

**THE IMPACT OF PARTISAN  
REPRESENTATION ON THE  
ALLOCATION OF  
INTERGOVERNMENTAL GRANTS - THE  
HOME BIAS**

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## ABSTRACT (NL)

**Doel:** In deze masterproef wordt de home bias in Vlaanderen behandeld. Dit wil zeggen dat gekeken zal worden of woonplaatsen van Vlaamse ministers meer conditionele dotaties per capita verkrijgen door de aanwezigheid van een minister. Het doel van de masterproef is dan ook na te gaan of in Vlaanderen op een tactische wijze wordt omgegaan met conditionele dotaties door de Vlaamse ministers.

**Methodologie:** Eerst werd een literatuuroverzicht opgesteld om het empirisch gedeelte binnen het wetenschappelijk kader van ‘pork barrel politics’ te kunnen situeren. Ten tweede werden er zowel beschrijvende als statistische analyses gevoerd van de dataset in het statistische analyse programma SPSS. Zo werden lineaire regressies uitgevoerd op de beschikbare data.

**Resultaten:** De resultaten van de jaren 2012 en 2013 toonden niet de voorspelde resultaten. Zo bleek, wanneer de analyses uitgevoerd werden op alle 308 Vlaamse gemeenten, nauwelijks een effect op te merken. Wanneer de analyses echter uitgevoerd werden op uitsluitend de gemeenten met 30000 of meer inwoners bleken de regressiemodellen in staat een grotere variantie te verklaren en waren de woonplaatsvariabelen significant. De home bias blijkt dus sterker aanwezig te zijn in grotere gemeenten. Wat de controlevariabelen betreft bleken voornamelijk het belastbaar inkomen per capita en de werkloosheidsgraad positief geassocieerd met de conditionele dotaties per capita.

**Relevantie van de masterproef:** In België is nog maar weinig onderzoek gedaan omtrent ‘pork barrel politics’. Deze masterproef tracht dan ook de situatie in Vlaanderen deels in kaart te brengen wat toch wel een belangrijk topic is aangezien het om veel geld gaat. Verder is het toch ook een effect dat in de realiteit beter niet voorkomt aangezien het tot een lagere efficiëntie en effectiviteit leidt.

**Onderzoeksbependingen:** Ten eerste werd in de masterproef uitsluitend gewerkt met een kwantitatieve onderzoeksmethode. Op deze manier is de masterproef niet in staat om de achterliggende redenen van het al dan niet aanwezig zijn van ‘pork barrel politics’ te verklaren. Ten tweede beslaat de masterproef slechts twee jaren waardoor geen langeretermijntrends geïdentificeerd konden worden.

## **FOREWORD**

After five years of studying at Ghent University, this master's dissertation can be seen as the nice ending of my school time. Over the years, I met some amazing people and I cannot be grateful enough for that. The writing of the master's thesis was not an easy task and it did not always go so smoothly. Consequently, I am very grateful for the help of certain people, I all want to thank before the start of the actual thesis.

First, I would like to thank Prof. Dr. Carine Smolders for the opportunity to work around this subject. As my supervisor, she provided me with a lot of constructive feedback and tips and was always willing to help whenever I experienced problems along the road.

Second, I would like to thank my family and friends for always being there and support me over the years.

## **PREAMBLE IMPACT CORONA**

This master's thesis was written during the COVID-19 health crisis, possibly impacting the research direction of your master's thesis. This was however not the case for this master's thesis since I made use of an already existing data set and the statistical analyses could be carried out at home. Nonetheless, this preamble is drawn up in consultation between the student and the supervisor and is approved by both.

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# 1 INTRODUCTION

In this master's thesis, the impact of partisan representation on the conditional grants per capita will be analysed. Therefore, analyses will be conducted in SPSS27 by primarily analysing if the presence of a Flemish minister in the municipality will have an impact on the conditional grants per capita that the municipality will receive. Afterwards, there will be analysed if the political position of the aligned minister has an impact on the conditional grants per capita. Finally, the impact of the population size will be analysed since larger cities tend to receive more conditional grants per capita. This will be analysed by making use of a data set that contains political variables, socio-demographic variables and the dependent variable of the master's thesis, the conditional grants per capita. The choice was made to focus on the Flemish government, more specifically, the two years before the Flemish elections of 2014, 2012 and 2013.

First, there will be a review of the existing literature that is present about intergovernmental grants, pork barrel politics and the home bias. Subsequently, the Belgian institutional context will be explained and the research method will be described. This includes the research question, hypotheses and an explanation of the variables that were used in the statistical results. The next step will be the analyses, which start with the descriptive results and are followed by more complex analyses, such as a linear regression. Afterwards, the results will be discussed and an evaluation of the research question and hypotheses in relation with the literature and the statistical results will be made. Eventually, a conclusion will be conducted where the most important findings, the limitations from the master's thesis and possible future research will be presented.

## **2 LITERATURE REVIEW**

The aim of the master's thesis is thus to examine the impact of partisan representation on the conditional grants per capita. Before starting the actual analyses, it is important to take a look at the existing research that has already been done on pork barrel politics. Therefore, this chapter will start by explaining the concept of intergovernmental grants to situate the dependent variable of this paper. Afterwards, an overview of factors will be given that may influence the allocation of these intergovernmental grants and we will see that intergovernmental grants are not solely allocated based on economic factors, but also on political, tactical factors. This is the subject of the master's thesis, pork barrel politics. Furthermore, a few models on pork barrel politics will be mentioned, including the main model of this master's thesis, the home bias. The literature review ends with a description of the Belgian institutional context.

### **2.1 INTERGOVERNMENTAL GRANTS**

Nowadays, most democratic countries consist of multiple governmental levels, for example, in Belgium, there are local governments, regional governments and a federal government. An important policy instrument to allocate funds between the different governmental levels are the intergovernmental grants. Intergovernmental grants can be seen as transfer flows between layers of government. Two different forms of intergovernmental grants can be distinguished.

#### **2.1.1 CONDITIONAL GRANTS**

First, intergovernmental grants can be shaped as conditional grants. According to Ma (1997, p.3) conditional grants are: "intergovernmental grants from the central government to devolved governments for specific purposes for which the recipient government can use the funds."

Based on the definition, conditional grants are thus monetary transfers between levels of government, mostly from a central government to a sub-central government, that come with certain reporting and purchasing requirements. Project grants, for instance, are grants that are being offered for a specific purpose, such as building a library or a road. Conditional grants play a particular role in, example given, financing infrastructure projects as these are mostly non-recurring expenditures. The restrictions imply that, in a case of conditional grants, the

recipient has to stay within the limits of the restrictions when it wants to spend the grant. In other words, it cannot be freely used. If grants come with a lot of restrictions, they obviously become less flexible.

Conditional grants can be used as a policy instrument by the central government to bring the sub-central government in line with the central government's policy objectives and to ensure cooperation. Consequently, these grants may be used to achieve a national objective by influencing the fiscal decisions of a sub-central government.

### **2.1.2 UNCONDITIONAL GRANTS**

Second, intergovernmental grants can be shaped as unconditional grants which are lump-sum transfers that can be used in any way. In other words, the sub-central government can use the grant for another purpose than the central government had in mind. Unconditional grants offer the recipient thus greater freedom in its use and are mostly used for purposes of fiscal equalization. Unconditional grants can, for example, be used to channel funds from wealthier jurisdictions to poorer ones (Oates, 1972). The normative approach to such grants assumes that the central government mainly motivates the distribution of these grants by efficiency and equity goals. In other words, the central government is seeking to maximise the welfare of the entire population. In this master's thesis, the focus will be on the allocation of conditional grants, so the unconditional grants won't be further discussed.

### **2.1.3 ALLOCATION OF INTERGOVERNMENTAL GRANTS**

How are the intergovernmental grants allocated between the different sub-central governments? The economic literature considers factors that may affect the distribution of the central government resources across local governments. The following paragraphs will follow the structure of the working paper *The Determinants of the incidence of intergovernmental grants: A survey of the international experience* (Boex & Martinez-Vazquez, 2005) in which the authors distinguished three views of how intergovernmental grants are being allocated. Specifically, the public finance, the public choice and political economy literature each have their view of how intergovernmental grants should be allocated.

#### **2.1.4 NORMATIVE CONSIDERATIONS**

Public finance literature provides normative guidance on how intergovernmental grants should be distributed to achieve an efficient and equitable allocation of resources in a country (Oates, 1972). The central government should thus allocate resources in such a way that it provides greater intergovernmental grants in response to higher local expenditure needs. This is the normative view on intergovernmental grants which states that grants are being used to ameliorate capital failures and coordination failures. The government should intervene when a local government is producing a sub-optimal level concerning their local tasks, for example, public education. Consequently, greater intergovernmental grants should be allocated to these local governments to make sure the government can increase the quality of their local tasks. Moreover, intergovernmental grants can also be used to achieve a more equitable distribution of resources across the population. This is mostly achieved by income redistribution policies and indicates that local governments with greater expenditure needs and lower own local revenues receive a higher level of intergovernmental grants, considering that these governments will be more dependent on revenues from the central government to carry out their tasks (Boex & Martinez-Vazquez, 2005).

#### **2.1.5 VOTER CHOICE MODELS**

The public choice literature also provides a framework for the allocation of resources. In particular, the public choice literature attempts to clarify public resource allocation by considering how public decision-making mechanisms may influence the allocation decisions by representatives.

For instance, the electoral choice models such as the median voter model suggest that democratically elected politicians try to maximise their probability of being re-elected to office. Elected politicians will do this by adopting the fiscal preferences of the median voter and suggests that politicians will allocate intergovernmental grants in such a way that it meets the fiscal preferences of the median voter (Turnbull & Djoundourian, 1994). The voter choice models also suggest a tendency towards fiscal equalization in intergovernmental grant systems. This indicates, as earlier stated, that local governments with greater expenditure needs should receive more intergovernmental grants to assure more equal access to local public services.

## **2.1.6 OTHER POLITICAL ECONOMY MOTIVATIONS**

Other political models suggest that the decision-making can be captured by certain interest groups. This is where pork barrel politics is situated as intergovernmental grants will be distributed in such a way that it meets the requirements of, for example, the minister and its hometown. Sub-central governments with powerful political interests can be expected to receive a higher level of intergovernmental grants. A way of being politically strong at the local level is having a disproportionately greater representation at the central level. Being represented at the central level has its benefits as will be shown further in this thesis since representatives at the central level could use their influence to bias more transfers to their home districts (Fiva & Halse, 2016). Municipalities that are connected are also in a better position to put political pressure on the central government and so convince the local government to allocate more grants to their municipalities. However, being underrepresented also has its benefits as elected officials with smaller constituencies have a greater incentive to lobby for more intergovernmental grants since the pay-off is greater (Boex & Martinez-Vazquez, 2005).

## **2.2 PORK BARREL POLITICS**

### **2.2.1 WHAT IS PORK BARREL?**

Earlier, we stated that the allocation of public resources is influenced by certain factors. The normative theory suggests that intergovernmental grants should be objectively distributed based on economic considerations, for example in the most efficient way. However, in practice, this is not always the case and critical researchers have noticed certain political motivations for the allocation of intergovernmental grants. Research by Cadot et al. (2002) showed that investments by the French government are not only economical driven, but also partially political. This was also confirmed in international research by Boex & Martinez-Vazquez (2005). The author's results showed that in a majority of countries reviewed, the political considerations outweigh the impact of equity and efficiency goals.

