A Congress of Champions:
Principal Agent Relationships in US House Nominations

By
Kathleen Bawn
Knox Brown
Angela X. Ocampo
Shawn Patterson
John L. Ray
John Zaller

November 27, 2019

Congressional primaries pose significant information problems for all involved. Primary candidates cannot be differentiated by party, thus nullifying an important cue about policy positions. For the most contested and most consequential primaries – open seats in which the party is competitive for the general election – candidates mostly are not well known to voters or even to politically active groups. Local journalism, a depleted if not dying institution in much of the country, typically provides only the sparest coverage. And open seat primaries often attract many candidates, compounding the information problem both for voters and politically active groups.

In consequence, most open congressional nominations begin with widespread uncertainty on three key dimensions: Which, if any, candidates are committed to act in the way that potential supporters want? Which are competent to do so? Which are likely to be competitive to win the primary?

The first two of these concerns – commitment and competence -- are central to principal-agent logic. A principal would like to hire an agent to work on her behalf, and the agent would like to take the job. But uncertainty about an agent's commitment to the principal's goals and competence to pursue them can prevent this mutually beneficial relationship from taking place.

The third concern, competitiveness, derives less from the agency relationship per se and more from the process through which nominees are chosen: typically, a primary election decided by plurality, or plurality plus runoff. Plurality can create incentives for strategic coordination amongst supporters of different candidates, so that votes are not "wasted" on candidates unlikely to win. Uncertainty about which candidates are the strongest contenders adds to the informational challenges of congressional nominations.

In this paper we use concepts related to principal-agent relationships to illuminate patterns we observed in field studies of the 53 winnable open seat primaries in the 2013-14 election cycle. This project, entitled Parties on the Ground (PoG), interviewed local observers and participants about candidates, sources of support, and race dynamics (Bawn et al. 2015). We observed significant effort by potential supporters to reduce uncertainty about the commitment, competence and competitiveness of candidates. We also observed determined effort by candidates to signal these same traits.

We are far from the first political scientists to think about elected officials as agents of those who put them in office.[1] But in contrast to much work that treats voters as the principal, we place organized groups in this role.[2] That is, we shift the focus from broad to narrow interests. Thinking of groups as principals strengthens arguments others have made about the difficulties of sanctioning moral hazard by politicians in office. A group representing a narrow segment of society is in a weaker position than the broad electorate to punish an incumbent legislator.

But we argue here that groups' relative weakness in punishing moral hazard is more than compensated by greater effectiveness in managing adverse selection. While disadvantaged in their ability to punish incumbents, groups are well placed to pick strong candidates in open seat races. Through division of labor and pooling of effort, groups can acquire and share hidden information about open seat candidates' commitment, competence and competitiveness. For most open congressional seats, the critical election is the primary; this is the arena in which groups can best deploy their ability to vet candidates as agents.

Qualitative data from our "on the ground" study illuminate what groups as principals are looking for in candidates as agents. Many groups seek "champions" for their particular interests and issues. They seek agents willing and able to work behind the scenes drafting legislative language, negotiating compromise and forging coalitions. Legislative champions can also help with policy implementation and problems with the bureaucracy. Champions do more than merely cast votes consistent with the principal's interests – they participate actively and knowledgably on their principal's behalf at every stage in the policy process, shaping the language that may become law, and guiding its implementation. Champions allocate effort with their principal's priorities in mind.

The uncertainty inherent in PA relationships is a problem for both parties. Both principal and agent are better off when uncertainty is reduced to the point that the relationship is

---

[1] Models featuring voters as principals go back at least as far as Barro (1973) and include Ferejohn (1986), Downs and Rocke (1994), Canes-Wrong, Herron and Shotts (2001), Fox and Shotts (2009) and Fearon (2011.) Gailmard (2014) provides a useful overview.

[2] Dixit, Grossman and Helpman (1997), which looks at how multiple interest group principals handle common agency problem vis-à-vis a politician-agent is an exception.

consummated. This implies, for example, a different picture of campaign fundraising than the unpleasant shakedown caricatured in some political commentary. From a PA perspective, we would expect donors to be eager to contribute to candidate they believe to competitive, competence and committed to their goals. And, indeed, PoG encountered examples of contributors who were not only generous with their support, but actively sought out candidates to whom to give. We also observed cases in which the PA problem was left unsolved: willing donors remained on the sidelines because they were unable to find suitable candidates.

These "unfulfilled gains from trade" between groups and candidates are an essential part of nomination contests. Candidates supported by a group that views them as an agent are generally serious primary contenders; those without group support are generally not. Groups who find candidates worth supporting can expect to have their interests defended in Congress, their policy demands pursued, their phone calls returned. Those unable to do so must contend without a champion.

This paper uses principal-agent logic and examples from the PoG study to illustrate how the set of serious primary candidates is shaped by who succeeds and who fails in forming principal-agent relationships. We show how the nature of organized groups helps mitigate uncertainty about candidates' commitment, competence and competitiveness.

We proceed as follows. Section 1 describes the Parties on the Ground project, the source of the examples that motivate and illustrate our argument, and on which the remaining sections draw. Section 2 reviews basic issues in the principal-agent paradigm in the context of nominations and sketches a simple model of a group's decision to support a candidate at the nomination stage. In Section 3, we explain precisely what we mean by "group" and discuss how group organization mitigates adverse selection through vetting and vouching networks. Section 4 recounts one contest in detail (LA-6R) to illustrate the mechanics of group vetting and vouching. Section 5 contrasts two other Republican primaries (AL-1 and AL-6), focusing on the role of competence. Sections 6 and 7 discusses screening by groups and signaling by candidates. Section 8 shifts the focus to voters, considering the extent to which vetting and vouching

networks can bolster, but also distort, the ability of ordinary voters to participate in party nominations. Section 9 concludes.

1. The Parties on the Ground Field Study

The Parties on the Ground project studied the 55 winnable open seat House nominations that occurred in the 2013-2014 election cycle. That is, there were 55 nomination contests in which (a) the incumbent was not running, and (b) the party had a reasonable chance of winning the general election. Winnable open nominations are widely seen as contests that matter (in contrast to nominations in which an incumbent is running or where the party has no chance in the general.)[3]

We used Cook's Partisan Voting Index (PVI) to define "winnable," accounting for the prevailing expectation that 2014 (a midterm election in a Democratic president's second term) would be a good year for Republicans.[4] Specifically, we counted a seat as winnable for Democrats if the PVI was Democratic or even. We counted a seat as winnable for Republicans if it was Republican, even, or up to D+4.[5] As things worked out, our winnability criteria excluded one nomination that actually led to a general election victory.[6] Except for this case (IA-1), we studied the nominations of all open seat winners in the 2013-2014 electoral cycle.

---

[3] Other sets of politically important primaries are out-party nominations for the relatively "toss up" seats (those competitive for both parties in the general election) and primaries in which incumbents face serious challengers. See Hassell (2017) and Boatwright (2013) on these cases. Boatright (2014) and Hirano and Snyder (2019) offer excellent overviews of congressional primaries.

[4] Cook's PVI indicates how the district voted relative to the nation as a whole in the last two presidential elections. A district that is D+5 in 2014, for example, voted an average of 5 points more Democratic than the nation as a whole in 2012 and 2008.

[5] Put another way, for seats that Cook classifies as Republican, we count only the Republican race as winnable. For seats D+5 or more, we count only the Democratic race. For neutral seats and Democratic seats up to D+4, we count both parties' races. These cut points were obtained by starting with an interval from D+2 to R+2 and shifting it 2 points in the Republican direction. We also considered a somewhat broader definition of winnable seats extending to R+2 on the Democratic side and D+5 on the Republican. This broader definition would have brought in 8 additional races: IA-3D, FL-13D, PA-6D, MI-8D, NY-21D, NJ3-D,VA-10D and IA-1R. Five of these seats were uncontested, the remaining three featured levels of primary spending much lower than our set of winnable seats (less than $500K among all candidates.) While the low contestation rate could be taken as evidence of coordination, they could also reflect a general unwillingness to run for a seat that would be tough to win.

[6] IA-1 was PVI +5D, but Republican Rod Blum, whose nomination fell just outside our selection window, won the seat in the fall.

Our cases included 41 incumbent retirements, four of which counted as winnable for both parties, thus 45 regular schedule nominations. We also included 10 special elections for seats that became vacant during the legislative session. None of the special election districts were competitive for both parties, giving a total of 55. See Appendix 1 for the full list of PoG nominations.

Two nominations were decided by convention alone (UT-4R and MO-8R), and one by a convention called after the primary winner fell short of the state's 35% threshold (IA-3R). Our set of winnable open seat nominations thus produced 53 primaries. In addition, 9 primaries led to run-offs.[7]

We visited 41 of the 55 winnable open seats from September 2013-July 2015, with some later follow-ups.[8] District visits ranged from one day to one week, producing more than 600 hours of recorded interviews about 500 highly varied participants. Sources included candidates, campaign managers, donors, interest group leaders, party leaders, neighborhood activists, journalists, government officials, and political scientists who followed local politics. We also made use of political blogs, newspapers and FEC reports.[9]

We were motivated by a concern that election scholars focus too much on candidates and voters, overlooking the role of organized groups (Bawn et al. 2012). Thus, one goal of PoG was to investigate participation by groups, who (unlike candidates) are often happy to be ignored. We were mindful, however, that we ourselves could easily be guilty of overlooking other critical elements of nominations. With this concern in mind, we sought to design a study unstructured enough to allow us to observe things we did not anticipate in advance. While we had ideas about potentially relevant forces (groups), we did not design the study with particular hypotheses in mind. Thus, in reporting findings here, our intention not to test theories about the role of groups in nominations. Rather, we seek to present a rough theoretical argument

---

[7] In addition to the 9 true run-offs, four of the non-partisan top-two primaries led to general elections between two members of the same party (LA-5R, CA-25R, CA-35D, WA-4.) These general elections are similar to primary run-offs in the sense that voters cannot base their choice on party.

[8] We chose which districts to visit based on idiosyncratic issues of timing and location, striving to stretch a limited travel budget as far as possible. While the set of districts we visited is not a random sample of the universe, we were careful to not select districts because we thought that the nomination contest would be particularly interesting, or that group participation would be high or easy to observe.

[9] Three seminars of undergraduate students at UCLA have also made important contributions to this study.

constructed from the PoG cases, with the hope of providing a foundation for better articulated theories that can be tested with other data.

Even in our best understood races – those in which many knowledgeable people spoke with us candidly and at length – we cannot claim to have a definitive interpretation of what happened. In several cases, a single interview changed our understanding of the race in significant ways, and we recognize that many interviews-that-didn't-happen might have had similar impact. But we did find regular patterns that appeared in many races: these patterns are reflected in the concepts we emphasize here: the desire for a champion; uncertainty about commitment, competence and competitiveness; the role of vouching networks.

We should note that this paper's focus on principal-agent relationships gives short shrift to the other critical aspect of nomination politics: the potential for strategic coordination across groups. Appendix 2 gives an overview of how the strategic incentives of plurality elections play out in House nominations, but we are leaving much of this important issue for future papers. In particular, our analysis here omits the various different ways in which political parties affect nominations.

The primary environment is so uncertain at a deep level – in particular, so sensitive to which candidates enter -- that it is unreasonable to try to identify "the" key factor in any particular race. Most primaries are decided by plurality, whereby the candidate with the most votes wins, even if they receive less than fifty percent. Plurality outcomes are known to be sensitive to the choice set, in the sense that the presence or absence of Candidate C can change whether or not A beats B.[10] Thirty-nine out of the 53 PoG primaries had more than two candidates. More importantly, all had the potential to be multi-candidate races. The sensitivity of plurality outcomes is another reason why -- even in our best-sourced cases-- we are not in a position to make definitive claims about why Candidate X won.[11] The counterfactuals are too many and too complex. We can, however, offer conjectures about why Candidate X had enough support to be competitive.

---

[10] A substantial minority of primaries use a runoff when the plurality winner's vote share falls below a critical level (usually, but not always 50%.) Runoff systems are sensitive to field effects in the same way as plurality, in the sense that the presence/absence of D can affect which of A, B and C advance to the runoff.
[11] Appendix 2 offers some preliminary analysis of how the strategic incentives of plurality elections play out in winnable open nominations.

