

Political Reform and Elite Persistence: Term Limits and Political Dynasties in the Philippines*

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March, 2013

Abstract

Research in political economy emphasizes the tendency of elites to persist and reproduce their power over time, potentially undermining the effectiveness of institutional reforms. One particular form of elite persistence is illustrated by the existence of political dynasties. A natural question is whether certain political reforms can break dynastic patterns and open up the political system. In this paper I study the extent to which the introduction of term limits by the 1987 Philippine Constitution effectively broke the hold of incumbent families on power. The ability of term limits to dismantle political dynasties is not obvious, as term-limited incumbents may be replaced by relatives or may run for a different elected office. Whether these strategies undermine the direct effects of term-limits in reducing the time an individual can hold office is an empirical question. I find no evidence of a statistically significant impact of term limits on curbing families' persistence in power. Moreover, term limits deter high-quality challengers from running prior to the expiration of an incumbent's term. Challengers prefer to wait for the incumbent to be termed-out and run in an open-seat race. As a consequence, incumbents are *safer* in their early terms prior to the limit. These results suggest that political reforms that do not modify the underlying sources of dynastic power may be ineffective in changing the political equilibrium.

Key words: Term Limits, Reform, Dynasties.

JEL: D70, D72

*I would like to thank Daron Acemoglu, Esther Duflo, James Robinson and James M. Snyder Jr. for all their comments and support. I would also like to thank participants in seminar presentations at Harvard, LACEA, MIT, NEUDC, NYU, UCLA and Yale for very good comments. This paper wouldn't have been possible without the hospitality and generosity of many people in the Philippines during my visit in 2009. I thank Rep. Juan Romeo Acosta, Arsenio Balisacan, Emmanuel de Dios, Jose Ferraris, Rep. Risa Hontiveros, Nico Ravanilla, Juan Rafael Supangco, Jaime Veneracion and Sen. Juan Miguel Zubiri and the staff at CenPEG, the Institute for Popular Democracy, Innovations for Poverty Action and the Philippine Center for Investigative Journalism. The financial support of Banco de la Republica and the Schultz Fund at MIT is gratefully acknowledged.

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1 Introduction

Existing research on the political economy of development emphasizes the role of elites in shaping the economic and political institutions that constitute the fundamental determinants of economic development. Classical elite theorists such as Mosca (1939) and Pareto (1968 [1901]) highlight the disproportionate power of certain elite groups in society. Michels (1911) notes the tendency of elites to perpetuate themselves in power and persist across time. More recently, Acemoglu and Robinson (2008) emphasize the way by which elite persistence may undermine attempts to reform institutions, leading to “captured democracies” wherein economic institutions and policies disproportionately benefit the elite.

Political dynasties, exemplify a particular form of elite persistence in which a single or few family groups monopolize political power. Political dynasties are common in many contemporary democracies such as Argentina, India, Japan, Mexico and the Philippines. The Philippines is a notable example of a dynastic democracy. More than half of elected Philippine congressmen and governors have a relative who has held elected office previously. In 40% of the 79 provinces the provincial governor and congressman are related.

However, the existence of political dynasties is not necessarily evidence that the reproduction over time of the political power of members of the same family, is explained by the formal political power held by previous relatives. Members of political dynasties may have greater political power due to various observed and unobserved characteristics of the family such as wealth, talent, popularity or looks that correlate with political success and can be transmitted across generations. However, in previous work (Querubin, 2010), I find evidence of a *causal effect* of entering politics on the probability of having relatives in office in the future. Using a regression discontinuity design based on close elections I find that individuals who win their first race by a small margin and have access to office are four times more likely to have relatives in office in the future than individuals who run but lose by a narrow margin and never serve. This suggests that (access to) the political system is an important source of dynastic persistence and concentrates disproportionate political power in a few families.

Political dynasties can undermine the quality of democracy and economic development in the long growth. Several scholars argue that the dynastic nature of Philippine politics has lead to a personalized style of politics that undermines the creation of a strong state and the adoption of country-wide policies (Hedman and Sidel, 2000 and Coronel at.al, 2007). As a consequence, the reform of important economic institutions is often blocked by members of dynasties who benefit from the status-quo. This has also prevented the emergence and consolidation of political parties that address the demands of broader constituencies. Others claim that the resiliency of dynasties is associated with rent-seeking and the allocation of state resources to further private interests (McCoy, 1994 and Hutchcroft,1998). The concentration of political power in a small set of families also increases the risk of political capture and the adoption of policies and institutions that benefit a very narrow set of interests. Finally, mean

reversion in talent over time, makes it unlikely that a society that draws its leaders from a narrow pool of families will choose the individuals best fitted for public office.

A natural question in this context is whether certain political reforms can break the dynastic pattern and open up the political system. In 1987, the Philippines undertook important reforms that help shed light on whether institutional changes can curb dynastic power. Following the return to democracy after a 15-year long dictatorship by Ferdinand Marcos, the 1987 Philippine Constitution introduced various changes aimed at decreasing the power of political dynasties. For example, Article II, Section 26 of the Constitution included a clause stating:

The State shall guarantee equal access to opportunities for public service and prohibit political dynasties as may be defined by law.

However, after 23 years, a dynasty-controlled congress has failed to pass legislation providing a definition of “political dynasty” making this constitutional ban vacuous. Most importantly, the 1987 Constitution introduced term limits for all elected offices. Senators can only be elected to two consecutive 6-year terms while congressmen, governors and all other local officials can only be elected to three consecutive 3-year terms. Some political analysts and scholars were optimistic that these constitutional provisions would open the political system to greater competition. For example, McCoy (1994, p. xvii) stated that “Aquino’s Constitutional Commission adopted articles designed to break, for all time, the influence of political dynasties through both universal term limits and a specific prohibition on relatives (...) holding any public office.” Other scholars argue that term limits, de facto, rob the electorate of a meaningful say in who does and does not belong in office.

In this paper, I analyze the extent to which term limits introduced in 1987 have effectively broken the hold of political dynasties in the Philippines. Conceptually, the general equilibrium effects of term limits in an elite-dominated democracy such as the Philippines are not obvious. Most arguments in favor of term limits are based on the existence of an incumbency advantage that establishes implicit barriers to entry to the political system. The direct effect of term limits is to eliminate incumbency advantage periodically on a given office and thus promote the alternation of power. However, in a dynastic democracy, incumbency advantage may spill over to other elected offices and, most importantly, to other members of the incumbent’s family. As a consequence, political dynasties can circumvent the direct effect of term limits if term-limited incumbents retain power by running for another office or field their relatives to replace them in order to maintain *family* control. Whether these countervailing effects are strong enough to undermine the effects of term limits in limiting dynastic persistence is the empirical question I address in this paper.

While not typically recognized in the literature, term limits may have the perverse effect of strengthening political dynasties. Term limits may force term-limited incumbents to run for higher offices while training and bringing additional family members into politics. This

can make dynasties *more* powerful as a family then controls multiple offices simultaneously. These potential general equilibrium effects constitute a special case of a more general point: the introduction of political institutions that do not modify the underlying sources of political power may be ineffective in changing the political equilibrium as those affected will often use their power to adapt and remain powerful under the new institutions.

The experience of the infamous Marcos family illustrates some of these perverse effects. In 1998, Ferdinand Marcos' son, Ferdinand Jr., and his daughter, Imee, won the gubernatorial and congressional elections, respectively, in the province of Ilocos Norte. They were both reelected in 2001 and 2004. By the end of 2007, they had served three consecutive terms and could not run again due to term limits. This however, did not diminish in any substantive way the political power of the Marcos family. Ferdinand Jr. ran successfully in the 2007 elections for congress to replace his sister Imee. Michael Marcos Keon, Ferdinand Jr.'s cousin, ran successfully for governor in 2007, replacing Ferdinand Jr. as governor. The Marcos family, despite facing binding term limits, managed to keep both offices in the family by rotating offices and having other relatives run to replace them.¹ This example is not atypical. One family remained in power for at least 19 years between 1987 and 2010 in almost 50 congressional districts, despite term limits.

In addition to the strategies that political dynasties use to circumvent term limits, term limits may also lead to changes in the behavior of challengers. In the presence of incumbency advantage, incumbents under term limits may discourage high-quality challengers from running against incumbents in their early terms. Challengers prefer to wait for the incumbent to be "termed-out" rather than risk their political career and resources by running against an incumbent and losing with higher probability. As a consequence, term limits may make incumbents *safer* in elections prior to the term limit. This effect is independent of the existence of political dynasties and may occur more generally in democracies that exhibit a substantial incumbency advantage and term limits.

The empirical analysis in this paper systematically explores the prevalence and magnitude of the strategies that undercut the beneficial impact of term limits. First, I briefly explore the effects of term limits on incumbents *before* term limits bind. I find that incumbency advantage increases considerably after 1987 in the presence of term limits. Incumbents were more likely to serve for three consecutive terms after 1987 than during the first democratic spell between 1946 and 1972 when term limits were not in place. An important caveat is that these differences may be attributed to other factors that changed with the return of democracy in 1987.² However, several facts point to the challenger-dissuasion interpretation that I suggest.

¹In the most recent 2010 elections, Ferdinand Jr. ran successfully for the Philippines senate but his seat in congress was taken by his mother Imelda who won the election with over 80% of the vote share.

²For example, media coverage was higher after 1987 relative to the pre-Marcos period (1946-1987) and this may have given larger exposure to incumbents. Congressmen also had access to pork-barrel allocations after 1987 such as the Countrywide Development Fund (after 1990) and the Priority Development Assistance Fund (after 2000) that may have been used strategically by incumbents to increase their reelection chances.

For example, I find that races with incumbents running for reelection exhibit a much smaller fraction of dynastic opponents compared to open-seat races after 1987. Moreover, while no single congressional race was uncontested during the 1946-1972 period, 63 congressional races were uncontested after 1987. Almost all of uncontested races included an incumbent running for reelection. This provides suggestive evidence that term limits may indeed induce a strategic reaction by strong challengers who prefer to run in an open-seat race rather than face an incumbent. Moreover, this may exacerbate agency problems as incumbents may have less incentives to exert effort in their early terms due to the dearth of high quality challengers.

Second, I consider the adaptive strategies of incumbents and their families *after* term limits bind. In particular, I explore whether the patterns revealed by the anecdotal evidence of the Marcos family (running for a different office after term limits bind and the replacement of term-limited incumbents by their relatives) are strong enough to undermine the overall effectiveness of term limits in breaking up political dynasties. To do so, I first report evidence that incumbency advantage may spill over to different offices and family members once term-limits bind. This suggests that incumbents, when reaching their term-limit, may try to run for a different office or attempt to “bequeath” their seat to their relatives, preserving the political power of the dynasty. I explore this empirically by estimating difference-in-difference regressions to test whether the families of incumbents in their third term (and term-limited post-1987) are less likely to remain in power (either in the same office or in another elected office) than incumbents in their second term and thus not yet subject to any binding limit.

