

# Party Factions and Platform Design: An Information Aggregation Approach

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## Abstract

Most parties comprise distinct factions. We study the endogenous formation of such factions in the context of information aggregation within parties. We model party consultations that lead to the design of policy platform. Control rights over the design of the platform are allocated to party politicians with distinct ideological biases. Final outcomes are affected by fundamentals over which politicians hold private information. Politicians can strategically communicate and voluntarily delegate their decision making authority. The delegation procedure determines the party factional structure. While in principle this structure can be very complex, we show that in any equilibrium, the party is divided into disjoint factions each with a single leader. We show that larger ideological group size can lead to more unified parties, suggesting that policy is not solely determined by the party's ideology distribution. We then calculate factional structure in simplified parties with many ideologically different ideological politicians. Different communication rules across and within factions may change the equilibrium factional structure. This reinforces our central message: factional structure matters for policy. A factionalised party may outperform a non-factionalised one and offer a second-best alternative to centralized authority: we provide a normative defense of factions.