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Evidence from Last-Term Politicians

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The Limits of Electoral Control: Evidence from Last-Term Politicians*

Benny Geys^a and Karsten Mause^b

Abstract: In modern democracies, politicians' accountability is often linked to the disciplining mechanism of electoral control. For politicians in their final term, this mechanism is impaired. Using a novel dataset covering 910 members of the UK House of Commons active within the period 1997-2010, we investigate how reduced electoral control affects last-term MPs' trade-off between work effort inside parliament, leisure, and outside interests. Our main contributions lie in providing the first explicit consideration of (a) MPs' final-term intra-/extra-parliamentary work balance, and (b) MPs' reasons for leaving parliament (i.e. retirement, career change, electoral defeat). These extensions provide important fresh insights concerning the boundaries of elections' disciplining power.

Keywords: Elected representatives, Final Term, Parliamentary activity, Outside interests, Accountability.

Word count: 9,464 words, including main text, notes, and references (8,376 words) plus five tables (1,088 words)

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1. Introduction

The relation between citizens and elected representatives in contemporary democracies is often conceptualised as a principal-agent relationship (Mitchell 2000; Strøm et al. 2003; Besley 2006). Elections are thereby viewed as a crucial accountability and incentive mechanism, since failure to deliver desired public policies may induce voter retribution on Election Day. The underlying argument is that “by basing their votes on evaluations of performance, voters may be able to motivate officeholders to pay attention to the interests of the electors” (Ferejohn 1986: 7). This not only places the issue of ‘electoral control’ at the heart of our conception of democracy (Barro 1973; Mayhew 1974; Ashworth 2012), but also naturally raises the question “how well electoral accountability actually works” (Diermeier and Li 2013: 1).

In this article, we directly engage with this question by focusing on one limitation of electoral control as a disciplining mechanism: Members of Parliament (MPs) in their final term by definition cannot be held to account in the next election. At least from a rational choice perspective, this would imply that such last-term MPs will exert less effort to satisfy their citizen-principals (Lott 1990; Herrick et al. 1994; Besley and Larcinese 2011; Parker and Dabros 2012; Dabros 2015). In line with such a so-called ‘shirking’ proposition, final-term MPs have repeatedly been found to record lower parliamentary activity (e.g. attendance in meetings and roll-call votes) than MPs facing re-election constraints (Lott 1990; Besley and Larcinese 2011).¹

This article makes two key contributions to this literature and thereby provides important new insights concerning the boundaries of elections’ disciplining power. First, last-period shirking is traditionally understood only as “substituting leisure for work (...) through neglect of legislative responsibilities in the final term” (Parker and Dabros 2012: 790). In contrast, we take into account that there might also be substitution between intra- and extra-parliamentary

work efforts. This theoretical extension builds on the fact that politicians – like all of us – have a binding time constraint, such that time and energy devoted to intra-parliamentary work is no longer available for outside interests, and vice versa (Eggers and Hainmueller 2009; Gagliarducci et al. 2010; Geys and Mause 2012; Arnold et al. 2014). However, this trade-off might change during one’s final term, leading last-term MPs to strategically reposition their intra-/extra-parliamentary work balance (e.g. as an investment in a post-parliamentary career; Parker 2008; Dabros 2015). This line of argument innovatively connects the literatures on (a) politicians’ parliamentary activity (see above) and (b) their extra-parliamentary activities (for a review, see Geys and Mause 2013) to obtain a more comprehensive assessment of the final-term question. It also provides more precision about the conceptual definition of last-term shirking, since shirking is here to be understood as any reduction in MPs’ intra-parliamentary effort to satisfy their citizen-principals, whether with the intention to increase leisure or outside interests. This new conceptualisation has important empirical implications since MPs simultaneously decide their inside/outside mix of work effort (Arnold et al. 2014), and ignoring either of these choices may lead to biased inferences.

Second, unlike most previous research on the last-term question (for partial exceptions, see Lott 1990; Parker and Dabros 2012; Dabros 2015), we explicitly differentiate between various motives for leaving parliament (i.e. retirement, career change, or electoral defeat). We argue that such differentiation is essential for two related reasons. On the one hand, expectations regarding the last-term behaviour of exiting MPs differ depending on the reason for their exit (more details below). On the other hand, the comparison of different groups of last-term MPs provides an opportunity to infer more about the mechanisms underlying any observed changes in behaviour during the last term. As a consequence, such comparison enriches our understanding of the motivations behind any patterns in the data.

Our empirical analysis is based on a unique, new dataset including information about the intra- *and* extra-parliamentary activities of 910 members of the UK House of Commons active within the period 1997-2010. We thereby often observe the same MPs over multiple legislatures. This is critical since it provides the opportunity – unavailable in analyses of cross-sectional datasets – to control for unobserved personality traits that might affect both the probability to exit parliament and work-balance decisions. Focusing on such *within*-MP variation, we show that MPs *retreating* from politics have significantly higher absenteeism rates during parliamentary votes, pose fewer written questions, and participate less often in parliamentary debates during their last term. At the same time, their outside interests (measured via the number of directorships and remunerated employments) show a statistically and substantively significant increase. In comparison, *retiring* MPs only record a reduced parliamentary workload, but no equivalent increase in extra-parliamentary activities. This suggests that retiring MPs substitute parliamentary work for increased leisure, while retreating MPs substitute intra- for extra-parliamentary work effort.

Finally, although MPs *voted out* of parliament record at best limited work effort readjustments in their final term, the observed effects suggest *increases* in parliamentary effort and *decreases* in outside interests. One admittedly tentative explanation might be that these MPs accurately foresaw their deteriorated electoral prospects, and invested more time and energy into parliamentary activities while reducing potentially politically costly outside activities (Geys 2013). In any case, the results for MPs voted out of parliament highlight that the *opposite* behavioural changes observed among retiring and retreating MPs are likely to reflect conscious responses to the elimination of the accountability mechanism embedded in elections – thus supporting the notion that elections have significant disciplining power.

The paper proceeds as follows. The next section presents what different theories of political representation expect from final-term MPs in terms of the trade-offs between work

effort inside parliament, leisure, and outside interests. Then, Sections 3, 4 and 5 describe our dataset, empirical strategy, and regression results, respectively. Finally, Section 6 provides a concluding discussion of the implications of the empirical findings.

