

We consider a dynamic model in which two parties decide on a unidimensional policy in each period over an infinite horizon. The policy implemented in any period becomes the next status quo. Given the status quo, adjusting the policy upwards involves a cost that may differ between the party in power and the party out of power due to favoritism. A second source of tension is ideological: the two parties may be polarized in their ideal policies. We show that efficiency requires no policy reversals in the long run and efficient policies are bounded above. After fully characterizing equilibrium, we analyze its efficiency properties. When polarization is high, equilibrium is inefficient due to perpetual policy reversals. When polarization is not high but favoritism is, equilibrium is inefficient due to an "overshooting" effect. When neither polarization nor favoritism is high, equilibrium is efficient in the long run.