The results suggest that, when we consider the *family* as the unit of observation, the direct effect of term limits on the probability that the incumbent or a family member remains in power falls by almost half. Moreover, once I consider simultaneously the possibility of the term-limited incumbent running for a different office and being replaced by a relative in their previous office, I find no statistically significant effect of term limits on the probability that the incumbent’s *family* remains in power. This is the main result of the paper. Finally, my results also show that term limits do not decrease the probability of having incumbents who belong to a political dynasty: term-limited incumbents are often replaced either by their relatives or by members of other established dynasties. This suggests that term limits are not able to change the underlying sources of power of political dynasties. In other words, reforms thought to be binding constraints are not.

My analysis is based on an original dataset that includes the names and number of votes of every congressional and gubernatorial candidate in the Philippines from 1946 (when the Philippines achieved independence from the United States) until 2007. This dataset was constructed from official records available in the National Archive in Manila and the House of Representatives in Quezon City. Next, I trace the different political dynasties and establish the family ties of the more than 7,000 individuals in my dataset. Given bilateral descent in the Philippines, relatives were traced by both the father’s and mother’s family name. Additional

qualitative evidence was gathered from field work and in-depth personal interviews conducted to both dynastic and non-dynastic politicians in a trip to the Philippines in the summer of 2009.

The paper proceeds as follows: section 2 presents a brief review of related literature, section 3 discusses the institutional context, section 4 describes the data sources and provides some descriptive and anecdotal evidence, section 5 presents the main results of the paper. Section 6 concludes and offers some directions for future research.

2 Related Literature

Term limits date back to early democratic societies. Members elected to the council of five hundred in Athens during the fourth and fifth centuries B.C. were subject to a two-year limit. Rotation in office was believed to be important because it serves to represent a diversity of interests and prevents the use of office for private gain³. Term limits were also present in the Articles of Confederation, which stated that members of congress could not serve longer than 3 years. More recently, various U.S. states have introduced term limits on state legislatures and governors. Similarly, in developing countries such as Colombia, the Philippines, and Venezuela, constitutional reforms have been passed in order to modify (or remove) term-limitations on the president and other elected officials.

In the academic literature, the discussion for or against term limits has usually centered around two main arguments: increasing office rotation by eliminating incumbency advantage and removing long-tenure incumbents from office.

A large body of theoretical literature emphasizes the barriers to entry created by incumbency advantage. Incumbents control the institutions that determine the rules of political competition (such as redistricting) and tend to spend more money on campaigning than challengers (Abramowitz, 1991). Similarly, Lott (1986) develops a model wherein investments in a political brand name are non-transferable constituting past campaign expenditures as a barrier to the entry of new challengers. Other scholars argue that incumbency advantage mutes the beneficial effect of competitive elections, allows incumbents to disregard the interests of the electorate, and prevents the entry of potentially more productive politicians. Term limits eliminate incumbency advantage periodically, possibly increasing the number of open seats for new politicians from different parties, coalitions, or political sectors who are unlikely to enter office in races with an incumbent. This will increase rotation in power and could potentially eliminate the biases of policy in favor of the coalitions that long-serving incumbents represent (Tabarrok, 1996 and Cain, Hanley and Kousser, 2001). Rotation in office is particularly important in the context of risk-averse voters with very heterogenous preferences who would benefit from term limits that prevent the entrenchment of an opposing group in

³See Benjamin and Malbin (1992), p.20-21.

power for a long time (Glaeser, 1997 and Tabarrok, 1996).

A second strand of literature emphasizes the importance of term limits for removing long-tenured incumbents and eliminating the incentives of politicians to choose policies that may be electorally profitable but are socially inefficient. Seniority in congress for instance, is associated with more important committee assignments, agenda setting power and leadership positions. As a consequence, voters prefer a representative who is relatively senior and can more successfully broker resources and legislation to benefit her own constituents. While voters may benefit from having a different and more productive representative, no single constituency will do it unilaterally because they forfeit relative tenure and net transfers. In this context, Dick and Lott (1993) develop a model in which term limits break this equilibrium and allow voters to choose better candidates by breaking the seniority of all districts simultaneously. Finally, a set of papers argue that term limits allow politicians to focus less on choosing policies that maximize their reelection prospects rather than on policies which “truthfully” reflect their preferences and interests allowing voters to better screen incumbents (Glazer and Wattenberg, 1995 and Smart and Sturm, 2006). Naturally, many of these arguments must be contrasted against the agency literature, most notably Barro (1973), that emphasizes the disciplining role of elections and discusses the opportunistic behavior in which term-limited incumbents engage during their last period, once reelection incentives disappear.

The empirical literature on the consequences of term limits is more scarce and focuses almost exclusively on the United States. Besley and Case (1995) analyze the impact of term limits on policy choices of U.S. governors between 1950 and 1986, finding that term-limited incumbents choose higher taxes and expenditure levels. They view this evidence as consistent with agency models in which incumbents care about their reputation, reducing their efforts to keep taxes and expenditures low once they are unable to run again. Initially, a body of literature used simulation models based on past reelection rates to predict the effect of term limits on the rotation of power and the composition of the legislature. However, Lopez (2003) later highlighted the caveats of these exercises and their failure to contemplate the effects of term limits on the structural parameters that determine reelection rates, an argument in line with the “Lucas Critique.” For instance, Fowler (1992) and Grofman and Sutherland (1996) argue that term limits may increase the reelection rates of incumbents because high-quality challengers postpone running until the seat becomes open by mandatory rotation.

More recently, Cain, Hanley and Kousser (2001) analyze the effect of term limits on the 15 U.S. states that introduced them between 1990 and 2000. They find that while term limits successfully increase the turnover of individual incumbents and the fraction of contested races, they fail to make races more competitive or increase *party* turnover. They also find that seats held by incumbents are less likely to be contested and that incumbents tend to face challengers with less previous political experience.

This paper finds results similar to those of previous work in respect to the effect of term

limits on races with incumbents before term limits bind. However, to my knowledge, this is the first paper to explore systematically the adaptive strategies that politicians may use in order to circumvent term limits and preserve the power of their family. In particular, previous work has not explored empirically the extent to which running for a different office or replacement by relatives can undermine the effectiveness of term limits. This is particularly relevant in the context of dynastic or elite-dominated democracies, where individual or party turnover is not necessarily the relevant measure of interest, but rather the extent to which political institutions can break the monopoly of powerful families and increase the diversity of interests represented.

3 Institutional Context

In this section I provide some details on the changes introduced by the 1987 Constitution that are relevant for the analysis of term limits in the Philippines.⁴

Elective offices in the Philippines vary according to the different subnational levels of government. The president, vice-president and 24 senators are elected by the country at large. The province is the main sub-national level of government and is equivalent to a state in the American context. In some cases, provinces are split into multiple congressional districts, each of which elects a congressman. The top executive position in the province is the governor followed by a vice-governor and a provincial board (equivalent of a U.S. state legislature). These positions are elected by the province at-large. The next sub-national level is the city/municipality (equivalent to a U.S. city/town) headed by an elected mayor, vice-mayor and body of councilors. After 1987, cities elect at least one congressman to the House of Representatives. Finally, municipalities and cities are subdivided into barangays (equivalent to a U.S. ward), which also elect a barangay captain. In this paper, I focus on congressmen and provincial governors, the most important positions elected at a subnational level of government and for which electoral data is available going back to the first election in 1946. There were originally 98 congressional districts in 1946, but this number increased to 219 by 2007 due both to the creation of new cities and provinces and to the redistricting introduced by the 1987 Constitution. Similarly, the number of provinces (and of governors) in the Philippines increased from 49 in 1946 to 79 in 2010.

From 1946 until the declaration of martial law by Ferdinand Marcos in 1972, congressmen and governors were elected to 4-year terms. The elections for both offices were not held simultaneously; elections for governors took place in the midpoint of congressional terms. Most importantly, elected congressmen and governors were not subject to term limits and could be reelected for an indefinite number of consecutive terms. In 1972, Ferdinand Marcos declared

⁴A brief description of the historical political background in the Philippines can be found in Querubin (2010). See Lande (1956), Owen (1971), McCoy (1994), Hedman and Sidel (2000), Cullinane (2003) or De Dios (2007) for more lengthy discussions.

martial law and closed congress, halting regularly scheduled elections until the restoration of democracy in 1987⁵. Upon the return to democracy, President Corazon Aquino appointed a Constitutional Commission to draft a new Constitution to replace the previous one, drafted in 1973 under Marcos' regime. The 1987 Constitution reduced the length of congressional and gubernatorial terms and all other local offices from 4 to 3 years. It also mandated that elections for all elective offices should take place simultaneously every three years⁶. Most importantly, it introduced term limits for all elective offices. Congressmen, governors and all local politicians could only be elected to the same office for up to three consecutive 3-year terms⁷. Term-limited incumbents were allowed to run and re-enter the same office after one term and they were not restricted from running for a different office immediately after reaching the term limit in their current office.

4 Data and Descriptive Evidence

This paper focuses on two elected offices: congress and provincial governors. These are the only offices for which data on the identity of all incumbents dating back to 1901, when Americans appointed the first provincial governors, are available from official sources.⁸ Most importantly, these are the most influential offices at the provincial level of government. I also constructed a dataset with the name and number of votes obtained by all congressional and gubernatorial candidates for the period 1946-2007.⁹ To my knowledge, this is the first paper to bring together these electoral data and to analyze them in a systematic way.

The dataset on incumbents includes 2,521 individuals who served as governors during the period 1901-2010 or as congressmen during the period 1907-2010. The dataset on candidates covers 14 congressional and gubernatorial elections during the period 1946-2007 (7 before Marcos declared martial law and 7 after the restoration of democracy) corresponding to 3,104 different races and 6,920 different candidates.

⁵Elections for the Batasang Pambansa, the Philippines parliamentary body under Marcos were held in 1978 and 1984. Similarly, a local election for provincial governors and municipality mayors took place in 1980. However, there are no records of the electoral statistics of these elections and they are believed to have been heavily influenced by Marcos' establishment.

⁶Congressional and gubernatorial elections occurred regularly and simultaneously every 3 years starting with the 1992 election. The first election for congress after the restoration of democracy took place in 1987 while the first gubernatorial election took place in 1988. Hence the first elected cohort of congressmen and governors served for a period longer than 3 years during their first term.

⁷For Presidents and senators a term-limit of two consecutive 6-year terms was introduced.

⁸The names of provincial governors for the period 1901-1935 come from the Roster of Public Officials available in the National Archives in Manila. Names of congressmen for the period 1907-1972 come from the Congressional Directories available in the House of Representatives in Quezon City. Data for the period 1987-2010 comes from the Commission of Elections and Coronel et.al (2007).

⁹Electoral data for the period 1946-1972 was collected by hand from the original canvass of votes of the Commission of Elections. Data for the 1987 congressional and 1988 gubernatorial elections were available in Gutierrez, Torrente and Narca (1992). Electoral data for the period 1992-2007 were provided by the Commission on Elections and the Institute for Popular Democracy.

The most challenging task is establishing the family relationships across all incumbents and candidates in the dataset. This was done by matching the candidates family names, with the family names of prior and posterior incumbent governors and congressmen within the same province. However, bilateral descent in the Philippines implies a particular structure of family names that must be taken into account. The name of a Filipino male or single female takes the form:

firstname midname lastname

where midname corresponds to the mother's family name and lastname corresponds to the father's family name. In the case of married women, names take the following form:

firstname midname lastname-lastnamehusb

where again midname corresponds to the mother's family name, lastname corresponds to the father's family name and lastnamehusb corresponds to the husband's lastname.

