

# Buying Negative Agenda Control in the U.S. House

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*We explore the foundations of the legislative party cartel, as theorized by Cox and McCubbins (1993, 2005), to determine how majority-party moderates who suffer net policy losses from the majority leadership's use of negative agenda control are kept from defecting from the cartel arrangement. First, we identify formally the group of majority-party members who are net policy losers. We find that those members occupying the initial 30% of the space within the majority-party blackout zone—that space closest to the floor median—are hurt on a pure policy basis by the cartel arrangement. Second, we find that members in this “30% zone” are rewarded disproportionately by majority-party leaders (relative to members in other intervals on the same side of the floor median) via side payments in the form of campaign contributions. In addition, majority-party members within the 30% zone receive side payments commensurate with their particular policy loss.*

“The only downside to cartelizing is that consistently centrist members may suffer a net policy loss from the majority's veto. This loss must be counterbalanced by office and distributive benefits in order to secure the centrists' support.”

— Cox and McCubbins (2005, 46)

In their well-known work on partisanship and legislative organization, Cox and McCubbins (1993, 2005) posit a theory by which the majority party in the U.S. House of Representatives acts as a “cartel” by controlling key positions of power in the chamber and, by extension, the content and composition of the legislative agenda. By securing the speakership, all important committee chairmanships, and a majority of seats on the Rules committee, the majority party can dictate which bills make it to the floor for a final-passage vote. Bills that will harm a majority of the majority party are prevented from reaching the floor by one (or more) of the aforementioned veto

points. In this way, the majority party wields gatekeeping power, or “negative agenda control,” over the legislative agenda in the House.

While such “cartelization” operates to the benefit of a majority of the majority party, not *all* majority-party members benefit equally. Indeed, as the quote at the top of this article indicates, certain majority-party members—policy moderates or spatial “centrists”—may be made worse off in a pure policy sense by supporting the cartel arrangement. Specifically, the majority's active use of negative agenda control typically results in the *blockage* of policy outcomes that would benefit majority-party centrists.<sup>1</sup> The question then becomes: why do centrists support such an arrangement? Stated differently, why does the legislative cartel survive?

We examine these questions in detail, following the stated suggestion of Cox and McCubbins. That is, for the majority-party cartel to maintain itself, those centrist members who incur a net policy loss must be

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<sup>1</sup> For more on negative agenda control (generally) and the collective action problems inherent in majority-party control, see Gailmard and Jenkins (2007) and Patty (2008).

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compensated in some manner—enough so that they are willing to allow the majority to wield negative agenda control. Such compensation may take several forms, but the most direct is the issuance of side payments, discretionary (office and distributive) benefits that members value and can be used for their individual reelection efforts. Yet, despite the foundational importance of this aspect of the cartel agreement, Cox and McCubbins (2005, 47) note that they “are not aware of any systematic evidence that centrists do receive greater office and distributive benefits.”

We help fill this gap in the literature by conducting the first systematic analysis of centrist compensation by majority-party leaders in the House of Representatives.<sup>2</sup> Our investigation focuses on one avenue for side payments: the distribution of campaign contributions from majority-party leaders to their rank-and-file members. As majority-party leaders extract significant benefits from their institutional positions, they possess an incentive to ensure the continued health of the cartel. As a result, they should be responsive to the demands of those majority-party members who are most burdened by the cartel arrangement—and, thus, most susceptible to defection—and shift benefits to them disproportionately. Campaign contributions are one visible and quantifiable means of assessing such a side-payments story.

Before conducting our empirical investigation, however, we first make theoretical strides in understanding which majority-party members *specifically* are hurt by the cartel arrangement.<sup>3</sup> Adopting the one-dimensional spatial model of Cox and McCubbins (2005) and making a simple assumption about the distribution of status quo points, we establish intervals of net policy winners and losers in a cartel setting. We then generate hypotheses about side-payment allocation across intervals, as well as *within* key intervals, and test those hypotheses using campaign contributions from majority-party leaders to their rank-and-file members from the 107th (2001–2) through 110th (2007–9) congresses.

<sup>2</sup> Carroll and Kim (2010) examine majority-party compensation based on individual “roll rates,” using data on distributive spending. While their work is in the same vein as ours, we note two essential differences. First, we develop theoretical expectations regarding the distribution of side payments. This leads to the second difference: our results suggest that centrists should receive the highest level of compensation, yet individual roll rates are not predicted to be highest for centrist members (see Carson, Monroe, and Robinson 2011).

<sup>3</sup> Jackson and Moselle (2002, 49) consider a broader, more abstract version of this theoretical problem by constructing “a legislative voting game where decisions are to be made over both ideological and distributive dimensions.” Their results—which align with those presented here—are instructive, especially with respect to party *formation*, but they do not specifically address the problem in the context of the *survival* of the majority-party cartel. Our theoretical contribution is directed precisely at this problem.

## Exploring the Fragility of the Cartel Agreement

A cartel is the formal or informal coordination of agents to restrict production, so as to maximize benefits for the cartel members. In the economics literature, suppliers of some good restrict output to achieve an optimal price, which maximizes profits for the cartel members. In the Congress literature, members of the majority party restrict output by permitting only those bills favored by a majority of the majority party to be placed on the legislative agenda, which maximizes policy utility for the cartel members.

The cartel agreement, whether in economics or politics, is notoriously fragile, as cartel members possess an incentive to cheat, in an attempt to generate greater benefits for themselves. In the economics literature, cheating takes the form of a firm (or firms) increasing output, which drives the price down—leading to suboptimal profits for all cartel members. In the Congress literature, cheating takes the form of majority-party centrists voting with the minority to reduce agenda restrictions (by changing House rules or supporting a discharge petition, for example) and allow the floor median to govern all outcomes—leading to greater policy losses for most cartel members.

The difference between economic and political cartels involves the nature of the incentive to cheat. Both sets of cheaters (firms or majority-party centrists) seek to make themselves better off. In the economics case, the cheating firm does so out of greed, to extract more optimal profits for itself. In the politics case, the cheating majority-party centrist does so out of self-preservation, to avoid being part of an institutional arrangement that consistently yields net policy losses for himself. That is, the cheating firm *benefits* from being part of the cartel—but seeks, through cheating, to achieve even *greater* benefits. By contrast, the cheating policy centrist *does not benefit* by being part of the cartel—and by defecting from the cartel seeks to eliminate his net policy losses.<sup>4</sup>

The nature of the incentive to cheat leads to different methods of maintaining the cartel. In the economic realm, cheating is reduced or eliminated by oversight and monitoring. In the political realm, cheating is reduced or eliminated by making it worthwhile for policy centrists to support the cartel arrangement.

<sup>4</sup> As Cox and McCubbins (2005, 47) note: “[centrists] suffer mostly policy losses [by being part of the cartel], in the sense that particular bills that they would support are blocked from reaching the floor by the cartel, whereas such bills would not be blocked if the floor controlled the agenda.”

To understand what is considered “worthwhile” to policy centrists requires an understanding of the motivations of members of Congress more generally. Per the thinking of Cox and McCubbins (1993, 2005), members of Congress possess several goals, but perhaps the most immediate is the desire to be reelected.<sup>5</sup> Securing policy outcomes, as a way to satisfy the needs of constituents, is a chief means by which members enhance their probability of reelection. But it is only *one* such means. A variety of other resources can be used toward the pursuit of reelection, and centrists might be persuaded to support the cartel, and thus incur net policy losses, if they are compensated sufficiently in other electorally valuable ways.

In this vein, Cox and McCubbins (2005) suggest two reasons why majority-party centrists support the cartel arrangement.<sup>6</sup> First, majority status confers substantial *collective* benefits (see also Aldrich and Rohde 2000). Most prominently, the majority party controls all major committee chairmanships and a disproportionate share of seats on major committees, receives a super-proportional share of pork-barrel projects, and enjoys a greater per-member fundraising advantage (on this latter point, see Cox and Magar 1999). In short, the majority party, by cartelizing the agenda, enjoys most of the spoils that accrue to the legislative process. These collective benefits, distributed across all majority-party members, may be enough to overcome the net policy loss that centrists suffer from the cartel arrangement. But they may also *not* be enough. Thus, second, special rewards may be provided to majority-party centrists as compensation for the net policy losses they suffer. More generally, centrists may receive electorally valuable side payments from majority-party leaders to make up for the costs they incur in allowing the cartel to operate. Per the thinking of Cox and McCubbins (2005, 47), “[to] counterbalance their policy losses . . . consistently centrist members should receive *more* office and distributive benefits than other members of the party” (emphasis added).

