

Distributive politics in a strong party system:

Evidence from Canadian Job Grant Programs

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Abstract: The distributive politics literature following Weingast (1979) predicts majoritarian redistribution within strong party systems. This prediction is tested using evidence from Canadian job creation grant programs active during the mid-1990s. Results provide strong evidence *against* the hypothesis of majoritarian redistribution. Districts represented by the governing Liberal Party received *lower* grant allocations than did other districts, both absolutely and conditional on the unemployment variables on which allocation decisions were to have been made.

## 1. Introduction<sup>1</sup>

In political systems characterized by strong party discipline, distributive politics should reward districts represented by members of the majority party at the expense of those represented by members of minority parties. The strand of the distributive politics literature that follows Weingast in finding universalist norms (Weingast, 1979; Weingast, Shepsle and Johnson, 1981; Schwartz, 1994) carries with it the caveat found in Shepsle and Weingast (1981) that, in strong party systems, universalism should be expected among districts represented by the majority party<sup>2</sup>, implying transfers from minority party districts to be distributed among majority party districts. And, of course, the minimum winning coalition literature (Riker, 1962; Baron and Ferejohn, 1989) is quite compatible with redistribution favoring districts held by the majority party in a strong party system; in such cases, the majority party forms the coalition.

The Canadian political system is characterized by very strong party discipline. Longley (1998) argues that party discipline in the Canadian parliament borders on absolute. Given an executive (the Cabinet) comprised of members of the largest party in the House of Commons and whose tenure depends on the maintenance of their party's preeminent status in the Commons, Cabinet members will have a strong incentive to target

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<sup>2</sup> Shepsle and Weingast (1981) argue that uncertainty over the composition of subsequent legislatures may lead to broad-based universalism even in strong party systems. But, since nothing binds the Opposition Party to hold to universalism in future periods, nothing will compel the current governing party to engage in universalism in this model.

government programs to enhance the electoral success of MPs of their own party. We should expect then not only that legislation will explicitly favor government-held districts, but also that any political discretion in the distribution of funds under the various federal programs will be used to the benefit of electoral districts held by the governing party. This paper examines the distribution of Canadian job creation grants in the mid 1990s and finds very little evidence of transfers favoring majority-held districts. Indeed, the broad pattern indicates the exact opposite.

The distribution of federal job creation grants has been a subject of much controversy in Canada. Allegations of improprieties in the management of grants at Human Resources Development Canada (HRDC) led to an audit of HRDC grants and the publication of a rich data set including the date and value of grants awarded to each electoral district. While grants were to have been awarded to businesses in high unemployment areas of Canada, allegations of political interference in the distribution of grants have figured prominently on the front pages of Canadian newspapers in recent years.<sup>3</sup> While HRDC was to have formally decided which job creation projects would be allocated federal funds, a parallel approval process internal to the governing Liberal Party was found to be operating (Fife and Macintosh, 2000). Opposition parties and the press argued that the grant programs amounted to little more than a means of buying votes for the Liberal Party (Macintosh, 2000b). An audit of the HRDC grants by the Auditor General of

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<sup>3</sup> For example, see Andrew Macintosh, "Bloc Challenges Stewart to reveal recipient's invoices", National Post, May 4, 2000. The article reports that a bankrupt company in the Prime Minister's riding was awarded a job creation grant in 1998 though documents showed it was ineligible for the funds. Internal HRDC emails claimed that the Prime Minister's Office ordered them to do "everything legally possible" to get the grant to the bankrupt company, owned by a friend of the Prime Minister.

Canada (Auditor General, 2000) found gross improprieties in the management of the job grant programs and in the procedures used to determine grant distribution. Consequently, the distribution of job grant funds through HRDC should prove a convincing test of whether discretion in pork barrel projects disproportionately favors districts held by the governing party.