Relatives are identified by finding a match of the midname, lastname or lastnamehusb within the same province, whenever these are available.¹⁰ Relatives traced only by lastname would fail to identify wives (that play a crucial role in the post-1987 period), and some grandchildren. However, all the results presented in this paper are similar if relatives are traced using only lastname.

A natural concern with the above matching procedure is that individuals from the same province who share a midname, lastname, or lastnamehusb may not necessarily be related biologically to each other.¹¹ While this is certainly a possibility, this is less of a concern in the Philippines than in other countries due to the peculiar way in which family names are distributed across the different provinces. In 1849, concerned with the arbitrary way in which Filipinos chose their surnames¹², Governor Narciso Claveria y Zaldua created a catalog with a list of 61,000 different surnames. A different set of surnames (often starting with the same letter) was assigned to each town and local officials had to assign a different surname to the different family heads.¹³ As a consequence, common lastnames (such as Smith in the U.K.

¹⁰Several biographical sources were used to find the midnames of as many incumbents as possible. For most of the post-1946 congressmen, midnames were found in the Congressional Directories available at the House of Representatives in Quezon City.

¹¹This matching procedure will identify almost all existing relatives in the dataset. The main concern is the existence of *false positives*, or matches that do not correspond to actual relatives.

¹²Claveria complained that the natives "arbitrarily adopt the names of saints and this practice has resulted in the existence of thousands of individuals having the same surname. Likewise, I saw the resultant confusion with regard to the administration of justice, government, finance, and public order, and the far-reaching moral, civil and religious consequences to which this might lead, because the family names are not transmitted from the parents to their children, so that it is sometimes impossible to prove the degrees of consanguinity for purpose of marriage, rendering useless the parochial books which in Catholic countries are used for all kinds of transactions". See National Archives of the Philippines (1973).

¹³See National Archives of the Philippines (1973).

and U.S. or Gonzalez in Latin America) are not as prevalent in the Philippines. I also used various biographical sources to verify the accuracy of the relatives identified by the matching procedure for a sample of individuals¹⁴. Nonetheless the possibility of some measurement error remains.

Table 1 provides some descriptive statistics on the turnover of incumbents and political competition under the no-term limits environment (1946-1972) and after term limits were in place (1987-2010). Throughout the rest of the paper, results are reported separately for congressmen (Panel A) and governors (Panel B) to illustrate some important differences. Under term limits, incumbents appear more likely to reach a second and a third consecutive term. Between 1946 and 1972, 45% of first-termers were reelected to a second term and this number increases to 63% under the term limits environment. The difference for governors is even larger as the fraction of freshmen governors reelected to a second term almost doubles from 34% to 59%. A similar phenomenon is observed for the fraction of first-termers that are reelected twice and serve for at least 3 consecutive terms. This fraction is twice as large under the term-limit environment for congressmen and almost four times larger for governors. These numbers also suggest that, conditional on reaching a second term, the fraction of incumbents reelected to a third term in 1987-2010 increases from 52% to 77% for congressmen and from 28% to 70% for governors. This suggests that incumbents appear to be *safer* under a term-limit environment. I address this question in more detail in the next section. Naturally, term limits eliminate the possibility of serving a fourth or higher consecutive term; 14% of congressmen were reelected to 4 or more consecutive terms between 1946 and 1962. This fraction fell automatically to zero by mandate¹⁵ after 1987. However, in spite of this, the average number of terms served by incumbent congressmen and governors *increased* after 1987. If the main concern about incumbency advantage is having incumbents in the same office for long spells, then term limits fulfill their goal by eliminating the possibility of serving more than 3 consecutive terms. Nonetheless, the fact that the average number of terms served *increased* after 1987 seems, a priori, counter-intuitive.

Again, it should be stressed that these differences cannot be solely attributed to the introduction of term limits. Changes in incumbency advantage could occur for a variety of reasons including an increase in the penetration of television and other forms of media that give greater exposure to incumbents.¹⁶ The shift could also be explained by changes introduced by the local government code of 1991 which granted more power to local governments,

¹⁴In particular, Coronel et.al. (2007) provide a list of current and previous relatives in office for congressmen elected in 1992, 1998, 2001 and 2004 and governors elected in 2001 and 2004. This information is self-reported by the politicians in their Sworn Statement of Assets and Liabilities and was verified by the Philippine Center for Investigative Journalism.

¹⁵In the case of governors, the fraction of incumbents reaching a fourth or higher term was pretty low even before term-limits were introduced (4%).

¹⁶In fact, Gelman and King (1990) and Levitt and Wolfram (1997) also find evidence of an increasing incumbency advantage in U.S. general elections towards the end of the 20th Century. For the case of Brazil, Boas and Hidalgo (2011) find that candidates with access to local radio have a higher probability of election.

particularly for raising their own revenues.¹⁷ Finally, after 1987, members of congress had access to pork-barrel allocations such as the Countrywide Development Fund (created in 1990) and the Priority Development Assistance Fund (created in 2000) that may have been used strategically by incumbents to increase their reelection chances.

Table 1 provides some additional descriptive statistics on political competition before and after 1987 allowing a comparison of the effects of term limits in the Philippines with those in U.S. state legislatures, which were explored by Cain, Hanley and Kousser (2001). The fraction of open-seat races increased in the Philippines by about 0.1 for congress (a similar magnitude to the U.S.) and by only 0.04 in the case of governors (in the latter case the difference is not statistically significant). Interestingly, congressional and gubernatorial races became *less* competitive under the term-limit environment. This effect was particularly strong in incumbent races wherein the margin of victory almost doubled from about 15 to over 30 percentage points. This differs from the evidence for the U.S., where margins of victory remained constant after the introduction of term limits. This evidence is also at odds with the predictions of many proponents of term limits who believe that because open-seat races are more competitive than incumbent races, increasing the fraction of open-seat races should increase the overall level of political competition. In the Philippines however, margins of victory under term limits increased both in open-seat and incumbent races. Finally, rows 10 and 11 in each panel of Table 1 illustrate that the fraction of races that were uncontested (those in which only one candidate runs unchallenged) was practically zero between 1946 and 1972 and increased to almost 5% after 1987. This occurred mostly in races with incumbents in congress, but was more common, surprisingly, in open-seat races for gubernatorial elections.

The descriptive evidence in Table 1 suggests that term limits may have made incumbents *safer* in the terms *prior* to reaching the term-limit. The larger margins of victory and fraction of uncontested races suggest that this may have occurred through the deterrence of high quality challengers who prefer to wait until incumbents are termed-out rather than risk the possibility of losing against an incumbent and hurt their future electoral prospects.

Table 2 presents some descriptive statistics on the number of term-limited incumbents and the strategies used to preserve their political power *after* the term limits bind. The first cohort of incumbents to reach a term limit was elected to a third consecutive term in the 1995 elections. Column 2 shows that 83 congressmen and 22 provincial governors, corresponding to approximately 40% and 30% respectively of the cohort that first entered office with them in the 1987/1988 elections, became term-limited after the 1995 elections and could not run for reelection in 1998. In subsequent election years, a different set of congressmen and governors became term-limited, usually corresponding to 40-50% of the cohort that entered office 9 years (3 terms) before (column 3).

As mentioned above, incumbents often resorted to two main strategies to preserve their

¹⁷However, the inadequate supply of funds remains an important problem for local governments who still rely on the central government for most of their funding.

power: (1) encourage a relative to run to take their seat; (2) run for a different office. As column 4 shows, of the 83 congressmen elected to their third term in 1995, 36 (43%) were replaced by a relative in the following elections in 1998. These included wives, sons, daughters, brothers, and cousins, many of whom had no previous political experience. The fraction of term-limited incumbents replaced by relatives remained relatively stable in subsequent years and was relatively similar for congressmen and governors (the one exception are the 22 term-limited governors in 1995 when only 5% were replaced by a relative in the 1998 elections).

Column 5 shows the fraction of term-limited congressmen (governors) who got elected to the governorship (congress) or the senate in the elections immediately after reaching their term limit. This strategy was successful for about 10-20% of term-limited congressmen and for up to 64% percent of governors. In this case, the difference between congressmen and governors is worth discussing in more detail as it will prove important in the subsequent analysis. Over half (51 of the 79) of the provinces in the Philippines are divided into more than one, and sometimes as many as 6 congressional districts. This implies that an incumbent governor, upon reaching a term limit, can attempt to run and get elected to congress in the district that offers the best electoral prospects. Incumbent governors allocate resources and control patronage in municipalities across all congressional districts in the province. As such, they have greater exposure and resources than a representative from a single district. Congressmen from multi-district provinces, on the other hand, must compete against each other in a gubernatorial race and must attempt to run for other offices as well. In the 28 single-district provinces however, the congressman and governor are equally visible, giving a better chance to term-limited congressmen in a gubernatorial race. Also, approximately 43 of the 219 members of congress represent cities that are not headed by a governor but by a city mayor. Hence, many congressmen run as city mayors (and not as governors) after reaching a term limit. This is a more general limitation of the current data used in this paper. As I only focus on congressmen and governors, the numbers in column 5 of Table 2 greatly *under-estimate* the fraction of term-limited incumbents that get elected to other offices as many of them run for mayor, vice mayor and vice-governor.

Naturally, many term-limited incumbents are both elected to a different office *and* are replaced by a relative. This is particularly common for governors; almost a third of the incumbents that reached their term limit in 2004 moved to congress *and* were replaced by a relative in the 2007 elections (column 6). Figures 1-3 provide a sketch of the different combinations of strategies used by term-limited incumbents, using real examples from the Philippines. Figure 1 illustrates the case of *benchwarmers*, which consists of term-limited incumbents replaced by a relative for only one term, after which they can run again and serve, potentially, for another three consecutive terms¹⁸. This was the case for the 2nd congressional district of Cebu City where, upon serving for three consecutive terms (1988-

¹⁸See Coronel et.al. (2007) for a journalistic description of the use of benchwarmers by term-limited incumbents.

1998), Cong. Antonio Cuenco had to leave office and was replaced by his wife Nancy in the 1998 elections. In this example, his wife did not continue a political career and left office in 2001 when Antonio could run again and regain his seat. Antonio served for another period of 9 consecutive years.

Most common, however, are those who enter politics to replace a term-limited relative and start a political career of their own, expanding the political power of the family. An example, based on the province of Camiguin, is illustrated in Figure 2. After serving for three-consecutive terms in congress, Pedro Romualdo could not run for reelection in 1998 and decided to run for provincial governor. His seat in congress was taken by his son Jurdin Romualdo who won the 1998 congressional race by a vote margin of over 20 percentage points. As a consequence, the Romualdo family controlled both congress and the governorship. In 2007, both Pedro and Jurdin reached their term-limit and could not run for reelection. This, however, was no problem for the Romualdos; Jurdin ran for provincial governor, taking his father's seat, and Pedro went back to congress. Term limits did not succeed at breaking the Romualdos' control over politics in Camiguin.

