

Elections and Discretionary Spending: The Case of the Ghana Education Trust Fund

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Incumbent's Problem: Who, How Much and When?

Who gets how much?

- Core supporters if they
 - Are responsive (Cox & McCubbins 1986)
 - Can abstain (Cox 2010)
 - Can be reached more efficiently (Dixit & Londregan 1986)
- Swing voters if they
 - Can be targeted with equal efficiency (Dixit & Londregan 1996)
 - Cannot abstain (Stokes 2005)

When?

- Political business cycle

Theory: Bringing Timing Back In

	Non-Election Years	Election Years
Swing		+ Funding i). usual swing logic ii). citizens discount past
Core	+ Funding i). party members value past ii). citizens can abstain	

Why do party members value the past more?

- Receive private benefits from government spending (pork and/or corruption)

Why does the incumbent care about party members?

- People can abstain – incumbent needs party to mobilize core supporters

Ghanaian Political Context

- Increasingly competitive national elections since democratic transition in 1992
- Two major political parties – NPP and NDC
 - Parties maintain regional strongholds, but some areas are truly “up-for-grabs”
- Local party members mobilize voters: campaign, organize rallies, transport voters to polls
- Local party members receive private goods from candidates
 - If party members are dissatisfied, common to complain of “neglect”

The GETFund

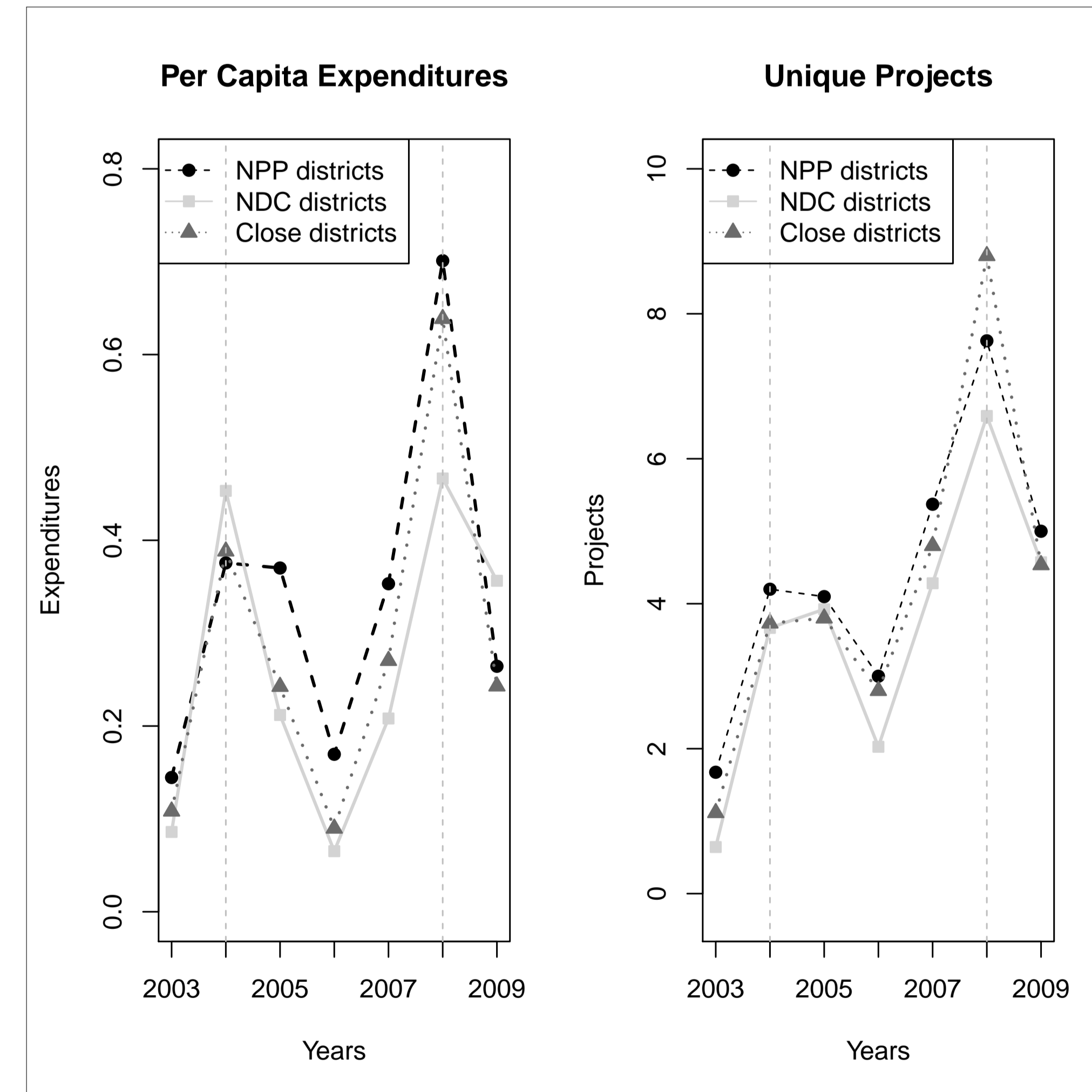
DV: Disbursements from the Ghana Education Trust Fund (GET-Fund) for primary education

- Funds education infrastructure (mainly construction of new classroom, teachers’ blocks, etc.)
- Funding decisions are discretionary – there is no single mechanism to receive funding
- Budgetary data set contains 1,682 unique projects, with disbursements measured in real Ghana cedis

Why primary education? Secondary and tertiary institutions concentrated in urban areas – which tend to vote for the NPP – and thus constitute a biased test since spending mechanically benefits NPP supporters

Targeting Strategies over Electoral Cycle

Does the government use partisan targeting strategies? Do these strategies change depending on the moment in the electoral cycle?