## **2. Background**

Canada is governed by a Westminsterian parliamentary system that has enjoyed a Liberal Party governing majority since 1993, when widespread popular disapproval of the governing Progressive Conservative Party and the breakdown of its regional coalition reduced it from a strong majority to two seats in the House of Commons. The Liberal Party, drawing support mainly from Ontario and from the East in 1993, earned a narrow majority victory in 1997 despite losing many of its seats in the Maritime Provinces. The Liberal Party earned a stronger majority in the general election of 2000. As is the case in Westminsterian systems, the governing party in the Canadian House of Commons controls both the legislative and executive branches of government. The Prime Minister forms a Cabinet, typically drawn from sitting MPs from his own party, to oversee the various and sundry departments of the federal government. The Deputy Minister appointed in each department, whose tenure depends on the support of his Minister, controls the bureaucracy and implements policy objectives specified by the Minister. The Cabinet formed by the Prime Minister consequently enjoys a rather large degree of discretion in setting and implementing policy.

In response to changes in the Unemployment Insurance Act that would more severely affect residents of high unemployment regions of the country, the Liberal government initiated the Transitional Jobs Fund (TJF) in 1996. During its three-year mandate, the TJF was to target three hundred million dollars toward private sector and community job creation in regions with unemployment in excess of twelve percent, some two percentage points higher than the national average. Firms could seek federal funding through the TJF for projects that would create new, sustainable jobs by applying through their regional HRDC office. HRDC requirements demanded that at least half of the funds necessary for the firm's project come from the private sector or from other government departments. The approval of the local Member of Parliament was also an important factor in determining an applicant's success. The Canada Jobs Fund (CJF) succeeded the TJF in 1999 with annual funding of \$110 million targeting regions with unemployment exceeding ten percent.<sup>4</sup>

Individual Members of Parliament have a rather strong interest in assisting local firms in receiving job grants through either the TJF or the CJF. In both cases, a role for the local Member of Parliament was explicitly written into the funding approval process, assisting the local MP in appropriating credit for the federal fund allocation. As backbench and Opposition Members of Parliament can have little to no role in policy formation, "constituency service" functions become an important margin along which MPs can work to increase their visibility, public recognition, and chances of electoral success (Longley,

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<sup>4</sup> Average unemployment fell from 9.6 percent in 1996 to 7.6 percent in 1999.

1999).<sup>5</sup> Levitt and Snyder (1997) find that increased federal funding correlates with increased support for the incumbent in the subsequent election. For government backbenchers, securing a job creation grant can help in showing constituents the benefits of being represented by a member of the governing party.<sup>6</sup> For Opposition members, a job grant can provide credible evidence of the MP's effectiveness despite not being in the government.

Had political factors mattered greatly in the distribution of Canadian job creation grants, we would expect the data to show either that Liberal-held districts were more likely to meet program unemployment thresholds or that those districts received preferential treatment within available slack in program administration. Evidence of the former would include findings that Liberal districts, especially those won by narrow margins, were more likely to have unemployment levels in excess of the stated threshold. Evidence of the latter would be seen if, after correcting for the unemployment variables on which grant allocation decisions were statutorily required to have been made, electoral districts represented by a Liberal Member of Parliament were more likely to be allocated job creation programs, were allocated higher total dollar figures, or both.

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<sup>5</sup> Longley cites studies by Kornberg and Mishler (1976) and by Cain, Ferejohn and Fiorina (1979, 1983, 1987) showing the importance of constituency service to MPs. While Cain, Ferejohn and Fiorina explore the role of constituency service in Great Britain, tighter party discipline in Canada than in Great Britain would tend to magnify their findings rather than diminish them in application to Canada.

<sup>6</sup> Indeed, Prime Minister Chretien announced to the House of Commons, in response to a question from Michel Gauthier (Bloc Quebecois MP) regarding federal infrastructure spending in Quebec, that "For 25 years, the people of Lac-St.-Jean and Chicoutimi were promised roads by the former Jonquière MP [Lucien Bouchard, former head of the Bloc Quebecois]. Now that they have a Liberal MP, they have hope." See Wells (2002).