A final example is illustrated in Figure 3. In the province of Bukidnon, Jose Zubiri Jr. served in congress between 1988 and 1998. Upon reaching his term limit, his son Juan Zubiri took his seat in congress. Jose successfully ran for governor in the 2001 election. After his victory, two members of the Zubiri family were in power in Bukidnon. In 2007, Juan reached his term-limit in congress. However, unlike the Romualdo family (illustrated in Figure 2), Juan did not switch offices with his father. Instead, his seat in congress was taken by his brother Jose Zubiri III and Juan became a senator ¹⁹. With three members of the Zubiri family involved in politics, the family had managed to increase its sphere of influence despite term limits. In short, these examples underscore that the response and adaptation of dynasties to term limits may enhance the political power of these families as their scope of influence increases both in terms of the number of family members involved in politics and in the number of offices controlled.

The examples illustrated in Figures 1-3 are not atypical. In fact, one family remained in power for at least 19 years during 1987-2010 in almost 50 congressional districts. In the next section, I systematically explore the extent to which these strategies reduce the effectiveness of term limits on the rotation of power.

5 Results

In this section, I explore some of the patterns suggested by the descriptive statistics in Tables 1 and 2 in greater detail. First, I explore the extent to which incumbents face less competition

¹⁹Upon reaching the term-limit in 2010, Jose Zubiri Jr. ran for the vice-governorship of the Province and won by a large margin.

in their first two terms under the term limits environment. Next, I establish whether term limits effectively break dynastic persistence in Philippine politics and increase the turnover of families in office.

5.1 Effect on Incumbents *Before* Term Limits Bind

As discussed earlier in the introduction, incumbency advantage may induce a strategic response by challengers when term limits are introduced. Under a term-limit environment, high quality challengers may prefer to wait for the incumbent to be termed-out and run in an open-seat race when their probability of winning is higher. This should be particularly strong during the period when incumbents are running for reelection in their second term, because challengers only need to wait one additional term before the incumbent is termed out. As a consequence, incumbents face weaker competitors in their first two terms and incumbency advantage *increases* under the term-limit environment.

The first exercise I use to explore these potential effects, involves looking at changes in incumbency advantage before (1946-1972) and after (1987-2010) term limits began. While the differences across these time periods may be explained by other factors I provide evidence suggesting that such differences are consistent with the strategic response of challengers to term limits. Estimating incumbency advantage is subject to various methodological challenges. The electoral advantage enjoyed by incumbents confounds the potentially higher quality of incumbents vis-a-vis other candidates, the deterrence of high quality challengers and the benefits that an incumbent derives from office (media exposure, targeted transfers, etc)²⁰. Given that estimating incumbency advantage is not the main objective of this paper, I explore the trends in the electoral performance of incumbents in the simplest way by comparing their vote share against that of non-incumbent candidates. I do this by running a regression of the form:

$$Vote_Share_{ijt} = \alpha + \beta Incumbent_{ijt} + \lambda(Incumbent_{ijt} * Post1987) + \phi_j + \delta_t + \varepsilon_{ijt} \quad (1)$$

where $Vote_Share_{ijt}$ is the share of the votes obtained by candidate i from province/district j in the elections taking place in year t . $Incumbent_{ijt}$ is a dummy variable that takes a value of 1 if candidate i is an incumbent and zero otherwise and ϕ_j and δ_t correspond to a set of province/district and year fixed effects respectively. Finally, ε_{ijt} is an error term capturing all omitted factors. The coefficient β captures the electoral advantage of incumbents in the 1946-1972 period while $\beta + \lambda$ provides the measure for the 1987-2010 period. The OLS estimates of equation (1), reported in Table 3, are for descriptive purposes and only attempt to compute

²⁰See Erikson (1971), Gelman and King (1990), Levitt and Wolfram (1997) and Ansolabehere and Snyder (2004) for a discussion of the methodological challenges associated to estimating incumbency advantage.

the change in the average electoral advantage of incumbents after 1987 once provincial and time effects are partialled out. Given that the vote share is only observed for incumbents who decide to run for reelection there is an obvious selection issue and β and λ partly confound the effect of higher quality with the actual electoral advantage conferred by incumbency status. Columns 1 and 2 report results for congress while columns 3 and 4 report results for governors. The results provide evidence of a substantial electoral advantage of incumbents. Prior to 1972, incumbent congressmen obtained a vote share 28 percentage points larger than other candidates. Most importantly, this electoral advantage became substantially larger after 1987 once term limits were in place; incumbent congressmen between 1987 and 2010 obtained a vote share almost 40 percentage points larger than other candidates. The magnitudes are similar for incumbent governors who exhibit an electoral advantage of almost 35 percentage points after 1987, an advantage substantially larger than the one observed prior to 1972. In Querubin (2010) I provide evidence that incumbents are more likely to be members of political dynasties than other candidates. Furthermore, dynastic candidates exhibit a large electoral advantage. Hence, in columns 2 and 4, I include a dummy for whether the candidate is dynastic in order to disentangle the incumbency effect from that of being dynastic. Candidates are classified as dynastic if they had a relative serving in congress or as governor in the 20 years prior to the election. Including this dummy does not significantly affect the estimated coefficients on the incumbency variables.

Moreover as discussed in the previous section, the larger vote share obtained by incumbents in their reelection attempts after 1987 has translated into a larger probability of *winning* the election (that is, the larger vote share has mattered). As the first two rows of Table 1 show, the probability of reelection for incumbent congressmen increased after 1987 by 17 percentage points for those in their first term and by almost 25 percentage points for incumbents in their second term. A similar pattern is observed for incumbent governors; the probability of reelection after 1987 increases by 25 percentage points for those in their first term and by almost 42 percentage points for those in their second term. One possibility is that this result is driven by changes in the strategic decision of incumbents regarding whether or not to run for reelection. If incumbents are better able to assess their electoral prospects after 1987, then one may only observe potentially successful incumbents running for reelection and this would naturally explain the larger reelection rates and incumbency advantage in this period. However, the fourth row of Table 1 suggests that this is not the case as the change in the probability of running for reelection for incumbents in their first or second term is not statistically significant.

The evidence presented so far provides convincing evidence that incumbents after 1987 exhibit an increase in their electoral advantage and probability of reelection. While this may be caused by various factors that changed after 1987, the fact that the increase in the probability of reelection after 1987 was particularly pronounced for incumbents in their

second term supports the challenger-deterrence hypothesis. High quality challengers should be particularly averse to challenge incumbents in their second term because they only need to wait for one term before the seat becomes open. Additional evidence for this interpretation is given by the *junior surge* defined as

$$Junior_Surge_i = Vote_Share_{i,2} - Vote_Share_{i,1}$$

where $Vote_Share_{i,2}$ is the vote share of incumbent i in the second reelection attempt and $Vote_Share_{i,1}$ is the vote share in the first reelection attempt.²¹ Evidence of a positive junior surge will likely reflect deterrence of high quality challengers by second-term incumbents running for reelection. The average junior surge during 1946-1972 and after 1987 is reported in the fifth row of Panels A and B of Table 1. There is evidence of a *negative* junior surge of approximately 4 percentage points prior to 1972. However, the junior surge becomes *positive* (and statistically significant) after 1987 for both congressmen and governors. This increase of approximately 5 percentage points in the vote share of second term incumbents seeking reelection relative to the vote share in their first reelection bid is consistent with the deterrence of high-quality challengers and provides further evidence on the role of term limits behind this phenomenon.

Finally, one would like to establish whether candidates who challenge reelection-seeking incumbents are of relatively lower quality compared to those who run in open-seat races. Measuring challenger quality is not an easy task as many of these candidates only run once for office and disappear from the political scene. Moreover, it is often hard to compile data on personal characteristics of losing candidates that would allow me to proxy for their quality. In Querubin (2010) I provide evidence that dynastic candidates tend to be stronger than non-dynastic candidates and hence this can be useful in establishing whether incumbents are less likely to face strong challengers after 1987. The bottom two rows of Table 1 look indirectly at this issue by reporting the fraction of opponents that were dynastic in races with and without incumbents before and after 1987. Interestingly, evidence for congressmen and governors suggests a substantial (and statistically significant) increase in the fraction of high-quality (dynastic) opponents in open-seat races but not in races where an incumbent is running for reelection. This is consistent with the idea of term limits providing incentives for strong candidates (in this case, dynastic) to wait until an incumbent is termed-out and run in an open-seat race.

The evidence presented in this section shows that under the term limits environment between 1987-2010 incumbency advantage increased. Incumbents in their first and second terms (prior to reaching their term limit) were more likely to be reelected and reach a third

²¹Mean reversion is less of a concern for the junior surge relative to other measures such as the *sophomore surge*. Given that the conditional probability of reelection is so large in the Philippines (close to 90%) it does not take an unusually successful run in order to win a reelectionist bid.

consecutive term. While this could be explained by other factors that changed after 1987, the evidence of a positive junior surge only after 1987 as well as the lower opposition by dynastic candidates faced by incumbents during this period suggests that the increase in the incumbency advantage may have been caused by the strategic decision of challengers to wait for the incumbents to be termed-out and give them an “easy ride” in their first two terms. This may seem puzzling given that one of the goals of term limits is to mitigate the incumbency advantage. Nonetheless, it is likely that in the absence of term limits, the turnover of incumbents would have been *higher* for those in their first and second term. Moreover, term limits may exacerbate agency problems. In the presence of term limits, incumbents have less incentives to exert effort in their early terms due to the dearth of high quality challengers.

5.2 Effect on Incumbents and their Families *After* Term Limits Bind

In this section, I explore the effect of term limits on the persistence in power of term-limited incumbents and their families. By mandate, term-limited incumbents cannot continue in the same office immediately after their term limit binds. However, the anecdotal evidence provided in section 3 suggests that incumbency advantage may spill over to their family members, or they may even carry it with them to races for other offices. First, I provide descriptive evidence of these spillovers in incumbency advantage. Then, I explore the extent to which these adaptive strategies undermine the effectiveness of term limits.

5.2.1 Incumbency Advantage Spillovers Across Offices and Relatives

In order to analyze the extent to which incumbent *governors* enjoy an electoral advantage when running for *congress* I estimate a regression of the form:

$$\begin{aligned} Vote_Share_{ijt} = & \alpha + \beta Incumbent_Governor_{ijt} \\ & + \lambda(Incumbent_Governor_{ijt} * Post1987) + \phi_j + \delta_t + \varepsilon_{ijt} \end{aligned} \quad (2)$$

where $Vote_Share_{ijt}$ is the vote share of candidate i , from district j who is running in the congressional election at time t . $Incumbent_Governor_{ijt}$ is a dummy that takes a value of one if candidate i is an incumbent governor in province j at time t and zero otherwise. $Post1987$ is a dummy that takes a value of one in all years after 1987 and ϕ_j and δ_t are a set of province and time fixed effects, respectively. β corresponds to the electoral advantage of incumbent governors in congressional elections during 1946-1972 while $\beta + \lambda$ gives the corresponding

estimate for the 1987-2010 period. Again, equation (2) is estimated for descriptive purposes only and is not meant to capture the causal effect of cross-office incumbency status. In particular, $Vote_Share_{ijt}$ is only observed for incumbent governors who run for congress and hence selection issues may lead to biased estimates of actual incumbency advantage. Nonetheless, equation (2) is informative on the relative trend of the electoral success across offices of incumbent governors before and after 1987, once province and year fixed effects are partialled out.

