

CIFREM SEMINARS

**Term limits: do they really affect
fiscal policy choices?**

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2 PM - DISA seminar room

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According to reputational models of Political Economy, a term limit may change the behaviour of a chief executive because he does not have to stand for election. We test this hypothesis in a sample of 52 countries over the period 1977-2000, using government spending, social and welfare spending and deficit as policy choice variables and using panel data estimation techniques. We are unable to find significant differences in the behaviour of term-limited and non term-limited chief executives. This is in contrast with some previous empirical results based on U.S. states and international data.