Given the Canadian political structure and given the job grant approval process set by Cabinet and by HRDC guidelines, we would expect political involvement in TJF/CJF along several fronts.

First, all Members of Parliament would be expected to lobby strongly for proposed projects in their districts, especially if they were elected by narrow margins in the previous election and expected to run in the next election. Levitt and Snyder (1997) find that a hundred-dollar increase in per capita federal spending in a district corresponds to a two percent increase in incumbent vote share in the subsequent election. We would then expect the data to reveal higher grant allocations awarded to districts represented by Members seeking re-election in the forthcoming election and to districts won by narrow margins of victory.

If the predictions of the distributive politics literature hold, we should expect that districts represented by the governing Liberals would be more likely to be eligible for HRDC funding. If press reports of a parallel Liberal Party grant approval process (Macintosh, 2000b) outside of the HRDC approval channels were true, a direct seat maximization motive on the part of the Liberals would lead us to expect the data to reveal that Liberal MPs were more successful in garnering job creation grants, especially in districts won by narrow margins. Additionally, if political slack sufficient for the exercise of broad discretionary power by the Liberals had existed, we would also expect higher allocations to firms making larger campaign contributions to the Liberal Party. While the data to examine this final claim directly is not available, we could expect that this form of

distortion would also be revealed in higher allocations to Liberal ridings. Large corporate donations to the Liberal Party could be expected to be rewarded through grants to branch offices or subsidiaries; if discretion were available, grants would be made to local offices in Liberal districts. And, the rewarding of donations to local candidates would be expected to be more heavily concentrated in Liberal districts. While the lack of data linking contributors to grants prevents us from affirming the existence of distortionary distribution to contributors, the finding of no distortionary distribution to Liberal ridings might cast some doubt on allegations of this form of impropriety.

In sum, had political influence played as large a role as claimed by the press, and as the distributive politics literature would predict, in determining the allocation of job creation funds, we should expect the data to reveal either or both of two patterns. First, Liberal districts should have been more likely to be eligible for funds and, consequently, to have then received higher allocations than other districts. Second, the data should reveal that, correcting for unemployment, incumbent status, margin of victory and interaction effects, Liberal Members of Parliament either had a significantly higher probability of winning job creation grant funds, won higher total dollar allocations, or both.

### **3. The Data**

The job creation grant scandal prompted the release of a wealth of data on the distribution of job grants administered by Human Resources Development Canada. Data sorted by the electoral district of the sponsoring Member of Parliament is available for HRDC spending through the Transitional Jobs Fund (TJF), which ran from July 1996 through

March 1999, and through the Canada Jobs Fund (CJF), which began when the TJF expired and ended in June of 2000.

As time-series data on unemployment by electoral district is not collected by Statistics Canada, estimates were constructed based on the unemployment data by economic region reported by Statistics Canada.<sup>7</sup> As economic regions are generally larger than electoral districts, most districts fall into a single economic region. When a district overlapped multiple economic regions, the figures corresponding to the region with the higher level of unemployment were taken. The monthly data were then grouped into semi-annual observations. The variable *threshold* was constructed to indicate whether the maximum unemployment rate in the economic region corresponding to the electoral district met the threshold level of the program in the six month period before, during, or following a half-year observation. The average value of this variable over an electoral period was then taken. The variable *unemploy* was constructed to indicate the amount by which unemployment exceeded the threshold levels, with negative values indicating that levels did not meet the threshold. This variable was used rather than a simple unemployment measure because the target unemployment rate changed over the time period. We would expect this variable to be positive and significant not only because it reflects underlying constituent demand for programs, but also because it may be taken into account by HRDC in funding allocation decisions.

