Multiple Policymakers: Veto Actors Bargaining in Common Pools

Robert J. Franzese, Jr.

Professor of Political Science,
The University of Michigan, Ann Arbor

franzese@umich.edu
http://www-personal.umich.edu/~franzese

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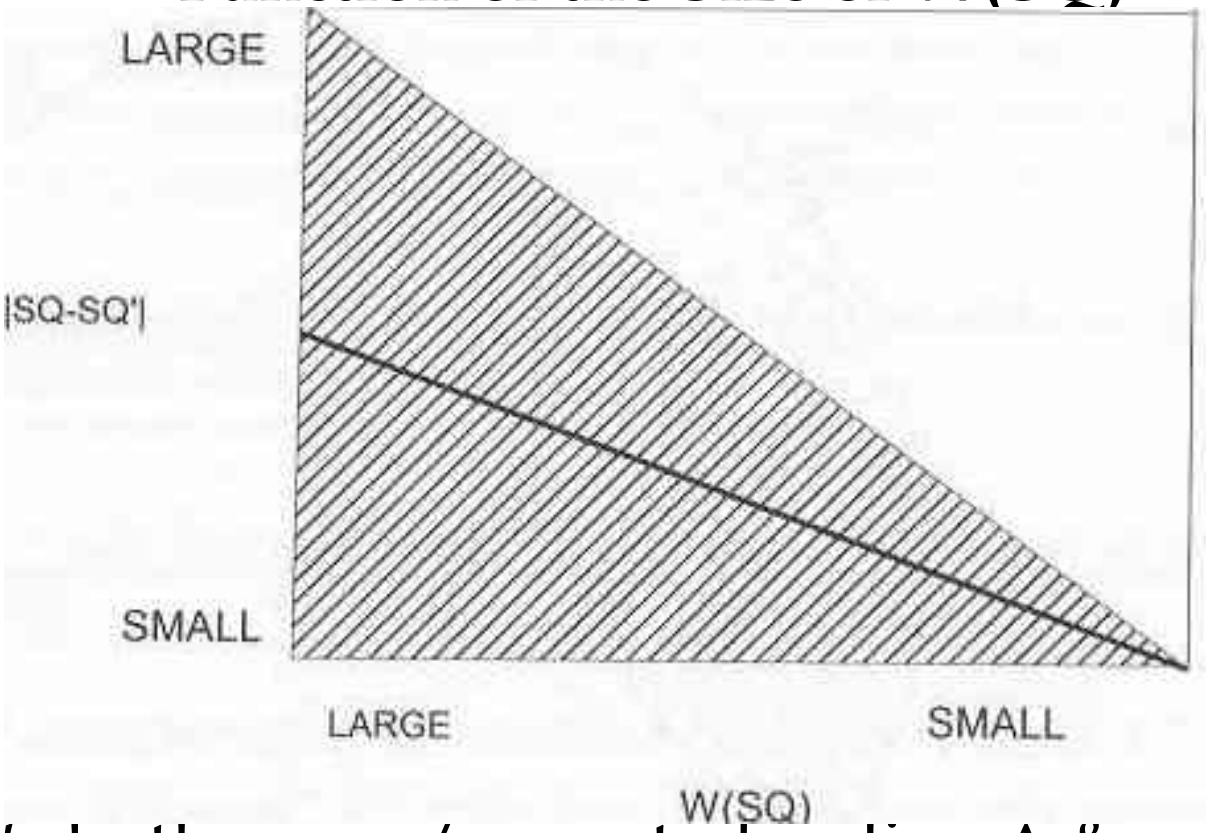
Overview

- Multiple implications for policy outcomes dispersal of policymaking-authority across diverse actors:
  - Veto-Actor Theory (Tsebelis '02) emphasizes:
    - Privileges *S.Q.*, & so retards policy adjustment, reduces change.
  - Collective-Action/Common-Pool Theories (WSJ '81):
    - Externalities & so overexploit/underinvest public goods.
  - Bargaining & Delegation Theories rather stress:
    - Bargaining Strengths/Positions, yielding Weighted Compromise.
- This project attempts a synthesis:
  - Disting. theoretically/conceptually many effects of # (fragment.) & diversity (polar., partisan) policymakers.
  - Empirical model of many effects distinctly & effectively.
  - Preliminary application to evolution fiscal policy (pub debt) in developed democracies, 1950s-90s.

