Abstract
This paper studies electoral competition in a model of redistributive politics with deterministic voting and heterogeneous voter loyalties to political parties. We construct a natural measure of “party strength” based on the sizes and intensities of a party’s loyal voter segments and demonstrate how party behavior varies with the two parties’ strengths. In equilibrium, parties target or “poach” a strict subset of the opposition party’s loyal voters: offering those voters a high expected transfer, while “freezing out” the remainder with a zero transfer. The size of the subset of opposition voters frozen out and, consequently, the level of inequality in utilities generated by a party’s equilibrium redistribution schedule is increasing in the opposition party’s strength. We also construct a measure of “political polarization” that is increasing in the sum and symmetry of the parties’ strengths, and find that the expected ex-post inequality in utilities of the implemented policy is increasing in political polarization.