2. Theoretical Framework and Hypotheses

Two key motivations have been distinguished as potential driving forces behind the behaviour of politicians. These motivational assumptions can be denoted as (i) the public service (or public interest) view (Staats 1988; Houston 2006), and (ii) the Public Choice inspired self-interest view (Downs 1957; Mueller 2003). The former maintains that politicians view their position in the public sector as a ‘calling’ rather than a job (Weber [1919] 2004), and are therefore “committed to the public good” (Houston 2006: 68). MPs driven by such a public service ethic will always (try to) meet the obligations connected to their parliamentary mandate, and would be expected to behave similarly throughout their career. This public service view on politics makes any analysis of MPs’ final-term behaviour seemingly superfluous, and represents the null hypothesis under investigation: i.e. politicians do *not* adjust their work effort inside or outside parliament in their final term (H_0).

This null hypothesis can be set against expectations derived from the Public Choice view of politics (Downs 1957; Mueller 2003). One of the fundamental assumptions here is that politicians are motivated by self-interest and utility maximisation. As politicians derive personal benefits from elected office, they are expected to have a strong preference towards (re)election (Mayhew 1974; Nannestad and Paldam 1994; Lewis-Beck and Stegmaier 2013). In line with such view, Mayhew (1974) illustrates that many of the actions engaged in by US Congress members – including credit-claiming and position-taking – can be explained by their electoral incentives. As a direct corollary to such perspective on politics, elections gain substantial importance as a disciplining device. It also implies, however, that such

disciplining effect is absent for any politician in his/her last period of office, and that last-period MPs obtain an incentive to shirk on parliamentary duties (Besley and Larcinese 2011; Parker and Dabros 2012).²

Existing empirical evidence tends to be in line with this shirking hypothesis. Besley and Larcinese (2011), for instance, study the average attendance rates in parliamentary votes of 634 members of the UK House of Commons during the period 06/2001-03/2004, and find that MPs who have announced to step down at the end of the legislative term show significantly lower attendance rates than other MPs, all else equal. Similar results are also found in various studies of members of the US Congress (Lott 1987, 1990; Herrick et al. 1994; Figlio 1995; Rothenberg and Sanders 2000).³ Nonetheless, the general shirking hypothesis expressed above does not take into account that we can generally differentiate between various types of last-term MPs. For instance, MPs may not stand for re-election due to age-related retirement (henceforth referred to as ‘retiring’ MPs), or because they want to implement a career change (henceforth referred to as ‘retreating’ MPs). MPs might also have been forced out of office by voters, such that their observed ‘last term’ was *de facto* undesired. This differentiation in the reasons behind observed last terms requires a more differentiated set of hypotheses, which we summarise in the top row of Table 1.⁴

-- Table 1 about here --

Retiring MPs no longer face a re-election constraint and have no intention to remain politically active after the current term in office. Hence, following the Public Choice view of politics, they can be expected to significantly reduce their duties inside parliament in their final term of office (H_{1a}). For identical underlying reasons, the same prediction arises also for retreating MPs (H_{1b}). The third type of last-term MPs, however, consists of legislators who

did stand for re-election, but failed to convince enough voters on Election Day. These MPs still work under the same re-election constraint as before, such that there should be no significant difference in terms of intra-parliamentary work effort in their final term (H_{1c}). Put differently, it can be conjectured that *not* knowing “with certainty that [s]he will no longer face re-election” – i.e. playing a game with “an uncertain endpoint” – disciplines elected representatives and prevents “political shirking” in (what turns out to be) the last period (Lott 1987: 170).

Furthermore, the general shirking hypothesis expressed above disregards what politicians do with the time they gain by reducing their parliamentary work effort. This is, however, a very relevant question because a reduction in intra-parliamentary work need not necessarily be linked to increased leisure time (Parker and Dabros 2012). It can also be channelled to the benefit of additional time and energy for outside interests. Although several empirical studies provide evidence for a trade-off between intra- and extra-parliamentary work effort (Eggers and Hainmueller 2009; Gagliarducci et al. 2010; Geys and Mause 2012; Arnold et al. 2014), none of them accounts for potential last-term effects in this trade-off.

Yet, MPs’ cost-benefit calculation of intra- versus extra-parliamentary effort is likely to change in their final term. On the one hand, the perceived costs of outside interests might well decline because any expectation of electoral retribution is removed. Outside jobs are often perceived by citizen-principals as symptoms that their elected political agents do not take their parliamentary job sufficiently seriously (Geys and Mause 2012; Geys 2013; Allen and Birch 2015) – even though recent survey experiments demonstrate that citizens do not respond negatively to *all* types of second jobs/incomes (Campbell and Cowley 2015). However, last-term MPs *know* that they cannot be punished by voters through the ballot box for maintaining directorships, consultancy jobs, etc. On the other hand, the expected benefits derived from outside interests may increase during the final term. This may arise because

MPs aiming to work in the private sector could view outside interests as an instrument to gain knowledge and networks that hopefully bear fruit in their post-parliamentary career. Studying the post-elective careers of large samples of former US Congress members, recent empirical evidence appears largely consistent with this line of argument (Parker 2008; Parker and Dabros 2012; Dabros 2015). Moreover, MPs that have already made arrangements with their future employers (and thus know their future career path during their last year(s) in office) might perceive an important benefit from changing their behaviour to get a ‘jump start’ into their new career. That is, such politicians’ motivations and behaviour may be geared more strongly towards “the acquisition of human capital within political institutions” as “investments that are expected to accrue value” (Parker 2008: 1-2).

The exact nature of this trade-off – and the relative strengths of its constituent parts – is again likely to depend on the reasons behind one’s last term (see bottom row of Table 1). While retiring MPs do not have to fear voter retribution (strengthening the incentive to engage in outside interests), they may also have a lower incentive to make investments in knowledge and networks beneficial for a post-parliamentary private-sector career (Parker 2008; Parker and Dabros 2012; Dabros 2015). This line of argument implies that retiring MPs may not increase their outside interests in their last term, and may even decrease them if they prefer to further increase their leisure time (H_{2a}). In contrast, retreating MPs may have a much stronger incentive to invest in new knowledge and networks, and are thus most likely to increase their work effort *outside* parliament in their final term (H_{2b}). Finally, MPs that leave office because they failed to convince enough voters on Election Day still had to fear potential punishment of outside interests by voters through the ballot box, and had no incentive to start investing in a possible post-parliamentary career (given that they did not yet expect to convert to such a career). Hence, they are not expected to show significant changes in terms of extra-parliamentary work effort in their final term (H_{2c}).