The OLS estimates of equation (2) are reported in columns 1 and 2, Panel A of Table 4. The estimates in column 1 suggest that incumbent governors obtained a vote share that was 10 percentage points larger than that of other congressional candidates during 1946-1972. This electoral advantage became twice as large in the post-1987 period when incumbent governors obtained almost 21 percentage points more than other candidates. Moreover, the inclusion of dynastic and incumbent congressmen dummies in column 2, suggest that cross-office incumbency advantage is half the size the advantage incumbents enjoy in their own office.

A similar analysis for the incumbency advantage of incumbent congressmen in gubernatorial races can be done by estimating a regression of the form:

$$Vote_Share_{ijt} = \alpha + \beta Incumbent_Congress_{ijt} + \lambda(Incumbent_Congress_{ijt} * Post1987) + \phi_j + \delta_t + \varepsilon_{ijt} \quad (3)$$

where the different variables are equivalent to those in (2) only that $Vote_Share_{ijt}$ now corresponds to the vote share of candidate i in gubernatorial race at time t and $Incumbent_Congress_{ijt}$ is a dummy for whether candidate i is an incumbent congressman in province j at time t . The OLS estimates of (3) are reported in columns 1 and 2 of Panel B in Table 4. The results are very similar to those found for incumbent governors in congressional races: incumbent congressmen received a vote share that was 8 percentage points larger than that of other candidates during 1946 and 1972 and this advantage increased to 18 percentage points after 1987 (column 1).

Next I explore the existence of spillovers of incumbency advantage to the incumbent's relatives by estimating a regression of the form:

$$Vote_Share_{ijt} = \alpha + \beta Incumbent_Relative_{ijt} + \lambda(Incumbent_Relative_{ijt} * Post1987) + \phi_j + \delta_t + \varepsilon_{ijt} \quad (4)$$

where all variables are as defined above and $Incumbent_Relative_{ijt}$ is a dummy that takes a value of one if candidate i is a relative of time t 's incumbent and zero otherwise. Again,

regression (4) is estimated for descriptive purposes only. A more careful analysis of the *causal* effect of previous relatives in office on electoral performance is provided in Querubin (2010). The OLS estimates of (4) are reported in columns 3 and 4 of Table 4. The results for congressmen in Panel A suggest that relatives of an incumbent obtain a vote share that is 13 percentage points larger than that of other candidates and this advantage has remained relatively constant before and after 1987 (column 3). However, the results for governors in Panel B suggest a larger electoral advantage for relatives of the incumbent governor (20 percentage points) only in the post-1987 period. In order to establish whether family links to the current incumbent give any additional advantage beyond the one enjoyed by other dynastic candidates or incumbents, column 4 controls directly for these effects. In this case, the electoral advantage of an incumbent’s relative corresponds to the sum of the coefficient on the *Dynastic* and *Incumbent_Relative* dummies. The results suggest that relatives of incumbent congressmen receive a vote share that is 11 percentage points larger than that of other dynastic candidates and 18 percentage points larger than that of other non-dynastic candidates during 1946-1972. This advantage increased by about 6 percentage points during 1987-2010. The evidence for governors in column 4 of panel B reveals an electoral advantage of about 3 percentage points for relatives of the incumbent over non-dynastic candidates during 1946-1972. This advantage however, increases substantially after 1987.

The evidence reported in Table 4 suggests that incumbents may be able to extend their electoral advantage to their relatives and other offices. Moreover, this advantage has been substantially larger after 1987, under a term limits environment, precisely when it is particularly important for incumbents to devise strategies to maintain their power once term limits bind.

5.2.2 The Effect of Term Limits on the Continuation of Incumbents and their Families

Establishing the effect of term limits on the continuation in power of incumbents and their families is not trivial because the sample of incumbents who serve for three consecutive terms and reach a term limit is not random. The hypothetical counterfactual of interest in this setting is: what would have been the probability of the term-limited incumbents or their families remaining in power had they not been subject to a term limit? In order to address this question one needs to define an appropriate control group. Incumbents who reach a term-limit have been successful at winning three consecutive elections which suggests they are of relatively high “quality”. In order to isolate the effect of term limits, the control group should consist of a sample of incumbents with similar quality but who are not subject to term limits. The sample of incumbents in their second term seems like the best possible control group in this context; these incumbents have been elected to office twice (which reflects that they are also of relatively high quality) but are not restricted in their possibility to run for reelection.

Moreover, one can take advantage of the fact that during the 1946-1972 period term limits were not yet in place and use this period as a “pre-treatment” period. This allows me to set up this problem as a standard difference-in-difference analysis where the “treated” group corresponds to incumbents in their third term, the “control” group corresponds to incumbents in their second term, the “pre-treatment” period is 1946-1972 and the “treatment” period is 1987-2010.

The regression associated with the above empirical set-up takes the form:

$$\begin{aligned}
 y_{ijt} &= \alpha + \beta Term3_{ijt} + \gamma(Post1987 * Term3_{ijt}) + \delta_j + \phi_t + \varepsilon_{ijt} & (5) \\
 \forall i &: \{Term_{ijt} = 2 \vee Term_{ijt} = 3\}
 \end{aligned}$$

where y_{ijt} is a dummy that takes a value of one if incumbent (or its family) i , from province j at time t , remains in power in the next electoral term. The exact definition of y_{ijt} will become more precise later on and will vary depending on whether I study the effect of term limits on individual incumbents or on the incumbent’s family. $Term3_{ijt}$ is a dummy that takes a value of one if incumbent i is serving the third consecutive term at time t and zero if it is in the second term. $Post1987$ is a dummy that takes a value of 1 in every year after 1987 and zero otherwise and δ_j and ϕ_t are a set of province and year fixed effects respectively. Finally, ε_{ijt} is an error term that captures all omitted factors.

The estimate of interest in this setup is γ , which measures the differential continuation rates of three-termers before and after 1987, compared to incumbents in their second term. Under certain conditions, γ can be interpreted as the *causal* effect of term limits on the persistence/continuation of an incumbent and its family. The most common assumption, often called the “parallel slopes” assumption, requires that absent term limits, the difference in the continuation or persistence rates between three-termers and two-termers would have remained constant after 1987. This condition often implies that the only difference between three-termers in 1946-1972 and 1987-2010 is that the latter are subject to term limits while the former are not. However, as Angrist and Pischke (2009) note, a common pitfall in difference-in-difference analysis is that the composition of the treatment and control groups may change as a result of the treatment (in this case, as a consequence of the introduction of term limits). The evidence presented in section 4.1 suggests that this may be a concern for the empirical design described by equation (5). Recall that in the post-1987 period, incumbents are more likely to serve for three consecutive terms as incumbents in their first and second term are less likely to face high quality challengers who prefer to wait for them to be termed-out. Had term limits not been in place, some of these incumbents would have faced more serious competitors in their first and second reelection attempts and may not have reached a third term. This implies that the average quality of three-termers during 1987-2010 is lower relative to the average quality of three-termers during 1946-1972. Under these conditions, the coefficient γ

will confound the effect of term limits with the lower average quality of three-termers after 1987. Lower quality incumbents are less likely to remain in office in the absence of term limits, which makes term limits seem more effective than they really are in pushing politicians out of office (i.e. γ will be more negative than if the quality of three-termers remained constant). This potential bias must be taken into account when interpreting the estimates of γ in (5) in the subsequent analysis.

Another potential concern is that given the change in the length of congressional and gubernatorial terms after 1987 from 4 to 3 years, three-termers during 1946-1972 served for 12 years while those after 1987 served for only 9. To address this issue I will perform a robustness check in which I count as “treated” 2-termers during 1946-1972 and 3-termers during 1987-2010. The disadvantage of this approach, however, is that first-termers must now be included in the control group.

Persistence of Incumbents in the same office As a benchmark, I will first estimate the direct effect of term limits on the probability of the incumbent remaining in power in the same office. To this end, I estimate (5) where the dependent variable y_{ijt} is equal to $Self_{ijt}$, a dummy variable that takes a value of one if incumbent i remains in power in the same office in the next period and zero otherwise. Columns 1-3 of Table 5 report the OLS estimates of γ in equation (5). There is an obvious negative and statistically significant effect of term limits on the persistence of incumbent congressmen (columns 1 and 2) and governors (column 3) in the same office. This is only evidence that term limits have been enforced. While it is hard to interpret the magnitude of the coefficient (partly due to the selection biases discussed above), the estimates in columns 1-3 of Table 5 will be a useful benchmark against which other results can be compared. In particular, subsequent evidence will establish the extent to which the various adaptive strategies of dynasties in order to remain in power, lead to a reduction of the effect of term limits on the *family*.

Persistence of Incumbents across offices The first important test concerns the effect of term limits once one allows for the possibility of incumbents running and remaining in power in other offices. To explore this, I estimate equation (5) where the dependent variable is now $Self_OthOffice_{ijt}$, a dummy that takes a value of one if the incumbent remains in office the next period, either in congress, senate or as provincial governor. The OLS estimates of γ for this analysis are reported in columns 4-6 of Table 5. Once one allows for the possibility of remaining in power in other offices, the coefficient on congressmen falls by about 20%. Also, recall that, as noted in section 3, the top executive position in a city is the mayor and not the governor and hence congressmen representing cities will very rarely run for governor. To address this, I estimate the regressions on congressmen excluding representatives from cities (column 5). This however, has a negligible effect on the estimates.

A more striking result is reported in column 6, which reports the estimate of γ for the

sample of governors. Once one allows for the possibility that governors may continue serving in congress or the senate, the estimate of γ falls by about 65% and is no longer statistically significant. This is remarkable given that the selection bias on γ , generated by changes in the quality of three-termers, goes in the direction of finding a *stronger negative effect* of term limits on the persistence of incumbents. The difference in the coefficients for congressmen (columns 4 and 5) and governors (column 6) is intuitive and was anticipated in section 3. Recall that provincial governors often have multiple congressional districts in which they can choose to run should they want to enter congress, while many congressmen must compete for only one gubernatorial spot. Also, the results reported in columns 4-6 underestimate the extent to which switching offices reduces the effect of term limits on the persistence of incumbents as many congressmen and governors run for city mayor, vice-mayor and provincial vice-governor. These offices are not in my dataset. Accounting for switches to all possible offices would probably make the estimates of γ in columns 4-6 closer to zero.

Persistence of the Incumbent’s Family in the same office. Next I explore the role of relatives and the extent to which they counteract the effect of term limits on the family. I do this by estimating equation (5) but using the dependent variable $Self_Relative_{ijt}$, a dummy that takes a value of one if the incumbent or a relative remains in power *in the same office* in the next term and zero otherwise. In this case, the focus is on whether term limits are effective at removing the incumbent’s family (and not just the incumbent) from the same office. The OLS estimates of γ are reported in columns 1-3 of Table 6. Allowing for the possibility that incumbents are replaced by family members causes the estimate of γ to fall by almost 50% relative to the benchmark estimates reported in columns 1-3 of Table 6 (effects on the incumbent). Moreover, the coefficient on governors (column 3) is no longer statistically significant at standard levels. While the precise magnitude of the coefficients is hard to interpret given the selection bias, the estimates in columns 1-3 suggest that the replacement by relatives allows incumbents to undo almost half of the direct effect of term limits.