Principal-agent logic does not directly address the question of who wins the primary. But it does help us understand which candidates receive support from organized groups, conversely, which groups find a candidate to support. The principal agent frame highlights two important things. First, both group and candidate benefit when the support relationship forms. Second, group uncertainty about candidate quality prevents some of these mutually beneficial relationships from forming. Groups and candidates who are able to resolve this uncertainty will be overrepresented in the set of primary contenders, the set of primary winners, and ultimately in Congress.

2. PA Basics

Principal-agent theory was motivated by the desire to understand how uncertainty can prevent mutually beneficial trades from taking place.[12] A business owner (principal) would like to hire an employee (agent) and the potential employee would like to take the job. But this mutually beneficial exchange of labor for wage does not take place, because the principal cannot perfectly monitor the agent's actions. A storeowner, for example, may not be able to directly observe whether her employee is helpful and polite to customers or not. Profit levels will be affected by the employee's helpfulness, but also by many other things, thus preventing a complete contract. Because the owner will not be able to distinguish the effect of employee behavior from these other factors, the employee can be less helpful than the owner wants. The incentive for an agent to underperform because of actions that cannot be effectively monitored is called "moral hazard."

Moral hazard can sometimes be offset by making the agent's compensation contingent on observables. The business owner, for example, might link her employees' pay to sales revenue (Holmstrom 1979.) Giving principals the ability to punish moral hazard *ex post* works to the advantage of both principals and agents by making the relationship sufficiently appealing *ex ante* to the principal.

---

[12] See Miller (2005) and Gailmard (2011) for overviews of principal-agent models and their use in political science.

In political contexts, principals have more limited options to offset moral hazard.[13] It is not generally possible to write enforceable contracts with candidates contingent on behavior once in office.[14] The sovereign ability to "fire" an incumbent rests with voters *en masse*. Voters may, for example, choose to vote against an incumbent based on the state of the economy or the outcome of an international dispute (Ferejohn 1986, Downs and Rocke 1994.) Elections create some ability to punish moral hazard, if only at particular times, and only on the basis of observable outcomes.

But outcomes observable to voters -- the economy, war casualties, etc. – may be only weakly related to politicians' actions. This limitation is particularly acute for legislators, who are but one member in one chamber of one branch. If politicians have minimal influence over the outcomes voters react to, the incentives that offset moral hazard will also be minimal. Achen and Bartels (2012) argue that voters engage in this kind of "blind retrospection," resulting in punishment without accountability.

A deeper issue is that "the voters" are a large, heterogenous group. In Ferejohn's (1986) formulation, for example, the absence of a majority rule equilibrium in a heterogeneous electorate undermines voters' ability to limit moral hazard via retrospective voting. One might infer that politicians are constrained by voters' preferences only on uncontroversial issues.

Moreover, a group that does not encompass the entire electorate will have even less leverage. It can threaten punishment – withholding campaign resources, recruiting a challenger -- but attempting to unseat an incumbent member of Congress is often a fool's errand, damaging itself and its own policy demands more than the offending politician.

Limited ability to police moral hazard makes adverse selection more acute. Adverse selection occurs when low quality agents are drawn to situations in which their shortcomings will not be punished. For example, a job in which the employee is shielded from at least some of the consequences of being rude to customers (moral hazard) may be particularly attractive to employees who are prone to rudeness (adverse selection.) Adverse selection is famously

---

[13] Fearon (2011) points out ways in which voters' inability to police moral hazard by politicians can make democratic institutions unsustainable.

[14] Tomz and van Houweling argue that "pledges" in which groups ask candidates to publicly promise to vote a certain way (e.g. never vote to raise taxes) offer a way to punish moral hazard. We engage this argument in a related paper (Bawn et al 2015).

illustrated by George Akerlof's (1970) "market for lemons" example, in which the incentive to sell a bad car (a "lemon") to an unsuspecting buyer destroys the market for good used cars by scaring away buyers who simply cannot tell the difference. Here again we see how information asymmetries can thwart relationships that would help both parties.

The PoG project's focus on nominations stems directly from the observation that, because moral hazard by politicians is hard to police, the incentive to focus on adverse selection is therefore strong. Bawn et al. (2012) argued that because of the power of incumbency, groups wanting something from government do better supporting the nomination and election of someone they already trust (their agent) than by trying to influence a politician already in power. The broader implication is that if we want to understand the role of organized interests in American politics, we need to look beyond lobbying and study nominations.

Adverse selection can be mitigated by signaling and screening, processes that we will refer to here as "vetting." Signaling involves actions by prospective agents; screening processes are initiated by potential principals. Both signaling and screening are effective to the extent that high- and low-quality candidates respond differently, thereby allowing the principal to learn more about levels of commitment, competence and competitiveness. As we will argue below, the information gleaned from vetting processes is most consequential when transmitted through the organized vouching networks that characterize groups.

The principal-agent relationship we have in mind occurs when a group supports a candidate in an open seat nomination in anticipation that the candidate will champion its interests if elected. Both sides of the exchange ("support" and "championing") take many forms. Support most visibly happens through campaign contributions, but can also come in the form of "ground game" volunteers, campaign expertise, or "field clearing" – discouraging other candidates from entering the race, or encouraging close competitors to drop out. Support generally cannot guarantee nomination – primaries are open to contestation by those who have the resources. But other things equal, support at least weakly increases the chance of winning.

In exchange for support, the group gets a champion. A high-quality champion will protect and promote the group's interests in drafting legislative, forging compromise, intervening with

the bureaucracy, etc. As Hall (1996) observed "Participation in Congress, for the most part, is not a matter of institutional design or authoritative delegation; for the most part, it is a matter of individual choice." The discretion that members of Congress have in deploying their effort drive groups' desire for a champion.

When to Support a Primary Candidate? The Group's Decision

A natural way to think about a group's decision to support a candidate at the nomination stage would be to compare the expected payoff from support with the costs, taking into account uncertainty about whether the candidate is elected, and about their competence and commitment.

This is a potentially complex decision, but patterns observed by PoG suggest reasonable ways to simplify. For our purposes, let g denote the probability that a candidate from the group's party wins the general election, p be the probability that the group's candidate wins the primary, and q the probability that the candidate is a competent and committed agent. Assume that these events are independent. Let V denote the payoff for the best outcome – a competent, committed agent is elected to Congress. Let W denote the payoff if the agent is elected but fails to be competent or committed, and X the payoff if a different candidate from the group's party wins the general election. Finally, let Y be the payoff if a candidate from a different party wins. The principal's expected payoff is thus

$$g[p(qV + (1-q)W + (1-p)X)] + (1-g)Y$$

We focus here on districts that are safe for the dominant party; that is, the typical House race.[15] Thus, $g = 1$. We also assume that the principal's support decision only impacts the agent's probability of winning, it does not alter q, nor does it affect X.[16] Let $\Delta p > 0$ denote the difference the group's support makes in the candidate's probability of winning the primary. These restrictions simplify group's expected gain S from supporting a candidate to

$$S = \Delta p[qV + (1-q)W - X]$$

---

[15] By our criteria, 46/55 (84%) of the PoG races, and all of those referenced in this paper, were safe for the locally dominant party.

[16] Assuming that the group's support decision does not affect the value of X means that the group supporting its favorite candidate does not increase the chance of a truly terrible candidate winning the primary. This is a serious concern in plurality elections and points to the need for strategic coordination, which we discuss in Appendix 2.

We would thus expect a group to support the candidate for whom S is highest, as long as S exceeds the costs of support.

It is convenient to let $W = 0$ as a baseline. This gives

$$S = \Delta p[qV - X] \qquad (1)$$

For many groups, there would be little difference between W and X: a weak agent would not be really any different from any other candidate from the same party: still a reliable vote, but nothing more. In these cases, X is also effectively zero, and the expected return from support the group boils down to the value of an effective champion (V), discounted by the impact of support on winning (Δp), and the likelihood that the agent is high quality (q.) In cases where a poor agent would be better than the likely alternative primary winner ($X < 0$), there would be an additional incentive to support the candidate, even if their commitment and or competence was in question.

In (1), q represents standard principal-agent uncertainty about commitment and competence. But Δp is not exactly the same thing as "competitiveness." As we have been using the term, competitiveness is the probability of winning the primary conditional on the group's support, not the difference that support makes to this probability. That is if $\Delta p = p_1 - p_0$, the narrative has been about p_1, whereas the decision rule references Δp.

But this discrepancy may not matter in practice. Most serious candidates in the PoG races had campaigns clearly anchored in support from an identifiable group, a group whose support necessary to the candidate's viability, and often critical to the candidate's decision to enter the race. [17] That is, without support from the anchoring group, p_0 is near zero, making Δp close to p_1

Moreover, concern for competitiveness often boiled down to whether the candidate's campaign organization was professional enough and functional enough to put support to good use. For example, a source familiar with EMILY's List said

> We look at viability. Before we endorse anybody, we always feel like we've looked at the budget, looked under the hood of the campaign [EL-1: 38]

---

[17] Of the 55 PoG nomination winners, 3 had no anchoring sort group. These were: disgraced former governor Mark Sanford (SC-1R), and self-funders Vance McAlister (LA-5R) and Curt Clawson (FL-19R) All won special elections; none remain in Congress. Our information on these three special elections is weak, based almost exclusively on newspaper coverage.

On the subject of what an advisor might find "under the hood" of a campaign, some examples were elaborated

> [Sometimes] you can say, 'This person really is letting their personal ideology maybe get in the way of winning…' There's tons of those problems, be it a campaign manager who's not speaking to a finance director, or direct mail that doesn't drop on time, or the messaging in the direct mail not reflecting the research, or the targeting of the TV, or the direct mail not reflecting the science that we know in the voter file. EL-1: 38]

In addition to the quality of the campaign organization, candidates might also have private information about their own willingness to devote time to campaigning, other potential sources of support, etc. – all issues that affect Δp.

3. Groups, Organization and Cooperation

Our overall argument is that organized groups are more effective principals than unorganized voters. The effectiveness of groups in supporting their agents means that nomination contests (and ultimately Congress) will be dominated by group champions.

This raises the question of what we mean by "group." One might think, for example, that any set of citizens with a shared interest would count as a group. For our purposes here, however, there is an additional requirement: when we say "group," we mean that the set of citizens is *organized* in the minimal sense of having solved an ongoing cooperation problem.[18]

When scholars write about "voters," they are generally thinking of individuals acting and thinking on their own. A set of voters may respond similarly to the same incentives and react similarly to the same information, but they do so independently. For our purposes, if these same individuals coordinate with each other -- that is, if their individual choices take into account the actions of others in mutually beneficial ways over extended interactions -- we would consider them to be *organized*, to be a *group*.

---

[18] We use "organized" and "group" in somewhat different ways than Grossman and Helpman (2001). For us, being organized and being a group are the same thing. For Grossman and Helpman, a group means simply having a shared interest and an organized group is "a body that takes action on behalf of its members." The informal vouching network we describe in the case of LA-6 below meets our definition of organized – the donors had ongoing cooperative relationships – but would fail theirs.

This way of thinking about what it means to be organized draws on two often-linked concepts: cooperation and coordination. Cooperation draws our attention to the gains made possible when individual decisions account for more than myopic short-term self-interest, e.g., when individuals organize for collective action. Coordination draws our attention to the fact that the games we typically use to analyze cooperative equilibria (Assurance, Repeated Prisoners' Dilemma, social matching games) also have equilibria in which cooperation does not occur.

This point about multiple equilibria is important because it reminds us that we should not expect cooperation problems to be solved just because the incentive to solve them exists (Schelling 1978.) A set of voters with a collective incentive to organize will not necessarily do so. Path dependence and other arbitrary forms of focality affect which interests are organized and which are not, thus our interest in comparing the relative efficacy of unorganized voters and organized groups as principals in nomination contests.

By defining the organized as those who successfully coordinate for mutual benefit in ongoing relationships, we make the claim that the organized are more effective than the unorganized almost tautological. We believe our definition comports with ordinary usage, however, and that its implications are therefore worth exploring.

