Online Appendix

Descriptive Statistics

Table A1: Descriptive Statistics

	Mean	SD	Min	Max
Budget balance	-0.049	0.059	-0.322	0.248
Election	0.211	0.409	0	1
Confidence	4.987	16.169	0	100
Post-election	0.210	0.408	0	1
GDP p.c.	7.783	0.881	5.218	9.357
Growth	0.018	0.064	-0.359	0.631
Tax revenues/GDP	0.149	0.063	0.019	0.433
Rents p.c. (logged)	1.596	4.076	-4.605	8.392
Aid p.c. (logged)	3.686	1.126	-4.605	5.855
IMF	0.303	0.460	0	1
Debt service	5.579	4.975	0.011	80.757
Polity	4.149	4.797	-5.000	10.000
Tenure	5.768	5.593	1.000	35.000
N	1015			

Table A2: List of Countries

Albania	Costa Rica	Kyrgyzstan	Peru
Algeria	Côte d'Ivoire	Lesotho	Philippines
Argentina	Djibouti	Liberia	Russia
Armenia	Dominican Republic	Macedonia	Rwanda
Azerbaijan	Ecuador	Madagascar	Senegal
Belarus	El Salvador	Malawi	Sierra Leone
Benin	Fiji	Malaysia	South Africa
Bolivia	Gabon	Mali	Sri Lanka
Botswana	Gambia	Mauritius	Sudan
Brazil	Georgia	Moldova	Tanzania
Bulgaria	Ghana	Mongolia	Thailand
Burkina Faso	Guatemala	Mozambique	Tunisia
Burundi	Guinea	Nepal	Uganda
Cambodia	Guinea-Bissau	Nicaragua	Uruguay
Cameroon	Honduras	Niger	Zambia
Central African Republic	Indonesia	Nigeria	Zimbabwe
Chad	Iran	Pakistan	
Colombia	Jamaica	Panama	
Comoros	Kazakhstan	Papua New Guinea	
Congo-Brazzaville	Kenya	Paraguay	

Predicting Survey Quality

The NELDA dataset provides us with information about the existence of reliable pre-election polls and whether these polls predicted a victory for the incumbent. As these data are only provided in binary form, we follow a strategy of weighting the NELDA survey dummy by the expected error margin of the survey. This takes into account the fact that not all surveys will be of equal quality, which in turn influences the extent to which incumbents rely on them when setting the pre-election budget.

To do so, we estimate a model of survey accuracy based on country-level indicators. Our dependent variable is the difference between the predicted win-margin in 147 pre-election polls and the actual win-margin in this election. The 147 polls represent a convenience sample from the 233 elections for which NELDA indicates reliable surveys existed. The information was retrieved from two major press archives, ProQuest and Nexis.

We then estimate the survey error margin based on a number country-level indicators in a simple cross-country OLS regression. As there is no established literature on cross-country predictors of survey quality, we proceeded inductively, with an eye both on the plausibility of the predictors and their predictive power as measured by R-squared. To match the regional and temporal distribution of the NELDA survey dummy, our results are weighted according to geographical region and time period.

Our results yield the following results shown in Table A3: the error margin is lower in wealthier, more populous, more urbanized, and linguistically more fractionalized countries. Interestingly, the error margin is also lower in countries with a higher dependency ratio, that is, a higher share of people below 14 and above 65 years. This is probably due to more stable voting patterns amongst the elderly population. Compared to surveys in non-authoritarian regimes, surveys in hegemonic autocracies – often characterised by electoral fraud in favour of the incumbent – are less accurate. Regarding a country's educational profile, literacy decreases the error margin, whilst a higher student population increases it. This is probably due to stronger voter fluctuations in the student population. Finally, compared to surveys in the 1960s and 1970s, surveys in later decades all exhibit a lower error margin. We also experimented with regional dummies, but these did not add much explanatory power to the model.

In a final step, we predict the expected survey error for each election in our sample and normalize the error to vary between 1 and 2, with two representing lower error margins. We then multiply this variable with the NELDA dummy indicating a favorable pre-election survey for the incumbent, and include it in our baseline regression.

