

From Specific to General in Electoral Cycle Models

Do Específico ao Geral nos Modelos do Ciclo Eleitoral

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Abstract—The article considers a way of generalizing the, so-called, stylized, which is also a specific model of electoral cycles. This generalization consists on assuming that the output level does indeed exhibit persistence, i.e. its current value (may be) being a function (also) of its past value. In an integrated way, the consequences of this generalization are analyzed.

Keywords—Electoral Cycles, Output Persistence.

Resumo—Neste trabalho considera-se uma forma de generalizar o modelo, dito estilizado, o qual é também específico, de ciclos eleitorais. Esta generalização consiste em admitir que o produto, de facto, exhibe persistência, i.e. o valor corrente (poder) ser função (também) do seu valor passado. De uma forma integrada, analisam-se as consequências daquela generalização.

Palavras-Chave—Ciclos Eleitorais, Persistência de Output.

“As I would not be a slave, so I would not be a master. This expresses my idea of democracy.”

Abraham Lincoln

1 Introduction¹

MOST of the early theories about the behavior of Government assumed, more or less explicitly, that this agent would determine, and subsequently enforce, decisions that would be

optimal according to a social welfare function.² The delegation of decision power in this agent by the society should, as a rule, be ensured through (democratic) elections.

Thus, according to that view of the Government, voters, through an electoral process, would choose an agent who was supposed to take decisions, namely economic policies, which would be the best from the society viewpoint.³ In fact, these decisions would be better for voters, in particular, and for society, as a whole, than those that would be taken by voters (or society) if voters (or society) had decision-making power. This traditional view resulted from the consideration that the Government would consider the consequences

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1. This article consists (in a brief update) of the essential part of the seminar – option legally covered by section c, article 5, of the Decree-Law no. 239/2007 of June 19 – presented during our ‘provas de agregação’ in Economics. In order to clearly assume a multiple perspective on the question, which should have been evident, this justified the bibliographical references that were used, which we did not want to eliminate in this article, given our willingness to remain as close as possible to the original.

2. In fact, this view of the Government as a “benevolent dictator” continues to be highly regarded, albeit for example under the name of “social planner”, either in macroeconomics (Sargent, 1987 and/or Ljungqvist and Sargent, 2004), or in microeconomics (Mankiw, 2008). For example, for Mankiw (2008: 147), “The benevolent social planner is an all-knowing, all-powerful, well-intentioned dictator. The planner wants to maximize the economic well-being of everyone in society.”

3. In a sense, it is being assumed that voters represent the society.