Is there duration dependence in Portuguese local governments' tenure?

Vítor Castro [a,b,*], Rodrigo Martins [a,c]

[a] Faculty of Economics, University of Coimbra, Avenida Dias da Silva 165, 3004-512 Coimbra Portugal
[b] Economic Policies Research Unit (NIPE), University of Minho, Campus de Gualtar, 4710-057 Braga Portugal
[c] Group for Monetary and Fiscal Studies (GEMF), Faculty of Economics, University of Coimbra Portugal

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ABSTRACT

This paper analyses the presence of duration dependence in Portuguese local governments' tenure employing continuous and discrete-time duration analyses over a set of spells of time in office for the period 1979–2005. Our results show that the more time a party remains in office, the higher is the likelihood of leaving it. However, more flexible polynomial-in-time, cubic splines and time-dummies specifications show that the behaviour of that likelihood is not monotonic: it increases but only until the third term, then it decreases until the sixth term before starting to increase again. This study also shows that the likelihood of an incumbent party leaving office, given his tenure, is affected by the local economic environment, political support, the effective number of parties, the dimension of the municipality and the age of its leader. Additionally, it shows that that likelihood is consistently lower when the party leader/mayor decides to run for another term.

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1. Introduction

A significant body of research focuses on the performance of democracy. The importance of this topic made it a relevant subject in several fields of the political science and public choice, and different perspectives and approaches, directly or indirectly, tackle the question of democracy's efficiency. This paper analyses the presence of duration dependence in Portuguese local governments' tenure and the impact of some variables that are known to contribute to varying levels of electoral security. Whether one considers the duration in office to be a measure of democratic stability, policy continuity or executive dominance over the legislature, it is a subject that contributes to a better understanding of how democracy works.

Tenure in office and its determinants have received extensive scholarly attention. Research on this area has been focused in phenomena such as cabinet duration, government survivability in parliamentary democracies, leadership tenure and career management. In this article we deviate from the more standard approaches and investigate party tenure as another aspect of political stability. We believe that this approach offers new insights and complements the existing literature. First, national government's termination has been the main subject of attention, and studies related to second order elections generally approach duration in the perspective of leadership tenure and politician's career management, and they are mainly focused on

* Corresponding author at: Faculty of Economics, University of Coimbra, Avenida Dias da Silva 165, 3004-512 Coimbra, Portugal. Tel.: +351 239 790543; fax: +351 239 790514.
E-mail addresses: vcastro@fe.uc.pt (V. Castro), rodrigom@fe.uc.pt (R. Martins).

the United States. Portugal offers an alternative perspective as it is a multiparty proportional democracy and the political system is designed to favour parties not individual candidates making voters' behaviour extremely attached to parties. Although the candidates' personality is electorally relevant parties are the key actors in Portuguese politics. Second, research on party duration remains, to our knowledge, quite limited. Third, the emphasis on parties is useful in capturing major political changes and allows the examination of party incumbency hazards beyond the boundaries of a single administration. Political parties are ideologically heterogeneous and they all have different policy agendas, meaning that the political and economic impact of a change in governing parties is usually more significant than governing modifications that do not imply changes in the ruling party. The economy is particularly affected by party switching and partisan aspects of political cycles are well documented in the literature (see, for instance, Hibbs, 1977; Alesina et al., 1997). Cycles in elections are essential to the competitiveness of democracy since they prevent one-party dominance. We find these cycles throughout all democracies which suggest rising hazards of party incumbency. However these changes bring about policy shifts that affect primarily the stability of the economy but also entail social aspects. In this perspective the study of party incumbency allows us to check how the democratic process balances competitiveness with stability as more terms in office imply more stability, but most likely reduces competitiveness and impairs the alternation of power, one key aspect of democracy. This is an interesting issue because of the recent introduction in Portugal of a law that limits to three the number of consecutive terms a mayor can remain in office.

To analyse the patterns of tenure in local elections we use an extensive data set that covers all Portuguese mainland municipalities for the period 1979–2005. The Portuguese case offers an interesting scenario for this analysis for some reasons. First, election dates are fixed and defined exogenously from the perspective of local authorities. Second, all municipalities have elections on the same day at four year intervals. Third, there are no reelection institutional constrains because there is no legal limit on the number of terms a mayor can remain in office during the time span considered in this study.[1] Finally, local incumbents have a key influence in local policy and outcomes.

In this article, we provide a methodological framework to study local party duration in office. Duration models are employed to examine for the presence of duration dependence in the time in office of political parties. The impact of some economic and political variables is also taken into account. Estimating continuous and discrete-time duration models, this study provides evidence of positive duration dependence and confirms the impact of some economic and political factors on the length of time a party is in office. Additionally, more flexible polynomial-in-time, cubic splines and time-dummies specifications indicate that the behaviour of the hazard function is not monotonically increasing but it behaves in a nonlinear way: it increases until the third term, then it decreases until about the sixth term before starting to increase again. This represents an important finding of this paper and contributes to the understanding and characterization of party tenure at the local level.

The remainder of this paper is organized as follows. Section 2 presents a review of the literature. The econometric model is explained in Section 3. Section 4 describes the data and discusses the main empirical results, and Section 5 concludes.

2. Literature

One first approach to the analysis of democratic stability is to study cabinet durability in parliamentary democracies, investigating the duration of national governments and why they are often dissolved prior to elections.[2] Early works, such as Taylor and Herman (1971), Laver (1974), Dodd (1976), Warwick (1979), and Strom (1985) identify statistically the attributes that prolong or reduce governments' time in office, such as majority status, ideological compactness and party system fragmentation. Later, some research moved from this deterministic analysis to an essentially stochastic approach that highlighted the importance of external critical events such as international conflicts, economic crises and scandals to the survivability of incumbent administrations (see Browne et al., 1984; Frendreis et al., 1986). The joining of these two perspectives came with the event-history method for analysing government durations proposed by King et al. (1990) that although stochastic in nature allowed for the hazard rate of governments to depend on a set of independent variables, including particular governments' attributes. They showed that majority governments last longer but more fractionalized party systems present a greater risk of termination. Using a similar approach, Warwick (1994) found that rising inflation and unemployment and high levels of ideological diversity contribute to an increase in the risk of termination. Other developments made this approach the standard method of analysing cabinet duration (see Warwick and Easton, 1992; Warwick, 1992, 1994; Alt and King, 1994; Diermeier and Stevenson, 1999, 2000; Diermeier and Merlo, 2000; Finocchiaro and Lin, 2000).

One of the advantages of the event-history method is that it allows the analysis of the risk of termination over the course of a government's life. King et al.'s (1990) seminal work considered the risk of collapse to be time invariant while Warwick and Easton (1992) and Warwick (1994) found evidence that hazard rates increase during the government's life. Alt and King (1994) found limited support for this hypothesis of increasing hazard rates. In a more recent work for the impact of the US congressional tenure on the hazards of electoral termination, Finocchiaro and Lin (2000) point out that the behaviour of the hazard rate may not be monotonic. They show that the likelihood of an electoral defeat decreases at the early stage of a member's career, with the incumbent becoming entrenched in safe seats after the third term. From then on the hazards remain relatively stable, with the fatigue effect showing up only after the tenth term.

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[1] In 2005 the Portuguese parliament issued a law limiting the number of terms to three. However, it will only have a real impact in the 2013 local elections as the count started for all mayors in the 2005 elections. In the remainder of this paper the use of the word "term" refers to election term, not semester.

[2] For an encompassing survey, see Laver (1974).