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“The allocation of discretionary intergovernmental transfers in Portuguese: electoral and partisan alignment effects”

Abstract

This paper analyses clientelism in the allocation of Portuguese discretionary intergovernmental transfers, using a sample comprising all municipalities over the period 1998-2017. Empirical results suggest that transfers increase in election years and that municipalities, where the national government and the mayor obtained greater electoral support, receive more transfers. There is also evidence that, in election years, mayors belonging to the Prime-Minister’s party are favoured in the allocation process. Additionally, in legislative election years, term-limited mayors do not benefit from increases in current non-formula transfers and, in local election years, municipalities where the incumbent does not run for re-election are negatively discriminated.