituencies. Both results align with the theory that parties seek mainly to maximize electoral results. Optimal resource allocation involves investing in constituencies where success is uncertain, rather than uncontested constituencies where the distribution of ideological voters renders the outcome of the election more predictable.

## 7 Conclusions

The principal goal of a party is the maximization of the electoral result. Furthermore, leaders aim to both win elections and to promote loyal candidates. Once elected, loyal candidates may strengthen the cohesion of the parliamentary group. As a consequence, electoral committees face a trade off: supporting the candidates who have more chances to win elections or the more loyal ones.



Table 5 Principal Component Analysis

	(1)	(2)
	List Position	Budget
Principal Components		
P.C. Quality	-1.835*** (0.0872)	1,339*** (75.36)
P.C. Loyalty	0.817 (0.943)	-280.7* (109.4)
Interaction Terms:		
Competition#P.C. Quality	2.510** (0.306)	407.4* (153.4)
Competition#P.C. Loyalty	0.885 (2.288)	2,285 (1,056)
Controls:		
Competition	-3.552** (0.784)	707.0*** (27.93)
Age	-0.00942 (0.0235)	31.99 (23.27)
Gender	-0.321 (0.241)	267.8 (222.4)
Education	-0.145 (0.255)	227.8* (83.03)
Membership	0.0322 (0.0176)	-51.78* (21.52)
Private Monetary Resources	-2.44e-05 (1.96e-05)	-0.0381 (0.0561)
Fixed Effects:		
Country	YES	YES
Year	YES	YES
Party	YES	YES
Observations	447	1,420
R <sup>2</sup>	0.131	0.090

Standard errors in parentheses are robust and clustered at country, year, party and constituency level

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Results from the OLS analysis show that quality matter more than loyalty with respect to allocation of resources. Politicians who have more chances to win, both because of their political experience and for their capacity to organize an efficient electoral campaign, receive more support from their party.

A constituency's level of competition is relevant too, since parties invest more on candidates who stood in a contested district, no matter their quality or loyalty. Moreover, given that resources are scarce, parties have to use them optimally. Assuming that two candidates have the same level of quality, the one who stands in a competitive constituency receives more resources. The result is again in line with the goal of maximizing electoral results. However, experience is always associated with higher support from the party. This supports the assumption that professional politicians may exercise some pressure on electoral committee.

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## Appendix: Variables Description

### List Position

In figure 5 are plotted the densities relative to the variable List Position both for the elected and non. Most of the elected politicians are concentrated around the very top positions. The distribution of the non elected is flatter. Still there is a mass point around the fifth position. This can be explained by the fact that data include candidates who stood either in a majoritarian or proportional system. Typically, in majoritarian electoral systems, only one politician per parties is nominated as candidate for each electoral district. Consequently, each list is composed of only candidates assigned to the highest position in the list. However, just the one nominated by the party which has obtained the majority of the votes win the seat. On the other hand, in proportional systems, candidates of small parties may not reach the election threshold, necessary to be elected.