Veto Actors: Deadlock, Delayed Stabilization, & Policy-Adjustment Retardation

- Tsebelis ('95b, '99, '00, '02): veto-actor approach to comparative politics & policy-making:
  - Substantive & empirical exploration, esp. : Bicameralism (w/ Money) & EU pol-mkng (w/ Garrett, Kreppel, et al.),
  - Also, referenda (w/ Hug) & fiscal policy (w/ Chang)
- Essential Argument:
  - ↑ # &/or ideological/interest polarization of pol-mkng actors whose approval required to ΔSQ, i.e., *veto actors*, ⇒, loosely, ↓ probability &/or magnitude policy Δ.
  - I.e., strictly, as size W(SQ) ↓, which generally does as # &/or polarization VA ↑, range *possible* policy Δ(SQ) ↓.
  - ⇒following empirical prediction (Tsebelis 2002, Fig. 1.7):

Possible Distances of New Policy from Status Quo as a Function of the Size of W(SQ)



- *Suggests* both mean/expected policy-Δ & variance policy-Δ ↑↓ as size of W(SQ) ↑↓ (aside: why only *suggests*)
- No prediction of policy-*level* or of *direction* policy-Δ; Only of E(|Δp|), V(Δp).

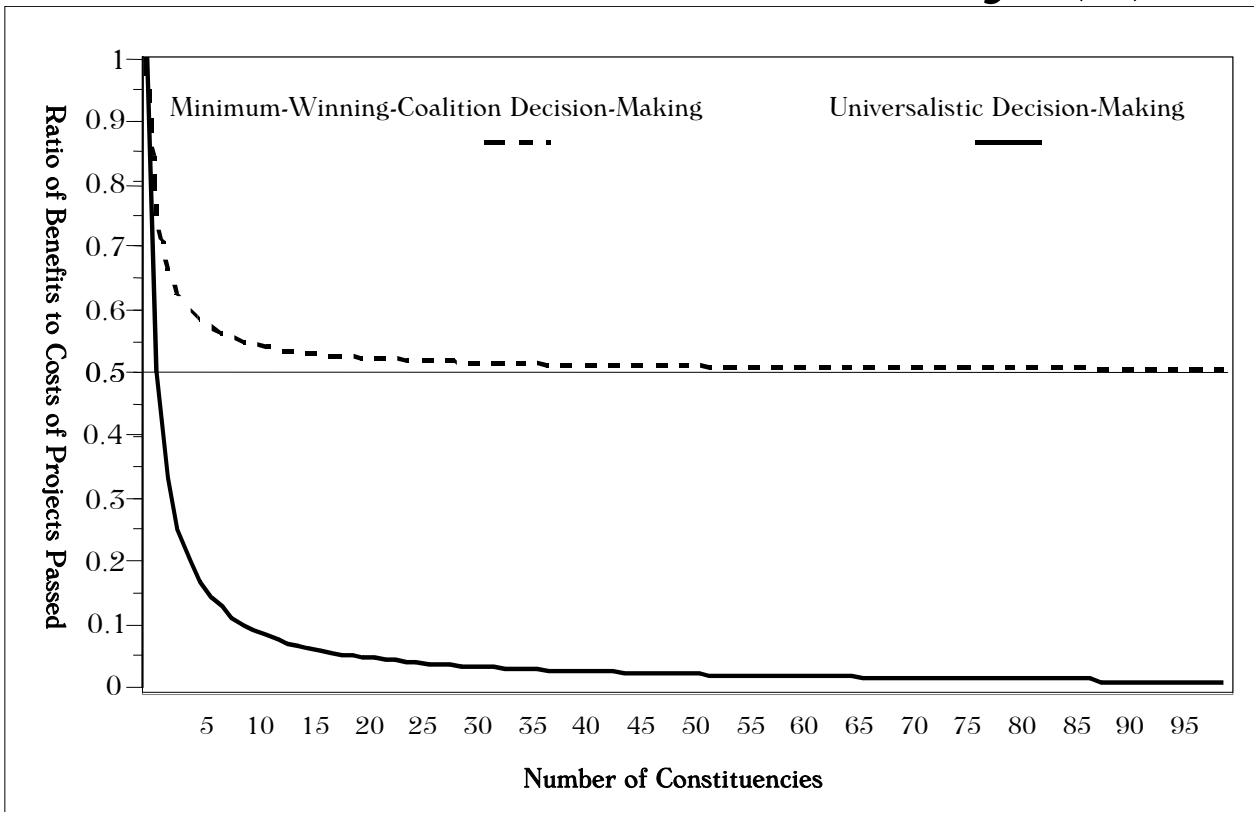
Veto-Actor Implications

- ↑ # (=Fragmentation) & Polarization of VA Privileges SQ ⇒
  - Retards policy-adjustment rates/delays stabilization,
  - ↓ range of possible policy-Δ, & so, possibly,
  - ↓ magnitude/variance policy-Δ (1st- & 2nd-order E(Δ)).
- Re: Fiscal Policy, namely deficits & debts:
  - R&S (89ab) argued; A&D (91), D&G (93), Spolaore (04) formalize+extend
  - Empirical support initially mixed: R&S, GMT, E&O, Heller, A&P find support; DeH&S, B&R, DeH&S&B find otherwise, but…
- Tighter specification of theory into empirical analysis:
  - (F '00, '02) **How model:** policy-adjustment-rate effect = conditional coefficient on LDV in dynamic model, not level effect, ⇒ finds support.
  - (F '00, '02) **How measure:** frag & polar in VA theory = raw #, not eff. # (size-wtd) actors; max range pref's, not $V(pref's)$ or $s.d.(pref's)$, (size-wtd)
- $\Rightarrow y_t = \ldots + \rho(\#VA, Range\{pref(VA)\})\, y_{t-1}$ …&/or $V(y_t) = f(\#, Range)$
  - Support (F '00, '02) and by others if effect modeled in dynamics or as $V(pol\text{-}\Delta)$: A&P, A&L(&Ferree) ('94, '98, '00, '01, '03), Treisman ('00), Hallerberg ('02), Basinger & Hallerberg ('04), Tsebelis & Chang ('04)...

Common-Pool Theory (1)

- Weingast, Shepsle, Johnsen (1981): districting & distributive/pork-barrel spend (***law of 1/n***)