We want to emphasize that we are not arguing that voters *as individuals* are unable to function as strategic actors, rather we are drawing a distinction between individual voters acting independently as principals and those who organize to do so jointly as part of a group.

The organized groups who participated in the PoG nomination contests vary along many dimensions. Some are dense networks of people who interact frequently in a common social environment, such as groups of local party activists, church congregations, unions or members of local business communities. Others are formal organizations with offices and staff who communicate at a distance with dispersed followers who mostly do not know each other personally (EMILY's List, Club for Growth). Some groups (unions, party organizations) participate frequently and actively in nomination contests, discouraging and encouraging candidates in efforts to shape fields. Others play a more reactive role, participating only because a candidate linked to them has decided to run. Some have clearly political goals

(electing a pro-choice woman, lower taxes); some are organized for primarily social, professional or religious reasons. Here is a politician's eye view of one such group:

In [this city] Rotary is very key group, meets every Tuesday. Ninety people come every Tuesday — some of the most influential bankers, business owners, retired doctors…   It's a really great network. You can get a lot of support by going to the Rotary meeting on Tuesday and announcing something and hanging around afterward and shaking a lot of hands … and walk away with cash and support and lawn sign locations and promises to host events at their house or their business. That sort of structure … was going to be a big advantage for me. [MI-4_01B, 29:25]

The benefits of the Rotary Club to this potential agent are obvious, but benefits to Rotary members should be noticed as well: Regular contact with at least one and most likely several aspiring agents and hence the opportunity to make an informed choice at election time. Although the Rotary Club is organized for purposes other than politics, members are advantaged as political principals by the opportunity to gain information about candidates' competitiveness, competence and commitment.

Groups and Knowledge

One reason why organized groups are effective principals in nomination contests is that they often have good information about candidate commitment, competence and competitiveness *ex ante*. That is, they can identify candidate for whom q is high with no additional screening or signaling needed.

Political Experience of Winnable Open Seat Nominees

State Legislative Experience		31
Other Elected Office		13
Other Working Political Experience		
	Legislative/Executive Staff or Advisor	5
	Private projects	4
None		2
		55

In many cases, groups have prior experience working with their candidate on political projects. Many PoG candidates had previously served in the state legislature, others in local government. Looking just at the 55 winners, we see that 80% (44/55) of our open seat primary winners had experience in some prior elective office. Others had served as political staff or

advisors, and four had significant experience working on projects related to their core group's goals.[19]We are not claiming that all candidates who served in the state legislature revealed their commitment and competence levels to their key support groups. Indeed, in at least two of the 31 cases, we suspect not. And experience in elective office can mean many other things. Hirano and Snyder (2019) use it as a generic proxy for the "neutral competence" advocated by Progressive reformers. But our interviews indicate that candidate experience in office gives groups information about less neutral competence as well, information about the candidate's ability to deploy competence for the policy goals of the group.

A Michigan Republican party official explained why groups are drawn to candidates who have served in the state legislature

> they know where that person was when the issue was a hot issue. This other person may say all the right things, but we don't know what it's like when they're under fire. The person who's been in office has been under fire on tough votes and we know how they came down. [MI-04_08 27]

We heard similar comments from a union leader in CA-35, about candidate Norma Torres

> Norma has been with us through some battles... It's one of those things, you go through your toughest times and it's who was there with you. She not only voted right but worked hard. [CA-35_06:41]

And from a participant in NC-7 about candidate David Rouzer:

> We had some issues and went to [Rouzer] at the state level and he tried to help us fix 'em and was on our side, understood our issues, and very good to work with. And being in Congress, which I'm sure he will be, I can actually get on the phone and call him on his cell phone, I mean I know him that well [NC-07_02:7]

In IA-1D, unions worked closely with winning candidate Pat Murphy when he presided over key labor legislation as Speaker of the Iowa State House. Not surprisingly, unions formed the backbone of Murphy's support. Labor was not unified in this race, however. Trade unions in Cedar Rapids supported second-place candidate, Monica Vernon. But, here too, support was

---

[19] Two were church leaders, one a longtime party activist and one a leader in the local Chamber of Commerce.

based on their experience working with Vernon as a member of the city council member in rebuilding Cedar Rapids after catastrophic flooding.[20]

Other candidates were able to develop positive relationships with key support groups by working on projects in appointed office, or as private citizens. In AR-2R, for example, businessman French Hill had never held elective office, but had been president of the Little Rock Chamber of Commerce, and had been involved in number of community projects. As a successful banker, Hill had worked with most of the local business establishment on private projects as well. The Little Rock business community had very little uncertainty about Hill's commitment or competence.

Consistent with the above quotes, unions and business groups generally had working political experience with the candidates they supported. Ten of the Republican nomination winners were supported by business groups and/or local party organizations dominated by business (Bradley Byrne, French Hill, Mimi Walters, Buddy Carter, Garrett Graves, Mike Bishop, Brian Babin, Steve Knight, David Jolly, John Moolenaar.) In all of these cases, the business community had worked previously with the candidate. Six Democratic winners ran campaigns anchored in union support (Norma Torres, Mark Takai, Ruben Gallego, Brendan Boyle, Pat Murphy, Donald Norcross.) Again, all had previously worked with their supporting unions on political projects. These rough patterns hold in the broader set of viable candidates as well.

Groups can also cultivate working relationships with politicians by mentoring them early on. Many groups develop human capital within their networks by hosting candidate training seminars, and other events that encourage and prepare people to run for office. Various groups mentioned this type of activity in passing: these sessions are generally geared to people contemplating a run for state or local office, not for the congressional races we studied. But they are germane. By mentoring ambitious politicians at an early career stage, these training sessions bring political talent into the group network and give the sponsoring group excellent information about commitment, competence and some aspects of competitiveness. When

---

[20] Unless otherwise stated, the candidates we use as examples in this paper are serious ones – candidates who worked hard at running and who were considered genuine contenders by local observers and participants.

asked about the possibility that a candidate might mislead them about commitment or competitiveness, our source at EMILY's List cited these long-term relationships as a defense

> Often you're with these people enough that, like, you're drinking wine across their kitchen table and you sort of get to know their character a little bit too, so if you think that might be the case you might, you know, raise the flag.

While endorsements are made through a formal process, the same source said, they reflect

> on-the-ground intelligence about that race. Some of these women we have a long relationship with, starting when they were in the state house. We know them. In some cases, we can say we know this person, we know that they run a good campaign, fight hard, and have a great shot at winning this district

Relatedly, Hertel-Fernandez (2019) documents in detail how conservative networks, centered around the American Legislative Exchange Committee (ALEC), State Policy Network and Americans for Prosperity use seminars and training sessions for newly elected state legislators to not only build competence but also cultivate commitment to conservative ideals.

Groups and Vouching Networks: PA Relationships Within Groups

A second reason why organized groups are effective principals is because information is a collective good. At minimum, group members can share their individual knowledge of candidates with others in the network. As we will discuss below, many groups go beyond sharing of private information, and vet candidates through institutionalized screening processes. But the real power of group vetting comes from what we will call "vouching:" the spread of vetting information through the group network.

What puts one person in a position to vouch for a candidate to another potential supporter? Lupia and McCubbins (1998) use the principal-agent framework to explore precisely this question. In their analysis, a principal delegates a choice (e.g., support the candidate or not) to an agent when the problems of moral hazard and adverse selection have been adequately addressed. That is, the decision to accept an acquaintance's vouching requires contending with uncertainty about the preferences and capabilities of the person doing the vouching, just as one would otherwise contend directly with uncertainty about the preferences and capabilities of the candidate.

A highly effective way to solve one P-A problem (support a candidate who will champion your interest) is thus to have already solved another (have an acquaintance whose political advice you trust.) Members of politically active networks have solved the second problem.

Group networks help solve P-A problems by reducing uncertainty in two ways. The first is obvious: interaction within the network reduces member's uncertainty about each other's preferences and capabilities. The more people interact with each other, the less uncertain they are about each other's preferences and capabilities. Principals are (rightly) comfortable delegating to agents they know.

Second, the ongoing nature of group cooperation means group members share a future. The prospect of future interaction can lead them to trust each other's vetting and vouching. Reputations within networked groups are valuable assets, and the incentive to maintain one's reputation looms large. Some of the donors we spoke with described instances when they wrote checks for a candidate, but declined to hold fundraisers. The concern was the reputational damage of recommending an unimpressive candidate to their friends. A regular host of fundraising dinners addressed this directly and emphatically

> *[PoG: You might be the kind of person who would hold a dinner party for someone?]* Yes, if I liked them and thought they were gonna be a good candidate. *[PoG: Would you need to meet them first?]* Oh yeah! You don't want to be recommending somebody to your friends who you don't know anything about! You check 'em out, you find out what their record is, you meet 'em you get to know 'em. Then you say to your friends, I checked this guy out, or this gal out. Usually with fundraisers, they make the commitment that they're gonna write a check before they come to the dinner and they've never met the person. They really rely on the host. [FL-13_4: 53]

The logic by which reputation makes vouching credible relies on the group as an ongoing cooperative network: my reputation is valuable to the extent that I will interact with the same people in the future. In PA terms, damage to one's reputation would be an example of an "ex post sanction" that would deter the moral hazard of frivolous vouching.

Just as we observed many types of organized groups, we also observed many forms of vouching networks. In some cases, vouching takes the form of official public endorsements, sometimes from national groups like EMILY's List or Club for Growth, who systematically publicize support and encourage donations from national membership rosters. Local

organizations like specific unions or party organizations may also have institutionalized endorsement processes. Many other networks were less formal, transmitting information through conversations with professional acquaintances, members of the same church, the same community and party networks. The case to which we now turn demonstrates the mechanics of vetting and vouching by an informal but influential network.

4. Fundraising With and Without Vouching Networks

The nomination contest in LA-6 (Baton Rouge) began early in 2013 when Republican incumbent Bill Cassidy announced that he would not run for House re-election in order to challenge vulnerable Democratic Senator Mary Landrieu. Paul Dietzel, an electoral novice with no ties to any political groups, was the first candidate to enter the race. He began an aggressive fundraising campaign in May 2013, for the primary 18 months later (November 2014.) Dan Claitor, a three-term state senator, entered in January 2014, followed in late March by Garrett Graves, a former congressional staffer and state administrator specializing in issues of coastal development and protection.[21]

Though Dietzel lacked electoral experience or any real record of accomplishment, he had two important assets. First, as the grandson and namesake of a famous LSU football coach and, his name was widely recognized both by voters and by business donors in particular. Second, many observers described Dietzel as an exceptionally likable and energetic fundraiser. Dietzel worked systematically through lists of donors to previous campaigns, calling, visiting, and buttonholing everyone he could. One source, described as a top party fundraiser, told us that he initially declined Dietzel's requests, but eventually (worn down by repeated importuning) made a personal contribution despite the candidate's inexperience. This source, however, did not sponsor a fundraising event for Dietzel, as he often had done for candidates in other races. Another source, also a regular party fundraiser, said that he made a personal contribution to Dietzel because he found him to be "a good Christian businessman," but also declined to sponsor an event.

---

[21] Five other Republicans also sought nomination, but Dietzel, Claitor, and Graves dominated the contest, raising the most money and winning the largest shares of the Republican vote.

The second major candidate, Dan Claitor, was described by several sources as one of the hardest working politicians in the state legislature. He was said to be an independent thinker, someone who would read every major bill, listen thoughtfully to all sides, and reach his own fair-minded conclusions. A veteran journalist told us that Claitor is known for "pushing good ideas that everyone recognizes as good ideas" despite being politically infeasible, and for trying to "stop bad ideas that can't be stopped." Claitor's fundraising did not go well; business donors were not enthusiastic. Realizing early on that he would likely have trouble raising money, Claitor concentrated on mobilizing personal connections from his state senate district. He claimed to personally know some 20,000 people and was confident they could furnish enough votes to place him at the top of the fractured field.