Pork barrel politics lies somewhere between economic rationalism and political pragmatism. This indicates that the distribution of resources an economic process is to optimally pursue equity and efficiency. However, this normative standpoint has been contradicted by literature which states that the distribution of resources is not a purely economic process as the allocation of intergovernmental grants is to some extent driven by political motivations (Roberson, 2008;

Costa I-Font, Rodriguez-Oreggi, & Lunapla, 2003). The tactical redistribution based on certain political motivations is called pork barrel politics:

“The term pork barrel politics refers to instances in which ruling parties channel public money to particular constituencies based on political considerations, at the expense of the broader public interests (Sharma, 2017, p.4).“

“Pork barrel redistribution is a mechanism which provides benefits for selected districts while its costs are spread among the whole society, typically in the form of taxation’ (Johnson, Shepsle, & Weingast, 1981, p.661).”

The definitions above indicate that pork barrel politics undermine the equity and efficiency goals and prove that in certain situations grants are not redistributed objectively. In other words, the central government has other incentives to redistribute in a certain way, for example, for political reasons. The central government or incumbent representatives can use grants more tactically in order to gain an advantage by allocating grants in a certain way. It is important to mention that pork barrel is mainly a top-down process where the central level generally allocates resources to the regional or local level. In the next paragraphs, the reasoning behind the tactical allocation of resources by politicians or political parties will be discussed.

## **2.2.2 POLITICAL MOTIVATIONS**

The normative theory of fiscal federalism has been contested by the distributive political models. The distributive political models state that politicians are rational and thus self-interested. This means that politicians are not essentially motivated by maximising the welfare of the population. Politicians may thus have other incentives for allocating grants, for example, a desire to hold offices (Brennan & Buchanan, 1980; Weingast et al., 1981). One of the main drivers in politics is to maximise votes since political parties value votes, offices and policies. To receive offices and be able to execute policies, votes are extremely important. For a political party, it is important to be part of the government since the government has a lot of power and can choose which policies it wants to execute and as an elected party, the demands of the electorate can be fulfilled (Ezrow et al., 2010). This is why the distributive political models ground that intergovernmental grants would be used by the governing parties to gain electoral support. The ruling parties will aim to do this by funding the group of voters that are expected

to realize the highest level of electoral returns (Grossman, 1994). This will, as earlier stated, lead to patterns of grant distribution that fail to meet the efficiency and equity goals. By using grants for political reasons, behaviour can be opportunistic when grants are being used to implement policies to maximise the chances of being re-elected or behaviour can be partisan when they want to further the interests of their support groups.

### ***Showing abilities and competences***

There are a couple of reasons why politicians would tactically redistribute grants. First, being in government gives an incumbent politician the opportunity to show their abilities to get things done and prove the voters they made the right decision. Being able to get things done has proven to increase the chances of re-election (Shepsle, Dickson, & Van Houweling, 2002).

Hoare (1992) provided an interesting typology why pork barrel politics keep appearing. The author states that on the one hand, pork barrel distribution may be realised individually. Individual use of pork barrel indicates that political representatives use their power and influence to channel public resources to their own districts to increase the chances of re-election. Levitt & Snyder (1997) and Spác (2016) found that pork barrel politics increases the chances of re-election while Luo, Zhang, & Rozelle (2009) state that mayors who can gather more public resources are more likely to be re-elected. This outcome is also supported in studies by Inman & Fitts (1990), Keefer & Khemani (2009), Weingast (1979), Weingast et al. (1981) and Stratmann (2013). However, there is also research that did not find an effect (Feldman & Jondrow, 1984; Stein & Bickers, 1995).

On the other hand, when a country has strong political parties, a more centralized form of political redistribution can occur. Political parties seek power since their primary concern is to maximise votes and seats. Pork barrel can help ruling parties in keeping their positions since a flow of public resources may enhance the possibilities of re-election. This type of redistribution means that the ruling parties will allocate resources either to constituencies where their representatives won with a clear margin or to swing states to increase the chances of winning (Cox & McCubbins, 1986; Lindbeck & Weibull, 1987).

### ***Increasing the chances of re-election***

Nowadays, pork barrel politics are enjoying increased attention since many decisions of the central government are discretionary decisions. This way, incumbent representatives have a lot of freedom as regards the allocation of intergovernmental grants. Research by Crampton (2002) noticed that representatives contesting the next election bring home more grants than those who are not. Nordhaus (1975) developed a model in which opportunistic incumbents try to manipulate the economy before the elections to maximise the chances of re-election. Incumbents do this to appear as competent as possible. Furthermore, Brollo & Nannacini (2012) noticed an increase in intergovernmental transfers in Brazil during the last two years of a mayor's term. The mayor may be able to convince voters to vote in favour of them with the announcement of a big project, like the construction of a new library or new park, since people mostly remember recent events. People will easily remember what the mayor did recently compared to the beginning of the mayor's term. After the re-election, the intergovernmental transfers decreased again. Aidt & Shvets (2012) have confirmed these statements since their research has shown that if there is no chance of re-election, less pork barrel will happen.

### ***Punishing and rewarding power***

Finally, pork barrel can also be used to reward or punish voters for their previous voting behaviour. Studies (Picci & Golden, 2008; Costi-I-Font et al., 2003; Milligan & Smart, 2005) on pork barrel politics have shown the importance of pork barrel as a rewarding or punishing power since governments tend to reward districts with their own representatives in charge. Consequently, opposite districts tend to receive less intergovernmental grants on average. Research by Solé-Ollé & Sorribas-Navarro (2008) showed that funding opposition states does not offer benefits for the ruling parties since no differences were noticed after the elections. This function of pork barrel is, for example, confirmed by the core voter model of Cox & McCubbins (1986) since a greater transfer flow can be noticed between the central government and government districts.

## **2.3 MODELS ON TACTICAL REDISTRIBUTION**

In the previous paragraphs, the relevance of political motivations to allocate funds in a certain way was discussed. The following section will present models that aim to explain why and how the central government allocates resources in a certain way.



In the existing research an interesting debate exists between believers of the core voter model of Cox & McCubbins (1986) and those who lean towards Lindbeck & Weibull's (1987) swing voter model. Both models imagine two parties competing to win an election. They do this by promising to distribute certain grants to various groups, should they be elected. The core versus swing voter model is important to understand whom and how parties represent. For instance, excessive focus on persuading swing voters can lead to less credibility with a political party's core voter since they will seem unreliable while too much focus on mobilizing and coordinating the core voter will lead to a close inner circle of strong members but the party won't be able to attract new members (Cox, 2010). In the following paragraphs, both models will be briefly discussed.

### **2.3.1 CORE VOTER MODEL**

The core voter model of Cox & McCubbins (1986) argues that vote-maximising parties will allocate more distributive benefits to their core voters. According to this model, political parties will reward their core voters by granting them more resources. Cox (2010) states that this type of pork barrel is not focused on persuading voters to vote in favour of them but rather on mobilizing and coordinating them. Thus, by rewarding their core voters politicians try to maintain their support. Several studies have found evidence for the core voter model, for instance, Ansolabehere & Snyder (2006), Levitt & Snyder (1997), Mehiriz (2007) and Jacques & Ferland (2019). In the United States, Dixit & Londregan (1996) even observed a mechanism where ruling parties were rewarding their core voters and punishing districts that voted against them. Albouy (2013) noticed that majority districts receive on average 180 billion more than the average district while Jacques & Ferland (2019) noticed that government districts receive on average 1,6 more projects. In Brazil, Brollo & Nannicini (2012) found an increase in transfers that varies from 26 percent to 41 percent. The core voter model also shows that not every political party is trying to maximise its votes. The core voter model can thus be seen as a tactical way to keep a grip on a small majority, the party's electorate.

Furthermore, Cox & McCubbins (1986) argue that the personality of the incumbents also has an influence who they reward. The authors state that risk-averse candidates will allocate more resources to their own voters where they won with a clear margin. Risk-averse candidates take the safe bet and want to avoid all risks they don't have to take, such as allocating grants to swing states or districts. These types of candidates will most likely try to convince the core

voters they made the right choice rather than convincing swing voters to change their votes. Targeting core voters is thus a low risk, future-looking strategy (Cox, 2010).

### **2.3.2 SWING VOTER MODEL**

This is where the counterpart of the core voter model comes into play, the swing voter model by Lindbeck & Weibull (1987). According to Stokes (2005, p.317): “voters who are predisposed in favour of a party on partisan or programmatic grounds cannot credibly threaten to punish their favoured party if it withholds rewards.” Therefore, the believers of the swing voter model assume rewarding your core voters is a waste of resources and political parties should rather focus on convincing swing voters to vote in favour of the party (Cox, 2010).

Lindbeck & Weibull (1987) suggest that political parties aim for as many votes as possible. Therefore, every party will try to convince the voters of the other parties to vote in favour of them. The verb, persuade, is in this context crucial. Persuading voters indicates that representatives or political parties will attempt to change voter’s preferences between given alternatives since greater transfer flows to the local government can make a difference in future elections (Cox, 2010). Several studies have found evidence for Lindbeck & Weibull’s swing voter model (1987). Research carried out by Wright (1974), Stokes (2005), Crampton (2002) and Case (2001) have found evidence for the swing voter model. Dahlberg & Johansson (2002) have researched the swing voter model in Sweden and showed that districts won or lost by a small margin receive on average more grants from the central government. In Sweden, distributing grants to swing districts is thus an important way of recruiting more or new voters. In India, Dasgupta et al. (2007) found that swing districts receive on average 16 percent more than non-swing districts. However, Sollé-Ollé & Navarro (2008) suggest that targeting swing districts does not offer additional votes. Targeting swing voters is thus a high risk, high reward operation since the political party is unsure if additional grants will result in more votes.

### **2.3.3 HOME BIAS**

The literature on pork barrel has also produced some other models besides the core and swing voter models. One of those models is the home bias. The home bias is also the model that will be applied in the thesis. The core and swing voter models are important since they discuss how representatives will redistribute grants across geographic regions. However, these models are

mainly driven by re-election incentives and do not take into account the identities or characteristics of the representatives. Logically, representatives have a connection to certain geographic regions, for instance their birth town, where they were born, or home town where they live. Studies have shown that even the gender of representatives (Chattopadhyay & Duflo, 2004), nationality (Gehring & Schneider, 2018) or ethnicity (Franck & Rainer, 2012) matters. Clearly, a lot of factors could matter concerning the decision-making of politicians, but the focus in this master's thesis will be on the home town of representatives. What are the reasons for bringing home the pork and does it really happen that often?

