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Co-Editors:
Michael Hiscox, University of California, San Diego
Brian Burgoon, University of Amsterdam

Feature *Essay*

Electoral Rules, Forms of Government, and Fiscal Policy

Torsten Persson, Stockholm University & Guido Tabellini, Bocconi University

1. Introduction

Looking across countries or across time, there are large variations in fiscal policies. In the late 1990's, total government spending as a fraction of GDP was around 60% in Sweden, and well above 50% in many countries of continental Europe, but around 35% in Japan, Switzerland, and the US. There are also striking variations in the composition of spending: transfers are high in Europe, but low in Latin America; among the 15 members of the European Union, spending on the unemployed ranged from 1.9% of total spending (in Italy) to 16.7% (in Ireland). Available measures of corruption in spending policies vary a lot, even across countries with comparable levels of development and similar economic structure. Despite all these differences, we also observe some common patterns. In virtually all industrial countries, the growth of government started in the mid 1930s and, again, in the late 1960s, while it slowed down, or turned negative, after the war and in the late 1980s. Public pensions are now a dominant component of public spending in all European countries. During the same period, public investment has hovered around 3% of GDP.

How can we explain these variations in the data? And what are the sources of the common patterns? A large literature on public choice and political economics has sought to answer these questions, relating fiscal policy choices to a large number of political and economic determinants. In our recent book (Persson and Tabellini, 2000) we survey this literature at length. In this note, we want to address a more specific question: how do electoral rules and forms of government shape public spending? Answering this question really amounts to entering into the field of comparative politics. There is, of course, a large amount of research on comparative politics by political scientists, comparing fundamental features of political constitutions. But typically, this research confines the analysis to political phenomena: how the electoral rules affect the number of parties, or how the regime type affects the frequency of political crises, or protests by the citizens. Economists have studied the effect of some constitutional features on policy choices, most notably budgetary arrangements and federal institutions. But the work linking fiscal policy to fundamental constitutional features—such as the electoral rule and the form of government—was rather scarce until very recently.

In the following, we briefly sketch a theory to approach these questions. We also describe some of that theory's predictions, many of which appear to get support by the data.

2. A Common Approach

Political institutions help aggregate conflicting interests into public policies. As the conflicts we are interested in have an economic origin, we start with economics. We consider government spending financed out of the general budget, neglecting the issue of the timing and composition of tax revenue. It is then useful to distinguish between three types of government spending, on the basis of the number of beneficiaries. Government spending can provide benefits to: (i) Many citizens; (ii) A more narrow group of citizens; (iii) Only a few citizens, except the politicians.

Each of these types of spending induces a specific kind of economic conflict. Broad programs in the form of general public goods like defense, or broad redistributive programs like social insurance or pensions, are examples of type (i) policies. Because of their broad nature and universalistic design, these

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programs cannot easily be tailored to the specific demands of well-defined groups of citizens. Hence, they are evaluated in a similar fashion by large groups of beneficiaries. Many of the entitlement programs typical of the modern welfare state belong to this category.

Local public goods or specific redistributive programs, like agricultural support or transfers to government enterprises, are examples of type (ii) policies benefiting only a few citizens. This kind of spending is referred to as "pork barrel," and often, though not always, reflects discretionary policy decisions. Such narrow programs can be much more easily targeted to narrow groups in the population.

The third type of government spending generates rents for politicians. Rents can take various forms, depending on specific economic circumstances: literally, they are salaries for public officials or financing of political parties. Less literally, one can think of various forms of corruption and waste as ultimately providing rents for politicians. While broadly or narrowly targeted programs induce conflict among voters, rents for politicians are at the core of the agency problem, pitting voters at large against politicians (or other government officials). Voters are unanimous in their desire to limit the rents extracted by politicians, but may lack the necessary means. The resources appropriated by spending of this type are probably small in most modern democracies, compared to the overall size of tax revenues. But since these resources directly benefit the agents in charge of policy decisions, the political struggle to appropriate such "crumbs" can nevertheless induce a strong influence on other policy decisions.

The basic idea in the recent literature is this: the ways the three conflicts are resolved, and thus what fiscal policies we observe, hinge on the political institutions in place. Political institutions certainly have many dimensions. Arguably, however, the most fundamental aspects of constitutions decide how the rights to set policy are acquired and how they can be exercised. Which politicians get the power to make policy decisions is certainly determined by voters, but is also crucially influenced by rules for elections. Policy choices are certainly made by elected politicians, but are crucially influenced by rules for rule-making and legislation; what is sometimes called the regime type.

