

# Creating Cleavages: Distributive Politics and Electoral Alignment

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SUBMITTED TO THE DEPARTMENT OF POLITICAL SCIENCE IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF

DOCTOR OF PHILOSOPHY IN POLITICAL SCIENCE  
AT THE  
MASSACHUSETTS INSTITUTE OF TECHNOLOGY

JUNE 2005

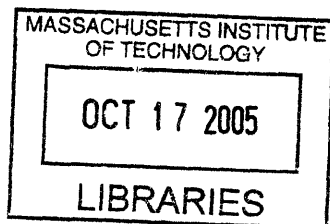
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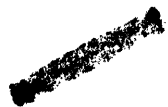
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By

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Submitted to the Department of Political Science  
On April 4, 2005 in partial fulfillment of the Requirements for the Degree of Doctor of  
Science in Political Science

## **ABSTRACT**

Distributive politics plays an important role for political elites for their electoral goal. Since the resources that politicians can distribute are limited, they have to decide how to distribute them in order to maximize their utility. And region becomes one of the most important yardsticks. Politicians first distribute public goods where they are supported. Economically rational voters react to what they receive and cast votes for those who have brought most benefits to them. This establishes the relationship between politicians and voters in a region, and solidifies regional voting behavior further. Therefore, regional voting is the product of politician's strategic distributive politics and rational voters' behavior.

Regionalism does not only arise from economic or social cleavages that we are able to observe, but they are also intentionally cultivated. There are numerous possible reasons why regionalism started in the first place. It could have been from ethnic cleavages, unequal economic development or historical and political events that occurred in the past. However, whether or not to breed regionalism is determined by how regionalism works for the political purpose.

As in the case of Korea, regionalism has been the best political tool for political parties to decide where to focus for their electoral success. It has been used for the efficient redistribution and deepened the regional cleavage in Korea as a result. Therefore, it can be said that regionalism worked for political parties' electoral goals, which has been well received by electorates, who are interested in what they receive in return.

In the second part of the dissertation, I question the claim that ethnically fragmented community is more likely to have poor fiscal policy. Scholars have raised many problems of this ethnically diversified society, and a lagged economic development and inefficient government spending are one of them. Many studies have speculated the negative effect of ethnic fragmentation on economies of scale. With a new study design, I show that previous studies on the relationship between ethnic fragmentation and provision of public goods and services can be misleading or be exaggerating the effect of ethnic diversification at most.

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## Acknowledgments

It was a long journey. The journey started on one day of September in 1998, and is about to end. Of course, I know so well that a new one will start soon. It was not an easy road and I stumbled so many times during the journey. Sometimes it was exciting and fun, but there were other times that were pretty rocky, which made me feel like throwing a towel. Here, I would like to mention some of names whose support made me go through hard times to show my gratitude. Without these people, I would never have written this part of my thesis.

First of all, I would like to thank my committee members. Prof. Stephen Ansolabehere, who is also my advisor, has always been there for me. Without his warm support and invaluable advices, it would have never been possible for me to finish my study at MIT. He did not just intellectually direct me as my advisor, but also cared about me in so many ways. With his office door opened, he never complained my unexpected visit with so many questions. Whenever I felt like giving up, he encouraged me with unbelievable patience. I would never know how to thank him.

I also thank to Prof. James Snyder, who made me realize that being super-smart and being super-nice can coexist. He can never imagine how much I was intimidated by his intellect when I first met him. Soon, I realized that he was one of the sweetest guys I have ever met. Like Steve, I thank him so much for not having complained at all when I dropped by his office with silly questions without notice. He always welcomed me with a big smile and over-answered to my questions, which eventually brought me back to him again with more questions.

Prof. Jonathan Rodden should be also mentioned here. He joined in the committee member last, but showed so many interests in my research. Jonathan always directed me to look at the question with various and interesting perspectives. His sincere care for my study and my personal well-being is much appreciated. I also have to say that I so much enjoyed the presence of his son, Nathaniel, in my defense, although he gave me incorrect information that babies are calm, quiet and very peaceful. I realized that it was completely wrong only after I had my own.

I thank to Susan Twarog, our beloved graduate administrator. She not only helped me with administrative process, but also cared for me so much. Being apart from my family in Korea has never been easy for me. Susan has always been there for me just like my mother. I cannot thank her enough.

My officemates have enriched my life at MIT. Amos Zehavi, Rachael Cobbs, Rachel Gisselquist, David Konisky, Boaz Atzili, and Michiko Ueda are only few of them. I cannot forget the time we shared in our no-window and depression-producing office. I also would like to thank to Brett Kubicek, Doug Fuller and Yutaka Kashiwabara for being there as my friends. In particular, the friendship that Doug and Yutaka showed me to fly over to attend my wedding should never be forgotten.

Some of my Korean friends should be mentioned here, too. Sungeun Im, who is my best friend since my high school days, and Yoonjung Seo always encouraged me when I was in slump. I appreciate their friendship. I would never forget the times that I spent with Eunhwan Jeon when she was in the states for her own study. Also, I would like to thank to Wonhee Jeon, Soonjo Chung, Jinwook Lee, Kyounghee Yu, Jungho Roh, Hyunjoo Yang, Hyungjoo Kim, and Carol Kim.

I also would like to express my gratitude to my family-in-law. My uncle-in-law and aunt-in-law always supported my study. I thank to my father-in-law who showed me various aspects of life. Also, I thank to my mother-in-law for her caring for me while I was finishing my study. My brothers-in-law and sister-in-law, who showed encouragement, should be remembered.

I send infinite gratitude to my family. Without their unconditional love and concern, it could never been possible for me to finish my study. My mother, who always sacrificed everything for me should receive the most gratitude. Her endless concern and support brought me self-confidence back. My father has been intellectual inspiration to me all the time. His interest in my research and recommendations enriched my thesis. Both my parents believed in me when I was in hard times, which should be much appreciated. I also thank to my sister. I admire her positive and optimistic spirit, and proud of her very much.

Last, I would like to thank to my husband, Sanghyuk Park who is the sweetest and most understanding person that I have ever met. His love, concern, support and belief in me not only enriched my life, but also let me go through this whole process of Ph.d. Also, my newborn son, Adrian Jaewoo Park should receive my gratitude. Although he took part in delaying many things in completing the study, he brought tremendous joy to our lives. I love you.

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In its grand outlines the politics of the South revolves around the position of the Negro.... Whatever phase of the southern political process one seeks to understand, sooner or later the trail of inquiry leads to the Negro. ... It is the whites of the black belts who have the deepest and most immediate concern about the maintenance of white supremacy. Those whites who live in counties with populations 40, 50, 60 and 80 percent Negro share a common attitude toward the Negro." (V.O.Key, Jr. Southern Politics in State and Nation, p.5)

## **Chapter 1. Introduction**

In his seminal book, *Southern Politics in State and Nation*, V. O. Key, Jr. assessed that race is the centripetal issue in southern politics in the United States. Whites living in counties with a high black population are threatened to foster white supremacy and eventually create an unhealthy one party dominant system in the region. The one party dominant system only prevents a sound competitive party system from existing and cultivates unhealthy factional political systems in the South.<sup>1</sup>

One party dominance in a region in Korean politics since 1987 appears to be similar to what Key indicated more than 50 years ago. Unlike the South in the United States, however, there is no race issue or tragic war in which the southerners were defeated by Yankee Republicans. What they have are several key political players favored by each region and strong anti-feelings against each other.

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<sup>1</sup> V.O.Key, Jr. (1984). Southern Politics in State and Nation. Knoxville: University of Tennessee Press.

The regionally divided election result is not only seen in the United States or Korea. Voters in almost any country constitute a geographic voting bloc along party lines or along the party line. In European countries such as Spain, Belgium or the United Kingdom, the regionally divided voting blocs raise their political voices in various tones from a moderate regional autonomy to extreme separation from the nation. In these countries, however, a party's regional dominance does not only imply geographical voting division, but, more often than not, so do ethnic and cultural tensions. Naturally, much of the studies on regional division in elections so far have been treated as a part of works on ethnically driven regionalism.

However, ethnic or cultural tension is not a sufficient or a necessary condition for one party's regional dominance. There are many countries that do not show any regional or ethnic tension despite their ethnic or cultural distinctiveness. On the other hand, with a high ethnic unity, some countries have intense conflicts based on the geographic origin of people.

Distribution is one of the most important devices for political elites. Politicians who have the ultimate goal of being elected, bring benefits to their districts and claim that they are responsible for those perks. (Mayhew, 1974) Those who are able to provide what electorates want receive credits for it are successful in being reelected. On the contrary, those who are not guarantee the seat in the next election.

For this reason, many scholars have studied how political elites distribute public goods in order to achieve their goals. Some argue that it is most strategic to distribute to swing districts where the electorates are willing to change their votes according to what they receive. (Dixit & Londregan, 1996; Lindbeck & Weibull, 1987) Others argue that

distributing goods to supportive districts is a way to maximize politicians' utility. (Cox & McCubbins, 1986) This claim is supported by the empirical study of the Congressional election and distribution in the United States. (Ansolabehere & Snyder, 2002) Still, the discussion has not yielded a definite answer as to which is the best way for political elites to distribute resources for the purpose of reelection.

This dissertation studies not only the most efficient distributive politics, but also the relationship between one-party dominance of a region and distributive politics. The study of regionalism and regional voting behavior more often than not overlaps or bridges with the study of "ethnoregionalism." Ethnic cleavage would be one of the clearest answers to regional voting. Many ethnic groups that are geographically concentrated have a political party which represents its interests and requests increased autonomy from a central government. Often these parties are not powerful enough to influence national politics due to their limited ethnic appeal. But, they can be quite successful in attracting locales that have been feeling distant from a central government.

On the other hand, economists pay attention to the increase of regionalism around the world and attribute the phenomenon to economic competition and egoism. As modernization advances, constituents become more competitive in order to achieve economic resources and employment opportunities. (Barth, 1969; Hannan, 1979) Additionally, economically developed regions do not want to redistribute their wealth to other lagged regions in a country, while they are ready to join the expanded and open market on their own. Globalization, in this sense, brought regional conflict and regional assertiveness to modern times. (Keating & Laughlin, 1997; Alesina & Spolare, 199x)

In this dissertation, I argue that regional voting behavior is the result of the interaction between distributive politics driven by political elites and electorates with economic goals. Distributive politics play an important role for political elites in their electoral goal. Since the resources that they are able to distribute are limited, they have to decide how to distribute them in order to maximize their utility. And region becomes one of the most important yardsticks. Politicians first distribute public goods where they are supported. Economically rational voters react to what they receive and cast votes for those who have brought them the most benefits. This establishes the relationship between politicians and voters, and further solidifies regional voting behavior. Therefore, regional voting is the product of the politician's strategic distributive politics and rational voters' behavior.

The first part of the dissertation explores regional voting in Korea. Korea is a country with homogeneous people who have been sharing the same language, history and culture for more than 2000 years. Regionalism, however, as we see in Korean elections is as much a critical factor as in countries with ethnic cleavages.

I employ the distributive politics theory to Korean regionalism and explain how and why it is so intensely sustained. Many Koreans have seen Korean regionalism as a result of emotional hatred between regions and immature political culture. Some asserted the economic deprivation of one region by another and democratization that brought about the realization of the discrimination. More recently, scholars emphasize that regional voting is the result of rational voters' sub-optimal decisions.

Here, I argue that the regionalism of Korea is the result of politicians' distribution of public goods and rational Korean voters' reactions to it. It is true that we cannot

ignore the historical background of Korean politics. Nevertheless, the strengthening of regional voting requires a better explanation. I propose that distributive politics has increased the intensity of regional voting of Korean electorates since it had first appeared.

The study of Korean regionalism consists of four chapters. The first chapter examines regional voting in other countries. I choose four countries with regionalism, which are Canada, Spain, the United Kingdom and the United States. The comparative study of these countries serves to demonstrate how unique Korean regionalism and regional voting is.

The second chapter briefly introduces Korean regionalism. The chapter is intended for those who are new to Korean politics so that they may understand the subject. It includes when and how regional voting has started. And, Korean scholars' different perspectives regarding the phenomenon will be illustrated.

In the next chapter, I examine whether or not the regional factor in Korean elections truly exists. Sometimes, region reflects other important voting determinants such as socioeconomic status, ideological stance and the economic situation of residents. Before I further investigate the regional voting of Korea, I make sure that the Korean election is seriously influenced by region. Statistical analysis will provide evidence that region truly plays an important role in the election.

Then, I introduce the theory to explain the regional voting of Korea which is followed by statistical analysis. As I mentioned above, regional voting of Korea is intensified through strategic distribution of public goods by political elites. Patterns of project distribution, the change of regional economic growth, and recruit of political elites will display evidence of politician's strategic distribution to some extent. Statistical

analysis of intergovernmental grants to each region will solidify my theory that politicians use distributive politics and strengthen regional voting for their reelection.

The second part of the dissertation is about how distributive politics is affected by the community type. Many economists agree that ethnic diversity causes different interests in a community and an inefficient fiscal policy by local government as a result. Among them, Alesina, Baqir and Easterly provided a formal model and statistical analysis that demonstrate an ethnically diverse community receives important public goods, such as education, less. Their study conforms with most ethnic studies that prove the inefficient and poor fiscal policy in ethnically fragmented countries.

I challenge the study by Alesina et. al. and many other economists who claimed inefficient fiscal policy in American counties with high ethnic fragmentation. Through my research, I have noticed that it is not ethnic diversity that affects the local government's distributive politics. It is the economic and financial condition of a community that influences on the distributive policy most. Ethnic difference in opinion about distribution of public goods disappears as the economic gap between different ethnic group decreases. Therefore, it is the economic situation a person faces that influences the opinion about the distribution of public goods and the community's fiscal policy as a result.

In both studies, I try to emphasize the importance of the relationship between distributive politics and the rational minded electorates. Many political phenomena that appear to be influenced by irrational factors are in fact caused by voters who are concerned about the economy. Nevertheless, electorates behave according to what they expect to receive. Both the regionalism of Korea and distribution of public goods in

ethnically diverse counties are caused by rational voters. Acknowledging the rational side of voters, strategic politicians manipulate regionalism in order to enhance their electoral chances.

The essay will be concentrated on the empirical side of distributive politics and voting behavior. I hope that the study of the regionalism of Korea contributes to answering many puzzling questions about regionalism we find around the world. In addition, I expect that Part II raise questions about the ethnic politician's claim of a negative relationship between ethnic fragmentation and sound fiscal policy.





## **Chapter 2 Regionalism Around the World**

### **1. Introduction**

Amongst non-ideological voting behaviors, regional voting behavior has not received much attention. This is due to the fact that most regional voting behaviors are closely related to ethnic, linguistic or religious differences in many countries. In this respect, the regional voting behavior in Korea is quite an unusual case. Korea is one of the most homogeneous countries in the world; its population has used the same language and has shared the same culture and history for more than 2000 years. Therefore, what are the causes of the regional voting behavior in this homogeneous country?

However, before proceeding to the analysis of Korean regionalism, it is important to first examine the cases of regionalism that exist in other countries. The purpose of this chapter is to introduce various forms of regionalism seen in elections and to compare them with the Korean case, which will be presented in the next section.

In this chapter, four countries that are known for displaying regional voting behavior of electorates will be tested using statistical methods. The regression results will display different kinds of regional voting phenomena. The principal reasons for regional voting are the ethnic and cultural cleavages that exist in a country. However, not all regional voting can be explained by the cleavages. In particular, the US case shows that regional division of voting can also be created by demographics. Thus, this chapter confirms that there is a need for further research in order to determine reasons other than ethnic and cultural cleavages for regional voting.

The next section will focus on the statistical methods that were applied and the variables for the test. Moreover, a short introduction of each country's electoral regional

division will be provided, as well as an analysis of whether or not the regions have an impact on voting behaviors of electorates in the country.

## **2. Regionalism Around the World**

Although regionalism that leads to the actual separation of the region is not obvious, examples of electoral division by regions are relatively easy to find around the world. This passive form of regionalism is quite often observed regardless of the existence of ethnic, cultural or linguistic cleavages.

For instance, Canadian election results are separated according to western and eastern divisions. Besides the French-speaking ethnic group in the Quebec region - who have the Bloc Quebecois as their own regional party - those who reside in Ontario and the rest of eastern Canada are much more likely to vote for the Liberal party. On the other hand, those who live in the western part of Canada have a tendency to vote for the Reform party. There is no particular ethnic group that leads this division in Canada.<sup>2</sup>

As a matter of fact, many scholars started to focus on factors other than ethnic, cultural, and linguistic aspects in order to explain the electoral division by regions. Quite often, regionalism is attributed to the unfair economic development, political history, or different industrial structure that results in ideological difference amongst voters, and abrupt changes in the political situation of a country. It is also true that there is not one specific explanation that can completely describe all kinds of regionalism. Some country's regionalism is clearly due to ethnic division, whereas other country's

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<sup>2</sup> Another regional voting occurs in Quebec province where most French speaking Canadians live. The province has regional party, the Bloc Quebecois, and support for the party. In 2000 election, however, the Liberal Party higher percentage of vote share in Quebec province and obtained 36 seats.

regionalism is the reflection of many other factors. In particular, when it comes to elections, the causes of regional voting become even harder to decipher: Does regional voting occur because electorates irrationally identify themselves with the regional party? Or do they vote for the party because they strongly believe that the party offers the most benefits to them?

If the former is right, then it can be concluded that the regionally different election results are based on emotionally driven regionalism. However, the latter case implies that it is rational voting behavior by electorates. Therefore, it is imperative that the “true regional effect” be sorted out from the regional voting behavior. In this section, I introduced four cases that showed regional division in elections, and I also demonstrated the extent that “region” plays a role in the division.

As my dataset, I used the Comparative Studies of Electoral System (CSES), which released in 2002. The survey includes questions of a personal nature, such as the socioeconomic status of the respondent. It also includes questions pertaining to the political and electoral inclination of the respondent.

Four countries were selected for the analysis. The countries I picked were Canada, Spain, the United Kingdom, and the United States. All four countries exhibit regional voting divisions, but to different degrees. The electoral division of some countries is due to the cultural and ethnic cleavages. However, there exist other countries where we cannot identify any particular cultural and ethnic cleavages. This would provide an interesting comparison.

Depending on the availability and the country's circumstances, variables for the regression analyses were slightly different. Nevertheless, the same rule was applied in selecting variables.

I used two different dependent variables. The first variable was the preference of a particular party by a respondent. Using a scale from 0 to 10, the respondent was asked to indicate the extent to which he or she liked a particular party. Instead of testing all parties of a country, I focused only on politically significant parties. Therefore, only three or four party preferences were tested.

The second dependent variable was the actual vote choice of the respondent. The original survey prompted the respondent to indicate the party that he or she voted for in the previous election. I created new binary variables whether or not he voted for parties that are analyzed here, and use them as dependent variables. Once again, I only used three or four parties for each country.

Three kinds of independent variable groups were created. The first group consisted of the respondent's age, level of education, household income, and the type of residential neighborhood that he or she resided in urban.

The second group of variables consisted of retrospective factors in voting decision. Rational voters are believed to reflect the practical condition that they are surrounded by. Most importantly, the economic situation that a voter is faced with has a direct influence on his or her vote choice. An incumbent party or president will be evaluated by the current economic situation (Key, 1966; Fiorina, 1981). The voter's opinion of the current economy was also asked in the survey. For example, if a respondent thought that the economy has drastically declined, he or she would write

down the answer '1' to the question. On the contrary, if a respondent thought that the economy has significantly improved and attributed this improvement to the incumbent government, then he or she would indicate a '5' as his or her response.<sup>3</sup>

The third variable group consisted of the ideological distance of a respondent from each party. The survey asked respondents to scale their ideologies on a scale of 0 to 10. If a person thinks of himself or herself as mostly liberal, then he or she would have coded the response as '0'. On the other hand, the most conservative person would have answered 10 based on the same scale. Besides self-measured ideology, it also measured the respondent's opinion about each party's ideological stance. I calculated the distance between ideological stances of a respondent and a party by squaring the difference. For instance, if a respondent answered that his or her ideology was '3', and perceived party A's ideology as a '6', the distance between the respondent and the party's ideology would consequently be a '9'. The larger the distance, the further a respondent ideologically felt from a party.<sup>4</sup>

Last but not least, the regional dummies were included in the regressions. With the variables described above, the regression coefficients of regional dummies will show the extent of the role that the regions play in determining voting decision.

First, I tried the regression analysis with regional dummies only. The second regression included the complete set of independent variables. The first set of regressions only included regional dummies as independent variables. This will show that how

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<sup>3</sup> The original survey, as a matter of fact, coded in opposite way. That is, answering 1 means that the economy has most improved, while 5 means that the least improved. I changed the scale in opposite way for the purpose of easier reading of regression result.

<sup>4</sup> In case of the United States, there was no measurement for the ideological stance of a party from a respondent's perspective. Therefore, I had to use only the self-measured ideological stance which only indicates how liberal or conservative he is. Since the Republican party is widely known and believed as more conservative than the Democratic party, I believe that it would not be inaccurate to show the influence of ideology in voting decision.

regions influence on dependent variables without consideration of any other factors than regions. In the second set of regression, all other independent variables were included. The comparison between these two sets of regression will exhibit the true regional effect after other factors were controlled.

The Ordinary Least Square regression with Huber-White robust standard error was employed for the statistical methods. Each of the OLS regression results was compared with an ordered logit and probit regressions results. If there is much difference in significant level, I should consider the results from the ordered logit or probit regressions.

## **CANADA**

Canadian regionalism is often referred to the regionalism of the Quebec province. The region retains French culture and language. It has a regional party, the Bloc Quebecois. There were two referenda that attempted to separate the region from the rest of Canada; one took place in 1980, whereas the other was in 1995. Neither attempt was successful, but with a fairly small margin.<sup>5</sup> The region still remains as a politically unique island of Canada.

Nevertheless, this is not the only electoral division by regions that we can see in Canadian elections. More interestingly, we can observe the division between eastern and western Canada according to the party line. In this case, culture, language, ethnicity or

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<sup>5</sup> The first Quebec sovereignty referendum about held on May 20<sup>th</sup>, 1980. The 40.44 % of voters approved the separation, while 59.56 % of them opposed to it. The second referendum was on October 30<sup>th</sup>, 1995. This time, the margin between “yes” and “no” was much slimmer than that of the previous one. The 49.42 % of voters voted for the Quebec sovereignty, while 50.58 % against it.

religion do not seem to have an effect. This is because no unified ethnic or linguistic group exists in either region.

Although the Bloc Quebecois and its regional strength in the Quebec area is well documented with the perspective of ethnic politics, the division between eastern and western Canada has not received much attention. The recent argument attributed the division to the Liberal government's special treatment of the Quebec region. Those who were displeased with Quebecers and their separation movement were more likely to vote for the Conservatives. They thought that the government was giving too much benefits and special treatment to the Quebecers in terms of welfare and political status. Western Canadians, in particular, were not happy with the special treatment that the Quebec region receives from the government (Blais et. al., 1999). However, it is important to note that the exact reasons for the eastern and western electoral division in Canada were not well accounted for, and thus further research is needed.

Figure 1 is map of Canada, which was included in order to help readers understand the geographical division of an election result. Table 2 represents the Canadian general results of the 1997 election.<sup>6</sup> As can be seen in the table, a big portion of the eastern part of Canada, including Ontario, went to the Liberal Party.<sup>7</sup> The Liberals obtained 101 seats out of 103 seats assigned in the Ontario region; they also obtained all four seats in Prince Edward Island. The vote share of the Liberal Party in Quebec was as high as that of the Bloc Quebecois and gained 30 percent of total seats of the region. On the other hand, electorates of Saskatchewan, Alberta and British Columbia heavily

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<sup>6</sup> The Canadian data in CSES asks a respondent which party he or she voted for in the election 1997. I, therefore, present 1997 and 2000 election results.

<sup>7</sup> Again, the exception is Quebec region which has its own regional party of the Parti Quebecois. They dominantly vote for the PQ, but began to also vote for the Liberal Party recently.

favoured the Reform Party. The Reform Party won 57 seats out of 64 seats in these provinces.

The election results of 2000 were not that different from the ones obtained in 1997 (see Table 3). Still, the Liberal Party was much stronger in Ontario and won 100 seats. It only gave up 2 seats to the Reform Party. In Quebec, the party won almost as much seats as the Bloc Quebecois. However, the Liberal's could succeed in capturing a significant number of seats in the western Canada, which includes Saskatchewan, Alberta and British Columbia. Only 9 seats were given to the Liberals, while 60 seats were given to the Reform Party out of 64 seats in total.<sup>8</sup>

At first glance, the region appears to have a significant impact on voter's decision. The western Canadians favor the Conservatives, while the Eastern Canadians prefer the Liberals. However, one should not ignore the possibility that other factors may have had an impact in this division, including the socioeconomic level, the structure of industries and the political history of the region.

For the regression analysis for the Canadian case, I decided to focus only on the parties that obtained a substantial number of seats in the elections. That being said, the parties I chose were the Liberal Party, the Canadian Reform Conservative Alliance, and the Bloc Quebecois.

In the case of the Bloc Quebecois, I also included language interaction terms with the Quebec regional dummy. Since the Bloc Quebecois is based on ethnic heritage, I

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<sup>8</sup> In 2004 election, one noticeable change was the gradual gain of the Conservatives in Ontario region. The Coalition of Conservatives gained 24 seats in Ontario in the 2004 election. The Liberals also increased their seats by three in British Columbia. Nevertheless, the division between eastern and western Canada is still visible.



expected different attitudes toward the party between Anglophone Quebecers and Francophone Quebecers. The regression result is represented in Table 4 and Table 5.

The coefficients in Table 4 represent the regression result obtained when the preference of a party was used as the dependent variable. The regression coefficients and their significance level - when only regions were considered as explanatory variables - were found to be different from those obtained when all other factors were regressed together.

First, regional dummies of Alberta, New Brunswick and Quebec were statistically significant when the liking of the Liberal Party was regressed only according to regional dummies. However, once other factors were controlled, the significance disappeared. The urban residency, the opinion about the economy and ideological distance from the party are highly important.

When the Reform Party was regressed only on regional variables, it was found that those living in Newfoundland, Prince Edward Island and Quebec are negatively related to the preference of the Reform Party. On the other hand, those residing in Alberta and British Columbia are positively related with it. As other variables were included, the regional effect weakened. The significance of living in Newfoundland, Alberta and British Columbia disappeared when other factors were controlled. Still, the residency of Prince Edward Island and Quebec was an important factor in determining whether or not one liked the Reform Party.<sup>9</sup>

Among non-regional variables, it was found that those living in urban areas preferred the Liberal Party. On the other hand, educational level was negatively related

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<sup>9</sup> Interestingly, the coefficient of Prince Edward Island has increased than the previous one. Moreover, Saskatchewan shows increased coefficient and even becomes statistically significant.

with the preference of the Reform Party, and the finding was also significant. As expected, the coefficient of the ideological distance from a party was negative and significant if a respondent liked the party better than other parties. For instance, the farther the ideological distance from the Liberal Party and Bloc Quebecois, the more an electorate was likely to favor the Reform Party. On the contrary, the ideological distance between the electorate and the Reform Party was negatively and significantly related.

As mentioned above, I included interaction terms of the Quebec region and language. In the first regression with only regional dummies, Nova Scotia, Saskatchewan and Manitoba were negatively related with the liking of the Bloc Quebecois. However, once all other variables were considered together, regional dummies tended to lose statistical power. Even the coefficient of “Quebec” was not particularly significant. The statistical significance was shifted to the interaction term between the “Quebec” and the French-speaking dummy. The magnitude of the coefficient was as big as 3.307 and significant. On the other hand, the Anglophones living in the Quebec area did not show any statistical differences over the preference of the Bloc Quebecois. Again, ideology played a significant role, although its magnitude was much lower than the interaction term. Also, electorates who were older and who had lower income levels seemed to dislike the Bloc Quebecois.