  - Benefits concentrate district *i*: $B_i=f(C)$, $f'>0$ & $f''<0$
  - Costs disperse across *n* districts: $C_i=C/n$
  - ⇒optimal project-size from *i*'s view ↑ in # districts: $f'(C^*)=1/n$ (…log-linearly?)
- Alternative Decision Rules/Processes:
  - Pure **majority rule**, without log-rolling, universalism, or side-payments ⇒ all pork-barrel projects lose *(n-1)* to *1* …
  - **Universalism**/Log-Roll ⇒ district-by-district optimal…
  - Rikerian **MWC** ⇒ side-pays sufficient to induce bare-maj: *(n-1)/2* others get $C/n+\varepsilon$; also ⇒*law 1/n* but more marginally.
  - **Uncertainty** re: MWC ⇒ Supermaj, i.e. b/w Uni & MWC.
  - **Legislative procedures**: All coals MWC-Uni possible; keys: amendment openness, presidents or 2nd chambers, etc., anything that add leg step where veto or amend may occur
  - **Rational Ignorance**: makes sidepays/logrolls easier…

Common-Pool Theory (2)



- ***Law of 1/n*** is general, & stronger as leg. behave more *Universalistic* & less *Min-Win*, which tendency ↑ as rational ignorance, winning-coalition uncertainty, or legislative-rule closure to amend or veto ↑
- E.g., PubRev = common pool for *n* reps, overused to distribute bens; this collect-act prob worsens "proportionally" by *law 1/n*, i.e. at rate b/w those at which *(n+1)/2n* (MWC) & *1/n* (uni) ↓ in *n*

Manifestations of Common Pools

- Velasco ('98, '99, '00): inter-temporal totality pub rev is C-P to today's policymakers ⇒ deficits & debts also *law of 1/n*
- Peterson & co's, Treisman: federalism ⇒ multiple tax authorities ⇒ several common-pool problems:
  - Inter-jurisdiction competition (w/ high factor mobility) ⇒ C-P of investment resources ⇒ over-fishing: taxes too low.
  - National govt as lender last resort ⇒ subnational jurisdictions see fed guarantee & funds as common pool ⇒ excessive borrowing by subnat'l units. (e.g., EU, EMU & Euro ⇒ common pools…)
- Again, should be quite general:
  - **Anything that gains set of pol-makers credit ⇒ underinvested as ↑*n***
  - **Anything that gains set of pol-makers blame ⇒ overexploited as ↑*n***
- E.g., (thry 2nd-best), ELECTIONEERING:
  - Magnitude incentive electioneer fades w/ *n* (see, e.g., Goodhart)
  - Control over electioneering diminishes w/ *n*.
- Notice: CP not arise in Tsebelis' VA Theory b/c # & pref's of VA's exog & predetermined, whereas in CP theory: prefs=*f(#)*.

