



Electoral cycles in pork barrel politics: Evidence from South Korea 1989–2008



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ABSTRACT

Despite strong theoretical claims that politicians should target distributive benefits to swing voters and competitive districts, the empirical evidence is mixed. This paper resolves the inconsistencies by focusing on the time-varying incentives of an incumbent government. To the extent that election-motivated behavior entails directing government resources to marginal voters and constituencies, this behavior can be expected to peak in the period just prior to an election. An analysis of subsidy allocation in South Korea provides evidentiary support for this claim. In general, more subsidies are allotted to incumbents' core municipalities; however, before legislative elections, municipalities with close legislative races receive greater share of subsidies.

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How do incumbents allocate government resources in order to win election? Existing studies of distributive politics approach this question by focusing on whom incumbents target, core supporters versus marginal voters. Among others, [Cox and McCubbins \(1986\)](#) argue that parties target core supporters because they understand how core supporters respond to spending better than how other voters do. On the other hand, [Lindbeck and Weibull \(1987\)](#) suggest that parties target swing voters who are ideologically indifferent to parties and who are thus more responsive to material incentives. In this model, to target core supporters is a waste of resources, since those voters have a strong predisposition to vote for one party regardless of material incentives. Empirical studies that test these competing claims, generally using data at the constituency level, provide inconclusive evidence, as each theory receives ample empirical support. Studies that find support for the core voter model include [Ansolabehere and Snyder \(2006\)](#), [Balla et al. \(2002\)](#), [Bickers and Stein \(2000\)](#),

[Larcinese et al. \(2008\)](#) and [Levitt and Snyder \(1995\)](#). Conversely, [Berry et al. \(2010\)](#), [Case \(2001\)](#), [Dahlberg and Johansson \(2002\)](#), [Denemark \(2000\)](#), [Herron and Theodos \(2004\)](#), [Gordon \(2011\)](#), [Kwon \(2005\)](#), and [Stokes \(2005\)](#) all marshal empirical evidence to support the swing voter model of resource distribution.

This paper tries to resolve the inconsistencies stemming from the time varying incentives that an incumbent party faces. The electoral incentives for an incumbent party become strongest before an election; once an election is over, however, the winner gives greater priority to non-electoral goals. Voters want to reward incumbents for good performance but punish them for bad performance. However, their evaluation of an incumbent's performance is often based on conditions close to the election rather than situations distant from the campaign period. In this sense, the political business cycles literature suggests that an incumbent has an incentive to manipulate the economy right before an election and that such incentives disappear once the incumbent wins the election, creating cycles of macroeconomic policies and/or outcomes that follow an electoral calendar ([Alesina et al., 1997](#); [Nordhaus, 1975](#)). In the context of distributive politics, [Hamman and Cohen \(1997\)](#) and

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Mayer (1995) claim that presidents may affect the timing of federal projects and contracts, expediting the bureaucratic process to ensure that awards are obligated or announced before elections. Similarly, Bickers and Stein (1996) suggest that vulnerable legislators try to acquire new awards early in the election cycle to impress attentive voters and dissuade them from recruiting stronger challengers.

Extending the discussion of election timing to targeted spending, this paper claims that the incentive of an incumbent to target government expenditures toward core or marginal constituencies varies over the course of an election cycle. To the extent that election-motivated behavior entails directing government resources to marginal constituencies, this behavior can be expected to peak in the period just prior to an election. Once an election is over, however, these incentives diminish, while other goals—such as rewarding allies—gain greater currency. Thus, I argue that opportunistic incumbents target electorally more influential voters before an election but cater to their core constituents in other periods.