The next table shows the regression result when the actual vote choice was the dependent variable. When the voting for the Liberal Party was the dependent variable, none of the coefficients of regional variables were significant in the limited regression. Interestingly, they changed to be significant in the full regression.<sup>10</sup> The voting for the

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<sup>10</sup> The sample size has dramatically decreased in the full regression. I suspect that the newly found regional significance is partly due to the characteristics of the sample used in the full regression.

Reform Party lost significant power. In the case of the Bloc Quebecois, the regression only with regional dummies was meaningless, as the data did not have any respondent who voted for the Bloc Quebecois and who were not residing in Quebec.

Again, the most interesting case concerned Quebec electorates' attitude toward the Bloc Quebecois. Like the party preference regression that was presented before, none of the regional dummies - including "living in Quebec" - had statistical power when other factors were controlled. Instead, the interaction term of French speaking electorates living in Quebec attained positive and significant power. Socioeconomic background or economic considerations were not statistically significant. Only the ideology was negatively and significantly related with the vote choice of the Bloc Quebecois. The magnitude, however, was very small.

Thus, the regional effect of Quebec is not due to the region; rather, it can be attributed to the ethnic differences between Francophone Canadians and Anglophone Canadians.

## **SPAIN**

The most prominent regional movements in Spain arose from the two regions of Catalonia and Basque.<sup>11</sup> Andalusia and Galicia were also known to be regionally peculiar, but they did not assert their independence as strongly as the two former regions. Even Catalonia and Basque differed in how strongly determined for the separation of the region from Spain. The people of the Basque region maintained their own language and considered themselves to be completely different from the Spaniards. On the other hand,

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<sup>11</sup> Besides these two regions, regional parties exist in almost every region.

residents of Catalonia recognized themselves as both Catalanian and Spanish (Moreno et. al., 1997).

To some degree, the economic competition theory by economists can be employed to explain Catalonia's situation. Catalonia was the wealthiest region in Spain; it represented almost 20% of the gross domestic product, possessed the largest savings account in the country, and boasted a below-average national unemployment rate. As a matter of fact, up until the mid 1980's, the Catalans exclusively enjoyed the central government's encouragement of foreign investment into less developed communities of Spain.

However, the government then began to direct investment selectively, and Madrid started to catch up. As a result, Catalans felt economically threatened and demanded more autonomy. Politically, it inspired the nationality of Catalonia and the organization of the regional party, *Convergència i Unió*.<sup>12</sup>

In particular, the people of Catalonia did not like the idea of being taxed and then having their wealth redistributed to poorer regions in Spain, such as Andalusia. The recent study about Catalan voters' identity reported that Catalans maintained "dual identity" and different voting behaviors, depending on the nature of election. Generally speaking, they supported CiU for the local and regional levels of government, while giving more support to other parties such as the Spanish Socialist Workers Party (PSOE) when it came to national elections. (Moreno et. al., 1997).

Regardless of the different degrees of separation movement in these two regions, the regional identity among residents was still sufficiently strong. This regional identity came from ethnic and cultural cleavages that had been oppressed due to the centralization policy of the authoritarian Franco governance. After the death of Franco, the enhanced

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<sup>12</sup> The Financial Times, November 16, 1990.

democratic environment that resulted can be used to explain the surge of regionalism in this country in recent years.

Both Catalonia and Basque had regional parties that represented the regions' interests and separation policies. The regional party of Catalonia was *Convergència i Unió*. The party had been a stronghold in the regional government. The Basque region had more than one regional party. Among them, *Partido Nacional de Vasco* was the most prominent one.

First, I regress the liking of a party based on regions only. As seen in Table 6, many of the regions were significantly related with the liking of each party. For instance, Andalusia was negatively and significantly related with a person's liking of the People's Party. However, when other factors were controlled, the coefficient lost its statistical power. Galicia did not show any difference in limited from full regression. Neither of the People's Party and *PSOE* were particularly favored in Galicia region.

Catalans showed distrust to the People's Party. In both of preference regression and actual voting decision regression, the coefficient of Catalonia was negative and significant. The region's statistical power was significant in the full regression, too. On the other hand, *PSOE* was significant in the limited regression, but it lost its statistical power in the full regression. The preference of *CiU* by Catalans was positive and significant in both regressions. Yet, the magnitude decreased in the full regression.

Voters living in the Basque region wholeheartedly supported the *PNV*. Unlike Catalans, Basque voters did not show any preference towards the *PSOE*. In addition, their distrust towards national parties such as the *PP* and the *PSOE* were maintained in the full regression.

Some socioeconomic variables were also important. As expected, the union membership was negatively and significantly related to the respondent's preference level for the People's Party. On the other hand, the less educated people tended to favor the PSOE. Both of the CiU and the PNV were favored by more educated people.

Economic improvement and performance by the government did not have any particularly effect on any party. Ideological distance was an important variable. In all four parties, a respondent liked a party better when the party had a smaller ideological distance.

The results of the actual voting decision regression were similar to the results of the party preference regression.<sup>13</sup> Most regional significances faded away as more variables were introduced. Andalusia, Aragon, Asturias, Basque and Valencia were all significantly related to PP or PSOE when only regional variables were regressed. However as more variables were included, the effect was removed. Only the Catalan people's dislike of the PP persevered after the full regression was performed.

Socioeconomic variables were not of much importance to the Spanish voters. Only those who were older and thought that the economy had improved were positively and significantly related to the voting for the PP. In terms of the PSOE, it was found that less educated voters preferred the party.

On the contrary, ideological distance was an important variable for the voting decision. However, the magnitude of the variable was much smaller than that of the

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<sup>13</sup> In voting decision regression, voting for CiU and PNV is not included. The respondents who have voted for these two parties are practically only those who are residing in these regions. Thus, it is not very useful information to see the regionalism that we are talking here. Therefore, I only used the vote for the PP and the PSOE as dependent variables. Fortunately, many regions appears to have significant vote choice difference between these two regions. Regression analysis shows whether there is any significant different voting choice for two national parties by regions.

regional variables. In conclusion, regions seemed to be the most important factor in determining the vote of Spanish electorates. However, in most cases, regional effects disappeared after the full regression was performed. Catalans nonetheless maintained their animosity towards the PP, even in the full regression. Thus, in Spain, regional variables were less influential on voting decision than on the preference of a party.

### **The UNITED KINGDOM**

Regionalism in the United Kingdom has been a topic of interest amongst many scholars. For example, Hechter's famous "internal colonialism" theory stipulates that England had politically and economically exploited Celtic fringe, which consequently resulted in regional conflict and protest by these regions (Hechter, 1975). His theory triggered many heated debates over ethno regionalism in advanced countries.

The United Kingdom is divided into four broad regions: England, Wales, Scotland and Northern Ireland. England is regarded as the 'center' of the United Kingdom. Wales has its own regional party, Plaid Cymru (PC), which was established back in 1925. Although PC is not a significant player in national politics, it still received a sizable vote share in the Wales region. Scotland also has its own regional party, the Scottish National Party (SNP). The SNP was founded in 1934. Although they are not that popular nowadays, they were at their prime back in the 1970s. However, factors such as the failure of the devolution movement, economic downturns, and the Conservative government's centralization withered the party's strength. The political turmoil in the Northern Ireland region is well known. There are a number of regional

parties in Northern Ireland. The most notable four parties are the Ulster Unionist Party (UUP), the Democratic Unionist Party (DUP), the Sinn Fein (SF) and the Social Democratic and Labor Party (SDLP). The big party cleavage in Northern Ireland is unionist versus nationalist. The Ulster Unionists Party and the Democratic Unionist Party are on the unionist's side, while the Sinn Fein and Social Democratic and Labor Party are on the nationalist's side. The electoral results of the 2001 general election in the United Kingdom can be found in Table 8.

Aside from Northern Ireland, the Labor Party outperformed the Conservative Party in many regions. In particular, the Conservative Party was much weaker in Wales and Scotland than in England. Also, regional parties ranked as the second or third most important party in each region.

The dependent variables are “the preference of a party” and “vote choice” that a respondent made in the 1997 general election. The CSES survey included the following political parties: the Labor Party, the Conservative Party, the Liberal Democrats, the Scottish National Party, and the Plaid Cymru. However, it was impossible to use the SNP and the PC as dependent variables, because these two parties were purely regional parties and did not even nominate a candidate in other regions. Therefore, only those residing in Scotland gave their preference level of the SNP and the SNP as their vote choice. Only respondents living in the Wales region chose the Plaid Cymru, and thus this makes the regression analysis impossible. Therefore, it was meaningless and implausible to perform the regression with the SNP and the Pc as the dependent variable. Therefore, I was forced to choose only the Labor Party, the Conservative Party, and the Liberal Democrats as dependent variables.



The survey of the UK also lacked the urban residency question. Thus, the urbanite variable was not used as the independent variable here. One twist in regional variable is made for England. The CSES data did not have all four regions of the United Kingdom. Northern Ireland was not included in the survey. Because East Anglia had only 129 respondents, I took it out of the England region in order to avoid the perfect multicollinearity problem. The regression result can be seen in Table 9.<sup>14</sup>

First, when regions were the only independent variables, living in the Wales and Scotland regions significantly influenced both parties' preference level. Living in Wales and Scotland enhanced the liking of the Labor Party to .865 and .616, respectively. Nevertheless, the liking of the Conservative Party decreased to -1.576 and -1.548, respectively.

When factors such as socioeconomic background, opinion about the economy, and political inclination were considered, regions no longer had an effect on the preference level for the Labor Party. On the other hand, the Conservative Party was still disliked by the residents of Wales and Scotland, even after all other variables were controlled. The magnitude of coefficients was reduced to half as was the previous regression with only regional variables.

According to the results, those who were less educated, had lower income, and were union members favored the Labor Party. On the other hand, those who had higher income and who were not union member favored the Conservative Party.

In addition, those who thought that the economy had worsened favored the Labor Party, while those who thought that the economy had improved favored the Conservative

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<sup>14</sup> The Liberal Democrats was not used as dependent variable, either, because regions did not show any significance when they were regressed on the Liberal Democrats. Here, I only report the Labor and the Conservative parties.

Party. The survey was conducted when the government was being transferred into the hands of the Labor Party, which ended the long Conservative regime. I made the assumption that electorates who criticized the Conservative government's mismanagement of the national economy preferred the Labor Party. Voters who perceived a healthy national economy preferred the Conservative Party.

Religion also played an important role in the liking of a party. Catholics favored the Labor Party, whereas Protestants favored the Conservative Party. Political inclination was significant factor, too. The ideological distance between a respondent and a party had a significant influence on the liking of a political party.

Table 10 demonstrates the regression results that were found when vote choice was used as the dependent variable. Again, I first conducted the regressions with only regional variables. In the case of "vote for the Labor Party", Wales became positively significant. Vote choice for the Conservative Party became negatively significant when an electorate lived in Wales or Scotland.

Now, region became insignificant and almost all other variables became very significant for determining the vote choice for the Labor Party by an electorate. Those who were younger, less educated, earned lower income, were union members, were Catholic, and who perceived the national economy to be poor tended to vote for the Labor Party. Also, as the ideological distance from the Labor Party was shorter and farther from the Conservative Party, an individual was more likely to vote for the Labor Party.<sup>15</sup>

Wales and Scotland were still negatively and significantly related with the voting for the Conservative Party after other variables were considered together. Among other

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<sup>15</sup> The magnitude of ideological distance variable, however, is very small.

variables, income level, union membership, opinion about the national economy, Protestant religion, and ideological distance from each party were significantly related with voting for the Conservative Party. As a person's income became higher and opinion's pertaining to the national economy became more positive, he or she was more likely to vote for the Conservatives. Being a union member was negatively related with the vote choice for the Conservatives, whereas being a Protestant was positively related. The farther ideological distance from the Labor Party and the Liberal Democrats, and shorter distance from the Conservative Party were significant factors.<sup>16</sup>

### **The UNITED STATES**

The regional voting behaviors of American electorates were more distinctive in presidential elections than in local or Congressional elections. In recent times, the regional divisions in the presidential elections have become considerably more significant. In the last four presidential elections, there were only sixteen incidents in which a state switched its supporting party. In particular, only two states decided to change their candidate preferences. For example, although Iowa had elected Gore in the 2000 election, they changed to Bush in the 2004 election. New Hampshire, on the other hand, shifted from Bush in 2000 to Kerry in 2004.

Additionally, the average margin between the Democratic presidential candidate and the Republican presidential candidate was 9.67% in 1992. The average margin, however, increased to 16% in the 2004 presidential election. According to American

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<sup>16</sup> The magnitude, however, is much smaller than other variables when compared. It is even smaller than the one in the liking of a party regression.

political scientists, the increase in margins between two parties was not a new issue.

Scholars have indicated the increasing incumbent advantages in the election of the House of Representatives in America, and have exhibited the decreasing vote share margins between candidates (Mayhew, 1974; Cover & Mayhew, 1977)<sup>17</sup>.

In general, the most notable change of the party identification in presidential elections was seen in the South (Miller & Shanks, 1996). The South, which used to be monopolized by the Democrats until the 1960's, started to convert into Republican territory.<sup>18</sup> The 1960 Democrats-supported Civil Rights movement, and the influx of a new population into southern states, can be used to explain this phenomenon. The Northeast had been pro-democratic since the New Deal coalition was established. The West gradually moved towards the Democrats, while the Midwest moved towards the Republicans.

However, it is not yet confirmed whether or not the regional differences in the American presidential elections remain after all other variables are controlled. The regional differences could have resulted from other factors. The regression analysis, therefore, testifies the regional effect in the presidential election in the United States.

Dependent variables include the fondness of each party and the actual vote choice of a respondent, as in the case of the other regression analyses. Aside from the basic independent variables, I also included the religiosity and the ethnicity of the respondent. Although the direct relationship between religiosity and partisanship is not certain, the religiosity is supposed to have an influence on the predisposition of an electorate. It is

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<sup>17</sup> Gary Jacobson argues that the margin has not vanished. He emphasizes that congressmen feel vulnerable and spend much more money and effort to bring goods to their districts to secure the seats. (Jacobson, 1987)

<sup>18</sup> Still, many southerners vote for the Democrats in local and Congressional elections.

also supposed to shape the electorate's vote choice (Miller & Shanks, 1996). The religiosity was measured according to how often a respondent went to church. My assumption was that the more frequently a person went to church, the more conservative and the more likely the he or she was to favor the Republicans.

Race is an important explanatory variable in American politics. In particular, African American voters have a very distinct preference for the Democratic candidate. For instance, about 88 % of African American voters voted for John Kerry, the Democratic Party's candidate in 2004 the presidential election.<sup>19</sup> Since the Johnson government's promotion of the Civil Rights movement and pro-welfare policy by the Democrats, African American voters have almost unanimously been voting for the Democrats. Henceforth, the full regression analysis with all the variables included the ethnicity dummy variable.

One important consideration for the United States was the change of ideology variable. In the case of the United States, the CSES data does not have a respondent's perspective on each party's ideological scale. Therefore, I only used the self-measured ideological scale, which varied from 0 to 10. As explained in the Appendix, the more liberal a person was, the lower the scale was. With the assumption that the more conservative person was more likely to identify with the Republicans, I expected that the positive coefficient of an ideology variable to be related with the Republicans and the negative coefficient with the Democrats.

The regression outcomes can be seen in Table 11. The first regression displays the coefficients when only regions were regressed on the party preference. Interestingly,

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<sup>19</sup> The number is based on the exit poll with 13660 respondents conducted by CNN. <http://www.cnn.com/ELECTION/2004/pages/results/states/US/P/00/epolls.0.html>

the South was positively and significantly related with the liking of the Democratic Party. The liking of the Republican Party was not affected by the regional variables. Nevertheless, when all other variables were considered at the same time, the regional effect of the South disappeared. Instead, independent variables such as education, being a union member, household income, ideology, an opinion about the national economy, and being an African American played significant roles in the liking of the Democratic Party.

The results indicate that less-educated people favor the Democrats. Union members were more likely to side with the Democratic Party. Wealthier people favored the Republican Party more than the Democratic Party. Although being religious does not affect a person's preference level for the Democratic Party, it was found to be positively and significantly related with a person's liking of the Republican Party. The positive opinion about the national economy helped the Democratic Party. The survey was performed when the Clinton government was in power and the economy was at its prime. Therefore, the good opinion about the economy benefited the Democrats.

Last but not least, racial background played a very significant role in the partisanship. As expected, African American voters strongly favored the Democratic Party. I believe that the South lost its significant power in the full regression because the voting power of African American electorates was controlled in the regression.<sup>20</sup>

The next regression result pertains to the actual vote choice of the respondent. Interestingly, in an actual voting choice, the South did not have any statistical power in explaining Democratic vote, even when regions were the sole explanatory variables. The

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<sup>20</sup> Of course, other factors such as household income and education also weaken the statistical significant of the South in the regression.

South was negatively and significantly related to the Republican vote in the limited regression, but not in the full regression. On the contrary, the regional impact of the Northeast was maintained through all four regressions. Even after all variables were controlled, the statistical significance of the Northeast was sustained. Moreover, the magnitude of coefficients did not change much. In fact, the magnitude of the vote choice of the Republican Party slightly increased in the full regression.

Interestingly, age was significant and positive in all four regressions. This finding supports the claim by a Michigan school that the older a person is, the stronger his partisanship becomes and the more loyal he or she will be to the party that he or she used to vote for (Campbell et. al., 1960). Those who were highly educated and who earned higher incomes were more likely to vote for the Republican candidate. Being a union member was negatively related with the Republican vote, while it was positively related with the Democratic vote. Again, religiosity was positively related with the vote choice of the Republican candidate, whereas it had no effect on the Democratic vote. Ideological stance turned out to be quite important. As an electorate became more liberal, the more likely he or she was to vote for the Democratic candidate. On the other hand, being conservative made an electorate vote for the Republican candidate.

Again, African Americans were more likely to vote for the Democratic candidate. This confirms that the ethnicity, particularly being an African American, becomes an important element when we predict a person's vote choice in American politics.<sup>21</sup>

In sum, the regional variable did not have much impact on the party preference. Socioeconomic and ethnic factors were used to explain how those living in the South

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<sup>21</sup> I also tried the regression analysis with interaction terms of the South and race. The result shows that interaction terms are not significant, but "African American" variable still remains positively and significantly related with the Democratic vote.

seemed to favor the Democratic Party. However, it became insignificant once all other variables were controlled. When it came to the real voting, the South first appeared to be a negative and significant variable. However, this also disappeared in the full regression. The Northeast region stayed with the Democratic Party, even after all other independent variables were considered. The strength of the Democratic presidential candidate in the Northeastern states has been well observed through many presidential elections.

Ideology also played an important role in determining partisanship and the vote choice. Liberal electorates tended to favor the Democratic Party, whereas Conservative tended to favor the Republicans. Since the survey was performed during the Clinton administration, those who thought that the national economy had improved gave credit to the Democratic Party by voting for them. Socioeconomic variables such as age, education level, union membership, and household income also played a role, depending on the type of regression. An interesting fact was that religiosity was closely related to the liking and vote choice of the Republican Party. However, this was not the case for the Democratic Party.

One of the most important variables was ethnicity. The most noteworthy observation was that African American voters consistently supported the Democratic Party. Once socioeconomic background variables and ideological variables were included, the significance of the South disappeared. The south effect that we saw in the first regression, therefore, can be translated into black voting power.

Interestingly, Northeastern voters consistently voted for the Democratic Party. It is well known that the Northeastern region is the political bastion of the Democrats. Even after all other variables were controlled, the voting for the Democratic Party by the



Northeastern electorates remained strong. It is hard to say whether or not the Northeastern effect in the United States is caused by any cultural or ethnic cleavage.

In sum, the United States case showed mixed signs. The South was not an important regional variable. In fact, the African Americans who resided in the area were the factor that caused the regionalism look of the South. On the other hand, the Northeastern region was a consistent regional factor.

### **3. Conclusion**

The regression results of this section were somewhat mixed, and therefore this allows us to hypothesize that a region is an unstable variable. The regional variable can be strongly influenced by cultural and ethnic cleavages in a lot of cases. Nevertheless, we also saw the regional voting behavior that cannot be explained by cultural and ethnic cleavages. For instance, the regional voting behaviors of western Canada and northeastern United States were not based on a cultural cleavage of the region.

In addition, not all the regions with cultural cleavages demonstrated one party's dominance in the region. There were cases where cultural and ethnic cleavage plays an important role. Nevertheless, their regional voting behavior was not consistent with the full regression analysis, such as in the case of Catalonia and Basque. Therefore, cultural cleavage was not the necessary condition for the existence of the regional party and the region's loyalty to the party.

Hence, the explanations that were based on cultural and ethnic cleavages cannot be applied to every case of a regional party's success and regionally divided electoral

results that we see around the world. Regional voting behavior was seen where the ethnic and cultural cleavage did not exist. Furthermore, where cultural cleavage existed did not always produce regional voting behavior.

## Table 1. Regression Variables

### Dependent Variables

- Preference of a party: the survey asked respondents to indicate how much they liked a political party, rating each party on a scale from 0 to 10. Marking 0 implied that the respondent disliked the party very much, whereas a 10 implied that the person liked the party very much.
- Vote Choice : the actual vote choice by a respondent. The respondent indicated the party that he or she voted for in the last election. Then, the answer was transformed into a binary variable for each party that was created. For instance, if a respondent voted for the Republican Party in the latest election, the variable of “republican” was denoted as ‘1’. If a respondent voted for the Democratic Party, the variable of “republican” was denoted as ‘0’, while the variable of “democratic” was denoted as ‘1’.

### Independent Variables

- Socioeconomic Variables

<b>Age</b>	The age of a respondent
<b>Education</b>	The highest level of education completed by a respondent. Coded from 1 to 8, with ‘1’ being no

	education and '8' being a bachelors' degree or higher.
<b>Union Membership</b>	Union membership of a respondent. 0 meant that a respondent was not a union member, and 1 indicated that a respondent was a union member.
<b>Household Income</b>	Household income quintile appropriate to a respondent. The lowest quintile is coded as 1 and the highest as 5.
<b>Urban Residency</b>	The type of a residence. 0 if a respondent lived in a rural area, and 1 if it was a large town or city.

- Economic Factor

**Opinion about Economy** : The respondent's perception of the state of the economy. 1 for answers that signified that "the economy has become worse," and 5 for answers that signify that "the economy has improved a lot."

- Ideological Factor

**Ideological Distance** : The ideological distance between a respondent and a party. The ideological stance of respondent and the respondent's views on each party were coded in the original survey. The ideological distance is the squared term of the difference between a respondent and the respondent's view on each party's ideological stance.

Ideological Distance = (ideological stance of a respondent – ideological stance of a party)<sup>2</sup>

- Regional dummies

Regional dummies were created for each country. In some cases, regions in the survey were collapsed in order to generate a broader geographical variable.

**Figure 1. Map of Canada**



Table 2. Canadian General Election Result by Region (1997)

Region	Liberal Party	Reform Party of Canada	Bloc Quebecois	New Democratic Party	Progressive Conservative Party of Canada	Other	Total Number of Seats
<b>Canada</b>	<b>155(38.4%)</b>	<b>60(19.4%)</b>	<b>44(10.7%)</b>	<b>21(11%)</b>	<b>20(18.9%)</b>	<b>1(1.6%)</b>	<b>301</b>
Newfoundland	4(37.9%)	0(2.5%)	-	0(22%)	3(36.8%)	0(0.9%)	7
P.E. Island	4(44.8%)	0(1.5%)	-	0(15.1%)	0(38.3%)	0(0.3%)	4
Nova Scotia	0(28.4%)	0(9.7%)	-	6(30.4%)	5(30.8%)	0(0.8%)	11
New Brunswick	2(32.9%)	0(13.1%)	-	2(18.4%)	5(35%)	0(0.6%)	10
Quebec	<b>26(36.7%)</b>	<b>0(0.3%)</b>	<b>44(37.9%)</b>	0(2%)	5(22.2%)	0(1%)	<b>75</b>
Ontario	<b>101(49.5%)</b>	<b>0(19.1%)</b>	-	0(10.7%)	1(18.8%)	1(1.8%)	<b>103</b>
Manitoba	6(34.3%)	3(23.7%)	-	4(23.2%)	1(17.8%)	0(1.1%)	14
Saskatchewan	<b>1(24.7%)</b>	<b>8(36%)</b>	-	5(30.9%)	0(7.8%)	0(0.6%)	14
Alberta	<b>2(23%)</b>	<b>24(54.7%)</b>	-	0(5.7%)	0(15.4%)	0(1.2%)	<b>26</b>
British Columbia	<b>6(28.8%)</b>	<b>25(43%)</b>	-	3(18.2%)	0(6.2%)	0(3.7%)	<b>34</b>
Northwest	2(43.1%)	0(11.7%)	-	0(20.9%)	0(16.7%)	0(7.6%)	2
Yukon	0(22%)	0(25.3%)	-	1(28.9%)	0(13.9%)	0(9.9%)	1

Note: The numbers are seats won by each party. The percentages in parentheses are parties' vote share of the region.

Source: <http://www.elections.ca>

**Table 3. Canadian General Election Result by Region (2000)**

<i>Region</i>	<i>Liberal Party</i>	<i>Canadian Reform Conservative Alliance</i>	<i>Bloc Quebecois</i>	<i>New Democratic Party</i>	<i>Progressive Conservative Party of Canada</i>	<i>Other</i>	<i>Total Number of Seats</i>
<b>Canada</b>	<b>172(40.8%)</b>	<b>66(25.5%)</b>	<b>38(10.7%)</b>	<b>13(8.5%)</b>	<b>12(12.2%)</b>	<b>0(2.3%)</b>	<b>301</b>
Newfoundland	5(44.9%)	0(3.9%)	-	0(13.1%)	2(34.5%)	0(3.7%)	7
P.E. Island	4(47%)	0(5%)	-	0(9.0%)	0(38.4%)	0(0.5%)	4
Nova Scotia	4(47%)	0(9.6%)	-	3(24.0%)	4(29.1%)	0(0.9%)	11
New Brunswick	6(41.7%)	0(15.7%)	-	1(11.7%)	3(30.5%)	0(0.3%)	10
Quebec	36(44.2%)	0(6.2%)	38(39.9%)	0(1.8%)	1(5.6%)	0(2.3%)	75
Ontario	100(51.5%)	2(23.6%)	-	1(8.3%)	0(14.4%)	0(2.2%)	103
Manitoba	5(32.5%)	4(30.4%)	-	4(20.9%)	1(14.5%)	0(1.7%)	14
Saskatchewan	2(20.7%)	10(47.7%)	-	2(26.2%)	0(4.8%)	0(0.6%)	14
Alberta	2(20.9%)	23(58.9%)	-	0(5.4%)	1(13.5%)	0(1.3%)	26
British Columbia	5(27.7%)	27(49.4%)	-	2(11.3%)	0(7.3%)	0(4.3%)	34
Yukon	1(32.5%)	0(27.7%)	-	0(31.9%)	0(32%)	0(0.4%)	1
Northwest	1(45.6%)	0(17.7%)	-	0(26.7%)	0(10%)	0(0%)	1
Nunavut	1(69%)	0(0%)	-	0(18.3%)	0(8.2%)	0(4.5%)	1

Note: The numbers are seats won by each party. The percentages in parentheses are parties' vote share of the region.

