To establish a theory of recall, it halpes to begins with three stylized facts:

1. An incumbent receives two distinct kinds of support, one based on the personal reputation, which is called *personal vote*, and the other based on the incumbent's party's reputation, which is called *party vote*.

2. For any incumbent, there is a tradeoff between pursuing personal vote and party vote.

3. An incumbent cultivates a personal vote by providing more services and porks to the constituency and representing the aggregate preference of a constituency.

which implies that institutional arrangements that induce an incumbent to pursue more personal vote than party vote *generally* improves the incumbent's accountability to the constituency. As the previous section's argument goes, holding more frequent elections under candidate-based electoral system, such as FPTP, incentivizes incumbents to pursue a stronger personal vote. Legislative recall in Taiwan, by putting the name of the incumbent alone on the ballot for an up or down vote, effectively constitutes yet another FPTP election for incumbents. Then for the incumbent, the lesser the margin of victory is in the last election, the more likely the incumbent may be recalled in a hypothetical recall. This implies that people who are more likely to be recalled, cannot rely on the party vote alone and are thus more likely to need to cultivate a stronger personal vote; and when recall becomes feasible, they have an even stronger reason to do so. This raises an important question: will the party stand for it?

To this question, my answer is a qualified yes. First, I shall assume that personal vote has no role in elections and elections is simply a result of the sampling of the constituents' partisan identification and policy evaluation and the sampling error accounts for the election results. Accordingly, each party

This is confusing - what do you mean? Clearly, the personal vote must matter for elections — otherwise what's the point of cultivating it?

becomes a unitary actor and its members but interchangeable cyphers mindlessly executing the party's instruction. Second, I shall illustrate in the next subsection that before recall is feasible, policymaking making process in Taiwan follows the same pattern and mechanism of political business cycle that allow the legislative members of the government party, which is defined here as the party that controls the executive branch of the government, to avoid electoral punishment for passing extreme policies toward the beginning of their term. Third, I shall demonstrate how the recall changes the calculus of the government party, whose members can now be punished early on for such opportunistic timing of policy implementation, causing the government party to introduce less extreme policies, Finally, I shall put the personal vote back into the equation to show that giving the incumbents more personal vote, which enhances their accountability to their local constituencies, actually helps the party to implement their policies, thus completing the theory.

This is not clear. It's also not obvious where the "political business cycle" argument is coming from. It might be better not to have this short summary at the beginning and just to move directly to the argument.

Political business cycle was intended as a way to explain economic conditions with political institutions, more specifically the exogenously fixed election dates. There are several assumptions underlying this mechanism:

You need citations so that people know whose work you are referring to.

1. Voters make their choice at the poll based on the macroeconomic conditions which signals government competence. More specifically, they do so by voting for government party candidates when unemployment rate is low and voting for opposition party candidates when unemployment rate is high.

2. Voters have rather limited memory, consequently they attach greater importance to the macroeconomic condition when the election day is drawing closer.

3. Incumbents seek reelection.

4. Incumbents can manipulate the economy by increasing the inflation rate that lowers the unemployment rate in the short run as predicted by the Philips curve.

5. At the general election, voters decide the composition of both the executive and legislative branch of the government.

6. The dates of general election are exogenously set by the statute and cannot be altered.

It follows that, come next election day, voters' memory of the macroeconomic conditions right after the last election is much weaker than that in the run up to the next election day. Consequently, voters will reward the government party for low unemployment rate before the election day even if the unemployment rate is high after the last election. Then, unable to move the date of general election, the government party realizes that it can win the next election by raising the inflation rate to temporarily lower the unemployment rate before the election day without losing the election after the next for rising unemployment right after the election day. Hence, the political business cycle becomes the equilibrium result, as long as the assumption holds.

Much as it offers a simple and compelling mechanism, political business cycle in its original conception has received its fair share of criticism. Some point out the flaws in the behavioral assumptions of voters and incumbents which may prevent the emergence of an electoral cyclical pattern in macroeconomic conditions; Others question whether incumbents are capable effecting changes in macroeconomic conditions that make such manipulation possible. Still others investigate how changing the institutional arrangements stipulated in the assumptions may modify the cyclical pattern. These lines of inquiry have contributed to the development of a vast literature where a more nuanced sketch of a conditional electoral cycle of both policy instruments and economic conditions

has emerged. Given that not all the studies in this literature do not all concern cyclical patterns of macroeconomic indicators, it would be inappropriate to consider all of them part of the political business cycle literature. However, for lack of a better term, this literature will hereinafter be referred to as PBC literature where PBC, though usually an abbreviation of political business cycle or political budget cycle, is meaningless here except as a label.

