

Pre-election budget: plenty of reasons to spend, few reasons to be restrained

Dr. David McGrane, for Global Saskatoon Website: Thursday, March 17, 2011.

Political scientists have found that the most powerful predictor of increases in government spending is the proximity of an election. Simply put, the closer an election, the more a government spends. No matter the ideology of the party in power, the state of the economy, the levels of taxation revenues, or the levels of transfers from Ottawa, all Canadian provincial governments have turned on the spending spigots in budgets prior to elections. The question is: why?

There are many reasons for pre-election spending sprees.

First, 'eat, drink and be merry for tomorrow you may die' is often the mantra for election-year budgets. You might as well spend it while you can because maybe the other guys will get in and they will spend it for you. There is little incentive to save for a rainy day if one is not sure that they will live to see that rainy day come.

Second, money buys votes. There is no better way to convince people to vote you for than to provide them a tangible benefit and people's memories are short. A pre-election budget is the perfect time to sprinkle some money in key swing ridings and bump up spending on the programs that the public cares about the most like health and education. You may even want to cut taxes at the same time to give voters the best of both worlds: pay less but get more government services.

Third, increased spending can neutralize criticism leading up to and during an election. A government doesn't want parents of autistic children, flood victims, popular mayors, or scholarly university presidents criticizing them going into an election. As such, prior to an election, governments like to spend on several small projects that could silence the criticisms of groups who have a lot of public sympathy. More spending might also ease tensions with public sector unions thereby avoiding embarrassing service disruptions just as the voters head to the polls.

Fourth, if there is a deficit, you won't be accountable for it until after the election. The budget on March 23, 2011 is only an estimate of what the government believes it will spend and generate in revenues from April 1, 2011 to March 31, 2012. We won't know, for sure, if the government has run a deficit until July 2012. So, governments often spend large amounts of money in a pre-election year and worry about the consequences after the election. And, if they are not in power, the bill from the pre-election spree is paid by the other guys.

Finally, if there ever was a time for your big idea now is time! The pre-election budget can be used to impress voters with a bold, new, and expensive initiative that will propel the province towards prosperity and greatness in the future.

So, in a pre-election budget, there are plenty of reasons to spend and few reasons to be restrained. We have seen all other provincial governments spend like drunken sailors in election year budgets and I don't expect Brad Wall's government to be any different.

© Copyright (c) CW Media Inc.

[Print](#)[Email](#)[Share](#)[Facebook](#)[Twitter](#)