Modeling Common-Pool Effects

- CP Effects distinguishable from VA Effects:
  - C-P Effects on *levels*, not (as in VA) in dynamics.
  - Proportional to *1/n* for *equal-sized* actors. Standard Olsonian encompassingness logic ⇒ proper *n* here ***is*** *size-weighted* (effective & s.d./var.)
  - Fractionalization (#) & esp. polarization (het.) relate to VA effects; CP, conversely, relate primarily to #, although het. can exacerbate some CA probs.
- Suggests Proper Model of Policy-Response to some public demand for, $\mathbf{x}_1'\boldsymbol{\beta}_1$, or against, $\mathbf{x}_2'\boldsymbol{\beta}_2$:
  - …+($\mathbf{x}_1'\boldsymbol{\beta}_1$)(1-*f*(*ln*(*Eff*#))+($\mathbf{x}_2'\boldsymbol{\beta}_2$)(1+*f*(*ln*(*Eff*#))+…
  - Same *f*(*ln*(*Eff*#), b/c overexploit/underinvest same °

Bargaining, Delegation, & Compromise (1)

- **Explicit extensive-form delegation & bargaining games:** huge theoretical & empirical literature
  - **Theoretical Literature:** *Delegation* starts w/ McNollGast ’87; *Legislative-bargaining* starts w/ Baron-Ferejohn ’89; *Leg-Exec Barg* starts w/ Romer-Rosenthal ‘78
  - **Some Empirical Examples:** McCarty&Poole (‘95), McCarty (‘00); Alt & Lowry (& Ferree) (‘94, ‘98, ‘00, ‘01, ‘03), Snyder & Ansolabahere & Ting (’04)
- Franzese (‘99,‘02,‘03): less context-specific empirical strategy…
  - Because broad comparativist seek thry that *travels*, not that requires different model each context.
  - Offering is roughly equivalent Nash Bargaining.

Bargaining, Delegation, & Compromise (2)

- Franzese ('99,'02,'03): less context-specific strategy than extensive-form modeling ≈ Nash Bargaining:
  - Most ext forms ⇒ eqbm bounded by actors' ideal pts:
    - Convex set/hull, upper-contour set (=core of coop. game thry),
    - So like Tsebelis, but further, though short of explicit ext-form
  - Policy outside that range possible,
    - e.g., if uncertainty resolved unfavorably,
    - but that ⇒ highly unlikely that E(pol) outside this range
  - Thus, E(pol)=some convex-combo (wtd-avg) pol-mkrs' ideals ⇒ convex-combo emp. models ≈ compromise
    - If Nash Bargain, e.g., (n.b. NB=coop. game-thry but equiv. sev. reasonable ext-form non-coop barg. games: Rubinstein '82), ⇒ (geometric) ***wtd-influence pol-mkng***; i.e., simple wtd-avg.

Empirical Manifestations & Model of Compromise Policymaking

- Re: def's & debt, Cusack ('99, '01; cf., Clark '03)
  - *Arg:* left more Keynes-active counter-cyc., right less, even pro-cyc.
  - *Add Nash-Barg Model* ⇒ wtd-avg pol-mkr partisanship conditions ° Keynesian cntr-cyc fiscal-policy response to macroecon
- Franzese ('99, '03): Monetary-Policy Delegation
  - *Two Hands on the Wheel* (CPE): $C\times\pi_c(\boldsymbol{x}_c)+(1-C)\times\pi_g(\boldsymbol{x}_g)$
  - *Multiple Hands on the Wheel* (CIPE): $\{[C\times\pi_c(\boldsymbol{x}_c)+(1-C)\times\pi_g(\boldsymbol{x}_g)]\times(1-P)+P\times\pi_p\}\times(1-E)+E\times\pi_w$
- Empirical Implementation:
  - Ideally:
    - Describe barg power party i as $f($charact's i & barg environ, j, $\Rightarrow f(\boldsymbol{v}_{ij})$
    - Desc. pol response to conditions $\mathbf{x}_k$ if i sole pol-mkng control: $q_i(\mathbf{x}_k)$
    - Then embed Nash-Barg sol'n, $\sum_i f(\boldsymbol{v}_{ij})q_i(\mathbf{x}_k)$, in empirical model to est.
  - Currently:
    - Assume wtd-avg compromise outcome pre-estimation.
    - I.e., simply assume by measure & specification that Policy responds to *WtdPartisanshipCurrGovt* × *MacroeconomicConditions*.