In the PBC literature two developments are especially noteworthy for this study. One offshoot of this literature trains its aim on political legislation cycle, which refers to the cylical pattern of legislative process in general instead of focusing on one particular type of policy instruments like fiscal policies, bugeting among other policies. Most work along this line of inquiry focuses on the volume of legislative activity at different points in time throughout the legislative term. Another branch of the PBC literature investigates how changes to the timing of elections yields changes to the cyclical pattern of the policy or economic outcomes. This study of recall contributes to the these two branches of the PBC litertature by sketching a theory illustrating that, policies implemented by the government party in the legislature tend to be more extreme after the election days and less extrene before the election days under the typical assumptions that general elections are held on exogenously fixed dates (usually every four years) and that by threatening to trigger a legislative recall, which is effectively just another election for the incumbent legislator, in the middle of the legislative term, voters can incentivize government party legislators to cultivate a stronger personal vote *throughout the legislative term* than before where more effort is exerted when election day draws near.

Again, whose work are you talking about?

To begin with, I first sketch a theory of political legislation cycle when recall is not feasible. This theory preserves most of the fundamental ingredients would stay in place. That incumbent legislators single-mindedly seek reelection

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has been a longstanding assumption in political science and will continued to be the case here. Voters also continue to retain a recency bias whereby they discount the utility of incumbents' past policies attach greater importance to events closer to the present is also well-established. These assumptions are central to the prediction that voters discount past job performance such that doing a good job when the election is coming would *more than* compensate a mistake committed in the more distant past.

However, this theory will make one crucial change to the conventional assumptions made by many studies in the PBC literature. I propose a different assumption about voter motivation which stipulates voters electorally reward the government for a high degree of policy congruence, and punish the government for a low degree of policy congruence. Strangely enough, the issue of policy congreuence has largely been sidestepped in PBC literature, even though it is central to the spatial theory of voting. Many studies in the PBC literature avoid discussing policy congreuence by focusing on one type of policy instrument for which voter preference is relatively straightforward. Another way to avoid doing so is to assume that high volume of policymaking activities by itself can improve the government party's chances of winning reelection. Such assumptions could very well become untenable as in the case of the original political business cycle theory which is frequently criticized for ignoring the possibility that one party prefers low unemployment whereas the other party low inflation, leading to a competing theory that the poilitical business cycle revolves around partisan changeovers instead of electoral calendar. Therefore, if a theory of cyclical pattern of policies that revolves around electoral calendar is to remain robust against heterogeneity or change over time of preferences among the electorate, policy congruence should be treated as the ultimate goal for voters.

Finally, this theory further assumes additional institutional arrangements on

which this theory will be built. It is assumed that, with or without recall insti-
tution, both the chief executive and the legislators normall serve a fixed term
bookended general elections held on exogenously fixed election day where voters
choose choose both the chief executive and the legislator. Finally, both the chief
executive and the legislators are chosen by constituents in single-member dis-
tricts (SMDs) under the first-past-the-post (FPTP) electoral system. Naturally,
the chief executive is elected by a jurisdiction-wide SMD and the legislators are
elected by SMDs which are geographically bounded constiuencies that partition
the entire jurisdiction.

Now that all the assumptions about voters and incumbent legislators are in
place, the prediction of the political legislation cycle can be spelled out. As
voters attribute blames and praise of policy outcomes to the government party
which is in charge of implementing them, they electorally reward and punish
government party incumbents based on these policies as well. Given that the
government party is very unlikely to lose safe seats but very likely to lose swing
seats in marginal constituencies, its main goal is to help reelect their members
standing in the marginal constituency elections. Knowing that voters discount
the utility of policy congruence by the amount of time elasped since the bill
was passed, the government party in the legislature can pass extreme policies
early in the legislative term, and dole out moderate policies in the run up to the
next election to win the retain their seats in *marginal constituencies* needed to
maintain a workable majority for government bills in the legislature. Hence, I
make the first hypothesis that

But why does the government want to pass extreme legislation in the first place if it is unpopular/ controversial?

Hypothesis 0.0: When recall is not feasible, the government bills passed
earlier in the legislative term are on average more extreme than those passed
later in the legislative term, especially the last year of the legislative term.

In the language of spatial theory of voting, Hypotheis 0.0 can also be ex-

pressed as thus:

Hypothesis 0.0: When recall becomes feasible, the distances between government bills passed earlier in the legislative term and those passed later in the legislative term, especially the last year of the legislative term, in the policy space are on average positive.

Furthermore, since this political legislation cycle theory is predicated on the government party's ability to pass extreme policies and its need to win elections in marginal constituencies in order to maintain a majority for government bills, such behavior is conditional on the size of the government party size in the legislature, the number of marginal constituencies represented by the members of the government party. Strobl, Bäck, Müller (2021), argue that the government is less likely to pass austerity policy early in the legislative term both when it does not hold a majority, which gives the party in opposition the power to forestall it or prevent it altogether and when the government party has a large majority, which makes it easier to appease voters. Following I make the analogous hypothesis that

Hypothesis 0.1: When recall is not feasible, the closer the size of the government party is to the minimum-winning majority, the more likely its extreme bills will be passed early in the legislature term.