First, multiple studies have shown the impact of an alignment with a representative. In France, Fabre & Sangnier (2017) noticed a 45 percent increase in subsidies that flow to municipalities once the representatives they are connected to is appointed as minister. The United States, for example, is a typical case where representatives aim to allocate more public expenditures to their own districts (Golden & Picci, 2008). In Belgium, Jennes & Persyn (2014) found that the number of grants to a district increases with every extra minister belonging to that district. Studies by Solé-Ollé & Sorribas-Navarro (2008), Jacques & Ferland (2019), Brollo & Nannicini (2012), Porto & Sanguinetti (2001) and Veiga & Pinho (2007) have shown similar results. All studies found a positive association between being represented or aligned and the number of intergovernmental grants/conditional grants per capita. Furthermore, Carozzi & Repetto (2016) noticed an even greater increase in transfers when the mayor belongs to the same political party as the representative. Overall, aligned municipalities tend to receive more intergovernmental grants/conditional grants per capita.

Second, multiple studies have been done concerning the birthplace of representatives. Research by Hodler & Raschky (2014) has shown that birth regions of representatives became richer once the representative reaches power. Carozzi & Repetto (2016) found a similar result in Italy where they reported large inflows of transfers towards birth regions of parliamentary members. In Indonesia, Gonschorek (2020) noticed that birth regions of the provincial governors receive greater number of grants compared to the other districts within a province and Mattos, Politi, & Morata (2020) highlighted that birthplaces of a deputy receive on average 8,7 percent more resources in amendments.

Third, research has been done concerning the home town of representatives. Home town favouritism is very present in dictatorships. In Libya, for example, a small village called Sirte, received a great number of government investments and even became home of the Libyan parliament once al-Qadhafi became the leader of Libya. However, the home bias is not only present in dictatorships but also in more industrialized countries. In Norway, Fiva & Halse (2016) noticed that representatives tend to channel more public funding toward their home town and obtain more resources for local investments. In Vietnam, an authoritarian country, Do, Ngyen, & Tran (2017) highlighted an average of 0.23 new categories of infrastructures in the hometown of a representative. Baskaran & Lopes da Fonseca (2017) found no home bias in the number of intergovernmental grants but noticed an increase in, for example, state government employees in the home town of representative. Representatives also seem to favour their home town in the distribution of public projects, such as the construction of roads or major buildings.

Remarkably, the home bias does not seem to affect neighbouring municipalities. Baskaran & Lopes da Fonseca (2017) found that a growth in employment is limited to the home town since both neighbouring municipalities and the province showed no effects. In Vietnam, Do et al. (2017) noticed that favours are targeted to the home municipalities, while municipalities in the same district receive no additional infrastructures. Gonschorek, Schulze, & Suharnoko (2017) also noticed that the home bias does not apply to the neighbouring municipalities. This shows that the home bias is not only motivated by strategic reasons but also influenced by other factors. In the next paragraphs an attempt will be made to capture some influencing factors.

### ***What drives the home bias?***

According to Do et al. (2017, p.26) “it remains an open question whether social preferences or behaviours are more important in explaining favouritism across the world.” Representatives can, by bringing home the pork, secure support in their home districts. This follows the reasoning explained in the core and swing voter model. Vulnerable candidates, for example, tend to try to bring more pork home compared to safer candidates to increase the probability of re-election (Crampton, 2002). However, such reasoning seems inconclusive to explain the home bias since we would also expect to see neighbouring municipalities profit. Electoral districts often span more municipalities so the home bias cannot be solely explained by re-election incentives. Gonschorek et al. (2017), Carozzi & Repetto (2016) and Do et al. (2017) suggest that the home bias is motivated by motives that go beyond being re-elected, for example, personal considerations. According to Carozzi & Repetto (2016) home town voters are not

important for securing re-election but representatives may still want to please the home town voters.

Research has shown the presence of the home bias even when re-election is not a possibility (Carozzi & Repetto, 2016). Representatives could have had a local history before they were appointed at central level. In fact, most of the federal representatives have some sort of local history, for instance, as mayor or as a council. Representatives from the central government could also have an ambition to return to the local politics and by making use of pork barrel they may be able to improve their prospects of a local career (Carozzi & Repetto, 2016). However Fiva & Halse (2016) found no evidence that representatives are using their time to prepare a ground for a local political career. Furthermore, Baskaran & Lopes da Fonseca (2017) state that pork barrel is only partially explained by post-political considerations. Research has also shown that the position of the aligned representatives is relevant since ministers tend to bring more pork home compared to parliamentary members.

Moreover, through their local history, representatives may have gathered experience and information about local political issues. Consequently, representatives know what is happening in their home town and are able to identify the needs of the municipality since they are most of the time well-informed. The factor 'better information' can thus play a role in the allocation of resources since studies have shown that the acquired knowledge and networks from representatives do matter (Fiva & Halse, 2016). The importance of the political history of representatives is also confirmed by Gonschorek et al. (2017) since the authors noticed a significant increase in discretionary grants when the aligned representative has a background as the district head. Therefore, the home bias could be partially explained by representatives wanting to show some gratitude for the support in the past.

Eventually, as an Indian proverb suggests, even the blind favour the people they know. The home bias is, as research by Fiva & Halse (2016) suggests, twice as large in municipalities of below median population size compared to municipalities of above median population. In smaller municipalities, people tend to know each other personal, which effects the relationship between voters and their candidates where these personal relations tend to disappear as the population grows (Spáč, 2020). This means that representatives most likely know people in their home town since their friends or family could live there. Representatives may, in other words, have personal connections with interested parties in their home town. They could have,

for example, helped the representative reach the parliament. Consequently, it makes sense that representatives rather benefit their own environment than an environment they know nothing about. Moreover, Fiva & Halse (2016) noticed that parties receive more votes in the home towns of top candidates since they are expected to promote their interests. However, in general, pork barrel is positively associated with the population size since the reward becomes bigger once the population size of the municipality increases (more voters).

In the last section of the literature review, an overview of the Belgian institutional context will be given.

## **2.4 BELGIAN INSTITUTIONAL CONTEXT**

Belgium has a parliamentary democracy system with a tradition of coalition governments and is well-known for its complicated state structure. The state structure of Belgium consists of one national government, three communities, three regions and the local level. All levels have to power to decide their own structure, so certain communities and regions have used this power to integrate the community and regional government. An example of this is the Flemish region where the Flemish community and Flemish Region were merged into the Flemish Government.

### **2.4.1 MUNICIPALITIES**

In 1830, when Belgium became an independent state, the country had 2739 municipalities. In 1977, a big merging operation was implemented and suddenly Belgium had 596 municipalities left. In the last years, a few Flemish municipalities decided to merge. As a result, in 2020 Belgium has 581 municipalities left (300 Flemish/262 Walloon/19 in Brussels). The main sources of revenue for municipal governments are transfers from the national and regional governments but they also have the power to decide on their own taxes. The mayor is the head of the local municipality and is part of the town council. Both the mayor and council have legislative powers. The Belgian municipalities are grouped in three communities and regions and ten provinces (Devos, 2016)

### **2.4.2 FLEMISH GOVERNMENT**

In Belgium, the Flemish government is the executive power of the Flemish Community and Flemish Region. The head of the Flemish government is the minister-president. Further, the government has a lot of ministers, who all have specific tasks and functions in certain central policy areas. The Flemish government is responsible for the implementation of decrees, made

by the Flemish Parliament, and the daily activities of the Flemish Community (Devos, 2016). The executive power in Belgium is not directly elected, but the legislative power, the parliament is. The regional elections theoretically happen every five years, simultaneously with elections of the other regional parliaments and the European parliament.

## 2.5 GRANTS IN BELGIUM

Belgium is a federal state, so the importance of intergovernmental grants cannot be denied. In Belgium, a lot of transfers are made between the different layers of government. These transfers are mostly top-down, from the central government to sub-central governments. In our case, the central government is the Flemish government and transfers are seen to the local governments. Some of those transfers are fixed, based on, for example, the population. Fixed transfers are made to ensure that local governments can execute their public tasks, like public education. An example here is the *Gemeentefonds* which is funded by the Flemish government. The fund helps to ensure that local governments are financially capable to develop quality services. These are the so-called operating grants. Furthermore, the central government also has some discretionary competences. In this area, the central government or political representatives can choose how they allocate the resources. These specific, discretionary grants from the Flemish and central government cover around 25% of the received grants to the local governments while the general grants cover 75% of the grants received (Belfius, 2017; Leroy, 2019). This can, for example, be investments subsidies, project subsidies or certain spending projects. Logically, it is easier to allocate the latter in a pork barrel way than the operating grants.

## 2.6 DISCUSSION

The goal of this master's thesis is thus to examine the impact of partisan representation on the conditional grants per capita received by a municipality. This direction was chosen based on the increasing attention that has been given on pork barrel politics and the fact that little research has been done in Belgium about the home bias. Consequently, the dependent variable in the master's thesis will be the conditional grants per capita, while being the home town of a Flemish minister was seen as the main independent variable. However, logically other factors will be in play, for example the socio-demographic and political variables of a municipality. These variables will be considered as the control variables in this thesis. In Table 1 the main research question and hypotheses are schematically represented.

<i>What is the impact of partisan representation on the conditional grants per capita received by a Flemish municipality?</i>
<i>H1: Municipalities, represented by a Flemish minister, receive more conditional grants per capita.</i>
<i>H2: The home town of the minister-president or vice-minister-president will receive more conditional grants per capita.</i>
<i>H3: The population size of municipalities is positively associated with the conditional grants per capita. Larger cities will receive more conditional grants per capita.</i>
<i>H4: The home towns of CD&amp;V ministers will show the strongest effect</i>

*Table 1 Research question and hypotheses*



## **3 METHOD**

This master's thesis thus started with a literature review and will now be followed by a statistical analysis of collected data.

### **3.1 DATA SET**

The data set that was used in this master's thesis consisted of data from 2009 to 2017. It is important to state that the decision was made to focus on two years, in particular 2012 and 2013, since an analysis for each year would have been excessive. These years are not chosen randomly, since research has shown that re-election purposes are a crucial incentive for pork barrel politics. Therefore, this master's thesis will examine the two years before the Flemish elections of 2014. The research question and hypotheses will thus be examined for both years individually and in the end, a comparison can be made. This third section is structured as follows, first the used method will be explained and second, the variables that were used in the analyses will be explained.

### **3.2 ANALYSIS**

The analysis of the data was done using the statistical analysis programme SPSS Statistics 27 by IBM.

Before heading to the more complex calculations, the data was explored to get an overall view of the data that is being used. This way, the descriptive results were discovered in which the mean, standard deviation, minimum and maximum for each metric variable were identified. In the descriptive results, a distinction was made between all Flemish municipalities and the home towns of the Flemish ministers in order to notice some differences between both groups early in the process.

In addition, several more complex kind of calculations were done in the statistical results section. First, to find out the impact of partisan representation on the conditional grants per capita received by Flemish municipalities, a linear regression was applied. The linear regression aims to identify the predicting value of the independent variable on the dependent variable, more specific, do home towns of Flemish ministers receive more conditional grants per capita. The linear regressions for 2012 and 2013 were done separately, so every regression will appear twice in the master's thesis. Obviously, also control variables were added to enhance the internal validity. The control variables in the master's thesis will be the socio-demographic and

political variables of the municipality. Furthermore, the linear regressions were also tested on multicollinearity to make sure the independent variables are not too closely interlinked.

### **3.3 VARIABLES**

In section 3.3, the variables that will be used during the analyses will be further explained.