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<sup>7</sup> Districts were mapped onto economic regions by examining maps of both types of region provided by Elections Canada and by Statistics Canada. There were, on average, 3.6 electoral districts per employment district (median= 2.8, standard deviation= 2.3).

A potential problem in all CJF and TJF data is that, while funds allocated through HRDC are listed, a separate category exists for other funds tied to the specific job creation program. While this might be assumed to consist of industry matching funds, it is possible that the additional funds come from other departments of the federal government. If significant portions of funding of projects come from other parts of the federal government, and if these funds are not distributed evenly with HRDC projects, bias is likely in the following results. Specifically, if the workings of distributive politics played out in the allocation of matching funds from other parts of the government rather than in the allocation of funds through the TJC/CJF programs, any such effects will not be found through analysis of this dataset. A richer data set than is available would be necessary for the correction of this problem.<sup>8</sup>

Job grant allocations per district were totaled for the periods prior to and following the 1997 Canadian General Election, resulting in two observations per electoral district.<sup>9</sup> The maximum value of the variable *unemploy* and the average value of the variable *threshold*

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<sup>8</sup> An HRDC background paper on the Transitional Jobs Fund notes that HRDC funds made up 14% of total project spending, other federal spending made up an additional 10%, provincial and municipal government contributions totaled 33% of spending, and private sector contributions made up 39% of spending. Fundraising and donations comprised the remaining 4%.

<sup>9</sup> A complication exists in a redistricting that occurred prior to the 1997 general election. The total number of seats in the House of Commons expanded from 295 to 301. Demographic and economic data for post-1997 ridings were mapped onto pre-1997 ridings by examining which post-1997 district the pre-1997 district mapped onto, usually by following which ridings incumbent MPs chose to run in for the 1997 election. Mappings made available online by the Canadian Broadcasting Corporation allowed imputed margins of victory from the 1993 election to be calculated.

in each of the two observation periods were used.<sup>10</sup> Summary statistics are provided in Table 1, in the appendix.

#### 4. Analysis

In Table 1, column 1, we see that 30% of Liberal districts meet the HRDC threshold levels for program allocation,<sup>11</sup> significantly less than the proportion of Opposition districts meeting the threshold. Thirty-nine percent of all other districts met the threshold, significantly greater than the Liberal's 30% in a one-tailed test ( $t=2.22$ ). Restricting the sample to those districts won by less than 5% of the popular vote, equivalence of means cannot be rejected. We can then reject the hypothesis that the program included any legislative bias in favor of Liberal districts. Distributive politics predictions of redistribution favoring Liberal districts would then need to be fulfilled through the actual administration of the program.

The summary statistics presented in Table 1 provide no evidence of preferential treatment of Liberal-held districts. While 28% of Liberal districts receive program allocations, 44% of Opposition-held districts receive funding; the difference is significant at any normal level ( $t=4.16$ ). The ratio of districts receiving allocations to districts qualifying

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<sup>10</sup> As the meeting of threshold unemployment levels was a statutorily-necessary precondition for grant allocations, it would be expected that applicants would pick the highest possible unemployment level in making their application. As then expected, regressions using maximum-unemployment figures yielded better fits than those using average-unemployment figures, and maximum-unemployment was adopted for general use in the paper.

<sup>11</sup> The reported figure is the average value of *threshold* for each party. Of course, though some electoral districts meet the HRDC guideline during the entire period and others never meet the guideline, some districts meet the guideline only part of the time. Some 11% of districts meet *threshold* only part of the time; the fraction of the time period in which those districts met the *threshold* is used for those districts. Additionally, the *threshold* standard is only a proxy for meeting HRDC guidelines as local unemployment levels may diverge from regional unemployment data.

for allocations should reflect any gross improprieties in funding decisions. If a higher proportion of eligible Liberal districts in fact received funding, we would have reason to suspect that available slack in program administration was used to the benefit of the Liberals. However, no such evidence is found in the summary statistics. If anything, the statistics suggest a bias *against* Liberal-held districts. Where the ratio of districts receiving funding to districts eligible for funding stands at 0.9 for the Liberal Party, the comparable ratios for the Opposition parties are 2.27 for the Canadian Alliance, 0.87 for the Bloc Quebecois, 1.18 for the Progressive Conservatives and 2.0 for the NDP. On the whole, Liberal districts seem less likely than other districts to receive funding.