One word of caution may be required to note that Hypothesis 0.1 does not predict that the government party will pass the most extreme policy when it controls a minimum-winning majority. It simply predicts that the government party will most likely to opportunistically time their policy implementation which intends to maximize the distance between policies introduced before and after the election day, which helps the government party to exploit the recency bias to the fullest extent.

This political legislation cycle thus far does not bode well for moderate vot-

ers. It suggest that, given sufficient amount of time, the government party can bounce back from any dip in its popularity come election day, by passing policies that appease voters in the marginal constituencie. Consequently, legislators, especially those belonging to the government party, are effectively unaccountable for their policies passed early in their legislative term.

This is precisely where the recall comes in to enhance legislators' accountability to their constituents throughout the legislative term. Voters no longer have to wait until the election day to punish the government party in the legislature for bad policy outcome. Instead, they can do that immediately after the government party passes extreme bills or, better yet, threaten to punish the government party if it passes the bills. This time around, the recency bias works in favor of voters seeking to hold legislators in the middle of their term, as it results in a voter choice at tge recall election based for most part on the asssessment of the recent policies. and constitutes a threat the credibility of which decreases in the legislator's margin of victory. Consequently, voters in the marginal constituency are in a better position to demand the government party to pass bills that are closer to their aggregate preferences by wielding the threat of recall leading to this first hypothesis about recall's incentive effect:

Hypothesis 1.0: When recall becomes feasible, the maximum distance between government bills and the preferences of the marginal constituencies will be lower than that before recall becomes feasible.

In addition, if recall can be triggered at anytime, it no longer makes sense for the government party to pass extreme policies *in the hope that* voters can forgive them for passing moderate policies that are more congruent with their preferences. Instead, the government party now expects the threat of recall of its members representing marginal constituencies to materialize very soon if the extreme policies are to be passed at anytime, which defeats the purpose

This is getting clearer and is good I'd focus on this earlier and make it the center piece of the aragument. Empirically, are legislators typically recalled over government policy or over personal behavior?

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of engineering a political legislation cycle in the first place - to pass extreme policies *without* losing swing seats. This leads to the following hypothesis about legislative recall:

Hypothesis 1.1: When recall becomes feasible, the distance between government bills passed earlier in the legislative term and those passed later in the legislative term, espeically the last year of the legislative term, in the policy space decreases.

In addition, since the threat of recall is more credible in marginal constituencies, its effect on the government party's policies will also be the most pronounced when the government party has the strongest need for marginal seats. Per the argeuments of Strobl, Bäck, Müller (2021) sketched above, the need for marginal seats is the strongest when the government has the minimum-winning majority. As a result, recall's ability to undermine the political business cycle is at its strongest when the government has the minimum-winning majority. This leads to the supplementary hypotheses below:

Hypothesis 1.0.0: When recall is feasible, further than that before recall becomes feasible. the closer the size of the government party is the minimum-winning majority, the closer the maximum distance between government bills and the preference of the marginal constituencies will be.

Hypothesis 1.1.0: When recall is feasible, the closer the size of the government party is the minimum-winning majority, the lesser the distance is between government bills passed earlier in the legislative term and those passed later in the legislative term, espeically the last year of the legislative term, in the policy space.

Of course, even if the foregoing hypotheses hold, recall may not completely eliminate political legislation cycle. Government parties in legislatures around the world often have to implement unpopular policies for various reasons, and

elections may still be capable of generating a window of opportunities for passing extreme policies, even when recall is in the picture. Voters' positive feeling toward the chief executive ate the beginning of the executive term, which, under the previously stated assumptions, coincide with the legislative term, may well spill over into the legislative arena, thus allowing the government party in the legislature to pass some extreme policies in the legislature during that period without losing many of its government party legislators at recall or general elections, thus continuing the political legislation cycle. Thus, it is entirely possible that recall may simply produce a damping effect on political legislation cycle, without eliminating it.

Suppose the political legislation cycle remains, would recall generate other incentive effect that distorts the cycle by encouraging the government party to *intentionally* pass more extreme policies toward the middle of the term? Naturally, negotiation within the government party and that between the government party and the opposition may prevent bill passage to take place as soon as possible, but that should remain the goal if the government party operates on the assumption that voter has recency bias. Would recall introduce a new ideal timing for passing extreme policies?