#### DEPENDENT VARIABLE: CONDITIONAL GRANTS PER CAPITA

**The conditional grants per capita** will be the dependent variable in the linear regressions since the purpose of this master's thesis is to examine the impact of the independent variables, for example having a Flemish minister living in the municipality, on the dependent variable, the conditional grants per capita received. The conditional grants thus identify intergovernmental transfers between the Flemish government and local governments and give an indication of the revenues of Flemish municipalities.

#### CONTROL VARIABLES: SOCIO-DEMOGRAPHIC AND POLITICAL VARIABLES

In the master's thesis linear regressions will be executed to examine the impact of the independent variables on the dependent variable. However, if only the association between the independent variable and the dependent variable would be measured, the effect of constant factors, such as the population size or the political constellation of a Flemish municipality, would be fully ignored. The control variables that were being used in the linear regressions are listed below.

##### **The population size**

The first control variable is the population size of the municipality. Research has shown that the population size of a municipality is positively associated with the conditional grants per capita received by a municipality. Larger cities thus tend to receive more conditional grants per capita. However, research (Fiva & Halse, 2016) has also shown that the home bias is stronger in smaller cities due to the fact that everyone knows each other and the ties between them are more personal. Moreover, smaller municipalities often lack the resources for infrastructure projects. In this master's thesis, the assumption is made that larger cities in general will receive more conditional grants but the effect in smaller cities where a Flemish minister has a residence will be higher. In the last part of the statistical results, a distinction will be made between the

municipalities with 30000 or more inhabitants and municipalities with less than 30000 inhabitants to examine differences between the groups.

### **Average taxable income per capita**

The second control variable is the average taxable income per capita. This variable is important in the analysis since it is able to identify economic differences between municipalities. Based on the average taxable income per capita, a Flemish municipality can be “richer” on average or “poorer”. In this master’s thesis it is expected that “poorer” municipalities will receive more conditional grants per capita since the municipalities lack resources compared to “richer” municipalities.

### **Additional personal income tax**

In the analyses, the control variable additional personal income tax has also been used. The additional personal income tax indicates the additional percentage that a taxpayer has to pay on the personal income tax for the local government. Logically, in “richer” municipalities with a higher additional personal income tax, local governments can get more resources from the additional personal income tax. However, before starting the analyses, no assumptions were made if this variable would positively or negatively affect the dependent variable.

### **Percentage of people below 20 and above 64**

The next variables that will be discussed are the percentage of people below 20 and above 64 living in a municipality. Both variables are listed together in this overview, but it is important to mention that the variables will be used individually in the linear regressions. The percentage of people below 20 and above 64 tells us something about the social composition of a municipality. Younger municipalities, with a high percentage of people below 20, will focus more on youth work, education and sport infrastructure while municipalities with an ageing population will focus more on retirement homes and social care.

### **Unemployment rate**

Furthermore, also the unemployment rate has been taken into account in the linear regressions since research has shown a positive association between the unemployment rate and the received grants per capita (cf. Gehring & Schneider, 2018) . This thus means that municipalities will receive more grants per capita if the unemployment rate increases. Conditional grants could, for example, be used to boost employment and create extra jobs in order to decrease the

unemployment rate (Baskaran & Lopes da Fonseca, 2017). In this master's thesis, a positive association between the unemployment rate and the conditional grants per capita is expected.

### **Political constellation of the local government**

The last control variable that was used in the analyses is the political constellation of the local governments. This variable indicates which political parties make the local governments and is displayed in the linear regressions by the variables 'VLD in the loc. gov', 'CD&V in the loc. gov' and 'sp.a. in the loc. gov'. In this master's thesis, it is expected that whenever a political party of the Flemish government is represented in the local government, the Flemish municipality will receive more conditional grants per capita.

## INDEPENDENT VARIABLES

### **Home town of a Flemish minister**

The most important independent variable in this master's thesis is also the effect that is being studied, in particular the home bias. The independent variable 'hometown minister' displays if the municipality is the home town of a Flemish minister. The main variable 'hometown minister' is in the linear regressions further divided in the different government parties (home town sp.a., home town N-VA and home town CD&V). This way, differences between the political parties can be noticed. In the statistical results, we thus expect that whenever a Flemish minister is living in the municipality, the conditional grants per capita will increase.

### **Function of the minister**

Furthermore, in the second part of the statistical results, the master's thesis tested if the home town of the minister-president or vice-minister-presidents receive more conditional grants per capita. Research has shown that ministers bring home more pork compared to, for example, Members of the Parliament so the assumption can be made that the minister-president or vice-minister-president does bring home more pork since these persons are higher placed.

## 4 RESULTS

### 4.1 DESCRIPTIVE RESULTS

#### 4.1.1 GENERAL DESCRIPTIVES OF THE DATA SET

We thus analysed the data for the years 2012 and 2013. The data that was provided in the data set presented data from all 308 Flemish municipalities for both 2012 as 2013. In the following section, a closer look will be taken on the descriptive results of the data set.

#### 4.1.2 DEPENDENT VARIABLE: CONDITIONAL GRANTS PER CAPITA

First, the dependent variable, the conditional grants per capita has been analysed. In 2012, a Flemish municipality received on average 173,64 conditional grants per capita. For comparison, home towns of the Flemish ministers (N=9) received on average 214,49 conditional grants per capita while the other 299 Flemish municipalities received on average 172,41 conditional grants per capita. The maximum value was 618,29 and the minimum 16,68. In 2013, a Flemish municipality received an average 176,42 conditional grants per capita while home towns of Flemish ministers received an average of 222,33 and the remaining 299 municipalities 175,03 conditional grants per capita. The municipality that received the most conditional grants per capita got 614 while the minimum was 16,56. The results thus show that on average, the home towns of Flemish ministers do receive more conditional grants per capita. However, in the nine home towns, a larger standard deviation was also noticed. A summary of the dependent variable is given in Table 2.

2012				
	Mean	Std. Dev.	Min.	Max.
All Flemish municipalities	173,64	100,09	16,68	618,29
Home towns of Flemish ministers	214,49	160,21	51,3	519,30
299 other municipalities	172,41	97,88	16,68	618,29
2013				
All Flemish municipalities	176,42	106,67	16,56	614
Home towns of Flemish ministers	222,32	175,19	30,68	532,17
299 other municipalities	175,04	104,08	16,56	614

Table 2 Descriptive results section 4.1.2

### **4.1.3 CONTROL VARIABLES**

Second, the control variables were analysed for both years. A summary of all control variables will be displayed in Table 3 and Table 4, after a detailed descriptive of each control variable.

#### POPULATION SIZE

In 2012, a Flemish municipality had on average 20169 inhabitants while the average home town of a Flemish minister had 109557 inhabitants. In 2013, the average Flemish municipality had 20720 inhabitants and the home towns of ministers 110295. On average, Flemish ministers thus live in larger municipalities.

#### AVERAGE TAXABLE INCOME PER CAPITA

In the data set, the variable average taxable income per capita had three missing values. In 2012, the average taxable income per capita in a Flemish municipality was 264,6. For comparison, the home towns had an average of 254,7. In 2013, the average taxable income per capita was 238,73 and in home towns 219,29. The descriptive results thus show that Flemish municipalities on average do not live in “richer” municipalities. This could be explained by the fact that, as stated earlier, Flemish ministers live in larger municipalities compared to the average Flemish municipality and these cities are often not the richest municipalities.

#### PERCENTAGE OF PEOPLE UNDER 20

In 2012, the average Flemish municipality population consisted for 21,95% of people below 20. The difference with home towns is not very noticeable for this variable (21,67%). In 2013, the average municipality population decreased to 21,8 and the home towns of ministers to 21,61.

#### PERCENTAGE OF PEOPLE ABOVE 64

As stated above, the percentage of people under 20 decreased over the year and this is mostly due to the fact that the percentage of people above 64 increased from 2012 to 2013. In 2012, the average municipality consisted of 18,58% of people above 64 while an increase was noticed in 2013 to 18,88%. For comparison, the average percentage of people above 64 in the home towns of Flemish ministers increased from 18,7% to 18,9%.

## UNEMPLOYMENT RATE

In 2012, a Flemish municipality had an average unemployment rate of 1,84% and 1,99% in 2013. However, for this variable a noticeable difference is seen as the home towns of the Flemish ministers have an average unemployment rate of 2,44% and even 2,67% in 2013. The unemployment rate in home towns thus appears to be a lot higher.

## ADDITIONAL PERSONAL INCOME TAX

The last control variable, the additional personal income tax, does not display a big difference between the two years (2012: 7,16%; 2013, 7,2%). Only a small difference can be noticed with the home towns of ministers (2012: 7,11%; 2013: 7,11%). A summary of all control variables is listed in Table 3 (All 308 Flemish municipalities) and Table 4 (home towns). The numbers between brackets display the values for 2013.

<b>All 308 Flemish municipalities 2012 (2013)</b>				
	Mean	Std. Dev.	Min.	Max.
Population size	20169 (20720)	33901 (34180)	87 (85)	502604 (507911)
Average taxable income/capita	264,6 (238,7)	66,67 (79,62)	43,18 (38,98)	469,28 (418,88)
Percentage of people below 20	21,95 (21,8)	1,83 (1,83)	13,79 (13,63)	26,93 (27,19)
Percentage of people above 64	18,58 (18,88)	2,31 (2,4)	13,75 (14,12)	31,09 (32,4)
Unemployment rate	1,84 (1,99)	0,58 (0,65)	0,8 (0,99)	4,4 (5,1)
Additional personal income tax	7,16 (7,2)	1,16 (1,14)	0 (1)	9 (9)

Table 3 Descriptive results section 4.1.3 control variables (N=308)

<b>Home towns of Flemish ministers 2012 (2013)</b>				
	Mean	Std. Dev.	Min.	Max.
Population size	109557 (110295)	164249 (165851)	20149 (20248)	502604 (507911)
Average taxable income/capita	254,7 (246,7)	65,82 (49,44)	157,45 (161,34)	374,13 (295,93)
Percentage of people below 20	21,67 (21,61)	1,21 (1,2)	19,81 (19,88)	23,53 (23,75)
Percentage of people above 64	18,7 (18,93)	2,32 (2,35)	16,2 (16,77)	23,32 (23,62)
Unemployment rate	2,44 (2,67)	1,16 (1,25)	1,29 (1,51)	4,36 (4,71)
Additional personal income tax	7,11 (7,11)	1,26 (1,26)	4 (4)	8 (8)

Table 4 Descriptive results section 4.1.3 control variables (N=9)

## POLITICAL CONSTELLATION OF THE LOCAL GOVERNMENT

The analysis also made use of a political control variables, in particular, the political constellation of the local government. In 2012 and 2013, CD&V was the most present in the local governments (N=191). The political party thus was present in more than half of the Flemish local governments. N-VA was part of 99 local governments and sp.a. of 92 local governments. Open VLD, that was not a part of the Flemish government Peeters II, was part of 87 local governments. In three of the four home towns of CD&V ministers, the political party also delivered the mayor. sp.a. only delivered the mayor in one of the tree home towns while N-VA did in both home towns of their Flemish ministers.