This suggests a general approach to modeling the outcome of policymaking: how much to spend overall, and whether to spend on broad programs, narrow programs or rents. In that approach, policy is the equilibrium outcome of a delegation game, where the interaction between rational voters and politicians is modeled in extensive form. Multiple principals—the voters — elect political representatives—the agents—who, in turn, set policy to further their own objectives. The principals have some leeway over their agents because they can offer them election, or re-election. But these rewards are mostly implicit, not explicit, so the constitution becomes like an incomplete contract, leaving the politicians with some power in the form of residual control rights.

...large districts and PR both pull in the direction of broad programs, whereas small districts and plurality both pull in the direction of narrowly targeted programs benefiting small constituencies.

This approach to the politics of policymaking forces the theorist to be precise about the rules of the game. It is then quite natural to ask what the effects are of changing these rules, representing alternative constitutional provisions with alternative rules. That is, comparative politics is a natural, even inevitable, part of this research program.

We now describe the main ideas in some recent studies that apply this kind of comparative politics approach. Let us begin by the rules for electing the legislature.

3. Electoral Rules

Legislative elections around the world differ in several dimensions. The political science literature discusses many of these dimensions, but emphasizes two: district size and the electoral formula. District size simply determines how many legislators acquire a seat in a voting district. The electoral formula determines how votes are translated into seats. Under plurality rule, only the winners of the highest vote shares get seats in a given district, whereas proportional representation (PR) instead awards seats in proportion to the vote share.

Why would district size matter for government spending? Persson and Tabellini (1999, 2000 Ch. 8) predict that it influences the composition of spending. They use a probabilistic-voting model with two candidates each representing a different party, where policy is determined by electoral platforms before the election. Larger voting districts diffuse electoral competition, inducing parties to seek support from broad coalitions in the population. Smaller districts instead steer electoral competition towards narrower, geographical constituencies. With small districts, each party is typically a sure winner in some of the districts, which concentrates electoral competition into some pivotal districts. And with small districts both parties have strong incentives to target redistribution towards those districts. Clearly, broad programs are more effective in seeking broad support and targeted programs more effective in seeking narrow support. Elections with larger districts should thus be more biased towards broad, non-targeted programs.

Milesi-Ferretti, Perotti and Rostagno (2000) obtain a similar result in a model of strategic delegation in voting, where policy is set after the election in bargaining among the elected politicians. They argue that with large electoral districts, legislators mainly represent socio-economic groups, while with small districts they mainly represent groups in specific geographic locations. Thus, smaller districts again lead to targeting of narrow geographic groups.

It is commonly accepted that small

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From the Editors

Dear Readers:

Thank you for your enthusiastic response to the first edition of the new Section Newsletter. We hope you will find this second edition interesting and informative. We think the feature essay, by Torsten Persson and Guido Tabellini is especially valuable. They have elegantly summarized the state of the field in the comparative study of government spending, highlighting the key theoretical and empirical work on the effects of political institutions. We (and the authors themselves) would welcome your comments and criticisms. The next edition of the Newsletter will feature an essay by Jeffrey Frieden and Lisa Martin on current issues in international political economy.

Once again, we encourage you to make contributions to the Newsletter in any of several forms: feature essays or short pieces on key issues; reviews of important books or articles; and letters to the editor responding to content in the Newsletter or addressing topics of concern to Section members.

Sincerely,

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districts increase barriers to entry in electoral politics. New candidates are less known and may find it difficult to reach a relative majority. If only one candidate is elected in each district, she is more likely to be the incumbent or a politician already well known in the constituency. Large districts appointing several candidates, on the other hand, are more likely to get new and less-known candidates that only appeal to a minority of the voters. Thus, systems with large district magnitude have lower barriers to entry. It is also plausible that lower barriers to entry, and hence stiffer competition and more contestability, are associated with smaller incumbency rents. Indeed, this is the conclusion of several theoretical studies, arguing that systems with more entry lead to smaller rents and less corruption. On the other hand, voters will find it easier to throw out corrupt parties at a lower ideological cost (Myerson, 1993). And incumbents find electoral defeat more fearsome, as they are less likely to return to office (Ferejohn, 1986).