3. The UK House of Commons as Empirical Laboratory

The UK House of Commons presents an excellent laboratory for testing the above hypotheses. MPs are allowed to exercise extra-parliamentary jobs, but are required to report such outside interests in detail in the publicly available Register of Members' Financial Interests (House of Commons 2012). Apart from information about, for instance, donations, gifts, hospitality, shareholdings, land and property, the register also includes two categories containing information about MPs' extra-parliamentary activities: i.e. directorships in companies (Category 1) and remunerated employment (Category 2). In the latter category, any "employment, office, trade, profession or vocation ... outside the House and any sources of remuneration which do not fall clearly within any other Category should be registered" (House of Commons 2012: 15).

Remunerated employments reported in Category 2 include continuous activities such as retaining one's medical practice or writing weekly columns in a newspaper, as well as sporadic assignments such as individual lectures or completing a survey. Given that these impose significantly different time constraints, we treat these separately in the analysis below. They are referred to as 'continuous' and 'one-off' employments, respectively (see Geys 2013, for a similar approach). This is admittedly a crude distinction, and does not account for activities' relevance to the constituency. Interpreted as constituency service, some remunerated employments could, however, be seen as part of MPs' parliamentary tasks, rather than outside interests. The Register unfortunately does not readily allow setting apart outside interests with constituency relevance, such that our data are likely to overestimate true outside interests.

In addition, Hansard (or the 'Official report') and the UK Parliament publish a series of data capturing various dimensions of MPs' intra-parliamentary activities. We accessed the

raw data via www.TheyWorkForYou.com, which collects all official information in one place in a bid to improve public transparency (a project of UK Citizens Online Democracy, a registered charity). The available information includes all oral and written questions raised by each individual MP; MP's participation in roll-call votes (so-called 'divisions'); and transcripts of parliamentary debates (which allow extracting information on contributions made by each MP during parliamentary debates). With respect to the latter, we count multiple interventions during debates on the same day as one activity. While an MP might admittedly participate in debates on various topics during one particular day, we view this operationalisation as a valid approximation since MPs tend to specialise in a limited number of themes (and thus mostly intervene during debates on these topics).

Clearly, although these indicators of intra-parliamentary activity move significantly beyond the information on recorded votes previously used in a UK setting (Besley and Larcinese 2011), they are evidently imperfect, and do not capture all aspects of politicians' task portfolio. For instance, they do not take into account constituency work, committee attendance, or working at home (e.g. for preparing speeches, reading documents, and so on). Information about these activities is unfortunately unavailable for the UK setting. It is important to point out, however, that this limitation holds equally for *all* legislators and *all* time periods in our data. As such, it cannot explain any behavioural shifts observed in (some types of) last-term MPs across time.

Using the aforementioned indicators of extra/intra-parliamentary work effort and additional individual-level data taken from MPs' official biographical entries (age, sex, etc.; see below), we compiled a time-series cross-sectional dataset including all 910 MPs serving in the period 1997-2010. Information on MPs' outside interests is available from the beginning of the legislative term 1997-2001 onwards – creating the starting point of our sample period. The end of the 2005-2010 term represents the end of our sample period.

4. Empirical Strategy

To assess the hypotheses derived in Section 2, we estimate a series of multiple regression models of the following form (with subscript i referring to MPs and t to time):

$$Y_{i,t} = \alpha_i + \beta_1 \text{Retire}_{i,t} + \beta_2 \text{Retreat}_{i,t} + \beta_3 \text{LostVote}_{i,t} + \beta_4 \text{Control}_{i,t} + \varepsilon_{i,t} \quad (1)$$

where $Y_{i,t}$ reflects a vector of seven different dependent variables. The first three refer to MPs' outside interests: directorships (Category 1 in the Register of Members' Interests), 'one-off' remunerated employments (short-term interests in Category 2, as defined above), and 'continuous' remunerated employments (long-term interests in Category 2, as defined above). All three are dichotomous variables with value 1 when MP i has at least one outside activity within the relevant category, and 0 otherwise.⁵ While MPs' outside earnings might be considered as an additional measure (Peichl et al. 2013; Arnold et al. 2014), we do not exploit this information here. The main reason is that outside earnings need not accurately reflect the time spent on outside activities (i.e. earnings do not necessarily increase with the time devoted to such activities), and detailed information exists only since 2009. Prior to that, earnings were reported only in broad GBP 5,000 income bands, which obscure actual revenues and thereby limit income data reliability (Rosenson 2007; Geys and Mause 2012). Hence, any earnings data would only cover two years in the *same* legislative term in our sample (2009 and 2010), such that all inferences would be drawn purely on the basis of cross-sectional differences across MPs rather than inter-temporal changes within MPs. Clearly, from the perspective of our central research question, this would be inappropriate.

The remaining four dependent variables capture various aspects of MPs' parliamentary work effort: *VotesCast* equals the share of divisions in which the MP cast a vote; *OralQuest*

and *WritQuest* equal the shares of all oral and written questions, respectively, raised by the MP; and *Debate* equals the share of all parliamentary debates an MP actively participated in by oral contributions (as defined in the previous section).