While this question deserves more detailed treatment in the future, my intuition suggests the answer is most likely no. The above argument based on the existence of honeymoon period, suggests that providing for recall throughout the legislative term would not prevent the government party from considering it ideal to implement extreme policies during the honeymoon period at the beginning of the term as soon as possible. Any institutional arrangements that prevent voters from recalling the incumbents at the beginning of their term would only reinforce this tendency.

Technically speaking, passing extreme policies in the middle of the term.

Suppose voters are forbidden from recalling incumbents during some idiosyncratic time period in the middle of their term, say the second year of a four-year term, then it may make sense to predict that extreme bills would be more like to be passed in the second year of a four-year term. That sort of institutional arrangement, though, is difficult to justify and still more difficult to implement. Even if recall is permissible throughout the legislative term. it still makes sense to pass extreme policies as soon as possible after the election is over.

Ultimately, the ideal political legislation cycle desired by the government party should see the passage of extreme policies right after the election day and the passge of moderate policies right before the election day.

However, while the ideal timing for passing extreme and moderate policies would most likely remain the same even when recall becomes feasible, the actual timing for passing extreme policies in the legislature, may actually be distorted as a result of recall institutional arrangements. In the hypothesis about legislative recall the government party with a minimum winning has the greatest incentive to pass the extreme policies as soon as possible, but will it be able to do so?

This question offers a good opportunity to revisit the previous assumption that personal vote is not important. Under this assumption, chossing the timing of bill passage at any point during the legislative term poses no difficulty as long as the government party controls the majority, and a minimum winnning majority would allow the government to pass extreme policies right at the beginning of the legsilative term. This is where the assumption truly stretches credulity given that passing extreme bills at a great speed does not seem like a strong suit of the government party holding only a minimum-winning majority in the legislature. In fact, protracted bargaining where the government party tries to win the support of legislators on the fence seems to be the norm

Though there may be a number of ways to explain away the protracted bargaining process, consideration of personal vote presents an easy path. When the government with a minimum winning majority seeks to pass an extreme bill which conflicts with the constituency preferences, a legislator has an incentive to kill the bill unless the party doles out enough side payment for supporting the bill. Here, I suggest one way recall institutional arrangement may affect the actual timing of the actual timing. Remember that when recall is assumed to be feasible throughout the legislative term, there is no reason particular reason to pass an extreme bill at anytime other than the beginning of the legislative term since voters can always recall legislators immediately after they pass it. That assumption is violated in some jurisdictions, Taiwan included, where there exist legal prohibition against recalling incumbents until a period of time after the term began. While this type of legal protection against early recall has the potential to preserve the political legislation cyle, it also means that there is a clear disincentive against passing extreme bills *after* a certain point in time during the legislature. This means that it is possible to observe a sharp drop in the policy extremeness after that point in time. Such drop is especially likely to be observed when the size of the government party in the legislature is close to minimum-winning majority where means the government party members' incentives to haggle and to avoid recall are both at its strongest. This offers an important test of recall's incentive effect on political legislation cycle which will be explored further later when discussing how to put the theories to test in the baseline case of Taiwan.

More importantly, bringing the personal vote back in not only sheds light on the policy timing but also other legislative behavior that is directly tied to cultivating a personal vote and ultimately their accountability to voters. Before the recall sets in, government party legislators' need for reelection can be

somewhat reliably met by the political legislation cycle which generates more positive views toward them in the run-up to the election. Unfortunately, the government party legislators no longer enjoy this benefit when extreme government bills. Consequently, if the government party ever wants to pass extreme government bills when recall is possible, it needs its members in the legislature to cultivate a *stronger* personal vote to ward off recall or threat thereof.

First, the need for a stronger personal votes required to pass extreme government bills without losing its members representing marginal constituencies induces the government party, to convince the voters that its members are not merely vehicles by allowing them to take dissenting positions that is costly to the government including votes against party. Otherwise, the voters represented by the government party legislator, believing that their legislator will never oppose the government bills, will always threaten to recall the legislator, to prevent extreme government bills from passing, ultimately threatening to deprive a workable majority for government bills. leading to the hypothesis that

Hypothesis 2.0: Recall causes the position of the government party members that represent marginal constituencies to move away from the party position.

Second, the government party also wants to encourage its members in marginal constituencies to cultivate a stronger personal vote by giving them even more pork for which they could claim credit than they received before, which entails the following hypothesis

Hypothesis 2.1: Recall causes the marginal constituencies to receive a greater amount of pork than it otherwise would have.

There are other ways the government party legislators could cultivate a stronger personal vote. However, since these methods may be more specific to the how incumbents did it in the past before recall becomes feasible, I will provide more hypotheses about them in the next section where I discuss how to

This is an aspect that you should address earlier — providing marginal legislators with other benefits that can generate a personal vote is an obvious tactic.

test the more general hypotheses and context-specific hypotheses in Taiwan's legislative arena.