<sup>5</sup> Others would include internal advancement within the House, “good” public policy, and majority status.

<sup>6</sup> A third reason deals with the framing of policy losses. Cox and McCubbins posit that such losses are not “real” losses, as centrists are never asked to pursue an action (cast a vote) that will harm them (such as supporting an extreme—generally speaking—status quo instead of a bill that would move policy to the median of the chamber). Rather, they are asked to forego opportunities that would benefit them (such as allowing certain status quo policies to remain in place). Such foregone opportunities would not be visible to centrists’ constituents, since no legislative actions would be required; thus, centrists should face little or no electoral costs as a result. While true, centrists would of course realize the foregone opportunities and the potential electoral *benefits* that could be generated.

Following the logic of Cox and McCubbins’ second argument, majority-party centrists are purchased, or “bought off,” by the majority-party leadership. In thinking about the stability of the cartel arrangement as a side-payments problem, it immediately raises parallels to another theoretical literature in legislative studies: vote buying. Specifically, the simple model of vote buying proposed by Snyder (1991) offers useful insights to the case of the legislative cartel. In Snyder’s model, legislators are distributed along a single policy dimension, based on their constituency-induced preferences. A vote buyer (who could be an interest group, the president, etc.) is situated on one relatively extreme end of the policy space and seeks to get a policy alternative ( $A$ ), which lies in the vicinity, passed. The status quo ( $SQ$ ) lies on the other side of the policy space and is sincerely preferred by the median legislator on the chamber floor ( $F$ ). As a result, the interval between ( $F$ ) and  $(A+SQ)/2$  (the cut point between  $A$  and  $SQ$ ) represents the “vote-buying zone,” the set of legislators who sincerely prefer  $SQ$  to  $A$  and thus must be compensated (i.e., have their votes bought via some side payment) in order to generate a majority and allow  $A$  to pass. Moreover, the “bribe” paid by the vote buyer will increase with proximity to  $F$ , as legislators in the vote-buying zone will face greater electoral costs in voting for  $A$  the further they are away from the cut point (and thus will charge more in order to be bought).

In the cartel example, there is an interval that can be called a “net policy loss zone,” wherein majority-party centrists reside. This zone stretches from  $F$  to some unknown point  $X$  within the majority-party blackout zone (the interval of  $SQ$  points that the median of the majority party,  $M$ , prefers to block from agenda consideration).<sup>7</sup> In order to insure the operation of the cartel, all centrists within this net policy loss zone must be compensated, or bought via side payments, by the majority-party leadership. And compensation will increase with proximity to  $F$ , as centrists closest to the floor median suffer the largest net policy losses by being part of the cartel—and thus they need to be compensated at a higher rate.

While the vote-buying model’s intuition is helpful for understanding majority-party leaders’ problem in maintaining the cartel, there is also an important distinction that should be noted. In the vote-buying model, side payments are distributed in order to convince legislators to vote *for* and *pass* a new policy. Thus, the vote-buying model is about generating *positive agenda control*. In the cartel model, side payments are distributed in order to

<sup>7</sup> For a discussion of the majority-party blackout zone in the context of the Cartel Agenda Model, see Cox and McCubbins (2005, chapter 3).

keep a particular set of SQ policies off the agenda—that is, to *prevent* new policies from being passed. Thus, the cartel model is about generating *negative agenda control*. Stated differently, the vote-buying model is predicated on getting a subset of members to do *something* (vote against their sincere constituency-induced preferences in an attempt to shift policy), while the cartel model is predicated on getting a subset of members to do *nothing* (not challenge the majority on the House rules, not support discharge petitions pushed by the minority, etc., and thus forego the possibility of voting for certain policies and accept cartelization of the agenda).<sup>8</sup>

To better understand side-payment compensation in this negative agenda context, we now proceed to a formal analysis of the legislative cartel, by identifying (after making some basic assumptions) the size of the aforementioned net policy loss zone.

### Extrapolating Side Payments from the Cartel Model

In this section, we use Cox and McCubbins' (2005) Cartel Agenda Model to generate predictions about which majority-party members are hurt in a relative sense by the cartel's negative agenda control. We generate "net policy utility" for members by comparing policy outputs from the Cartel Agenda Model to the Median Voter Model (and thus no party agenda control of any kind), which serves as the counterfactual baseline. To generate such predictions, we assume a uniform distribution of SQ policies within the majority-party blackout zone. Such a uniform-distribution assumption is common in the literature (Chiou and Rothenberg 2003; Krehbiel 2006) and is consistent with Cox and McCubbins' (2005, 91) description of SQs being "distributed relatively widely and symmetrically around the . . . House median."<sup>9</sup> We first discuss the mechanics of our prediction procedure, using an illustrative example, then derive net policy utility for members of the majority party, and then finally generate hypotheses about side-payment allocation based on the net policy utility distribution.

<sup>8</sup> We follow Cox and McCubbins (1993, 2005, 2007) in making a clear distinction between positive and negative agenda control. Others, like Finocchiaro and Rohde (2008), have argued that the two types of agenda control are in fact related and often intertwined.

<sup>9</sup> See also Cox and McCubbins (2005, 96). To the extent that the uniform SQ distribution assumption is unrealistic (or overly simplistic), the empirical tests will not be borne out. As we will see, this proves not to be a problem.

### Deriving Net Policy Utility

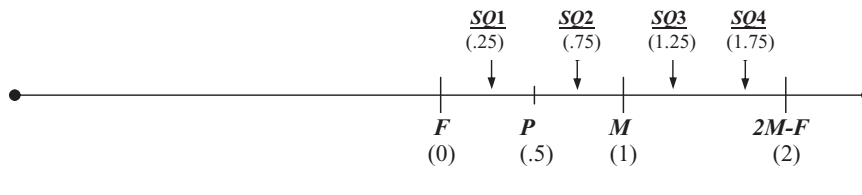
If we consider the implications of negative agenda control, as specified by Cox and McCubbins (2005), then the essential theoretical issue concerns the utility of a given majority-party member under two conditions: one where the majority-party median possesses veto power (the Cartel Agenda Model) and one where she does not (the Floor Agenda Model). In the latter condition, outcomes collapse to the floor median, consistent with the well-known median voter result (Black 1948; Downs 1957). In the former condition, where the cartel can block proposals, many SQs on the majority-party side of the issue space remain in place—notably those that the majority-party median prefers to the floor median. As a result, in terms of pure policy utility—where utility decreases linearly as a policy moves further from a legislator's ideal point—the "net" policy effect of the cartel will be negative for some moderate majority-party members.<sup>10</sup>

To see this result, first consider a simple example in keeping with Cox and McCubbins' (2005) basic modeling framework. Figure 1 illustrates a one-dimensional policy space housing several legislative actors and SQ policies. For illustrative purposes, it also represents a number line, where the floor median,  $F$ , has an ideal point at 0, the majority-party median,  $M$ , has an ideal point at 1, and a hypothetical moderate majority-party member,  $P$ , has an ideal point at .5. Assume that, without the cartel, all SQs would be moved to the floor median's ideal point (per the tenets of the Floor Agenda Model). However, under the cartel's negative agenda control, all SQs within the  $F$  to  $2M-F$  (the "reflection point" of  $F$  through  $M$ , which is at 2 on the number line) interval will remain unchanged (per the tenets of the Cartel Agenda Model).

