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Vetoes, Bargaining, and Boundary Conditions

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"Testing Theories of Congressional-Presidential Interaction with Veto Override Rates" (henceforth "Veto Override Rates") offers several tests of two models of vetoes and finds the models wanting. The paper concludes that something is seriously amiss with the models. In my view, the problem lies not in the models but in the tests. Understanding why the tests miss the mark is helpful in understanding models of veto politics, and more generally in thinking about testing strategies when multiple models analyze different causal mechanisms that hold under different circumstances. I should note immediately that the effort in the paper to think hard about override rates is admirable; it simply does not go far enough.

1 Bilateral Bargaining . . . But Between Whom?

In the academic study of veto politics, formal models are rather thick on the ground. Understanding the different varieties takes some effort (Cameron and McCarty 2004 provide a succinct overview emphasizing the logic and empirical implications of the models). One class of models, studied extensively in *Veto Bargaining* (Cameron 2000a), is bilateral bargaining models.[1] In these models, a proposer ("Congress") makes an offer to a chooser; typically there is some incomplete information about the preferences of the chooser. But, who is the chooser?

One possibility is: *the effective chooser is the veto pivot in the House or the Senate.* This situation arises in the configuration of preferences shown in Fig. 1 (reproduced from Fig. 4.9 in *Veto Bargaining*). In the figure, the proposer's ideal point is 0; the status quo is x_0; the lowest offer that the lowest type of veto pivot would accept is $\underline{\tau}$ and the lowest offer that the highest type of veto pivot would accept is $\bar{\tau}$. The point t denotes the lowest offer that the President would be willing to sign. Note that the President is more extreme than all types of override pivots, so that bargaining really devolves into a bilateral game between the proposer and the veto pivot. An offer in the interval $[\underline{\tau},\bar{\tau}]$ induces both a veto from the President and a probability of a failed override; the probability of override failure depends on the location of the bill and the distribution of veto pivot types (the percentage whose lowest acceptable policy lies in the interval $[b,\bar{\tau}]$, where b denotes the bill location). As discussed in *Veto Bargaining* and in "Veto Override Rates," the unique sub-game perfect equilibrium in this one-shot bargaining game has the proposer making an offer with a positive probability of failure. Under reasonable assumptions about the distribution of override player types, one would expect the probability of success to be about one-half. Very nicely, the paper carries this logic into an explicit maximum likelihood framework.

However, another possibility is: *the effective chooser is the President.* This situation arises in the configuration of preferences shown in Fig. 2 (reproduced from Fig. 4.11 in *Veto Bargaining*). The notation is analogous to that in the previous figure. The point to grasp is that all the veto override types are farther from the proposer than all the President-types. In this configuration, bargaining devolves into a bilateral game between the proposer and the President. This situation is strategically quite rich, giving rise to presidential veto threats and sequential veto bargaining, with learning and concessions by Congress over the episode of veto bargaining. However, for present purposes, the critical point to note is that bills optimized for bargaining with

[1] The bilateral models are all variants on Romer and Rosenthal's (1978) "setter" model.

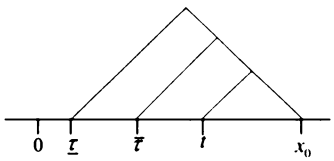

Fig. 1 Bargaining between congress and the veto pivot.

the President—that is, in the interval $[\underline{t},\bar{t}]$—will hopelessly fail in an override attempt. Most likely, no such attempt will even be made. The paper's Propositions 1 and 2 both fail in this configuration.[2]

There is a third case in which the sets of presidential types and veto pivot types over-lap; an example is shown in Fig. 3.[3] In this situation, a bill may be geared for bargaining with the President, but in the event of a veto an override attempt may not be an utterly forlorn hope. An override attempt may follow, but the probability of success may be far below 50%.

The empirical test in the paper makes no effort to distinguish the configurations in Figs. 1, 2, and 3 from one another. In fact, "Veto Override Rates" simply ignores the Figs. 2 and 3 configurations. The data are almost certainly generated from a mix of the configurations, perhaps even within a single Congress. A reasonable ex ante prediction, then, is that aggregate override probabilities will be considerably lower than predicted in the Fig. 1 configuration. And indeed this is what the paper finds.[4]

Carrying the simple override model for Fig. 1 configurations into a neat maximum likelihood framework is a worthwhile accomplishment. However, in that spirit the same needs to be done for the configurations in Figs. 2 and 3, and then all three embedded in a switching regimes framework, simultaneously estimating the probability of each configuration and the estimated override rate. This would be a substantial feat; I conjecture that if carried out, the override data would broadly support the bilateral bargaining models.