Table A3: Predicting Survey Quality

GDP p.c. (logged)	-7.214***
	(2.569)
Polity	-0.322
	(0.466)
Population size (logged)	-3.126***
	(1.070)
Presidential election	4.503**
	(2.265)
Urbanization	-0.180**
	(0.069)
Dependency ratio	-1.109***
	(0.336)
Founding election	8.445
	(5.549)
Hegemonic authoritarian	19.419***
	(2.988)
Competitive authoritarian	2.485
	(3.252)
University enrolment	0.022**
	(0.011)
Literacy	-0.033***
	(0.013)
Surface (logged)	1.317
	(0.890)
Linguistic fractionalization	-7.665*
	(4.128)
1980s	-9.585**
	(4.003)
1990s	-9.133**
	(3.618)
2000s	-12.409***
	(4.039)
Observations	120
R-squared	0.49

Note: Weighted OLS model with standard errors in parentheses.

Robustness Tests

Exclusion of Legislative Elections

As we have pointed out, in the case of legislative elections there might be distortions in the confidence measure due to different electoral systems (proportional vs. majoritarian). We therefore replicate our baseline model without legislative elections, running the regression with presidential elections only. Our results remain robust.

Table A4: Presidential Elections Only

Budget balance t-1	0.542***
	(0.048)
Budget balance t-2	-0.056
	(0.041)
Budget balance t-3	0.119***
	(0.035)
Election	-0.013***
	(0.003)
Election*Confidence	0.0003***
	(0.0001)
Observations	1,015

Note: Autoregressive OLS model with country and year fixed effects. Robust standard errors in parentheses. Constant, FE coefficients, and standard controls omitted.

Different Model Specifications

The following regression test the robustness of our findings to different model specifications, that is, year fixed effects, country fixed effects, or random effects only. Please note that the p-value of the *Election*Confidence* interaction in the random effects model (Model 3) just falls short of conventional levels of significance (p=0.123). We are not too concerned by this result, however, as Hausman tests strongly recommend the inclusion of fixed effects.

Table A5: Different Model Specifications

	(1)	(2)	(3)
Budget balance t-1	0.641***	0.563***	0.658***
	(0.056)	(0.048)	(0.057)
Budget balance t-2	-0.025	-0.062	-0.021
	(0.045)	(0.044)	(0.046)
Budget balance t-3	0.182***	0.110***	0.190***
	(0.045)	(0.037)	(0.046)
Election	-0.006**	-0.008***	-0.006**
	(0.003)	(0.003)	(0.003)
Election*Confidence	0.0001*	0.0002**	0.0001
	(0.0001)	(0.0001)	(0.0001)
Observations	1,015	1,015	1,015

Note: Autoregressive OLS model with (1) year FEs only, (2) country FEs only, and (3) random effects. Robust standard errors in parentheses. Constant, FE coefficients, and standard controls omitted from table.

Alternative Standard Errors

To make sure our findings are robust to contemporaneous and spatial correlation in the errors, we rerun our baseline model using panel-corrected and Driscoll-Kraay standard errors. The substantive finding remains unchanged.

Table A6: Alternative Standard Errors

	(1)	(2)
Budget balance t-1	0.542***	0.542***
	(0.031)	(0.048)
Budget balance t-2	-0.056*	-0.056*
	(0.029)	(0.034)
Budget balance t-3	0.117***	0.117***
	(0.028)	(0.034)
Election	-0.008***	-0.008***
	(0.003)	(0.003)
Election*Confidence	0.0002**	0.0002**
	(0.0001)	(0.0001)
Observations	1,015	1,015

Note: Autoregressive OLS model with country and year fixed effects. Beck-Katz panel-corrected (1) and Driscoll-Kraay (2) standard errors in parentheses. Constant, FE coefficients, and standard controls omitted from table.

Sensitivity to Outliers

We also test the sensitivity of our results to outlying observations in the data. Specifically, we identify outliers by estimating the model, predicting the residuals, and then applying the *extremes* command in Stata, which selects the five highest residuals from the regression. We then rerun the model excluding all countries with extreme values from the regression. The results of the re-estimated regression are shown in Table A7 below. All substantive findings remain unchanged.