For our example, consider  $P$ 's net utility under cartel versus non-cartel conditions for the four SQs represented in Figure 1, at .25, .75, 1.25, and 1.75, respectively. The calculations are presented in Table 1. Column (1) reveals the distance between  $P$  and the policy outcome under the non-cartel condition (which, for every SQ, is the floor median's ideal point), while column (2) reveals the distance between  $P$  and the location of each SQ (the outcome under the cartel). Column (3) reveals the difference between columns (1) and (2), which yields the policy utility benefit or loss for each SQ, respectively, as a result of the

<sup>10</sup> For other evidence of the uneven distribution of utility within the majority party, see Carson, Monroe, and Robinson (2011) on individual roll rates, and Lawrence, Maltzman, and Smith (2006) on individual win rates. Young and Wilkins (2007) also show evidence of centrist majority-party behavior that defies a "pure preferences" rationale in a positive agenda control context with respect to vote switching between votes on closed rules and final-passage votes.

**FIGURE 1 An Example of Policy Utility Loss Due to Negative Agenda Control by the Majority-Party Cartel**



**TABLE 1 Policy Utility Calculations for a Majority-Party Member at “.5”**

Policy	P-F  (1)	P-SQ  (2)	Net Cartel Utility (3) [(1) – (2)]
SQ1 (.25)	.5	.25	.25
SQ2 (.75)	.5	.25	.25
SQ3 (1.25)	.5	.75	–.25
SQ4 (1.75)	.5	1.25	–.75
Total			–.5

Note: Column (1) calculates the distance between majority-party member *P* (whose ideal point is at .5) and the policy outcome under the non-cartel condition (which, for every SQ, is the floor median’s ideal point), and column (2) calculates the distance between *P* and the location of each SQ (the outcome under the cartel). Column (3) then subtracts column (2) from column (1), which yields the policy utility benefit or loss for each SQ, respectively, as a result of the cartel outcome. The bottom of column (3), then, shows the net policy utility that results from the negative agenda control of the majority-party cartel.

cartel outcome. The bottom of column (3), then, shows the net policy utility that results from the cartel’s negative agenda control.

In the example shown here, where *P* has an ideal point at .5 (halfway between the floor and majority-party medians), she suffers a net policy loss as a result of the cartel. Though *P* benefits from the protection of SQ1 and SQ2 (each yields a utility “savings” of .25), she must forego an equal size policy gain with SQ3 (of .25) and an even larger potential policy gain with SQ4 (of .75); in the latter two cases, she would prefer the floor median’s ideal point to the current SQ. Thus, the package deal from the cartel leaves *P* with a total net policy loss of .5.

Using the same basic method, we can derive the general distribution of net policy utility for majority-party members resulting from the cartel’s negative agenda control. Again, assume a one-dimensional policy space where the floor median (*F*) is at 0, the majority-party median (*M*) is at 1, and the extreme edge of the majority-party blockout zone (*2M-F*) is at 2. To mimic a uniform SQ dis-

tribution, assume an SQ policy at every .1 interval from .1 to 2 (i.e., .1, .2, .3, .4, . . . , 2).

Figure 2 illustrates the net policy utility for majority-party members across this space.<sup>11</sup> Moving from left to right, we see that a significant portion of the space is, hypothetically at least, occupied by majority-party members who suffer a net policy loss as a result of the cartel. Any majority-party member who resides on the minority-party side of the floor median (less than 0 on the *x*-axis) shares a constant, negative policy utility with respect to SQs that lie within the majority-party blockout zone (between *F* and *2M-F*).

Perhaps more interesting, however, is the interval just to the right of the floor median (between 0 and .6 on the *x*-axis). Majority-party members with ideal points in this space are theoretically necessary for the cartel to survive, since the cartel requires the support of at least a bare majority of the chamber; but each experiences negative net utility under the cartel. Put another way, 30% of the space covered by the majority-party blockout zone is negative utility territory for any members who fall therein.<sup>12</sup> This represents the “net policy loss zone.”<sup>13</sup>

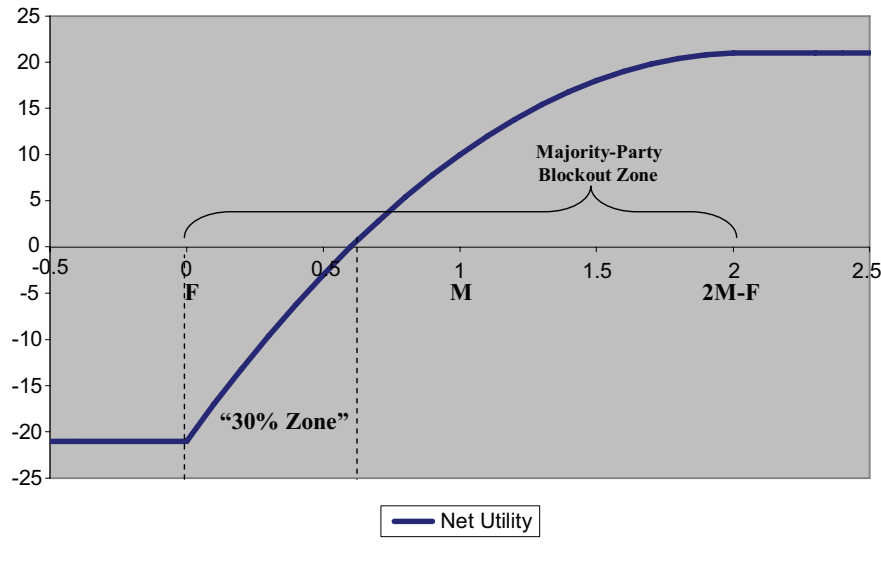
To the right of .6, net utility is positive and increasing to the far edge of the majority-party blockout zone, where the net benefit from the cartel peaks and remains constant

<sup>11</sup> The actual calculations were done for hypothetical legislators at every .1 interval in the space. However, the basic shape of the curve does not change if we use different intervals, as long as they are uniformly spaced.

<sup>12</sup> The 30% figure is simply a calculation based on the fact that (a) the interval from 0 to .6 is a negative utility region and (b) the majority-party blockout zone extends from 0 to 2.

<sup>13</sup> If we were to treat SQs within the space as continuously dense, the net utility loss zone contracts slightly, with the right edge shifting from .6 to .585. To see this, consider the following exercise. For any ideal point *x*, treat *x* as fixed and let SQs go from 0 to 2, graphing the net benefits from gatekeeping. In any interior case of *x*, there will be a “benefits triangle” above the *y* = 0 axis that peaks at *x* and has area *x*<sup>2</sup> (because the base is 2*x* and the height is *x*), and a “losses triangle” below the *y* = 0 axis that has area (2–2*x*)<sup>2</sup>/2. The sum of the areas of these two triangles is the integral over the interval, which equates to the expected utility from negative agenda control. This simplifies to 4*x*–*x*<sup>2</sup>–2, and thus the point at which net benefit equals 0 is .585. We thank Keith Krehbiel for suggesting this approach.

**FIGURE 2 Net Policy Utility Resulting from Majority-Party Negative Agenda Control**



for all members on the extreme side of  $2M-F$ . Thus, *in terms of pure policy utility*, without considering any side payments or party brand-name benefits, all members to the right of .6 in our example have an incentive to support the cartel. Additional payoffs are not needed.

**Side-Payments Hypotheses**

The puzzle, as we have set it out in the previous sections, is why the negative utility members—particularly those in the 0 to .6 interval, which we will refer to as the “30% zone”—are willing to support the cartel arrangement. If the answer is that the cartel disproportionately funnels electorally valuable side payments in their direction, as payoffs to compensate them for policy losses that they suffer as a result of the cartel’s negative agenda control, then Figure 2 allows us to generate some explicit hypotheses about the distribution of said side payments. The first hypothesis is clear:

*Hypothesis 1:* Majority-party members whose ideal points fall within the 30% zone (i.e., between the floor median and the “30%” mark) should receive significantly greater side payments than majority-party members in extreme intervals on the same side of the policy space, *ceteris paribus*.

This follows from the pure policy utility calculations on the majority-party side of the policy space. As majority-

party members in the 30% zone face negative policy returns by being part of the cartel, their membership in the cartel is fragile (their incentive to cheat is high) and thus must be maintained by other means, specifically through side payments. As majority-party members to the right of the 30% zone are net utility winners from the cartel arrangement, they require no additional compensation to remain in the cartel. Thus, majority-party leaders should distribute side payments in a rational manner, where it can yield the most benefit, which means disproportionately to majority-party members in the 30% zone.