Source: <http://www.elections.ca>



**Table 4. Regression Analysis 1: Canada**

	<i>Liking of the Liberal Party</i>	<i>Liking of the Liberal Party</i>	<i>Liking of the Reform Party</i>	<i>Liking of the Reform Party</i>	<i>Liking of the Bloc Quebecois</i>	<i>Liking of the Bloc Quebecois</i>
Newfoundland	-0.953(.537)	0.132(.931)	<b>-1.181(.566)</b>	-1.56(.847)	-0.755(.392)	-1.022(.65)
P.E. Island	-0.165(.527)	0.363(.977)	<b>-1.777(.466)**</b>	<b>-3.056(.679)**</b>	-0.578(.373)	-1.053(.672)
Nova Scotia	-0.506(.515)	0.789(.895)	-0.417(.523)	-0.544(.806)	<b>-0.781(.346)*</b>	-0.507(.679)
New Brunswick	<b>-1.076(.544)*</b>	-0.041(1.248)	-0.695(.55)	-2.134(1.126)	-0.732(.375)	-0.723(.833)
Quebec	<b>-0.879(.428)*</b>	-0.011(.856)	<b>-2.264(.386)**</b>	<b>-2.119(.596)**</b>	<b>2.638(.342)**</b>	-0.844(.748)
Ontario	0.492(.419)	1.081(.855)	-0.281(.399)	-0.834(.619)	-0.513(.317)	-0.212(.648)
Saskatchewan	-0.55(.47)	0.34(.985)	0.385(.478)	<b>-1.982(.718)**</b>	<b>-0.779(.317)*</b>	-0.905(.68)
Manitoba	0.193(.486)	0.358(.931)	-0.096(.496)	-0.904(.868)	<b>-0.732(.332)*</b>	-0.834(.663)
Alberta	<b>1.213(.434)**</b>	-0.308(.853)	<b>2.063(.43)**</b>	0.747(.647)	-0.625(.323)	-0.753(.647)
B. C.	-0.316(.435)	0.437(.882)	<b>0.917(.427)</b>	-0.184(.654)	-0.418(.327)	-0.198(.656)
Yukon	-0.177(.546)	0.471(1.472)	0.342(.584)	-0.214(.776)	-0.639(.357)	-0.591(.786)
Age		-0.014(.008)		-0.014(.008)		<b>-0.015(.007)*</b>
Education		0.104(.07)		<b>-0.173(.083)*</b>		-0.032(.068)
Union member		0.117(.24)		-0.295(.236)		-0.182(.219)
Income		-0.013(.079)		0.031(.083)		<b>-0.166(.081)*</b>
Urbanite		<b>0.805(.253)**</b>		-0.150(.281)		0.061(.237)
Econ_imp		<b>0.559(.105)**</b>		0.136(.11)		0.118(.096)
Id_liberal		<b>-0.067(.009)**</b>		<b>0.045(.011)**</b>		<b>0.021(.009)*</b>
Id_reform		0.011(.007)		<b>-0.074(.006)**</b>		<b>0.02(.006)*</b>
Id_quebecois		<b>0.014(.006)*</b>		<b>0.027(.006)**</b>		<b>-0.034(.006)**</b>
Quebec_Frn						<b>3.307(.554)**</b>
Quebec_Eng						0.305(.56)
_cons	<b>5.421(.405)**</b>	1.957(1.129)	<b>3.658(.376)**</b>	<b>6.476(1.02)**</b>	<b>1.459(.303)**</b>	<b>3.032(1.026)*</b>
N	1789	488	1772	488	1766	488
R <sup>2</sup>	.0579	.2737	.2148	.4335	.2874	.4115

Note: \* :  $p < .05$   
 \*\*:  $p < .01$

**Table 5. Regression Analysis 2: Canada**

	<i>Voted for Liberal</i>	<i>Voted for Liberal</i>	<i>Voted for Reform</i>	<i>Voted for Reform</i>	<i>Voted for Quebecois</i>
Newfoundland	-0.144(.09)	0.064(.116)	-0.095(.069)	<b>-0.264(.109)*</b>	-0.002(.022)
P.E. Island	0.006(.101)	<b>0.319(.148)*</b>	<b>-0.135(.063)*</b>	<b>-0.273(.114)*</b>	0.008(.022)
Nova Scotia	-0.086(.089)	0.146(.111)	-0.017(.074)	0.023(.147)	-0.007(.217)
New Brunswick	-0.1(.09)	0.066(.13)	-0.072(.07)	0.002(.159)	-0.006(.023)
Quebec	0.011(.077)	<b>0.219(.079)**</b>	<b>0.158(.059)**</b>	-0.121(.104)	0.0457(.03)
Ontario	0.097(.077)	<b>0.222(.079)**</b>	0.01(.062)	-0.045(.11)	0.018(.018)
Manitoba	0.07(.09)	<b>0.275(.121)*</b>	0.011(.071)	0.02(.133)	0.034(.021)
Saskatchewan	-0.154(.082)	0.11(.122)	0.144(.076)	-0.126(.125)	0.029(.02)
Alberta	-0.136(.078)	0.001(.077)	<b>0.321(.068)**</b>	0.218(.116)	0.012(.019)
B.C.	-0.072(.079)	<b>0.185(.085)*</b>	<b>0.247(.068)**</b>	0.168(.117)	0.011(.018)
Yukon	-0.08(.097)	0.163(.173)	0.028(.084)	-0.07(.147)	-0.006(.023)
Age		-0.0002(.001)		0.001(.001)	5.04E-05(.0007)
Education		0.01(.013)		-0.02(.01)	0.01(.007)
Union Member		0.061(.044)		-0.004(.034)	-0.006(.022)
Income		0.025(.015)		<b>0.022(.011)</b>	-0.01(.008)
Urbanite		0.076(.047)		-0.073(.038)	-0.014(.024)
Econ_imp		<b>0.072(.019)**</b>		-0.021(.016)	-0.016(.011)
Id_liberal		<b>0.007(.001)**</b>		<b>0.006(.001)**</b>	0.001(.001)
Id_reform		<b>0.002(.001)*</b>		<b>0.006(.001)**</b>	0.001(.001)
Id_Quebecois		<b>0.002(.001)*</b>		<b>0.003(.001)**</b>	<b>0.001(.0004)**</b>
Quebec_Frn					<b>0.222(.048)**</b>
Quebec_Eng					0.014(.049)
_cons	<b>0.289(.074)**</b>	<b>-0.44(.157)**</b>	<b>0.158(.059)**</b>	<b>0.315(.146)*</b>	0.041(.082)

<b>N</b>	1851	492	1851	492	492
<b>R<sup>2</sup></b>	.0390	.1590	.1767	.3223	.2654

Note: \* :  $p < .05$   
\*\* :  $p < .01$



**Table 6. Regression Analysis 1 : Spain**

	<i>PP</i>	<i>PP</i>	<i>PSOE</i>	<i>PSOE</i>	<i>CiU</i>	<i>CiU</i>	<i>PNV</i>	<i>PNV</i>	<i>PNV</i>
	<i>PP</i>	<i>PP</i>	<i>PSOE</i>	<i>PSOE</i>	<i>CiU</i>	<i>CiU</i>	<i>PNV</i>	<i>PNV</i>	<i>PNV</i>
andalucia	<b>1.201(.288)**</b>	-0.28(.549)	<b>1.434(.25)**</b>	-0.119(.406)	<b>-0.469(.232)*</b>	-0.495(.425)	<b>-0.81(.212)**</b>	-0.81(.212)**	-0.676(.38)
aragon	-0.535(.388)	-0.952(.617)	0.518(.367)	0.03(.547)	<b>0.665(.33)*</b>	<b>1.256(.496)*</b>	0.362(.301)	<b>0.972(.462)*</b>	
asturias	<b>-0.957(.397)*</b>	-0.533(.622)	0.537(.378)	-0.095(.517)	-0.43(.346)	<b>-1.088(.491)*</b>	-0.619(.335)	-0.619(.335)	-0.91(.483)
beleaeres	0.375(.447)	-0.458(.757)	0.152(.41)	0.293(.565)	<b>1.382(.375)**</b>	<b>1.723(.551)**</b>	0.517(.35)	<b>1.302(.503)**</b>	
cataluna	<b>1.768(.282)**</b>	<b>-1.217(.542)*</b>	<b>0.966(.245)**</b>	0.064(.374)	<b>3.027(.23)**</b>	<b>2.591(.385)**</b>	<b>1.3(.225)**</b>	<b>1.354(.367)**</b>	
canarias	0.60(.424)	0.049(.734)	-0.214(.39)	-0.944(.653)	-0.067(.376)	0.937(.713)	-0.244(.367)	-0.244(.367)	1.297(.845)
catabria	-0.798(.616)	-0.133(.833)	-0.216(.594)	-0.637(.953)	-0.403(.385)	-0.67(.617)	-0.709(.377)	-0.709(.377)	-0.067(.709)
camancha	0.665(.363)	0.127(.583)	0.085(.374)	-0.244(.497)	-0.286(.298)	-0.418(.494)	<b>-0.687(.276)*</b>	<b>-0.687(.276)*</b>	-0.483(.452)
extremadura	0.405(.435)	0.495(.679)	0.505(.439)	0.135(.578)	<b>-0.673(.325)*</b>	-0.423(.577)	<b>-1.244(.251)*</b>	<b>-1.244(.251)*</b>	<b>-1.17(.383)**</b>
galicia	-0.386(.342)	-0.361(.616)	-0.106(.293)	-0.33(.417)	-0.091(.269)	0.311(.469)	-0.199(.258)	-0.199(.258)	0.553(.434)
rioja	0.333(.715)	1.195(.876)	0.34(.494)	-0.746(.48)	0.757(.565)	0.097(1.12)	0.489(.475)	0.489(.475)	-0.191(.698)

madrid	-0.556(.297)	-0.643(.56)	0.217(.262)	-0.15(.402)	-0.009(.228)	-0.237(.411)	-0.347(.217)	-0.072(.384)
murcia	0.448(.43)	-0.365(.74)	-0.169(.422)	-0.778(.558)	-0.422(.326)	<b>-1.173(.563)*</b>	<b>-0.74(.299)**</b>	-0.624(.507)
navarra	-0.217(.407)	-0.198(.606)	-0.152(.386)	-1.043(.566)	<b>0.863(.297)**</b>	0.156(.457)	<b>1.573(.313)**</b>	<b>1.923(.446)**</b>
vasco	<b>-2.631(.34)**</b>	<b>-1.94(.612)**</b>	<b>-0.744(.316)*</b>	<b>-1.53(.448)**</b>	<b>0.751(.272)**</b>	0.435(.455)	<b>2.024(.318)**</b>	<b>1.825(.5)**</b>
valencia	-0.527(.312)	-0.341(.55)	<b>1.009(.274)**</b>	-0.005(.39)	<b>0.726(.247)**</b>	0.403(.414)	0.301(.238)	0.272(.378)
AGE	0.003(.005)		0.009(.005) <sup>b</sup>			<b>0.013(.005)**</b>		0.004(.005)
EDUC		-0.022(.048)		<b>-0.193(.05)**</b>		<b>0.171(.049)**</b>		<b>0.134(.047)**</b>
union_mem		<b>-0.712(.275)**</b>		-0.514(.328)		-0.271(.264)		-0.039(.265)
INCOME_HH		0.044(.73)		-0.114(.074)		-0.045(.069)		0.016(.067)
URBAN		0.096(.073)		-0.028(.075)		-0.107(.071)		-0.102(.067)
econ_imp		<b>0.411(.092)**</b>		<b>0.568(.094)**</b>		<b>0.286(.089)**</b>		0.12(.08)
id_PP		<b>-0.07(.004)**</b>		<b>0.04(.004)**</b>		0.004(.004)		-0.0003(.005)
id_PSOE		<b>0.025(.008)**</b>		<b>-0.07(.008)**</b>		0.008(.007)		-0.006(.007)

id_IU	0.022(.006)**	-0.007(.006)	-0.009(.006)	-0.003(.007)				
id_CIU	-0.03(.01)**	0.018(.011)	-0.02(.009)*	0.024(.007)**				
id_PNV	0.035(.008)**	-0.006(.009)	-0.008(.008)	-0.04(.006)**				
_cons	5.314(.242)**	4.006(.718)**	4.248(.203)**	3.941(.615)**	2.368(.191)**	1.25(.627)*	2.261(.181)**	1.492(.55)**
N	2323	901	2348	906	2303	876	2083	869
R <sup>2</sup>	.0775	.5138	.0487	.3863	.0114	.3182	.2317	.2274

a. In the ordered logit regression result, the ideological difference between a respondent and the CiU is not significant. The *p-value* is .09 in the ordered logit regression.

b. The coefficient of age is positive and significant in the ordered logit regression result.

**Table 7. Regression Analysis 2 : Spain**

	<i>Vote for PP</i>	<i>Vote for PP</i>	<i>Vote for PSOE</i>	<i>Vote for PSOE</i>
andalucia	<b>-0.199(.044)**</b>	-0.05(.073)	<b>0.197(.038)**</b>	0.017(.086)
Aragon	<b>-0.139(.064)*</b>	-0.076(.12)	<b>0.125(.06)*</b>	0.087(.133)
asturias	<b>-0.164(.066)*</b>	-0.004(.092)	<b>0.159(.064)*</b>	0.078(.107)
beleares	0.134(.084)	0.137(.125)	-0.036(.059)	-0.108(.12)
cataluna	<b>-0.284(.043)**</b>	<b>-0.167(.068)*</b>	<b>0.14(.038)**</b>	0.0447(.082)
canarias	-0.045(.064)	0.005(.118)	-0.009(.049)	-0.094(.13)
catabria	-0.058(.093)	0.156(.14)	0.103(.083)	0.026(.156)
camancha	0.107(.063)	0.087(.097)	<b>0.138(.054)*</b>	0.067(.096)
extremadura	0.071(.074)	0.172(.104)	0.076(.061)	-0.041(.11)
galicia	-0.08(.054)	0.025(.081)	-0.005(.041)	-0.098(.094)
rioja	-0.032(.122)	0.337(.236)	0.052(.103)	<b>-0.345(.101)**</b>
madrid	-0.039(.048)	-0.004(.074)	<b>0.079(.039)**</b>	0.035(.086)
murcia	0.094(.074)	0.124(.108)	0.002(.056)	-0.107(.101)
navarra	-0.171(.086)	0.054(.117)	<b>-0.107(.052)**</b>	-0.151(.106)
vasco	<b>-0.27(.05)**</b>	-0.127(.08)	-0.049(.041)	-0.158(.09)
valencia	<b>-0.124(.049)*</b>	-0.03(.073)	<b>0.099(.041)*</b>	-0.02(.084)
AGE		<b>0.003(.001)*</b>		0.001(.001)
EDUC		0.008(.009)		<b>-0.028(.01)**</b>
union_mem		-0.078(.042)		-0.003(.056)
INCOME_HH		0.013(.013)		-0.025(.013)
URBAN		0.006(.012)		-0.015(.013)
econ_imp		<b>0.064(.016)**</b>		-0.001(.015)
id_PP		<b>-0.005(.001)**</b>		<b>0.004(.001)**</b>
id_PSOE		<b>0.003(.001)<sup>b</sup>*</b>		<b>-0.004(.001)**</b>



id_IU		<b>0.006(.001)**</b>		-0.002(.001)
id_CIU		<b>-0.005(.001)**</b>		0.001(.001)
id_PNV		<b>0.004(.001)**</b>		-0.0005(.001)
<u>_cons</u>	<b>0.421(.039)**</b>	-0.066(.102)	<b>0.17(.03)**</b>	<b>0.475(.118)**</b>
N	2420	910	2420	910
<b>R<sup>2</sup></b>	.0692	.3334	.0330	.1609

- a. In probit regression, Madrid and Navarra are not significant at 95% level.
- b. In probit regression, ideological distance between a respondent and the PSOE loses its statistical power.

**Table 8. 2001 General Election Result : the United Kingdom**

Party	England	Party	Wales	Party	Scotland	Party	Northern Ireland	Party	The UK
Labor	41.41(323)	Labor	48.59(34)	Labor	43.27(55)	UUP	26.76(6)	Labor	40.68(412)
Conservative	35.23(165)	Conservative	21.03(0)	SNP	20.07(5)	DLP	22.46(5)	Conservative	31.7(166)
Liberal	19.42(40)	Plaid Cymru	14.27(4)	Liberal	16.34(10)	SF	21.71(4)	Liberal	18.26(52)
Democrat		Liberal		Democrats				Democrats	
UKIP	1.72(0)	Liberal	13.8(2)	Conservative	15.59(1)	SDLP	20.96(3)	SNP	1.76(5)
Independent	.49(1)	Democrats		SPKR	.69(1)			UUP	.82(6)
								PC	.74(4)
								DUP	.69(5)
								SF	.67(4)
								SDLP	.64(3)
								Independent	.45(1)
								SPKR	.06(1)

Note: The number in a cell is the vote share of each party in the region indicated. The numbers in parentheses are the numbers of seats that the party attained.

**Table 9. Regression Analysis 1 : the United Kingdom**

	<i>Liking of the Labor Party</i>	<i>Liking of the Labor Party</i>	<i>Liking of the Conservative Party</i>	<i>Liking of the Conservative Party</i>
england_1	0.125(.274)	-0.152(.268)	-0.555(.3)	-0.393(.274)
wales	<b>0.865(.371)*</b>	0.271(.38)	<b>-1.576(.393)**</b>	<b>-0.843(.373)*</b>
scotland	<b>0.616(.285)*</b>	-0.043(.285)	<b>-1.548(.312)**</b>	<b>-0.721(.29)*</b>
AGE		-0.003(.004)		0.0003(.004)
EDUC		<b>-0.102(.037)**</b>		-0.068(.038)
INCOME_HH		<b>-0.115(.042)**</b>		<b>0.16(.041)**</b>
union_mem		<b>0.318(.118)***</b>		<b>-0.448(.12)**</b>
econ_imp		<b>-0.322(.084)**</b>		<b>0.803(.072)**</b>
catholic		<b>0.559(.185)**</b>		-0.109(.18)
protestant		0.053(.124)		<b>0.524(.12)**</b>
id_labor		<b>-0.051(.004)**</b>		<b>0.046(.004)**</b>
id_cons		<b>0.039(.003)**</b>		<b>-0.051(.002)**</b>
id_lib		-0.009(.006)		<b>0.015(.006)*</b>
_cons	<b>5.837(.266)**</b>	<b>7.888(.453)**</b>	<b>4.468(.291)**</b>	<b>1.621(.436)**</b>
N	2773	1799	2756	1796
R <sup>2</sup>	.0081	.3383	.0253	.4786

a. The coefficient of union membership is barely significant in ordered logit regression. The  $p$  value in ordered logit was .06.

**Table 10. Regression Analysis 2 : the United Kingdom**

	<i>Vote for Labor</i>	<i>Vote for Labor</i>	<i>Vote for Conservative</i>	<i>Vote for Conservative</i>
england_1	0.017(.05)	-0.005(.056)	0.004(.046)	-0.014(.046)
wales	<b>0.195(.066)**</b>	0.125(.074)	<b>-0.171(.056)**</b>	<b>-0.129(.057)*</b>
scotland	0.069(.052)	-0.02(.059)	<b>-0.178(.047)**</b>	<b>-0.115(.048)*</b>
AGE		<b>-0.002(.0008)**</b>		0.001(.0006) <sup>b</sup>
EDUC		<b>-0.032(.008)**</b>		-0.006(.007)
INCOME_HH		<b>-0.039(.009)**</b>		<b>0.035(.007)**</b>
union_mem		<b>0.053(.026)<sup>a*</sup></b>		<b>-0.05(.02)<sup>a*</sup></b>
econ_imp		<b>-0.068(.015)**</b>		<b>0.106(.011)**</b>
catholic		<b>0.128(.036)**</b>		-0.012(.027)
protestant		-0.022(.026)		<b>0.093(.021)**</b>
id_labor		<b>-0.006(.0007)**</b>		<b>0.007(.0006)**</b>
id_cons		<b>0.006(.0005)**</b>		<b>-0.005(.0003)**</b>
id_lib		-9.4E-05(.001)		<b>0.002(.0009)**</b>
<u>_cons</u>	<b>0.444(.048)**</b>	<b>1.022(.094)**</b>	<b>0.315(.045)**</b>	<b>-0.184(.073)*</b>
N	2364	1551	.2364	1551
R <sup>2</sup>	.0070	.2641	.0346	.3709

a. In probit regression, union membership is not significant.

b. In probit regression, age becomes a significant variable at 95% level.

**Table 11. Regression Analysis 1 : the United States**

	<i>Liking of the Democratic Party</i>	<i>Liking of the Democratic Party</i>	<i>Liking of the Republican Party</i>	<i>Liking of the Republican Party</i>
NE	0.334(.204)	0.16(.202)	-0.29(.186)	-0.167(.184)
WE	0.19(.19)	0.147(.183)	-0.293(.178)	-0.083(.17)
SO	<b>0.38(.172)*</b>	0.16(.162)	0.018(.152)	0.091(.149)
AGE		0.005(.004)		0.001(.004)
EDUCATION		<b>-0.24(.05)**</b>		0.012(.045)
UNION1		<b>0.663(.183)**</b>		<b>-0.605(.194)**</b>
HH_INCOME		<b>-0.338(.058)**</b>		<b>0.263(.054)**</b>
religious		-0.011(.035)		<b>0.115(.033)**</b>
URBAN		0.114(.088)		-0.135(.079)
ideology		<b>-0.39(.04)**</b>		<b>0.423(.037)**</b>
econ_imp		<b>0.41(.085)**</b>		-0.092(.077)
white		0.022(.767)		0.245(.7)
black		<b>1.929(.808)*</b>		-1.357(.734)
asian		0.524(.883)		0.843(.85)
_cons	<b>5.55(.125)**</b>	<b>8.293(.922)**</b>	<b>5.29(.109)**</b>	<b>2.098(.857)*</b>
N	1514	1278	1512	1278
R <sup>2</sup>	.0036	.2414	.0037	.2355

**Table 12. Regression Analysis 2 : the United States**

	<i>Vote for the Democrats</i>	<i>Vote for the Democrats</i>	<i>Vote for the Republicans</i>	<i>Vote for the Republicans</i>
NE	<b>0.127(.04)**</b>	<b>0.104(.042)*</b>	<b>-0.091(.036)*</b>	<b>-0.095(.035)**</b>
WE	0.05(.036)	0.032(.037)	-0.035(.035)	-0.022(.032)
SO	0.022(.03)	0.001(.032)	<b>-0.062(.03)*</b>	-0.05(.028)
AGE	<b>0.353(.023)**</b>	<b>0.003(.001)**</b>	<b>0.327(.023)**</b>	<b>0.003(.0007)**</b>
EDUCATION		0.009(.01)		<b>0.054(.008)**</b>
UNION1		<b>0.128(.042)**</b>		<b>-0.10127(.031)**</b>
HH_INCOME		-0.004(.011)		<b>0.056(.009)**</b>
religious		0.01(.007)		<b>0.031(.006)**</b>
URBAN		0.017(.017)		0.012(.014)
ideology		<b>-0.068(.006)**</b>		<b>0.077(.006)**</b>
econ_imp		<b>0.09(.014)**</b>		<b>-0.034(.012)**</b>
white		0.037(.103)		0.171(.103)
black		<b>0.317(.114)**</b>		-0.096(.104)
asian		0.044(.144)		0.23(.14)
_cons		0.105(.132)		<b>-0.953(.141)**</b>
N	1534	1283	1534	1283
R <sup>2</sup>	.0073	.1543	.0049	.2955

### **Chapter 3. Regionalism in Korea: How Powerful is it and Why Does it Exist?**

#### **1. Introduction**

In the previous chapter, I examined electoral regionalism in several countries using the Comparative Studies of Electoral Systems survey. The regression analyses prove mixed signals. One distinctive and consistent factor that appears to make the region act as a significant variable is the ethnic and cultural cleavage. Regional variables still have statistical power that explains the voting behaviour marking where the cultural and ethnic differences exist. For example, Catalonia and Basque, Spain significantly demonstrate the importance of regional variables in voting behaviour. The province of Quebec, Canada demonstrates a strong variable that determines its residences' voting behaviour, and in the regression, its statistical power does not diminish when all other important voting determinants are considered as a whole.

However, not all the statistical evidence in regions with cultural and ethnic uniqueness demonstrates regional voting behaviour. For example, Andalusia, Galicia and many provinces in Spain have a unique cultural and political history. Scotland and Wales support the Labour Party, which is only confirmed in the regression with regional variables and was not sustained after other variables were controlled.<sup>22</sup>

On the other hand, some countries demonstrate regional voting behaviour without distinctive cultural and ethnic cleavages. The Northeast of the United States maintained its statistical power even after all other factors were controlled. It is hard to say that the region has its idiosyncratic culture or ethnic group that distinguishes it from the rest of

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<sup>22</sup> The dislike of the Conservative Party, however, still maintains its statistical power in the full regression.

the country. Instead, the south of the United States loses its statistical power when the African American variable is added to the regression. In this case, when a particular ethnic group is concentrated on in an area it forms regional voting behaviour.

One of the most interesting cases that I will introduce in this chapter is Korea. Korea is the country that has preserved its history, language, and culture for over 2000 years.<sup>23</sup> Apparently, no serious cultural and ethnic cleavage exists in the Korean peninsula and among the Korean people. However, the country is forced to experience serious regional clash during every election. For example, the New Millennium Party could not gain any seats from the south-eastern region of Korea, while the Grand National Party was unable to from the south-western region of the country in the 2000 parliamentary election. Since the 1987 presidential election, these two regions have always been at odds during every election. What could possibly lead this country's regional voting behaviour without having any ethnic or cultural cleavage present?

In this chapter, I summarise the political history of Korean parties to help readers understand Korean politics and what Korean scholars specialising in regionalism have argued about. The following section briefly reviews the last 30 years of Korean politics including the history of the political parties, the relationship between the party leaders and their regions, and the recent change of Korean electorates' concerns coming election time. The third section will introduce the current arguments scholars have about Korean regionalism. At the beginning of this section, I explain why existing regionalism theories around the world would not represent a Korean case. Acknowledging these shortcomings

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<sup>23</sup> There were times that Korea had been divided into several small countries and fought for land. However, the times that the country had been united is significant enough to fade any conflict or cleavages among regions. For instance, Korea ruled about 600 years under one dynasty until it was replaced by Yi Dynasty for another 500 years of ruling. Therefore, Korea can be said to have experienced more than 100 years of unity.



are several different perspectives of Korean scholars that will be presented to observe this phenomenon, pointing out the strengths and weaknesses of each theory. The conclusion will then summarise all the previous sections and explain what will be required in further studies.

## **2. History of the Regional Parties in Korea**

Figure 1 is the map of Korea where each province has a clearly indicated capital city and metropolitan city. Korea is broadly divided into six regions: 1) Seoul and Kyonggi are classified as the Seoul metropolitan region, which is the largest and the most populated area in Korea; 2) Kangwon is north-eastern part of Korea; 3) The middle part of Korea is an area that is economically developing called Choongchung; 4) the southern part of Korea is the region that has the most severe regionalism on the Korean peninsula; 5) the south-eastern area is called Youngnam, which combines Kyongsang Nam-do and Kyongsang Buk-do. This region is known for the four presidents that originate from here and ruled Korea for approximately 35 years; 6) the south-western region is Honam and Jeolla, including Nam-do and Jeolla Buk-do. This area has been a strong supporter of Kim Daejoong who are always at odds with the south-eastern area.

Tables 1 and 2 exhibit the vote shares of each party, which demonstrate the presidential election and the parliamentary election results, respectively.<sup>24</sup> Vote shares from a party's political bastion are highlighted for the purpose of comparison with national vote shares. As the tables demonstrate, the discrepancy between the vote and

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<sup>24</sup> Please see Figure 2 for the history of Korean political party's transition.

seat shares of the parties' own regions and the rest of the country is quite distinctive. It is now impossible to forecast election results in Korea without considering the regions.

The metropolitan of the Seoul region has always been divided or slightly favoured by Kim Daejoong's party. During the military regime, this region has traditionally been inclined towards the opposition party. The electorates of the metropolitan of Seoul region are considered to be more liberal than other areas. Since the democratisation movement in 1987, the electorates of this area have changed to some extent. For example, the votes were divided according to the socioeconomic standard, where the districts with higher incomes and education started to vote more conservatively, while those with a lower income and education remained liberal.