### **4.1.4 INDEPENDENT VARIABLES**

#### HOMETOWN OF FLEMISH MINISTER

In 2012 and 2013, the Flemish government Peeters II was in charge. The government Peeters II (N=9) consisted of four CD&V ministers, three sp.a. ministers and two N-VA ministers. The government existed of five men and four women with an average age of 50. The ministers of Peeters II are displayed in Table 5.



<b>Government Peeters II</b>		
<i>Name</i>	<i>Political Party</i>	<i>Minister Portfolio</i>
Kris Peeters	CD&V	Minister-President and Minister for Economy, Foreign Policy, Agriculture and Rural Policy
Ingrid Lieten	sp.a.	Vice-minister-president and Minister for Innovation, Public Investment, Media and Poverty Reduction
Geert Bourgeois	N-VA	Vice-minister-president and Minister for Administrative Affairs, Local and Provincial Government, Civic Integration, Tourism and Brussels
Jo Vandeurzen	CD&V	Minister for Welfare, Public Health and Family
Hilde Crevits	CD&V	Minister for Mobility and Public Works
Freya Van den Bossche	sp.a.	Minister for Energy, Housing, Cities and Social Economy
Philippe Muyters	N-VA	Minister for Finance, Budget, Work, Town and Country Planning and Sport
Joke Schauvliege	CD&V	Minister for Environment, Nature and Culture
Pascal Smet	sp.a.	Minister for Education, Youth, Equal Opportunities and Brussels Affairs

*Table 5 section 4.1.4 Flemish government Peeters II*

The data set thus gives nine municipalities where the Flemish ministers have residency. The master's thesis will examine if these municipalities receive statistically more conditional grants per capita. A summary of the home towns was also made based on the BELFIUS cluster to show the type of municipalities that are represented by ministers. The summary can be found in Table 6.

<b>BELFIUS CLUSTER</b>	<b>Type of Municipality</b>
1x BELFIUS 5	Residential municipalities with ageing population
1x BELFIUS 7	Agricultural municipalities
2x BELFIUS 8	Rural municipalities with a rather ageing population
1x BELFIUS 10	Municipalities with economic activity and ageing population
1x BELFIUS 12	Municipalities and small cities with a central function and economic activity
1x BELFIUS 14	Well-equipped municipalities and small cities with a growing youth population
2x BELFIUS 15	Big and regional cities

*Table 6 section 4.1.4 home towns ministers (Belfius clusters)*

Four of the nine Flemish ministers of the Flemish government Peeters II had a history as council in the municipality where they live. One of them also had a history as the mayor of the municipality.

## **4.2 STATISTICAL RESULTS**

### **4.2.1 DO HOME TOWNS OF MINISTERS RECEIVE MORE CONDITIONAL GRANTS PER CAPITA?**

A linear regression was calculated to assess the ability of the main independent variable, the home towns of Flemish ministers, to predict the dependent variable, the conditional grants per capita. Each linear regression will be executed twice, one for 2012 and another for 2013. First, in step 1, Model 1 was created in which only the variable ‘home town minister’ and the dummy variables that represent the political parties are represented. Step 1 was executed to assess the impact of the independent variable on the dependent variable without the impact of the control variables. The dummy variable for the home town of a N-VA minister (N=2) was not included and will count as the reference category. In step 2, Model 2 was created in which the control variables were added. This includes the socio-demographic variables and the political variables. The actual SPSS output tables for each segment of the statistical results, can be found in the Attachments.

## Results 2012

In 2012, Model 1 explained 1,6% of the variance in conditional grants, as can be seen in Table 7. After including the socio-demographic and political control variables, the total variance explained by the model was 11,9%. Based on the R<sup>2</sup> Change value, the control variables thus explained an additional 12,8% of the variance in the conditional grants per capita.

Model	R	R <sup>2</sup>	Adj. R <sup>2</sup>	R <sup>2</sup> Change	Sign F. Change
1 (predictors)	.160	.026	.016	.026	.051
2 (control variables)	.392	.154	.119	.128	.000

Table 7 section 4.2.1 linear regression 2012

However, only regression Model 2 seems a good fit for the data ( $F[12,291] = 4,399$   $p=.001$ ) while Model 1 ( $F[3,300] = 2,625 = p=.051$ ) does not significantly predict the dependent variable. The actual SPSS output tables for this segment can be found in Attachment 1.1.

Furthermore, the estimated model coefficients were analysed. In Table 8 below, the standardized Beta value and significance values (\*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ ) are represented for every variable. In Model 1, the variable home town sp.a. minister appeared to be a significant predictor ( $p = .037$ ) for the dependent variable but loses its significant value after adding the control variables in Model 2 ( $p = .143$ ). Concerning the control variables, average taxable income per capita ( $p = .000$ ), the tariff additional personal income tax ( $p = .002$ ), unemployment rate ( $p = .000$ ) and VLD in the local government ( $p = 0.017$ ) appeared to be the significant predictors. We thus can conclude that the home bias is not very present in 2012 since the model is primarily dominated by the control variables after adding the variables in Model 2. This is also confirmed by the fact that the independent variable home town sp.a. is not significant anymore after adding the control variables.

Lastly, the data was scanned for multicollinearity. However, no problems were found during the scan as the VIF value was always lower than the limit value of ten (Hair, Anderson, Tatham, & Black, 1995).

		<b>Model 1</b>		<b>Model 2</b>
<b>Independent variables</b>				
	Home town minister	-.052		.717
(Ref. = N-VA minister)	Home town CD&V minister	.027		.510
	Home town sp.a. minister	.188	**	.143
<b>Control variables</b>				
<b>Political variables</b>				
(Ref. = N-VA in loc. gov.)	CD&V in loc. gov.			-.007
	sp.a. in loc. gov.			.045
	VLD in loc. gov.			-.137 **
<b>Socio-demographic variables</b>				
	average taxable income/capita			.256 ***
	Tariff additional personal income tax			-.184 **
	Percentage of people under 20			.037
	Percentage of people older than 64			-.02
	Unemployment rate			.287 ***
	Population size			.142
<b>Explanatory value</b>		Adj. R <sup>2</sup>	.016	.119

Table 8 section 4.2.1 Estimated model coefficients linear regression 2012

### Results 2013

The linear regression was also conducted for the year 2013. In 2013, Model 1 explained 1,6% of the variance while Model 2, after adding the control variables, explained a total variance of 8,6%. The model is thus less strong compared to 2012. Consequently, based on the R<sup>2</sup> Change value, the control variables explained an additional 9,8%, as can be seen in Table 9 below.

<b>Model</b>	<b>R</b>	<b>R<sup>2</sup></b>	<b>Adj. R<sup>2</sup></b>	<b>R<sup>2</sup> Change</b>	<b>Sign F. Change</b>
<i>1 (predictors)</i>	.161	.026	.016	.026	.059
<i>2 (control variables)</i>	.352	.124	.086	.098	.001

Table 9 section 4.2.1 linear regression 2013

The regression model for 2013 seems to confirm the results from 2012, in other words, Model 1 does not significantly predict the dependent variable ( $F[3,285] = 2,516 = p = .059$ ). Model 2, with the control variables added ( $F[12,276] = 3,2520 = p = .001$ ) does significantly contribute to the model. The actual SPSS output tables can be found in Attachment 2.1.

Furthermore, the estimated model coefficients were analysed. In Table 10 below, the standardized Beta value and significance values (\*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ ) are represented for every variable. In Model 1, unlike the regression for 2012, the dummy variable home town sp.a. does not seem to significantly predict the dependent variable ( $p = .378$ ). In Model 2, the following control variables appear to be the significant predictors: average taxable income ( $p = .002$ ), unemployment rate ( $p = .005$ ), population size of the municipality ( $p = .021$ ) and VLD in the local government ( $p = .020$ ). The average taxable income, VLD in the local government and the unemployment rate thus seem to be important predictors for both 2012 and 2013.

The regression model was also scanned for the data problem of multicollinearity. However, after conducting a VIF-test, no data problems were found as the VIF value was always lower than the limit value of ten (Hair, Anderson, Tatham, & Black, 1995).

		Model 1	Model 2	
<b>Independent variables</b>				
	Home town minister	.088	.114	
(Ref. = N-VA minister)	Home town CD&V minister	-.072	-.198	
	Home town sp.a. minister	.103	.024	
<b>Control variables</b>				
<b>Political variables</b>				
(Ref. = N-VA in loc. gov.)	CD&V in loc. gov.		-.046	
	sp.a. in loc. gov.		.001	
	VLD in loc. gov.		-.139	**
<b>Socio-demographic variables</b>				
	average taxable income/capita		.197	***
	Tariff additional personal income tax		-.093	
	Percentage of people under 20		-.024	
	Percentage of people older than 64		-.050	
	Unemployment rate		.191	***
	Population size		.171	**
<b>Explanatory value</b>		Adj. R <sup>2</sup>	.016	.086

Table 10 section 4.2.1 Estimated model coefficients linear regression 2013

#### 4.2.2 DOES THE MINISTER-PRESIDENT OR VICE-MINISTER-PRESIDENT IMPACT ON THE CONDITIONAL GRANTS PER CAPITA?

##### Results 2012

Once again, a linear regression was conducted to assess if the political position of the aligned Flemish minister impact the conditional grants per capita received. The aim of the following regressions is to see if the minister president or vice minister president bring home more pork. Therefore, a linear regression was executed with the same dependent variable, the conditional grants per capita, the control variables and the independent variables ‘home town minister’ and ‘home town minister president or vice minister president’. The results can be found in Table 11

below. The model explained 12,1% of the variance and did significantly contribute ( $p = .000$ ). The actual SPSS out tables for this segment can be found in Attachment 3.1.

<b>Model</b>	<b>R</b>	<b>R<sup>2</sup></b>	<b>Adj. R<sup>2</sup></b>
<i>I (predictors+ control variables)</i>	.391	.153	.121

Table 11 section 4.2.2 linear regression 2012

Furthermore, the estimated model coefficients were analysed. In Table 12, the standardized Beta value and significance values (\*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ ) are represented for every variable. As can be seen below, the variable home town minister president or vice minister president does significantly contribute to the model ( $p = .011$ ). Concerning the control variables, similar results were found as earlier with a significant contribution from the population size of the municipality ( $p = .021$ ), average taxable income per capita ( $p = .000$ ), tariff additional personal income tax ( $p = .001$ ), unemployment rate ( $p = .000$ ) and VLD in the local government ( $p = .035$ ).

Eventually, the data was scanned for multicollinearity, but once again no data problems were found as the VIF value was always lower than the limit value of ten (Hair, Anderson, Tatham, & Black, 1995).

		<b>Model 1</b>	
<b>Independent variables</b>			
Home town minister		.076	
Home town minister-president or vice-minister-president		-.178	**
<b>Control variables</b>			
<b>Political variables</b>			
(Ref. = N-VA in loc. gov.)	CD&V in loc. gov.	-.015	
	sp.a. in loc. gov.	.054	
	VLD in loc. gov.	-.117	**
<b>Socio-demographic variables</b>			
	average taxable income/capita	.241	***
	Tariff additional personal income tax	-.190	***
	Percentage of people under 20	.029	
	Percentage of people older than 64	-.027	
	Unemployment rate	.262	***
	Population size	.143	**
<b>Explanatory value</b>		<b>Adj. R<sup>2</sup></b>	.121

Table 12 section 4.2.2. Estimated model coefficients linear regression 2012

## Results 2013

In 2013 the model explained 9% of the variance and did significantly contribute ( $p = .001$ ), as can be seen in Table 13 below. The actual SPSS output tables for this segment can be found in Attachment 4.1.