How about the electoral formula? The winner-takes-all property of plurality rule reduces the minimal coalition of voters needed to win the election, because votes for a party not obtaining plurality are completely lost. With single-member districts and plurality, a party thus needs only 25 % of the national vote to win: 50 % in 50 % of the districts. Under full PR it needs 50% of the national vote. Politicians are thus induced to internalize the policy benefits for a larger segment of the population. Lizzeri and Persico (2000) make this point in a model with binding electoral promises, where candidates can either provide public goods or targeted redistribution. Persson and Tabellini (2000a, Ch. 9) instead consider a similar policy choice by an incumbent subject to re-election.

While voters cast their ballot among individual candidates under plurality rule, they cast it among party lists under proportional representation. Such lists may dilute the incentives for individual incumbents to perform well. Persson and Tabellini (2000a, Ch. 9) examine the policy consequences of this difference in a model where individual politicians have individual career-concerns, and try to set policies as incumbents to build a reputation for competency among the voters. They find that PR (list voting) should be associated with larger rent extraction, as the career-concern (re-election) motive becomes a weaker counterweight to the rent-extraction motive for politicians that are collectively rather than individually accountable. A second prediction is that electoral cycles, showing up in spending or taxes, should be weaker under proportional representation. This is because the incumbents' career concerns are stronger with the individual accountability under plurality rule and because these concerns are at their strongest just before elections.

We thus have several predictions. On the composition of spending, large districts and PR both pull in the direction of broad programs, whereas small districts and plurality both pull in the direction of narrowly targeted programs benefiting small constituencies. These reinforcing effects are important when going to the data, given the strong correlation in district size and electoral formulas across real-world electoral systems. Some systems can be described as majoritarian, combining small voting districts with plurality rule (cf. elections to the UK parliament or the US Congress, where whoever collects the most votes in a district gets the single seat). As we have seen, both features favor narrow programs. Other electoral rules are instead decidedly proportional, combining large electoral districts with PR (cf. Dutch or Israeli elections, where parties obtain seats in proportion to their vote shares in a single, national voting district) both favoring broad programs. While we find some intermediate systems, most countries fall quite unambiguously into this crude classification.

Is the evidence consistent with the predictions? Clearly, there is a gap here between the theory and the data. But suppose that we are willing to identify the programs that have broad redistributive objectives with social security and welfare spending. Milesi Ferretti, Perotti and Rostagno (2000) and Persson and Tabellini (2001) use different panel data sets— based on several decades of OECD and IMF data, respectively—showing cross-country comparisons consistent with the theoretical predictions: ceteris paribus, social security and welfare spending is larger in proportional systems than in countries with majoritarian elections.

On the issue of rents for politicians, the predictions are more subtle. Majoritarian systems have higher barriers to entry than proportional systems, due to their smaller districts, but also more

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direct accountability due to their use of plurality rule. The overall effect is ambiguous, depending on which of these two features is quantitatively more important. But ideally, empirical work shoud identify the consequences of both features of the electoral rule.

What does the evidence say? Given the paucity of available panel data on proxies for government rents and—surprisingly—on detailed features of electoral rules, Persson, Tabellini and Trebbi (2000) study the incidence of corruption in a cross section of 80-plus democracies from the late 1990s. They show that, indeed, both features of the electoral rule seem relevant and conform to the predictions of theory. Controlling for a large number of the known determinants of corruption, larger district magnitude is associated with less corruption, whereas greater voting over party lists (the share of legislators elected by PR as opposed to plurality) is associated with more corruption. But direct accountability is more important, so that — on the whole—majoritarian elections seem to be associated with less corruption.

4. Regime Types

The recent theory has focused on two aspects of the legislative regime inherent in different forms of government. These concern the powers over legislation: to make, amend, or veto policy proposals. One is the separation of these powers across different politicians and offices. Another is the maintenance of these powers; in particular, whether the executive is subject to a confidence requirement of continued support from a majority in the legislative assembly.

Here, the association of these broad features with real-world systems is even more direct than in the case of electoral rules. In a crude classification, presidential regimes typically have separation of powers— between the president and Congress, but also between congressional committees that hold important proposal (agenda-setting) powers in different spheres of policy (think about the US). But they do not have a confidence requirement: the executive can hold on to his powers without the support of a majority in Congress. In parliamentary regimes, the proposal powers over legislation are instead concentrated in the hands of the government. Moreover, the government needs the continuous confidence of a majority in parliament to maintain those powers throughout an entire election period.