The third candidate, Garrett Graves, had spent 15 years as legislative staff for several Louisiana members of Congress, specializing in maritime issues such as flood control, energy development, and river transportation. In 2008 he was appointed by Governor Bobby Jindal as Chairman of the Coastal Protection and Restoration Authority in Baton Rouge, where he oversaw development of a state master plan for the coastal area and the BP cleanup. Graves was widely praised, in public sources and in our interviews, for his performance in this position. He resigned shortly before entering the congressional race that already included Dietzel, Claitor, three additional Republicans and three Democrats.

At the time that Graves entered the race, Dietzel's months of relentless effort had him leading the field in cumulative fundraising. As Figure 1 shows, however, Graves shot ahead almost immediately, raising more money in two months than Dietzel had in a year. By the November primary, Graves had more than twice Dietzel's money. He finished comfortably at the top of the Republican field, and bested the leading Democrat in the December run-off.[22]

---

[22] Louisiana's "primary" is held on the first Tuesday after the first Monday in November, that is, on the day that the rest of the country holds the general election. Multiple candidates from all parties compete on the same ballot. A candidate who receives a majority of votes will be declared winner, but if no candidate receives a majority, there is a run-off in December.

Figure 1
Raising Funds in LA-6 With and Without Networked Vouching
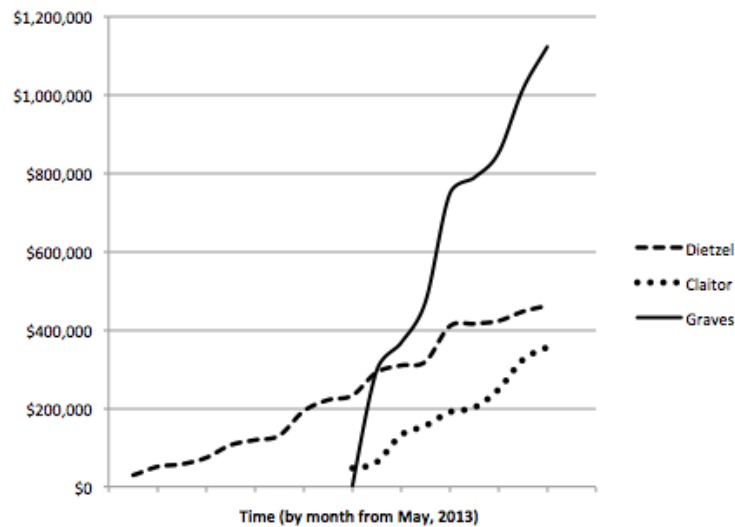
Graves's fundraising success was bolstered by support from a maritime business network centered around Lane Grigsby, semi-retired as CEO of a large and diversified maritime construction firm but still very active in politics.[23] Data journalists for the New Orleans *Times Picayune* found Grigsby's personal network of donors to be the third largest in the state, just behind the state Democratic Party and just ahead of the state Republican Party.[24] Grigsby estimated that he could raise up to $250,000 for a candidate from his family and business associates, and another $250,000 from other connections, magnitudes consistent with other reports. To put these figures in perspective, median primary spending among all 2014 winnable open seat candidates who received at least 10% of the vote was $460,108.

Grigsby observed that any of the plausible LA-6 candidates would vote "the way they should" in Congress. That said, he had been dissatisfied with the field prior to Graves's entry, characterizing Dietzel as "really not worthwhile" and fifty-something Claitor as too old and lacking in energy. Grigsby said he had tried unsuccessfully to recruit some half-dozen candidates to the race, including one he was ready to support before commissioning research

---

[23] Unlike most PoG sources who were happy to be promised anonymity, Grigsby expressed a clear preference for being quoted by name, and we respect his wish.
[24] http://www.nola.com/politics/index.ssf/2013/11/louisianas_top_400_political_c.html

that turned up a disqualifying skeleton. But after describing these failed efforts, Grigsby brightened, saying that he might be able to support Garrett Graves. His main concern was that some of his company's executives felt Graves had made "blunders" in his work as coastal administrator. Grigsby had arranged a meeting, scheduled for the next day, for Graves to meet his executives and to discuss the alleged mistakes. The meeting, as Grigsby described in a follow-on interview, went well.

> He gives his stump speech, and they ask questions *[PoG: What were the questions about?]* Issues that are interesting to them as individuals or us as a corporation… further refinements of positions he might have had… or about coastal recovery or programs for coastal recovery which he led first… they were questions about issues they he might have to vote on as a congressman [25]

The meeting lasted about an hour, with a third of the time spent on Graves' plan for winning the seat, a third spent on issues of national politics, such as abortion,[26] and a third on particular maritime issues. On the most important of his supposed blunders, Graves admitted error, but said he had acted on incorrect information from subordinates whom he had subsequently fired.

> We named the names and we named the instances and he [Graves] said, "egg all over my face, I listened to what staff was telling me, when you brought it back up I went and looked at it, absolutely we were wrong, that person has been terminated." … And they [the executives] went back and checked up on his answers… They came back later and said, "You know, he did fire that guy."[27]

After Graves left, Grigsby said he would be supporting him and that others wishing to do so could leave checks on his secretary's desk. Grigsby framed his recommendation in these general terms:

> Hey, you know, your income stream is a function of how well we do as a business, my engagement in the community helps our business, I would ask you to make a personal sacrifice…

---

[25] LA_08 164:18.

[26] Grigsby suggested that some of the conversation was about abortion because "some of them [the executives] are more interested in right to life than I am." That said, none of the LA-6 Republicans took anything other than a solidly pro-life position.

[27] LA_08. 166:46.

Grigsby emphasized that his executives were entirely free to follow his recommendation or not, as they saw fit. But many followed his lead. After calling everyone with reminders, his secretary collected about $100,000 in contributions to Graves, including some contributions from Grigsby's family. In addition, Grigsby said that he relayed his support for Graves to two leading electrical and mechanical contractors who tended to follow his advice. He said he would likely bring Graves before five PAC boards on which he has influence.

As things worked out, the maritime sector provided a significant portion of Graves's funding. Sampling contributors from FEC records, we found that about 52 percent of Graves' funds came from individuals or PACs with connections to the maritime sector (based on coding of profession and employer information.) Comparable estimates of maritime donations are about 30 percent for Dietzel and 6 percent for Claitor (over much smaller totals.)

Of course, the money Graves raised from maritime interests includes donors outside of Grigsby's network, as well as those inside. And some of Grigsby's associates would likely have given to Graves even without Grigsby's endorsement. Indeed, principal-agent logic suggests that the maritime industry would regard Graves as a promising agent based simply on his record at the Coastal Protection and Restoration Authority, no extra screening necessary.   But the story of Graves's meeting with Grigsby's executives helps us understand what characteristics the maritime construction network was screening for.

Graves's competence, commitment and competitiveness were all on the agenda in meeting with the maritime construction executives. In Grigsby's recounting, Garrett's plan for winning was part of the discussion at the group meeting; he made a pitch that he had a plan to win such that support would not go to waste (Δp was sufficiently high.)   The most critical issue was how Graves responded to challenges regarding his past decisions. The alleged "blunders" meant that q was not as high as it could have been before the meeting: the maritime construction network had doubts about either Graves's competence or his commitment to their interests. The group meeting constituted effective screening to the extent that the answers Graves gave – "egg all over my face .. that person has been terminated" were not something that a low-quality agent could fake. Their ability to verify that the offending employee was indeed terminated may have helped.

It is worthwhile to contrast Graves's success in running as a maritime business champion with the strategies used by the other candidates. Paul Dietzel's energetic fundraising exemplifies the personal ambition that many political scientists see as driving political outcomes. But in terms of conveying helpful private information to potential supporters, Dietzel's efforts met mixed results. Sources were impressed with his energy and ambition, which they may have taken – in combination with the famous name -- as evidence of competitiveness. But it did nothing to convey competence or commitment to any group seeking a champion. Similarly, Dan Claitor's record as a thoughtful, fair-minded legislator may have signaled competence within his large circle of acquaintances, perhaps also commitment to the common good. But his reputation as an independent thinker would seem to indicate absence of commitment to any group: Claitor was unabashedly nobody's champion. In terms of our model of the group's decision, q would be low for both.

The fact that neither Claitor nor Dietzel could convincing pitch themselves as champions to individual potential supporters is one possible reason why they trailed Graves first in fundraising, then in votes. But an even more significant difference is likely the fact that the principals Graves appealed to were well-networked.[28]

The LA-6R race offers an unusually stark contrast between fundraising based only on candidate effort and fundraising anchored in a networked group. Grigsby is, to be sure, an atypical player, but it is not clear how atypical. What may be most unusual about him is his willingness to speak at length with us about his political activity.[29]

LA-6 was also somewhat unusual in that two of the three main candidates managed to raise money and get votes without (as far as we can tell) without support anchored in a group that exists independently of the candidate. Claitor, of course, used his own network from state legislative races, and Dietzel was trying to build up such a network, but a candidate-centered support networks is different from the kind of independent groups that we are thinking of as principals.

---

[28] See Patterson 2018 for a systematic study of the roll of networks in congressional primaries.
[29] We identified donors in three other races who appeared from our sources to be leaders of networks similar to Grigsby's, but they did not respond to our interview request; a fourth did respond but could not find an agreeable time to meet. It is likely that there are other such super donors whom we did not hear about and so could not contact at all.

5. Vetting for Commitment and Competence

We now briefly describe two other races, both Republican primaries in Alabama. These races offer less insight into the role of vouching networks. But they illustrate successes and failures of principal-agent relationship in ways that highlight the importance of competence.

In both AL-1 (Mobile) and AL-6 (Birmingham), large multi-candidate fields in primaries resulted in runoffs between an establishment and a non-establishment candidate, that is, between an ideological moderate and an extremist. The establishment candidate won in the 1st district and the insurgent in the 6th. More important for our purposes, however, is the difference in candidates' abilities to gain the support of groups who would seem to be their natural principals.

AL-1: The Workhorse vs the 'Ted Cruz Candidate'

The establishment candidate in AL-1, was Bradley Byrne, a former Democrat, who made his reputation as a tough minded, pro-business reformer of the state community college system. The Alabama business community had supported Byrne for the Republican gubernatorial nomination in 2010, but he lost to a populist outsider. Following this defeat, Byrne returned to a law practice but stayed involved with the Chamber of Commerce on a variety of projects until entering the House race. "He [Byrne] was always part of the Chamber of Commerce crowd," said one of our sources.[30] "The corporate community knows Bradley Byrne, likes Bradley Byrne, that's been in place for years," said another.[31]

The insurgent candidate, Dean Young, had political roots in evangelical churches. His political experience was as an aide to Roy Moore, the controversial Chief Justice of the Alabama Supreme Court. Echoing remarks of several others, one source said that Dean

> … was at every Christian conservative bible study group that met on Wednesday night … a whole bunch of people who don't normally vote in a special election were there voting for Dean Young ... If you're in a fire and brimstone congregation, you know Dean Young personally.[32]

---

[30] AL6-2. 39:50
[31] AL6-8 24:10
[32] AL6-2. 46:50

Beyond the large differences in their support coalitions, the two candidates presented radically different styles. Where Byrne described himself as a "work horse," Young told would-be supporters that, if he were elected, they should get

> a big ole thing of popcorn and a big Super Gulp and lean back and turn on C-SPAN. Because I promise you, I will stand on the floor of the House and stand for the principles that we believe in that made this nation great.[33]

FEC records document the candidates' different support coalitions. Not surprisingly, 78 corporate PACs contributed $250,000 to Byrne, while none gave to Young. We also observed significant overlap between contributors to Young and to Roy Moore in his recent election campaign for the state court.

The AL-1 runoff was for a special election late in 2013. It took place in the shadow of a 17-day partial shutdown of the federal government that reflected the business/Tea Party split in the GOP. Pundits across the country saw the Byrne-Young contest as a test of strength between these two factions. "In Alabama election, a showdown between the GOP establishment and Tea Party" and "Establishment Republicans Declare War on Tea Party" read headlines in the *New York Times* and *Time* magazine.