Table A7: Base Model without Outliers

Budget balance t-1	0.519***
	(0.043)
Budget balance t-2	-0.026
	(0.044)
Budget balance t-3	0.089**
	(0.045)
Election	-0.008***
	(0.003)
Election*Confidence	0.0002**
	(0.0001)
Observations	948

Note:	Autoregressive OLS model with country and year fixed effects. Robust standard errors in parentheses. Constant, FE coefficients, and standard controls omitted from table.

Continuous Measure of Confidence

We test a continuous measure of electoral confidence by carrying the past win-margin forward until the next election year. The results are shown in Table A8 below. This is admittedly problematic as we thereby assume that electoral confidence remains unchanged in-between elections years. However, we are not interested in the individual coefficients as such; our main interest is whether higher win-margins in previous elections still significantly increase budget cycles, controlling for confidence in non-election years. Again, the effect of the interaction term is best explored graphically. In view of Figure 2, our substantive claim holds when including a continuous measure of confidence as a base term.

Table A8: Continuous Measure of Confidence

Budget balance t-1	0.543***
	(0.048)
Budget balance t-2	-0.054
	(0.042)
Budget balance t-3	0.115***
	(0.036)
Election	-0.006**
	(0.003)
Confidence (continued)	0.0001**
	(0.00005)
Election*Confidence (continued)	0.0001
	(0.0001)
Observations	1,012

Note: Autoregressive OLS model with country and year fixed effects. Robust standard errors in parentheses. Constant, FE coefficients, and standard controls omitted from table.
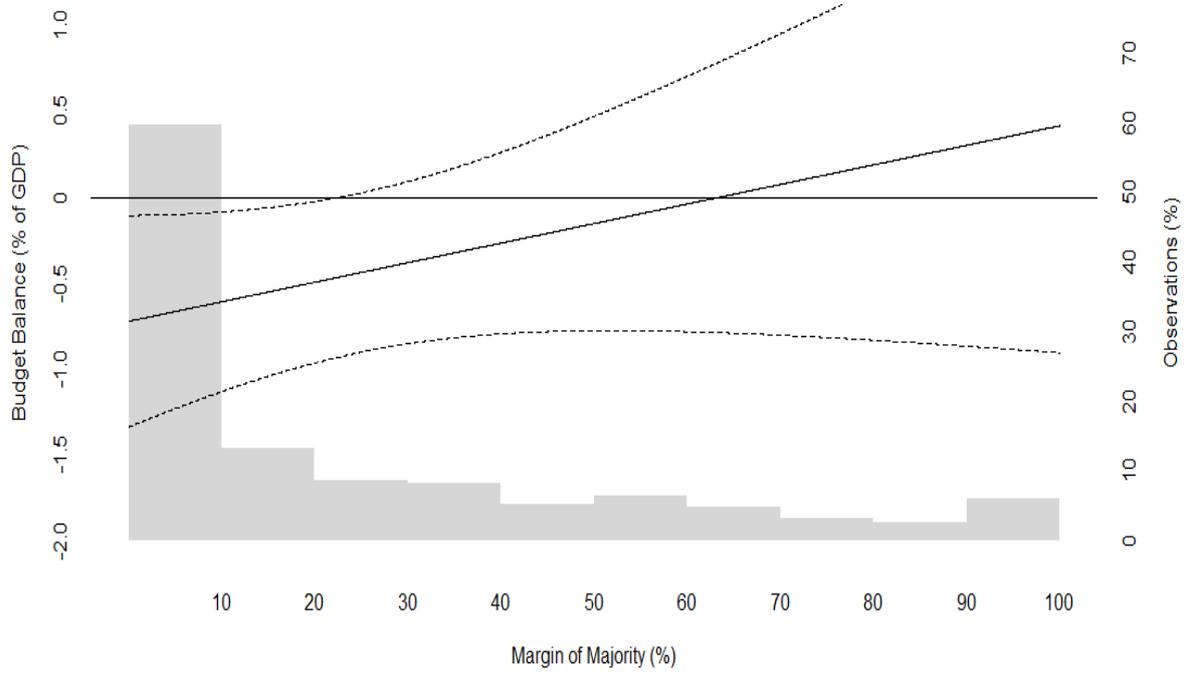
Figure 2: Marginal Effect of Electoral Confidence on PBCs