As a robustness check, we also consolidate the information from our seven dependent variables into two new variables: *SUMoutside* equals the sum of the three indicator variables for directorships, ‘one-off’ and ‘continuous’ remunerated employments (thus taking values 0, 1, 2 and 3), whereas *SUMinside* equals the sum of *VotesCast* and *Debate*. We do not include information on oral and written questions in *SUMinside* as we lack such data for the legislative period 1997-2001, which would induce a significant loss of observations in our summary measure. It is also important to highlight that we transform *VotesCast* and *Debate* into z-scores prior to summarising them. Z-scores imply a normalisation of the original variable between 0 and 1. In practice, we subtract the minimum value observed in our sample from a given MPs’ activity level, and divide the result by the range of *VotesCast* (or *Debate*) observed in our dataset. This transformation is important as the range observed for *VotesCast* and *Debate* varies widely (see Table A1 in Appendix A), such that summarising them without prior normalisation would lead to an unwarranted difference in the implicit weights attached to both indicators.⁶

Our central independent variables are given by a set of three indicator variables: *Retire* (1 for MPs who do not stand for re-election due to age-related retirement, 0 otherwise); *Retreat* (1 for MPs who do not stand for re-election prior to reaching the official pensionable age, 0 otherwise); *LostVote* (1 for MPs who did stand for re-election, but failed to win the election). From the 910 MPs in our complete dataset, 186 retreated, 122 retired and 143 failed to achieve re-election (note that one MP once failed to achieve re-election and once retreated, such that he appears twice here). With respect to *Retire*, it is important to note that retirement pensions of UK MPs are payable from age 60 to those with a service record in excess of 20

years, or those of any age between 60 and 65 when their service record is between 15 and 20 years (Thurley 2013). Hence, we coded *retiring* MPs as those not standing for re-election *and* being at least 65 years old at the time of the election. Evidently, it is conceivable that MPs of retiring age retreat from politics for a private-sector job as there is no enforceable retirement age in the UK. While we unfortunately lack detailed information about the frequency of such choices, we effectively assume that this remains a sufficiently rare event since the average age of these MPs in the year of the election at which they stand down is 68.7 years.

Regarding *Retreat*, one might argue that MPs coded as ‘retreated’ actually ‘retired’; this, however, is unlikely because MPs’ pensions will not be paid out before age 60 (and only at reduced rate between 60 and 65; see above). Moreover, in some cases the decision not to stand for re-election may be taken by the party instead of the MP, which might reinforce the trade-off between intra- and extra-parliamentary work efforts described in H_{1b} and H_{2b}. We unfortunately lack data on such party-based decisions (though this can be considered an important avenue for further research).

Although the operationalisation of retiring and retreating MPs based on age appears intuitively reasonable, it induces two concerns in terms of the identification and interpretation of our results. First, it could be that some politicians retire due to age-related health concerns, which would naturally make them less active in their last term for reasons unrelated to the theoretical arguments brought forward above. To verify this, we looked more closely into the online biographies of the MPs classified as retired in our sample. This suggests that bad health (such as heart problems or cancer treatment) is only very infrequently mentioned as the reason for stepping down (i.e. 8 out of 122 cases). Most often, pensionable MPs appear to stand down to take up a peerage in the House of Lords (29 cases) or announce that they would like to make place for a younger party member (7 cases). This suggests that age-related health effects are unlikely to be a large concern for our analysis. Furthermore, excluding the eight

MPs stepping down for health reasons from the analysis does not affect our findings (details upon request). Second, our approach implies that retiring MPs are by construction older than retreating MPs, which might make it harder to differentiate whether retiring MPs *choose* to be less active rather than *slow down* due to old age. We accommodate this by including MPs' age as a control variable (see also below), which allows differentiating the pure effect of age from that of retiring.

Control is a set of control variables describing the characteristics of MP's political mandate (i.e. party affiliation, number of legislative periods attended, the vote margin between the MP and the runner-up in his/her district in the most recent election), and his/her socio-demographic characteristics (sex, age, marital status, educational background, occupational background). Whenever feasible, we also include a full set of individual-level fixed effects to account for possible (un)observed individual characteristics that might affect both work effort and the propensity to opt out of parliament. As discussed in more detail below, some estimation techniques employed – such as panel ordered logit models – do not allow the inclusion of individual-level fixed effects. In such cases, we rely on individual-level random effects. Note also that this use of individual-level fixed effects removes time-invariant factors (such as MPs' sex) from most estimation models below. We do, however, include them whenever we cannot rely on a fixed-effects estimator. Summary statistics for all variables are provided in Table A1 in Appendix A.

Methodological Issues

Before presenting the results, three methodological issues should be discussed. The first of these concerns the nature of our dependent variables. Our three dependent variables for outside interests are indicator variables, while *SUMoutside* is an ordinal variable (taking values 0, 1, 2 and 3; see above), and the four variables measuring intra-parliamentary work

effort are expressed in percentages. This implies that standard linear regression techniques are inappropriate in all cases. To accommodate this, we implement panel logit models for all binary dependent variables, and panel ordered logit regressions for the ordinal dependent variable. We also impose a logistic transformation (i.e. $\ln[Y_i/(100-Y_i)]$) on all dependent variables constrained to lie between 0 and 100%. The latter avoids that the predicted values obtained from a linear regression lie outside the 0-100 interval – and thus make linear panel regression techniques a viable option.

Second, MPs simultaneously decide on their work effort inside and outside parliament (Arnold et al. 2014). This implies that the dependent variables in our analysis are jointly decided, such that the various models underlying equation (1) are not independent. While this issue can in principle be tackled by estimating a system of simultaneous equations, such system-estimators cannot readily accommodate our binary, ordinal, or constrained dependent variables. Moreover, a system of seven simultaneous equations with individual-level fixed effects in all models is computationally extremely intensive. To nonetheless address this simultaneity concern, we take two approaches. On the one hand, we estimate all models for outside interests while including the summary measure for intra-parliamentary work effort as an additional control, and vice versa for all models for intra-parliamentary work effort.⁷ While this is an imperfect solution, it does allow an (appropriately careful) evaluation of MPs' decisions on outside interests *given the choices made for intra-parliamentary work effort* (and vice versa) using the appropriate estimation technique. On the other hand, we also run a system of two simultaneous equations (using 3SLS) with individual-level fixed effects, where *SUMoutside* and *SUMinside* are the respective dependent variables. This directly accounts for the inter-dependent nature of MPs' intra- and extra-parliamentary work effort decisions, but requires us to impose a linear functional form on both equations (which may be less than ideal given the ordinal nature of *SUMoutside*).