But despite this frame, policy differences between Byrne and Young were muted in the public campaign. Byrne, as noted, promised to be a work horse for the district. Young promised to be "the Ted Cruz Congressman," but spoke little about policy. When the candidates were asked in a public debate for their positions on the recent government shutdown, both gave short answers and moved on. "[T]he campaign isn't about policy—it's about style," said the *Daily Beast.*[34] "Easily overlooked in the establishment vs. tea party storyline is that both candidates have virtually identical positions on the high-profile issues at the core of Capitol Hill dysfunction," reported the Associated Press. "The contrast between the two is largely cosmetic," said *Mother Jones.*

---

[33] "GOP Frets over Alabama Contender." Alex Isenstadt, Politico, November 3, 2014. Downloaded 11/19.

[34] "Alabama's Republican Runoff Election May Predict the Party's Future," Ben Jacobs. Downloaded 11-2-19

Byrne's spending advantage was enormous: about $830,000 in the runoff, compared to Young's $53,000. About $100,000 of Byrne's total came from the national Chamber of Commerce. As for Young, MSNBC reported,

> While the GOP cavalry is riding in to protect Byrne, national Tea Party and conservative groups haven't shown up for Young – and he's clearly frustrated and puzzled by their absence.
>
> "Where are y'all? Because we've got the classic battle taking place down here," Young said on Wednesday. "We've got the people; we just don't have the resources [Byrne has] with establishment groups …. That's very difficult to swallow."
>
> Club for Growth says they're watching the race, and FreedomWorks hasn't waded in. Another outside group, the Now or Never PAC, has polled the race… [but] says they haven't decided yet whether to jump in on Young's behalf.

None of these groups ended up supporting Young. Particularly disappointment was that, despite Young's promise to be a "Ted Cruz congressman," one of Cruz's PAC backers came into the race for Byrne. Said the president of the Stop Spending Now PAC:

> It's a great talking point to say you'll be like Ted Cruz. But Ted Cruz is a very smart, a very thoughtful person. And we think Bradley Byrne is better on all of these points."[35]

The vote was much closer than one might expect from the enormous spending difference. Byrne won with 52.5 percent. It is easy to imagine that Young would have won if he had received the hoped-for support from the GOP's far right PACs and donors. Hence, their reluctance to accept Young as their agent emerges as the pivotal factor in this intraparty showdown.

AL-6: The Yes-Man vs. the Competent Conservative

In AL-6 (Birmingham), the GOP's establishment wing supported Paul DeMarco in the primary. Demarco, a young state legislator, epitomized the notion of the ambitious politician even more than Paul Dietzel in LA-6. He had been working the congressional district (which overlapped his state legislative district) for years, meeting people, listening to and handling their problems. Said the leader of a trade association that endorsed DeMarco:

---

[35] "Dean Young vows to be 'Ted Cruz Congressman,' but pro-Cruz PAC backs Byrne." AL.Com, November 4, 2013, Downloaded 11-2-19.

> [DeMarco] has really worked hard to get to know our folks. …. Making time to get out and meet with the board, spending time, getting to know their issues … He does his homework.[36]

Said another source of DeMarco:

> He's a hustler, a grinder, smart guy. But always less ideological …. he's known as the guy who, if there's more than three people meeting in his district about anything, Paul's there... When it was not campaign time, Paul was still out working the district. Always visible, always looking for ways to keep his name prominent.[37]

Yet none of our sources spoke of DeMarco as a champion of business and several mentioned the downside of his intense ambition. One observed that DeMarco "passed a lot of bills" but was never a coalition builder:

> It was much shallower than that... It was never a bill that made one group mad. It was always, 'What can I pass that makes everybody happy?'

> He was never somebody where, if it came down to being in the fox hole, he would be there with you.[38]

The result was that business support for DeMarco was, as several of sources commented, was consistent but tepid. They supported him, but mainly as someone who could beat the insurgent candidates who were seen as a serious threat.

The most worrisome of the insurgents was Scott Beason, a state legislator whose two signature legislative achievements were anathema to business. One bill made it difficult to hire undocumented immigrants and the other permitted employees to store guns in their cars in company parking lots. Unsurprisingly, perhaps, Beason raised even less money than Dean Young. He ended up finishing third in the primary, thus missing the runoff. A second conservative, also unacceptable to local business, was Chad Mathis, a physician who had entered early with endorsements from Club for Growth and FreedomWorks. Mathis was well-funded but proved an inept campaigner and finished fourth.[39]

The non-establishment conservative who did make the runoff was Gary Palmer, head of the Alabama Policy Institute (API). As a young man in the 1980s, Palmer had traveled to California

---

[36] AL-1 3:50, 6:40

[37] AL6-6a 1:40, 2:10, 4:00

[38] AL6-8 13:40, 15:00

[39] Club for Growth endorsed Mathis early on, when he entered as a primary challenger to incumbent Spencer Bacchus, that is, before the race was for an open seat.

to study with James Dobson, a conservative psychologist, who later founded Focus on the Family. Like other Dobson students, Palmer returned to his native state in order to set up a think tank specializing in family issues, broadening in the 1990's to include economic issues as well. By 2014, Palmer's API had a full-time staff of nine experts turning out reports touting free market solutions to a wide range of state problems. It was, moreover, a respected policy advisor to the poorly staffed Alabama state legislature, with Palmer himself as lead fundraiser and top policy wonk.

Palmer was thus a quite different candidate than Dean Young in AL-1, but in the primary, Palmer saw similarly little support from business. Eight corporate PACs contributed $37,000 to Palmer, while 71 contributed $235,000 to DeMarco.

Anti-establishment groups reacted more favorably to Palmer, however, than they had to Young. Club for Growth, which had shunned Young, gave Palmer a second interview when he made the runoff and, after taking time to study his position on taxes, made an endorsement that, by our estimate, was worth about $300,000.[40] The wealthy donors to Palmer's Alabama Policy Institute were another big source of funds.   As a source commented, Palmer didn't need to ask the API donors for money for his House campaign; he only needed to tell them he was running.

And once Palmer advanced to the runoff, the GOP's establishment wing also reacted differently than it had to Young. As one source said during the runoff:

> Normally, when the Club for Growth gets in big behind a candidate, the [national] Chamber is coming in right behind to get behind somebody else… I don't think that's going to happen [here]…. I think they're going to say, 'we're fine with either of these guys.'[41]

Another source offered a similar view:

> There are corporate givers to the [Alabama] Policy Institute that are the mainstream corporate people in this country. … It would not surprise me that if Gary has the influence with those people that they're on the phone saying, "Stay out of this race. Gary will be just fine: he's a reasonable person, he's not Dean Young…. You all can live with the outcome of this race."[42]

---

[40] Based on individual contributions for which Club was the conduit and on the Club's independent expenditure advertising.

[41] AL6-9. 19:00

[42] AL6-5. 38:40

The national Chamber of Commerce – which had strongly supported Byrne in AL-1 -- did indeed stay out of the 6th district runoff. In contrast to Dean Young, who had lagged far behind Byrne in fundraising, insurgent Palmer actually raised more money than establishment DeMarco in the AL-6 runoff. Palmer won the runoff with 64%.

We obviously can't know how Dean Young and Paul DeMarco would have behaved if they had been elected to Congress, but it is worth noting that the two winners conformed to expectation. Palmer's voting record, as reflected in a DW-NOMINATE score of .715 is the farthest right in our set of cases, while Byrne's score of .607 is near the middle of the Republican pack.[43] In addition, Palmer joined the anti-establishment Freedom Caucus, whereas Byrne joined the more establishment Republican Study Group.

Our principal-agent logic implies that the more important differences between Byrne and Young, or between Demarco and Palmer, would be in their behind-the-scenes activities, in their priorities, in whose problems they would allocate attention and effort to. While the journalists we quoted above were correct on the facts – Byrne and Young differed little in their public issue positions or the priorities articulated in their campaigns – we believe they are wrong to conclude that the actual differences were "cosmetic" or merely "about style."

The four candidates in these two runoffs were plausible agents for organized groups that participated in many Republican primaries. All sought to establish successful relationships. The outcomes ranged from:

- *Solid success for Byrne*. The Chamber of Commerce, and the Alabama business community knew Byrne. They had a pre-existing relationship from the gubernatorial race and experience working together. They were confident in his commitment and competence (high q), and their broad support was enough to make him competitive (high Δp.)

- *Solid but delayed success for Palmer*. While national conservative groups may not have had as much direct experience working with Palmer as the business community had

---

[43] The NOMINATE scores of the incumbents Byrne and Demarco replaced were very close: 0.367 for Jo Bonner in AL-1 and 0.387 for Spencer Bachus in AL-6.

with Byrne, his record at API established his commitment to conservative ideals and his competence. As an electoral novice in a crowded field with other insurgents, his competitiveness may have been a concern (low Δp), but this was laid to rest once he made the runoff.

- *Transient success for Demarco.* In the primary, when the business community's priority was to stop Beason, Demarco's competitiveness – earned from his strong voter outreach in a state legislative district that overlapped significantly with the congressional district – made him an appealing agent. This is a case where X, the expected payoff if the agent loses, was large and negative, due mostly to concerns about Beason. But in the runoff, with respectable Palmer replacing Beason as the alternative, Demarco's lack of commitment (low q) became a concern.

- *(Partial) failure for Young.* There was little doubt about Young's commitment to anti-establishment conservatism. And, the relatively close runoff outcome despite a tremendous funding disadvantage makes it clear that he was competitive. Young failed to attract the support of national conservative groups like Club for Growth because he lacked the competence to effectively pursue their policy goals. But Young did have support anchored in the evangelical network. We were unable to obtain any firsthand reports from the "fire and brimstone" churches that were believed to provide Young's votes, but (as the above quote indicates) it seems likely that a successful principal-agent relationship had formed between them and Young.

6. Screening by Groups

In principal-agent models, both principals and agents have an incentive to take action to mitigate uncertainty about the agent. These incentives lead to "signaling," in which potential agents take action to demonstrate their quality, and "screening," in which principals proactively seek ways to cause agents to reveal their quality. The meeting Grigsby described with his executives and Garrett Graves is one example of screening; we heard about many others. A source in GA-1R, for instance, said that agribusiness groups would use somewhat more formal interviews to decide which of two potentially friendly candidates to support.

> They will have their forums, their private meetings. They will -- I think -- decide which will be the most pro-active for the industry… These farmers are gonna sit down and they're

gonna look at 'em and go, "Hmmm, I don't give a [hoot] what you have to say, I want to know what you're gonna do. And they'll decide who they believe. They'll look 'em in the eye and they'll decide. … *[PoG: What do you mean by 'look 'em in the eye'?]* They'll use their best discernment. That's the key word. Is this guy the real deal or not? Look -- a lot of these businessmen, they 've endured the recession, they've endured the bureaucrats. They endure each other! A lot of 'em can tell a BS con artist when they see one. It's not that politicians aren't savvy and say all the right things. But I think at one point, character shows…*[GA-2:16-23]*

Moreover, this source continued,

This is not just true for the business community. It's also true for the Tea Party; they are very organized in some counties. You have some people who are just there on emotion, but you also have some people who take the time to read and say HB 123 has these positions in it and in our opinion they do X, Y and Z and we want to have a dialogue with you. When a citizens' group -- whether it's a Tea Party or Americans for Prosperity or whoever-- when they say, we have X number of emails and we have X number of followers and we influence X number of votes, the candidate's gonna sit down and talk to 'em. *[GA-2:26]*

Organizations with formal endorsement processes (unions, national groups like EMILY's List) may begin by asking candidates to fill out questionnaires. Effort goes into crafting interview questions and keeping them confidential to prevent candidates from figuring out the desired answers in advance. A source following the IA-1 Democratic race described the process through which the national AFL-CIO develops its screening questionnaire

They look at the issues that are out there that are important for working people and craft a 60-question questionnaire. They go into fairly great depth on the issue in terms of laying the issue out in half a page or 3-4 paragraphs and then ask the series of questions relating to that particular question. They're not at this time, ready to put out the questionnaire for next year because there are things happening like leveraging of the debt ceiling and leveraging of the budget authorization. *[IA-01_10p1: 10]*

The need to keep questionnaire items confidential was also mentioned by a source familiar with EMILY's List.

Screening activities require organization, thus intensifying the information advantage (relative to voters) that organized groups have as effective principals. In contrast, signaling, in which candidates take the lead, offers the possibility of direct communication with voters.