Other simple tests on the summary statistics failed to reveal any bias favoring Liberal-held districts. A measure was constructed to indicate whether a district received funding when it failed to meet the threshold level of unemployment. Liberal districts are less likely than others to receive program allocations when threshold unemployment levels fail to be met, and the difference is significant at the 1% level. When the sample is restricted to those districts receiving grant allocations, Liberal districts receive slightly less money than other districts, though the difference is not statistically significant. Over the set of all districts, Liberal districts receive an average of \$278,000 *less* than other districts in an electoral period; the difference is significant at the one percent level.

When observations are sorted by region and by party, it remains difficult to discern a pattern favouring the Liberals. Some three percent of western Liberal districts meet the unemployment threshold, while 21% of western Liberal districts are allocated funding.

However, similar proportions of Canadian Alliance and Liberal districts receive program allocations when the unemployment threshold is not met. Compared to other Liberal districts, a higher proportion of western districts were won by a narrow margin in the previous election and a higher proportion of western districts receive funding when the unemployment threshold is not met. The ratio of districts receiving funding to districts eligible for funding is smaller in Quebec than that in any other region. While opposition parties have frequently pointed out in the press that the St. Maurice district held by the Prime Minister has been allocated more funds than all of the western provinces combined, far fewer eligible Quebec ridings receive *any* money than do eligible western ridings. Indeed, while the Prime Minister's district received some \$8.5 million in grants, the prairie provinces of Manitoba, Saskatchewan and Alberta received a total of \$15.2 million. While it could be argued that discrimination against western provinces was implicit in the unemployment thresholds established, a hypothesis of discrimination against the west in the actual administration of the program seems unlikely to be supported given these summary statistics.

Tobit specifications were run to determine whether, correcting for the unemployment levels on which program allocation decisions were required to have been made, Liberal districts received higher allocations than other districts.<sup>12</sup> Approximately 65% of federal electoral districts were not allocated a TJF or CJF grant in an observation period. Each district is accorded two observations: one covering the period prior to the mid-1997

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<sup>12</sup> Probit and OLS specifications were also run but revealed no substantial differences from Tobit specifications.

election, and one covering the period following the election. Since evidence of distributive politics should affect which districts received *any* funds and the quantity of funds allocated to districts receiving funds, a Tobit model is most appropriate. I estimate the following baseline specification using Tobit:

*Thousands of dollars allocated to a district during an electoral cycle =*

$$\alpha + \phi * (\text{unemployment variables}) + \gamma * (\text{regional indicators}) + \varphi * (\text{political variables}) + \beta * (\text{party identification variables and interactions})$$

Results from national level specifications are reported in Table 2 below.

**Table 2: Tobit specification.**

Dependent variable: \$ thousands allocated to district during an electoral period.

Variable	Parameter Estimate	t	P	Variable	Parameter Estimate	t	P
threshold	2710.8	6.54	0.000	CA	713.3	1.05	0.293
unemployment	128.2	3.14	0.002	CA *			
incumbent	619.6	1.72	0.086	Margin	0.3	0.01	0.989
margin of victory	-21.2	2.16	0.031	NDP	376.5	0.45	0.660
east	1215.2	2.41	0.016	NDP *			
west	437.3	0.84	0.400	Margin	89.8	1.53	0.126
Quebec	577.0	1.29	0.199	PC	1421.1	1.73	0.083
Constant	-2906.9	5.18	0.000	PC *			
N	595			Margin	-2.6	0.05	0.960
				BQ	1198.7	1.88	0.060
				BQ *			
				Margin	-42.5	2.07	0.039
				Prob > $\chi^2$	0.0000		