As a robustness check, columns 1-3 of Table 7 re-estimate columns 1-3 of Table 6 but compare three-termers in 1987-2010 with two-termers in 1946-1972. That is, they report the estimates of γ from estimating:

$$\begin{aligned}
 Self_Relative_{ijt} &= \alpha + \beta Term_Treated_{ijt} & (6) \\
 &+ \gamma(Post1987 * Term_Treated_{ijt}) + \delta_j + \phi_t + \varepsilon_{ijt} \\
 \forall i &: \{Term_{ijt} = 1 \vee Term_{ijt} = 2 \vee Term_{ijt} = 3\}
 \end{aligned}$$

where $Term_Treated_{ijt}$ takes a value of one if the incumbent is a three-termer serving after 1987 or the incumbent is a two-termer serving between 1946 and 1972 and zero otherwise.

The estimates of γ in (6) reported in columns 1-3 of Table 7 reveal a similar, though slightly smaller reduction with respect to the benchmark estimates in columns 1-3 of Table 5.

Persistence of the Incumbent’s Family across offices Next, I combine the previous two strategies for political survival by allowing for the possibility that the incumbent’s family (including the incumbent himself) remains in power in the same or in a different elected office. I estimate equation (5) where the dependent variable is now *Self_Relative_OthOffice_{ijt}*, a dummy variable that takes a value of 1 if the incumbent or a relative remains in power in the next period either in congress, the senate, or the provincial governorship. This essentially tests whether term limits are effective at removing the incumbent *family* from the top elective positions in the Philippines. The results are reported in columns 4-6 of Table 6. Remarkably, the coefficient on the effect of term limits on the persistence of congressmen’s families (columns 4 and 5) falls by over 80% relative to the benchmark effect on the individual incumbents and is no longer statistically significant. The results for governors are even stronger; the estimate of γ in column 6 becomes very close to zero and is not statistically significant either. This result suggests that term limits do not effectively increase the turnover of families in congress and provincial governorships because incumbents successfully adapt by running for other offices and bringing relatives into politics in order to maintain their political power. This is the main result of the paper. Confidence in this result is strengthened because γ is biased to overstate the impact of term limits on the persistence in office due to the lower candidate quality. Moreover, just as in Table 5, these estimates underestimate the extent to which running for other offices reduces the effect of term limits because they do not take into account those who become mayors, vice-mayors and vice-governors after becoming term-limited.

A robustness check is reported in columns 4-6 of Table 7 based on estimates of equation (6) but using *Self_Relative_OthOffice_{ijt}* as the dependent variable. The result for governors is basically unchanged; the estimate of γ remains very close to zero. The estimates for congress however, though still almost 50% smaller than the benchmark estimates in Table 5, still suggest a statistically significant effect of term limits. However, this robustness check must be interpreted cautiously as it requires using incumbents in their first term as a control. This latter group may be very different from second and third-termers for reasons other than term limits.

Persistence of Incumbents and their families in the Long Run The results presented so far focus on the effect of term limits on the persistence in power of an incumbent or his family in the term/period immediately after the third consecutive term, when the incumbent is term-limited and cannot run again in the same office. However, incumbents are allowed to run again and attempt to return to office after “waiting” for one term out of office. This implies that the effect of term limits may be smaller in the long run than in the short

run if a large fraction of incumbents manage to return to office at some point in the future after being term-limited. I explore the long run effect of term limits on both incumbents and the incumbent’s family. To estimate the effect on the individual incumbents I estimate equation (5) using as a dependent variable $Self_Ever_{ijt}$, a dummy that takes a value of 1 if the incumbent serves again in congress, the senate, or the provincial governorship at any point in the future (after time t), and zero otherwise. The results are reported in columns 1-3 of Table 8. Columns 1 and 2 report the estimates for congressmen and show that the long run effects of term limits are about one third smaller than the short run effects reported in columns 4-5 of Table 5. However, the estimates of γ are still statistically significant, which suggests that term limits may be an effective way to end the political career of some individual incumbents (even though the real effect is probably smaller in absolute value due to the selection bias). It is important to keep in mind, however, that these estimates may over-estimate the long-run effectiveness of term limits as the analysis only tracks whether incumbents had returned to power by 2007 (when the last elections in my sample took place). Some incumbents that became term-limited during 1995-2004 may have returned to politics after 2007, but this is not captured in my data. The estimate of γ for governors reported in column 3 also suggests that the long run effect of term limits is about one third smaller than the short-run effect and is not statistically significant.

Perhaps the most important question given the prevalence of political dynasties in the Philippines, is whether term limits effectively remove the incumbent’s *family* from office in the long run. I address this question by estimating equation (5) but using as a dependent variable $Self_Relative_Ever_{ijt}$, a dummy variable that takes a value of one if the incumbent *or a relative* serve in congress, the senate or the provincial governorship at any point in the future (after time t), and zero otherwise. The OLS estimates of γ are reported in columns 4-6 of Table 8 and suggest that term limits do not effectively remove an incumbent’s *family* from office. The point estimates for both congressmen and governors are very close to zero and are not statistically significant. This further reinforces the main result of the paper: while term limits may effectively remove individual incumbents from office, the important role of relatives in Philippine politics allows incumbents to maintain the political power of the family both in the short and the long run.

Term Limits and the persistence of dynastic politicians The final question I address in the paper is whether term limits are capable of changing the *type* of politician that gets elected to office. In Querubin (2010) I discuss the prevalence of dynastic politicians in Philippine politics and the potential negative effect that this has on the political system. It is important to establish whether the open seat races created by term limits allow new candidates without any family ties to politics to access elected office. To do this I estimate equation (5) using the dependent variable $Rep_Dynastic_{ijt}$, a dummy variable that takes a value of one if a dynastic incumbent remains in the same office in the term immediately after

time t and zero otherwise. The OLS estimates of γ for this analysis are reported in Table 9. The point estimate for governors in column 3 is practically equal to zero, which suggests that term limits are not successful in breaking the dynastic pattern in Philippine politics. The results for congressmen in columns 1-2 are even stronger and suggest, if anything, a *positive* effect of term limits on the likelihood of having a dynastic incumbent in office. Most of this effect is naturally driven by the fact that some term-limited incumbents are replaced by their relatives (which are by definition dynastic). Hence, large cohorts of dynastic incumbents enter office after 1998 when the first cohort of incumbents became term limited. However, this positive effect also captures the fact that open-seat races following a term-limited incumbent are often won by members of other established dynasties not necessarily related to the previous incumbent. In sum, term limits have not changed the dynastic nature of politics in the Philippines and have, if anything, exacerbated it by providing incentives for incumbents to use their relatives as a “survival strategy” when term limits bind.

6 Conclusions

The evidence provided in this paper suggests that term limits do not effectively increase the turnover of incumbent *families* in congress and provincial governorships in the Philippines. Moreover, term limits may backfire due to the behavior they induce in incumbents and challengers *before* and *after* they bind. Term limits may allow lower quality politicians to remain in power for longer periods of time, relative to a scenario without term limits where political competition is stiffer. By making incumbents safer in their earlier terms, term limits may exacerbate agency problems and result in less effort and accountability. Similarly, term limits may exacerbate the dynastic nature of Philippine politics by providing incentives for incumbents to bring additional members of their family to power and thus control several offices simultaneously.

These results may not be surprising. Term limits do not directly affect the *fundamental* sources of dynastic political power such as their control over land, access to state resources, employment, and violence in their respective provinces. This is a more general concern about political reforms. Reforms that do not alter the underlying sources and distribution of political power may not succeed in substantively changing the political equilibrium because incumbents often adapt and remain powerful under the new set of institutions. The dynastic politicians who drafted the 1987 Constitution probably understood this and anticipated their ability to adapt to the term limits that they themselves introduced.

This, however, does not imply that *all* political reform will be ineffective in increasing the turnover of families and broadening the spectrum of interests represented in the political system. To help formulate successful reforms, future research must address the underlying sources and causes of power in political dynasties (or developing countries with strong political

elites more generally), as well as their strategic political behavior and response to reforms. Below I provide some directions for future research in this spirit.

Political dynasties emerge as the natural unit of political organization in democracies where political parties traditionally have been weak. Political dynasties adopt the role of long-lived organizations that allow politicians to commit to policy platforms with longer horizons. The family name becomes a “brand name” that provides politicians with incentives to invest in their political reputation. Voters may find it rational to elect members of political dynasties. Relatives of previous incumbents may benefit from the political investments and networks established by their predecessors, and may be able to channel resources to their constituents. This creates an equilibrium where dynasties are powerful due to the absence of parties and parties do not consolidate due to the strength of dynasties.

Further research on how dynasties substitute for political parties may shed light on why strong political parties have not formed in many developing countries and ways to strengthen the party system. Parties can substitute dynasties in their role of long-lived organizations that care to maintain a reputation and benefit from the intertemporal return of their political investments. Also, unlike dynasties, parties can encourage competition of members with different backgrounds, and economic interests. The political system in the Philippines, in its current form, is structured to protect local elites from the competition of broader sectoral or national movements or parties who compete nationwide for a seat in congress through a different electoral procedure.²²

More successful reform efforts also should address the personalized style of politics associated with political dynasties. Politicians in the Philippines advertise the provision of public goods and state services as if they were provided and funded by the politicians themselves. Campaign reform must prevent the use of office and state funds for the personal benefit of the incumbent or its family. This phenomenon also throws into question the benefits of decentralization of resources and responsibilities to local governments that are often captured and controlled by local elites. In some circumstances, it may help break the dynastic hold on power and produce a better resource allocation if the central state circumvents local elites and interacts directly with the citizens. This could directly reduce elites’ hold on power by reducing their control of state resources and indirectly strengthen the image of state institutions as independent from the local families who monopolize political power.

Nonetheless, the design and implementation of political reforms confronts an inevitable dilemma: those who propose and implement reforms are often those whose political power will be threatened by the reforms. In this context, it is perhaps unsurprising that political

²²Republic Act 7941 mandates that 20 percent of the total number of congressmen come from marginalized sectoral, regional and national parties, coalitions or organizations. However, these representatives are elected in the country at large via a party-list system and do not compete with the candidates who run in the different congressional districts. So far, party list representatives have been very unsuccessful in getting their bills passed in a dynasty-controlled congress.

elites implement reforms to which they can adapt and that will not substantially constraint their political power. Reformers must attempt to leverage democratic checks and balances such that those who design reforms are not those whose power is directly affected by the reform.

In future research I seek to understand the implications on policy and legislation of the adaptive strategies adopted by political dynasties in response to term limits. While term limits do not succeed in increasing the turnover of families in power, the empirical evidence in this paper suggests that term limits may have been partially effective in increasing the turnover of *individual* incumbents. Occasionally, older generations retire as a consequence of term limits, giving way to younger members of their families who enter politics to replace them and start their own political careers. This generational shift may have some positive results on policy positions, which could be the subject of future research, but it is unlikely to change the fundamental type of economic interests represented in the democratic system. On balance, the effects are also unclear because relatives of term-limited incumbents may have less political experience than their predecessors. This could lead to a lack of specialization in politics and potentially hurt the provision of public goods and other policies.