We next consider majority-party members located on the minority-party side of the floor median. Under the strictest assumptions, we might expect them to be ignored. The majority party, after all, needs only a bare majority to effectively cartelize. Thus, even though these very moderate members suffer the most from the cartel arrangement, it is conceivable that they might receive no extra compensation for their losses. On the other hand, one can imagine reasons why they *would* be compensated. First, majority-party leaders may find it beneficial to have more than a bare majority of the chamber on board the cartel. This would be consistent with parallel findings in the vote-buying literature, as Groseclose and Snyder (1996) suggest that supermajority coalitions may form if *multiple* vote buyers are present. In the cartel case, it is possible, for example, that minority-party leaders may try to bid away a pivotal group of majority-party moderates within the blockout zone—thus, majority-party leaders

may respond by distributing side payments to majority-party members on the *other side* of the median as a counterattack.<sup>14, 15</sup> Second, if we relax the assumption of unidimensionality, it is not hard to imagine that moderates on each side of the floor median could “switch places” across different policy areas, dimension by dimension (Crespin and Rohde 2010). Finally, if there is significant ideological overlap between the two parties, then majority-party leaders will *need* to rely upon majority-party members on the minority-party side of the median for important procedural votes to maintain the cartel—as they cannot count on minority-party members who fall within the majority-party blackout zone (especially the 30% zone) for help.<sup>16</sup> Thus, a reasonable second hypothesis is as follows:

*Hypothesis 2:* Majority-party members whose ideal points fall within the 30% zone and majority-party members whose ideal points fall within the interval on the minority-party side of the median should receive equivalent levels of side payments, *ceteris paribus*.

In effect, this hypothesis acknowledges that there are two intervals of net policy losers within the majority party, and while only one of them is *theoretically* necessary for cartel maintenance (those in the 30% zone), various *practical* reasons exist as to why majority-party members in the minority-side interval would be compensated disproportionately as well.

Finally, there is important variation within the 30% zone that needs to be considered. Indeed, this variation leads to what we see as the *key* hypothesis. Returning to the logic in the previous section (laid out first in terms of vote buying, and then its cartel parallel), payments to majority-party members in this interval need to be commensurate with net utility loss. And as Figure 1 illustrates, majority-

party members realize greater utility losses the closer they are to the floor median. This leads to the final hypothesis:

*Hypothesis 3:* For majority-party members whose ideal points fall within the 30% zone, there should be a negative relationship between side payments and distance from the floor median, *ceteris paribus*.

Stated differently, within the 30% interval, majority-party members who are closer to the floor median suffer the most (experience the greatest net policy loss) by being part of the cartel. As a result, majority-party leaders should compensate them with greater side payments. More generally, the size of the net policy loss should determine the size of the side payment.

## Data and Research Design

To test these hypotheses, we must first specify a measure of side payments, the theoretical dependent variable. Here, we operationalize side payments using campaign contributions from majority-party leaders’ political action committees (PACs) and principal campaign committees (PCCs) to their rank-and-file members.<sup>17</sup> We choose this measure of side payments for several reasons.

First, given that members are fundamentally motivated by reelection (Mayhew 1974), and that money has become an increasingly central component in electoral success (Jacobson 2008), perhaps the most valuable available side payment that party leaders can make is quite literally a payment, in the form of campaign funds. Indeed, a vibrant literature in congressional studies has emerged in recent years to study the dynamics of leader-to-member (and member-to-member) contributions (see Cann 2008; Currinder 2003; Heberlig 2003; Heberlig, Hetherington, and Larson 2006; Heberlig and Larson 2005; Kanthak 2007; Pearson 2005; Powell 2009).

Note that, in choosing this measure, we are not suggesting that campaign contributions from *majority-party leaders alone* are sufficient to “pay off” majority-party centrists for their policy losses. Even when contributions from leaders reach the tens of thousands of dollars, we recognize that, given the cost of modern congressional campaigns, this almost certainly represents only partial compensation for members suffering net policy losses. However, contributions from leaders may serve as signals to other bigger donors that these particular members are the ones the party would like to see receive contributions.

<sup>14</sup> Of course, majority-party leaders could try to buy the votes of *either* majority- or minority-party members on the minority side of the floor median. But presumably they would prefer to compensate their own members rather than those from the other party, in order to get the votes that they need.

<sup>15</sup> Alternatively, majority-party leaders may compensate these majority-party moderates as part of a proactive strategy, to maintain voting unity from the outset as a way to discourage minority-party leaders from going after increasing numbers of their members on subsequent votes. On this point, see Cann (2008).

<sup>16</sup> This is not a major problem for the time period that we examine, when the two parties are significantly polarized and cleanly divided into conservative (Republican) and liberal (Democrat) coalitions. But this would certainly come into play in other eras, such as the mid-twentieth century, when conservative Democrats and liberal Republicans existed and produced meaningful ideological overlap between the parties.

<sup>17</sup> For detailed background on leadership PACs and PCCs, see Cann (2008).

Moreover, and perhaps even more importantly, our argument is that the *pattern* of leader contributions to the rank-and-file is likely to be representative of the broader flow of side payments—which surely come in many forms—offered as compensation for policy losses resulting from the cartel arrangement. So, even though the contributions from the leaders themselves (and those that follow from other donors) are likely to be insufficient as complete side payments, they serve as a very good indicator of the general compensation scheme.

Second, because of Federal Election Commission (FEC) law and increasingly careful recordkeeping by watchdog organizations, campaign contributions are easily observable. We acknowledge, of course, that there may be ways for leaders to direct funds to members other than making direct contributions to their respective campaigns. But we can think of no reason to expect that the distribution of these other funneling mechanisms would follow a different pattern than direct campaign contributions.

Third, other forms of side payments—such as granting committee transfer requests or scheduling preferred legislation—can certainly operate as compensation for members, but these actions may also have implications for the basic functions of the cartel, and these dual considerations may be hard to disentangle.<sup>18</sup> For example, granting a centrist member's request to a seat on the Appropriations committee would be a reward for the member, but it would also affect the performance of a key component of the cartel's agenda-setting machine. Similarly, the majority-party cartel may schedule legislation to appease a centrist member, but that is likely to be just one of many considerations in allowing that item onto the agenda. Because leadership campaign contributions effectively sidestep the internal processes of the cartel, they also sidestep some significant problems of scientific inference.<sup>19</sup>

To construct our dependent variable, we used data collected by the Center for Responsive Politics, accessed via [www.opensecrets.org](http://www.opensecrets.org), to code the amount of every contribution from the PCC and leadership PAC of the Speaker of the House, the House Majority Leader, and the House Majority Whip to a member of the majority party during the 107th (2001–2), 108th (2003–4), 109th

<sup>18</sup> That said, we believe this “disentangling” would be an important extension of the work presented here.

<sup>19</sup> One other potentially fruitful dependent variable of interest might be earmarks. These are still somewhat susceptible to the “internal processes” contamination discussed above, but they are often discussed as having side-payment-like qualities (see, e.g., Lazarus 2009, 2010; Lazarus and Steigerwalt 2009). However, temporal limitations exist, as reliable earmark data are only available going back to 2007.

(2005–6), and 110th (2007–9) congresses.<sup>20</sup> We focus on these four congresses because at the time of original coding, our data source lacked essential information prior to the 107th Congress. It would certainly be preferable to have a longer time series, allowing more variation across majority-party conditions and other relevant macro- and micro-level variables, but we are satisfied that the range of our data provides sufficient variation, a large enough  $N$ , and an excellent snapshot of the House's legislative cartel during a period of intense partisanship.

Our dependent variable,  $AllDollars_{it}$ , is the summed contributions from the three aforementioned majority-party leaders' PACs and PCCs to majority-party member  $i$  in Congress  $t$ .<sup>21</sup> Over the four congresses in our analysis, the modal outcome for the dependent variable was zero, as a majority of members received no contributions (576 of our 937 observations). In terms of those members who did receive contributions, the amount ranged from \$164 to \$64,000, with a mean of \$17,838 and a standard deviation of \$13,365.<sup>22</sup> To create the preference intervals necessary for our various independent variables, we measure member preferences using the well-known DW-NOMINATE scores developed by Poole and Rosenthal (2007).<sup>23</sup>

<sup>20</sup> We follow Cox and McCubbins (1993, 2007) in identifying these three officers as the primary leaders of the majority party in the House. The occupants of these leadership positions in the 107th through 110th congresses are as follows:

Speaker: Dennis Hastert (R-IL), 107–109; Nancy Pelosi (D-CA), 110.