Why should separation of powers matter for government spending? A classical argument is that checks and balances constrain politicians from abusing their powers. Persson, Roland, and Tabellini (1997, 2000) formally demonstrate this old point in models where incumbents—who decide on policy in different forms of legislative bargaining—are held accountable by retrospective voters. They show that a larger concentration of powers in parliamentary regimes makes it easier for politicians to collude with each other at the voters' expense; the weaker electoral accountability results in higher rents and taxes.

The confidence requirement has other effects. Parties supporting the executive hold valuable proposal powers which they risk to lose in a government crisis. Therefore, a confidence requirement creates strong incentives to maintain a stable majority when voting on policy proposals in the legislature. Its absence instead creates more unstable coalitions and less discipline within the majority.

Building on this idea of "legislative cohesion" developed by Diermeier and Feddersen (1998), Persson, Roland and Tabellini (2000) derive two additional predictions. In parliamentary regimes, a stable majority of legislators tends to pursue the joint interest of its voters. Spending thus optimally becomes directed towards broad programs that benefit a majority of the voters, such as broad social programs. In presidential regimes, the (relative) lack of such a majority instead tends to pit the interests of different minorities against each other for different issues on the legislative agenda. As a result, the allocation of spending targets powerful minorities, typically the constituencies of powerful officeholders (such as heads of congressional committees in the US).

Second, in parliamentary regimes, the stable majority of incumbent legislators, as well as the majority of the voters backing them, become prospective residual claimants on additional revenue. Both majorities favor high taxes and high spending. In presidential regimes, on the other hand. no such residual claimants on revenue exist, and majorities therefore resist high spending. Altogether, these forces unambigously produce larger governments (higher taxes and overall spending) in parliamentary regimes.

Persson and Tabellini (2001) try to approach these predictions in the aforementioned panel-data set. Their strongest finding concerns the hypothesis that presidential regimes should have smaller governments than parliamentary regimes. In cross-sections—for about 60 democracies — for the 1960-1998 period, they find that presidential democracies have smaller governments by about 6 % of GDP, ceteris paribus. For the 1990s, the corresponding number is above 10% of GDP (and more precisely estimated), reflecting more rapid growth of government in parliamentary countries in the last few decades. The predictions regarding the

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Calendar

July 1
PROceedings opens for submissions for the 2001 Annual Meeting

July 6
Revisions for Annual Meeting Final Program due <meeting@apsanet.org>

August 1
Deadline to submit names for recognition of recipients of campus wide teaching awards <pkarpowicz@apsanet.org>

August 11
Pre-Registration deadline for Annual Meeting attendees <meeting@apsanet.org>

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composition of spending receive some, but not as strong, support.

4. Concluding Remarks

In this note we have presented recent research building on a simple but intuitive idea. Electoral rules and forms of government shape the policymaking incentives of politicians. Hence, they also shape policy choices in a predictable way. Some of these predictions are strongly supported by cross-country comparisons. Corruption is less widespread where citizens cast their vote for a candidate rather than for a party list and where districts are larger. Redistribution is directed towards larger groups of beneficiaries under proportional electoral systems. And presidential regimes have much smaller governments than parliamentary regimes.

What we have illustrated here is only the tip of an iceberg. The bulk of this economic approach to comparative politics is yet to be developed. For instance, Persson and Tabellini (2001) find that the way fiscal policy adjusts to economic and political events—such as income shocks or elections—differ drastically across political institutions. Understanding the root of such institution-dependent adjustments and electoral cycles requires new and dynamic theories of policymaking under different political institutions. We have only discussed the effects on government spending. But the same kind of argument could equally well be applied to the structure of taxation or to other forms of economic policymaking. And so on. A rich and promising research agenda seems to lie ahead.

For all references, please refer to papers posted on the authors' web pages: <http://www.iies.su.se/~perssont/> <http://www.igier.uni-bocconi.it/personal/tabellini/homepage.htm>

Persson and Tabellini are the author's of *Political Economics*.