The plot compares close districts – won by a margin of less than 10% – with districts in which NDC or NPP candidates won by a margin of 10% or more. In almost all years, NPP districts received greater per capita disbursements and more projects per district than either close districts or NDC districts. Exceptions occur in 2004 (per capita disbursements) and 2008 (projects), both of which were election years. In addition, when the NDC took over in 2009 per capita disbursements increased in its own districts.

Statistical Models

Models

- OLS – per capita disbursements per district-year
- Negative binomial – number of projects per district-year

Independent Variables

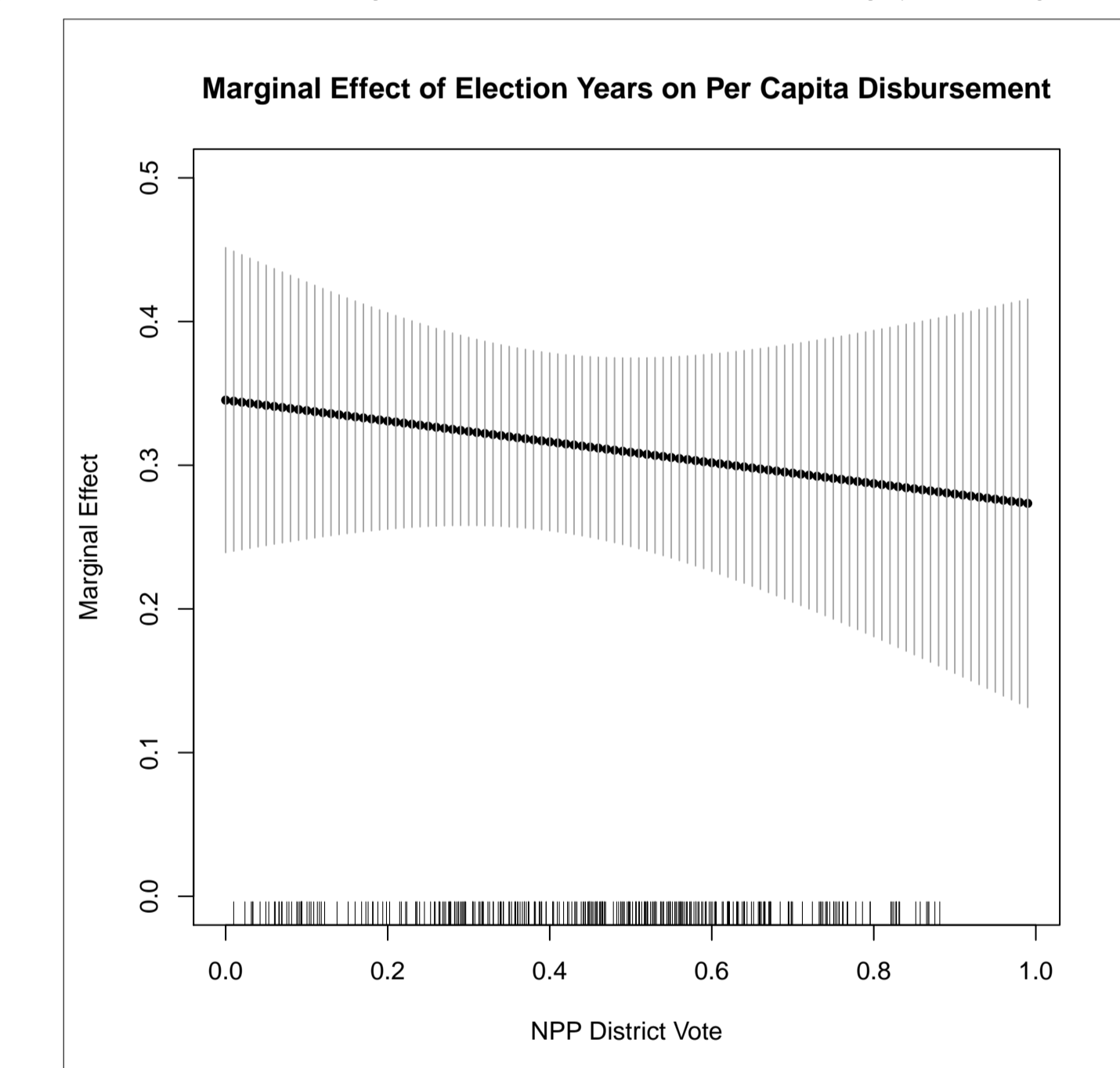
- Core Districts – NPP Vote Share
- Close Districts – Deviation from 50%, Changed Parties
- Election Year – Dummy
- Interactions of partisanship measures & election dummy

Controls

- District Characteristics - poverty and education levels
- School Characteristics - measure of need
- Ethnicity

Results

Higher spending in election years across all types of districts



Favoritism toward supporters occurs in non-election years, but the patterns are not statistically distinguishable.