Model	R	R <sup>2</sup>	Adj. R <sup>2</sup>
1 (predictors+ control variables)	.353	.124	.090

Table 13 section 4.2.2 linear regression 2013

Furthermore, the estimated model coefficients were analysed. In Table 14, the standardized Beta value and significance values (\*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ ) are represented for every variable. Similar results as in 2012 were found since the home town of the minister president of vice minister president does appear to be a significant predictor ( $p = .011$ ). In this model, the significant value of the tariff additional personal income tax seems to decrease compared to the previous models while the other control variables remain more or less consistent.

The data was also scanned for the data problem of multicollinearity but no data problems were found as the VIF value was always lower than the limit value of ten (Hair, Anderson, Tatham, & Black, 1995).

		Model 1	
<b>Independent variables</b>			
Home town minister		.061	
	Home town minister-president or vice-minister-president	-.199	***
<b>Control variables</b>			
<b>Political variables</b>			
(Ref. = N-VA in loc. gov.)	CD&V in loc. gov.	-.055	
	sp.a. in loc. gov.	.000	
	VLD in loc. gov.	-.110	*
<b>Socio-demographic variables</b>			
	average taxable income/capita	.196	***
	Tariff additional personal income tax	-.101	*
	Percentage of people under 20	-.031	
	Percentage of people older than 64	-.071	
	Unemployment rate	.172	**
	Population size	.229	***
<b>Explanatory value</b>		Adj. R <sup>2</sup>	.090

Table 14 section 4.2.2 Estimated model coefficients linear regression 2013



### 4.2.3 DOES THE POPULATION SIZE IMPACT THE CONDITIONAL GRANTS PER CAPITA?

To finish the statistical analysis, analyses were conducted to assess the impact of the population size on the conditional grants per capita received by a municipality since literature shows that larger cities tend to receive more conditional grants per capita. As can be seen in Attachment 5.1, the conditional grants per capita is positively associated with the total population of a municipality. In fact, the association appears to be significant for both 2012 as 2013 ( $p < .001$ ).

Furthermore, the linear regression that was applied in section 4.2.1 was executed on solely the municipalities with 30000 inhabitants or more. This was done to check if the home bias is stronger in the larger cities. Initially, the goal was to apply the linear regression on the central cities in Flanders. However, this only consists of thirteen cases so the decision was made to enlarge the definition of a ‘city’ to 30000 inhabitants or more. This way, the linear regression could be applied on 47 of the 308 Flemish municipalities. Five of the 47 municipalities were home towns of Flemish ministers. The linear regression thus was executed with the central independent variable and the control variables. As can be seen in Table 15, in 2012, the regression model seems to be stronger than the linear regression applied in section 4.2.1. Model 1, with only the independent variable explained 26,2% of the variance in the dependent variable while Model 2, after adding the control variables, explained a total 38,9% of the variance. The actual SPSS output tables can be found in Attachment 5.1.

Model	R	R <sup>2</sup>	Adj. R <sup>2</sup>	R <sup>2</sup> Change	Sign F. Change
1 (predictors)	.543	.294	.262	.294	.001
2 (control variables)	.734	.539	.407	.244	.042

Table 15 section 4.2.3 Linear regression 2012

Furthermore, the estimated model coefficients were analysed. In Table 16, the standardized Beta value and significance values (\*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ ) are represented for every variable. In Model 1, the dummy variable home town sp.a. minister appeared to be significant ( $p = .000$ ). Even after adding the control variables, the variable remains significant ( $p = .032$ ). Consequently, the assumption can be made that the home bias is more present in the larger

cities. Moreover, the tariff additional personal income tax ( $p = .013$ ), unemployment ( $p = .050$ ), sp.a. in the local government ( $p = .069$ ) and VLD in the local government appeared to be predictors of the dependent variable.

Finally, the data was also scanned for multicollinearity. However, after conducting a VIF-test, no data problems were found as the VIF value was always lower than the limit value of ten (Hair, Anderson, Tatham, & Black, 1995).

		<b>Model 1</b>	<b>Model 2</b>	
<b>Independent variables</b>				
(Ref. = N-VA minister)	Home town CD&V minister	-.054	-.147	
	Home town sp.a. minister	.537	.330	**
<b>Control variables</b>				
<b>Political variables</b>				
(Ref. = N-VA in loc. gov.)	CD&V in loc. gov.		-.079	
	sp.a. in loc. gov.		.256	*
	VLD in loc. gov.		-.221	*
<b>Socio-demographic variables</b>				
	average taxable income/capita		.152	
	Tariff additional personal income tax		-.454	**
	Percentage of people under 20		.108	
	Percentage of people older than 64		-.057	
	Unemployment rate		.337	**
<b>Explanatory value</b>		Adj. R <sup>2</sup>	.262	.407

Table 16 section 4.2.3 Estimated model coefficient linear regression 2012

### Results 2013

The model was also applied on the data from 2013. In 2013, Model 1 (the home town variables of the political parties) explained 24,9% of the variance in the conditional grants per capita. After adding the control variables in Model 2, the model explained a total variance of 53,9%. The model appears thus to be stronger in 2013. Both models also identified a significant F. Change. The actual SPSS output tables for this segment can be found in Attachment 6.1.

<b>Model</b>	<b>R</b>	<b>R<sup>2</sup></b>	<b>Adj. R<sup>2</sup></b>	<b>R<sup>2</sup> Change</b>	<b>Sign F. Change</b>
<i>1 (predictors)</i>	.533	.284	.249	.284	.001
<i>2 (control variables)</i>	.802	.644	.539	.360	.001

Table 17 section 4.2.3 linear regression 2013

Furthermore, the estimated model coefficients were analysed. In Table 18 the standardized Beta value and significance values (\* p <0.1, \*\* p <0.05, \*\*\* p <0.01) are represented for every variable. In Model 1, the dummy variable for the home town of a sp.a. minister appeared to be significantly associated with the dependent variable (p <.001). However, after adding the control variables, the dummy variables did not show a significant value anymore and surprisingly, the dummy for the home town of a CD&V minister became significant (p = .054). It is important to state that a negative association is suggested, thus, CD&V ministers do not seem to favour their home towns. Concerning the control variables, surprisingly, the variable for CD&V in the local government appeared to be significant (p = .024). The regression also confirms the importance of certain control variables, for example, the unemployment rate and the average taxable income/capita.

	<b>Model 1</b>	<b>Model 2</b>	
<b>Independent variables</b>			
(Ref. = N-VA minister)			
Home town CD&V minister	-.047	-.229	*
Home town sp.a. minister	.528	.178	***
<b>Control variables</b>			
<b>Political variables</b>			
(Ref. = N-VA in loc. gov.)			
CD&V in loc. gov.		-.282	**
sp.a. in loc. gov.		.155	
VLD in loc. gov.		-.373	***
<b>Socio-demographic variables</b>			
average taxable income/capita		.252	*
Tariff additional personal income tax		-.608	***
Percentage of people under 20		.179	
Percentage of people older than 64		-.023	
Unemployment rate		.479	***
<b>Explanatory value</b>	<b>Adj. R<sup>2</sup></b>	.249	.539

Table 18 section 4.2.3 Estimated model coefficients linear regression 2013

## 5 DISCUSSION

In the following part, the statistical results of the previous parts will be discussed, since the descriptive results and the statistical results do not really imply results on their own. Therefore, part five of this master's thesis will aim to point out the statistical results by linking them with the scientific literature and the research questions and hypotheses.

### 5.1 DO HOME TOWNS OF MINISTERS RECEIVE MORE CONDITIONAL GRANTS PER CAPITA?

The general research question is how the presence of a Flemish minister in a municipality impact the conditional grants per capita that the municipality will receive since the scientific literature has shown that politicians tend to favour their home towns. Based on the descriptive results, the assumption could be made that the home towns of Flemish ministers overall receive more conditional grants per capita. However descriptive results do not tell what the predictors are so in order to assess the impact of the variables, a linear regression was calculated for both 2012 as 2013. In 2012, Model 1, with only the home town variable and dummy variables for the political parties, explained a total 1,6% of the variance. Model 2, after adding the control variables explained 11,9% of the total variance in the dependent variable. Based on the  $R^2$  Change value, the control variables thus added another 12,8% to the model. In the estimated model coefficients model the variable home town sp.a. appeared to be significant without the control variables. However, after adding the control variables, the dummy variable does not significantly predict the dependent variable anymore.

Similar results were found in 2013 since the first model explained 1,6% of the variance and Model 2 8,6%. However, unlike the previous linear regression, the home town variables did not appear to be significantly associated with the dependent variable, even without the addition of the control variables in Model 2. The conclusion can thus be made that in 2012 and 2013, the home bias was not very present in Flanders since no significant association was found between the presence of a Flemish minister and the conditional grants per capita received by a home town of a minister. Nonetheless, differences could be noticed between the political parties in the Flemish government. For instance, N-VA did not show any effect while sp.a. appeared to show the strongest association, remarked by a significant association in Model 1 of the linear regression of 2012. Furthermore, the home towns of CD&V ministers do not seem to be favoured in the allocation of conditional grants. Hence, this master's thesis is not able to

confirm the results from existing literature and cannot confirm hypothesis 4 (cf. Carozzi & Repetto, 2016; Fiva & Halse, 2016).

Concerning the control variables, the unemployment rate appeared to be the most significant predictor throughout 2012 and 2013. The positive association between the unemployment rate and the conditional grants per capita is also confirmed by scientific literature (cf. Crampton 2004; Fabre & Sangnier, 2017; Ferland & Jacques, 2019). A Flemish municipality with a higher unemployment rate can thus expect to receive more conditional grants per capita. Furthermore, the average taxable income per capita can also be seen as a significant predictor for the dependent variable. Both in 2012 as 2013, a positive association has been found between the average taxable income per capita and the conditional grants per capita, in other words, an increase in the average taxable income per capita increases the conditional grants per capita. This effect was not expected since the master's thesis expected a negative association where an increase in the average taxable income per capita would lead to a decrease in the conditional grants per capita. This way, conditional grants could be used to give resources to "poorer" municipalities, for example, to finance infrastructure projects. Furthermore, the population size appeared to be a significant predictor in 2013, but not in 2012. The master's thesis results also showed that the variables 'percentage of people younger than 20' and 'percentage of people older than 64' do not contribute a lot to the regression model since no significant values were discovered.

Eventually, for the political variables, the only significant variable in the regression was if (Open) VLD was in the local government. Open VLD was not a part of the Flemish government Peeters II thus this is quite remarkable. The variable is both in 2012 and 2013 negatively associated with the conditional grants per capita. Consequently, if Open VLD is in the local government, the conditional grants per capita seems to decrease. In reality, this does not mean a lot since Belgium has a system of coalition governments and VLD is present in local governments together with the government partners (N-VA 31 times, sp.a. 28 times, CD&V 50 times). In this master's thesis no further checks were executed to find differences between the different possible political constellations of local governments.