Several trends are apparent in these results. First, the meeting and exceeding of target unemployment thresholds is the most important factor explaining the distribution of job

creation grants. Evaluating all other variables at sample means, a district moving from sample mean unemployment below the threshold to meeting the threshold moves from a predicted negative allocation to a predicted allocation of \$417,000. A percentage point increase in unemployment above the threshold level corresponds with an increase in expected program allocations of \$128,200. Districts in eastern provinces received higher allocations than districts in all other parts of the country after correcting for unemployment. Western and Quebec districts did not receive allocations significantly higher than those awarded to Ontario, the region omitted in the regression. Standard political variables also prove important. A Member of Parliament contesting the subsequent election brings home \$619,600 more than a “lame duck” MP. Similarly, MPs who won their districts by narrower margins brought home more money; every percentage point increase in the representative’s margin of victory decreases expected allocations by \$21,200.

The distributive politics literature predicts that districts represented by the governing Liberal Party, the omitted dummy variable in this regression, should receive more money than districts represented by other parties. This would lead us to expect negative and significant coefficients on the indicator variables for each of the other parties (*CA*, *NDP*, *PC* and *BQ*). This is not the case in the regression above. The coefficients on each opposition party indicator are positive, and sometimes significantly positive. We should also expect that allocations to opposition districts decrease as the opposition incumbent’s position becomes less secure. The interaction of margin of victory with each opposition party indicator provides little evidence of this; the coefficient is only significant in

interaction with the Bloc Quebecois indicator, and there the sign is negative. Narrowly-won Bloc Quebecois districts were given *more* money under the job creation grant programs than were Liberal districts.

As these results were contrary to expectations, several alternate specifications were tested. In an alternative national specification where only a Liberal Party indicator is included rather than indicators for each opposition party, I find that Liberal districts receive \$1,161,500 *less* than opposition districts, a difference significant at the 1% level. In that specification, narrowly-won Liberal districts received *lower* allocations than other Liberal districts; a percentage point decrease in the margin of victory corresponds to a \$26,000 decrease in allocations and is significant at the 10% level.

I tested the equivalence of Liberal and individual opposition party coefficients in a series of specifications<sup>13</sup> using the national sample and regional sub-samples. In the national sample, Liberal districts were found to receive significantly *lower* allocations than Bloc Quebecois or Progressive Conservative districts. In Quebec, Liberal districts received \$1,361,000 *less* than Bloc districts. While a percentage point decrease in Bloc margin of victory yielded a \$63,000 increase in expected funding, a similar decrease in Liberal margin of victory corresponded only to a \$13,000 increase in expected funding. In the east, Liberal districts received \$2,560,000 *less* than the Progressive Conservatives and \$1,576,000 *less* than the NDP. However, NDP allocations were increasing in margin of victory while those of the Liberals were decreasing in margin of victory.

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<sup>13</sup> Additionally, the interaction of party indicators with the incumbent variable was tested but proved insignificant in all specifications.

These results are strongly at odds with the distributive politics literature. Another factor may be at play in Quebec: the separatist movement. It may be that, in Quebec, job allocation grants are seen as a benefit of federalism in those districts where political support for separation, proxied rather well by political support for the officially separatist Bloc Quebecois, is tenuous. However, one would then predict lower grant allocations in strong federalist and strong separatist districts (districts won either by the Liberals or by the Bloc with strong majorities), and higher grant allocations in marginal districts held by both parties. The relatively weak absolute effect of margin of victory on grant allocations to Quebec Liberal districts would argue against that hypothesis.

A cruder version of distributive politics may have been at play in Quebec, however. Regressions including an indicator variable for the district represented by the Prime Minister show that the Prime Minister's district received allocations totaling some \$3.5 million more than would otherwise have been expected, a result significant at the 5% in all specifications run. This result is consistent with findings of improprieties in the distribution of grant monies in the Prime Minister's district; however, similar outliers can be found among other parties.