Kangwon was traditionally conservative, however, voters of this region have had the tendency to vote for the government that was currently in power. One exception was during the 1992 presidential election when Chung Jooyoung, the president of Hyundai Corp., ran for office. Chung provoked the voters of Kangwon by asserting that they were being ignored and treated unfairly by the central government; he promised to provide sufficient benefits if he was elected president. He obtained 34% of Kangwon votes, which was a significant portion of his total votes in the election. Nevertheless, Kangwon voters were very supportive of the government.<sup>25</sup>

The current Grand National Party and its presidential candidates have traditionally been greatly influential in the Youngnam region. The percentage of votes in this region is much higher than the percentage the party obtained nationally. For example, in the 16<sup>th</sup>

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<sup>25</sup> This could be seen the vote swing in Kangwon in 2000 parliamentary election. They were strong supporters of the GNP until then. However, in 2000, Kangwon voters defected to the NMD. This could be explained by the fact that the GNP and the president Kim Daejoong had tried hard to attract Kangwon voters. However, it is also by the tendency of supporting the government in power.

presidential election, Lee Hoichang, the Grand National Party's presidential candidate obtained 47% of the national votes. However, he gained more than 60% of the votes in the Youngnam region. The parliamentary election also demonstrates the same phenomenon. Overall, the Grand National Party gained 39% in the 16<sup>th</sup> election, and in the Youngnam area the percentage was as high as 63%.

Honam, the south-western area, is the region that has been dominated by the New Millennium Democratic Party or its predecessor. The party is led by the former president Kim Daejoong, the preferred political leader of Honam. In the 16<sup>th</sup> presidential election, Roh Moohyun, the New Millennium Democratic Party's presidential candidate, obtained 49% of total votes. In contrast, its vote share in the Honam area was over 90%. The magnitude of region's favouritism for the party in parliamentary elections is not as strong as in presidential elections, yet, it is significantly high.

Choongchung, the Midwestern region, is where Kim Jongpil and his party the United Liberal Democrats, have been politically influential.<sup>26</sup> Its regional power was in its peak in the 15<sup>th</sup> parliamentary election. The region gave the party more than 50% of the vote share, while the party obtained only 16% of the votes nationwide.

Regionalism or strong favouritism of a hometown party and a candidate is prevalent in any election around the world, however, the degree of favouritism of a particular party in a particular region in Korea is quite unique and unusual. As the tables exhibit, Korean voters have shown regional differences in choosing a party or a candidate

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<sup>26</sup> Kim Jongpil and his ULD have lost dominant power since 2000 parliamentary election. This is partly because of the party's swinging in terms of its coalition with the New Millennium Democratic party, and losing the opportunity to represent them as the region's patron. In addition, the NMD and Kim Daejoong with whom the ULD had established the coalition in 1997 started to be recognized the new patron to the electorates in the Choongchung region. The Choongchung voters, who had been relatively swing voters to Honam or Youngnam voters, easily defected from the ULD to the Grand National Party or the New Millennium Democratic party in the 2000 parliamentary election.

to vote for since the 1987 presidential election.<sup>27</sup> The most distinctive regional voting occurs between Youngnam and Honam regions. There are many discussions surrounding the topic of when the regional voting began and intensified. Scholars who study regional voting behaviour of Korean electorates argue their different perspectives, however, generally agree that it has significantly intensified since the presidential election in 1987.

A number of Korean scholars assert that the first time regional voting behaviour surfaced was during the presidential election in 1963. Yoon Posun, the previous president who was overthrown by the coup led by Park Junghee, argued that the people of Honam area were treated unfairly, and told them to protest against the discrimination. The propaganda, however, was not successful enough for him to win the election, nor did it last long enough to effect elections over the next ten years.

The second time the regional voting division appeared was during another presidential election in 1971. Kim Daejoong, Honam's favourite son, challenged president Park Junghee, originally from the Youngnam region. Kim was not only favoured by Honam voters, but also by those who longed for the country's democratisation. Park's camp, being threatened by the popularity of Kim and fearing the loss of the election, was believed to have spread flyers provoking Youngnam electorates.<sup>28</sup> The result of the election was regionally different to some degree, although not dramatically. The urban-rural difference was still significantly more distinctive than the Honam-Youngnam difference (see Table 3).

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<sup>27</sup> The first regional voting is said to have appeared in 1963 presidential election when Park, Jeonghee and Yoon. Posun competed. Also, there was regional differences in 1971 presidential election. Kim, Daejung who is a favorite son of Honam obtained more proportion of votes than nationwide in Honam region. However, the magnitude was incomparably small. Therefore, many scholars who studies regionalism in Korea notes the strong and not-go-away regionalism after 1987.

<sup>28</sup> The flyer was spread in Youngnam area. It said "Honam people, be united and stand up." Many believe that this flyer provoked Youngnam electorates who had been neutral or had good impression about Kim Daejoong to desert him.

Any other further distinctive regional discrepancies were not observed in following elections until the 1987 presidential elections.<sup>29</sup> In 1987, President Chun Duhwan declared that he would continue the representative electoral system for the upcoming presidential election. The plan was intended to maintain his political connection by providing his friend, Roh Taewoo, a candidate for the Democratic Justice Party, an easy path to presidency. Furious with the declaration, Korean people demanded to change the electoral system to a direct one and to accept democratisation.

The democratisation movement was so intense that Roh had to accept the Korean people's demand for the direct electoral system. This was the first step to end the long time military authoritarian government rule and the democratisation. Thus, the 13<sup>th</sup> presidential election was conducted by the direct electoral system.

As a result of this election, regional voting became noticeable. The end results of the 1987 presidential election surprised the Korean people and proved how much Korean voters were regionally divided (see Table 1).

All military rulers including Roh, the DJP candidate, were from the Kyoungbuk province, the northern part of the Youngnam region. For that reason, the region had been supportive of the government and voted for Roh in that election. His vote share in this region was almost 70%, which was much higher than his 37% national vote share.

On the other hand, the province of Kyoungnam, located in the southern part of the Youngnam region, had a different idea in mind. Instead of Roh who had a military background, residents of the Kyoungnam region heavily voted for Kim Youngsam whose origin was Pusan, which is the largest city of the Kyoungnam area. The vote share he

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<sup>29</sup> The reason could be Park's *Yushin* and Chun's coup. Both periods have resulted in un-democratic election processes and fraud elections.

obtained from this area was over 50%, which was higher than the 28% percent he received from across the nation.

The Honam region also showed a unanimous vote for their favourite son, Kim Daejoong. Since he did not have to divide the votes in Honam area, as Rho and Kim did in Youngnam, the percentage of votes he received from Honam was phenomenal. Kim Daejoong received more than 90% in the Honam area including Kwangju, while his national vote share was 27%.

The people of the province of Choongchung, which was where Kim Jongpil originated, voted for him, although to a lesser degree. Kim Jongpil incited Choongchung voters to vote for him by emphasising the fact that Choongchung had been ignored from national politics and the economic development plan. Stressing that he was the person that could develop the region of Choongchung, his birthplace, Kim Jongpil received most of his votes from this area. His vote share in Choongchung was almost 50%, although he finished as the fourth runner up, receiving only 8% of the national vote shares.

The “hometown boy” effect by presidential candidates has not yet ceased to exist in presidential elections. Since the Korean political parties have a strong hierarchy within a party, a party is often identified with a party leader. For instance, the New Millennium Democratic Party and its predecessors have been regarded as Kim Daejoong’s party for a while. Therefore, many voters have decided on their votes beforehand based on the party leader even in parliamentary elections.

During the 1998 parliamentary elections, regionally divided party voting shares became noticeable. For instance, the DJP and the Reunification Democratic Party (RDP),

both of whose political bastions were in the Youngnam region, combined around 80% of the votes in the region. The Peace Democratic Party (PDP) obtained around 75% in the Honam region.

Aware that they were unable win the majority if the division of votes in the Youngnam region the DJP and the RDP decided to merge the parties in 1990. The merge also included Choongchung's leading party, the New Democratic Republican Party. Not only did the merge give birth to a new mega ruling party, it also practically managed to isolate the Honam electorates from the rest of the country.

The merge certainly placed the new mega party in a different position; until then, the DJP had been the anti-democratic and authoritarian regime's servant. Now, by adding the RDP which had once been on the democratic side, the party could forget about of serving the government during the authoritarian military regime. It was not a bad coalition, for both the parties and its leaders. The NDRP also benefited from the merge by becoming the casting vote faction within the mega party.

The merge, however, outraged the Honam electorates and those who were strongly involved in the democratic movement. Kim Youngsam and his party were severely condemned for having betrayed the democratic side simply for the purpose of being elected as president in the following election. Honam voters felt not only that they were being segregated but also that they were being discriminated against. They began to vote solely for the PDP believing that the PDP was the only party that stood for them and that they could identify with.

Without a division of the Youngnam votes between the DJP and the RDP, a new mega party of the Democratic Liberal Party (DLP) started to dominate Youngnam.<sup>30</sup> Furthermore, the Choongchung region was also in its favour by having the NDR and Kim Jongpil on their side.<sup>31</sup> The alliance did not last long with the separation of Kim Jongpil's faction, however, it lead Kim Youngsam to presidency in 1992 (see Table 3 which displays the history of the Korean parties' coalition and split).

The next section introduces theories from Korean scholars who study regionalism in Korea. Theories of Korean regionalism can be classified into four large categories. The first is the perspective that emphasises political history; the second perspective applies Hechter's 'internal colonialism' to a Korean case; the third claims that some scholars assert that the democratisation in 1987 changed the political landscape and resulted in regional voting by removing the voting cue, and finally, the rational choice theory is employed to explain regionalism in Korea.

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<sup>30</sup> In the 1992 Parliamentary election, the DLP did not win seats as many as they wanted. This is because of the criticism on the merge in 1990, which was not negligible. Those who belonged to RDP and opposed to the merge stayed by forming a new party called "Democratic Party." They obtained xxx seats nationwide, but not more than xxx in Youngnam area.

<sup>31</sup> Later, the faction of the NDR split from the coalition to establish a new regionally based party, the Unified Liberal Democrats (ULD), and appealed Choongchung electorates how their faction and region were discriminated and unfairly treated within the alliance, and went back to appeal to regional emotions.



### **3. Theories of Korean Regionalism**

Scholars and political pundits have discussed how regional voting behaviour of Korean electorates originated and has remained. Perspectives of regionalism in Korea can be broadly classified into four schools.

The historical view emphasises the political history of regionalism that Korea experienced over the last 40 years. Occasionally, a historical perception of regionalism can date back to almost 1,000 years. Some historians assert that Wang Kun who established the Korean dynasty declared not to post those who were from the Honam region, and this was the first discriminative policy that was placed against the Honam people (Nam, 1992). The argument asserts that discrimination against Honam has been a lengthy tradition and that this historical tradition formed a prejudice against the Honam people.

Nevertheless, the accusation that the discriminative policy against the Honam people does not have to date that far back; the military governments have filled the important government positions with people of Youngnam origin. Those who originated from Honam were believed to have difficulty advancing their careers in the government.

Even in civil life, Honam people have been treated unfairly not only by Youngam people but also by Koreans from the rest of the country. According to Lee's investigation of liking and disliking of a person from a particular region demonstrates that many Koreans have a discriminatory attitude against a person from the Honam area (Lee,

1998). Choi criticises this inhumane phenomenon as cleavage between Honam and non-Honam.<sup>32</sup>

Others emphasise the historical aspect of Korean politics to explain regionalism, and assert that it is caused by a short democratic history, and due to its immature political culture (Choi and Lee, 1980). They point out the fact that Korea has a short representative political history. Firstly, the democracy of Korea was not achieved by the people's demand, it was rather the result of the end of the colonial ruling by Japan in 1945. Korean people also had to go through the civil war and military authoritarian regimes, which delayed and suppressed the development of democracy. Although there were a number of democratic movements led by students, most Koreans were inactive and disinterested in the movement. This was partly because poverty overwhelmed Korean people and they were preoccupied with surviving daily life. Furthermore, military ruler Park Junghee succeeded in developing the Korean economy, which was much appreciated by the people. This undermined the need for the democratisation of the country.

In addition, the political parties lacked a systematic ideological stance. Ruling parties were involved with the authoritarian president which was sustaining the government and maintaining power. Opposition parties were very much interested in democratisation and replacing the authoritarian government. Policymaking was not much interest for both sides and they were rather a faction with a hierarchical relationship and a strong party leader.

Without the provision of the parties' policy agendas, voters were unable to establish a democratic mind frame. It was therefore impossible for them to have a

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<sup>32</sup> Choi, Jangjib. *Hankook Minjujuuiui Jokunkwa Junmang*. Seoul, Nanam. 1996.

consistent party membership based on political thinking. In addition, traditional communalism strongly influenced every aspect of life, which yielded voting behaviour determined by kinship and primary groups. Hence, Korean regionalism is the sense of membership and the affiliation with a primary group (Kim, 1996).

On the other hand, Hwang employs Michael Hechter's "internal colonialism" framework to explain the Korean phenomenon. According to Hwang, the military regime systematically discriminated against the Honam people by excluding them from political elitist circles. The regime also deprived the region's resources in order to support economic development from the Seoul metropolitan area and the Youngnam region.<sup>33</sup> The discriminatory policies created a "cultural division of labour" between Honam and Youngnam elites, and consequently resulted in the regionalism of Korea (Hwang, 1997).

As a matter of fact, the Honam region is one of the most economically underdeveloped areas in Korea. Nevertheless, the important discrepancy of the Korean case from Hechter's "internal colonialism" is that Youngnam is not the centre and Honam was not the only periphery that did not benefit during the economic development in Korea. The centre of the Korean peninsula is the Seoul metropolitan region, not Youngnam. It is often criticised that the government has been concentrating on too many resources in the Seoul metropolitan area. It is true that the Youngnam province is more developed than other provinces in the Korean peninsula, however, the region is still considered inferior to the Seoul metropolitan area in many respects. For this reason, Hwang's assertion that the Youngnam government deprived the Honam region and this is why the regional voting behaviour of Korean electorates is not well supported.

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<sup>33</sup> Lee argues that the most benefited region is Seoul metropolitan region. Even the level of economic development in Youngnam region, which is the second, is far behind that of Seoul metropolitan area.

A point that must be argued is that Honam is not the only region with slow economic development (Lee, 1998). The rest of the country except for the Seoul metropolitan area and Youngnam experienced slow economic development. Thus, attributing regionalism to an unbalanced economic development plan is not well supported.<sup>34</sup>

Some scholars argue that it is due to the democratisation and mobilisation of political elites. In Korea, the democratisation movement that occurred in 1987 played an important role to deconstruct and rebuild the voting alignment. Interestingly enough, the incident brought about the new political situation in Korea. Until then, Korean people usually decided on their vote based on whether they would support the democratisation party or the authoritarian regime. When democratisation was actually achieved, voters lost the voting issue and the parties were not ready to deliver a policy agenda that fully represented who they were. In addition, the RDP, which had once supported the democratisation movement, joined the DJP in 1990. The merger faded the authoritarian regime's image of the DJP. As a result, the cleavage of the democratic versus the non-democratic party diminished. Having lost an old voting cue, electorates started to find a new one, and replaced it with the region that a party leader originated from.

The last regionalism theory is the rational choice theory. Rational voters choose the party that most benefits them. Regional voting behaviour resulted from the rational voters who calculated the economic benefits. Cho explains Korean regional voting behaviour through the prisoner's dilemma game. Voters acknowledge that regionalism is not the best choice, yet still have to opt for it. This is because both sides lack sufficient

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<sup>34</sup> Lee also argues that the regionalism of Korea is transitory phenomenon and disappears as time goes because it is not based on systematic causes.

information and should play the game with insufficient knowledge and trust. Thus, regional voting behaviour is the sub-optimal choice for voters, and it is for this reason that voters are rational (Cho, 2000).

The evidence for the rational choice theory is that some scholars find economic and retrospective voting behaviour among Korean voters. Although there is no argument that regionalism is one of the most crucial variables that explains and forecasts the election results in Korea, comparing its magnitude with other voting decision factors has been consistently tested. Many scholars have found only limited proof in retrospective voting behaviour for Korean electorates (Kim, 1993; Park, 1993; Lee, 1998). Kim finds a limited amount of proof explaining economic voting behaviour for Korean electorates. He argues that in the 14<sup>th</sup> presidential election, voters who emphasise the government's proper management of the inflation rate tended to vote for an incumbent party (Kim, 1993). Park does not find definite evidence for retrospective voting behaviour for the electorates in the 14<sup>th</sup> presidential election. However, studies based on recent election survey data provide a better estimation of retrospective voting (Lee, 1998). Kollman, Lee and Park proved the economic voting behaviour of Korean electorates in their paper, not by using survey data but with the aggregate data they collected (Kollman, Lee and Park, 2003).

#### **4. Conclusion**

In this chapter, I briefly introduced the political history of Korean parties and regionalism. Regionalism that has developed in Korea is well studied by Korean scholars. However, the reason is unclear as to why regional voting behaviour continually exists long after political leaders such as Kim Youngsam and Kim Daejoong have retired.

In the next two chapters, I explore Korean regionalism with the rational choice perspective. From past distributive political experience, voters have learned which party benefits them most. Regional voting in Korea, therefore, resulted from well-calculated distributive politics by political elites.

Before I explore the relationship between distributive politics and Korean regionalism, I first prove whether or not there exists a true regional effect in Korea. The next chapter statistically tests the regional effect. The outcome will demonstrate to what degree a region and a socio-economic factor explain a Korean voter's voting choice. Following this, I explore the relationship between regional voting behaviour and distributive politics in Korea to support my theory.

Figure 1. The Map of Korea

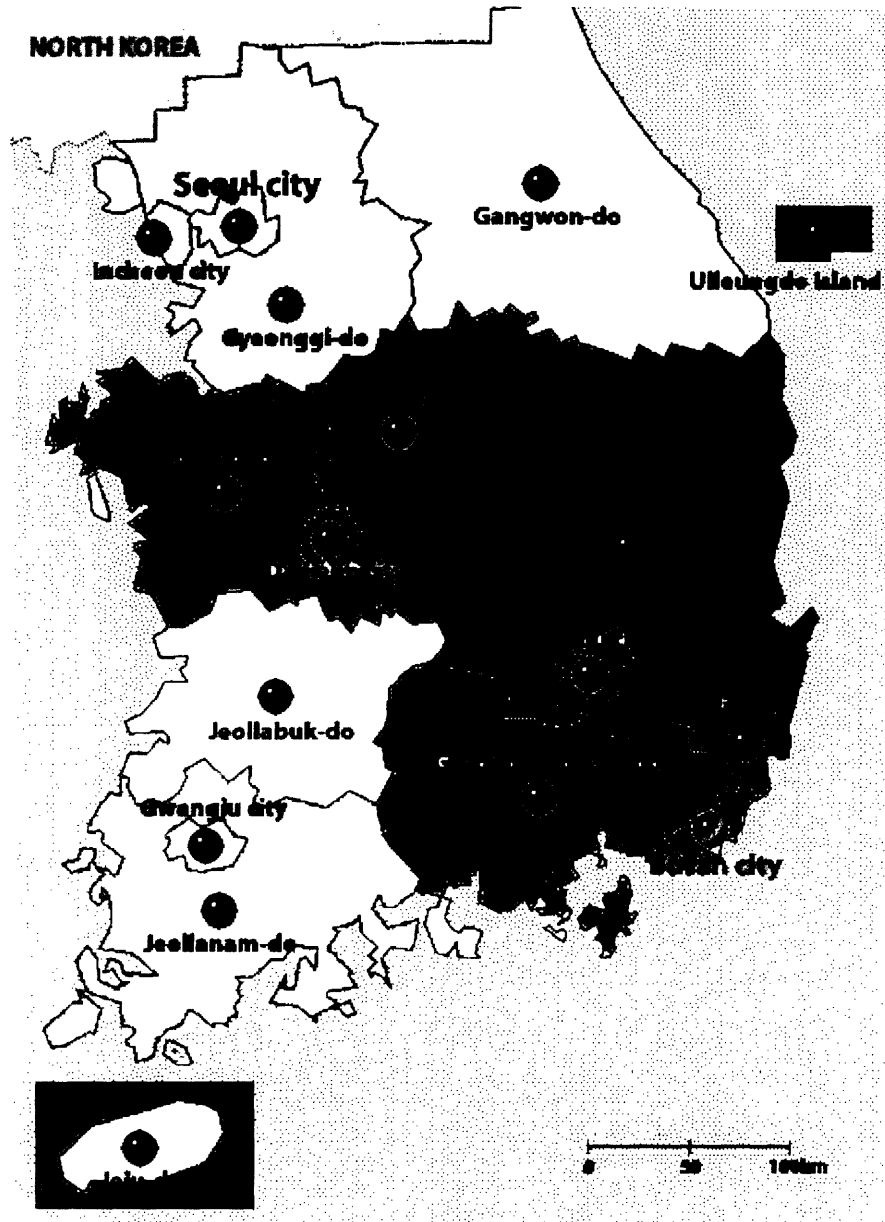
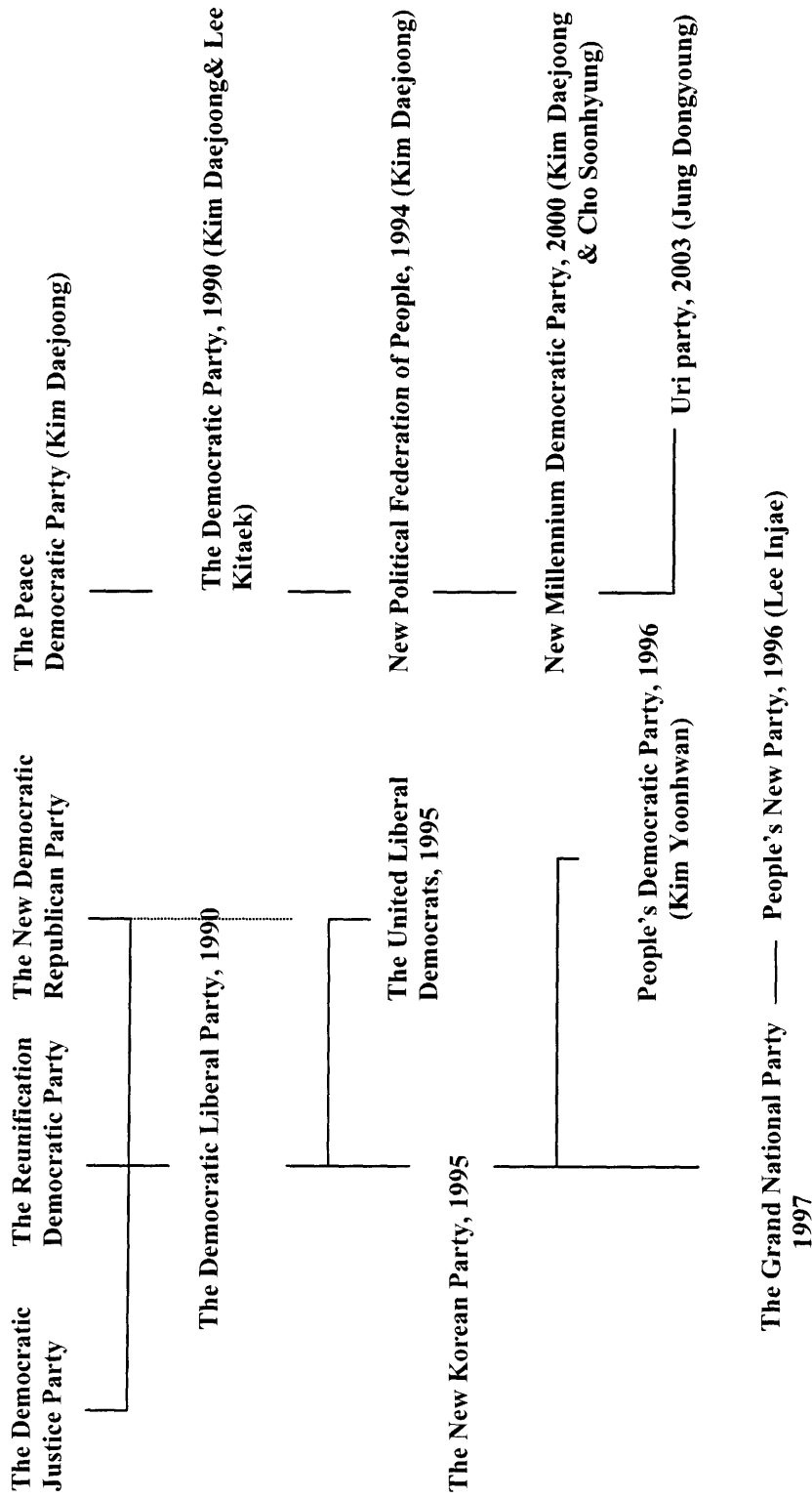


Figure 2. Creation and Demise Critical Korean Parties since 1987





**Table 1. Presidential Election Results (13<sup>th</sup>, 14<sup>th</sup>, 15<sup>th</sup> and 16<sup>th</sup>)**

Region	DJP-DLP-NKP-GNP			PDP-PPC-NMD			RDP	NDR	UPP	PNP	DLP		
	13th	14th	15th	16th	13th	14th						15th	16th
<b>Total</b>	37	42	39	47	27	34	40	49	28	8	16	19	12
<b>Seoul</b>	30	36	41	45	33	38	45	51	29	8	18	13	4
<b>Pusan</b>	<b>32</b>	<b>73</b>	<b>53</b>	<b>67</b>	9	13	15	30	<b>56</b>	3	6	30	15
<b>Taegu</b>	<b>71</b>	<b>60</b>	<b>73</b>	<b>78</b>	3	8	13	19	24	2	19	13	9
<b>Incheon</b>	39	37	36	45	21	32	39	50	30	9	21	23	8
<b>Kwangju</b>	5	2	2	4	<b>94</b>	<b>96</b>	<b>97</b>	<b>95</b>	1	0	1	1	9
<b>Taejon</b>	-	35	29	40	-	29	45	55	-	-	23	24	24
<b>Ulsan</b>	-	-	51	53	-	-	15	35	-	-	-	27	-
<b>Kyonggi</b>	41	36	36	44	22	32	39	51	28	9	23	24	8
<b>Kangwon</b>	59	42	43	52	9	16	24	42	26	5	<b>34</b>	31	14
<b>Choongbuk</b>	47	38	31	43	11	26	37	50	28	14	24	29	7
<b>Choongnam</b>	26	37	24	41	12	29	48	52	16	<b>45</b>	25	26	17
<b>Jeonbuk</b>	14	6	5	6	<b>83</b>	<b>89</b>	<b>92</b>	<b>92</b>	2	1	3	2	7
<b>Jeonnam</b>	8	4	3	5	<b>90</b>	<b>92</b>	<b>95</b>	<b>93</b>	1	0	2	1	7
<b>Kyongbuk</b>	<b>66</b>	<b>65</b>	<b>62</b>	<b>73</b>	2	10	14	22	28	3	16	22	24
<b>Kyongnam</b>	<b>41</b>	<b>72</b>	<b>55</b>	<b>68</b>	5	9	11	27	<b>51</b>	3	12	31	22
<b>Cheju</b>	50	40	37	40	19	33	41	56	27	5	16	20	46

Note: 1)As seen in the 13<sup>th</sup> presidential election result, the DJP's candidate Roh Taewoo and the RDP's candidate Kim Youngsam were splitting votes in Youngnam area. Kyongbuk and Taegu strongly support for Roh, while Kyongnam and Pusan does for Kim.  
 2)The Unified People's Party led by Jung Jooyoung won highest vote share in Kangwon in the 14<sup>th</sup> presidential election 1992.  
 3)The People's New Party (PNP) is founded by Lee Injae who lost the primary election of the GNP to Lee Hoichang. He did not give in the primary result and defected the party. As a presidential candidate of his newly established PNP, Lee Injae virtually took the share of Kyongnam and Pusan votes for Lee Hoichang, which might have been the primary reason for Lee to lose the presidency to Kim Daejoong in 1997.