I am also conducting theoretical and empirical research to understand more carefully the dynasties' strategic allocation of family members to politics in response to term limits. On the theoretical side, I plan to develop formal models to understand the optimal allocation of family members to politics and other activities in the absence of term limits. How does the introduction of term limits influence the strategic decision of the family and how does it affect the family's welfare and political power? On the empirical side, I am collecting information on candidates for every elected office at the municipal, provincial, and national level for the period 1988-2010 in order to understand the career trajectories and power bases of political dynasties. Do incumbents in higher offices train their younger relatives in local offices in order to adapt to future binding term limits?²³ Does the family allocate its members strategically across the province attempting to maximize geographic control and secure future political power? I also plan to research the extent to which incumbents use public office to secure the continuation of their relatives. What happens to the electoral prospects of incumbents who lose their second reelection attempt by a small margin and must leave office before reaching their term limit? Are they less likely to preserve their political power and the political power of their family relative to incumbents who serve a third consecutive term and can plan and coordinate their political succession while in office?

Only through a careful understanding of the sources of power of political dynasties and their strategic political behavior, will effective political reforms that open up the political system to other societal groups and improve the quality of the democratic system be possible.

²³Information on the political careers of all candidates will also allow me to provide additional evidence for the challenger-dissuasion hypothesis discussed in this paper as I will be able to use previous political experience as one potential dimension of challengers' quality.

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Figure 1 Benchwarmers

Cebu City, 2nd Congressional District

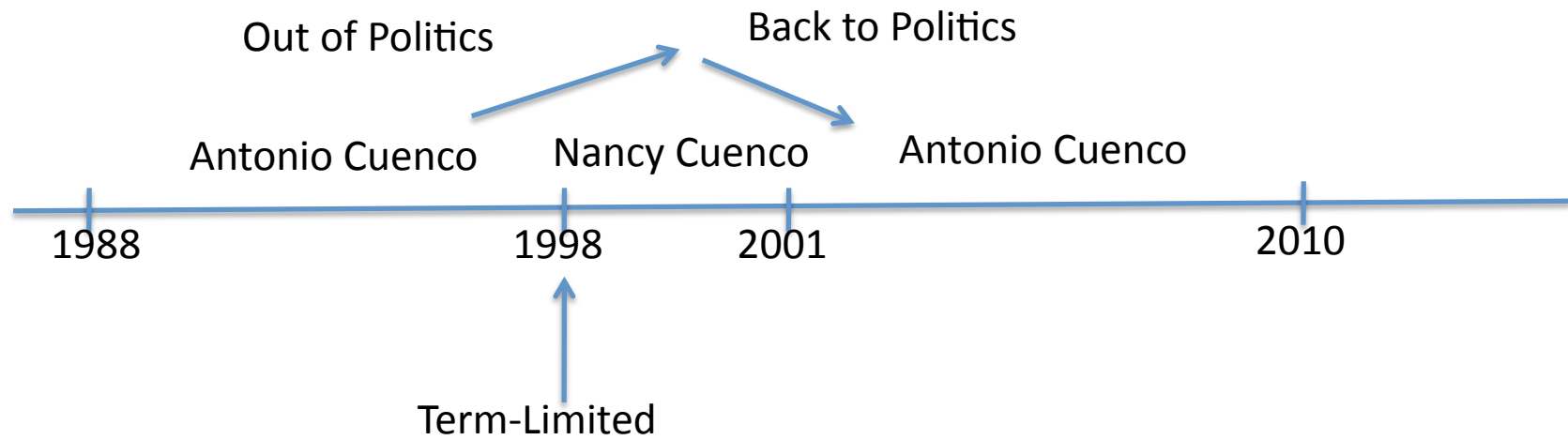
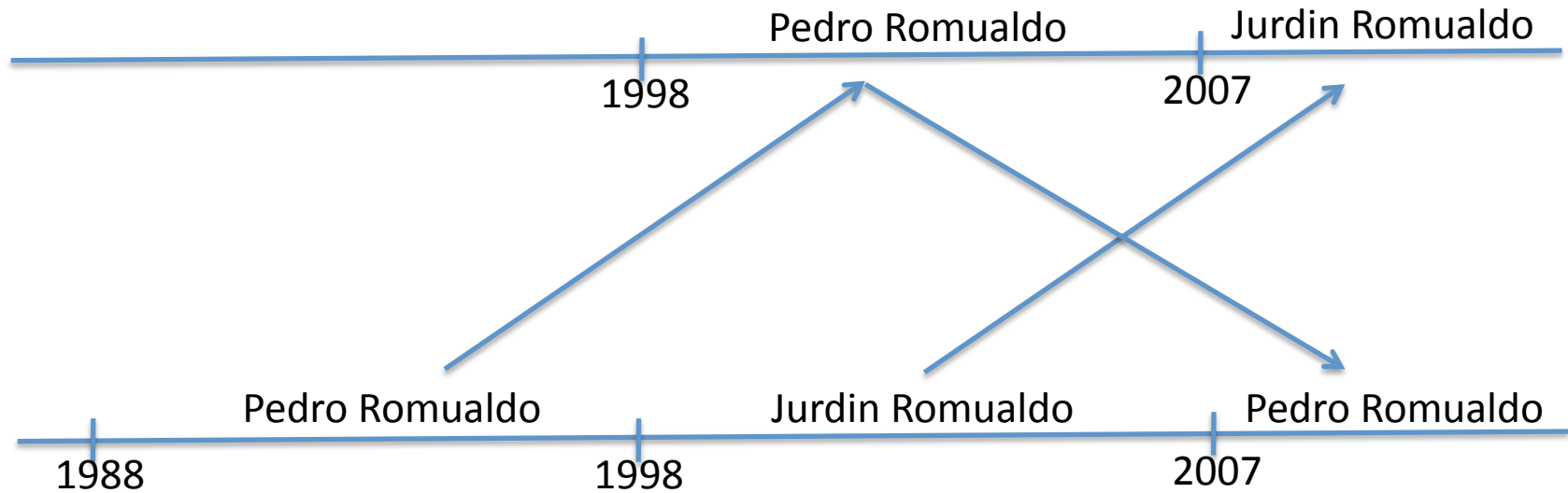


Figure 2
Alternating Offices

Camiguin Province, Governor



Camiguin Province, Lone Congressional District

Figure 3
Expanding Control Across Offices

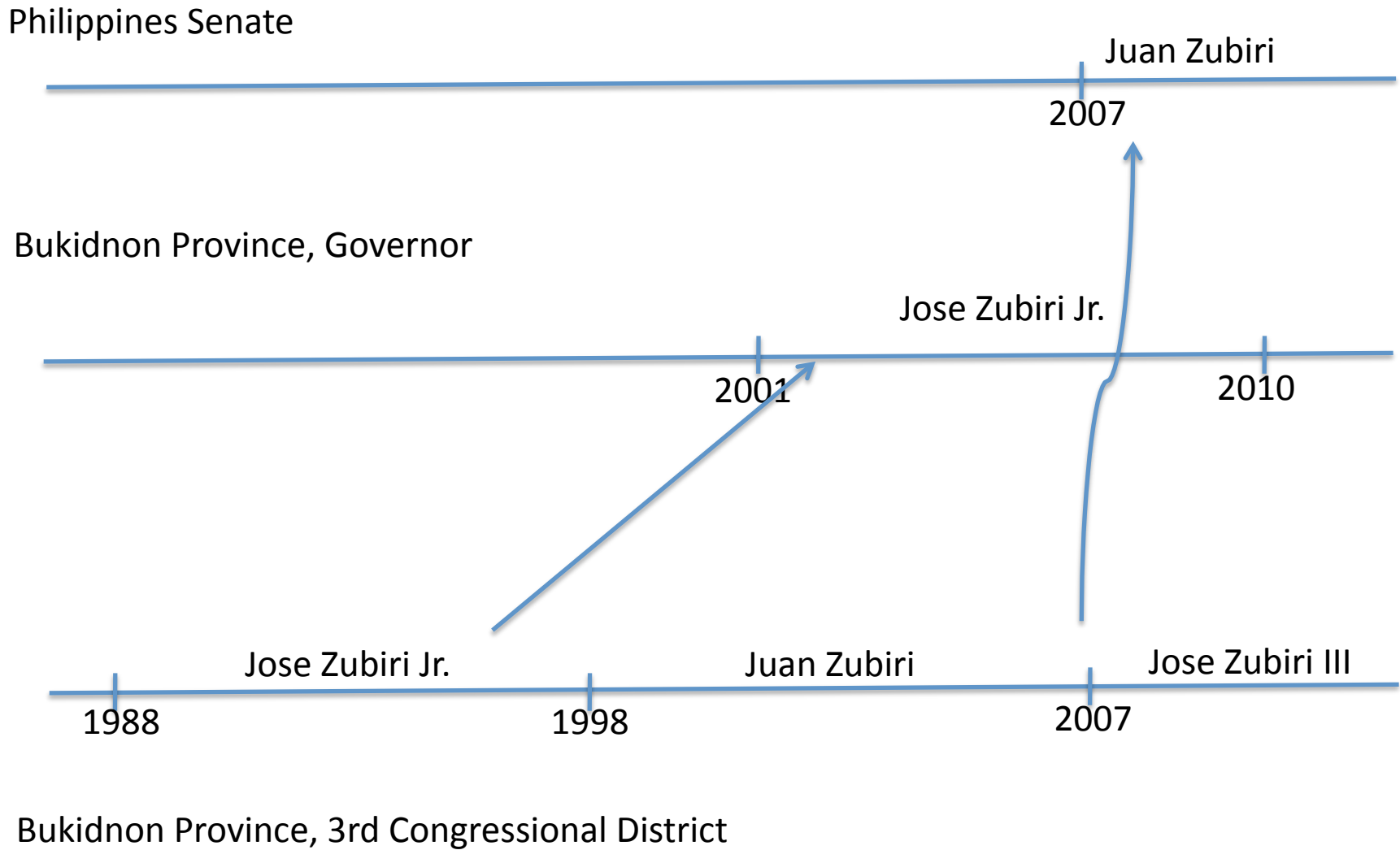


Table 1			
Descriptive Statistics (Before and After Term-Limits)			
Variable	No Term-Limits Environment (1946-1972)	Term-Limits Environment (1988-2010)	T Test (p-value)
<i>A. Congress</i>			
Fraction of freshmen who reach at least a 2nd term	0.458	0.633	0.00
Fraction of freshmen who reach at least a 3rd term	0.238	0.484	0.00
Fraction of freshmen who reach a term>3	0.140	0.000	0.00
Fraction of incumbents in their 1st or 2nd term who run for reelection	0.793	0.824	0.15
Junior Surge	-0.038	0.038	0.00
Average Number of Terms Served	1.698	1.912	0.00
Fraction of Races without Incumbent (Open Seat)	0.324	0.421	0.00
Margin of Victory (Open Seat Races)	0.158	0.196	0.02
Margin of Victory (Races with Incumbents)	0.161	0.369	0.00
Fraction of Open Seat Races Uncontested	0.000	0.015	0.06
Fraction of Races with Incumbent Uncontested	0.000	0.066	0.00
Fraction of Opponents that are Dynastic (Open Seat Races)	0.176	0.255	0.00
Fraction of Opponents that are Dynastic (Races with Incumbents)	0.150	0.147	0.85
<i>B. Governors</i>			
Fraction of freshmen who reach at least a 2nd term	0.342	0.590	0.00
Fraction of freshmen who reach at least a 3rd term	0.096	0.412	0.00
Fraction of freshmen who reach a term>3	0.038	0.000	0.01
Fraction of incumbents in their 1st or 2nd term who run for reelection	0.806	0.839	0.27
Junior Surge	-0.042	0.050	0.00
Average Number of Terms Served	1.405	1.810	0.00
Fraction of Races without Incumbent (Open Seat)	0.361	0.397	0.26
Margin of Victory (Open Seat Races)	0.155	0.198	0.04
Margin of Victory (Races with Incumbents)	0.174	0.292	0.00
Fraction of Open Seat Races Uncontested	0.000	0.052	0.01
Fraction of Races with Incumbent Uncontested	0.012	0.019	0.50
Fraction of Opponents that are Dynastic (Open Seat Races)	0.197	0.332	0.00
Fraction of Opponents that are Dynastic (Races with Incumbents)	0.159	0.200	0.12

Junior surge is defined as the difference of the vote share obtained by incumbents in their second and first reelection attempt. Open Seat races refer to races in which the current incumbent is not running for reelection. Fraction of opponents that are dynastic refers to the fraction of candidates (excluding the incumbent in races with incumbent) that had a relative in office in the 20 years prior to the election.

