

## Dynamic Voting with Endogenous Status Quo

By Antoine Loeper  
Northwestern University  
September 30, 2010

### ABSTRACT

This paper analyzes an ongoing bargaining situation in which i) preferences evolve over time and ii) the previous agreement becomes the next status quo and determines the payoffs until a new agreement is reached. Equilibrium behavior exhibits partisanship: each player's voting behavior is biased by the conflict of interests she expects in future periods and is not perfectly responsive to her preference realization. Partisanship increases with patience, the bargaining horizon and the polarization of preferences. As players become sufficiently patient, partisanship leads to complete gridlock.

Under mild regularity conditions, fixing the status quo throughout the game improves welfare. Hence, sunset clauses can be socially desirable. The detrimental effect of partisanship decreases as decision rights become more concentrated.

+ Univ. of Wisconsin - Madison

++ Northwestern University

\* Univ. of Wisconsin - Madison

\*\* Univ. of Wisconsin - Madison