**Table 2. Parliamentary Election Results (13<sup>th</sup>, 14<sup>th</sup>, 15<sup>th</sup> and 16<sup>th</sup> elections)**

Region	DJP-DLP-NKP-GNP			PDP-PPC-NMD			RDP-DP		NDR-UJD			UPP		Independent				
	13th	14th	15th	16th	13th	14th	15th	16th	13th	14th	13th	15th	16th	14th	13th	14th	15th	16th
<b>Total</b>	34	38	35	39	19	29	25	36	24	11	16	16	10	17	5	12	12	9
Seoul	26	35	36	43	27	37	35	45	23	14	16	11	5	19	4	4	3	2
Pusan	32	52	56	60	2	19	6	15	54	19	7	6	2	10	2	15	12	7
Taegu	48	47	24	63	1	12	1	11	28	4	13	36	10	29	3	9	30	9
Incheon	38	34	38	42	14	31	29	41	28	11	16	14	12	20	1	8	6	3
Kwangju	10	9	7	3	89	76	86	70	0	2	1	1	0	4	1	9	3	26
Taejon	-	28	21	23	-	25	11	28	-	13	-	50	34	21	-	24	4	10
Ulsan	-	-	-	42	-	-	-	10	-	-	-	-	3	-	-	-	-	24
Kyonggi	36	37	33	39	16	32	27	41	23	14	18	19	12	20	4	8	7	5
Kangwon	44	39	37	39	4	12	7	36	22	15	20	24	10	32	9	14	18	8
Choongb	44	45	32	31	1	24	9	31	16	9	33	39	29	22	5	7	11	7
Choongn	30	43	29	17	4	20	6	30	15	8	46	51	39	16	3	17	6	5
Jeonbuk	29	32	23	4	61	55	64	65	1	6	2	1	3	5	4	7	6	27
Jeonnam	23	25	18	4	68	62	71	66	1	1	1	1	2	5	4	7	9	27
Kyongbu	51	49	35	52	1	7	2	15	25	7	16	21	14	18	7	24	33	8
Kyongna	40	46	47	54	1	9	4	12	37	15	10	5	3	20	9	22	29	22
Cheju	36	34	37	44	6	20	29	49	27	2	3	1	1	0	28	46	30	5

Note: 1) Taejon and Ulsan were added as new districts in 1992 and 1997 respectively.

2) The UPP is a party that Jung Jooyoung, the owner of Hyundai Corp. founded for his running for the presidential election. The party obtained considerably large votes as third party by targeting Kangwon area speaking for the regional interests which had been ignored for a long time.

3) Although RDP obtained the second most vote shares nationwide (24%), their real seat share in Congress was behind the PDP. Disturbed by the result, the RDP leader Kim Youngsam decided to join and merge with the DJP and NDR, and created a mega-party coalition, the DLP.

## **Chapter 4. Korean Regionalism – Artifacts or Truth?**

### **1. Introduction**

What is a crucial determinant for a voter to decide which party he votes for? Studies on voting behavior have shown that a voter's decision can be non-ideological more often than not. The voting decision of an electorate can be formed through his primary social contacts with family, friends and colleagues in the work place. (Berelson, Lazarsfeld & McPhee, 1966) Once the party identification is formed, it hardly changes and gets stronger as he/she ages. The seminal work, "*The American Voter*" by Campbell, Converse, Miller, Stoke also stresses the durability of party identification. (Campbell, Converse, Miller and Stoke, 1960)

Those who study the European elections and party system emphasize the cleavages of ethnic, religion and class factors. Contrary to the broad belief of class-based membership parties in European countries, many recent studies show deeply rooted ethnic and cultural difference as voting cues. For instance, Lijphart tests to what degree class, religion and language influence constituencies in Canada, Switzerland, South Africa and Belgium. He shows that religion becomes the most powerful predictor of voting behavior in multi-ethnic and multi-lingual societies such as Canada, Switzerland, South Africa and Belgium. (Lijphart, 1979)

Ethnicity becomes a stronger voting determinant when observing countries that have experienced ethnic conflict in the past. The study on South African voters in the 1970 election articulates that ethnicity is a key determinant in voting decisions. (Teele & Morse, 1974)

Scholars such as V.O. Key, Jr. and Fiorina, on the other hand, stress the retrospective voting behavior of an electorate in presidential elections. They assert that the voting decision in presidential elections is significantly based on the performance of a government, particularly the economy. (V.O. Key, Jr., 1966; Fiorina, 1981) Lewis-Beck's study on various western European countries also supports the retrospective voting theory. He and his colleagues show that voters in these countries also take into account economic performance of a government when they vote. In spite of conventional beliefs about the role of ethnic and cultural cleavages, the national economy remains as a significant factor in a voter's decision. (Lewis-Beck, 1986; Lancaster & Lewis-Beck, 1986)

Among non-ideological voting behaviors, regional voting behavior has not received much attention. The reason is that most regional voting behaviors were closely related to ethnic, linguistic or religious differences, as seen in many European countries. In this respect, regional voting in Korea is bizarre. The country is one of the most homogeneous nations, of which the population uses the same language and shares the same culture and history for more than 2000 years.

Yet, regional concentration of voting is severe in Korea. In order to look at the one party dominance level in regions of Korea, I calculated Herfindahl concentration index. Herfindahl voting index is the measurement for the concentration or fragmentation level that computes the probability of randomly chosen two people share the vote for the same party.<sup>35</sup> The probability is subtracted from 1. Therefore, the lower the score is, the higher the concentration of votes is.

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<sup>35</sup> The calculation is  $1 - \sum \text{vote share of a party}^2$ .

When the voting concentration by region is calculated using Herfindahl index, the vote concentration is much stronger in Korea than in any other country studied previously in Chapter 2. The score of Kwangjoo of Korea is the lowest of .09. The next lowest score is Washington DC of the United States where heavily vote for the Democrats. Even the highest score of Korean region is only .59, which is still low compare to other countries scores.<sup>36</sup> The Herfindahl score demonstrates that vote concentration of Korean region is much stronger than any region in other countries.<sup>37</sup> (See Table 1).

Now, we can raise the question that should be explored. Is the region in which a person lives really a voting determinant for Korean electorates? Or, is it simply a geographical difference caused by economic or ideological differences?

In this chapter, I examine the voting behavior of Korean electorates and investigate the existence of regional effects. The next section briefly summarizes and explains election outcomes. Then, using the “Comparative Studies of Electoral System” survey data collected in 2002, I conduct a quantitative analysis in order to estimate the importance of diverse explanatory variables in Korean electorates’ voting decisions. In the final section, I discuss the implications of regional voting behavior of Korean electorates and the design for a further study on this topic.

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<sup>36</sup> Only the United States shows lower Herfindahl score of .51. This is partly due to the two-party system of American politics.

<sup>37</sup> It could be misleading if we simply interpret the score into regional voting. Countries like Spain has regional parties in each province, which fragments party system unlike the US and Korea. For instance, Catalan voters vote not only for the regional party of CiU, but also national parties. This kind of structure yields higher Herfindahl score than it was expected.

## 2. Data and Methodology

I have used the data from the Comparative Studies of Electoral System (CSES). The study surveyed the total number of 1100 randomly selected Korean electorates, over 20 years of age. The survey inquires about a respondent's socioeconomic status, their political informative level, their opinion about the national economy and incumbent government, their ideological stance of each party and himself, and their specific attitude to political parties and leaders.

Two different dependent variables are employed for this study. The first dependent variable is a respondent's party preference measured a scale from 1 to 10, in ascending order. The second dependent variable is a party for which a respondent voted in the last parliamentary election in 2000.

Although there are four political parties that have at least one seat in the Congress, the Korean party system is more likely to be a two-party system. It is even truer after the 2000 parliamentary election, when the United Liberal Democrats failed to grasp a sufficient number of seats in the Choongchung region where the ULD has a political stronghold. In addition, regional conflict and distrust are most clear between the GNP, which represents Youngnam, and the NMD, which represents Honam.<sup>38</sup> Therefore, I ran two separate regressions concerning party preference; first, the preference for the

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<sup>38</sup> It is true that the ULD is supported in Choongchung region and played an important role as a casting vote in the Congress. However, most Koreans see the seriousness of regionalism be between Youngnam and Honam.

GNP, then for the NMD. With respect to actual voting decision, two regressions are run also; did you vote for the GNP vs. did you vote for the NMD?<sup>39</sup>

Independent variables are classified into three categories. As an indicator of the socioeconomic status of a respondent, age, education level, income level and the type of residency area, namely urban or rural, are included. I suspect that the older the respondent, the more likely they will prefer and vote for the GNP. Also, a higher income group apparently supports GNP.<sup>40</sup> On the other hand, the educated and the urbanites are more likely to favor NMD's candidates than the GNP candidates, hence voting for them.<sup>41</sup>

Self-ideological placement from 1 to 10 is the most important political factor in the spatial line. Those who coded themselves as 1 think of themselves as being most liberal and 10 as being most conservative. The survey demonstrates that Korean electorates do not appropriately distinguish two parties' ideologies. As a matter of fact, it is quite difficult to place Korean parties on an ideological spatial line. Due to a special recent history against communism, it has been almost impossible for liberal parties to exist in Korea. Both dominant parties are conservative, only differing in terms of North Korean policy and tax policies, to a limited extent. Otherwise, platforms of two parties are hardly discernible.

Furthermore, the raw dataset confirms that voters are not sure about the ideological stance of the parties. Their coding of the ideological stance of each party was

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<sup>39</sup> Later, I also test the ULD's case to confirm the regional effect.

<sup>40</sup> Although it is hard to place parties in Korea on ideological scale, the GNP is strongly believed to protect the rich by proposing to reduce property tax and value added tax. The party is very much considered as conservative due to its hostile and strong voice on North Korea and pro-American tendency.

<sup>41</sup> The New Millennium Democratic Party was established by Kim, Daejoong and inherits the democratization movement history. Most of its senior members participated the democratization movement in the 1970s and the 1980s, and considered as being favored by college-educated and white collar workers.

quite often confused and misleading. Therefore, instead of using the respondent's self-measured parties' and his own ideology as an indicator of the level of party support or closeness, I create a new measurement of ideological distance between parties from a voter. This will reflect the difference in closeness for a voter to the GNP and the NMD. The estimated distance is as follows:

$$\text{Ideology difference} = [(\text{ideology of the GNP} - \text{self})^2 - (\text{ideology of the NMD} - \text{self})^2]$$

I suspect that if the ideological difference were positive, a voter would be more likely to support the NMD because it implies that the voter has a farther distance from the GNP than the NMD. On the contrary, a negative ideological difference implies that a voter has a similar political attitude toward the GNP, and is therefore, more likely to support the GNP.

There is also a question regarding whether or not a respondent thinks that the economy has improved. If a respondent thinks that the Korean economy has improved substantially, he/she would be coded as 5. The opposite answer would be coded as 1. I believe that the reason for economic improvement is positively related to the preference or voting for the NMD, which was the incumbent party.<sup>42</sup>

Last but not the least important, the region of a respondent is coded as a dummy variable and is included in the regression analysis. The CSES study originally classified

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<sup>42</sup> Korea has experienced a serious financial crisis in 1997. President Kim Daejoong, who was elected in 1997 started the economy recovery plan and was successful in place Korean economy back in the track. The GNP was criticized for having brought about the IMF control since it was a ruling party then.



Korea into 15 different administrative regions.<sup>43</sup> I use two different regional classifications. The first classification divides the country into only 4 expanded regions of Sudokwon, Youngnam, Honam and Choongchung. Sudokwon comprises nearby Seoul metropolitan area including Incheon and Kyonggi. Honam embraces Jeonnam, Jeonbuk and Kwangju, while Youngnam does Kyongnam, Kyongbuk, Pusan, Taegu and Ulsan. Choongbuk, Choongnam and Taejon make up of Choongchung. Kangwon is dropped in order to avoid a perfect multicollinearity. The second classification uses more detailed regional dummies so as to detect any variation within a big region. Reflecting CSES's all 15 regions, 14 regional dummy variables are used. Again, Kangwon is out so as to avoid perfect multicollinearity. In total, eight regressions are conducted. The regression method that I apply here is simple Ordinary Least Square with Huber-White robust standard error. The final model specification is:

$$\text{Party preference/voting decision} = \beta_{0i} + \beta_{1i} \text{ age} + \beta_{2i} \text{ education} + \beta_{3i} \text{ opinion about economy} + \beta_{4i} \text{ urban residency} + \beta_{5i} \text{ ideology} + \gamma_{ji} \text{ regional dummies} + \varepsilon_i$$

### 3. Regression Result and Discussion

Table 2 and 3 exhibits the regression results. Table 2 contains the regression outcome where a dependent variable is a party preference of a respondent and the actual voting decision of a respondent in the last parliamentary election in 2000.

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<sup>43</sup> The survey did not select any resident of Cheju island. It is regretful to some extent, but the size of the island's population is small enough not to influence on the final result.

First, as shown in the first column of Table 2, the lower the ideological difference estimation, and the higher the voter support for the GNP. It is also very significant. Regionally speaking, voters living in Kwangju, Chungnam, Jeonbuk and Jeonnam strongly dislike the GNP. On the other hand, voters in Kyongbuk significantly favor the GNP.

The second column uses the same dependent variable but different regional independent variables. Instead of 15 regional classifications, it uses 4 regional indicators. The result is basically similar to the first regression with 15 regional indicators. However, in this regression, the Youngnam effect is no longer significant. I suspect that combining metropolitan areas and Kyongnam, where there was no significance in the previous regression, with Kyongbuk into one broad region subsumed the effect. Pusan and Taegu are metropolitan cities in the Youngnam region.

Even though voters in these regions share party loyalty to the GNP and share hatred for the NMD, they did not always vote in the same way as the rest of the Kyongsang area. During the 1970s and the 1980s, Pusan was referred to as “the sacred place of the democratization movement”. Voters in Pusan have started to vote for the DLP, since their favorite son Kim Youngsam joined the DJP to create a new party called the Democratic Liberal Party in 1990. Yet, a small portion of voters, who protested the merge, remained against the GNP which inherits the history of the DJP.

Taegu owns another part of history. This is the city where the majority of military dictators came from, being much closer to and attached to the former DJP. When former president, Kim Youngsam arrested his predecessors, Rho Taewoo and Chun Duhwan, electorates of Taegu and Kyongbuk became furious. They spoke out in the 15<sup>th</sup>

parliamentary election in 1996 by giving a significant share of votes to the Unification of Liberal Democrats protesting against the ruling party of the New Korean Party led by then president, Kim Youngsam. They might vote for the GNP, but they will do so due to their hatred of the NMD, rather than for the strong support of the GNP.

Ulsan is an industrial city filled with several Hyundai manufacturing plants and union members. This is where the Democratic Labor Party gained the highest vote share in the election of 2000. Furthermore, Jung Mongjoon, the owner of Hyundai Heavy Industries co., ran for office as an independent and won the seat in the city. Combined with Jung's independency and the strength of the Democratic Labor Party, the regional effect is not as vivid as the rest of the Youngnam region.

The regression of the NMD preference tells a different story. Unlike the GNP regression, now the improvement of the economy plays an important role. One of the most imminent projects thrown before the Kim Daejoong government was to revive the national economy. Korea experienced a financial crisis in 1997 and was placed under the supervision of the IMF. The economic growth rate plunged to -6.7 percent, which was the first negative growth rate in Korean history since the economic development plan was launched in the 1960s, and the unemployment rate was 7 percent in 1998. The exchange rate was almost three times higher than what it was before the crisis.<sup>44</sup> Fortunately, the country's economy recovered and achieved a growth rate of 10.9 percent in 1999. The exchange rate also stabilized and the loan from the IMF was quickly paid to completely end IMF supervision in 2001. Those who think that Korea's economy overcame the terrible financial crisis and improved, giving credit to the New Millennium Party led by

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<sup>44</sup> The exchange rate before the crisis in 1997 was around 800 won per dollar. After the shock, it soared up over 2,000 won at one point. In 1998, the exchange rate started to clam down to 1,400 won and now reached to around 1,200 per dollar.

president Kim Daejoong, would support and vote for the NMD. Just as expected, when person thinks that the economy has improved, he/she likes the NMD more, making the coefficient positive and significant.

As the estimate of ideological distance gets higher or positive, a voter is more likely to support the NMD, which is expected and significant. The t-score of ideological difference is as high as 7 in both parties' cases. This is due to an exceptionally small standard error in the variable. Figure 1 demonstrates the variation of the variable and it is clearly concentrated around 0. The marginal effect of ideology, however, is supposed to be small on party preference, since one standard deviation change in ideology only brings about .00009285 unit change of party preference. On the other hand, "honam" variable's one standard deviation change causes a unit change of .48532559.

Urbanity has a significant negative impact. The metropolitan area-surrounding Seoul, such as Incheon and Kyonggi, has also been traditionally anti-NMD. By merging these two with Seoul as Sudokwon also increases the negative effect of urbanity to the NMD.

In the regression with 14 dummy variables, the urbanity effect is no longer present. We can detect clearer regional differences between the areas of Youngnam and Honam. The Honam area, which consists of Kwangju, Jeonbuk and Jeonnam, exhibit a strong support for the NMD. In contrast, Youngnam, which consists of Kyongbuk and Kyongnam, show a strong opposition to the NMD.

Now, the question is how much do party preferences translate into real voting behavior. Table 3 shows the result of the regression of actual voting in 2000. The previous regression outcomes exhibited the degree of regional divide in party

preferences. It was notable that Pusan, Taegu and Kyongnam electorates do not have a significant preference of the GNP over the NMD. However, when it comes to voting decision, region has the most influence. It can be understood that voters in Pusan, Taegu and Kyongnam still vote for the GNP even though they do not particularly favor the party. We can carefully suggest the strategic voting behavior of Korean electorates.

This is not the case for the NMD. NMD supporters in the Honam area show consistency between preferences and voting decisions. They favor the NMD and also vote for the NMD. Honam and Choongbuk are certainly political bastions for the NMD.

Again, ideological difference is consistent with the hypothesis. It is negatively related to the voting for the GNP and positively related to the voting for the NMD. However, the significance of ideology disappears in the NMD's regression. The t-score is decreased remarkably compared with the t-score in the party preference regression with the voting for the NMD.

The improvement of national economy does not have any influence on a vote for the GNP. The opinion about the current economy does not seem to affect the GNP supporters' decision. However, it significantly determines a vote for the NMD. It is perhaps due to the fact that the NMD supporters were not always loyal to the NMD. There were swing-voters who started to appreciate the government's great performance in recovering the national economy since 1997.

Age is a positive and significant factor in voting for both parties. This is because both parties hold a significant number of steadfast supporters for a long time despite their frequent coalition and renewal. And, as we all know, party identification rarely changes as a person gets ages.

#### 4. Generational Effect?

Since the 2002 presidential election, a number of scholars and election experts have indicated the gradual decline of regionalism along with the increase in the generation gap. For instance, president Rho's famous supporter group "*Roh-sa-mo*" was established after the 2000 parliamentary election when Rho was defeated in Pusan, and primary members of this group were in their 20s or 30s. The difference of vote choice by age also shows the generation gap. According to Media Research, only 31.7 percent of voters in their 20s voted for Lee Hoichang, the GNP presidential candidate, while 58.3 percent of voters over 50 voted for him.

Therefore, I test whether the generational effect started to tear apart the regional effect. In particular, I had a special interest in the younger voters who are classified into the "386 generation", and who are in their 20s. The "386 generation" is defined as the cohort group: those who were in their 30s in the 1990s, participated in the democratization movement in the 1980s, and who were born in the 1960s. Interestingly, according to the Gallup research, those who are in their 30s are more inclined to be liberal than those who are in their 20s, who are more likely to vote for and support the NMD. (Gallup, 2003) This appears to be the effect of the democratization experience that the generation experienced together.

In order to examine the differences of regionalism among the 386-generation and the 20s, I created an interaction term for the 386-generation and the 20s by region. The simple descriptive statistics is reported in Table 4. As the table displays, there is

difference in preference of party by age level. The regression result is reported in Table 5.<sup>45</sup> The table demonstrates that we still have a huge regional effect in every regression equation.

The first two columns are regressions of votes for each party with a new region-young generation variables. The results are pretty similar to what we saw in the previous section: regional effects are very strong. Interestingly, however, the coefficient of the young generation living in the Honam area is positive and significant. This supports the idea that there are generational differences among those who are living in the Honam area. There is the same phenomenon in the Youngnam area, as shown in the second column. Even though a strong regional effect still exists, the coefficient of the young generation in the Youngnam area is positive and significant for the vote choice of the NMD. We can presume that younger generations in the Honam and Youngnam areas treat regionalism differently from older generations.

The last two columns indicate regression results with more broken-down explanatory variables. This time, I separated the young generation into the 20s and the 30s in each region. One interesting outcome is the coefficient of the 20s residing in both the Honam and Choongchung regions where the vote choice is for the GNP. The coefficient is positive and significant. Most generational effects occur among voters in their 20s.<sup>46</sup>

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<sup>45</sup> For this regression, I only used four regional classifications in order to reduce the sum of squared errors. I also performed the regression of vote choice.

<sup>46</sup> I also tried regressions with only the 20s and region interaction terms and the 30s and region interaction terms respectively. The result shows that regional effect is much more weakened in the 20s generation.

## 5. Conclusion

The regression results show the importance of regional effect on voting decision and party preference on Korean electorates. The coefficient of the regional effect is almost 10 times as high as the ideology or the opinion about the national economy. The presidential election which took place in 2002 is a classic example of regional voting. The NMD candidate Roh, Moohyun obtained a vote share as high as 95 percent in the Kwangju region. On the contrary, the GNP candidate Lee, Hoichang grasped 80 percent of votes in the Kyongbuk region, and 70 percent in the Youngnam region. More surprisingly, the “hometown boy” effect for Roh was nil, who was originally from Kimhae of the Kyongnam region, as a matter of fact. In this case, the “hometown boy” effect was suppressed by regionalism driven by party brand name.

Nevertheless, I could find the phenomenon that regionalism is being weakened as the generation changes. Voters in their 20s are much less influenced by the regions. (See Figure 3 and Figure 4) The conclusion about this finding, however, should be put aside and cannot be made definite. Whether people in their 20s started to do retrospective voting and not regional voting, or are simply different because they are not socialized yet has not been determined.

Of course, regionalism is not a unique experience in Korea. Many cases of non-ideological or non-economic voting behaviors exist. In addition, regionally divided voting is easily found in many European countries. Nonetheless, it is exceptionally difficult to see regional voting division in a country like Korea, which lacks religious,



cultural or ethnic division.<sup>47</sup> The next step for researchers is to study the origin and the system of such strong regionalism as seen in Korean electorates. It will also provide the theory that explains regional voting division in countries without pre-existing ethnic or cultural cleavages.

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<sup>47</sup> I performed the similar regressions for the countries like Canada, Spain and the UK. The distinctive variables were region, and the magnitude of the coefficients was pretty similar to that of Korean.

**Table 1. Herfindahl Index for Regional Vote Concentration**

<b>Country</b>	<b>Region</b>	<b>Lowest &amp; Highest score</b>
<b>Canada</b>	Nunavut	.51
	Manitoba	.75
<b>Spain</b>	Murcia	.55
	Basque	.764
<b>The United Kingdom</b>	England	.67
	Ireland	.78
<b>The United States</b>	Washington DC	.196
	Nevada	.51
<b>Korea</b>	Kwangjoo	.09
	Ulsan	.59

**Table 2. Regression Result I**

	Like GNP (with 15 regional id)	Like GNP (with 4 regional id)	Like NMD (with 15 regional id)	Like NMD (with 4 regional id)
AGE	.007 (.007)	.008 (.007)	.008 (.007)	.008 (.006)
EDUC	-.073 (.056)	-.056 (.056)	-.0358 (.053)	-.04 (.052)
ECON_IMP	.04 (.1)	.032 (.09)	<b>.527**</b> <b>(.095)</b>	<b>.526**</b> <b>(.092)</b>
INCOME_HH	.153 (.084)	.124 (.08248)	-.041 (.08)	-.039 (.0775)
URBAN	-.269 (.337)	-.088 (.095)	-.201 (.317)	<b>-.331**</b> <b>(.089)</b>
ID_DIFF	<b>-.029**</b> <b>(.004)</b>	<b>-.0294**</b> <b>(.004)</b>	<b>.021**</b> <b>(.004)</b>	<b>.021**</b> <b>(.004)</b>
Sudokwon		-.356 (.426)		-.572 (.403)
Choonchung		<b>-1.191**</b> <b>(.454)</b>		-.642 (.428)
Honam		<b>-2.186**</b> <b>(.457)</b>		<b>1.335**</b> <b>(.431)</b>
Youngnam		.538 (.426)		<b>-1.249**</b> <b>(.404)</b>
Seoul	-.711 (.9)		-.163 (.853)	
Pusan	-.114 (.648)		-1.074 (.616)	
Taegu	.329 (.693)		-1.149 (.66)	
Incheon	-.959 (.733)		-.638 (.696)	
Taejon	-.948 (.719)		-.674 (.682)	
Kwangju	<b>-2.752**</b> <b>(.737)</b>		1.2 (.699)	
Ulsan	-.711 (.796)		-.864 (.762)	
Kyonggi	-.441 (.431)		-.596 (.412)	
Chungbuk	-.94		<b>-1.371*</b>	

	(.574)		(.543)	
Chungnam	<b>-1.875**</b>		.111	
	(.537)		(.509)	
Jeonnam	<b>-2.229**</b>		<b>1.43*</b>	
	(.603)		(.571)	
Jeonbuk	<b>-2.055**</b>		<b>1.541**</b>	
	(.526)		(.499)	
Kyongbuk	<b>1.557**</b>		<b>-1.352**</b>	
	(.521)		(.5)	
Kyongnam	.44		<b>-1.053*</b>	
	(.512)		(.489)	
		<b>5.054**</b>		<b>5.316**</b>
		(.793)		
_cons	<b>5.896**</b>		<b>4.855**</b>	
	(1.414)		(1.338)	(.749)
<i>R-square</i>	0.2383	0.2135	0.2198	0.2080
<i>n</i>	792	792	783	783

**Table 3. Regression Result II**

	<b>Vote for the GNP (with 15 regional id)</b>	<b>Vote for the GNP (with 4 regional id)</b>	<b>Vote for the NMD (with 15 regional id)</b>	<b>Vote for the NMD (with 4 regional id)</b>
AGE	<b>.005**</b> (.001)	<b>.005**</b> (.001)	<b>.003**</b> (.001)	<b>.003*</b> (.001)
EDUC	.015 (.011)	.017 (.011)	-.003 (.01)	-.003 (.01)
INCOME_HH	.011 (.017)	.01 (.016)	-.013 (.015)	-.017 (.015)
URBAN	-.01 (.059)	<b>.041*</b> (.018)	.027 (.063)	-.021 (.018)
ECON_IMP	-.012 (.019)	-.009 (.019)	<b>.049**</b> (.018)	<b>.054**</b> (.018)
ID_DIFF	<b>-.003**</b> (.0007)	-.003 (.001)	.002 (.001)	.001 (.001)
Sudokwon		.15 (.082)		.103 (.073)
Choongchung		-.144 (.08)		.136 (.084)
Honam		<b>-.198**</b> (.076)		<b>.244**</b> (.086)
Youngnam		<b>.352**</b> (.082)		-.095 (.0712)
Seoul	.018 (.149)		.269 (.139)	
Pusan	<b>.303**</b> (.114)		.007 (.091)	
Taegu	.201 (.128)		-.074 (.088)	
Incheon	.176 (.13)		.0311 (.108)	
Taejon	-.207 (.108)		.115 (.117)	
Kwangju	<b>-.216*</b> (.102)		-.087 (.092)	
Ulsan	.111 (.155)		-.045 (.103)	
Kyonggi	.129 (.084)		.0794 (.069)	
Chungbuk	-.024 (.111)		.015 (.102)	
Chungnam	<b>-.241**</b>		<b>.3**</b>	