Only in the West do the predictions of distributive politics bear fruit. There, Liberal districts received \$1,528,000 more than Canadian Alliance districts and \$1,898,000 more than NDP districts. And, grant allocations to western Liberal districts are far more heavily concentrated among narrowly-won districts.

#### **4. Conclusion and summary**

Standard theories of distributive politics lead us to expect redistribution favoring the majority party in a strong party system. The distribution of grants under the Transitional Jobs Fund and Canada Jobs Fund administered by Human Resources Development Canada in the mid to late 1990s generated a great deal of controversy. Allegations were laid that the fund existed mainly to bolster the re-election prospects of Liberal Members of Parliament, which would have been consistent with the expectations of the distributive politics literature.

Analysis of the data yields several conclusions. First, meeting the stated program unemployment threshold is the most significant factor explaining the distribution of job creation grants. It is the most statistically significant variable and has the largest quantitative effect. Unemployment levels above the threshold level also yield increased grant allocations. Second, normal political variables are important. Representatives elected by slim margins of victory work harder to get grants for their constituents because, as Levitt and Snyder show, increased federal funding produces more votes for local representatives. Similarly, representatives contesting the next election bring home more money than do lame ducks.

Most importantly, however, I find little real evidence that the expected workings of distributive politics were here at play. Overall, Liberal districts fared more poorly than did the districts of other parties. While Liberal districts received higher allocations than

other districts in the west, this pattern was found nowhere else in the country and was not seen in the national sample.

The HRDC job creation grant program provides data for much further study. Most obviously, the effect on grant allocations of constituency representation by a cabinet minister can be tested. De Figueiredo and Silverman (2001) find that members of Congressional appropriations committees are successful in acquiring larger earmarked allocations for universities in their districts; whether Canadian Members of Cabinet are similarly able to direct funds to their benefit remains an open question.

A broader open question remains: why do we *not* see majoritarian redistribution? While theory led us to expect that Liberal districts would receive larger program allocations than other districts, the evidence in this case points us to the opposite conclusion. Few observers of the Canadian political scene would agree that the Liberal Party is not a highly effective vote-maximizing organization, its current leadership quarrels notwithstanding. The reconciliation of vote-maximization with universalist patterns of federal spending in a strong party system remains a promising field for future research.