Majority Leader: Dick Armey (R-TX), 107; Tom DeLay (R-TX), 108–109; Roy Blunt (R-MO), 109; John Boehner (R-OH), 109; Steny Hoyer (D-MD), 110.

Majority Whip: Tom DeLay (R-TX), 107; Roy Blunt (R-MO), 108–109; Jim Clyburn (D-SC), 110.

DeLay did not make any contributions in the 109th Congress; thus, for coding purposes, we treated Blunt as the Majority Whip and Boehner as the Majority Leader.

<sup>21</sup> Here, we follow Cann (2008) in combining contributions from PCCs and leadership PACs into a single measure.

<sup>22</sup> One might wonder how members could rack up this much in contributions in a single election cycle from just a few sources, given the limits on the size of campaign contributions. An example will suffice as an answer. Hoyer gave \$2,000 five times to “Childers for Congress” during the 2008 election cycle from his personal campaign committee. The dates and descriptions on [opensecrets.com](http://opensecrets.com) were as follows: April 22, 2008, “General Runoff”; April 22, 2008, “Primary Debt”; April 22, 2008, “Primary Run Off Debt”; April 22, 2008, “Special Contribution”; April 23, 2008, “Contribution.” He also gave \$5,000 five times to “Childers for Congress” from his leadership PAC (AmeriPAC) for “2008 Special,” April 15, 2008; “2008 Primary Run-off Debt,” April 19, 2008; “2008 Primary Debt,” April 19, 2008; “2008 Special Run-off,” April 23, 2008; “2008 General,” April 23, 2008.

<sup>23</sup> For another study that utilizes NOMINATE scores to generate preference-based intervals for empirical analysis, see Krehbiel (1998). Note that we have also rerun all our analyses using two



To test our hypotheses, we estimate the following main model:

$$\begin{aligned} AllDollars_{it} = & a + \beta_1 F_{30}_{it} + \beta_2 30\_M_{it} \\ & + \beta_3 M\_2M\_F_{it} + \beta_4 F\_minside_{it} \\ & + \beta_5 F\_dist_{it} + \beta_6 F_{30}^* Fdist_{it} + \epsilon_{it} \end{aligned}$$

where

$F_{30}_{it}$  is a dummy variable coded 1 if majority-party member  $i$ 's first-dimension DW-NOMINATE score falls between the floor median and the "30%" mark<sup>24</sup> in Congress  $t$ , and zero otherwise;<sup>25</sup>

$30\_M_{it}$  is a dummy variable coded 1 if majority-party member  $i$ 's first-dimension DW-NOMINATE score falls between the "30%" mark and the majority-party median in Congress  $t$ , and zero otherwise;

$M\_2M\_F_{it}$  is a dummy variable coded 1 if majority-party member  $i$ 's first-dimension DW-NOMINATE score falls between the majority-party median and the extreme edge of the majority-party blackout zone ( $2M-F$ ) in Congress  $t$ , and zero otherwise;

$F\_minside_{it}$  is a dummy variable coded 1 if majority-party member  $i$ 's first-dimension DW-NOMINATE score falls on the minority-party side of the floor median in Congress  $t$ , and zero otherwise;

$Fdist_{it}$  is the absolute distance between majority-party member  $i$ 's first-dimension DW-NOMINATE score and the floor median in Congress  $t$ ; and

$F_{30}^* Fdist_{it}$  is an interaction between  $F_{30}_{it}$  and  $Fdist_{it}$  in Congress  $t$ .

For this main model, as well as the iterations of the model that include control variables (described below), we present the results as estimated using ordinary least squares regression with robust standard errors.<sup>26</sup> We also include congress-specific fixed effects in each model,

different subsets of votes to construct the NOMINATE scores: one set with only procedural votes and one set with all nonprocedural votes. The results of those analyses can be found in the Supporting Information document.

<sup>24</sup> The 30% mark is calculated by taking the first-dimension DW-NOMINATE distance between the floor and majority-party medians, multiplying that by .6, and adding that value to the floor median's ideal point (or subtracting it, in the case of a Democratic majority).

<sup>25</sup> The percentage of majority-party members who fall into this interval, for each congress, is as follows: 18% in the 107th (41 of 228), 21% in the 108th (49 of 232), 22% in the 109th (51 of 236), and 19% in the 110th (46 of 241).

<sup>26</sup> We have also reestimated all the models using robust standard errors and clustering on individual members across congresses. The results are substantively identical with respect to all of our predictions.

via dummy variables for the 108th, 109th, and 110th congresses.

Table 2 maps our theoretical hypotheses into empirical predictions. The first column lists the hypotheses as they were stated in the theory section; the second column shows the intra- and inter-interval comparisons, derived from Figure 2, that drive these hypotheses.<sup>27</sup> In the third column, we match up the coefficient comparisons with our theoretical predictions. Note that, because the interval of legislators "beyond  $2M-F$ " is the omitted interval in our analyses, it serves as the reference category.<sup>28</sup>

We acknowledge that, beyond maintaining the cartel, there are other reasons why majority-party leaders distribute campaign contributions, perhaps the most important being the need to shore up electorally vulnerable members. To have confidence in our cartel-based results, we need to account for these other potentially confounding effects. Thus, after running our main model, we check for robustness by adding several controls. To account for the electoral vulnerability concern, we include two variables:  $Margin55_{it-1}$ , a dummy variable equal to 1 if member  $i$  won his prior election by less than 55% of the two-party vote, and  $Quality\ Opponent_{it-1}$ , a dummy variable equal to 1 if member  $i$  faced an opponent in the prior election who had held elected office at some point in the past. Because some of our key theoretical predictions involve more moderate members getting more contributions, and because moderates are more likely to be in competitive seats (and thus electorally vulnerable), it will

<sup>27</sup> An alternative approach to specifying the intervals would be to lump together all of the members to the extreme side of the "30%" point into one interval (and, empirically, when we do this we get substantively similar results). However, we think there are good theoretical reasons to divide up the space as we do. For example, the majority-party median is a pivotal actor in the dominant partisan theories (Aldrich and Rohde 2000; Cox and McCubbins 2005). Moreover, the  $2M-F$  point is the end of the "cartel blackout zone" and represents in our utility calculations the point where majority-party members' net utility becomes constant.

<sup>28</sup> We recognize that by including the interaction between  $F_{30}_{it}$  and  $Fdist_{it}$  in the main model, the coefficient ( $\beta_1$ ) on  $F_{30}_{it}$  represents not the average contributions received by majority-party members within the 30% zone, but rather the average contributions received by majority-party members at *one point* in the 30% zone (specifically, at the floor median). To ensure that our tests of Hypotheses 1 and 2 are not biased as a result, we conducted two sensitivity analyses: (1) we reran the basic model without  $Fdist_{it}$  and  $F_{30}^* Fdist_{it}$ , thus allowing for an "apples to apples" comparison of interval-based contributions, and (2) we reran the basic model, but compared average contributions received by majority-party members at the *mean distance point* within  $F_{30}_{it}$  (thus using  $\beta_1 + \beta_6^* [\text{mean distance within } F_{30}_{it}]$ , instead of just  $\beta_1$  in our various hypothesis tests). In the first case, we found that our results largely hold up, with two caveats: the test between  $F_{30}_{it}$  and  $30\_M_{it}$  falls just short of significance ( $p = .11$ ), and  $F\_minside_{it}$  is significantly larger than  $F_{30}_{it}$ . In the second case, we found that our results hold up, except again  $F\_minside_{it}$  is significantly larger than  $F_{30}_{it}$ .