Announcements

Panels and Posters for APSA 2001 Division 6: Political Economy

Preliminary List

PANEL 6-1: Inequality and Politics
Created by Division 6, Co-Sponsored by Division 14

Chair: Jim Alt, Harvard University

Papers:
"Democracy and Inequality", Carles Boix, University of Chicago
"Inequality and the Structure of Party Support", Anne Wren, Stanford University
"The Political Support for Redistribution in a Divided Society", Michael Wallerstein, Northwestern University
"Taxation, Inequality and the Wage Bargain", Isabela Mares, Stanford University

Discussant: Jim Alt, Harvard University

PANEL 6-2 Democratic Institutions and Economic Policy
Created by Division 6, Co-Sponsored by Division 14

Chair: **TBA**

Papers:
"The Size and Organization of Government: Evidence from US Cities", Reza Baqir, IMF
"Institutions and Economic Policy: The Effect of Coalitions on Rational Partisan Cycles", Lucy Goodhart, Harvard and Columbia Universities
"Electoral Systems, Legislative Institutions, and Fiscal Policy", Andrew C. Gould, University of Notre Dame
"Why There is Not One Institutional Road to Fiscal Discipline: Fiscal Rules and Types of Government in European Union States 1991-2000", Mark Hallerberg, University of Pittsburgh

Discussant: **TBA**

PANEL 6-3: Electoral Incentives and Economic Policy
Created by Division 14, Co-Sponsored by Division 6

Chair: **TBA**

Papers:
"Institutional Transparency and Fiscal Policy", James Alt, Harvard University
Co-Author: David Lassen, University of Copenhagen
"The Economy: Do they get it Right and does it Matter?", Raymond Duch, University of Houston
"Where to Target? Electoral Politics and Government Transfers in the OECD", Hyeok Yong Kwon, Cornell University
"Representative Democracy and Income Inequality in the United States", George A. Krause, University of South Carolina

Discussant: **TBA**

PANEL 6-4: Governing the European Union
Created by Division 14, Co-Sponsored by Division 6

Chair: **TBA**

Papers:
"Democracy in the European Union", Christophe Crombez, Stanford University
"Delegating Powers in the European Union", Fabio Franchino, London School of Economics and Political Science
"The Winners and Losers of European Integration: An Empirical Evaluation of Competing Bargaining Models", Gerald Schneider, University of Konstanz
Co-Author: Stefanie Bailer
"Everyday Institutional Choice and European Union Legislative Politics", Joseph Jupille, Florida International University

Discussant: **TBA**

PANEL 6-5: The Institutional Political Economy of Development
Created by Division 6, Co-Sponsored by Division 12

Chair: **TBA**

Papers:
"Dictatorships and Economic Growth", Adam Przeworski, New York University
Co-Author: Jennifer Gandhi, New York University
"An Institutional Theory of Development", Irfan Nooruddin, University of Michigan, Ann Arbor
"Political Institutions and Policy Volatility", Witold Henisz, University of Pennsylvania
"The Origins of Credibility Enhancing Institutions in Southeast Asia", Allen Hicken, UC San Diego

Announcements

APSA Panels and Posters cont.

Co-Author: Bryan Ritchie, Emory University

Discussant: **TBA**

PANEL 6-6: Decentralization, Delegation, and Development
Created by Division 6, Co-Sponsored by Division 12

Chair: **TBA**

Papers:
"The Political Economy of Decentralized Development: A Spatial Analysis of Mexican Development in the 1990s", Jonathan Hiskey, UC Riverside
"The Political Impact of Decentralization", Pierre Landry, University of Mississippi
"A Comparative Theory of Delegation", Irfan Nooruddin, University of Michigan, Ann Arbor
"Agency Costs and Delegation of Power in an Authoritarian Regime", Fubing Su, University of Chicago

Discussant: **TBA**

PANEL 6-7 Political Geography, Economic Geography, & International Trade
Created by Division 6, Co-Sponsored by Division 16

Chair: Ronald Rogowski, UC Los Angeles

Papers:
"Comparative Political Geography and Redistributive Politics", Fiona McGillivray, Yale University
"Trade, Geography, and the American Political Parties", Michael J. Hiscox, UC San Diego
"Selection and Influence: Interest Groups and Congressional Voting on Trade Policy", Timothy McKeown, University of North Carolina
"European Union Trade Liberalization: The Effects of Domestic Economic Interests and Political Institutions", Bernadette M. Jungblut, Rice University
Co-author: M. Shawn Reichert, Rice University

Discussant 1: John Conybeare, University of Iowa
Discussant 2: Michael J. Gilligan, New York University

PANEL 6-8 Domestic and International Institutional Constraints on Economic Policymaking
Created by Division 6, Co-Sponsored by Division 16