Empirical Model of the Theoretical Synthesis (1)

- Different aspects of policy-maker fragmentation, polarization, & partisanship:
  - V-A Effects: raw # (frag) and ideological ranges (polar)
  - C-P Effects: eff # (frag) &, maybe, ideol. std-dev/var (polar)
  - D-B Effects: power-wtd mean ideologies (partisanship)
- Different ways these distinct effects manifest in policy:
  - V-A (primarily) to slow pol-adjustment (delay stabilization);
  - C-P induces over-draw from common resources (incl. from future as in debt); under-invest in common properties (less electioneering), log-proportionately
  - D-B induces convex-combinatorial (compromise) policies, incl. greater left-activist/right-conservative Keynesian-countercyclical/conservative pro-cyclical, in proportion to degree left/right controls policymaking

Empirical Model of the Theoretical Synthesis (2)

- Different aspects pol-mkr frag, polar, & partisan…
- Different ways the effects manifest in policy…
- Implies specification where:
  - Abs # VA & their ideol range modify pol-adjustment rates
  - (log) Eff # pol-mkrs & s.d. ideol (i.e., wtd measures) gauge C-P problem in *electioneering*, & maybe level effect on debt
  - Some barg process among partisan pol-mkrs (e.g., Nash ⇒ wtd-influence) determines combo reflected in net policy responsiveness to macro (i.e., degree of Keynesian activism)
- $$\Rightarrow D_{it} = \alpha_i + \left(1 + \rho_n NoP_{it} + \rho_{ar} ARwiG_{it}\right) \times \left(\rho_1 D_{i,t-1} + \rho_2 D_{i,t-2} + \rho_3 D_{i,t-3}\right)$$
$$+ \left(\beta_{\Delta Y} \Delta Y_{i,t} + \beta_{\Delta U} \Delta U_{i,t} + \beta_{\Delta P} \Delta P_{i,t}\right) \times \left(1 + \beta_{cg} CoG_{it}\right)$$
$$+ \left(\gamma_{e1} E_{it} + \gamma_{e2} E_{i,t-1}\right) \times \left(1 + \gamma_{en} ENoP_{it} + \gamma_{sd} SDwiG_{it}\right) + \mathbf{x}'_{it}\boldsymbol{\eta} + \mathbf{z}'_{it}\boldsymbol{\omega} + \varepsilon_{it}$$

Empirical Model Specification & Data

$$D_{it} = \alpha_i + \left(1 + \rho_n NoP_{it} + \rho_{ar} ARwiG_{it}\right) \times \left(\rho_1 D_{i,t-1} + \rho_2 D_{i,t-2} + \rho_3 D_{i,t-3}\right) + \mathbf{x}'_{it}\boldsymbol{\eta} + \mathbf{z}'_{it}\boldsymbol{\omega} + \varepsilon_{it}$$
$$+ \left(\beta_{\Delta Y}\Delta Y_{i,t} + \beta_{\Delta U}\Delta U_{i,t} + \beta_{\Delta P}\Delta P_{i,t}\right) \times \left(1 + \beta_{cg} CoG_{it}\right) + \left(\gamma_{e1} E_{it} + \gamma_{e2} E_{i,t-1}\right) \times \left(1 + \gamma_{en} ENoP_{it} + \gamma_{sd} SDwiG_{it}\right)$$