TABLE 2 Theoretical Hypotheses and Empirical Predictions

Hypothesis	Inter-Interval and Intra-Interval Comparisons	Empirical Prediction
<b>Hypothesis 1:</b> Majority-party members whose ideal points fall within the 30% zone (i.e., between the floor median and the “30%” mark) should receive significantly greater side payments than majority-party members in extreme intervals on the same side of the policy space, ceteris paribus.	<i>Side payments in the interval:</i> F to “30%” > “30%” to M F to “30%” > M to 2M-F F to “30%” > beyond 2M-F	$\beta_1 > \beta_2$ $\beta_1 > \beta_3$ $\beta_1 > 0$
<b>Hypothesis 2:</b> Majority-party members whose ideal points fall within the 30% zone and majority-party members whose ideal points fall within the interval on the minority-party side of the median should receive equivalent levels of side payments, ceteris paribus.	<i>Side payments in the interval:</i> F to “30%” = Minority side of F	$\beta_1 = \beta_4$
<b>Hypothesis 3:</b> For majority-party members whose ideal points fall within the 30% zone, there should be a negative relationship between side payments and distance from the floor median, ceteris paribus.	<i>Within the 30% zone:</i> Side payments decrease with distance from F	$\beta_6 < 0$

be crucial for us to account for this relationship. We also control for the ideology of the district, which is common practice in much of the literature on PAC contributions, by including a variable *Presidential Vote*<sub>*it*-1</sub>, which measures the percentage of the vote in support of member *i*'s party's presidential candidate in the previous election. Finally, we also include a variable, *Summed Expenditure*<sub>*it*-1</sub>, to measure the total expenditures (by both congressional candidates) in member *i*'s last election. Though this variable is likely to capture some of the same effect as the measures of marginality (especially the presence of a quality opponent), it might also pick up an effect for candidates who run in inherently more expensive electoral districts, independent of competitiveness.

## Results

The results from the basic model (without controls) appear in column (1) of Table 3. We find that *all three* of our theoretical hypotheses are borne out. First, majority-party members in the 30% zone receive significantly greater side payments than majority-party members in the most extreme interval on the same side of the policy space ( $\beta_1 > 0$ ,  $p = .005$ ), as well as the other two intervals within the majority-party blackout zone ( $\beta_1 > \beta_2$ ,  $p < .001$ ;  $\beta_1 > \beta_3$ ,  $p < .001$ ). Second, majority-party members in the 30% zone receive statistically similar side payments to majority-party members in the interval on the minority-party side of the median ( $\beta_1 = \beta_4$ ,

$p = .90$ ). Finally, for majority-party members within the 30% zone, there is a significant, negative relationship between side payments and distance from the floor median ( $\beta_6 < 0$ ,  $p < .001$ ), which indicates that side payments increase with net policy losses. This third test, which we see as the most critical for the theory, is robust to *every specification* of the model that we have estimated.

Next, we examine whether these results hold up after accounting for potential confounds. As noted, leader contributions should be positively related to electoral vulnerability. We find evidence of this in column (2) of Table 3, where *Margin55*<sub>*it*-1</sub> is positive and significant ( $p < .001$ ); moreover, the model's fit (as measured by the  $R^2$ ) more than doubles thanks to the addition of this electoral vulnerability variable. We see more evidence of this relationship in column (3), where both *Margin55*<sub>*it*-1</sub> and *Quality Opponent*<sub>*it*-1</sub> are positive and significant ( $p < .001$  for both). All of this said, each of the results attached to our three main hypotheses remains significant.<sup>29</sup>

In columns (4) and (5), we first add *Presidential Vote*<sub>*it*-1</sub> and then *Summed Expenditure*<sub>*it*-1</sub>. Presidential vote is negative and significant in both models ( $p < .001$  in Model 4;  $p = .002$  in Model 5), indicating that the fewer votes member *i*'s party's presidential candidate

<sup>29</sup> To further rule out potential confounding issues related to electoral vulnerability, we reran all analyses using a “60% threshold” marginal district variable and a continuous measure of each member's prior percent of the two-party vote, respectively. In these iterations, the results of our tests are identical to those presented in Table 3.

**TABLE 3 Regression Results: Contributions from the Majority-Party Leadership**

Variable	(1)	(2)	(3)	(4)	(5)
$F_{30}_{it}$	14148.42***	13331.80***	12613.32***	10376.60***	9286.67**
( $\beta_1 > 0$ )	(4067.30)	(3835.85)	(3833.47)	(3840.61)	(4428.15)
$30_{M}_{it}$	5311.83**	5850.35**	5539.59**	5299.73**	4348.99
( $\beta_2$ )	(2509.35)	(2443.89)	(2448.22)	(2444.20)	(2668.89)
$M_{2M-F}_{it}$	2292.34	2693.87	2593.12	2988.47*	1896.56
( $\beta_3$ )	(1647.06)	(1644.48)	(1637.06)	(1646.54)	(1989.03)
$F_{minside}_{it}$	14554.93***	12428.05***	11163.22***	8606.80**	5741.50
( $\beta_4$ )	(4297.98)	(4006.51)	(4060.45)	(3976.24)	(4469.19)
$Fdist_{it}$	5177.22	5696.13	6041.56	9205.06	7059.01
	(5982.97)	(5698.91)	(5721.25)	(7077.97)	(7122.32)
$F_{30} * Fdist_{it}$	-87792.48***	-77418.49***	-74746.42***	-61896.98***	-65022.62***
( $\beta_6 < 0$ )	(23885.65)	(20993.03)	(20759.78)	(20697.05)	(19328.87)
$Margin55_{it-1}$		12986.92***	12303.88***	11765.66***	13416.48***
		(1427.84)	(1411.30)	(1363.38)	(2027.93)
$Quality\ Opponent_{it-1}$			5339.70***	4521.00***	1372.08
			(1079.77)	(1076.89)	(1089.95)
$Presidential\ Vote_{it-1}$				-245.36***	-153.90***
				(45.77)	(49.16)
$Summed\ Expenditure_{it-1}$					.0022***
					(.0004)
Constant	-455.64	-2199.66	-3141.37	10496.11**	3925.03
	(3759.17)	(3612.39)	(3590.74)	(4347.38)	(4980.94)
N	937	937	937	934	699
R <sup>2</sup>	.08	.20	.23	.26	.38
$H_O: \beta_1 = \beta_2$	3.37***	3.15***	2.99***	2.15**	2.07**
$H_A: \beta_1 > \beta_2$					
$H_O: \beta_1 = \beta_3$	3.88***	3.79***	3.57***	2.62***	2.42***
$H_A: \beta_1 > \beta_3$					
$H_O: \beta_1 = \beta_4$	.14	.32	.50	.62	1.34
$H_A: \beta_1 \neq \beta_4$					

Note: OLS estimates with robust standard errors in parentheses; *t*-stats presented for hypothesis tests in bottom three rows. Congress-specific fixed effects included in all models, but results omitted. Model coefficients and empirical predictions in bold.

Dependent Variable: Total dollars contributed by majority-party leaders to majority-party member *i* in Congress *t*.

\**p* < .10, \*\**p* < .05, \*\*\**p* < .01 (two-tailed tests, except where directional hypotheses are indicated).

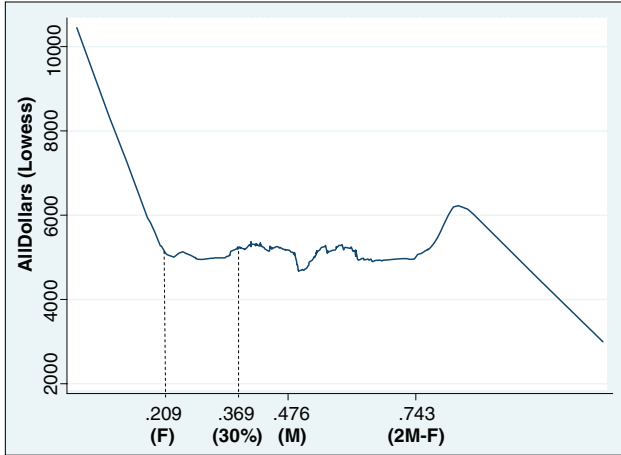
received (and, presumably, the more moderate the district is), the more member *i* receives in campaign dollars from leaders. When we add district-campaign expenditures in Model 5, that variable is significant (*p* < .001), indicating that electoral-district expense in part drives contributions, and model fit improves considerably. However, the results associated with our three hypotheses remain unchanged with respect to their support for the predictions.<sup>30</sup>