Chair: John Freeman, University of Minnesota

Papers:
"Political Survival, Credibility, and Exchange Rate Commitments", William Clark, New York University
Co-Author: Regina Baker, New York University
"A Bayesian Analysis of the Constraining Impact of Central Banks", Joseph Gochal, Rutgers University
"Has Maastricht Really Changed Fiscal Policies in EMU States?", David Stasavage, London School of Economics
"Pegged Exchange Rates and Political Incentives: Some Analytic Clarifications", Thomas D. Willett, Claremont Graduate University
Co-Author: Jilleen Westbrook

Discussant: David Leblang, University of Colorado

PANEL 6-9 International Political Economy & Domestic Choice of International-Economic Policy
Created by Division 16, Co-Sponsored by Division 6

Chair : Helen Milner, Columbia University

Papers:
"The Political Economy of Exchange Rates in Latin America", Jeffry Frieden, Harvard University
"The Diffusion of Marketization Around the World", Geoffrey Garrett, Yale University
"Why the Rush to Free Trade? Democratization and Trade Liberalization in the LDCs since 1979", Helen V. Milner, Columbia University
Co-Author: Keiko Kubota, World Bank
"Determinants of Monetary Regimes: the interrelated choices of monetary policy, exchange rates, and capital restrictions", Angela O'Mahony, UC San Diego

Discussant: Ronald Rogowski, UC Los Angeles

PANEL 6-10: Politics, Expectations, and International Financial Markets
Created by Division 16, Co-Sponsored by Division 6

Chair: Brian Roberts, University of Texas

Papers:
"Political Information and Economic Information", David Leblang, University of Colorado
Co-Author: William Bernhard, University of Illinois
"The Political Economic Origins of International Financial Liberalization in Emerging Market Nations", Dennis Quinn, Georgetown University
Co-Author: A. Maria Toyoda, Stanford University
"Domestic Political Instability and Currency Market Volatility in Southeast", John Freeman, University of Minnesota
"The Domestic Political Economy of International Bailouts", J. Lawrence Broz, New York University

Discussant: Brian Roberts, University of Texas

PANEL 6-11: Veto Players in Policymaking

Created by Division 6, Co-Sponsored by Division 11

Chair: George Tsebelis, Russell Sage Foundation

Papers:
"Decentralization and Economic Policy: Veto Players, Capital Mobility, and Overgrazing", Daniel Treisman, UC Los Angeles
"Veto Players and Policy Reform", Scott Basinger, Stanford and SUNY-Stony Brook
Co-Author: Mark Hallerberg, University of Pittsburgh
"Veto Players and the Structure of Budgets in OECD Countries", George Tsebelis, Russell Sage Foundation
Co-Author: Eric Chang, UC Los Angeles
"Politics and Infrastructure Investment", Bennet Zelner, Georgetown University
Co-Author: Witold Henisz, University of Pennsylvania

Discussant 1: George Tsebelis, Russell Sage Foundation
Discussant 2: Peter Lange, Duke University

PANEL 6-12: National Institutional and Policy Divergence in a Globalized Economy
Created by Division 15, Co-Sponsored by Division 6

Chair: Peter Lange, Duke University

Announcements

APSA Panels and Posters cont.

Papers:
"Bundled Versus Unbundled Linkages and the Effects of Globalization", Peter Gourevitch, UC San Diego
"The Impact of Globalization on Varieties of Capitalism: Institutional Convergence or Arbitrage?", Peter Hall, Harvard University
"Asset Specificity, Trade, and Politics: An Argument for Divergence", Torben Iversen, Harvard University
Co-Author: David Soskice, Wissenschaft-szentrum Berlin
"Globalization, Policy Convergence, and Inequality", Ronald Rogowski, UC Los Angeles

Discussant: Peter Lange, Duke University

PANEL 6-13: The Political Economy of Federalism and Intergovernmental Relations
Created by Division 6, Co-Sponsored by Division 28

Chair: **TBA**

Papers:
"Why Does the Federal Government Pick Up the Welfare Hot Potato? Toward an Integrated Theory of Federalism", Karen Baehler, Victoria University of Wellington
"Governing the Fiscal Commons", Christopher Berry, University of Chicago
"Are Federal Nations Decentralized? Local Governments in Federal Systems", Pradeep Chhibber
Co-Author: Easwaran Somanathan
"Election Timing and Intergovernmental Bargaining in a Two-Tier Three-Party Parliamentary System", Maria Gallego, Wilfrid Laurier University