Table 2
Term-Limited Congressmen and Governors and Survival Strategies

<i>A. Congressmen</i>					
Election Year	Term Limited	As % of those who Entered with them in Term 1	% Replaced by Relative	% Moved to Governorship or Senate	% Replaced by Relative AND Moved to Governorship or Senate
1995	83	0.415	0.434	0.084	0.036
1998	49	0.521	0.286	0.245	0.020
2001	23	0.460	0.522	0.087	0.087
2004	63	0.496	0.397	0.190	0.063
2007	62	0.574			
<i>Total (1995-2007)</i>	<i>280</i>	<i>0.491</i>	<i>0.311</i>	<i>0.118</i>	<i>0.036</i>
<i>B. Governors</i>					
Election Year	Term Limited	As % of those who Entered with them in Term 1	% Replaced by Relative	% Moved to Congress or Senate	% Replaced by Relative AND Moved to Congress or Senate
1995	22	0.301	0.045	0.409	0.045
1998	19	0.432	0.263	0.158	0.000
2001	11	0.423	0.455	0.636	0.273
2004	21	0.525	0.476	0.476	0.333
2007	18	0.419			
<i>Total (1995-2007)</i>	<i>91</i>	<i>0.418</i>	<i>0.231</i>	<i>0.319</i>	<i>0.121</i>

Term-limited refers to incumbents who started their third consecutive term in the respective election year and could not run for reelection in the same office in the following election.

Table 3
Incumbency Advantage before and after term limits

	<i>Dependent Variable is Vote Share</i>			
	Congress		Governors	
	(1)	(2)	(3)	(4)
Incumbent Dummy	0.276	0.265	0.194	0.188
	(0.009)	(0.009)	(0.013)	(0.013)
Incumbent*Post 1987	0.130	0.118	0.155	0.142
	(0.013)	(0.013)	(0.019)	(0.019)
Dynastic Dummy		0.099		0.063
		(0.010)		(0.018)
Dynastic Dummy*Post 1987		0.029		0.071
		(0.013)		(0.022)
Observations	8377	8377	3058	3058
R-squared	0.411	0.443	0.324	0.360

Robust Standard Errors, clustered at the candidate level are reported in parentheses. All regressions include a full set of province/district and year fixed effects. Sample includes all candidates for Congressional and Gubernatorial elections for the period 1946-2007. Dynastic Dummy takes a value of 1 if the candidate had a relative who served as Congressman or Governor in the 20 years prior to the election. Incumbent Dummy takes a value of 1 if the candidate is the current incumbent seeking reelection.

Table 4				
Electoral Advantage of Incumbents in Other Office and Incumbent Relatives				
<i>Panel A: Congress</i>				
	<i>Dependent Variable is Vote Share</i>			
	(1)	(2)	(3)	(4)
Incumbent Governor	0.105 (0.029)	0.161 (0.029)		
Post-1987*Incumbent Governor	0.119 (0.036)	0.136 (0.036)		
Incumbent Relative			0.128 (0.025)	0.109 (0.027)
Post-1987*Incumbent Relative			0.026 (0.030)	0.063 (0.032)
Dynastic		0.101 (0.010)		0.087 (0.010)
Incumbent		0.273 (0.009)		0.275 (0.009)
Post-1987*Incumbent		0.120 (0.013)		0.132 (0.013)
Post-1987*Dynastic		0.023 (0.012)		-0.002 (0.013)
Observations	8377	8377	8377	8377
R-squared	0.103	0.435	0.109	0.435
<i>Panel B: Governors</i>				
Incumbent Congressman	0.084 (0.025)	0.112 (0.024)		
Post-1987*Incumbent Congressman	0.097 (0.032)	0.131 (0.032)		
Incumbent Relative			-0.028 (0.073)	-0.030 (0.076)
Post-1987*Incumbent Relative			0.209 (0.077)	0.203 (0.081)
Dynastic		0.063 (0.018)		0.065 (0.018)
Incumbent		0.192 (0.013)		0.188 (0.013)
Post-1987*Incumbent		0.159 (0.019)		0.155 (0.019)
Post-1987*Dynastic		0.061 (0.022)		0.042 (0.022)
Observations	3058	3058	3058	3058
R-squared	0.125	0.395	0.118	0.370

Robust Standard Errors, clustered at the candidate level are reported in parentheses. Sample includes all candidates for Congressional and Gubernatorial elections for the period 1946-2007. Dynastic Dummy takes a value of 1 if the candidate had a relative who served as Congressman or Governor in the 20 years prior to the election. Incumbent takes a value of 1 if the candidate is the current incumbent in that office seeking reelection. Incumbent Relative is a dummy that takes a value of one if the candidate is related to the current incumbent.

Table 5						
Difference-in-Difference Regressions for whether the incumbent remains in office.						
	Dependent Variable is Self			Dependent Variable is Self_OthOffice		
	Congress (1)	Congress (Excluding Cities) (2)	Governors (3)	Congress (4)	Congress (Excluding Cities) (5)	Governors (6)
Post-1987*Term=3	-0.561 (0.091)	-0.559 (0.092)	-0.637 (0.193)	-0.466 (0.093)	-0.446 (0.096)	-0.229 (0.198)
Observations	789	685	272	789	685	272
R-squared	0.758	0.749	0.609	0.675	0.668	0.439

Robust Standard Errors are reported in parentheses. All regressions include a full set of province/district and year fixed effects. Sample includes all incumbent Congressmen and Governors in their 2nd and 3rd term in the period 1946-2007. The dependent variable in columns 1-3 is a dummy that takes a value of one if the incumbent remains in power in the same office in the next term. The dependent variable in columns 4-6 is a dummy that takes a value of one if the incumbent remains in power in Congress, Senate or the provincial governorship in the next term.

Table 6**Difference-in-Difference Regressions for whether the Incumbent or it's Family remains in office.**

	Dependent Variable is Self_Relative			Dependent Variable is Self_Relative_OthOffice		
	Congress (1)	Congress (Excluding Cities) (2)	Governors (3)	Congress (4)	Congress (Excluding Cities) (5)	Governors (6)
Post-1987*Term=3	-0.253 (0.092)	-0.223 (0.096)	-0.355 (0.208)	-0.153 (0.092)	-0.103 (0.095)	-0.048 (0.197)
Observations	789	685	272	789	685	272
R-squared	0.607	0.601	0.497	0.565	0.553	0.446

Robust Standard Errors are reported in parentheses. All regressions include a full set of province/district and year fixed effects. Sample includes all incumbent Congressmen and Governors in their 2nd and 3rd term in the period 1946-2007. The dependent variable in columns 1-3 is a dummy that takes a value of one if the incumbent or a relative remain in power in the same office in the next term. The dependent variable in columns 4-6 is a dummy that takes a value of one if the incumbent or a relative remain in power in Congress, Senate or the provincial governorship in the next term.

Table 7

**Difference-in-Difference Regressions for whether the Incumbent or it's Family remains in office.
Using 2-termers as "treated" incumbents in the Pre-1987 period.**

	Dependent Variable is Self_Relative			Dependent Variable is Self_Relative_OthOffice		
	Congress	Congress (Excluding Cities)	Governors	Congress	Congress (Excluding Cities)	Governors
	(1)	(2)	(3)	(4)	(5)	(6)
Post-1987*Term-Treated	-0.350 (0.064)	-0.328 (0.067)	-0.286 (0.101)	-0.342 (0.064)	-0.306 (0.067)	-0.038 (0.100)
Observations	1742	1512	760	1742	1512	760
R-squared	0.339	0.327	0.220	0.305	0.289	0.196

Robust Standard Errors are reported in parentheses. All regressions include a full set of province/district and year fixed effects. Sample includes all incumbent Congressmen and Governors in their 1st, 2nd and 3rd term in the period 1946-2007. Term-Treated is a dummy variable that takes a value of one if the incumbent is a 2-termer serving between 1946 and 1972 or a 3-termer serving after 1987. The dependent variable in columns 1-3 is a dummy that takes a value of one if the incumbent or a relative remain in power in the same office in the next term. The dependent variable in columns 4-6 is a dummy that takes a value of one if the incumbent or a relative remain in power in Congress, Senate or the provincial governorship in the next term.

Table 8						
Difference-in-Difference Regressions for whether the Incumbent or it's Family Continue in Politics in the Future						
	Dependent Variable is Self_Ever			Dependent Variable is Self_Relative_Ever		
	Congress (1)	Congress (Excluding Cities) (2)	Governors (3)	Congress (4)	Congress (Excluding Cities) (5)	Governors (6)
Post-1987*Term=3	-0.319 (0.095)	-0.321 (0.099)	-0.198 (0.161)	0.011 (0.063)	0.017 (0.065)	-0.049 (0.094)
Observations	760	664	280	823	718	301
R-squared	0.542	0.532	0.395	0.391	0.393	0.358

Robust Standard Errors are reported in parentheses. All regressions include a full set of province/district and year fixed effects. Sample includes all incumbent Congressmen and Governors in their 2nd and 3rd term in the period 1946-2007. The dependent variable in columns 1-3 is a dummy that takes a value of one if the incumbent returns to Congress, Senate or the provincial governorship at any point in the future. The dependent variable in columns 4-6 is a dummy that takes a value of one if the incumbent or a relative serves in Congress, Senate or the provincial governorship at any point in the future.

Table 9			
Difference-in-Difference Regressions for whether a Dynastic Politician Remains in Office			
	Dependent Variable is Rep_Dynastic		
	Congress	Congress (Excluding Cities)	Governors
	(1)	(2)	(3)
Post-1987*Term=3	0.182 (0.101)	0.198 (0.105)	-0.003 (0.171)
Observations	789	685	272
R-squared	0.579	0.578	0.462

Robust Standard Errors are reported in parentheses. All regressions include a full set of province/district and year fixed effects. Sample includes all incumbent Congressmen and Governors in their 2nd and 3rd term in the period 1946-2007. The dependent variable in columns 1-3 is a dummy that takes a value of one if a dynastic incumbent is in power in the same office in the next term.