	(.079)		(.11)	
Jeonbuk	-.234**		.363**	
	(.077)		(.096)	
Jeonnam	-.23**		.513**	
	(.079)		(.122)	
Kyongbuk	.311**		-.109	
	(.106)		(.07)	
Kyongnam	.443**		-.0781	
	(.099)		(.075)	
_cons	-.007**	-.246	-.123	.034
	(.239)	(.157)	(.231)	(.151)
<b>R-square</b>	0.2065	0.2017	0.1628	0.1028
<b>N</b>	830	830	830	830

**Table 4. Party Loyalty by Region**

<b>overall</b>	<b>GNP</b>	<b>NMD</b>	<b>ULD</b>
<b>youngnam</b>	6.042763	4.410526	3.690236
<b>honam</b>	3.085271	7.131783	3.44186
<b>choongchung</b>	4.107143	4.864865	

<b>age&lt;=40</b>	<b>GNP</b>	<b>NMD</b>	<b>ULD</b>
<b>youngnam</b>	5.833333	4.376543	3.73494
<b>honam</b>	3.123077	6.538462	3.584615
<b>choongchung</b>	3.881356	4.534483	

<b>age&gt;40</b>	<b>GNP</b>	<b>NMD</b>	<b>ULD</b>
<b>youngnam</b>	6.301471	4.455285	3.633588
<b>honam</b>	3.046875	7.734375	3.296875
<b>choongchung</b>	4.358491	5.226415	

**Table 5. Regression Result with Cohort Breakdowns**

	GNP vote	NMD vote	GNP vote	NMD vote
AGE	<b>0.005*</b> <b>(0.002)</b>	<b>.005**</b> <b>(.002)</b>	.004 (.002)	.004 (.002)
EDUC	0.015 (0.011)	-.002 (.011)	.015 (.011)	-.002 (.011)
URBAN	<b>0.041*</b> <b>(0.019)</b>	-.022 (.018)	<b>.04*</b> <b>(.018)</b>	-.025 (.018)
INCOME_HH	0.01 (0.016)	-.018 (.015)	.01 (.016)	-.02 (.016)
econ_imp	-0.011 (0.019)	<b>.055**</b> <b>(.018)</b>	-.012 (.019)	<b>.059**</b> <b>(.018)</b>
Youngnam	<b>0.391**</b> <b>(0.094)</b>	<b>-.163*</b> <b>(.079)</b>	<b>.375**</b> <b>(.092)</b>	-.147 (.077)
Honam	<b>-0.269**</b> <b>(0.081)</b>	<b>.316**</b> <b>(.108)</b>	<b>-.285**</b> <b>(.079)</b>	<b>.335**</b> <b>(.107)</b>
Chungchung	-0.18 (0.092)	.084 (.108)	<b>-.194*</b> <b>(.09)</b>	.103 (.106)
Sudokwon	0.167 (0.092)	.046 (.082)	.15 (.085)	.059 (.076)
Ideology	<b>-0.003**</b> <b>(0.0007)</b>	.001 (.0008)	<b>-.003**</b> <b>(.0007)</b>	.001 (.0008)
young_young	-0.07 (0.077)	<b>.122*</b> <b>(.055)</b>		
honam_young	<b>0.12*</b> <b>(0.048)</b>	-.115 (.114)		
sudo_young	-0.031 (0.065)	.103 (.062)		
choongchung_young	0.064 (0.072)	.101 (.112)		
sudowkon_20			-.082 (.083)	-.001 (.079)
youngam_20			-.001 (.098)	.104 (.067)
honam_20			<b>.217**</b> <b>(.059)</b>	-.18 (.134)
choonngchung_20			<b>.188*</b> <b>(.092)</b>	-.007 (.128)
honam_386			.084 (.049)	-.133 (.131)
youngnam_386			-.083 (.086)	.075 (.06)
sudokwon_386			-.012 (.069)	.118 (.065)
choongchung_386			-.001 (.073)	.124 (.129)
_cons	-0.17079 (0.157333)	-.0727119 (.1484633)	-.115 (.179)	.014 (.172)



**Figure 1. Distribution of Ideological Difference**

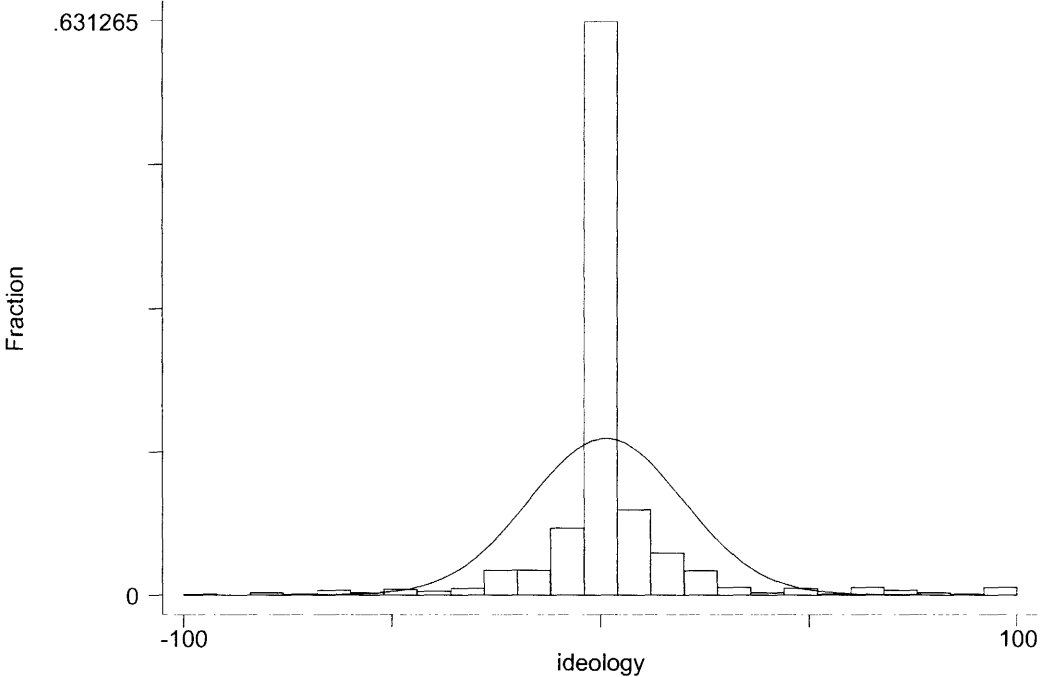


Figure 2. Regional Effect in Vote for the GNP by Generations

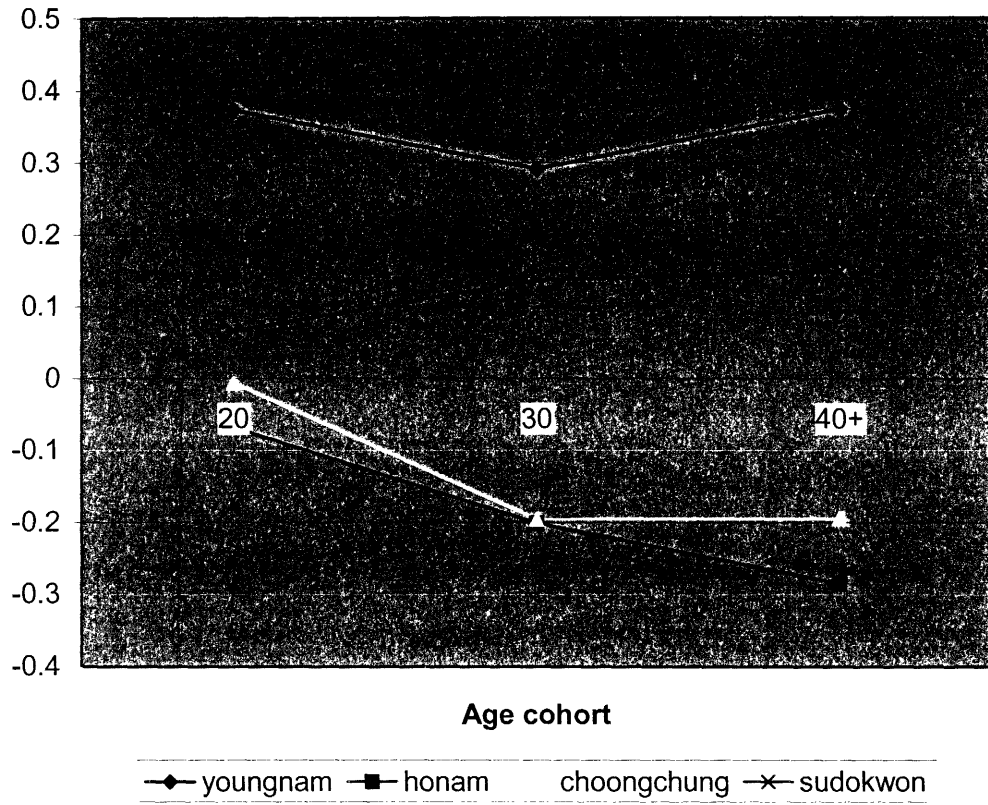
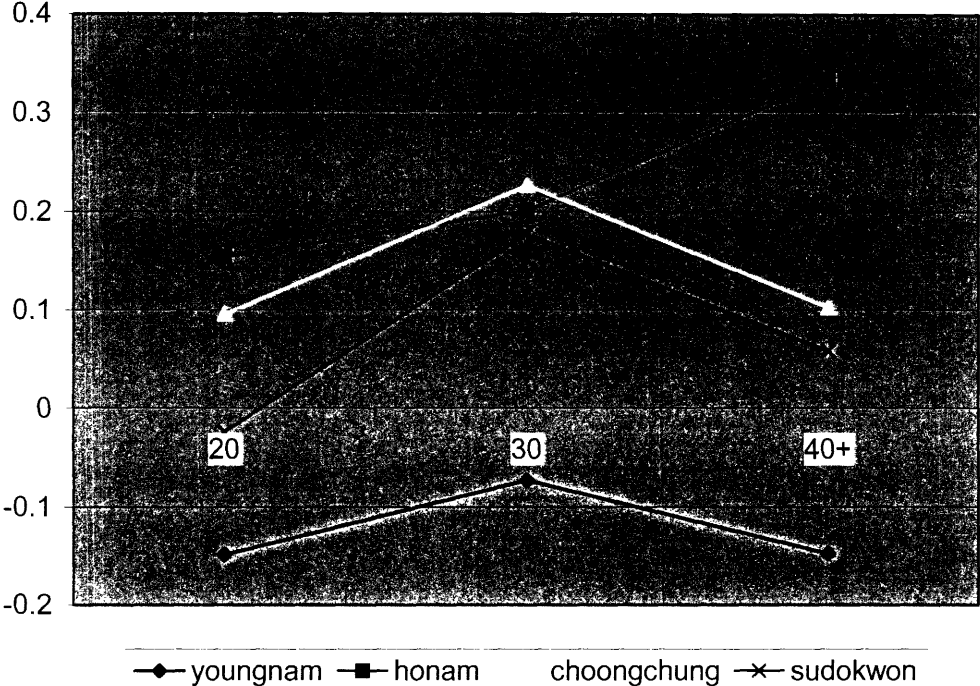


Figure 3. Regional Effect for the NMD by Generations





## **Chapter 5. Distributive Politics and Korean Regionalism**

### **1. Introduction**

In previous chapters, I examined whether regionalism plays an important role as a voting cue in Korea. It turns out that the regional variable is one of the most important factors for Korean electorates. This chapter explores why the regional division has strengthened in Korean elections.

I propose that distributive politics explain the increase and the maintenance of regionally divided electoral results. Distribution of public goods is the regional party's strategy in maintaining political support in the region. Electorates consider the party's and incumbent's capability to bring porks to the district retrospectively and prospectively as well. Other parties and a new candidate are shunned, since there is no guarantee that they would continue to benefit from them as before.

Acknowledging this, political parties and candidates adopt the strategy to maximize the votes and seats in an election. If there were clear and different support levels from each district or region, a political party should make supportive districts a priority.

The following section describes the theory of distributive politics in fortifying regionalism of Korea. The theory will be supported by statistical analysis.

## **2. Regional Voting in Korea and Distribution Theory**

The theory focuses on what has been reinforcing regionalism in Korea since 1987's presidential election. I suggest that regionalism in Korea is cultivated with political purposes and by distributive politics. The incentives for political elites to pay attention and to invest in a particular region are driven by the electoral marginal utility gained by doing so. Therefore, regionalism can increase or decrease by political benefits that are estimated by politicians. When politicians detect that regional voting division works in their favour, they intentionally foster it to become stronger. If this produces a worse scenario for their electoral purposes, political elites should avoid the issue.

In fostering regionalism when it is proven to be beneficial, politicians use various methods. They agitate the emotions of regionalism during election campaigns and recruit those who have a strong regional connection to enhance regional attachment to the party. Also, they use the traditional approach of bringing projects into the region and redistribute more inter-governmental grants. I assert that when a politician brings emotional attachment and material benefits into a district, constituents are encouraged to vote regionally.

In 1997, there were two huge political and economic incidents; the 15<sup>th</sup> presidential election and the financial crisis which ultimately caused the country to be placed under the IMF supervision system. The 15<sup>th</sup> presidential election was memorable in terms that the ruling party has changed for the first time in more than 30 years of Korean political history.

Kim Daejoong, the candidate of the New Millennium Democratic Party (NMD), won the presidency in his 4<sup>th</sup> attempt.

During his term as president, Kim first had to rebuild the country's economy. Those who were against Kim asserted that he distributed public resources in favor of the Honam area, which was a solid political bastion for Kim. Electorates of the Youngnam region, who had grown accustomed to receiving economic incentives due to previous presidents and ruling elites, were mostly from the region, and were particularly dissatisfied with the public policies under the Kim government.

In the legislative election of 2000, the constituents in the Youngnam region demonstrated their dissatisfaction and antagonistic feelings against the ruling government. Candidates of the GNP provoked the constituents in the Youngnam region for having been discriminated by the Honam government. They agitated the emotions of the Youngnam people to gather under the umbrella of the GNP which was their chosen party. With strong unity, the voters in Youngnam chose the Grand National Party (GNP). The GNP was able to keep its majority in the National Assembly.

As suppliers, political elites have to match the demands of the electorates. Although it appears to be best for a political party to obtain as many seats as possible in an election, it is not the best strategy and ultimate goal for them. Realistically, their goal is to achieve the required number of seats for a safe majority and to be the leading party in parliament. So as to achieve this goal, political elites distribute resources where a high marginal utility exists.<sup>48</sup>

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<sup>48</sup> There is debate about which kind of districts has higher marginal utility in an election. Dixit and Londregan argue that swing districts should be more focused by political parties, since it has the higher marginal utility. On the other hand, Cox and McCubbins propose that those districts with higher support

Since the resources are limited, it is very important for politicians to redistribute them as efficiently and effectively as possible. Conveniently enough, the regional voting behavior that electorates had shown in previous elections provides political parties with very helpful information. It clearly indicates the region in which a party is most supported, where electorates are independent and where the party is most disliked.

For the GNP, they had to invest where they were most trusted and where votes are more reliable in order to keep the majority status. The Youngnam region consists of 65 seats, which are 49 seats short of the required 114 majority seats. Once the party has obtained all 65 seats, it only needs 49 seats from the rest of the country. Sudokwon, which is in the metropolitan region surrounding Seoul, has the highest number of seats, totaling 97, and became the target for both national parties to obtain seats. If the GNP could have had almost half of the seats from the sudokwon area, along with a few seats from the rest of the country, it could have easily reached a majority status.<sup>49</sup>

The NMD, on the other hand, needed to guarantee the seats in their political bastion and attack the swing district very hard as well. The Honam region can only give 29 seats to the NMD even if the party completely sweeps the region. Unless the party obtains a significant number of seats from swing districts, such as Choongchung and Cheju, it cannot become the first leading party in the parliament.

Hence, for both parties, the supporting region becomes the most important and strategic bastion to retain regarding electoral success. Both parties have already seen the hostility of the regions opposing them, and are well aware of how extremely difficult or even unreasonable it is for them to try to win a seat there. The importance of swing

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should be first considered for redistribution. Empirically, Ansolabehere and Snyder prove that supporting districts are in fact receiving more distribution in the United States.

<sup>49</sup> I only counted the number of seats based on 2000 election.



districts depends on the number of extra seats that each party needs to reach to a majority. These districts are critical for the NMD, while the GNP can focus more on Sudokwon region, which has the most seats and remains competitive in the country.

Understandably, Honam is out of the picture for the GNP to consider giving big incentives or redistribution because electorates in Honam would not easily give in even though they receive the same amount of distribution as the other regions do. The GNP does not feel like investing in the region because the marginal utility of distribution is too low.

For the same reason, the NMD has decided not to attract Youngnam electorates, where the return would be so low, compared with the rest of the country. Having seen constituents of the Choongchung, Cheju and Kangwon regions be swayed by promises of regional growth from previous elections, the NMD naturally decided to attract these regions, in addition to Honam and Sudokwon, as the most efficient way to achieve the electoral goal.

While this political calculation is being played by political parties, electorates realize which party is on their side and which is not. Cleverly enough, voters choose the party that benefits them most, and respond to what political parties expect and plan. While the belief solidifies that the GNP is the party for the Youngnam region and the NMD is the party for the Honam region, regional voting behavior of Korean electorates in these two regions also becomes more distinctive. In the next section, I show the statistical analysis to support my theory.

### 3. Data and Methodology

#### a. *Descriptive Analysis*

First, I examine the strategic investment by the governments through project distribution between 1997 and 1999. I chose the year 1997 and afterward to be compared, since the Korean national government had changed its power in 1998 from the Grand National Party, where the political bastion is Youngnam, to the New Millennium Democratic Party, where it is Honam.

Until 1997, the government was literally dominated by political elites from the Youngnam region. All four previous presidents originated from this area and they filled important positions in the government from this region. However, it completely changed in 1998 as Kim Daejoong was elected as the first president from the Honam region.

Therefore, it is expected that the distribution of projects and expenditures in each region will be different in the years following 1998. If the theory and the hypothesis are correct, it is expected that there will be a distinctive change in economic growth and project distribution between these two periods.

I look into the gross regional domestic product change in order to have a broad picture of the change in the regional economy between 1986 and 2000. (See Figure 1) In Sudokwon, where most of the wealth is concentrated, it was the winner until 1995. From 1995, Youngnam surpassed Sudokwon until 1997. Nevertheless, Honam and Choongchung started to catch up with Youngnam, and Youngnam dropped to fourth place

in 1998.<sup>50</sup> It is an interesting result, since 1998 is the year when the government power shifted from the Youngnam based GNP to the Honam based NMD.

For the project distribution, the only available data are those released in 1998 and 1999, and the exact amount of money given to each project in 1997 is not readily available. The amount of investment before 1998 is only recorded as the total amount spent until 1997. Therefore, I calculated the average amount by dividing the total expenditure until 1997 by the number of years that has elapsed until 1997 since the project started. Therefore, I estimate the average amount per year spent on the project until 1997 to use it as approximate amount spent in 1997.

A simple look at the number of new projects that was initiated in 1997 and 1998 provides a big picture of how project distribution is changing. In 1997, while the Youngnam government was in power, the regions of Youngnam and Choongchung received 9 new projects, which is the highest number of projects in the country. Honam received 6 projects. In 1998, however, Honam became the biggest beneficiary by being assigned 9 new projects. On the other hand, Youngnam was only able to receive 3 new projects.

Then, the yearly expenditure for a project in a region is divided by the total population in a region to create per capita expenditure for a region. Table 1 exhibits the change in expenditure in a region on a year-to-year basis. If the two rival regions of Honam and Youngnam are compared, there is a huge change in the per capita expenditure in 1997 and afterward. Honam, where president Kim Daejoong's party has the strongest

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<sup>50</sup> Although it indicates the level of economic development, GRDP cannot exactly show the actual level of regional growth. It is because some regions have more industrial plants due to the government's plans. Regardless of the real living standards and regional wealth, the GRDP of these regions are higher than other regions.

electoral support, receives an amount that is almost four times and three times higher than in 1998 and 1999, respectively, compared to what it received in 1997. Before 1998, average yearly spending was only 42 million Korean won. However, it dramatically increased in 1998 and 1999 to 156 million and 132 million won, respectively.

On the other hand, Younngam literally receives almost the same amount of project money. It received about 44 million won in 1997, 44 million won in 1998, and 52 million won in 1999. This is quite interesting and notable considering that all other regions, not only Honam, also received a much higher amount of money in 1998 and 1999 than in 1997. Therefore, while all other regions were enjoying increased project investments, only Younngam's per capita expenditure stays almost at the same level.

Table 2 represents the regions' shares of total expenditure on projects from 1997 to 1999. The areas of Seoul and Kyonggi which are called Sudokwon, have distinctively been invested by every government. As a matter of fact, there has been a huge concern that too many resources are concentrated on the Sudokwon area. As expected, Sudokwon benefited the most throughout the three years.

The share of Younngam's total expenditure on projects was about 33 percent in 1997, which is the second highest in the nation. However, it decreased to 19 percent in 1998 to be more compatible with other regions, such as Choongchung and Honam. Younngam's share slightly increased to 22 percent in 1999. Nevertheless, it is not as large as it used to be before 1997.

Honam became one of the biggest beneficiaries from the change in government. Its share of project expenditure was only 11 percent in 1997, but grew to 18 percent in 1998.

Another beneficiary is Choongchung, whose share has grown from 10 percent to 18 percent as well.

Table 3 exhibits the recruit of political and economic elites when the Youngnam government was in power. The numbers shown are the regional percentage shares of the total number of people in important positions. The numbers in parentheses represent the regional share of the total population. As seen in the table, Youngnam's share of Ministry positions is outstanding. It easily exceeds the region's share of the population share. In addition, the director and deputy director of the Korean Central Intelligence Agency is also predominantly filled with those who were from the Youngnam region.

This phenomenon is not only limited to government, but is also seen in conglomerate companies, which are called *chaebol*. It is a well known fact that Korean government fostered *chaebol* in order to achieve rapid economic growth. Therefore, the growth of the Korean *chaebol* is intensely related to the government.<sup>51</sup> Furthermore, Korean people take into serious consideration the president's *chaebol*'s origins. It is because they believe that *chaebols* would contribute to the regional economy in many ways, such as building industrial plants and bringing jobs to the region.

In addition, positions in national enterprises were very often given to those who are from the Youngnam region. The only important positions that were not dominated by the Youngnam region were supreme court judges. Overall, we can conclude that government positions and top positions in the economic sector went to Youngnam elites while Youngnam presidents were in power.

From the descriptive statistics, we can see that the status of Youngnam has changed since 1998. Before 1998, it was the region that had privileged political power, economic

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<sup>51</sup> Amsden, Alice. *Asia's Next Giant*. 1988.

growth, and important national projects. However, the privileged status quickly declined as Kim Daejoong took over the government. On the other hand, Honam started to enjoy the same benefits as other regions, such as Choongchung and Cheju, which angers the citizens of Youngnam.

*b. Regression Analysis*

In order to scrutinize the effect of strategic investment, I collected the data that contains the amount of intergovernmental grants given to each municipality. The hypothesis is that if the support for the government were higher in a municipality, the municipality would receive more grants from the central government. By doing so, the central government would foster and secure the political bastion, which would eventually deepen the cleavage between regions.

I used the 1992, 1996 and 2000 parliamentary election results to match intergovernmental grants given to each municipality in 1996, 2000 and 2004. This implies that previous election results have an influence on the intergovernmental grants because politicians strategically distribute the money.

Regional cleavage in Korea is most serious and distinctive between the regions of Youngnam and Honam. Youngnam had been the dominant political power simply because all four previous presidents were from this region. The region is represented by the Grand National Party, and has been continuously supporting the party. On the other hand, Honam is considered to be standing on the opposite side. Before Honam's favorite son Kim Daejoong became the 15<sup>th</sup> president in 1998, the region had been economically and

politically inferior to Younghan. With the tragic memory of the Kwangju massacre in 1980, Honam has wholeheartedly supported the New Millennium Democratic Party led by Kim Daejoong.

Although there are third parties in Korean politics, the competition in the National Assembly has been between these two parties. Therefore, I create the most important independent variable of vote difference between the NMD and the GNP weighted by the total number of votes that these two parties obtained. Further description of variables is followed in Table 4.

The dependent variable that is used in this analysis is per capita intergovernmental revenue, *pc\_int\_rev*. *Pc\_nlocal* is included to control the level of the municipality's fiscal soundness. Unfortunately, income per capita at the municipal level was not available. Thus, I added *pc\_tax* in my independent variable group hoping that it could work as a proxy of the income level in a municipality.

In general, big cities are believed to have different intergovernmental support levels from rural areas. The log of population would control the effect of metropolitan cities. There is an argument that turnout causes different intergovernmental support. The higher the turnout, the higher the intergovernmental support. (Ansolabehere & Snyder) In order to control the effect, I included *turnout* in an independent variable group.

Last but not least, *support\_gov* is created to measure the relative electoral strength of the NMD over the GNP in a municipality. This is the variable that I expect will show a positive and significant coefficient to prove the hypothesis.

First, I run the pooled Ordinary Least Square for the initial check. Since I believe that there will be a possibility of omitted variable problem, I also run fixed effect regression to correct the problem. The result is displayed in Table 5.

In the OLS result, all variables show statistical significance. As per capita revenue from local resources other than taxing is high, the intergovernmental subsidy is also high. On the other hand, as a municipality's resource from taxing is high, the intergovernmental subsidy is lower. This is a bit puzzling because both variables represent the fiscal soundness and the wealth of a municipality, yet have different signs.

Turnout is also important. As a turnout increases by 1 percent, a municipality receives 3,492,000 Korean won more per person. It turns out that a larger city receives less money than a smaller city. As municipal population increases by 1 percent, a person living in the municipality receives 555,000 won less.

Finally, the support for the government plays a positive and significant role in increasing the municipality's intergovernmental subsidy. As one unit of support for the NMD increases, the intergovernmental subsidy that an individual receives also increases by around 72,000 Korean won, which is slightly more than 50 US dollars. Hence, the pooled OLS result confirms the hypothesis that political parties invest more where they have more support.

Next, concerning omitted variable problem, I run the fixed effect model. Compared with the result of the pooled OLS, there are some changes in signs and levels of significance. This shows that there is an omitted variable problem in the pooled OLS regression.



First, the magnitude of per capita revenue from non-tax local sources changed. Also, the significance of per capita tax disappears. The log of population is still negative and significant, although the magnitude enormously improved with a higher standard error. More interestingly, the signs of turnout change from positive to negative. I believe that this is because turnout has declined as time passed, while intergovernmental grants have increased.

The support level for the government is still positive and significant with a higher t-score than the one in the pooled OLS regression. Again, the coefficient of *support\_gov* proves that the government is distributing more subsidies where it will receive strong support.

Overall, the regression analysis proves the hypothesis that Korean political parties intentionally distribute resources to where they are most supported. As seen in the regression results, both in pooled OLS and fixed effect models, the support for the government in a municipality is positively and significantly related to the intergovernmental revenue a person in the municipality receives.

#### **4. Conclusion**

The statistical results showed that the strategic investment hypothesis is correct in explaining Korean regionalism. It is strongly supported by the regression results as well as descriptive statistics such as economic and political indicators. Before power of the government had shifted in 1998, Youngnam had been receiving tremendous benefits from the central government. Elites from Youngnam were heavily favored by the government

and recruited, while the region had enjoyed economic wealth, compared with the rest of the country, except for the Sudokwon area.

However, everything changed in 1998 when Kim Daejoong became Korea's 15<sup>th</sup> president. For the first time, Youngnam people felt that they were excluded from the political center and discriminated by the government. The Kim government, on the other hand, tried to balance the economic development level of the country's regions. Thus, it had to redirect the resources that were used to go into the Youngnam region to other regions that lagged behind, economically. Among these regions, Honam became the biggest beneficiary, which angered Youngnam residents.