Founding Elections and Elections after Autocracy

In our baseline model, we coded confidence as 0 in founding elections and elections after an autocratic interlude. To make sure our findings are not driven by this coding choice, we rerun our model without these elections. Our main finding remains robust.

Table A9: Model without Founding Elections

Budget balance t-1	0.549***
	(0.044)
Budget balance t-2	-0.060
	(0.043)
Budget balance t-3	0.117***
	(0.041)
Election	-0.006**
	(0.003)
Election*Confidence	0.0001*
	(0.0001)
Observations	990

Note: Autoregressive OLS model with country and year fixed effects. Robust standard errors in parentheses. Constant, FE coefficients, and standard controls omitted from table.

Difference GMM Model

As autoregressive OLS models with fixed effects are liable to Nickel bias, we re-estimate our baseline model using the generalized method of moments (GMM) (Arellano and Bond 1991), which is robust to Nickel bias. Specifically, we run a one-step difference GMM model with five lags of the dependent variable, year and country fixed effects. Our main finding remains robust to this alternative model specification.

Table A10: Diff-GMM Model

	(1)
Election	-0.007
	(0.003)**
Election*Confidence	0.0001
	(0.00007)*
Post-election	0.005
	(0.002)**
Executive oversight	-0.000
	(0.003)
GDP p.c. (logged)	-0.009
	(0.011)
Growth	0.080
	(0.024)***
Tax revenues/GDP	0.232
	(0.077)***
Rents p.c. (logged)	0.000
	(0.001)
Aid p.c. (logged)	-0.001
	(0.001)
IMF	0.001
	(0.003)
Debt service	0.0005
	(0.0002)**
Polity	-0.0003
	(0.001)
Tenure	-0.0005
	(0.0004)
Observations	920
Year FEs	Yes
Country FEs	Yes
Number of lagged DVs	5
AR(2)	0.308
Hansen test	1.000

One-step difference GMM with year FEs (omitted). Robust standard errors in parentheses * $p<0.1$; ** $p<0.05$; *** $p<0.01$

Interaction between Abilities and Elections

Including a measure for *Executive oversight*, our baseline model controls for incumbents'
abilities to manipulate the budget in general, but not specifically in election years. To capture
the potential constraining effect of our ability measure in elections years specifically, we add
an interaction term between *Executive oversight* and *Election* to our baseline model. The
results are shown in Table A11. As expected, the sign of the interaction term is positive,
suggesting a PBC-inhibiting effect, but fails to reach statistical significance. More
importantly, our core finding remains unaffected by the additional interaction: the *Election*
coefficient remains strongly negatively significant – in fact, the average effect is slightly
stronger than in the baseline model – and the interaction term between *Election* and
Confidence remains strongly positively significant, meaning lower PBCs in the presence of
higher previous win-margins.

Table A11: Interaction between Abilities and Elections

Budget balance t-1	0.542***
	(0.048)
Budget balance t-2	-0.055
	(0.042)
Budget balance t-3	0.117***
	(0.036)
Election	-0.010**
	(0.005)
Election*Confidence	0.0002**
	(0.0001)
Post-election	0.004*
	(0.002)
Executive oversight	-0.003
	(0.003)
Election*Executive oversight	0.001
	(0.002)
Observations	1,015

Note: Autoregressive OLS model with country and year fixed
effects. Robust standard errors in parentheses. Constant,
FE coefficients, and standard controls omitted from
table.

Bibliography

Arellano, Manuel, and Stephen Bond. 1991. Some Tests of Specification for Panel Data:
    Monte Carlo Evidence and an Application to Employment Equations. *The Review of
    Economic Studies*, 58, 277–97.