To conclude, when the linear regression is conducted on all 308 Flemish municipalities, the master's thesis does not seem to confirm the scientific literature on the home bias since no significant values were found and the variance mostly explained is by the control variables in the regression model.

## **5.2 DOES THE MINISTER-PRESIDENT OR VICE-MINISTER-PRESIDENT IMPACT THE CONDITIONAL GRANTS PER CAPITA?**

The second hypothesis concerned the influence of the political position (minister-president or vice-minister-president) on the conditional grants per capita. Therefore, the linear regression from section 4.2.1 was repeated, however, without the variables concerning the political parties and their home towns. This way, an analysis could be made if home towns of the minister-president or vice-minister-president do receive more conditional grants per capita. The linear regression, with the control variables and minister president variable, explained 12% of the variance and did significantly contribute to the dependent variable. When a closer look was taken on the estimated model coefficients, surprisingly the Beta value of the variable 'home town minister-president or vice-minister-president' appeared to be negative. In other words, the variable is negatively associated with the conditional grants per capita. The home town of the minister-president or vice-minister-president thus seem to receive less conditional grants per capita. Furthermore, similar control variables showed a significant value, for example, the average taxable income/capita, the tariff additional personal income tax and the unemployment rate. To conclude, this master's thesis does not manage to confirm the hypothesis that a higher political position does bring home more pork since both the results from 2012 and 2013 showed a negative association.

## **5.3 DOES THE POPULATION SIZE HAVE AN IMPACT ON THE CONDITIONAL GRANTS PER CAPITA?**

The third hypothesis concerned the impact of the population size on the conditional grants per capita since literature has shown that bigger cities tend to receive more conditional grants. First, a closer look was taken on the correlation between the two metric variables and the correlation appeared to be positive and significant. Subsequently, the linear regression from section 4.2.1 was repeated but in this case only the municipalities with 30000 inhabitants or more were

included. The results were quite remarkable, since the model appeared to be a lot stronger than when applied on all 308 Flemish municipalities. Model 1 with only the home town variables, managed to explain 26,2% of the total variance and was a good fit for the data, while Model 2, with the addition of the control variables, explained 38,9% of the total variance. Even stronger results were noticed in 2013 (53,9%). Based on the  $R^2$  Change value, Model 1, unlike in section 4.2.1, seemed to explain more than Model 2. The independent variables do thus explain more than the control variables when it comes to the conditional grants of municipalities with 30000 or more inhabitants. When a closer look was taken at the estimated model coefficients, the home town variable for sp.a. remained significant in both Model 1 and Model 2, thus the conclusion can be made that the effect of a minister is present in larger cities.

Furthermore, also the political control variables appeared to be significant contributors to the regression model. In 2012, the variables sp.a. in the local government and VLD in the local government appeared to be significant while in 2013 CD&V in the local government appeared to be significant. Concerning the socio-demographic control variables, the tariff additional personal income tax and unemployment rate appeared to be significant contributors once again.

To conclude, the master's thesis does seem to notice different outcomes when the model is applied on all 308 Flemish municipalities compared to the larger cities (more than 30000 inhabitants). This is also confirmed by the fact that solely in the analysis for the larger cities the home bias variables appeared to be significant contributors to the model, even after the adding the various control variables.

## **6 CONCLUSION**

To finish this master's thesis, the most important findings are provided over here, followed by identifying the limitations of this master's thesis. We conclude by giving some recommendations for further research.

### **6.1 MOST IMPORTANT FINDINGS**

When the regression model was conducted on all 308 Flemish municipalities, only the control variables had a trend to significantly predict the variance in the conditional grants per capita. In the linear regressions, the control variables (2012: 12,8%; 2013: 9,8%) came up to have a considerably higher explanation value than the independent variables (2012 and 2013: 1,6%). Furthermore, the master's thesis did not confirm the fact that the home bias is stronger closer to the elections since no big differences were detected between the results from 2012 and 2013. Remarkably, when a closer look was being taken at the home town of the minister president or vice minister president, a negative association was being discovered. This thus means that the home town of the minister president or vice minister president appeared to receive less conditional grants. Eventually, the master's thesis results appeared to be different when the analyses were only applied on the municipalities with 30000 inhabitants or more. The statistical results showed that the model was able to explain 38,9% (2012) and 53,9% (2013) of the variance in the dependent variable, remarkably higher than the model for all 308 Flemish municipalities. The home bias thus appeared to be stronger in the larger cities since the independent variables remained significant after the addition of the control variables. The overall conclusion of this master's thesis is thus that the home bias is not very noticeable when applied on all 308 Flemish municipalities. However, the impact seems to increase when the population size increases since the results from the 47 largest municipalities noticed stronger predicting values.

### **6.2 MASTER'S THESIS LIMITATIONS**

First, the master's thesis only used a quantitative approach to examine the research question and hypotheses. This way, the impact of partisan representation (independent variable) could be analysed on the conditional grants per capita (dependent variable). During the literature review, the point was made that pork barrel politics appear for different reasons, for example, re-election purposes. However, the master's thesis did not study the reasoning behind the appearance of pork barrel.



Second, a data set was used that consists of data from 2009 to 2017 while only the data from 2012 and 2013 was used during the master's thesis. The choice was made to focus on these years since they are the two years before the Flemish elections of 2014. Consequently, the data from 2009-2011 and 2013-2017 remained unused since it would have been too excessive to execute all the regressions on each year of the data set. A big limitation of this master's thesis is therefore that no long trends could be identified, for example the political business cycle.

### **6.3 FUTURE RESEARCH**

As stated earlier, the research in Belgium on pork barrel politics is very scarce. This master's thesis aims to give a global insight in the research question, which could be used as a starting point for further research. This could be done by expanding the analysed time period to remark changes over time. Moreover, the master's thesis only focuses on the regional government, the Flemish government, while the impact of partisan representation could also be studied on a national level

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## 8 ATTACHMENTS

### 8.1 ATTACHMENT 1.1

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	,160 <sup>a</sup>	,026	,016	99,26266838	,026	2,625	3	300	,051
2	,392 <sup>b</sup>	,154	,119	93,935451	,128	4,888	9	291	,000

a. Predictors: (Constant), home town sp.a. minister, home town CD&V minister, hometown minister

b. Predictors: (Constant), home town sp.a. minister, home town CD&V minister, hometown minister, sp.a. in local government, average taxable income/capita, CD&V in local government, VLD in local government, percentage of people older than 64, tariff additional personal income tax, unemployment rate, percentage of people younger dan 20, total population of the municipality

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	77589,709	3	25863,236	2,625	,051 <sup>b</sup>
	Residual	2955923,201	300	9853,077		
	Total	3033512,910	303			
2	Regression	465767,003	12	38813,917	4,399	,000 <sup>c</sup>
	Residual	2567745,907	291	8823,869		
	Total	3033512,910	303			

a. Dependent Variable: conditional grants/capita

b. Predictors: (Constant), home town sp.a. minister, home town CD&V minister, hometown minister

c. Predictors: (Constant), home town sp.a. minister, home town CD&V minister, hometown minister, sp.a. in local government, average taxable income/capita, CD&V in local government, VLD in local government, percentage of people older than 64, tariff additional personal income tax, unemployment rate, percentage of people younger dan 20, total population of the municipality

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	171,330	5,779		29,645	,000					
	hometown minister	-30,488	70,427	-,052	-,433	,665	,073	-,025	-,025	,227	4,396
	home town CD&V minister	23,451	85,964	,027	,273	,785	-,010	,016	,016	,338	2,961
	home town sp.a. minister	189,683	90,614	,188	2,093	,037	,158	,120	,119	,404	2,475
2	(Constant)	66,535	145,492		,457	,648					
	hometown minister	-24,573	67,819	-,042	-,362	,717	,073	-,021	-,020	,220	4,552
	home town CD&V minister	-57,372	87,003	-,065	-,659	,510	-,010	-,039	-,036	,295	3,386
	home town sp.a. minister	130,940	89,072	,130	1,470	,143	,158	,086	,079	,374	2,671
	average taxable income/capita	,429	,105	,256	4,070	,000	,093	,232	,220	,734	1,362
	percentage of people older than 64	-,112	3,354	-,002	-,033	,973	-,078	-,002	-,002	,625	1,600
	tariff additional personal income tax	-19,948	6,483	-,184	-3,077	,002	-,092	-,178	-,166	,813	1,231
	percentage of people younger dan 20	2,154	3,896	,037	,553	,581	,029	,032	,030	,649	1,540
	unemployment rate	48,962	11,412	,287	4,290	,000	,225	,244	,231	,652	1,533
	total population of the municipality	,000	,000	,105	1,471	,142	,183	,086	,079	,574	1,743
VLD in local government	-30,260	12,556	-,137	-2,410	,017	-,045	-,140	-,130	,901	1,110	

sp.a. in local government	9,849	12,287	,045	,802	,423	,077	,047	,043	,911	1,098
CD&V in local government	-1,347	11,270	-,007	-,120	,905	,003	-,007	-,006	,975	1,026

a. Dependent Variable: conditional grants/capita

## 8.2 ATTACHMENT 2.1

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	,161 <sup>a</sup>	,026	,016	105,792793	,026	2,516	3	285	,059
2	,352 <sup>b</sup>	,124	,086	101,953103	,098	3,430	9	276	,001

a. Predictors: (Constant), home town sp.a. minister, home town CD&V minister, hometown minister

b. Predictors: (Constant), home town sp.a. minister, home town CD&V minister, hometown minister, sp.a. in local government, average taxable income/capita, CD&v in local government, VLD in local government, percentage of people older than 64, tariff additional personal income tax, unemployment rate, percentage of people younger dan 20, total population of the municipality

		ANOVA <sup>a</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	84471,040	3	28157,013	2,516	,059 <sup>b</sup>
	Residual	3189752,803	285	11192,115		
	Total	3274223,843	288			
2	Regression	405359,699	12	33779,975	3,250	,000 <sup>c</sup>
	Residual	2868864,144	276	10394,435		
	Total	3274223,843	288			

a. Dependent Variable: conditional grants/capita

b. Predictors: (Constant), home town sp.a. minister, home town CD&V minister, hometown minister

c. Predictors: (Constant), home town sp.a. minister, home town CD&V minister, hometown minister, sp.a. in local government, average taxable income/capita, CD&v in local government, VLD in local government, percentage of people older than 64, tariff additional personal income tax, unemployment rate, percentage of people younger dan 20, total population of the municipality