I should note in passing, however, that *Veto Bargaining* uncovered a strong empirical regularity in override attempts: they are very rare for unimportant legislation and very frequent for the most important legislation (see Fig. 2.4: 54). (Success conditional on an override attempt was about 45% across all types of vetoed bills.) This striking pattern in override attempts suggests a model in which securing costly floor time for an override attempt is difficult and related to the bill's importance. A model that included this feature and then generated interesting comparative statics on override attempts, might well afford new insights on veto override rates.

2 Bargaining Before An Audience... That Isn't Listening?

A very different class of models concerns bargaining before an audience. In these models the bilateral bargaining over policy is only part of the action; in addition, the bargaining is partly political theatre designed to make an impression on an audience. This perspective on vetoes was first advanced informally in important and innovative work by Gilmour (1995); it was formalized in a neat game-theoretic model by Groseclose and McCarty (henceforth, GM).[5]

The Gilmour–Groseclose–McCarty version of audience bargaining is well-captured in the phrase "blame-game." Here, Congress constructs an offer which, if vetoed by the President, leads the

[2] One could develop a maximum likelihood estimator of the probability of a veto for this configuration, using exactly the methods shown in the paper.

[3] The key conditions are $\bar{\tau} > \underline{t}$ and $\bar{t} > \underline{\tau}$. There are four possible configurations of this kind; the figure shows only one. When the bill is in the interval $[\min\{\underline{t},\underline{\tau}\}, \min\{\bar{t},\bar{\tau}\}]$ both a veto and a successful override are possible.

[4] In fact, if the "test" had succeeded it would have been an embarrassment for the sequential veto bargaining model and (to a degree) the veto threat model, suggesting that the configurations to which they apply occur only rarely. This finding would present an empirical conundrum, considering the frequency of veto threats and sequential veto bargaining. Fortunately the paper derived the opposite—and almost certainly correct—result.

[5] As a side-note: this class of models is not analyzed in *Veto Bargaining* because the formalization of the audience bargaining model was more-or-less contemporaneous with the composition of the book. If I were rewriting the book today, I would afford close attention to audience bargaining models.

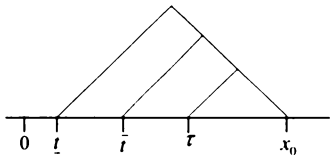

Fig. 2 Bargaining between Congress and the President.

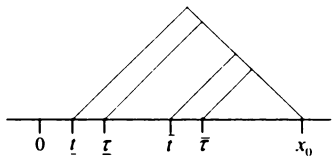

Fig. 3 Bargaining between Congress and the President, possibly followed by an override lottery.

audience to infer the President is more ideologically extreme than it had supposed. To the best of my knowledge, little attention has been given to other possible versions of audience bargaining. For example, Congress offers bills that put it in a favorable light given a likely veto (fame-game vetoes); or the President vetoes bills in order to draw public attention to bills that put Congress in an unfavorable light (shame-game vetoes). Also, little attention has been paid to "narrow casting" models in which the target audience is a particular highly attentive group (farmers, women's groups, Tea Party members) rather than the inattentive general public.

Be that as it may, "Veto Override Rates" tries to draw out the implications of the GM blame game veto model for overrides. To do so, the paper adds a veto override player to the GM model, as in the bilateral bargaining models discussed earlier. However, the proposed model assumes that the preferences of this player are completely known. This seemingly innocuous assumption has powerful implications. In particular, if a veto of a bill will be over-ridden (which is always clear, given the informational assumption), then the bill's passage is assured. Hence, if the president pays a popularity cost from a veto, he will never veto such a bill since he gains nothing in a policy sense but only loses popularity. (This logic is spelled out in Proposition 3 in the paper.) Thus, the model predicts that no vetoes will ever be over-ridden. The override data immediately reject this version of the GM model without recourse to any formal statistical tests.

A more reasonable modeling choice would be to incorporate some incomplete information about the location of the veto pivot's ideal point—exactly as in the override model discussed earlier. However, this assumption also has strong implications. First, if the configuration is as shown in Fig. 1, the veto cannot provide new information about the President's policy preferences. So, no blame game and no movement in audience beliefs about the President. (This point is made in the paper.) However, if the preference configuration is as shown in Fig. 2, the game is exactly as analyzed in Groseclose and McCarty (2001). Vetoes can provide new information about the President's preferences; and, vetoes will not be over-ridden. Critically, if the preference configuration is as shown in Fig. 3, then a well-placed bill can provide new information about the President's preferences. In addition—because both Congress and President face a lottery in the override attempt—overrides may be attempted and may succeed. So, vetoes may or may not provide new information to voters, and some of those that do may lead to successful overrides. In short, both non-over-ridden vetoes and over-ridden vetoes may provide the audience with new information. Hence, the test proposed in "Veto Override Rates" is seriously weakened. The point is acknowledged in the paper's footnote 6, but the bite of the problem is unduly minimized. An arguably cleaner approach would be to separate out the Fig. 1-configuration vetoes from the others, and then look for opinion movement only in the Figs. 2- and 3-configuration vetoes, with no movement in the Fig. 1-configuration vetoes. To the best of my knowledge, this is a novel idea that follows from adding a veto override player to the GM model. This test is not undertaken in the paper, however.