Finally, the complete dataset we assembled contains annual observations per MP. This allows us to exploit year-on-year changes in MPs' work/leisure trade-off, and thus also takes into account changes in MPs' work effort distribution *within* a particular legislative term. This is important given the length of the legislative term in the UK (maximum 5 years) and helps accommodate the possibility that changes in MPs' behaviour only materialize in the final years of their last term. Moreover, MPs might not yet know at the beginning of the legislative term what their future plans are (see also Dabros 2015). Such within-term adjustments can be picked up in an analysis using year-on-year data, but would induce notable attenuation bias when relying solely on legislature-averaged data. Yet, one might argue that including multiple observations for an MP within a given legislature artificially increases the number of observations. To address this, we not only estimate equation (1) using the complete dataset, but also re-estimate all models including only one observation per legislature for each MP: i.e. the mean value of a given variable over the legislative term. In terms of our formulation of equation (1), this implies that subscript t can refer to either years or legislatures.

5. Regression Results

Table 2 displays the baseline results from estimating equation (1) using the complete dataset (Table A2 in Appendix A shows the equivalent results when using legislature-averaged values). Columns (1) through (3) have indicator variables for MPs outside interests as the dependent variable, while Columns (4) through (7) have the variables measuring intra-parliamentary work effort as the dependent variable. All results in Table 2 are based on estimations including a full set of individual-level fixed effects (and thus focus on variation over time *within* MPs), but it is worth noting that exploiting variation within *and* between MPs in random effects panel models substantially increases the statistical significance of all findings reported below (details upon request).

-- Table 2 about here --

A brief look at the control variables indicates that older (though non-retiring) MPs record less intra-parliamentary activity and more outside interests, all else equal. The reverse holds for MPs with a longer career in the House of Commons: they tend to have fewer outside interests, and a more active voting record. The latter is in line with the notion that such ‘career politicians’ are more likely to adhere to a public service view of politics (Fedele and Naticchioni 2015). Interestingly, election years witness a significant decrease in outside interests (corroborating recent results in Geys 2013) and an increase in oral question activity. The latter finding might well be linked to the higher visibility of this activity, which is a particularly attractive characteristic when elections are imminent. Finally, we also find that MPs show significantly higher intra-parliamentary activity on *all* four indicators when their electoral margin in the foregoing election was smaller – thus extending previous findings by Galasso and Nannicini (2011) and Bernecker (2014). Yet, MPs appear to take up significantly fewer (more) outside interests when their electoral margin increases (decreases). One potential explanation for this result could lie in the fact that MPs expecting not to be re-elected acquire an incentive to improve their connections to the private sector, such as to insure themselves against the (potential) end of their political career.

Turning to the central variables of interest, the results in Table 2 first of all show a negative point estimate for retiring MPs across six out of seven dependent variables (even after controlling for MPs’ age). Four of these estimates – i.e. for long-term remunerated employments, votes cast, debates, and written questions – are statistically significant at conventional levels. Overall, therefore, retiring MPs appear to moderate their overall workload inside *and* outside parliament, and trade this off against increased leisure time. The

first part of this result is in line with findings by, for instance, Lott (1990), Herrick et al. (1994), Rothenberg and Sanders (2000), and Besley and Larcinese (2011), and is consistent with the idea that such MPs no longer face electoral constraints (see hypothesis H1a). The second part, however, suggests that retiring MPs perceive no need to invest in human capital, connections etc. that could be helpful to get post-parliamentary jobs, or to prepare a post-parliamentary career via outside interests (see hypothesis H1b; see also Parker 2008; Parker and Dabros 2012; Dabros 2015). The size of the effects is substantively meaningful. For instance, retiring MPs reduce their vote attendance by 10%, participate in 8% fewer debates, and reduce their share of overall written questions by over 30%.

Retreating MPs, like their retiring colleagues, significantly reduce their work effort inside parliament (supporting hypothesis H2a) but – in stark contrast to retiring MPs – accumulate significantly *more* directorships and long-term remunerated employments in their final term (supporting hypothesis H2b). The effect sizes suggest that the probability to hold directorships and long-term remunerated employments increases with about 150% in the last term, while retreating MPs reduce their vote attendance by about 15%, participate in 8% fewer debates, and reduce their share of overall written questions by 30%. The models for short-term remunerated employments and oral questions fail to reach statistical significance at conventional levels. The former observation might be related to the fact that such jobs are less valuable to post-parliamentary employment than directorships and continuous jobs. To the extent that legislators recognize this to be the case, it might explain their lack of further investment in this form of employment during their final term. As such, this result gives some insight into the value of different kinds of human-capital generating activities to retreating MPs.

Let us finally compare retiring and retreating MPs with those who stood for re-election but failed to win the election. Here, we observe weakly *positive* effects with respect to their work

effort inside parliament (i.e. activity in votes increases with 6%, and the share of debates in which the MP participates increases with 12%) and weakly *negative* effects with respect to outside interests (especially short-term remunerated employments, which decline with approximately 57%). A possible explanation for this interesting – though theoretically unexpected (see above) – result is that these MPs may have accurately foreseen their deteriorated electoral prospects, and invested more time and energy into parliamentary activities while reducing potentially politically costly outside activities. Such interpretation is consistent with the observed effects being most visible in short-term remunerated employments, as these are relatively easy to modify in the short run in line with changed circumstances.

At this point, one might argue that MPs voted out of parliament consist of MPs that were closely defeated and those that were clearly defeated. Given that the (expected) closeness of electoral defeat is likely to influence MPs' (perceived) chance of another term in office, it might affect the last-term work effort trade-off faced by MPs. We evaluated this by including an interaction of *LostVote* and the closeness of the MP's unsuccessful final election (measured as the absolute value of the vote share difference between the winner and the defeated MP; with smaller numbers indicating a closer election outcome). The results indicate that MPs losing by a close margin show a significantly *stronger* increase in voting, debate and oral question activity during their final term compared to those losing by a larger margin (full details available upon request). No significant effects occur for written questions, which might be linked to its less visible character and, therefore, lower value for MPs fighting to save their seat. The election margin appears to play a less important role for outside interests, although MPs losing by a close margin appear to record a *weaker* decline in directorships during their last term (compared to those losing by a larger margin). These findings should,

however, be treated with due caution since the post-election vote margin employed here is likely to be endogenous (i.e. affected by pre-election behaviour).