Discussant: Craig Volden, Claremont Graduate University

PANEL 6-14: Economic Performance and Electoral Accountability
Created by Division 36, Co-Sponsored by Division 6

Chair: Randy Stevenson, Rice University

Papers:
"Group Economic Performance, Economic Perceptions, Economic Voting and Electoral Accountability", Suzanne De Boef, Penn State University
Co-Author: Jonathan Nagler, New York University
"The Political Economy of the Mutual Fund Revolution", John Duca, Federal Reserve Bank of Dallas
Co-Author: Jason Saving, Federal Reserve Bank of Dallas
"Government Ideology, Economic Performance, and Macro Partisanship", Guy Whitten, Texas A&M
"Is All Political-Economics Local? National Elections and Local Economic Conditions", Gregory Wawro, Columbia University
Co-Author: Charles Himmelberg

Discussant 1: Randy Stevenson, Rice University
Discussant 2: Robert Erikson, Columbia University

PANEL 6-15: Rationality and Political Order
Created by Division 4, Cross-listed by courtesy with Division 6

PANEL 6-16: Formal Models of Political Economy
Created by Division 4, Cross-listed by courtesy with Division 6

Division 6, Political Economy, Poster Participants

Poster Session 4: American Politics, International Relations, Comparative Politics: International and Comparative Political Economy, Globalization, Courts and the Constitution, Democratization, Civil Society, States, Society, Relationship

International and Comparative Political Economy, Comparative Politics, and Globalization

"The Political Economy of Stabilization in Developing Countries", Raj Desai, Georgetown University,

"Trade-Offs or Spillovers? The Political Economy of Trade and Monetary Integration", Cedric Dupont, Graduate Institute of International Studies

"Distributional Politics and Central Bank Independence", Michael R. King, London School of Economics

"Fundamentals, Expectations, Institutions and Currency Crises", Quan Li, Pennsylvania State University

Poster Session 3: American Politics, Comparative Politics, International Relations: Elections, Parties, Participation, Representation, Attitudes, Opinions, Communication

Elections, Parties, Participation, and Representation

"Partisanship, Incumbency, Markets, and Elections", James Fowler, Harvard University

Poster Session 1: Teaching and Learning Research Support, Institutions and Political Development

Institutions and Political Development

"Multiple Principals and Outside Information in Bureacratic Policy Making", Sean Gailmard, California Institute of Technology

"Democratic Legitimacy of the Fed and the ECB", Martin Schuerz, Austrian Central Bank

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Award Committee
Book Award
Burt Monroe, Univ. of Indiana, *Chair*
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Michael Gilligan, New York Univ.
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Keith Poole, Univ. of Houston

In the Journals

European Journal of Political Research
Official Journal of the European Consortium for Political Research

Volume 39, Issue 3, May 2001

C.J. Pattie, R.J. Johnston. "Routes to Party Choice: Ideology, Economic Evaluations and Voting at the 1997 British General Election"

Volume 39, Issue 2, March 2001

Geoffrey Garrett, Deborah Mitchell. Globalization, Government Spending and Taxation in the OECD"

Jorgen Gronnegård Christensen, Thomas Pallensen. "Institutions, Distributional Concerns, and Public Sector Reform"

Kenneth Benoit. "District Magnitude, Electoral Formula, and the Number of Parties"

Hanspeter Kriesi, Maya Jegen. "The Swiss Energy Policy Elite: The Actor Constellation of a Policy Domain in Transition"

Volume 39, Issue 1, January 2001

Amy K. Mäkinen. "Rights, Review, and Spending: Policy Outcomes with Judicially Enforceable Rights"

Graham Lewis, John Abraham. "The Creation of Neo-Liberal Corporate Bias in Transnational Medicines control: The Industrial Shaping and Interest Dynamics of the European Regulatory State"

Soren Winter, Poul Erik Mouritzen. "Why People Want Something for Nothing: The Role of Asymmetrical Illusions"

Volume 38, Issue 2, October 2000

Elinor Scarbrough. "West European Welfare States: The Old Politics of Retrenchment"

Carlos Ochando Claramunt, Salvador Carrasco Arroyo. "The Role of 'the Resources of the Power Hypothesis' in Explaining the Spanish Welfare State Between 1975 & 1995"

Yaron Katz. "The Diminishing Role of Governments in Cable Policy"

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* Jeffrey Frieden and Lisa Martin write on the state of international political economy.

* Report from the APSA Annual Meeting

* Announcement of Book and Dissertation Awards

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