Unfortunately, there is another serious issue with the paper's empirics on audience vetoes: *audience vetoes require an audience*. Most vetoes are quite obscure events. Indeed, given what we know about political information levels in the electorate (Delli Carpini and Keeter 1996), it may be amazing that even the most spectacular vetoes, like Truman's of the Taft-Hartley Act, could seriously impinge on the consciousness of many voters and move their beliefs about the President. For exactly this reason, Groseclose and McCarty's original test focused exclusively on vetoes of the most prominent legislation. The test in "Veto Override Rates" does no such thing, citing data limitations (footnote 12). But it would be easy to focus on, say, vetoes covered on the front page of the *New York Times* or *Wall Street Journal*. Testing a model of audience vetoes using vetoes that the audience could scarcely know about, is a strange choice.

My own belief is that audience vetoes are rather special events—*but they do occur*. (In Cameron 2000b, I tried to identify the clearest examples of audience vetoes in the post-War period). The empirical evidence presented in "Veto Override Rates" does not alter my priors about audience vetoes at all.

3 The Importance of Boundary Conditions

Veto politics is unusual in Political Science, and nearly unique in the study of presidential politics, because there are multiple formal models addressing the same phenomenon. (The modal number of formal models of most political phenomena is zero.) Critically, different veto models emphasize different causal mechanisms that operate under different circumstances.

This raises the question: When we have multiple models of the same phenomenon positing different causal mechanisms that hold under different conditions, how should we evaluate the models? For example, the bilateral bargaining models associated with Figs. 1, 2, and 3 make quite different predictions about veto override rates: about 50% (more or less), 0%, and something between 0% and 50%, respectively. A reasonable approach might try to sort vetoes according to the configuration that probably generated them, and compare the actual override rates in each "bin" with the predicted over-rate rate, making some adjustment for measurement error. One might also compare the rates across the bins, and see if the patterns conform to expectations. But simply ignoring two of the three configurations—*when the models themselves say they are important*—is not apt to be illuminating.

Suppose the boundary conditions are less explicit. For example, the GM blame game model simply assumes that the audience is actually attentive to the veto bargaining; the model then explores some implications given audience attention. A fair test of the model should (it seems to me) try to employ data that conforms to this boundary condition, even though it is implicit. One could also explore the scope of the boundary condition itself: how often is the public actually attentive to veto bargaining? But "testing" the model using a great deal of data that falls well outside the model's scope isn't very illuminating.

In short, when multiple models analyze different causal mechanisms that apply under different circumstances, close attention in empirical work to the models' boundary conditions is essential.[6] The point is fairly obvious but bears repeating.

To put in bluntly, the empirical tests in "Veto Override Rates" are not attentive to the boundary conditions in the veto models. As a result, they are not very illuminating. In this sense, the paper falls short.

4 Conclusion

As the reader will have inferred, in my opinion "Veto Override Rates" raises no genuine issues about the empirical reach of the bilateral bargaining or audience bargaining models of vetoes. But let me emphasize again the paper's notable virtues, particularly the maximum likelihood implementation of the veto pivot model. This is nicely done. Also, as I indicated, incorporating veto overrides into the canonical audience bargaining model is a worthwhile idea that could lead, with

[6] This does not mean that data cannot, and will not, reject a given model: If the boundary conditions say a model should apply, and the data then reject the model, game over—and back to the drawing board.

some simple modifications, to new and potentially interesting empirical work. More generally, the paper may lead a reader to think harder about veto override rates. But close attention to boundary conditions throughout is essential.

In closing, I would note a more subtle point. The paper suggests that the veto affords the President a potent entrée into the legislative process. Of course this is true! But most scholars of the presidency would look to other sources of influence in the legislative arena as well. The agenda setting power of the President and his ability to use the resources of the executive branch to shape the content of legislation are probably more important avenues for presidential power in the legislative arena than the veto (Beckmann 2010; Cohen 2012). Yet, in terms of formal theory, presidential proposal power and drafting power are (to use Arnold's phrase) relatively "under-tilled fields" rather than "over-tilled" ones (Larocca 2006; Cameron and Park 2007 provide partial exceptions). Scholarly rates of return from working in under-tilled fields can often be higher than marginal advances in relatively over-tilled ones.

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