-- Table 3 about here --

Table 3 presents the results of a series of robustness checks using *SUMoutside* and *SUMinside* as dependent variables. Columns (1) and (2) estimate both equations independently, whereas Columns (3) and (4) control for the potential simultaneity of both equations via 3SLS estimation. The latter provides a more direct assessment of the potential influence of MPs' simultaneously deciding on their work effort inside and outside parliament. Columns (5) and (6), finally, re-estimate the latter 3SLS model using only one observation per legislature for each MP (in order to evaluate whether our results thus far are driven mainly by the use of year-on-year changes in MPs' work/leisure trade-off).

The results broadly confirm those presented in Table 2. Specifically, we again find that retreating MPs strategically and significantly reposition their intra-/extra-parliamentary work balance by *reducing* their work effort inside parliament, while *accumulating* outside interests. MPs voted out of office again display the exact reverse pattern. Table 3 also confirms that retiring MPs trade off workload inside *and* outside parliament against increased leisure time – although these results are statistically less robust. Overall, these auxiliary estimations indicate the robustness of our findings to a different operationalisation of the dependent variables, as well as a number of possible methodological concerns.

6. Concluding Discussion

Politicians' accountability is often linked to the disciplining mechanism of electoral control (Barro 1973; Mayhew 1974; Ferejohn 1986; Ashworth 2012; Geys and Vermeir 2014). In this

article, we empirically investigated how well this electoral control mechanism works in reality, and thus provided important fresh insights concerning the boundaries of elections' disciplining power. Extending previous work in this field, our analysis particularly exploited the fact that (a) electoral control is impaired for MPs in their final term; (b) MPs with different reasons for exiting parliament respond differently to this altered incentive structure; and (c) MPs may not only trade off work for leisure in their final term, but also intra-parliamentary work for outside interests. We thereby employed a unique, new dataset covering a wide range of intra- and extra-parliamentary activities of 910 MPs elected to the UK House of Commons over the period 1997-2010.

Overall, our findings provide an important counterweight to the pessimistic Public Choice view (i.e. *all* final-term MPs shirk their parliamentary duties) as well as the optimistic 'public service' or 'public interest' view on politics (i.e. *no* behavioural changes in final-term MPs). In reality, some behavioural changes do occur in final-term MPs, but their nature and extent depends on the reason for leaving parliament. Particularly, retiring MPs appear to trade off work effort against increased leisure time, while retreating MPs adjust their intra- versus extra-parliamentary work balance in light of their post-parliamentary career. MPs who failed to obtain re-election – and thus worked under the assumption that they still faced a re-election constraint with possibly weak electoral prospects – tend to show *more* work effort inside parliament and *less* outside interests. These findings provide important insights also for the literature discussing the pros and cons of legislative term limits (see e.g. Cain and Levin 1999; López 2003). Although such term limits are not in place in our UK setting, our results suggest that politicians who *know* with certainty that they are serving their last-period in office systematically decrease intra-parliamentary effort. As term limits create a clear endpoint to one's political activity (at least within a specific political position), this leaves little room for optimism concerning the effect of term limits.

Clearly, our analysis has some limitations that are worth mentioning. First, we concentrate exclusively on the UK setting. To assess whether the behavioural patterns observed in the UK House of Commons over the period 1997-2010 are general ones, it would clearly be worthwhile in future research to apply the research design developed in this paper to other institutional settings (provided appropriate individual-level data is publicly available). Second, it should be acknowledged that an institutional feature making the above analysis possible – i.e. public availability of outside work activities – may also affect our findings. Indeed, MPs running for re-election may be less likely to develop outside interests when they know that these will be made public. If there was less transparency, it might be that fewer differences would occur between types of last-term MPs. A comparative approach in future research may help evaluate this proposition. Finally, as mentioned, our analysis only regards final-term MPs' work effort, and does not engage with possible changes in such MPs' voting, debating, or questioning behaviour. It would clearly be interesting for future studies to extend our analysis to the 'content' of last-term MPs' parliamentary activities. One might, for instance, hypothesise that retreating MPs shift their contributions to debates and questions towards their future career path, or that retiring MPs start to focus less on legislative questions/statements (and possibly more on tributes).

From a policy perspective, it is important to evaluate what our results can teach us about the limits of elections' disciplining power. This leaves us with the fundamental problem of how to hold those politicians accountable that do not intend to stand for re-election. Are there instruments to prevent the decline in intra-parliamentary work effort among retiring and retreating MPs?

One possibility might be to introduce penalties for (unexcused) non-attendance in parliamentary meetings, committees, and roll-call votes. To the best of our knowledge, no such penalties currently exist in the UK House of Commons. By contrast, members of the

German national parliament, for example, have to sign an attendance list on sitting days and unexcused absences are punished by a deduction of up to EUR 200 from the expense allowance (EUR 4,204) MPs receive in addition to their basic salary of EUR 9,082 (§ 14 *Abgeordnetengesetz*; i.e. Act on the Legal Status of Members of the German Bundestag; see also Bernecker 2014). Missing a vote can likewise be punished by a deduction of EUR 100 from the expense allowance. As MPs can excuse themselves in advance for non-attendance without stating a specific reason, (self-)excused absences still trigger a reduced financial punishment. A similar arrangement exists in the Flemish House of Representatives, where MPs' basic salary and expense allowance are reduced when unexcused absences in parliamentary meetings exceed 20%.⁸ While some might classify any 'punishment' as an intrusion upon MPs' freedom to approach his/her parliamentary mandate (maybe absent MPs are working in their constituency or at home), such system – if properly designed and enforced – might help to minimise MP absenteeism.

Nonetheless, allowing for a smooth transition to the private sector via increased outside activities in the MP's final term might also have advantages to citizen-principals. It might imply that highly motivated and capable candidates consider serving in parliament for at least a limited number of terms, whereas they would not have made this decision otherwise (see also Gagliarducci et al. 2010; Galasso and Nannicini 2011). This possibility evidently requires a more detailed evaluation by voters of the costs imposed by last-term politicians reneging on their intra-parliamentary work effort in the last term, and the potential benefits of having more capable politicians putting in substantial work effort while serving in parliament. In-depth evaluation of this trade-off remains an important avenue for further research.