		Coefficients <sup>a</sup>						Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients					
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF	
1	(Constant)	174,486	6,311		27,648	,000			
	hometown minister	57,249	105,981	,088	,540	,589	,128	7,806	
	home town CD&V minister	-65,916	118,280	-,072	-,557	,578	,203	4,931	
	home town sp.a. minister	107,899	122,159	,103	,883	,378	,253	3,958	
2	(Constant)	184,178	161,807		1,138	,256			
	Home town minister	74,122	103,958	,114	,713	,476	,124	8,088	
	home town CD&V minister	-180,437	119,747	-,198	-1,507	,133	,184	5,442	
	home town sp.a. minister	25,099	121,213	,024	,207	,836	,238	4,197	
	average taxable income/capita	,401	,130	,197	3,092	,002	,782	1,279	
	tariff additional personal income tax	-11,374	7,492	-,093	-1,518	,130	,838	1,193	
	percentage of people older than 64	-2,667	3,720	-,050	-,717	,474	,642	1,558	
	percentage of people younger dan 20	-1,556	4,448	-,024	-,350	,727	,661	1,512	
	unemployment rate	31,027	11,075	,191	2,801	,005	,682	1,466	
	total population of the municipality	,001	,000	,171	2,315	,021	,582	1,718	
	VLD in local government	-32,846	14,018	-,139	-2,343	,020	,901	1,110	
	sp.a. in local government	,140	13,795	,001	,010	,992	,904	1,106	

CD&V in local government	-10,012	12,520	-,046	-,800	,425	,980	1,020
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a. Dependent Variable: conditional grants/capita

### 8.3 ATTACHMENT 3.1

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,391 <sup>a</sup>	,153	,121	93,807631219048000

a. Predictors: (Constant), cd&v in bestuur, unemployment rate, tariff additional personal income tax, home town minister president or vice minister president, percentage of people younger dan 20, sp.a. in local government, VLD in local government, average taxable income/capita, hometown minister, percentage of people older than 64, total population of the municipality

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	463950,381	11	42177,307	4,793	,000 <sup>b</sup>
	Residual	2569562,529	292	8799,872		
	Total	3033512,910	303			

a. Dependent Variable: conditional grants/capita

b. Predictors: (Constant), cd&v in bestuur, unemployment rate, tariff additional personal income tax, home town minister president or vice minister president, percentage of people younger dan 20, sp.a. in local government, VLD in local government, average taxable income/capita, hometown minister, percentage of people older than 64, total population of the municipality

		Coefficients <sup>a</sup>						Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients					
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF	
1	(Constant)	114,486	144,220		,794	,428			
	hometown minister	44,593	40,341	,076	1,105	,270	,619	1,615	
	home town minister president or vice minister president	-179,862	70,483	-,178	-2,552	,011	,596	1,677	
	average taxable income/capita	,405	,106	,241	3,832	,000	,731	1,369	
	tariff additional personal income tax	-20,551	6,450	-,190	-3,186	,002	,819	1,222	
	percentage of people older than 64	-1,318	3,315	-,027	-,398	,691	,638	1,567	
	percentage of people younger than 20	1,715	3,885	,029	,441	,659	,651	1,536	
	unemployment rate	44,690	11,489	,262	3,890	,000	,642	1,558	
	total population of the municipality	,000	,000	,143	2,003	,046	,566	1,767	
	VLD in local government	-25,883	12,466	-,117	-2,076	,039	,912	1,097	
	sp.a. in local government	11,742	12,202	,054	,962	,337	,921	1,085	
	cd&v in local government	-3,035	11,222	-,015	-,270	,787	,981	1,020	

a. Dependent Variable: conditional grants/capita

## 8.4 ATTACHMENT 4.1

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,353 <sup>a</sup>	,124	,090	101,740730843072170

a. Predictors: (Constant), cd&v in bestuur, hometown minister, sp.a. in local government, percentage of people older than 64, average taxable income/capita, VLD in local government, tariff additional personal income tax, unemployment rate, home town minister president or vice minister president, percentage of people younger dan 20, total population of the municipality

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	406948,004	11	36995,273	3,574	,000 <sup>b</sup>
	Residual	2867275,839	277	10351,176		
	Total	3274223,843	288			

a. Dependent Variable: conditional grants/capita

b. Predictors: (Constant), cd&v in bestuur, hometown minister, sp.a. in local government, percentage of people older than 64, average taxable income/capita, VLD in local government, tariff additional personal income tax, unemployment rate, home town minister president or vice minister president, percentage of people younger dan 20, total population of the municipality



		Coefficients <sup>a</sup>						
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	223,199	160,327		1,392	,165		
	Home town minister	39,860	44,094	,061	,904	,367	,684	1,461
	home town minister president or vice minister president	-255,038	94,256	-,199	-2,706	,007	,587	1,705
	average taxable income/capita	,399	,129	,196	3,086	,002	,782	1,278
	tariff additional personal income tax	-12,312	7,429	-,101	-1,657	,099	,849	1,178
	percentage of people older than 64	-3,753	3,684	-,071	-1,019	,309	,652	1,535
	percentage of people younger than 20	-1,970	4,434	-,031	-,444	,657	,663	1,508
	unemployment rate	27,939	11,101	,172	2,517	,012	,676	1,479
	total population of the municipality	,001	,000	,229	2,872	,004	,498	2,007
	VLD in local government	-25,881	13,865	-,110	-1,867	,063	,917	1,091
	sp.a. in local government	-,029	13,769	,000	-,002	,998	,904	1,106
	cd&v in local government	-12,116	12,459	-,055	-,972	,332	,986	1,014

a. Dependent Variable: conditional grants/capita

## 8.5 ATTACHMENT 5.1

2012

### Correlations

		conditional grants/capita	total population of the municipality
conditional grants/capita	Pearson Correlation	1	,181**
	Sig. (2-tailed)		,001
	N	308	308
population of the municipality	Pearson Correlation	,181**	1
	Sig. (2-tailed)	,001	
	N	308	308

\*\* . Correlation is significant at the 0.01 level (2-tailed).

2013

### Correlations

		conditional grants/capita	total population of the municipality
conditional grants/capita		1	,189**
	Sig. (2-tailed)		,001
		308	308

### Model Summary

Model	R (Selected)	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			
						F Change	df1	df2	Sig. F Change
1	,543 <sup>a</sup>	,294	,262	86,33651 5944684 560	,294	8,973	2	43	,001
2	,734 <sup>b</sup>	,539	,407	77,39480 0420952 680	,244	2,314	8	35	,042

a. Predictors: (Constant), home town sp.a. minister, home town CD&V minister

b. Predictors: (Constant), home town sp.a. minister, home town CD&V minister, sp.a. in local government, VLD in local government, percentage of people older than 64, average taxable income/capita, cd&v in bestuur, unemployment rate, percentage of people younger dan 20, tariff additional personal income tax

### ANOVA<sup>a,b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	133768,017	2	66884,008	8,973	,001 <sup>c</sup>
	Residual	320521,741	43	7453,994		
	Total	454289,758	45			
2	Regression	244641,329	10	24464,133	4,084	,001 <sup>d</sup>
	Residual	209648,430	35	5989,955		
	Total	454289,758	45			

a. Dependent Variable: conditional grants/capita

b. Selecting only cases for which municipalities with 30000 inhabitants or more = Ja

c. Predictors: (Constant), home town sp.a. minister, home town CD&V minister

d. Predictors: (Constant), home town sp.a. minister, home town CD&V minister, sp.a. in local government, VLD in local government, percentage of people older than 64, average taxable income/capita, cd&v in bestuur, unemployment rate, percentage of people younger dan 20, tariff additional personal income tax

Model		Coefficients <sup>a,b</sup>						Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF	
		B	Std. Error	Beta					
1	(Constant)	208,514	13,483		15,464	,000			
	home town CD&V minister	-21,836	51,638	-,054	-,423	,675	,997	1,003	
	home town sp.a. minister	261,622	62,520	,537	4,185	,000	,997	1,003	
2	(Constant)	278,075	375,754		,740	,464			
	home town CD&V minister	-61,258	51,573	-,152	-1,188	,243	,803	1,245	
	home town sp.a. minister	159,524	68,252	,327	2,337	,025	,672	1,488	
	average taxable income/capita	,365	,338	,152	1,082	,287	,665	1,504	
	tariff additional personal income tax	-48,749	18,221	-,454	-2,675	,011	,457	2,187	
	percentage of people older than 64	-2,735	7,658	-,057	-,357	,723	,516	1,938	
	percentage of people younger than 20	6,166	9,220	,108	,669	,508	,506	1,977	
	unemployment rate	52,161	23,508	,337	2,219	,033	,573	1,746	
	VLD in local government	-44,015	25,316	-,221	-1,739	,091	,813	1,230	
	sp.a. in local government	51,002	25,901	,256	1,969	,057	,778	1,286	
	cd&v in local government	-18,439	31,210	-,079	-,591	,558	,735	1,361	

a. Dependent Variable: conditional grants/capita

b. Selecting only cases for which municipalities with 30000 inhabitants or more = Ja

## 8.6 ATTACHMENT 6.1

Model Summary									
Model	R (Selected)	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	,533 <sup>a</sup>	,284	,249	94,59367 62766226 30	,284	8,312	2	42	,001
2	,802 <sup>b</sup>	,644	,539	74,12159 49250777 40	,360	4,301	8	34	,001

a. Predictors: (Constant), home town sp.a. minister, home town CD&V minister

b. Predictors: (Constant), home town sp.a. minister, home town CD&V minister, sp.a. in local government, VLD in local government, percentage of people older than 64, average taxable income/capita, cd&v in bestuur, unemployment rate, percentage of people younger dan 20, tariff additional personal income tax

ANOVA <sup>a,b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	148742,273	2	74371,136	8,312	,001 <sup>c</sup>
	Residual	375814,471	42	8947,964		
	Total	524556,743	44			
2	Regression	337760,375	10	33776,038	6,148	,000 <sup>d</sup>
	Residual	186796,368	34	5494,011		
	Total	524556,743	44			

a. Dependent Variable: conditional grants/capita

b. Selecting only cases for which municipalities with 30000 inhabitants or more = Ja

c. Predictors: (Constant), home town sp.a. minister, home town CD&V minister

d. Predictors: (Constant), home town sp.a. minister, home town CD&V minister, sp.a. in local government, VLD in local government, percentage of people older than 64, average taxable income/capita, cd&v in bestuur, unemployment rate, percentage of people younger dan 20, tariff additional personal income tax

**Coefficients<sup>a,b</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	207,967	14,957		13,905	,000		
	home town CD&V minister	-20,486	56,625	-,047	-,362	,719	,997	1,003
	home town sp.a. minister	276,451	68,540	,528	4,033	,000	,997	1,003
2	(Constant)	285,963	373,378		,766	,449		
	home town CD&V minister	-99,128	49,716	-,229	-1,994	,054	,794	1,260
	home town sp.a. minister	93,224	70,105	,178	1,330	,192	,585	1,710
	average taxable income/capita	,761	,374	,252	2,035	,050	,682	1,467
	tariff additional personal income tax	-79,325	20,152	-,608	-3,936	,000	,439	2,277
	percentage of people older than 64	-1,174	7,444	-,023	-,158	,876	,506	1,978
	percentage of people younger dan 20	11,089	8,721	,179	1,271	,212	,526	1,901
	unemployment rate	72,896	21,075	,479	3,459	,001	,545	1,834
	VLD in local government	-80,575	24,521	-,373	-3,286	,002	,813	1,231
	sp.a. in local government	33,405	24,884	,155	1,342	,188	,789	1,267
cd&v in bestuur	-70,963	30,129	-,282	-2,355	,024	,728	1,373	

a. Dependent Variable: conditional grants/capita

b. Selecting only cases for which municipalities with 30000 inhabitants or more = Ja