We do note that, in Model 5, several coefficients that were positive and significant in prior models (on  $F_{minside}_{it}$ ,  $30_{M}_{it}$ , and  $Quality\ Opponent_{it-1}$ ) are no longer significant. However, this is not especially troubling. In the case of the two interval dummies, we remind the reader that we do not make any predictions about these variables on their own, since their coefficients make comparisons between those intervals and the reference category, which is the most extreme interval. Rather, our

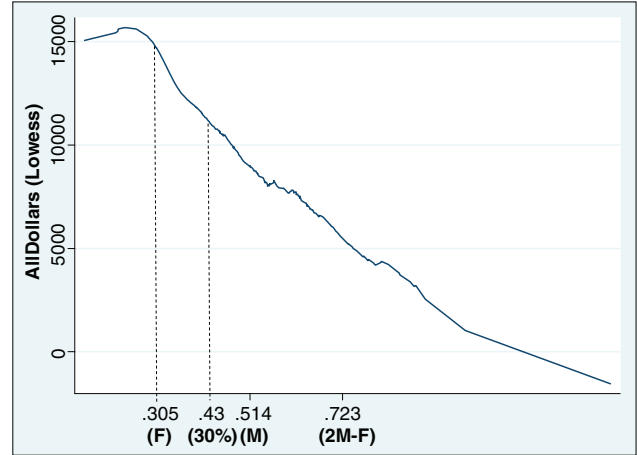
<sup>30</sup> Damore and Hansford (1999) suggest in their analysis of campaign contributions that left censorship of the data is a concern given that the “zero” contribution observations are unlikely to be real measures of compensation for those individuals (after all, leaders would probably prefer to take money away from some mem-

bers). This could introduce coefficient bias. Thus, as a robustness check, we reran all of our analyses using Tobit. With respect to our hypotheses, the Tobit results only differ from our main results for one test in one model: for the test between  $F_{30}_{it}$  and  $F_{minside}_{it}$  in Model 5,  $F_{30}_{it}$  is significantly larger at the 90% level (*p* = .089).

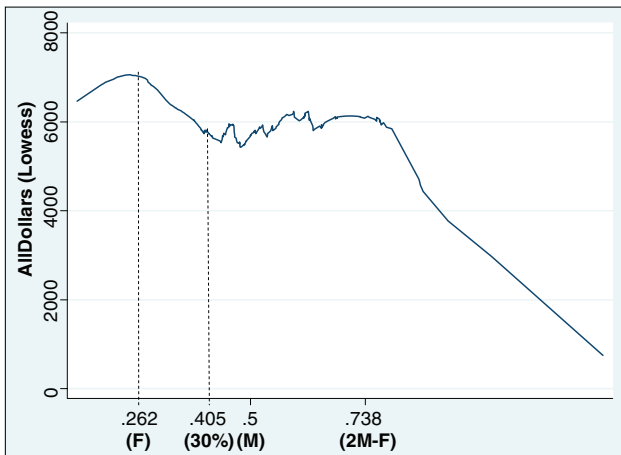
**FIGURE 3a Total Contributions by First-Dimension DW-NOMINATE Score, 107th Congress**



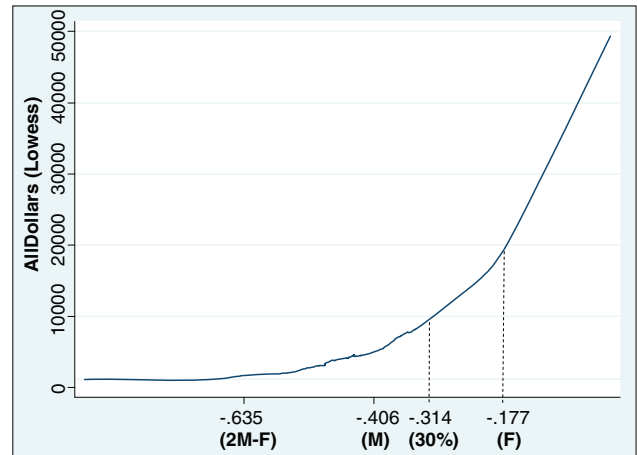
**FIGURE 3c Total Contributions by First-Dimension DW-NOMINATE Score, 109th Congress**



**FIGURE 3b Total Contributions by First-Dimension DW-NOMINATE Score, 108th Congress**



**FIGURE 3d Total Contributions by First-Dimension DW-NOMINATE Score, 110th Congress**



relevant hypotheses compare these coefficients to the coefficient on  $F_{30_{it}}$ , and the results of those tests (shown at the bottom of Table 3) remain stable across all five columns. Further, it is unsurprising that the effect of  $Quality\ Opponent_{it-1}$  is subsumed by the inclusion of  $Summed\ Expenditure_{it-1}$ , since the presence of a quality candidate in a race is very likely to increase spending on both sides, all else equal.

Stepping outside the multivariate context, we see our key hypotheses play out graphically in Figures 3a–d (separate figures for each congress, 107–110), each showing a Lowess line (a locally weighted regression) based on

the values for our dependant variable,  $AllDollars_{it}$ , on the y-axis plotted against first-dimension DW-NOMINATE scores on the x-axis. In each figure, we have marked and labeled the floor median (F), the 30% mark, the majority-party median (M), and the extreme edge of the majority-party blackout zone (2M-F). We have also marked the spots on the Lowess lines where the 30% zone begins and ends in each figure.

Recall that side payments should be inversely and proportionately related to net policy utility (i.e., the more you suffer because of the cartel arrangement, the more compensation you should receive). Thus, if we recall our

**TABLE 4** Placebo Tests: Contributions from the Minority-Party Leadership

Variable	(1)	(2)	(3)	(4)	(5)
$F_{30_{it}}$	-4927.20*** (1578.60)	-3609.42** (1446.82)	-3455.40*** (1309.01)	-3047.65** (1466.37)	-1900.72 (1628.06)
$30_{M_{it}}$	-439.92 (698.84)	-392.22 (614.61)	-406.37 (608.78)	-169.55 (598.06)	-154.72 (586.51)
$M_{2M-F_{it}}$	-335.57 (637.85)	-218.80 (566.62)	-177.47 (560.91)	307.97 (549.83)	290.10 (534.13)
$F_{majside_{it}}$	-1939.39** (809.15)	-1115.39 (687.80)	-847.13 (663.59)	-	-
$Fdist_{it}$	-4414.79*** (1138.57)	-3539.90*** (1108.74)	-3156.42*** (986.99)	-1203.69 (981.08)	-594.87 (1124.38)
$F_{30} * Fdist_{it}$	12388.76*** (4237.44)	8931.36** (3972.04)	8729.47** (3455.90)	7569.01* (4019.52)	4817.71 (4483.64)
$Margin55_{it-1}$		2373.25*** (351.24)	2332.97*** (341.02)	2340.43*** (334.38)	4855.79*** (693.80)
$Quality\ Opponent_{it-1}$			929.45*** (334.85)	707.90** (333.77)	-226.56 (315.50)
$Presidential\ Vote_{it-1}$				-51.62*** (9.15)	-46.96*** (11.54)
$Summed\ Expenditure_{it-1}$					.0001 (.0001)
Constant	3793.60*** (1174.27)	2602.15*** (998.37)	2172.83** (959.82)	3814.62*** (1032.85)	3188.60*** (1140.66)
$N$	832	832	832	827	646
$R^2$	.10	.20	.21	.24	.36
$H_O: \beta_1 = \beta_2$	-3.59***	-2.72***	-2.97***	-2.33**	-1.25
$H_A: \beta_1 \neq \beta_2$					
$H_O: \beta_1 = \beta_3$	-3.37***	-2.64***	-2.89***	-2.53**	-1.46
$H_A: \beta_1 \neq \beta_3$					
$H_O: \beta_1 = \beta_4$	-2.54**	-2.20**	-2.65***	-	-
$H_A: \beta_1 \neq \beta_4$					

Note: OLS estimates with robust standard errors in parentheses;  $t$ -stats presented for hypothesis tests in bottom three rows. Congress-specific fixed effects included in all models, but results omitted. ( $F_{majside_{it}}$  omitted in Models 4 and 5 because of collinearity.)