- D_{it} = Debt (%GDP);
- *NoP* & *ARwiG* = raw *N*um *o*f *P*rtys in *G*ovt & *A*bs *R*ange *w/i G*ovt:
  - VA conception, so modify dynamics. Expect ρ_n & ρ_{ar} >0.
  - By thry & for efficiency: modify all lag dynamics same.
- *CoG* (govt center, left to right, 0-10):
  - Modifies response to macroecon (equally, by thry & for eff'cy) : β_{cg}<0.
  - Macroecon: ΔY = real GDP growth; ΔU = Δ unemp rate; ΔP = infl rate.
- $\boldsymbol{x'\eta}$ = controls: set pol-econ conditions response to which not partisan-differentiated or gov comm-pool: (e.g., E(real-interest)-E(real-growth), *ToT*)
- *ENoP* & *SDwiG* = *E*ffective *N*um *o*f *P*rtys in govt & *S*td *D*ev *w/i G*ovt:
  - Frag & Polar by *wtd-influence* concept. CP level-effects modify (at same rate) electioneering, E_t, pre-elect-year, & E_{t-1}, post-elect-yr.: γ_{en} & γ_{sd}<0.
- $\boldsymbol{z'\omega}$ = set of constituent terms in the interactions:
  - *ENoP*, *SDwiG* <u>*may*</u> have positive coeff's by CP effect level debt, but issue is *temporal fract* more than current govt *fract*. Thry o/w suggests omit.

		Coeff.	Std. Err.	*t*-Stat.	Pr(*T*>|*t*|)
Lagged Dependent Variables	D_{t-1}	1.212	0.060	20.112	0.000
	D_{t-2}	-0.153	0.085	-1.792	0.074
	D_{t-3}	-0.121	0.045	-2.677	0.008
ρ_n (*veto-actor effect: fractionalization*)		**0.007**	**0.006**	**1.089**	**0.277**
ρ_{ar} (*veto-actor effect: polarization*)		**-0.000**	**0.006**	**-0.013**	**0.990**
Macroeconomic Conditions	ΔY	-0.336	0.111	-3.033	0.003
	ΔU	0.992	0.308	3.219	0.001
	ΔP	-0.188	0.063	-2.965	0.003
β_{cg} (*partisan-compromise bargaining*)		**-0.037**	**0.037**	**-0.988**	**0.323**
Controls	x_1 (*open*)	15.891	5.279	3.010	0.003
	x_2 (*ToT*)	0.388	1.744	0.222	0.824
	x_3 (*open·ToT*)	-10.681	5.156	-2.072	0.039
	x_4 (*dxrig*)	-0.036	0.066	-0.544	0.587
	x_5 (*oy*)	2.064	1.094	1.886	0.060
Pre- and Post-Electoral Indicators	E_t	0.687	0.568	1.210	0.227
	E_{t-1}	1.490	0.645	2.310	0.021
γ_{en} (*common-pool effect: fractionalization*)		**-0.547**	**0.182**	**-3.001**	**0.003**
γ_{sd} (*common-pool effect: polarization*)		**0.573**	**0.486**	**1.179**	**0.239**
Constituent Terms from the Interactions	z_1 (*CoG*)	0.051	0.131	0.390	0.697
	z_2 (*ENoP*)	0.281	0.446	0.629	0.530
	z_3 (*SDwiG*)	0.542	0.437	1.242	0.215
	z_4 (*NoP*)	0.181	0.277	0.654	0.514
	z_5 (*ARwiG*)	-0.312	0.259	-1.205	0.228
Summary Statistics					
N (Deg. Free)		735 (691)		s_e^2	2.525
R^2 ($\overline{R}^2$)		0.991 (0.990)		**DW-Stat.**	2.101

- Pace Brambor et al. ('06), but joint-significance of multiple-policymaker conditioning effects (γ_{en}, γ_{sd}, ρ_n, ρ_{ar}, β_{cg}) overwhelmingly rejects excluding (p≈.001), whereas joint-sig coeff's on constit. terms, **z**, clearly fails reject (p≈.602) exclusion. (Almost) All theory says should be zero, so…

