

Comparative Politics and Public Finance.

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ABSTRACT

We propose a model with micropolitical foundations to contrast different political regimes. Compared to a parliamentary regime, the institutions of a presidential-congressional regime produce less incentives for legislative cohesion, but more separation of powers. These differences are reflected in the size and composition of government spending. A parliamentary regime has redistribution towards a majority, less underprovision of public goods, more rents to politicians, whereas a presidential-congressional regime has redistribution towards powerful minorities, more underprovision of public goods, but less rents to politicians. The size of government is smaller under a presidential regime. This last prediction is consistent with cross-country data.