

# Redistributive Politics under Incomplete Information

BY Hisashi Sawaki<sup>1</sup>  
*Okayama University, Japan*

This paper develops an electoral-competition model in which an incumbent and a challenger compete against each other, and where their ideological preferences for economic disparities are private information. The incumbent may bias his first-period transfer policy to signal his preferences to the electorate. When the possible ideology types of the two candidates partially overlap, a policy bias can be created in an extreme direction. Specifically, policies leading to extremely large disparities may be predicted in wealthy countries where income transfers are publicly perceived to create large distortions.

*Key Words:* Redistributive policy; Elections; Private information; Signaling.

JEL classification numbers: H20; D63; D72; C72; D82.

---

<sup>1</sup>Please address correspondence to: Hisashi Sawaki, Department of Economics, Okayama University, 3-1-1 Tsushima-Naka, Kita-Ku, Okayama 700-8530, Japan. E-mail: sawaki-h@cc.okayama-u.ac.jp.