		Coeff.	**Std. Err.**	***t*-Stat.**	**Pr(*T*>|*t*|)**
Lagged Dependent Variables	D_{t-1}	1.207	0.060	20.290	0.000
	D_{t-2}	-0.158	0.085	-1.851	0.065
	D_{t-3}	-0.117	0.045	-2.577	0.010
ρ_n (*veto-actor effect: fractionalization*)		**0.011**	**0.005**	**2.369**	**0.018**
ρ_{ar} (*veto-actor effect: polarization*)		**-0.002**	**0.004**	**-0.437**	**0.662**
Macroeconomic Conditions	ΔY	-0.375	0.087	-4.332	0.000
	ΔU	1.095	0.286	3.829	0.000
	ΔP	-0.207	0.053	-3.889	0.000
β_{cg} (*partisan-compromise bargaining*)		**-0.051**	**0.020**	**-2.484**	**0.013**
Controls	x_1 (*open*)	16.128	5.314	3.035	0.002
	x_2 (*ToT*)	0.414	1.728	0.239	0.811
	x_3 (*open·ToT*)	-10.780	5.194	-2.076	0.038
	x_4 (*dxrig*)	-0.038	0.066	-0.578	0.563
	x_5 (*oy*)	1.898	1.100	1.724	0.085
Pre- and Post-Electoral Indicators	E_t	0.475	0.420	1.133	0.258
	E_{t-1}	1.146	0.562	2.040	0.042
γ_{en} (*common-pool effect: fractionalization*)		**-0.570**	**0.209**	**-2.727**	**0.007**
γ_{sd} (*common-pool effect: polarization*)		**0.881**	**0.586**	**1.503**	**0.133**
Summary Statistics					
N (Deg. Free)		735 (696)		s_e^2	2.522
R^2 ($\overline{R}^2$)		0.991 (0.990)		**DW-Stat.**	2.099

Veto-Actor Effects: Estimates of Policy-Adjustment Rate						
Adjustment Rates	***NoP*=1**	***NoP*=2**	***NoP*=3**	***NoP*=4**	***NoP*=5**	***NoP*=6**
Lag Coefficient[a]	0.943	0.952	0.960	0.969	0.978	0.986
Policy-Adjust/Yr[b]	0.057	0.048	0.040	0.031	0.022	0.014
Long-Run Mult.[c]	17.498	20.639	25.154	32.200	44.727	73.208
½-Life[d]	11.778	13.956	17.087	21.971	30.654	50.397
90%-Life[e]	39.127	46.362	56.761	72.985	101.832	167.415

Bargaining Effects: Estimates of Keynesian Fiscal Responsiveness						
	Mean Econ. Performance -2 std. dev.	***Mean Econ. Performance -1 std. dev.***	***Mean Economic Performance***	***Mean Econ. Performance +1 std. dev.***	***Mean Econ. Performance +2 std. dev.***	
Growth	-2.354	0.454	3.261	6.069	8.877	
d(UE)	1.915	1.034	0.153	-0.728	-1.608	
Infl	-3.593	1.230	6.054	10.877	15.701	
CoG	***E(D|Econ)***[f]	***E(D|Econ)***	***E(D|Econ)***	***E(D|Econ)***	***E(D|Econ)***	***Fiscal-Cycle Magnitude***[g]
3.0	3.157	0.599	-1.959	-4.516	-7.074	10.231
4.2	2.930	0.556	-1.818	-4.192	-6.566	9.496
5.4	2.703	0.513	-1.677	-3.867	-6.058	8.761
6.6	2.476	0.470	-1.536	-3.543	-5.549	8.026
7.8	2.250	0.427	-1.396	-3.218	-5.041	7.291
9.0	2.023	0.384	-1.255	-2.894	-4.533	6.555

Collective-Action/Common-Pool Effects: Estimates of Electoral Debt-Cycle Magnitude					
	***ENoP*=1**	***ENoP*=2**	***ENoP*=3**	***ENoP*=4**	***ENoP*=5**
Electoral-Cycle Magnitude[h]	1.07410	0.86454	0.65497	0.44541	0.23585

Extension: Ghandi & Przeworski ('04) Veto-Actor Effect

- In other context, inequality, G&P ('04) show to model $\uparrow \text{VA} \Rightarrow \downarrow \text{E}(|\Delta \text{p}|)$ *possibility* jointly:

$$\Delta y_t = \frac{(y_t^* - y_{t-1})}{aV_t} = \frac{k + cX_t - y_{t-1}}{aV_t} = \frac{k}{a} \times \frac{1}{V_t} + \frac{c}{a} \times \frac{X_t}{V_t} - \frac{1}{a} y_{t-1}$$

$$\Rightarrow y_t = \frac{k}{a} \times \frac{1}{V_t} + \frac{c}{a} \times \frac{X_t}{V_t} + \frac{a-1}{a} y_{t-1}$$