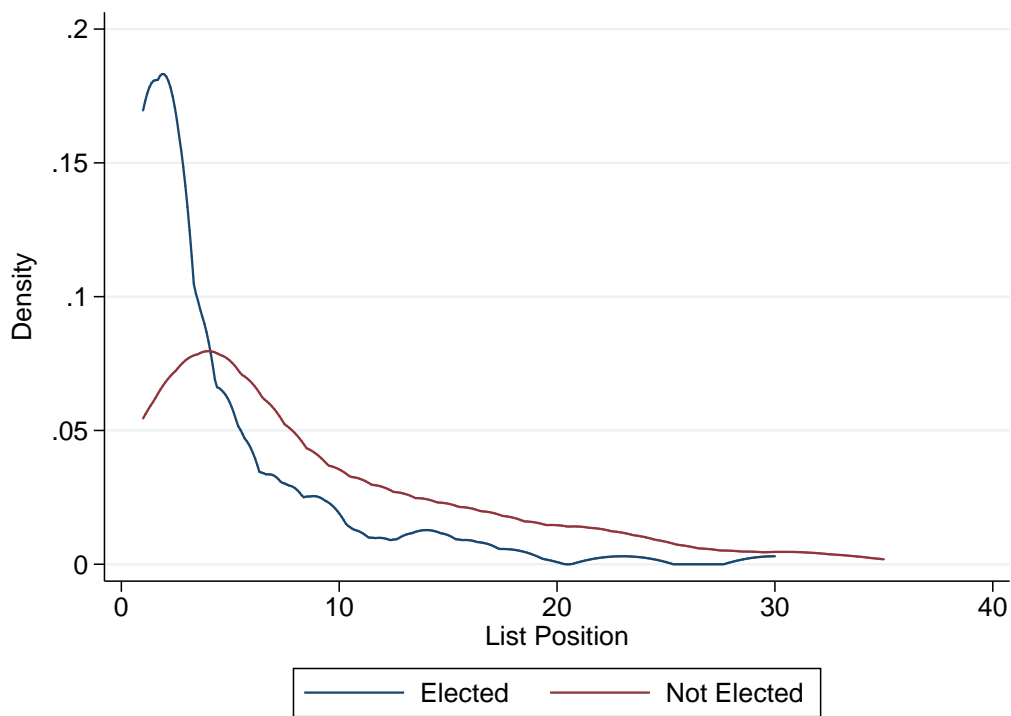


Figure 5 Density of the Position of Candidates

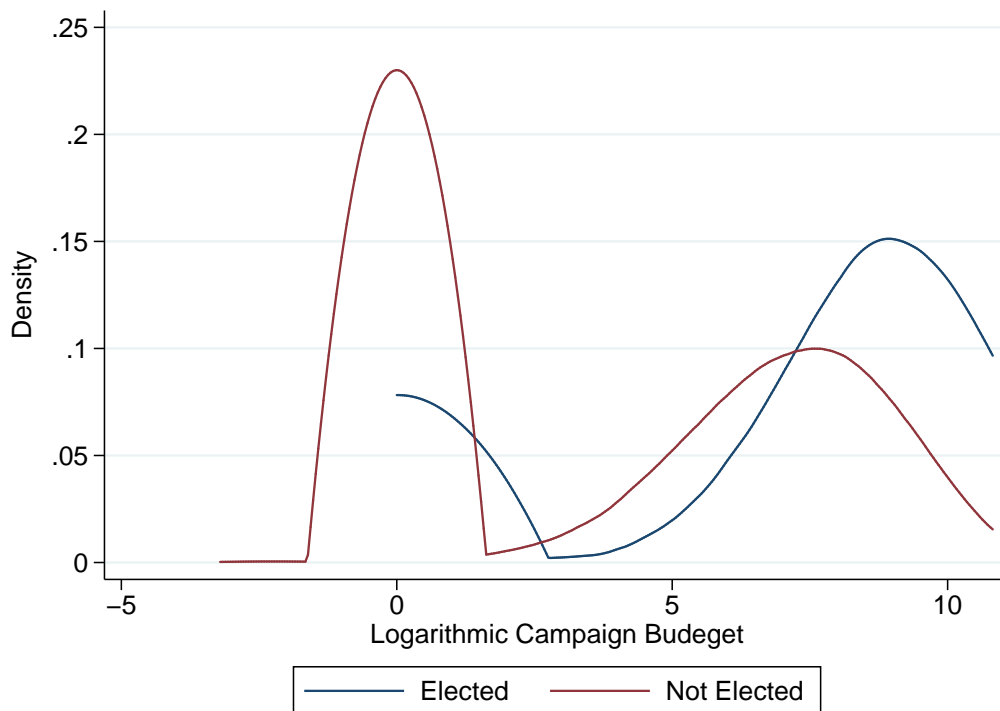


Figure 6 Density of the logarithm of the variable Donations

### Budget

Candidates were asked the total amount of monetary resources which constitutes their budget. Moreover, They were also asked in which percentage these resources were provided by the party. The variable Budget is obtained accordingly.

### Donations

The variable Donations is obtained using the percentage of the campaign budget which represents the money gathered through private donations. In Figures 6 are plotted the densities of the logarithmic donations received, for elected candidates and non . Elected are concentrated at high values of donations. On the other hand, non elected are concentrated around 0 donations.

## Political Experience

Elected in Last Election is a dummy variable which takes value equal to 1 whether the candidate has been elected in the last elections. The variable was already available in the data-set.

## Activism

The variable is obtained summing up 10 variables, each one related to a specific campaign activity. These original variables can take value from 1 to 6 (1 if the candidate devotes no time to the related activity, 2 if the total amount of time is between 1 and 5 hours, 3 between 6 and 10 hours and finally 6 if she spent more than 20 hours). Therefore Activism can take values between 0 and 60.

## Professional Consultant

Professional Consultant is an indicator variable that takes value 1 if the candidate has hired at least one campaign manager. The variable was already available in the data-set.

## Leader Power

The original variable available in the data-set takes value from 1 to 5 (1 if he think power is highly concentrated in the person of the leader, 5 if it is equally distributed within the party). However, in the regression I used a binomial version of this variable which takes value 1 if the variable Leader's Power is bigger than 3, 0 otherwise.

## Controversy

Controversy is a dummy variable which takes value 1 if a candidate's voting intention is opposed to her party's voting indication. The variable was already available in the data-set.

## Competition

The race is contested if the margin of victory/defeat in the last ballots was smaller than 10%.

## Education

The variable takes value between 1 and 7. 1 if the candidate had not completed the primary level education, 2 otherwise. The variable takes value 3 if the candidates did not finished the

secondary level of education, 4 otherwise. It takes value 5 if the candidate enrolled a vocation school; 6 if she started university without having concluded it; 7 if she completed also the university.