7. Signaling by Candidates

The canonical economic model of signaling is Spence's (1973) provocative analysis of higher education. Spence argued that a college education signals a high-quality job applicant, even if nothing students learn in college helps them on the job. By offering an appropriately challenging hoop to be jumped through, colleges offer potential agents (young job seekers) the opportunity to signal their intelligence, energy, or perhaps simply their willingness to jump through hoops.

The critical feature of an effective signaling strategy is that high-quality potential agents will send the signal, but low-quality ones will not. This is generally taken to imply that signals are effective only when costly. In the education story, the signal works only when the effort costs of a college degree are such that low quality job applicants are not willing to pay them.

Candidates often find soliciting contributions to be costly and unpleasant. Successful fundraising thus signals energy, communication skills, and willingness to do unpleasant work, all desirable components of competence in a legislative agent. Fundraising success also signals competitiveness, important to potential principals wanting to avoid wasting support on a candidate unlikely to win. Many observers of nomination contests pay close attention to FEC filings, using fund-raising reports as indicators of candidate energy and also viability, that is, of competence and competitiveness. Some national groups said they waited for candidates to raise a certain amount of money themselves ($100K was a typical benchmark) before endorsing or otherwise offering support.

As we saw above, Paul Demarco's reputation as a super-campaigner was critical to the support he received from the Birmingham business community in the primary. At that point, business was looking for an agent who could beat Beason. Demarco, described by one source as "a consultant's dream,"[44] fit this bill:

> He had his host lists and whatnot that he was putting out with the invitations. It was very impressive early. You knew right then that Paul — it was evident from his donors list early that that he was going to be able to carve out one spot in the runoff. *[PoG: why that?]* Knowing the players and the donor base and the Birmingham business

---

[44] AL-5 60:43

community… someone like me could look at that list and say "Wow, that's an impressive list." Paul had that early.

As we noted, Demarco was consistently portrayed as the archetype of political science's "ambitious politician," driven by electoral incentives. But for all his district presence and voter-oriented constituency service, Demarco conspicuously failed to signal commitment to the business community or any other organized group.

Signaling commitment is tricky. Issue positions are generally not informative: candidates virtually always present themselves as staunch supporters of their parties' positions on all issues. E.g. every serious Republican candidate, for example, promised to reduce government spending, protect gun rights, repeal Obamacare, work to ban abortions. These issue positions are not costly, and offer no information to potential supporters.

The candidate that Demarco's primary supporters were worried about, Scott Beason, is arguably an example a candidate who successfully signaled commitment. Beason's efforts on the gun rights bill that divided his party were genuinely costly: they rallied his enemies against him. But this costly action is part of how Beason did signal commitment to the populist/Tea Party values of his core support group.

Thus, the difficulty of signaling commitment. No information is conveyed by anodyne expressions of support for issues of agreement within the party. But active pursuit of controversial policies, like Beason's gun bill, creates enemies as well as friends.

In pointing out the risks of signaling commitment, we do not want to imply that it is a mistake. While Beason ended up third in the primary, he was regarded as a serious contender precisely because of his strong support from a Tea Party network. Under slightly different circumstances, he could have won.

Another example costly signaling of commitment comes from California's 45th district, conservative Orange County. Republican Mimi Walters was accused of breaking her Taxpayer Protection Pledge by voting in the state legislature for a bill that would have extended vehicle fees and tire taxes. As reported in the California conservative blog *Flash Report*[45] and other

---

[45] http://www.flashreport.org/blog/2013/06/11/gop-senators-cannella-emmerson-fuller-huff-and-walters-vote-for-2-3-billion-car-tax/

political blogs, the organization behind the pledge (Americans for Tax Reform) confirmed that they considered her vote to be a violation.[46]

Walters was clearly concerned about the costs of this vote. She wrote a justification on a business-and-politics blog shortly after the *Flash Report* story, explaining that it was necessary to extend existing vehicle fees in order to continue a program of subsidies to businesses struggling to meet retrofitting requirements.[47] The heat Walters took from anti-tax networks allowed her to credibly signal commitment to her core support group – the Orange County business establishment. As with Scott Beason's gun bill in Georgia, few things signal commitment better than willingness to take a stand on issues that divide the party.

Signaling to Voters?

Returning to Paul Demarco, one might interpret his focus on district events and meeting constituents as an example of signaling aimed at not at any organized group, but rather at voters *en masse*. The time and effort Demarco put in to attending public events was certainly costly, and by all accounts, was appreciated by the many constituents he came into contact with.

What, if anything, was being signaled is less clear. Perhaps an aversion to organized groups and particularist policy demands? Most likely, Demarco was signaling his availability and willingness to listen to unorganized voters. This is not exactly the same as a committed and competent champion, but may be the best that voters as principals can expect.

How successful might we expect this kind of signaling to voters to be? Serious candidates often spend some time at making themselves available to voters at public events. In the view of local observers, Demarco did much more of this than other candidates, but what made him unusual was the extent, not the nature, of his efforts to connect with unorganized constituents. If the many unorganized voters Demarco encountered at his many farmers' markets, 5K races, et., knew how much of his time he devoted this, how many other voters he

---

[46] https://sdrostra.com/mimi-walters-when-the-going-gets-tough-governing-is-about-choices/amp/

[47] http://www.foxandhoundsdaily.com/2013/05/governing-is-about-tough-choices/

connected with, the extent of his outreach at could perhaps constitute a signal of commitment to the district, to broad interests. But how – outside being part of an organized network – could an individual voter observe the extent of Demarco's district orientation? How could a single voter observe that Demarco's level of constituent outreach was genuinely unusual, not something easily imitated by candidate committed to narrow interests. Here again, we see how the absence of an organized vouching network disadvantages both voters as principals and district-oriented politicians who would like to be their agents.

8. Principals or Pawns? Do Voters Benefit from Networked Vetting and Vouching?

As argued above, networked groups are better positioned to manage the information problems posed by primaries. Relative to ordinary voters, groups are more likely to know something about the commitment and competence of candidates *ex ante*. Groups are capable of sophisticated screening, and nuanced interpreters of candidate signals. Most important, group information is spread effectively through vouching networks, magnifying its impact.

But in the end, primaries are decided by voters. A group can affect the election outcome either by mobilizing votes from its network, or by providing the candidate with the resources to do so. Once a group-as-principal has identified its candidate-as-agent, there a strong incentive to maximize the reach of its vouching network. At this point, the distinction between voters and groups blurs.

As we noted above, transmission of vetting information through vouching networks solves principal-agent problems for many potential supporters who be unable to do so alone. Should this give us reason to reconsider our earlier claim that unorganized voters are poorly equipped as principals? Should we conclude that voters are ultimately in control, choosing amongst information shortcuts provided by various vouching networks? Do vouching networks offer ordinary citizens enough information to meaningfully participate in nominations?

Voters at the periphery of vouching networks

While vouching networks like Grigsby's function primarily via personal contacts amongst people who know each other professionally and socially, other groups vouch for candidates in

more impersonal ways, making candidate endorsements and publicizing them via mailing lists, websites, newsletters, etc. These activities broaden the reach of a vouching network. Endorsements are sometimes reported in local newspapers. Some groups publish voting scorecards for state legislators, indicating how often the legislators has voted on the group's side. Along similar lines, Family Council of Arkansas asked primary candidates to answer three questions about abortion and posted answers on the Family Council webpage. Not surprisingly, most candidates gave the same answers. But failures to respond were also noted, creating a potentially meaningful signal available to anyone who accessed their website.

The practice of asking candidates to sign pledges, like the one that caused problems for Mimi Walters, is another way of extending a vouching network. But the magnitude of the punishment for pledge-breaking should not be oversold. As a contender for a safe Republican open seat, Walters might seem particularly vulnerable to punishment by anti-tax groups, much more so than an incumbent would have been. Yet Walters' path to victory was one of the easiest we observed during the 2014 cycle. While three other Republican candidates entered the race, the two most viable contenders dropped out before the primary, both citing Walters' fundraising advantage as the reason. The remaining Republican, Colonel Greg Raths, raised less than half of what Walters did and was not considered a serious candidate by any of the local observers we spoke with. In the non-partisan "jungle" primary, Walters came in first with 45% of the vote, Democrat Drew Leavens was second with 28%, and Raths was third with 24%.

Do vouching networks provide voters the information they need?

We agree with Lupia and McCubbins that voters may be able to gain the information they need from trusted sources. In primaries, voters may be able to delegate candidate vetting to networks they trust in order to cast a meaningful vote. As with all principal-agent relationships, both parties benefit when this happens: voters (as principals) gain an informational shortcut, groups (now in the agent role) gain the votes ultimately needed to elect their champion to Congress.

But one would not want to automatically assume that the typical voter can find a vetting and vouching network that reflects their interests, values and priorities. Yes, organized groups

have an incentive to maximize the impact of their vetting and vouching. But it does not follow that all (or even most) voters' interests and values have an organized group to which vetting and vouching can be delegated. Nor does it follow that a group's efficacy in vetting and vouching somehow reflects the extent to which it represents broad citizen interests. As we noted above, effective organization, effective solving of coordination and cooperation problems is a product of arriving at a "good" equilibrium in a game that inevitably has bad ones as well

What information is available to primary voters who do not have organized network to trust? Local newspapers are one potential source. In related work (Bawn et al 2019a) we report preliminary results of coding local newspaper coverage for the 35 most politically complex primaries in the PoG sample. For each of these races, we counted articles pertaining to the primary in the four weeks prior and coded them for content.[48] The median number of articles was 6 per paper, that is, 1.5 week. But most of the articles were relatively uninformative, failing to provide information that might distinguish one candidate from another.[49] Close to 40% of papers ran no politically informative articles at all; the median paper ran one such story in the four weeks before the primary. The information a primary voter needs is thus not completely absent from local newspapers, but it is not abundant either.

Candidate campaigns themselves are also potential sources of information for voters. But the content of campaign materials differed little amongst candidates of the same party. There were differences in quality – some ads were more memorable than others, and we heard reports of how some ground games were deployed more effectively than others. But the

---

[48] We defined "politically complex" primaries as those in which strategic coordination would be a factor, that is (a) those conducted under plurality with more than two candidates and (b) those conducted under a runoff system with more than three candidates. The sample included 77 papers, at least one in each of the 35 politically complex districts. All final coding was done by UCLA undergraduate Melissa Meissels. Student Courteney Craney did initial coding and other research.

[49] Some stories had only routine information about debate times, candidate rallies, and polling locations, while others carried campaign attacks and counterattacks. Roughly 21% of stories offered no information about candidate positions, typically focusing instead on election logistics or fundraising totals. The most common kind of story – 54 percent – reported political positions of one or more candidates, but not in a way that distinguished one from another. Stories in this category noted things like a Republican's opposition to the ACA, or a Democrat's support for environmental protection. Only 25% of stories contained information that distinguished candidate's position, in some cases by reporting on candidate taking a position that was not widely shared in the party, in others by reporting candidate attacks that highlighted differences in positions, in yet others by reporting an endorsement from a group like the NRA or AFL-CIO.

resources to conduct a high-quality campaign are obtained by successful relationship with groups who view the candidate as an agent. Once again, we are back to the massive advantage of groups in setting the nomination agenda. Whether and which unorganized voters have opportunities to learn enough to participate meaningfully in a primary depends on the decisions of groups.

According to PA theory, the weak ability of voters to identify good agents in nomination contests should lead to relatively low levels of engagement. This is what Bawn et al (2019b) found in exit polls conducted on election day in four of the PoG primaries (AR-2R, IA-1D, PA-13D and TX-36R.) Specifically, only 47% of voters were able to name even one candidate for the House nomination immediately after exiting the polling area. The survey then asked voters what they liked and disliked about each candidate (providing names to those who could not recall them.) Roughly 62% of voters had something to say about what they liked and disliked about particular candidates, but a large portion of their comments (60%) were vague and apolitical: e.g. "she seems like a good person" or "he seems shady." Forty percent of statements voters made about candidates suggested some sense of the candidate's commitments. Specifically, twenty percent referenced group membership ("he's the union candidate" or "it's time we had a woman representing us.") Fourteen percent referenced positions (including, indeed mostly, positions that did not really vary within the party) and six percent referenced ideology ("she's a strong liberal" or "he's too extreme.)