- Will adapt, augment, & implement G&P, dropping some of their avoidable assumptions:
  - All RHS factors have effect through pol-Δ (i.e., pol-mkr controls *y* directly), & all dampened at same rate *a*.
  - VA effect on pol-adjust rate = VA effect on mag E(|Δy|).
  - Claim these nec., & params *k*, *c*, *a* not separately i.d., but:
    - Can get *k*, *c*, *a* by lin-reg $y_t = b_0 + b_1 X_t + b_2 y_{t-1}$: $a = 1/(1-b_2)$, $c = b_1 a$, $k = b_0 a$
    - Can also usefully apply nonlinear (but use mult., not divide…)

Extension & Refinement

$$E(y_t) = \delta^0 + \mathbf{x}_t^0\mathbf{b}^0 + \left(\rho_0 + \rho_1 \ln(NoP_t) + \rho_2 \ln(1 + ARwiG_t)\right) y_{t-1}$$
$$+ \left\{ \begin{array}{l} \left[\mathbf{x}_t^1\mathbf{b}^1 + \sum_{i=1}^{I} p(\mathbf{c}_{it}) \times q_i(\mathbf{x}_t^2) \right] \\ \times \left[1 + \gamma_1 \ln(ENoP_t) + \gamma_2 \ln(1 + SDwiG_t)\right] \end{array} \right\} \times \left[1 + \alpha_1 \ln(NoP_t) + \alpha_2 \ln(1 + ARwiG_t)\right]$$

- $\mathbf{x}^0$ = factors that affect policy-outcomes *unless* policymakers act to change *status quo*, i.e., that have effect on pol-out directly.
- $\mathbf{x}^1$ = factors affecting policy-outcomes *if* policymakers act to change status quo, *without* partisan-differentiated response
- $\mathbf{x}^2$ = factors affecting policy-outcomes *if* policymakers act to change status quo, *with* partisan-differentiated response
- {*NoP,ARwiG*} = sources of **veto-actor effects**; as before
- {*ENoP,SDwiG*} = sources of **common-pool effects**; as before
- $\{p(\mathbf{c}_{it}), q_j(\mathbf{x}_t)\}$ = sources of **bargaining & delegation effects**:
  - $p(\mathbf{c}_{it})$: Effective policy-influence of party *i* in context *t*. (E.g., as now: cabinet seat-shares, but could become richer model.)
  - $q_j(\mathbf{x}_t)$: Model of response of party *i* to pol-econ conditions $\mathbf{x}_t$. (E.g., as now: $CoG_i \times Macroecon_t$, but could become richer model.)

Preliminary Results of Fuller Model

		Coeff.	Std. Err.	*t*-Stat.	Pr(*T*>|*t*|)
Temporal Dynamics	D(t-1)	1.197	0.059	20.144	0.000
	D(t-2)	-0.139	0.085	-1.629	0.104
	D(t-3)	-0.121	0.045	-2.698	0.007
Veto-Actor Effect On Outcome-Adjustment Rate	**NoP**	**0.008**	**0.004**	**1.883**	**0.060**
$\mathbf{x}_0$: Variables with "Direct" Effect on Outcome	Open	16.624	3.758	4.423	0.000
	Open*ToT	-11.190	3.135	-3.569	0.000
$\mathbf{x}_1$: Variables with Effects via Non-Partisan-Differentiated Policy Response	Ele(t)	0.315	0.363	0.867	0.386
	Ele(t-1)	0.873	0.399	2.186	0.029
	OY	2.833	1.295	2.187	0.029
	DXRIG3	-0.073	0.072	-1.009	0.314
Common-Pool Effect on Policy Response	**ln(ENoP)**	**-0.277**	**0.071**	**-3.903**	**0.000**
$\mathbf{x}_2$: Variables with Effects via Partisan-Differentiated Policy Response	Growth	-0.238	0.084	-2.815	0.005
	d(UE)	0.749	0.228	3.289	0.001
	Inflation	-0.137	0.047	-2.947	0.003
Bargaining-Compromise Effects on Partisan Policy-Responses	**CoG**	**-0.049**	**0.026**	**-1.893**	**0.059**
Veto-Actor Effect On Policy-Adjustment Rate	**NoP**	**0.215**	**0.121**	**1.773**	**0.077**
Common-Pool Effect on Debt Level	*ln(ENoP)*	*1.128*	*0.486*	*2.320*	*0.021*
Summary Statistics					
N (Deg. Free)		735 (697)		s_e^2	2.510
R^2 ($\overline{R}^2$)		0.991 (0.990)		**DW-Stat.**	2.090