But, the Kim government's redirecting of resources was not just to balance the economic development throughout the country. Just as previous governments, the Kim government utilized resources to achieve electoral success. In one way, redistribution was executed to ensure gaining seats where it is already politically strong. In another way, redistribution was carried out to attract swing districts in the Choongchung region.

The only region that did not benefit from the government was the Youngnam region, which had always been particularly hostile to the NMD and Kim Daejoong. The government saw no chance of winning a seat in the region, and deliberately invested in other regions where there was a higher probability of winning. This was the most efficient way for the NMD to win the election.

As mentioned above, the Kim government is not the only government that employed this kind of strategy. Military dictators needed to establish legitimacy, which put it in gear to influence the region where they had come from. The 14<sup>th</sup> president, Kim Youngsam, also used his region as a solid political bastion. While the political calculation

was being played behind the scenes, regional animosity among people intensified. In particular, the emotional cleavage between Honam and Yeongnam became deeper than ever.

Regionalism does not only arise from economic or social cleavages that we are able to observe, they are also intentionally cultivated. There are numerous possible reasons why regionalism started in the first place. It could have been from ethnic cleavages, unequal economic development or historical and political events that occurred in the past. However, whether or not to breed regionalism is determined by how regionalism works for the political purpose.

As in the case of Korea, regionalism has been the best political tool for political parties to decide where to focus for their electoral success. It has been used for the efficient redistribution and deepened the regional cleavage in Korea as a result. Therefore, it can be said that regionalism worked for political parties' electoral goals, which has been well received by electorates, who are interested in what they receive in return.

For that reason, Korean regionalism can be said to have been driven and sustained by the interests of both sides of political parties and electorates. This fact could give some hope to those who criticize and resent regionalism in Korea in some way. It is not based solely on regional animosity and hostility, in which case it could have been much more difficult to overcome. Yet, unless the political parties change the strategy, which is not likely under the current political setting, regional voting behavior would continue not only because of emotional regional attachment, but also because of rational choice in calculating electorates.

**Table 1. The Change of Expenditure per capita in Regions 1997-1999**

<b>Region</b>	<b>No. of projects</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
<b>Sudokwon</b>	27	41.409	72.334	70.2352
<b>Kangwon</b>	18	39.7133	83.1825	84.898
<b>Choongchung</b>	9	85.996	146.7098	112.509
<b>Honam</b>	<b>24</b>	<b>42.184</b>	<b>155.6067</b>	<b>131.5877</b>
<b>Youngnam</b>	<b>31</b>	<b>43.5258</b>	<b>43.5444</b>	<b>51.7915</b>
<b>Cheju</b>	3	117.3342	392.7326	388.0186

Note: Numbers are average per capita expenditure in region. All are in 10 million won which is approximately about 8,000 US dollars.

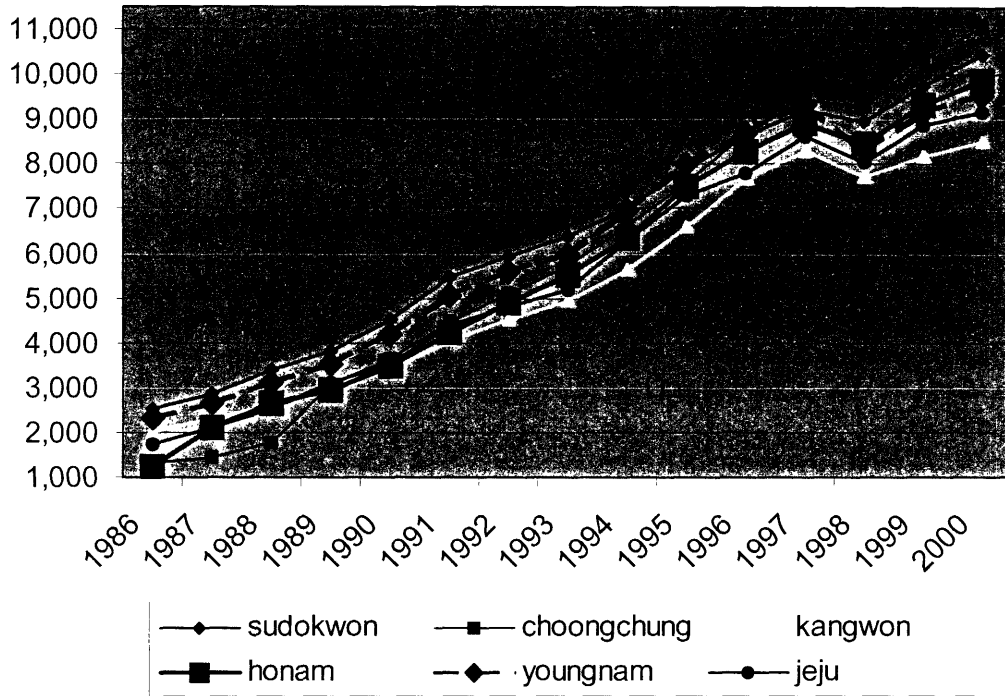
**Table 2. The Share of Project Expenditure by Region 1997-1999**

<b>Region</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
<b>Sudokwon</b>	.4300874	.423414	.4147692
<b>Kangwon</b>	.0197367	.0231182	.0234732
<b>Choongchung</b>	.1008293	.1753735	.1748703
<b>Honam</b>	<b>.1115395</b>	<b>.1795394</b>	<b>.1541809</b>
<b>Youngnam</b>	<b>.3317696</b>	<b>.1862793</b>	<b>.2191902</b>
<b>Cheju</b>	.0066675	.0125071	.0123668

**Table 3. Recruit of Important Posts by Region**

<i>Important Posts</i>	<i>Sudokwon</i>	<i>Kangwon</i>	<i>Choongchung</i>	<i>Honam</i>	<i>Youngnam</i>	<i>Total</i>	
Minister and Deputy Minister	3rd Republic	24.3	5.9	18.8	14.9	36.1	336
	4th Republic	15.8	11.2	17.3	15.2	41.1	232
	5th Republic	21.3	5.1	13.3	12.8	47.4	323
	6th Republic	18.8	4.9	13.5	13.0	49.8	266
	Kim, Youngsam	18.9	1.6	19.4	16.2	44.0	205
	3rd Republic	17.6	0.0	29.4	11.8	41.2	40
	4th Republic	14.3	7.2	10.8	7.2	60.9	31
	5th Republic	16.2	4.7	9.2	7.0	62.4	48
	6th Republic	6.1	0.0	24.3	0.0	69.8	37
	Kim, Youngsam	9.5	4.8	4.8	0.0	80.9	21
Supreme Court Judge	3rd Republic	19.9	0.0	19.9	29.9	29.9	15
	4th Republic	0.0	0.0	33.3	11.1	55.5	11
	5th Republic	20.0	0.0	20.0	20.0	40.1	26
	6th Republic	20.0	6.7	13.3	26.6	33.3	16
	Kim, Youngsam	40.0	0.0	0.0	30.0	30.0	10
	National Enterprise Chief	37.9	0.0	13.6	0.0	48.9	38
Chaebol Chief	1988	24.4	7.5	18.8	7.5	41.4	56
	1991	31.2	3.7	16.2	3.7	45.1	47
	6th Republic	19.7	6.6	23.0	8.2	42.6	61
	1993	25.9	6.9	13.8	6.9	46.6	59
	1995	22.8	6.8	18.4	7.6	44.6	60
	Kim, Youngsam	14.2	0.0	28.5	0.0	56.9	9
	1970	31.7	6.4	10.5	4.3	46.5	63
	1980	32.1	4.0	8.0	4.0	52.1	29
	1990						

**Figure 1. The Growth of Gross Regional Domestic Product from 1986 to 2000**



#### **Table 4. Description of Variables**

##### **Dependent Variable**

•**pc\_int\_rev** : per capita intergovernmental revenue that each municipality received from central or state governments.

##### **Independent Variables**

•**pc\_nlocal** : per capita local government revenue that is not from intergovernmental grant or local tax.

•**pc\_tax** : per capita local government revenue from local tax.

•**turnout** : turnout rate in 1992, 1996 and 2000 parliamentary election.

•**lpop** : log of population of each municipality

•**support\_gov** : the difference of votes between the New Millennium Democratic party and the Grand National Party in 1992, 1996 and 2000 parliamentary elections divided by the number of votes obtained by these two parties. This variable is supposed to measure the support level for the NMD or GNP in a municipality as a share of the two parties' combined votes.

**support\_gov** = (vote of NMD/GNP – vote of GNP/NMD)/(vote of NMD/GNP + vote of GNP/NMD)



**Table 5. Regression Result: Pooled OLS vs. Fixed Effect**

<b>pc_int_rev</b>	<b>Pooled OLS</b>	<b>Fixed Effect</b>
<b>pc_nlocal</b>	<b>0.903</b> <b>(.083)**</b>	<b>201396</b> <b>(.118)**</b>
<b>pc_tax</b>	<b>-1.596</b> <b>(.178)**</b>	<b>-.16994</b> <b>(.298)</b>
<b>turnout</b>	<b>3492.348</b> <b>(354.873)**</b>	<b>-2716.94</b> <b>(299.511)**</b>
<b>lpop</b>	<b>-555.461</b> <b>(25.0002)**</b>	<b>-1173.89</b> <b>(152.607)**</b>
<b>support_gov</b>	<b>72.013</b> <b>(28.29)*</b>	<b>175.4995</b> <b>(29.253)**</b>
<b>year96</b>	<b>-1021.77</b> <b>(62.018)**</b>	
<b>year00</b>	<b>-661.115</b> <b>(43.265)**</b>	
<b>_cons</b>	<b>5719.541</b> <b>(477.811)**</b>	<b>16313.35</b> <b>(1918.517)**</b>
<b>R2</b>	<b>.8174</b>	
<b>n</b>	<b>687</b>	



## Chapter 6. Ethnic Division and Public Goods Revisited

### 1. Introduction

A growing number of economists have paid attention to the role of ethnic divisions in social capital, public expenditure and economic development. The majority of these studies show that ethnic heterogeneity is inversely related to sound fiscal policy and social capital. One example of this is the lagged economic development of many nations in Africa that are composed of a number of different tribes. Conflicts among different ethnic groups and political instability cause difficulties in nation building and thus hinder economic development.<sup>52</sup>

In comparative studies, ethnic diversity is often cited as responsible for economic underdevelopment and an unstable democracy. Conflicts and civil wars are frequently found in ethnically diversified countries. Many economists emphasize the negative role of ethnic heterogeneity in government's fiscal policy. (Easterly and Levine, 1997; Anett, 2000) The discussion continues into the field of social capital. Scholars who study social capital in a community question how the effect ethnic diversity has on both the development and the increase of social capital. (Alesina, Baqir and Easterly, 1997; Alesina and Ferrara, 2000; Costa and Kahn, 2003; Vigdor, 2001) Costa and Kahn uncomfortably question the need of desegregation of communities if it only decreases social capital and civic engagement. To this question, Hero only could respond that it would be worth the cost if it results in racial inequality in a liberal democratic society.<sup>53</sup>

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<sup>52</sup> William Easterly and Ross Levine, "Africa's Growth Tragedy: Policies and Ethnic Divisions," *Quarterly Journal of Economics*, pp.1203 – 1250 (Nov. 1997).

<sup>53</sup> Hero, Rodney E. 1998. *Faces of Inequality: Social Diversity in American Politics*. Oxford: Oxford University Press.

This paper tests the reliability of the negative influence of ethnic heterogeneity on public finance in the United States, which is previously found in a number of economists' studies. Is ethnic heterogeneity truly a crucial factor in the causality of inefficient public finance? With a new study design, I show that previous studies on the relationship between ethnic fragmentation and provision of public goods and services can be misleading or be exaggerating the effect of ethnic diversification at most.

The study is composed of four sections. First, a brief literature review concerning ethnic politics and economic development will be followed. In the second section, I will explain the methodology and data set this study uses. Two different levels of analyses are conducted in the third section. At the macro level analysis, the relationship between aggregated spending and a county's demographic and socioeconomic elements is studied. This paper uses panel data set for the macro analysis with three different periods. I use county level data from US Census. At the micro level analysis, I use the data from the General Social Survey. The survey contains individuals' attitude to various topics such as governmental spending, racial segregation and socioeconomic status. The fourth section reports the results from the previous section. Finally, discussion will follow for further study.

## **2. Literature Review in Ethnic Politics**

There have been a number of previous studies regarding the influence of a community's demographic composition on its public spending. Among those demographic elements, ethnic heterogeneity began to receive much attention from

scholars. Most of these studies have found a negative relationship between ethnic heterogeneity in civic engagement and public spending. Conflicts and diverse demands of different ethnic groups make it much more difficult to determine how to spend government money correctly. Quite often, a more heterogeneous society is more likely to overspend as a result of a compromise. This compromise often produces inefficient distribution of public goods and services.

Easterly and Levine's comparative study of African nations illustrates that the "tragic" African underdeveloped economy is a result of the ethnic fragmentation of nations. They question why many African countries failed to achieve economic growth contrary to the expectation in the 1960s. Easterly and Levine emphasize the ethnic heterogeneity of these countries as reason for yielding inefficient fiscal policies. They show that a considerable part of poor African economy can be explained by ethnic fragmentation. (Easterly & Levine, 1997)

Anthony Annett supports Easterly and Levine's argument. He argues that ethnic heterogeneity generates political instability in many governments in both Africa and Latin America. In order to maintain this weak government, politicians of these countries employ inefficient public policies to placate different competing ethnic groups. This kind of redistribution increases government consumption, and consequently, is detrimental to economic growth.<sup>54</sup>

Studies on the United States focus on how one ethnic group accommodates other ethnic groups in a community and how building social capital in ethnically diversified

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<sup>54</sup> Anthony Annett, "Social Fractionalization, Political Instability, and the Size of Government," *IMF Working Paper*. (April, 2000). Diamond, Linz and Seymour also discuss Sri Lanka's ethnic conflict which is a source of political instability in the country. They also assert that it eventually gives authoritarian government legitimacy. Larry Diamond, Juan J. Linz and Seymour Martin Lipset, eds., *Democracy in Developing countries: Comparing Experiences with Democracy* (Boulder, Co : Lynn Rienner, 1990).

communities is different from building social capital in homogeneous communities. Answers to these questions have the same bottom line: social capital and civic engagement are low in heterogeneous communities. A homogeneous community encourages civic engagement, and therefore results in higher social capital. For instance, group participation and census response rate were much lower in a community with higher ethnic fragmentation. (Alesina & La Ferrara, 2000; Vigdor, 2001)

Among types of social capital, public spending has been of interest to many economists. Cutler, Elmendorf and Zeckhauser find "discriminatory community preferences" of people in their study. According to them, people have different and discriminatory attitudes to public good expenditure depending on who is going to receive the benefits. Age groups and ethnic composition of a community are crucial explanatory variables for state and county level per capita spending on various public services and goods. They argue that people have altruistic attitudes to others' welfare only when they belong to the same ethnic community. (Cutler et. al., 1993)<sup>55</sup>

Alesina, Baqir and Easterly discovered that the total expenditure of local government increases as ethnic heterogeneity increases. However, the fraction of spending on education, roads and highway construction and public welfare decreases as a community is ethnically fragmented. Meanwhile, local governments with high ethnic divisions tend to spend more on police protection and hospital facilities. Therefore, they conclude that conflicts among different ethnic groups within a community prevent a government from spending on items which may be beneficial to other ethnic groups. This results in lower investment in "core public goods" (ABE, 1997) such as education

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<sup>55</sup> David M. Cutler, Douglas W. Elmendorf and Richard J. Zeckhauser, "Demographic Characteristics and the Public Bundle," *Public Finance/Finances Publiques* 48, pp. 178 – 198. (1993)

and roads repair and construction. Poor financial discipline and low provision of core public services undermines the quality of life in a community.

This theory was supported by the study of Luttmer, which uses General Social Survey data, and provides quantitative analysis showing that individuals lose their support for welfare policies and spending as the number of welfare recipients grows in their community. Luttmer combines survey data with aggregate demographic data in order to create the proxy for the number of AFDC recipients who belongs to different ethnic groups in a locality. The result demonstrates that people are more likely to support welfare spending when the percentage of those welfare recipients within the same ethnic groups as theirs increases.<sup>56</sup>

Although the majority of studies on public spending and ethnic diversity result in a negative relationship, there are a small number of studies that do not definitively confirm this argument. Kuijs demonstrates that public expenditure and education do not have significant association. He generally agrees with the fact that ethnic heterogeneity decreases the quality of public goods as well as quantity. However, he fails to find any significant relationship between ethnic heterogeneity and educational spending. In addition, Poterba observes evidence, that the over 65 age group is more important in determining educational spending than ethnic diversity is. He finds that the gap becomes larger when a 'paying' elderly group and a 'receiving' student group belong to different ethnic groups.<sup>57</sup>

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<sup>56</sup> Erzo F. P. Luttmer, "Group Loyalty and the Taste for Redistribution," *Journal of Political Economy*, Vol. 109, no.3, pp. 500 – 528. (2001). He particularly looks at AFDC program in his study.

<sup>57</sup> James Poterba, "Demographic Structure and the Political Economy of Public Education," *Journal of Policy Analysis and Management*, Vol. 16, No. 1, pp. 48-66. (1997)

It is true that almost all studies so far have confirmed that ethnic diversity reduces social capital and public expenditures on important public goods and services such as education, roads and sewage system. However, it is still worthwhile reexamining the theory to see whether or not the ethnic diversity really has negatively affected social capital, and more particularly, public spending on education.

### **3. Methodology and Data**

The dataset and most independent variables in this paper are similar to the work completed by Alesina et. al. However, it is different in terms that this study uses panel data analysis and slightly different variables are additionally included to increase the power of the model.

#### ***Data and Variables***

The data for macro-analysis is from *the County and City Data Book* from 1970 to 1990 released by the Bureau of the Census. I constructed government spending and demographic data at county level for three time periods of 1970, 1980 and 1990. I chose not to use city and metropolitan data due to their considerable change of geographic boundaries over time. I also excluded counties with a population of less than 25,000 in 1990.<sup>58</sup> The total number of observations is 4134, with 1378 observations in each period.

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<sup>58</sup> Therefore, there are some counties with less than 250,000 population size in 1970 and 1980. Excluding small counties will reduce the chance of bias overwhelmed by those very small and homogeneous counties. The idea is referred to Alesina et. al.'s original study.



Explanations and descriptive statistics of each variable are in the Appendix 1 and Table 1.

The dependent variable is per pupil government spending on education. Some scholars use the fraction of expenditure on education of total expenditure as the dependent variable. (Alesina et. al., 1997) This could be misleading because, even though they are spending more relatively than other categories of expenditure, it does not ensure that more money is spent to each child.<sup>59</sup> Therefore, expenditure per student will be used as dependent variable and this result will be compared with the model that also uses the share of educational expenditure as the dependent variable.

The types of independent variables used refer back to the study of Alesina, Baqir and Easterly's. They use ethnic fragmentation index, log of population, the fraction of people who are 65 years old or over, income per capita, the ratio of mean income to median income which measures the income inequality and the fraction of the population who hold a bachelor or higher degree to estimate the education level of a community.

In addition to these variables, I utilized the portion of the population which is in the age range of primary and secondary education.<sup>60</sup> The number of primary and secondary students in a community should influence educational spending. Although, higher number of students implies more spending on education, it is not that simple when it comes to per student spending. Since the budget of a local government on educational spending cannot linearly rise with the number of students, the amount that is distributed to individual student should decrease as the number of students of a community increases.

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<sup>59</sup> The graph actually shows a big group of counties are located in the middle.

<sup>60</sup> I calculated the fraction of children aged between 5 to 17 as the population size which needs educational services.

The key variable here is the index of ethnic fragmentation. Many indices for ethnic fragmentation are used all containing similar aspects only differing in the source of data. The index that is used here is an applied Hirschman-Herfindahl market concentration index: the probability of one person to confront another in a different ethnic group.<sup>61</sup>

Unfortunately, the 1970 data does not classify ethnic groups in detail. Unlike 1980 and 1990 county data which has 6 different ethnic groups, the 1970 data only categorizes ethnicity in three different groups; white, black and others. Therefore, instead of using 6 groups, I built an ethnic fragmentation index based on 3 groups. The correlation coefficient between 6 group index and 3 group index in 1980 and 1990 was as high as .997 by which I am convinced about the reliability of the proxy.

In order to control the population size of a county, a log of population is included. A large city with high population generally has more jobs to offer a community, thus resulting in a larger budget with more various categories than a small community. The budget of a community therefore, is influenced by the size of population. Additionally, many economists regard population growth as one of the most important measures. Studies have found that migration within the US responds strongly and relatively quickly to income opportunities. (Blanchard and Katz, 1992)

Also, believing in the influence of income and income inequality on the provision of public services in a community, income per capita is included. Income inequality was measured by the ratio of mean income to median of a county. When inequality is high,

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<sup>61</sup> A more rigorous and robust index that can encompass not only ethnic fragmentation but also its political implication is on demand. This will be discussed later in this paper.

the ratio will be much higher than 1 since the mean is more sensitive to outliers. I expect that the higher the inequality is, the lower per student spending will be.

Age is also an important deciding factor regarding the size of educational spending as seen in previous works. (Poterba, 1997) Usually, elderly oppose to spending on education because public goods such as these do not serve their primary interests. Thus, the actual spending on education in a community with a higher proportion of elderly is lower than one with lower proportion of elderly people. When it comes to per student spending, however, I expect that the higher elderly proportion will be positively related to the higher per student spending. Students in a community with a higher proportion of elderly people do not have to compete for educational spending as much as in communities where there is a low proportion of elderly but higher proportion of primary and secondary students. For this reason, a negative coefficient of the proportion of elderly is anticipated.

If a community has a higher number of educated adults, more educational spending is expected due to their interest in education of their children and higher income level. Thus, the fraction of population with at least bachelor degree is estimated to have regressed.<sup>62</sup>

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<sup>62</sup> As a matter of fact, it could work in both ways, positively and negatively. The community with parents who have received higher education would be more interested in their children's education than those who have not. On the other hand, when a community's education level is high, it often implies that the community is relatively young, therefore, has low number of children who need primary and secondary education.

## ***Methodology***

I ran pooled OLS, random effect and fixed effect regressions using panel data followed by the Hausman specification test. The random effect model treats error term as random noise, whereas fixed effect model hypothesizes that error term is not independent of explanatory variable. Quite often, fixed effect is a useful treatment when there is suspicion of an omitted variable.

I suspect the possibility of bias in OLS regression is due to an omitted variable since the dataset contains information about counties and states in the United States. Due to the federal system of the United States, there is much variation across the states. This implies that each state has different state government structure and fiscal policymaking process, and institutional differences exist across states. Those state and county specific factors are not counted in pooled OLS. If this is the case, the error term is not supposed to be independent of other explanatory variable due to a community's specific characteristic, which certainly affects the level of public spending by a local government.

For instance, Alaska receives a larger amount of intergovernmental transfer from the federal government for the purpose of increasing the number of residents. Since federal government as opposed to the rest of the country supports a much higher proportion of educational spending, residents of Alaska do not have to be as responsive as other states' residents to taxing so as to support education. In the case of Hawaii, the power of the state government is much stronger than that of other states. Understandably, local government's spending power is much weaker than other states. These states are

exceptional cases, but still there exist sufficient political and economic variations across states that should not be ignored.

Thus, I assume state variation to be an important factor to be considered, and perform fixed effect analysis alongside random effect analysis. Which analysis will better explain the dependent variable will be determined by the Hausman specification test which examines the existence of systematic covariance between error term and independent variables. The model specification is followed as:

$$\begin{aligned} \text{per pupil expenditure}_{it} = & \beta_0 + \beta_1 * [\text{ethnic}_{it}] + \beta_2 * [\text{lpop}_{it}] + \beta_3 * [\text{pop65up}_{it}] + \beta_4 * \\ & [\text{incomepc}_{it}] + \beta_5 * [\text{hincome\_ratio\_mn}_{it}] + \beta_6 * [\text{bagrads}_{it}] + \beta_7 * [\text{educage}_{it}] \\ & (+ \beta_8 * [\text{county}_i]) + \varepsilon_{it} \end{aligned}$$

#### 4. Result and Discussion

Before I performed the regression of per student spending, I tested the panel data analysis with the share of educational spending as dependent variable.<sup>63</sup> Interestingly, the ethnic variable, which has statistical power and is negatively related with the share of educational spending, becomes positive and significant. This shows the instability of the ethnic variable. (See Table 2).

Now, I run the regression on per pupil educational expenditure. The pooled OLS result demonstrates that it is questionable that ethnic diversity has a significantly negative

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<sup>63</sup> This is for the purpose of to compare the fixed effect model with Alesina et. al.'s outcome. Alesina et. al. used the share of educational spending instead of per student spending.

impact on educational spending. Although the sign of the coefficient is negative, ethnic diversity does not have any significant effect.<sup>64</sup>

When the random effect model is tried, the result already shows something different from what other studies claim. The coefficient on ETHNIC is significantly positive. The population size of educational age possesses a very significant negative relationship with educational spending per student. It is an expected result and understood in the terms that the more students in a community, the less portion of the pie is distributed per student. To a lesser extent, the percentage increase of population decreases the spending. This can be interpreted to mean that the size of a community is negatively related to the educational spending per student. Potentially, this also could represent problems of urban schools frequently discussed.

Income per capita is also a significant and positive effect, but to a very little extent. A more affluent community is obviously more willing to spend on education than a not affluent one. On the other hand, higher income inequality lowers educational spending per student. The income inequality measurement has a much stronger impact than income per capita in terms of coefficient magnitude. Interestingly, the percentage of population holding a bachelor or higher degree does not have significant effect on educational expenditure. Finally, the portion of a population who are older than 65 is strongly related to the educational spending in positive way. As discussed in the previous section, it is believed that low competition for education spending, because of small

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<sup>64</sup> Before I perform the pooled OLS regression, I replicated Alesina et. al.'s regression with my 1990 data using the same variables as they used to make sure the reliability of the data. The replication of 1990 data using OLS method shows that my data are not far off Alesina et. al.'s original data operation and other studies asserting the negative effect of ethnic heterogeneity on public expenditure. The coefficient of ethnic fragmentation on the fraction of educational spending in ABE's paper was -.103 with -4.18 t-score. In my replication, with the proxy ethnic variable, the coefficient is -.09 with -3.55 t-score.

fraction of children to receive educational services, contributes to the positive relations of two variables.

Next, the fixed effect model is tested. Again, the most important variable for educational expenditure is EDUCAGE. It is positively associated with dependent variable with statistical significance. The coefficient of EDUCAGE is much higher than any other independent variable. Ethnic heterogeneity is still as positive and significant as it was in the random effect model. Thus, an increase in ethnic heterogeneity causes a greater educational spending per student. The percentage increase of population shows consistent negative relationships with per student spending. (Table 3) All coefficients maintain their statistical power and sign. The size of population with a bachelor's degree or higher academic designation becomes significant and negative. This proves the fact that a community with a large number of bachelor degree holders tends to be in relatively young and urban cities.

The Hausman test was utilized to choose the more reliable model between the random and the fixed effect. The hypothesis that error term is not systematically related with explanatory variables is rejected by the test. Therefore, we can accept the result of fixed effect model.

One discomfoting fact concerning fixed effect is the small change in the ethnic variable. According to Alesina et. al., the absolute median change of ethnic composition during 1960 and 1990 period was only 0.04. (Alesina et. al., 1997) Indeed, there are a number of counties with almost no change in ethnic composition. Yet, some counties experienced relatively big changes. I therefore collected samples from countries whose

ethnic composition is different by 0.05 or more between the 1970 and the 1990 period. It left me with 1698 samples.

Table 4 reports the result. The result is almost the same as previous model. Still, the population size of educational age is the most important explanatory variable. Ethnic heterogeneity positively influences on per pupil spending. The only change is in the population of 65 or older, which loses statistical power in the fixed effect model.