**Table 1: Sorted Means and Standard Deviations**

	Overall	Close <sup>14</sup> District	Districts receiving program	West	Ontario	Quebec	East
<b>Liberal (Lib)</b>							
Number of observations	337	37	96	47	201	46	43
Proportion of time districts met unemployment threshold [ <i>Threshold</i> ]	0.31 [0.45]	0.36 [0.46]	0.78 [0.39]	0.03 [0.10]	0.13 [0.33]	0.82 [0.36]	0.88 [0.31]
Proportion of districts receiving a program [ <i>Program</i> ]	0.28 [0.45]	0.43 [0.50]		0.21 [0.41]	0.11 [0.32]	0.57 [0.50]	0.86 [0.35]
Proportion of districts won by a narrow margin of victory (<5%) in the previous election [ <i>narrow</i> ]	0.11 [0.31]		0.17 [0.37]	0.30 [0.46]	0.04 [0.21]	0.15 [0.36]	0.16 [0.37]
Number of programs allocated to a district [ <i>number</i> ]	2.00 [5.60]	4.35 [7.92]	7.03 [8.67]	0.70 [1.80]	0.59 [2.09]	4.17 [7.15]	7.72 [11.02]
Dollar allocations to a district (thousands) [ <i>Dol</i> ]	473 [1127]	993 [1713]	1659 [1581]	192 [529]	193 [639]	1024 [1752]	1494 [1661]
<b>Canadian Alliance/Reform Party (CA)</b>							
Number of observations	112	10	28	111	1	0	0
<i>Threshold</i>	0.11 [0.26]	0.00 [0.00]	0.25 [0.36]	0.11 [0.26]	0	.	.
<i>Program</i>	0.25 [0.43]	0.30 [0.48]		0.25 [0.44]	0	.	.
<i>narrow</i>	0.09 [0.29]		0.11 [0.31]	0.08 [0.27]	1	.	.
<i>number</i>	1.02 [2.75]	0.60 [1.26]	4.07 [4.28]	1.03 [2.76]	0	.	.
<i>dol</i>	223 [568]	103 [222]	894 [841]	225 [570]	0	.	.
<b>Bloc Quebecois (BQ)</b>							
Number of observations	98	7	60	0	0	98	0
<i>Threshold</i>	0.70 [0.39]	0.64 [0.48]	0.79 [0.31]	.	.	0.70 [0.39]	.
<i>Program</i>	0.61 [0.49]	0.71 [0.49]		.	.	0.61 [0.49]	.
<i>narrow</i>	0.07 [0.26]		0.08 [0.28]	.	.	0.07 [0.26]	.
<i>number</i>	2.72 [4.24]	5.43 [8.30]	4.45 [4.67]	.	.	2.72 [4.24]	.
<i>dol</i>	889 [1909]	2719 [5867]	1452 [2273]	.	.	889 [1909]	.
<b>Progressive Conservative (PC)</b>							
Number of observations	24	6	19	1	1	7	15
<i>Threshold</i>	0.67 [0.42]	0.47 [0.52]	0.82 [0.32]	0	0	0.33 [0.44]	0.92 [0.14]
<i>Program</i>	0.79 [0.41]	0.50 [0.548]		0	0	0.57 [0.53]	1.00 [0.00]
<i>narrow</i>	0.25 [0.44]		0.16 [0.37]	1	0	0.57 [0.53]	0.07 [0.25]
<i>number</i>	13.67 [13.01]	7.83 [11.84]	17.26 [12.27]	0	0	3.00 [4.60]	20.47 [11.69]
<i>dol</i>	2310 [2611]	1047 [1275]	2918 [2615]	0	0	695 [896]	3373 [2754]

<sup>14</sup> Districts won by less than five percent of the vote in the previous election.

**Table 1 (continued)**

	Overall	Close <sup>15</sup> District	Districts receiving program	West	Ontario	Quebec	East
<b>New Democratic Party (NDP)</b>							
Number of observations	26	9	10	18	0	0	8
<i>Threshold</i>	0.19 [0.38]	0.28 [0.44]	0.40 [0.52]	0.06 [0.16]	.	.	0.5 [0.53]
<i>Program</i>	0.38 [0.50]	0.56 [0.53]		0.11 [0.32]	.	.	1.00 [0.00]
<i>narrow</i>	0.35 [0.49]		0.50 [0.53]	0.28 [0.46]	.	.	0.50 [0.53]
<i>number</i>	5.27 [8.97]	6.39 [9.75]	13.70 [9.76]	1.28 [3.91]	.	.	14.25 [10.83]
<i>dol</i>	1114 [2282]	1240 [1488]	2896 [2954]	216 [635]	.	.	3135 [3297]

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<sup>15</sup> Districts won by less than five percent of the vote in the previous election.

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#### Data Sources

Data on the Transitional Jobs Fund was found at:

[http://www.hrdc-drhc.gc.ca/dept/reports/3\\_tjf.shtml](http://www.hrdc-drhc.gc.ca/dept/reports/3_tjf.shtml)

Data on the Canada Jobs Fund was found at:

<http://www.hrdc-drhc.gc.ca/dept/reports/cjf.pdf>

Data on election results was found at:

<http://www.elections.ca>

Economic data on Canada (including unemployment) was found at:

<http://www.statcan.ca>