NOTES

1. Our analysis focuses exclusively on final-term MPs' work effort. For studies analysing possible changes in such MPs' voting behaviour (i.e. voting patterns deviating from the policy preferences and interests of one's voters and/or party), see e.g. Zupan (1990), Kalt and Zupan (1990), Lott and Davis (1992), Bender and Lott (1996).
2. This stark distinction between both motivations is merely meant to clarify the argument. In real life, politicians are likely to be characterised by a mix of both motivations, and this balance of motivations need not be stable over their career. That is, politicians might start out with a greater public-service orientation, which may decline as they become disillusioned with politics or when they near the end of their (political) career. While allowing for a mix of motivations that shifts over time adds realism to the theoretical argument, the empirical predictions from such an approach remain consistent with those presented in the main text.
3. A related result likewise suggesting that re-election constraints may have an important disciplining effect is presented in Galasso and Nannicini (2011) and Bernecker (2014). They show – using samples of 1,977 members of the Italian parliament (period 1994-2006) and 467 members of the German parliament (2005-2012), respectively – that MPs elected in marginal districts show significantly lower absenteeism in parliamentary votes.
4. Note that while retiring and retreating MPs can be viewed as 'lame ducks' (Coppedge 1994), MPs who unsuccessfully stood for re-election clearly are *not*.
5. Alternatively, one could use the *number* of outside interests. This would allow picking up the effects of any changes in the actual number of outside interests, rather than only those from on/off adjustments (as with the dummy approach). While the negative binomial count models required for estimating such count data models tend to exhibit convergence and convexity problems in our sample, the obtained results are in line with those presented below (details upon request). This is not overly surprising as most MPs have few outside interests (e.g. less than 3% of MPs have more than two executive or non-executive directorships, whereas approximately 10% have more than five (mostly short-term) remunerated employments).
6. Summarising the information in the seven dependent variables via principal components analysis does not affect our results. Importantly, this alternative method supports the approach taken in the main text in two ways. First, we find two main components underlying the seven dependent variables, which are related to intra- and extra- parliamentary work, respectively. Second, the values of the extracted principal components are strongly correlated with the summary measures used in the main text ($r > 0.9$ in either case).

7. Including our various measures for intra- and extra-parliamentary work individually as additional controls – rather than the summary measures – does not affect any of the inferences below (details upon request).
8. The income loss can reach up to 60% if attendance falls below 50%. For details, see <https://www.vlaamsparlement.be/over-het-vlaams-parlement/vlaamse-volksvertegenwoordigers-partijen-en-fracties/rechten-en-plichten> (in Dutch).

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TABLE 1: Expected Work Effort of Different Types of Final-Term MPs

	Public Choice view			Public service view
	Type (1): Retiring MPs	Type (2): Retreating MPs	Type (3): MPs voted out of parliament	All types
Intra-parliamentary activities	<i>Decrease</i> (H _{1a})	<i>Decrease</i> (H _{1b})	<i>No change</i> (H _{1c})	<i>No change</i> (H ₀)
Extra-parliamentary activities	<i>No change</i> / <i>Decrease</i> (H _{2a})	<i>Increase</i> (H _{2b})	<i>No change</i> (H _{2c})	<i>No change</i> (H ₀)

TABLE 2: Main Regression Results

Variable	<i>Directorships</i> (1)	<i>Continuous jobs</i> (2)	<i>One-off jobs</i> (3)	<i>VotesCast</i> (4)	<i>Debate</i> (5)	<i>OralQuest</i> (6)	<i>WritQuest</i> (7)
AGE (years)	0.087 (0.070)	0.088 ** (0.044)	0.708 *** (0.056)	-0.063 *** (0.006)	-0.018 (0.008)	-0.008 (0.013)	-0.039 *** (0.014)
TERMS (terms in parliament)	-0.306 (0.316)	-1.575 *** (0.204)	-3.913 *** (0.260)	0.305 *** (0.028)	0.031 (0.035)	-0.131 ** (0.067)	-0.054 (0.073)
ELECTIONYEAR (1 if 'yes')	-0.465 ** (0.214)	-0.003 (0.131)	-0.740 *** (0.140)	-0.023 (0.019)	-0.033 (0.023)	0.146 ** (0.042)	0.015 (0.044)
VOTEMARGIN (in %)	-0.045 *** (0.014)	-0.037 *** (0.008)	-0.002 (0.008)	-0.004 *** (0.001)	-0.006 *** (0.001)	-0.009 *** (0.003)	-0.006 * (0.003)
RETIRE (1 if 'yes')	-0.423 (0.385)	-0.616 ** (0.302)	0.233 (0.262)	-0.100 *** (0.036)	-0.081 * (0.044)	-0.021 (0.095)	-0.313 *** (0.088)
RETREAT (1 if 'yes')	1.482 *** (0.356)	1.293 *** (0.208)	-0.024 (0.230)	-0.148 *** (0.031)	-0.084 ** (0.038)	-0.094 (0.081)	-0.304 *** (0.084)
LOSTVOTE (1 if 'yes')	-0.422 (0.462)	-0.450 (0.277)	-0.567 * (0.295)	0.062 * (0.035)	0.121 *** (0.044)	0.105 (0.084)	-0.100 (0.097)
SUMinside	-0.851 (0.529)	0.079 (0.317)	-0.505 (0.346)	—	—	—	—
SUMoutside	—	—	—	-0.0003 (0.012)	-0.032 ** (0.015)	-0.015 (0.038)	0.059 * (0.036)
Individual fixed effects	YES	YES	YES	YES	YES	YES	YES
N (obs)	1337	3688	3395	7740	7505	2979	4486
N (MPs)	127	340	314	830	826	606	704
LR Chi ²	60.07 ***	510.03 ***	515.27 ***				
Wald				26.54 ***	7.34 ***	5.87 ***	11.96 ***

Notes: Coefficient estimates (with standard errors in parentheses) based on panel logit regressions (Columns 1 through 3) and linear panel regressions (Columns 4 through 7). *** significant at 1%, ** at 5%, * at 10%. LR Chi² and Wald tests indicate joint significance of all regressors. All models include additional controls for marital, family and employment status of MPs, and their partisan attachment (details upon request). Note that the number of observations differs significantly across all columns, since it directly depends on the number of MPs for which the dependent variable changes over time. In Columns (6) and (7), the number of observations also reflects the absence of data for the period 1997-2001.