I test the time-varying allocation strategy with an analysis of subsidies from the central government to local municipalities in South Korea between 1989 and 2008. South Korea provides two advantages as a testing ground for examining whether and how an electoral calendar influences tactical targeting. First, the country holds three different types of nation-wide elections, and those elections are held non-concurrently. Due to different rules of competition in each election, presidents are expected to allocate resources in a distinct manner for each contest. From a research standpoint, non-concurrent electoral cycles provide opportunities to parse out the influence of different elections by focusing on the period just prior to each. Second, the party system in South Korea is based on regional cleavages. Ideological differences across the major parties are generally not salient. As a result, the delivery of material benefits has been critical to maintaining the region-based connection between major parties and their supporters. In this sense, South Korea constitutes a hard case for finding evidentiary support for the strategic targeting of marginal voters.

Considering the variation in electoral contexts, determined in particular by the regional cleavages and the different rules of competition, I examine four hypotheses. First, during off-election periods, more resources are allocated to municipalities with core supporters, a process that forms the basis of regional bloc voting. Second, no specific targeting of voters takes place prior to presidential elections, due to the one-term limit in the presidency. Third, more resources are allocated prior to legislative elections to districts with competitive races in the previous election. Fourth, more resources are allocated prior to local elections to municipalities with competitive races, due to seat-maximizing competition. Empirical analysis provides evidentiary support for the first three hypotheses, but not for the fourth. Political influence accounts for 7 to 15 percent of per capita subsidy allocations in various electoral contexts.

1. Time-varying allocation strategy

The conventional theoretical models of distributive politics, such as Cox and McCubbins (1986), Lindbeck and Weibull (1987), and Dixit and Londregan (1995, 1996), share a common theoretical point of departure despite a difference in predictions regarding the primary objectives of targeting. These models presume two parties that differ in their issue positions (ideology) and that pledge different distributive benefits before an election. Voters may have different degrees of fixed affinity to one party or the other and make their electoral decisions based on partisan affinity and promises. The setup is static, such that a one-time allocation of future distributive benefits contingent on electoral outcomes drives the interaction between voters and parties. Those models do not consider whether and how allocation prior to elections might influence voters' electoral decisions.

However, incumbents experience varying degrees of electoral pressure through the course of an electoral cycle. If electoral incentives affect incumbents' allocation decisions, the impact is likely to reach its peak in the period just prior to an election. In this sense, studies on political business cycles have examined whether politicians, seeking to improve their chances of electoral victory, manipulate the allocation of goods and services prior to elections (Nordhaus, 1975). While empirical studies on political business cycles generally focus on macroeconomic fiscal and monetary policies (Alesina et al., 1997), recent studies present evidence that political authorities also increase allocations of goods and services to specific social groups, in the form of agricultural credit (Cole, 2009), electricity (Moita and Paiva, 2013), investment spending and government jobs (Drazen and Eslava, 2010), in periods proximate to elections at the subnational level.

The idea that an electorally motivated allocation of benefits becomes greatest in periods prior to elections is also supported by the fact that incumbent governments allocate distributive benefits for non-electoral purposes. As a leader of his party, for example, an incumbent president may seek to increase public support for his party in the long term (Galvin, 2009). He also has an incentive to favor states and districts represented by members of his own party but to punish members of the opposition party (Berry et al., 2010; Hamman and Cohen, 1997; Larcinese et al., 2008). Legislative bargaining to promote his agenda further motivates a president to allocate benefits to members of his own party (Groseclose and Snyder, 1996). In particular, districts are awarded more pork when represented by powerful senior figures (Boyle and Matheson, 2009; Levitt and Poterba, 1999; Moore and Hibbing, 1996) or by members of the relevant committees (Alvarez and Saving, 1997; Arnold, 1979; Engstrom and Vanberg, 2010; Heitshusen, 2001; Knight, 2005; Lauderdale, 2008; Ray, 1981).¹

¹ On the other hand, Anzia and Berry (2011), Berry et al. (2010), and Lauderdale (2008) present evidence suggesting that the number of terms has no significant effect over the allocation of federal outlays. In terms of the effect of committee assignment, Alvarez and Saving (1997), Heitshusen (2001), and Rundquist and Griffith (1976) present disconfirming evidence for some committees.

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