Dependent Variable: Total dollars contributed by minority-party leaders to minority-party member  $i$  in Congress  $t$ .

\* $p < .10$ , \*\* $p < .05$ , \*\*\* $p < .01$ .

net policy utility distribution from Figure 2, we can infer what to expect by plotting majority-party leaders' contributions against ideal point locations: the highest side payments should be on the minority-party side of the floor median, and then payments should slope downward through the "30%" zone and gradually level off toward and beyond the extreme edge of the majority-party blackout zone.

Looking at the relationship in each congress, 107 to 110, we see this basic curve appear in the data. Figure 3a, for the 107th Congress, is the roughest fit, though the basic shape of the curve, up to the edge of the majority-party

blockout zone at  $2M-F$ , looks essentially as we expect, with a general downward slope (though it is relatively flatter within the 30% zone than the theory implies). When we move beyond the 107th Congress, however, the curves look almost as if they were derived theoretically, rather than drawn from actual data. In each of the figures for Congresses 108 to 110 (Figures 3b-d), the Lowess line in the 30% zone slopes negatively away from the floor median at what looks to be roughly the same rate as the policy utility line slopes (in the opposite direction) in Figure 2. Further, just as in the theoretical case, the slope of the line flattens out beyond the 30% interval as it

moves toward *2M-F*. The figure for the 109th Congress in particular looks nearly perfect, in terms of the theoretical expectations we derived from Figure 2.

To summarize, from both the multivariate analysis and the more raw graphical representation of the data, we find overwhelming support for our theoretical predictions. In short, the evidence suggests that majority-party leaders buy negative agenda control via side payments in the form of campaign contributions.

## A “Placebo” Test

To bolster the validity of our results, we conducted a sort of “placebo” test by running the same set of analyses for the minority party. Since minority-party leaders possess little agenda control in the House (Aldrich and Rohde 2000; Cox and McCubbins 2005), we would not expect side payments for minority-party members to follow the same pattern as those for majority-party members.<sup>31</sup> For these analyses, the dependant variable measured summed PCC and leadership PAC contributions from the Minority Leader and Minority Whip to rank-and-file minority-party members.<sup>32</sup> The independent variables were identical to those in the models from Table 3, except the interval dummies reflected the minority-party side of the space.

The results of these analyses are presented in Table 4. In terms of the cartel-based variables, the results are dramatically different from those in Table 3. For the minority party, members near the party median and extremist members do *better* than the moderates. Where the coefficients on the  $F_{30_{it}}$  variable in Table 3 were consistently positive and significant, here they are consistently *negative* and significant, as are the interval comparison tests reported in the bottom of the table. Moreover, within the minority’s 30% zone, distance from the floor median is *positive* and significant in all but one model, meaning *less* moderate members receive *more* campaign contributions from the minority-party leadership.

Note, though, that the coefficients on the control variables that tap electoral vulnerability are significant and in the predicted direction. Minority-party leaders,

just like majority-party leaders, distribute campaign contributions to marginal members, those who face quality challengers, and those who run in “expensive” districts. Thus, it is *only* on the cartel-based variables that the minority-party model diverges from the majority-party version, which makes sense *since no cartel exists for the minority party*.

Our interpretation of these results is straightforward: when a party gets the “treatment” of majority status, and thus the obligation to maintain the legislative cartel, the distribution of side payments shifts in a predictable way—with payoffs funneled to moderates to compensate them for net policy losses suffered as a result of the cartel’s negative agenda control. That a similar set of payoffs was not uncovered for the minority party suggests that our cartel-based results for the majority are tapping a true causal relationship and not just capturing an unmodeled confounding connection.

## Conclusion

The literature on parties in Congress (especially in the House of Representatives) has moved steadily toward consensus on the conclusion that “parties matter” in determining legislative outcomes. Voluminous evidence shows that the majority party—through a mix of procedural and resource advantages—manipulates the legislative agenda to its advantage. In perhaps the defining work on the topic, Cox and McCubbins (2005) describe this majority-party advantage in terms of a “cartel,” where the majority caucus agrees to delegate authority—especially negative agenda control—to the party leadership to be used for the benefit of a majority of the majority party.

Despite consensus over the existence of party effects, however, a fundamental puzzle remains at the very core of theoretical treatments of legislative parties: why do majority-party moderates (i.e., spatial “centrists”) who are thought to suffer in policy terms as a result of the cartel arrangement nonetheless support its operation? One answer offered by Cox and McCubbins (1993, 2005, 2007) is that the (considerable) collective benefits of being in the majority accrue to all majority-party members, moderate and extreme. Certainly this is part of the story. But is it the whole story? We think not. At least part of the story, as hinted at by Cox and McCubbins (2005), is that the majority-party cartel buys its negative agenda control with side payments to its centrist members.

In this article, we have taken three important steps toward resolving the puzzle of the majority-party moderates. First, we have argued that while compensating members for their losses due to negative agenda control

<sup>31</sup> Indeed, Cox and McCubbins (2005) term the comparable preferred-to zone (vis-à-vis the floor median) for the minority-party median as a “roll zone,” as the minority party in the Cartel Agenda Model has no means to block SQs from being placed on the agenda.

<sup>32</sup> Because the minority party has no parallel position to the Speaker, we focus only on the Minority Leader and Minority Whip. In doing so, we follow Cox and McCubbins (1993, 2007) in identifying these two officers as the primary leaders of the minority party in the House.

is akin to a type of legislative “vote buying,” it is different in nontrivial ways. Classic legislative vote buying is typically conceptualized as case-by-case compensation to legislators to support the passage of a new bill. Buying negative agenda control, however, especially in the case of a legislative cartel, affects a *number* of legislative outcomes, most of the time with only the tacit support of the rank-and-file cartel members. And, critically, the main function of the cartel is to *keep new bills from passing*. These differences between cartel compensation and legislative vote buying imply meaningful, substantive differences about the timing, distribution, and substance of the side payments. This argument has important implications for future work on the intersection between vote buying and agenda setting in Congress.

Second, we derived net policy utility across majority-party members, resulting from the negative agenda control of the majority-party cartel, and in doing so uncovered a novel result: assuming a uniform distribution of SQ policies, 30% of the space in the majority-party blackout zone—that space nearest to the floor median—is negative utility territory. We believe this result is both interesting and useful, in that legislative scholars will now have a more concrete expectation about which and how many majority-party members suffer as a result of the cartel arrangement. Though we doubt that, in practice, the precise cutoff at “30%” is hard and fast in terms of compensation, the result does represent a meaningful step forward in quantifying the policy strife of the majority-party moderates.

Finally, we test the implications from the distribution of net policy utility resulting from the majority-party cartel, and find explicit evidence to support the explanation that the cartel maintains itself through the uneven distribution of side payments. Specifically, we find that majority-party members within the interval between the floor median and the “30%” mark—those who suffer net utility losses as a result of the cartel—receive more campaign contributions from majority-party leaders than majority-party members in other intervals on the same side of the floor median. Moreover, side payments decrease within that interval with distance from the floor median (as majority-party members suffer smaller policy losses). This final result, which we see as the key test of the theory, is remarkably stable across all possible iterations of the empirical model.

This systematic evidence—the first of which we are aware that shows compensation of majority-party centrists by way of side payments—represents an essential step toward solving the puzzle of the majority-party moderates, and further enriches our understanding of campaign contributions and their utility within legislatures.

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## Supporting Information

Additional Supporting Information may be found in the online version of this article:

**Appendix 1:** Tobit (rather than OLS)

**Table A1:** Tobit Results (rather than OLS)

**Appendix 2:** OLS, clustering by member

**Table A2:** OLS Results with Clustering by Member

**Appendix 3:** OLS, using Margin60 and continuous electoral margin instead of Margin55

**Table A3:** OLS, using Margin60 instead of Margin55

**Table A4:** OLS using Electoral Margin instead of Margin55

**Appendix 4:** OLS, splitting NOMINATE by non-procedural votes and procedural votes

**Table A5:** OLS Results: Contributions from the Majority-Party Leadership (NOMINATE constructed with Non-Procedural Votes Only)

**Table A6:** OLS Results: Contributions from the Majority-Party Leadership (NOMINATE constructed with Procedural Votes Only)

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