TABLE 3: Joint Estimation Results

Variable	<i>SUMoutside</i>	<i>SUMinside</i>	<i>SUMoutside</i>	<i>SUMinside</i>	<i>SUMoutside</i>	<i>SUMinside</i>
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordered logit		3SLS		3SLS	
AGE (years)	-0.019 (0.015)	-0.013 *** (0.002)	0.051 *** (0.006)	-0.013 *** (0.002)	0.044 *** (0.016)	-0.001 (0.003)
TERMS (terms in parliament)	-0.398 *** (0.075)	0.054 *** (0.07)	-0.412 *** (0.028)	0.055 *** (0.007)	-0.353 *** (0.074)	0.005 (0.012)
ELECTIONYEAR (1 if 'yes')	0.345 *** (0.073)	-0.011 ** (0.005)	-0.045 ** (0.019)	-0.011 ** (0.005)	—	—
VOTEMARGIN (in percent)	-0.001 (0.005)	-0.002 *** (0.0003)	-0.006 *** (0.001)	-0.002 *** (0.0003)	-0.004 (0.003)	-0.002 *** (0.0005)
RETIRE (1 if 'yes')	-0.377 ** (0.171)	-0.022 ** (0.009)	-0.018 (0.036)	-0.022 ** (0.009)	0.057 (0.100)	-0.023 (0.016)
RETREAT (1 if 'yes')	0.375 *** (0.148)	-0.034 *** (0.008)	0.178 *** (0.031)	-0.034 *** (0.008)	0.206 ** (0.087)	-0.040 *** (0.014)
LOSTVOTE (1 if 'yes')	-1.073 *** (0.186)	0.027 *** (0.009)	-0.081 ** (0.036)	0.027 *** (0.009)	-0.107 (0.100)	0.030 * (0.016)
SUMinside	-0.750 *** (0.215)	—	—	—	—	—
SUMoutside	—	-0.002 (0.003)	—	—	—	—
Individual fixed effects	YES	YES	YES	YES	YES	YES
N (obs)	7701	7701	7701	7701	1797	1797
Wald	394.85 ***	21.86 ***	14.11 ***	18.49 ***	2.83 ***	7.25 ***

Notes: Regression estimates with standard errors in parentheses. *** significant at 1%, ** at 5%, * at 10%. Wald tests indicate joint significance of all regressors. Columns (1) and (2) estimate both equations with *SUMoutside* and *SUMinside* as dependent variables independently, whereas Columns (3) and (4) control for potential simultaneity of both equations via 3SLS estimation. Columns (5) and (6), finally, re-estimate the latter 3SLS model using only one observation per legislature for each MP. All models include additional controls for marital, family and employment status of MPs, and their partisan attachment (details upon request).

APPENDIX

TABLE A1: Summary Statistics (Full Sample)

	<i>N</i>	<i>Mean</i>	<i>St.Dev.</i>	<i>Min</i>	<i>Max</i>
<i>Dependent variables</i>					
Directorships	8481	0.126	0.332	0	1
Continuous jobs	8481	0.314	0.464	0	1
One-off jobs	8481	0.141	0.348	0	1
<i>SUMoutside</i>	8481	0.582	0.786	0	3
VotesCast	8400	65.44	17.130	0	100
Debate	8352	13.33	10.313	0	87.95
OralQuest	5746	0.156	0.260	0	2.569
WritQuest	5746	0.156	0.295	0	6.129
<i>SUMinside</i>	8331	0.806	0.220	0	1.742
<i>Independent variables</i>					
Retire	11826	0.046	0.210	0	1
Retreat	11826	0.070	0.255	0	1
LostVote	11826	0.055	0.227	0	1
<i>Control variables</i>					
Age	8496	52.867	9.238	21	85
Sex	11826	0.810	0.392	0	1
Married	8496	0.752	0.432	0	1
Terms	8493	3.038	1.894	1	13
Lawyer	8496	0.116	0.320	0	1
Economist	8496	0.185	0.388	0	1
Unionist	8496	0.056	0.230	0	1
ElectionYear	11826	0.231	0.421	0	1
VoteMargin	8610	21.826	14.686	0.003	74.356
Labour	11826	0.564	0.496	0	1
Conservative	11826	0.277	0.447	0	1
LibDem	11826	0.092	0.290	0	1

TABLE A2: Regression Results using Legislature-Averaged Values

Variable	<i>Directorships</i> (1)	<i>Continuous jobs</i> (2)	<i>One-off jobs</i> (3)	<i>VotesCast</i> (4)	<i>Debate</i> (5)	<i>OralQuest</i> (6)	<i>WritQuest</i> (7)
RETIRE (1 if 'yes')	-0.566 (0.712)	-0.011 (0.512)	0.416 (0.395)	-0.084 (0.055)	-0.013 (0.079)	0.180 (0.199)	-0.331 ** (0.156)
RETREAT (1 if 'yes')	1.171 * (0.641)	0.979 *** (0.363)	0.184 (0.333)	-0.160 *** (0.047)	-0.082 (0.068)	-0.227 (0.167)	-0.155 (0.149)
LOSTVOTE (1 if 'yes')	-0.509 (0.782)	-0.238 (0.504)	-0.288 (0.408)	0.053 (0.054)	0.178 ** (0.078)	0.096 (0.180)	-0.065 (0.167)
N (obs)	225	620	687	1804	1793	913	1107
N (MPs)	81	232	252	822	819	607	702
LR Chi ² (R)	14.37	87.13 ***	30.10 ***				
Wald				2.91 ***	2.08 **	3.29 ***	5.35 ***

Notes: Coefficient estimates (with standard errors in parentheses) based on panel logit regressions (Columns 1 through 3) and linear panel regressions (Columns 4 through 7). *** significant at 1%, ** at 5%, * at 10%. LR Chi² and Wald tests indicate joint significance of all regressors. All models include the same set of controls included in Table 2. Note that the number of observations differs significantly across all columns, since it directly depends on the number of MPs for which the dependent variable changes over time. In Columns (6) and (7), the number of observations also reflects the absence of data for the period 1997-2001.