These exit poll results are consistent with the argument we are making. Many voters lack the information they need to participate meaningfully in primaries. Their best sources of information come from organized groups. Overall levels of voter engagement are low, as we would expect from potential principals overwhelmed by uncertainty.

10. Concluding Thoughts: A Congress of Champions

We have used principal-agent theory here to explore ways in which organized group can use winnable open nominations as opportunities to send group champions to Congress. Groups use the ex ante information they have about candidates, they are able to conduct further screening, and most important, they share their information through vouching networks.

Principle-agent theory does not, however, deliver a precise prediction about primary election outcome. This is arguably the most appealing feature of the prevailing Downsian model in which the median voter is sovereign (assuming two candidates and one dimension, both questionable for primaries.) PA logic works well for predicting sources of support, but does not address the election itself. In related work, sketched in Appendix 2, we have argued that strategic coordination between groups is the second theoretical concept necessary for understanding nomination outcomes (Bawn et al. 2015, 2019a)

The Downsian tradition has come to rely on scaled roll call votes and scaled survey responses as critical quantities for evaluating representation. From this perspective, one might think it doesn't really matter which co-partisan wins the primary. As Lane Grigsby remarked, "they're all gonna vote the way they should." But Grigsby's own actions, and the intense deployment of resources and/or strategy in open seat nominations suggests that the identity of the person ultimately elected to Congress does matter. The PA framework gives us a way to consider the possibility of representation based on effort and outcomes.

In economic contexts, when we speak about the principal-agent relationship as a "problem," i.e., "the principal-agent problem," the problem is unrealized gains from trade, mutually beneficial transactions that do not transpire. When business-owners can't confidently expect potential employees to be sufficiently helpful and attentive, they don't hire anyone, even though there are people who would like the job. The business does not grow, even though its customers would happily pay for more of its services.

In representation contexts, rather than unrealized trades, we have unrealized participation. The less faith potential supporters have in their ability to identify effective champions, the less likely they are to participate in nomination contests. The principal-agent problem in representation leads not only to sub-optimal levels of participation, but to patterns of participation that favor narrow interests over broad ones.

In the information-starved environment of a primary, voters rely on signals to participate effectively. The most effective signals come from vetting and vouching networks organized to screen for champions. Some voters will be lucky enough to have access to a network that shares their priorities. But for many voters, the choice may be between signals

from groups whose priorities are minimally related to their own or a blunt signal only minimally correlated with a candidate's representation quality.

The informational advantages of organized groups in nomination contests systematically selects group champions into Congress, as primaries pit one group agent against another. The question is not whether a group champion will be elected, rather simply which group's candidate will win. The result is a Congress of group champions, where niche goals are enfranchised over widely shared values.

Appendix 1: Winnable Open Seats 2013-14
shaded = PoG did not visit

Race	Cook	DATE	TYPE
AL-1R	R+15	9/24/13	Partisan Primary w/Runoff, Special
AL-6R	R+28	6/3/14	Partisan Primary w/Runoff
AR-2R	R+8	5/20/14	Partisan Primary*
AR-4R	R+15	5/20/14	Partisan Primary*
AZ-7D	D+16	8/26/14	Partisan Primary
CA-11D	D+17	6/3/14	Non-partisan Primary
CA-25R	R+3	6/3/14	Non-partisan Primary
CA-31D	D+5	6/3/14	Non-partisan Primary
CA-33D	D+11	6/3/14	Non-partisan Primary
CA-35D	D+15	6/3/14	Non-partisan Primary
CA-45R	R+7	6/3/14	Non-partisan Primary
CO-4R	R+11	6/24/14	Partisan Primary
FL-13R	R+1	1/14/14	Partisan Primary, Special
FL-19R	R+12	4/22/14	Partisan Primary, Special
GA-1R	R+9	5/20/14	Partisan Primary w/Runoff
GA-10R	R+14	5/20/14	Partisan Primary w/Runoff
GA-11R	R+19	5/20/14	Partisan Primary w/Runoff
HI-1D	D+18	8/9/14	Partisan Primary
IA-1D	D+5	6/3/14	Partisan Primary*
IA-3D	N+0	6/3/14	Partisan Primary*
IA-3R	N+0	6/3/14	Partisan Primary w/Convention
IL-2D	D+29	2/26/13	Partisan Primary, Special
LA-5R	R+15	10/19/13	Non-partisan Primary, Special
LA-6R	R+21	11/4/14	Non-partisan Primary
MA-5D	D+14	10/15/13	Partisan Primary, Special
ME-2D	D+2	6/10/14	Partisan Primary
ME-2R	D+2	6/10/14	Partisan Primary
MI-4R	R+5	8/5/14	Partisan Primary
MI-8R	R+2	8/5/14	Partisan Primary
MI-12D	D+15	8/5/14	Partisan Primary
MI-14D	D+29	8/5/14	Partisan Primary
MN-6R	R+10	8/12/14	Partisan Primary
MO-8R	R+17	2/9/13	Convention, Special
MT-0R	R+7	6/3/14	Partisan Primary
NC-6R	R+10	5/6/14	Partisan Primary w/Runoff
NC-7R	R+12	5/6/14	Partisan Primary*
NC-12D	D+26	5/6/14	Partisan Primary*(Special, on schedule)
NJ-1D	D+13	8/6/14	Partisan Primary (Special, on schedule)
NJ-3R	R+1	8/6/14	Partisan Primary
NJ-12D	D+14	8/6/14	Partisan Primary
NY-4D	D+3	6/24/14	Partisan Primary
NY-4R	D+3	6/24/14	Partisan Primary
NY-21D	N+0	6/24/14	Partisan Primary, uncontested
NY-21R	N+0	6/24/14	Partisan Primary
OK-5R	R+12	6/24/14	Partisan Primary w/Runoff
PA-6R	R+2	5/20/14	Partisan Primary, uncontested
PA-13D	D+13	5/20/14	Partisan Primary
SC-1R	R+11	3/19/13	Partisan Primary w/Runoff, Special
TX-36R	R+25	3/4/14	Partisan Primary w/Runoff
UT-4R	R+16	4/26/14	Convention
VA-8D	D+16	6/10/14	Partisan Primary
VA-10R	R+2	4/26/14	Firehouse Partisan Primary
WA-4R	R+13	8/5/14	Non-partisan Primary
WI-6R	R+5	8/12/14	Partisan Primary
WV-2R	R+11	5/13/14	Partisan Primary

* = Run-off or convention did not occur because plurality winner won sufficient vote share.

Appendix 2: Competitiveness, Strategic Coordination and Coordination Failures

The focus of this paper is on the decision of groups as principals to support candidates whom they regard as sufficiently committed, competent and competitive. We said little about strategic coordination between groups. But in winner-take-all primaries with many candidates, groups may face a tradeoff between supporting their best champion and coordinating with other groups to avoid electing an unacceptable candidate.

As described above, the business communities in AL-1 and AL-6 were not only interested in electing a champion, but also in avoiding the election of populist insurgents like Dean Young and Scott Beason. This adds an element of strategic coordination to these races that (we will argue below) is not present in all nomination contests. In the AL races, different parts of the business community had an incentive to coordinate on a single establishment candidate in order to avoid diluting their influence. The fact that Alabama, like most Southern states, uses a runoff was somewhat helpful, but did not guarantee that a business-friendly candidate would finish in the top two. In GA-11, for example, business support split between Tricia Pridemore and Ed Lindsey, and the runoff was between two insurgents, religious Barry Loudermilk and libertarian Bob Barr.

Strategic coordination fits into the principal's nomination problem as part of competitiveness, a part that may conflict with commitment. Is it better to support a candidate less committed to one's own interests or one who is a stronger contender? The need for strategic coordination to avoid "wasted votes" (or wasted support more generally) occurs in any election decided by plurality or single-vote elimination systems (see Cox 1997.)

In one sense, coordination occurs within a group any time it decides to support a candidate. But here, the issue is coordination *between* groups.

In the PoG nominations we saw instances in which strategic coordination occurred and others where it might have but did not. The Democratic primary in PA-13, shows examples of both coordination failure and success.[50]

---

[50] See Patterson (2018) for a more detailed analysis of this race and other PoG cases.

A Tale of Two Counties

PA-13 is split between working class north Philadelphia and suburban Montgomery County. Wealthier, more liberal "MontCo" generally enjoys a turnout advantage, and, indeed, 54% of the 2014 primary votes were cast there. There were four serious candidates: Brendan Boyle, Marjorie Margolies, Daylin Leach and Val Arkoosh. Boyle won decisively with 40% of the vote, followed by Margolies with 27%, Leach with 17%, and Arkoosh with 16%. Boyle was a state legislator with strong ties to unions, the IBEW in particular. His votes came overwhelmingly from the working-class neighborhoods of north Philly, where he won 70%. He fared poorly, however, among the NPR-listening liberals of Montgomery County. As a Catholic son of Irish immigrants, Boyle's position on abortion rights was a particular concern. He was portrayed in ads run by Leach and by Women Vote! as anti-choice. He finished fourth among Montgomery County voters, with only 16% of the suburban vote.

Margolies, Arkoosh and Leach were all seen as MontCo candidates, conventional liberals of different types. Margolies enjoyed high name recognition throughout the district due to her radio show, her semi-celebrity status as Chelsea Clinton's mother-in-law, and her prior term representing the district in the early 1990's. Arkoosh, a doctor and medical school professor, was known for her advocacy of Obamacare and healthcare expertise. As a state legislator, "liberal lion" Leach strove to be at the vanguard of many progressive issues: gay marriage, marijuana legalization, and a variety of social justice issues.

Table A.1
Conjectured Preference Orderings among PA-13D Support Groups

Boyle Supporters 40%	Margolies Supporters 27%	Leach Supporters 17%	Arkoosh Supporters 16%
Boyle	Margolies	Leach	Arkoosh
Margolies	Arkoosh	Margolies	Margolies
Arkoosh	Leach	Arkoosh	Leach
Leach	Boyle	Boyle	Boyle

Of course, we do not know the full preference ordering of the groups that supported the various PA-13 candidates. But the profile in Table A.1,[51] in which Boyle is ranked last by all but his own supporters, is plausible and consistent with field interviews.

Table A.1 illustrates the incentive for strategic coordination. If Arkoosh's supporters had supported Margolies instead – or if they had persuaded their candidate to drop out -- they would have ended up with their second choice, rather than fourth.

PA-13 is not the only race in which groups failed to strategically coordinate in the manner predicted by Duverger's Law (Duverger 1954, Cox 1997). Duvergerian logic implies that support would be concentrated among the top two candidates in the plurality races, and among the top three in runoff systems. Among the 53 PoG primaries, the median Effective Number of Candidates[52] was 2.6 under plurality and 4.04 with a runoff or post-primary convention.[53]

Why don't we see more coordination among like-minded groups in primaries? Why do groups appear to "waste" their support on trailing candidates?

Obstacles to Coordination

First, many of the organized groups who participate in primaries have no existing ties to each other. Take, for example, the Margolies-Arkoosh case in PA-13D. While both candidates had ties to EMILY's List (and would have likely gained EL support if the other had not been present), each had a separate network of support as well. Margolies's support was anchored in her past election to Congress and connections to the Clintons; Arkoosh's around a network of liberal physicians and health care professionals. Substantial portions of both networks lay outside the district, and both were loosely organized to contribute money. It is not clear who

---

[51] The preference profile in Table A.1 illustrates many pathological properties of plurality as a voting rule: its sensitivity to "irrelevant alternatives" in the sense that if either 3rd place Leach or 4th place Arkoosh had dropped out, Margolies would have beaten Boyle, rather than the opposite. It also illustrates how plurality can fail to pick a Condorcet Winner when one exists (Margolies) and can in fact pick a "Condorcet loser" in the sense of an alternative that loses a majority to every other.