Another question to be considered is how to interpret a simple measure of ethnic composition change into political power. In order for any ethnic group to participate and play a credible “exit” and “voice” option in political process, it requires a reasonable number of members in the group. It is not implied in the measurement of the ethnic composition change. Therefore, even though there is relatively significant change in ethnic fragmentation, it does not necessarily mean that a particular ethnic group becomes accessible to political influence in the local politics, or political competition between ethnic groups is intensified. For instance, many counties in Georgia have higher than .4 ETHNIC indicator, but they did not change much over the time. Fulton county in Georgia, for example, has ETHNIC of 0.498 in 1970, which is almost the same as in 1990. On the contrary, Adams County in Indiana only has 0.00045 of ethnic fragmentation in 1970. However, it increases to 0.0606 in 1990, which is considerably large, but still very small ethnic fragmentation. Therefore, it is hard to believe that any other ethnic group other than white play political influence.

I also ran regression model only with counties that have a relatively high ethnic fragmentation above .4 from the beginning as well as noticeable changes. Results are shown in the Table 5. This time, ETHNIC loses statistical power in most cases, while



other demographic variables such as income per capita and income inequality explain a large part of dependent variable. Interestingly, the population size of 65 or older loses its power even in the pooled OLS regression.

Overall, it is hard to find any solid evidence of reduction in educational spending per pupil in ethnically heterogeneous communities as previous studies suggest. Rather, higher ethnic heterogeneity brings higher per pupil expenditure in communities overall as seen in results. There is lack of evidence that ethnically fragmented communities spend less on “core public goods” but more on “patronage goods.”

## **5. Micro-data Analysis**

From the previous analysis, I find that the ethnic diversity is either positively related with educational spending or not relevant at all. What appear to be more consistently relevant to the educational expenditure are income inequality, income per capita and percentage increase of population.

In this section, I examine the previous results from macro-level analysis through micro-level analysis using survey data. The survey examines people’s attitudes toward spending on different government services and goods.

### ***Data and Methodology***

I acquired the data set from the General Social Survey. The General Social Survey is a nationwide survey concerning demographic information and individuals’

attitude towards different issues. The survey asks what people think about current national spending on different categories such as welfare, social security and education. The survey also has a demographic indicator of a respondent such as race, gender, income level and education level. I collected data set from 1991 to 1998 for the analysis. Although the data have respondents who belong to other ethnic groups than white or black, race relevant questions are mostly about white and black relations. In addition, the number of non-white and non-black respondent was fairly small such as 519 out of more than 14,000 observations. Therefore, I omitted those who were non-white or non-black out of the sample.<sup>65</sup>

Attitudes towards diverse national expenditures acted as the dependent variable. First, people's thoughts concerning the expenditure on welfare was asked. Each respondent picked an answer; the government is spending too much, too little or just about right amount. If a person replied that the government is spending too much on public welfare, his answer would be coded as 3. If he answers too little, it will be coded as 1. In the same way, a respondent's attitudes to national expenditure on the assistance to black people, educational expenditure, social security, mass transportation, roads and highways and crime prevention are measured. More detailed explanations are in appendix. (Table 6)

Independent variables are generated to control demographic characteristics and personal preferences based on political ideology and economic interests. I expect that the higher the class or the higher the income group a person belongs to, the more he thinks that the government should not spend too much on redistributive services such as welfare,

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<sup>65</sup> This was done to prevent high multicollinearity problem from occurring.

assistance to African-American people and Social security.<sup>66</sup> I formulate income and race interaction terms. These interaction terms are expected to classify the reactions from different income cohorts within the same ethnic group.

Secondly, the race of a respondent is considered to be an explanatory variable as a dummy variable (BLACK). Many studies have proved that African-American people have more demand for redistributive government consumption. (Bergstrom, Rubinfeld and Shapiro, 1982; Clark and Ferguson, 1982; Schneider, 1987) Thus, a negative coefficient is expected of this variable.

The age of a respondent is also an important variable in determining an opinion concerning a particular facet of government spending. They may need more spending on social security but less on education. Also, in general, the older a person is, the more conservative she becomes on government spending and in political view.

If one is married and a parent, he is more likely to be interested in education of her/his children. A respondent's marital status, therefore, is also considered in the equation. (MARRIED) In particular, women who are divorced, separated or widowed are anticipated to have demand for more government spending to assist them financially through welfare or education for the children. In order to take this into account, I also created the variable for females who are divorced, separated or widowed. (FEM\_ALI)

A person's political view should play an important role in determining his/her position on the government spending. The survey has coded from 1 to 7, from extremely liberal to extremely conservative, respectively. The ideological indicator is positively related to the dependent variable.

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<sup>66</sup> Education is rather suspicious, since higher income people are believed to be aware of the importance of their children's education. Although, education is very much redistributive, it is expected to have reactions in different direction from welfare or social security.

The education level of a respondent also factors into the equation. The level of education is believed to have influence on a respondent's attitude to the government spending independently as well as through income or political self-placement.

In order to consider the environmental effect, CITY dummy variable of whether a person lives in a metropolitan city or not is included in the equation. People who live in a city area have different utility function from those who live in rural or countryside. (Schneider, 1987; Rubinfeld, Shapiro and Roberts, 1987) They would need more spending on some items such as mass transportation and crime prevention, which would not be required of those living in rural areas.

The General Social Survey asks people whether they have African-American neighbors within their neighboring block. The question is utilized as measurement of exposure to different racial group; so as to capture the effect of an opposite race in the neighborhood, I created a dummy variable for white person with African-American neighbor. (RACLIVE\_WH)

Lastly, year dummies for 1991, 1993, 1994 and 1996 were created to control the influence of the economy cycle over the periods.

Since dependent variables are all coded as degrees, I used Ordered Logit model for the analysis. With the consideration of class, income, marriage status, education, age, race and political view as socioeconomic indicators, an African-American neighborhood and city as environmental vector and year dummies, I constructed the regression model as below:

$$\text{Attitude to govt. spending}_{it} = \beta_0 + \gamma^* [\text{socioeconmic}_{it}] + \lambda^* [\text{environment}_{it}] + \psi^* [\text{year}_i] + \varepsilon_{it}$$

## 6. Result and Discussion

Regression results assure many previous assumptions regarding the coefficient. (Table 7) The higher a person's class is, the more he tends to think the government spends too much on welfare, social security and education. The affluent tier has the option of private school for their children, therefore, they would not care as much about educational spending by the government. For obvious reason, they do not want much of government spending on welfare and social security.

The most interesting coefficients are income and race interaction terms (INC\_WHT and INC\_BLK). Once income is controlled, the African-American group does not show much of difference in attitude from the white, but differs from other blacks in almost every aspect. Interestingly, the high-income blacks think that the government spends too much on welfare programs just as the high-income whites do. They also show significantly negative association with the education variable, which implies that they require higher educational expenditure from the government. This cannot be found in black dummy alone. As many studies already proved, African-American people tend to prefer more spending on welfare and assistance for themselves. Nevertheless, in this analysis, black people do not significantly demand more education. Rather, they think the expenditure on roads and highways is too much.

As anticipated, married people and women who are divorced, separated or widowed are sensitive to the education and social security variables. They also think that the government should spend more on crime prevention, which is to some degree can be understood from the concern with living environment for their children.

The higher education factor drives a person to think that the government should spend more on the assistance to black people. It seems to be out of altruistic motive. The highly educated people, of course, are very interested in educational spending and believe that the government is spending too little on education.

The aged group show overall conservative standpoint. They think the government should reduce spending on welfare, assistance to black people, education and even on social security.<sup>67</sup>

The most consistent and strongest independent variable is political stance of a respondent. It is even remarkable that the conservatives oppose against almost everything except for the crime protection.

People living in a city have their particular preferences of government expenditure. They want more on crime prevention and welfare, but less on roads and highways. It appears to be understood by the income inequality in cities and less demand for highway maintenance.

The variable of neighborhood exposure does not have significant power but the mass transportation and crime prevention. The fact that a white person shares the neighborhood with a black person does not cause him or her to ask the government to reduce or increase spending on any redistributive public services.

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<sup>67</sup> This is a little bit of puzzle to me. At this point, I assume that "age" make people more conservative. A further investigation is needed on this matter.

Overall, the most important variable that determines a person's attitude to the government spending are his political ideology and socioeconomic status (i.e. income and class). From this analysis, it is not unambiguous that people would deter the spending on different ethnic groups in an ethnically heterogeneous community. Moreover, once the income level is high enough, regardless of race, people share similar opinions about the government provision of public goods and services.

## **7. Conclusion**

In ethnic politics, quite a number of historical analyses contend that conflicts in ethnically heterogeneous communities cause inappropriate provision of public services and goods. It has been believed to result in slow economic development and long-term economic inequality among individual citizens. And, many scholars tried to prove the negative impact of ethnic conflict on public finance in quantified ways. However, as the modified models show, previous arguments are challenged. The effect of ethnic heterogeneity is positive or insignificant at best. The effect appears in some models, but disappears in another model containing an additional independent variable.

Through the micro-level analysis, I also show that a person's attitude is rather based on his or her own socioeconomic status and preferences accompanying it than ethnic conflict. Of course, it is still true that African-American prefer more redistributive public services than the white. However, this also can be understood with respect to relatively lower income level of the African-American group. The most important determinants are a person's political ideology and socioeconomic placement that establishes the ideology.

Therefore, it is difficult to confirm what many economists claim. This is not to entirely deny the overall importance of ethnic homogeneity and unity in nation building and economic development of a country. There are biased and inefficient investments caused by ethnic or regional conflicts that generate less optimal public policies. In many developing countries, a considerable part of serious inequality problems can be attributed to ethnic or regional conflicts. Nevertheless, the ethnic influence in the United States is misleading or exaggerated. Compared with income variable, ethnic heterogeneity index only has limited explanatory power.



### Description of Variable

Independent variables are defined as below.

- ethnic – a variable to measure the diversity of a community. The calculation of ethnic variable is

$$ETHNIC = 1 - \sum_i ethnicity_i^2$$

(ethnicity = white, black, and others.)

The more ethnically diversified, the higher is the score. Caldwell in Texas(1980) has the highest scores of 0.56 and Adams in Indiana (1970) has the lowest score of 0.00045.

- lpop – log of population.
- pop65up – fraction of the population of 65 or older.
- hincome\_ratio\_mn – mean and median income ratio for household. Measures inequality of income levels in a community.
- incomepc – income per capita.
- bagrad – fraction of the 25+ population with college or higher degree.
- educage – fraction of the population of 5 to 17 years old.

Dependent variables are different kinds of expenditures of a local government and defined as below.

- per\_pupil – education spending of a local government per student aged between 5 and 17.

**Table 1. Descriptive Statistics**

<i>Variable</i>	<i>Obs</i>	<i>Mean</i>	<i>Std. Dev.</i>	<i>Min</i>	<i>Max</i>	
bagrad	4128	0.1262453	0.065807	0.021	0.499	Fraction
educage	4128	0.2249526	0.040541	0.112	0.378	Fraction
ethnic	4128	0.1743247	0.154827	0.0004465	0.565334	Fraction
hincome_rati_mn	4126	1.391886	0.238776	1.021304	2.550033	Fraction
incomepc	4126	7991.969	4452.456	1123	28381	\$ term
pdensity	4128	288.8979	970.003	1	15904	Pop. In a square mile
Per_pupil1	4128	2.481951	1.877505	0.0373836	13.11969	\$ in 1,000
pop65up	4128	0.1171335	0.035757	0.023	0.35	Fraction

**Table 2. Panel Analysis on the Share of Educational Spending**

	<i>OLS</i>	<i>Random Effect</i>	<i>Fixed Effect</i>
ethnic	<b>-0.033</b> <b>(2.28)*</b>	-0.005 (0.32)	<b>0.245</b> <b>(4.22)*</b>
lpop	<b>-0.026</b> <b>(10.02)*</b>	<b>-0.031</b> <b>(10.02)*</b>	<b>-0.041</b> <b>(2.28)*</b>
bagra	<b>-0.318</b> <b>(7.56)*</b>	<b>-0.322</b> <b>(6.41)*</b>	<b>-0.292</b> <b>(2.04)*</b>
hincome_ratio_mn	<b>-0.043</b> <b>(3.56)*</b>	<b>-0.35</b> <b>(3.43)*</b>	-0.019 (1.45)
pop65up	<b>-0.419</b> <b>(6.45)*</b>	<b>-0.339</b> <b>(4.74)*</b>	-0.088 (0.62)
incomepc	1.68e-06 (1.71)	<b>4.64e-06</b> <b>(5.99)*</b>	<b>4.67e-06</b> <b>(2.93)</b>
_cons	<b>0.946</b> <b>(29.89)*</b>	<b>0.948</b> <b>(25.56)*</b>	<b>0.95</b> <b>(4.54)*</b>

\*p < .05, and numbers in parenthesis are t-scores.

**Table 3. Regression Results of Per Pupil Educational Expenditure**

	per_pupil		
	<i>OLS</i>	<i>Random Effect</i>	<i>Fixed Effect</i>
ethnic	-.1413 (.106)	<b>1.204**</b> (.122)	<b>1.533**</b> (.292)
lpop	.032 (.0178)	<b>-.119**</b> (.0217)	<b>-.564**</b> (.101)
incomepc	<b>.0002**</b> (.00001)	<b>.0003**</b> (6.27e-06)	<b>.0003**</b> (.00001)
bagrad	<b>2.182**</b> (.362)	.536 (.424)	<b>-3.488**</b> (.996)
pop65up	<b>5.001**</b> (.561)	<b>5.708**</b> (.677)	<b>2.927*</b> (1.395)
hincome_ratio_mn	-.193 (.116)	<b>-2.285**</b> (.057)	<b>-2.626**</b> (.0602)
educage	.437 (.724)	<b>-6.803**</b> (.816)	<b>-10.932**</b> (1.301)
constant	-.632 (.356)	<b>5.103**</b> (.382)	<b>12.04**</b> (1.276)
R <sup>2</sup>	<b>0.7738</b>	<b>0.7345</b>	<b>0.6618</b>
N	<b>4126</b>	<b>4126</b>	<b>4126</b>

Note: Values in parentheses are standard deviation. For OLS, they are heteroskedasticity corrected standard deviations.

\*  $p < .05$

\*\*  $p < .01$

**Table 4. Regression Results on per student expenditure – counties with ethnic composition change of more than .05 between each time periods.**

	per_pupil		
	<i>Pooled OLS</i>	<i>Random Effect</i>	<i>Fixed Effect</i>
ethnic	-0.193 (0.179)	<b>1.405</b> <b>(0.22)**</b>	<b>1.85</b> <b>(0.339)**</b>
educage	-1.521 (1.125)	<b>-10.296</b> <b>(1.213)**</b>	<b>-13.625</b> <b>(1.945)**</b>
lpop	<b>0.053</b> <b>(0.02)**</b>	<b>-0.097</b> <b>(0.028)**</b>	<b>-0.453</b> <b>(0.13)**</b>
incomepc	<b>0.0001</b> <b>(0.00002)**</b>	<b>0.0003</b> <b>(0.00001)**</b>	<b>0.0003</b> <b>(0.00002)**</b>
bagrad	0.618 (0.598)	<b>-1.396</b> <b>(0.621)**</b>	<b>-4.345</b> <b>(1.453)**</b>
pop65up	<b>5.271</b> <b>(1.018)**</b>	<b>4.79</b> <b>(1.041)**</b>	3.666 (2.09)
hincome_ratio_mn	-0.157 (0.166)	<b>-2.427</b> <b>(0.093)*</b>	<b>-2.81</b> <b>(0.099)**</b>

Note : values in parentheses are standard deviations. For Pooled OLS, they are heteroskedasticity corrected standard deviations.

\*  $p < .05$

\*\*  $p < .01$

**Table 5. Regression Results on per student expenditure – counties with ethnic index of more than .4.**

	<i>per_pupil</i>		
	<i>Pooled OLS</i>	<i>Random Effect</i>	<b>Fixed Effect</b>
ethnic	-2.217 (1.3)	1.681 (1.42)	-0.1 (2.357)
educage	0.579 (2.418)	-3.154 (2.065)	-3.506 (3.258)
lpop	0.056 (0.04)	<b>-0.137</b> <b>(0.052)**</b>	<b>-0.9</b> <b>(0.343)**</b>
incomepc	<b>0.0002</b> <b>(0.00003)**</b>	<b>0.00035</b> <b>(0.00002)**</b>	<b>0.0004</b> <b>(0.00004)**</b>
bagrad	-0.241 (1.17)	-1.046 (1.278)	-4.194 (2.956)
pop65up	0.51 (2.019)	3.984 (2.252)	-0.878 (4.939)
hincome_ratio_mn	0.087 (0.196)	<b>-1.694</b> <b>(0.105)**</b>	<b>-2.004</b> <b>(0.121)**</b>

Note : values in parentheses are standard deviations. For Pooled OLS, they are heteroskedasticity corrected standard deviations.

\*  $p < .05$

\*\*  $p < .01$

## Table 6. Description of Variables – Micro Analysis

Independent variables are defined as below.

- class : self placement of class.  
1 – lower class, 2 – working class, 3 – middle class, 4 – upper class
- inc\_wht & inc\_blk : interaction terms between income and race. Income is classified in 7 brackets according to the income level.
- ractive\_wh : dummy for a white person who has a black neighbor.
- married : marriage status. 1 for married, 0 for not-married
- fem\_alii : dummy for a woman who is divorced, separated or widowed.
- city : dummy for a respondent who lives in a city with more than 25,000 residents.
- educ : education level. Scaled for each grade level up to graduate school.
- age : age of a respondent.
- polviews : political ideology of a respondent. 1 – extremely liberal, 7 – extremely conservative.
- black : dummy for an African-American respondent.
- year\_dummies.

Dependent variables are defined as below.

- natfare : opinion about the government spending on welfare programs.  
1 – too little, 2 – about right, and 3 – too much. (same scale is used for every dependent variable.)
- natrace : opinion about the government spending on assistance to black people.
- natsoc : opinion about the government spending on social security.
- nateduc : opinion about the government spending on education.
- natmass : opinion about the government spending on mass transportation.
- natroad : opinion about the government spending on roads and highways.
- natcrime : opinion about the government spending on crime prevention.

**Table 7. Ordered Logit Regression Result – national spending on welfare, assistance to black people and social security**

	<i>natfare</i>	<i>natrace</i>	<i>natsoc</i>
class	<b>0.08</b> <b>(0.034)*</b>	-0.029 (0.037)	<b>0.306</b> <b>(0.038)**</b>
inc_wht1	<b>0.082</b> <b>(0.014)**</b>	<b>0.038</b> <b>(0.015)**</b>	<b>0.055</b> <b>(0.015)**</b>
inc_blk1	<b>0.122</b> <b>(0.034)**</b>	0.056 (0.041)	-0.064 (0.039)
raclive_wh	0.009 (0.043)	-0.023 (0.045)	-0.023 (0.046)
married	-0.019 (0.05)	0.031 (0.054)	<b>-0.268</b> <b>(0.054)**</b>
fem_al1	-0.052 (0.062)	-0.122 (0.067)	<b>-0.417</b> <b>(0.068)**</b>
city	<b>-0.158</b> <b>(0.055)**</b>	-0.044 (0.06)	0.042 (0.06)
educ	0.0004 (0.008)	<b>-0.065</b> <b>(0.008)**</b>	<b>0.11</b> <b>(0.009)**</b>
age	<b>0.006</b> <b>(0.001)**</b>	<b>0.008</b> <b>(0.001)**</b>	<b>0.013</b> <b>(0.001)**</b>
polviews	<b>0.216</b> <b>(0.015)**</b>	<b>0.251</b> <b>(0.016)**</b>	<b>0.069</b> <b>(0.016)**</b>
black	<b>-0.895</b> <b>(0.129)**</b>	<b>-2.383</b> <b>(0.152)**</b>	<b>-0.402</b> <b>(0.144)**</b>
year91	<b>-0.171</b> <b>(0.068)*</b>	<b>-0.198</b> <b>(0.073)**</b>	<b>0.214</b> <b>(0.074)**</b>
year93	0.118 (0.066)	-0.077 (0.071)	<b>0.524</b> <b>(0.072)**</b>
year94	<b>0.393</b> <b>(0.056)**</b>	<b>0.156</b> <b>(0.061)**</b>	<b>0.431</b> <b>(0.061)**</b>
year96	<b>0.342</b> <b>(0.057)**</b>	<b>0.135</b> <b>(0.061)*</b>	<b>0.31</b> <b>(0.063)**</b>

Note: values in parentheses are standard deviations.

\*  $p < .05$

\*\*  $p < .01$



**Table 7. Ordered Logit Regression Analysis (cont.) – national spending on education, mass transportation, highways and crime protection**

	<i>nateduc</i>	<i>natmass</i>	<i>natroad</i>	<i>natcrime</i>
class	<b>0.0808</b> <b>(0.0415)*</b>	-0.03 (0.037)	0.048 (0.036)	0.033 (0.038)
inc_wht1	<b>-0.051</b> <b>(0.017)**</b>	-0.026 (0.015)	-0.028 (0.015)	-0.021 (0.016)
inc_blk1	<b>-0.23</b> <b>(0.052)**</b>	0.013 (0.035)	<b>-0.101</b> <b>(0.034)**</b>	<b>-0.139</b> <b>(0.04)**</b>
raclive_wh	-0.097 (0.051)	<b>-0.112</b> <b>(0.046)*</b>	-0.008 (0.045)	<b>-0.115</b> <b>(0.047)*</b>
married	<b>-0.217</b> <b>(0.061)**</b>	0.067 (0.053)	0.049 (0.052)	<b>-0.236</b> <b>(0.055)**</b>
fem_al1	<b>-0.467</b> <b>(0.076)**</b>	0.082 (0.067)	<b>0.196</b> <b>(0.065)**</b>	<b>-0.383</b> <b>(0.069)**</b>
city	-0.089 (0.07)	-0.09 (0.058)	<b>0.178</b> <b>(0.057)**</b>	<b>-0.151</b> <b>(0.062)*</b>
educ	<b>-0.037</b> <b>(0.01)**</b>	<b>-0.102</b> <b>(0.009)**</b>	0.011 (0.008)	<b>0.04</b> <b>(0.009)**</b>
age	<b>0.023</b> <b>(0.002)**</b>	<b>-0.009</b> <b>(0.001)**</b>	<b>-0.017</b> <b>(0.001)**</b>	<b>0.004</b> <b>(0.001)**</b>
polviews	<b>0.242</b> <b>(0.018)**</b>	<b>0.119</b> <b>(0.016)**</b>	0.01 (0.015)	<b>-0.056</b> <b>(0.016)**</b>
black	-0.157 (0.163)	-0.22 (0.132)	<b>0.396</b> <b>(0.131)**</b>	-0.05 (0.142)
year91	0.102 (0.082)	<b>-0.156</b> <b>(0.073)*</b>	0.132 (0.071)	-0.087 (0.072)
year93	0.126 (0.08)	<b>-0.18</b> <b>(0.072)*</b>	-0.004 (0.069)	<b>-0.409</b> <b>(0.074)**</b>
year94	0.008 (0.069)	<b>-0.174</b> <b>(0.06)**</b>	-0.08 (0.059)	<b>-0.459</b> <b>(0.063)**</b>
year96	0.047 (0.07)	0.021 (0.061)	0.056 (0.059)	<b>-0.188</b> <b>(0.062)**</b>

Note: values in parentheses are standard deviations.

\*  $p < .05$

\*\*  $p < .01$



## **Chapter 7. Conclusion**

More often than not, electorates are considered to be irrational. They are thought to have a tendency of voting based on irrational reasons. Without scrutinizing each party's policy agenda and ideological stance, they are easily influenced by family, friends and co-workers. (Berelson et. al., 1966) Once the party ID is established, voters hesitate to change it even though a different party's candidate proposes better benefits. Party ID tends to get stronger as a voter ages. (Campbell et. al., 1960) Voting, therefore, easily becomes a habitual behavior, not a calculative one.

Nevertheless, this dissertation proves that voters are not entirely irrational when they vote. In the first part of the dissertation, I looked at the regional voting behavior of Korean electorates. Korean regionalism is a unique phenomenon because the conventional theories for regional voting cannot easily explain it. Chapter two shows that ethnic explanation is a key factor for regional voting in countries with cultural and ethnic cleavages. But, Korea's homogeneous population, culture and language prevent many ethnic scholars' perspectives from explaining the regionalism. Economic deprivation theory also cannot satisfactorily reveal why Korean regionalism has so strongly been being sustained.

Many people have regarded Korean regionalism as emotional behavior that is based on hatred between the regions of Youngnam and Honam. It is considered that political and economic rivalry between these two regions has brought about regional voting behavior of electorates. However, the dissertation proves that the regional voting

behavior of Korean electorates is the product of strategic politicians' distribution of public goods and economic-minded voters' reactions to it.

Another point that the dissertation emphasizes the importance of political elites' role in forming voting alignment. The supply side of Korean regionalism is strategic political elites who want to be reelected in the next election. Region becomes one of the most important factors for politicians to decide where to invest the resources in order to achieve the purpose.

The claim supports the theory by Cox and McCubbins that politicians provide benefits to the constituencies with the highest electoral rates of return in the electoral games. As we saw in Korean distributive politics, candidates clearly avoid providing resources to those with the lowest rates of return. By doing so, they create regionalism and strengthen the regional voting behavior. Regional voting, therefore, does not give any incentive to politicians because it usually works for them. When they need more vote shares to increase the number of seats in the National Assembly, they first target their supportive region, then the swing region. The opposite region is not considered for the investment. Thus, regional voting of Korea is well planned and intentionally cultured by Korean politicians.

In the second part of the dissertation, I examined the relationship between ethnic diversity and distribution of public goods. Despite what many economists and political scientists assert, the negative relationship between these two elements was not confirmed. In fact, their argument is questionable, since my study proves that the relationship is not negative, but positive when an appropriate statistical analysis technique is employed.

Thus, ethnic diversity does not negatively influence the fiscal policy of a local government in the United States.

Furthermore, the microanalysis of the chapter on the United States shows that the economic condition of a person plays an important role in determining the opinion about government spending. The interaction term between race and income demonstrated that the difference in the opinions between the whites and the African Americans on government spending decreases as the economic difference between these two groups decreases. That is, it is rather the economic condition of a person that influences his demand for government spending than ethnicity itself. Therefore, the factor that is most consistent and influential in both macro and micro-analysis was the economic situation a person faces.

The second part of the dissertation brings out the feasibility of the economists' claim that ethnic diversity negatively influences sound fiscal policy. At least in the United States, it is not true that an ethnically fragmented community is fiscally inefficient. What really matters for a community's fiscal plan is the socioeconomic level of the community. Different ethnic groups' demands converge as the socioeconomic level becomes closer, as we saw in the micro analysis.

What we need to consider for future research is the role of political elites in the community and how they influence the establishing fiscal policies. In particular, the ethnic composition of state legislature would provide information as to why and how different fiscal policies are between an ethnically heterogeneous community and a homogeneous community.

Thus, both studies suggest the importance of voters' economic thinking, although it appears hard to find it at first glance. The Korean case was disguised by regional animosity. However, it was economic minded voters that solidified regional voting behavior. In the case of the United States, it looks as though ethnic group determines the demand for government spending. Nevertheless, it was rather the economic situation that two ethnic groups are facing.

The dissertation is meaningful in terms that it provided a new approach to the relationship between voting alignment and distributive politics. So far, we have focused on regionalism that is ethnically defined. Nevertheless, we can see many kinds of regionalism and regional voting blocs that cannot be explained by what ethnoregional scholars assert. Distributive politics, as we saw in the Korean case, can provide an important new theory for regional voting. Also, it can give an opportunity to look at regionalism from the perspective of strategic politicians. In addition, it shows that the ethnic group difference in demand for public goods actually resulted from the difference in the socioeconomic level of group members. This strengthens the premise of rational voters' choices. In conclusion, electoral alignment is determined by distributive politics defined by strategic politicians.

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