[52] Effective Number of Candidates (ENC) is the reciprocal of the sum of squared vote shares. To see the logic behind $ENC = \frac{1}{\sum v_i^2}$, observe that when two candidates get 50% each, ENC=2; when three get 33% each, ENC=3; when there are four candidates and two get 49% each and the other two get 1% each, ENC = 2.08; etc. See Laakso and Taagepera, 1979.

[53] Bawn et al. 2019a covers Duvergerian considerations in more detail.

could have attempted to coordinate these disparate groups of donors on a single candidate, or through what means coordination could have happened.

Second, a group may not be capable of collective action in support of any candidate beyond its first choice. The social and identity-based incentives that function as selective benefits for collective action on behalf of one type of candidate cannot necessarily be transferred to other candidates. Arkoosh's donors may have been expressing their identity as policy-oriented doctors, or to maintaining reputations as contributors to health policy reform or simply as good citizens in the health policy community. Any of these psychologically plausible reasons can constitute a selective benefit to supporting Arkoosh, but not for Margolies.

More generally, individual contributions to the collective good of a primary campaign-- in the form of money or volunteer effort – may be motivated by the individual desire to support (and perhaps be observed supporting) a candidate who is "one of us," one who effectively embodies "our" values. The individual logic that motivates successful collective action may limit the ability of group leaders to strategically coordinate their followers.[54]

Incentives Against Coordination

Finally, when preferences are driven by the desire for a champion, coordination may actually not be desirable. The value of an effective champion in Congress is very high, so much so that the expected gains from a small chance of electing one may easily exceed those from supporting a compromise candidate. Again, the PA-13D race makes a good example. Returning to the preference profile in Table A.1, it would be reasonable to think from afar that Arkoosh's donors would have done better by supporting Margolies.

Arkoosh's donor base were liberal health care activists. Their first choice is clearly Arkoosh, a respected member of their own ranks. Their second choice would be Margolies, who shares their liberal values but does not necessarily prioritize health. Brendan Boyle, perceived as less liberal overall, and unreliable on abortion rights, is their worst choice.

The question is whether these health care activists would be better off supporting their long-shot first choice Arkoosh or strategically supporting second choice Margolies. To answer

---

[54] Ansolabehere, de Figueiredo and Snyder (2003) argue that campaign contributions are primarily "consumption goods" of this type.

this, we compare the health activists' expected utility from supporting Arkoosh (we will call this EU) to their expected pay-off from supporting Margolies (we call this EU', and use $'$ throughout to designate the case in which the health activists strategically support Margolies.)

Let u_i denote the utility the health care activists receive if candidate i is elected, where i = A, B, L, M, denoting candidates Arkoosh, Boyle, Leach and Margolies. Similarly let, p_i denote the probability that candidate i is elected if the health donors support her and p_i' the probability that i is elected if the health donors support Margolies. We make the reasonable assumption that the winner of the favored party's primary will win the general election. The health care activists' expected utility from supporting Arkoosh is thus

$$EU = p_A\, u_A + p_B\, u_B + p_L\, u_L + p_M\, u_M.$$

Assume further that if health activists abandon Arkoosh and support Margolies instead, Arkoosh's chance of winning is zero. Then their expected utility from supporting Margolies is

$$EU' = p_A'\, u_A + p_B'\, u_B + p_L'\, u_L + p_M'\, u_M.$$

To focus on the question at hand, assume that Leach's (low) probability of winning is not affected by whether the health activists give to Arkoosh or to Margolies. We also assume that $p_B' < p_B$, since the presumed reason why the health donors might strategically donate to Margolies is to decrease the chance that their least favorite candidate, Boyle, wins.

Finally, and without loss of generality, let $u_M = 0$ be the baseline. Thus, $u_A > 0$ denotes how much more valuable the first-choice candidate (Arkoosh) is relative to second, and $u_B < 0$ how much worse the last choice.

The health care activists do better by supporting Arkoosh's long shot candidacy if $EU > EU'$. That is, if the

Champion Support Criterion: $p_A u_A > (p_B' - p_B)u_B$

holds, the group should stick with its first choice.[55]

---

[55] Note that because $p_B' < p_B$ and $u_B < 0$, both sides of the Champion Support Criterion are positive.

One can think of the left-hand side of the Champion Support Criterion as the expected incremental benefit of supporting the most favored candidate: the probability-weighted utility gain of electing Arkoosh over Margolies. The right-hand side as the expected incremental cost: the increased probability of electing Boyle, weighted by how distasteful his election would be.

Looking at the components of the Champion Support Criterion, p_A is typically small: the question of whether Arkoosh's donors should have strategically supported Margolies arises because Arkoosh herself seemed unlikely to win. But it is worth noting that there was significant uncertainty about the outcome of this primary, and many others in the PoG sample, such that all candidates' probabilities of winning were in a middling range. The key issue for many groups is that the magnitude of u_A (the value of a champion relative to the compromise candidate) is much higher than of u_B (the value of the worse-case outcome relative to the compromise.) Some groups that participated in the PoG primaries may have been indifferent between all candidates besides their first choice -- a candidate is either a champion or a reliable vote, with no finer distinctions made. (This was particularly true in the Democratic races, where there was no analog of the establishment/insurgent split that appeared in most Republican contests.) Even more often, the preference the first-choice champion over their second choice is much more intense than the preference for second choice over third, etc. The value of a champion is extremely high. For groups that care about policy -- business sectors, unions, professions, as well as policy activists -- a legislator who understands (or is at least willing to listen attentively to) their stake in pending legislation and is willing to work to advance and protect their interests is worth much more than just another reliable vote. Similarly, groups who want something other than policy from their champions -- descriptive representation (as with EMILY's List) or consistent articulation of values (the "godly principles" important to evangelicals -- will see little value in strategic coordination as opposed to sincere support for their first-choice candidate.

To summarize, three factors work against strategic coordination between groups in most House primaries. First, connections and institutions for coordination may be absent. Second, individual members may not be willing to provide collective action on behalf of a

compromise candidate. Third, the expected pay-off from supporting a long shot champion may be higher than coordinating on a compromise.

There are thus reasonable circumstances under which we should not expect groups to strategically coordinate in primaries. But there are also reasonable circumstances under which we would expect the Champion Support Criterion to <u>not</u> hold. In this same race, for example, the fact that Boyle was the only Philadelphia candidate was critical to his win. Sources hinted at the possibility of another Philly candidate, with support anchored in the city Democratic machine (as opposed to the IBEW.) All three possible reasons cited above for Arkoosh's base to not strategically support Margolies point the opposite way here. The IBEW and the party had a long history of working together; the city machine's institutional structure was not as dependent on social incentives. Most important, while the IBEW and the machine jockeyed for power within the city, the machine could expect the IBEW candidate (Boyle) to be sensitive to the city's reliance on federal spending in a way that a MontCo candidate would likely not be (Patterson 2014). The equivalent of u_B -- the difference between the object of strategic coordination and the worse-case scenario – would have been large.

There are also reasonable circumstances under which the obstacles to coordination (lack of venue and inability to motivate rank and file) can be overcome, often by political parties. This is an important omission to be addressed in future work.

References

Achen, Christopher and Larry Bartels. 2017. *Democracy for Realists: Why Elections Do Not Produce Responsive Government.* Princeton: Princeton University Press.

Akerlof, George. 1970. "The Market for 'Lemons': Quality Uncertainty and the Market Mechanism." *Quarterly Journal of Economics* 84(3):488-500.

Ansolabehere, Steven, John de Figueiredo and James Snyder. 2003. "Why is There so Little Money in U.S. Politics?" *Journal of Economic Perspectives* 17(1): 105-130.

Barro, Robert. 1973. "The Control of Politicians: An Economic Model." *Public Choice* 14: 19-42.

Bawn, Kathleen, Martin Cohen, David Karol, Seth Masket, Hans Noel, and John Zaller. 2012. "A Theory of Political Parties." *Perspectives on Politics* 10(3): 571-597.

Bawn, Kathleen, Knox Brown, Angela Ocampo, Shawn Patterson and John Zaller. 2015. "Social Choice and Coordination Problems in Open House Primaries." Presented at the 2015 Annual Meeting of the American Political Science Association.

Bawn, Kathleen, Knox Brown, Stephanie L. DeMora, Andrew Dowdle, Spencer Hall, Mark Myers, Angela Ocampo, Shawn Patterson, J. Logan Ray, and John Zaller. 2019a. "Duvergerian Coordination in U.S. House Primaries." MS

Bawn, Kathleen, Stephanie L. DeMora, Andrew Dowdle, Spencer Hall, Mark Myers, Shawn Patterson and John Zaller. 2019b. "Policy Voting in U.S. House Primaries." *Journal of Elections, Public Opinion and Parties* DOI: 10.1080/17457289.2019.1669611

Boatwright, Robert. 2013. *Getting Primaried.* University of Michigan Press.

Boatwright, Robert. 2014. *Congressional Primary Elections.* Routledge.

Canes-Wrone, Brandice, Michael Herron, and Kenneth Shotts. 2001. "Leadership and Pandering: A Theory of Executive Policymaking." *American Journal of Political Science* 45: 532-550.

Cox, Gary. 1997. *Making Votes Count*. Cambridge University Press.

Dixit, Avinash, Gene Grossman and Elhanan Helpman. 1997. "Common Agency and Coordination: General Theory and Application to Government Policy Making." *Journal of Political Economy* 105(4): 752-769.

Downs GW, Rocke DM. 1994. "Conflict, agency, and gambling for resurrection: the principal-agent problem goes to war." *American Journal of Political Science* 38:362–80

Duverger, Maurice. 1954. *Political Parties.* John Wiley and Sons.

Fearon, James. 2011. "Self-Enforcing Democracy." *Quarterly Journal of Economics* 126: 1661-1708.

Ferejohn, John. 1986. "Incumbent Performance and Electoral Control." *Public Choice* 50: 5-25.

Fox, Justin and Kenneth Shotts. 2009. "Delegates or Trustees? A Theory of Political Accountability." *Journal of Politics* 71: 1225-1237.

Sean Gailmard. 2014. "Accountability and Principal-Agent Theory." *Oxford Handbook of Public Accountability,* Mark Bovens, Robert Goodin, and Thomas Schillemans (eds.), Oxford University Press.

Grossman, Gene and Elhanan Helpman. 2001. *Special Interest Politics*. MIT Press.

Hall, Richard. 1996. *Participation in Congress.* Yale University Press.

Hassell, Hans. 2017. *The Party's Primary. .* Cambridge University Press.

Hertel-Fernandez, Alexander. 2019. *State Capture.* Oxford University Press.

Hirano, Shigeo and James Snyder. 2019. *Primary Elections in the United States.* Cambridge University Press.

Holmstorm, Bengt. 1979. "Moral Hazard and Observability." *The Bell Journal of Economics* 10(1):74-91.

Krehbiel, Keith. 1990. *Information and Legislative Organization*. Ann Arbor: University of Michigan Press.

 Lupia, Arthur and Mathew McCubbins. 1998. *The Democratic Dilemma.* New York: Cambridge University Press.

Matson, Marsh and Terry Susan Fine. 2006. "Gender, Ethnicity, and Ballot Information: Ballot Cues in Low-Information Elections." *State Politics and Policy Quarterly.* 6(1): 49–72

Miller, Gary (2005). The Political Evolution of Principal-Agent Models. *Annual Review of Political Science* 8: 203-225.

Patterson, Shawn. 2014. "A Tale of Two Counties." Research memo. UCLA.

Patterson, Shawn. 2018. *The Effect of Party Networks on Congressional Primaries.* Ph.D. dissertation. UCLA.

Popkin, Samuel. 1991. *The reasoning voter: communication and persuasion in presidential campaigns*. Chicago: University of Chicago Press.

Raymond, Paul. 1992. "The American Voter in a Nonpartisan, Urban Election." *American Politics Quarterly* 20:247–60.

Rogers, Steven. 2015. "Voter Knowledge on State Legislatures." MS.

Spence, A. Michael. 1974. *Market Signaling: Information Transfer in Hiring and Related Screening Processes.* Cambridge: Harvard University Press.

Schelling, Thomas. 1978. *Micromotives and Macrobehavior.* Norton.

Tomz, Michael and Robert van Houweling. "Political Pledges as Credible Commitments." MS.