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Derangement or Development? Political Economy of EU Structural Funds Allocation in New Member States- Insights from the Hungarian Case

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ON THIS SITE THE GOVERNMENT
WILL SPEND MILLIONS OF THE
TAXPAYERS DOLLARS & THERE'S
NOTHING YOU CAN DO ABOUT IT.

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John

Motivation & Theoretical context

Point of departure: how do political institutions effect government efficiency? How much the struggle for votes distorts economic policy/financing choices?

Searching for political and administrative factors in EU SF grant allocation in Hungary

Traditional public finance models do not capture these interactions → POLITICAL ECONOMY OF INTERGOVERNMENTAL GRANTS:(Worthington-Dollery, 1998, Grossmann, 1994, Dollery-Wallis,2001, Porto-Sanguinetti 2001, Drazen 2002, Feld-Schaltegger 2005, Pinho-Veiga, 2004 etc.)

- **Considerable theoretical and empirical evidences that institutional and political factors can increase chances for inefficient policy outcomes**
- **grants are viewed as providing direct political benefits to both recipient and higher level government or governing party (esp. In vote-generating visible expenditure items) → good reason to look at infrastructure grants to LGs**

Motivation & Theoretical context 2.

- **Political Business/ Budget Cycles literature:**
(loyal/partisan/ vs swing districts)
- **pork-barrel programs** (Ferejohn, 1974, Weingast, 1984, Persson and Tabellini, 2000 etc) and **rent seeking** (Tullock etc.)
- + **some literature on EU SF inefficiencies - mostly in former Cohesion countries: EU SF grants are discretionary perfect candidates for political influence**
- + **good absorption of EU funds considered extreme importance in CEE -> need for further emp. Research**
- **infrastructure financing especially prone to political considerations** and corruption due to **high visibility**, high expenditures, lobbying by special interests, **possible control of timing** and level of investments by politicians – **offering more transferable political capital** (Romp-deHaan, 2005, Veiga-Veiga, 2006) – yet they strongly effect long run growth prospects and productivity of a country

Hungary EU SF context: there are reasons to suspect politics & admin. aspects play some role

H: Majoritarian proportional, two level government (central/local (n=3128))

- highly **centralized development policymaking** (regions only administrative role)
 - 2004-06: 1. Natl. Devt. Plan – only one centrally managed Regional OP for all 7 NUTS2 regions, limited attention to regions
 - 2007-13: Further centralization in the administration, natl.govt. control over EU funds
- **Lack of parliamentary control** over Nat. Devt. Agency decisions
- From 2007: **High (>=50%) ratio of special large projects**, separately handled with even less control (not in my data unfortunately)
- The examined period 2004-2008 (starting with the country's 2004 EU Accession) stretches into two election cycles with general and local **elections in 2006 (scandals)** within a few months, sweeping victory of opposition at the autumn local elections – so **opposing political colors of central and local govt.** at many places, first time in transition!) → **a good case for research inquiry**

in **election year 2006** not only **more applications (24%→48%) were successful** -, but also **higher portions of the required amounts** were granted (**21%→34%**) strikingly high in the case of **local government** applications (19%→73%! and paid/required from 5%to 35%)

Table 1: EU SF grants in Hungary 2004-2009 application and success ratios

	No. of applications	No. of supported applications	% supported		Required EU SF grant amount (mn EUR)	Paid amount (mn EUR)	% of paid/required amount	
			all	2006			all	2006
All	61821	14860	24	47.8	18 881,60	3966,635	21,0	33,8
Local governments	7464	1444	12	72.9	3 351,29	167,2521	5,0	34,7
LGs from Regional Operative Program	5376	871	16	0.0	1 704,96	102,7986	6,0	0,0
SMEs	299921	12107	4	38.8	2 760,71	657,5017	23,8	31,3
Big companies	983	457	46	56.5	3 517,91	527,1379	15,0	35,8
LHH (special program for least developed small regions)	6667	2472	37	56.3	1 325,11	272,5756	20,6	43,6
Budapest (capital)	12133	5142	42	37.3	5 172,10	1402,582	27,1	36,7

Source: National Development Agency, Hungary - own calculations

Data

A combined dataset – an asset on its own for political-economic inquiry :

- **EU SF transfers data from Natl. Devt. Office – funded projects** of all kinds (LG, business, NGO) of applicants, from **all operational programs 2004-2008**
- linked with data from the State Administration Office (TAH) database embracing **all** (n=3130) **municipal governments' budget data** (data available for up to year 2005 only)
- plus **demographic, social and infrastructure data from the territorial statistical database T-Star** of the Hungarian Central Statistical Office
- **general and local election data** for elections years 2002 and 2006 from the National Elections Office of Hungary.
- some population and minority data from the **2001 Census** in Hungary

For reasons of easier comparison across e.g. recipient municipalities, all variables are transformed to **per capita values** in the analysis. All the financial variables are shown *in thousand HUFs* and have been recalculated **at 2008 prices** using the GDP deflator.

For analytical purposes, the *city of Budapest*, local governments of capital districts and *counties* are deliberately *left out* of the dataset, due to *their very special status* in the institutional and budgeting structure.

Research Design

- 2004-2008 fairly **short period** yet
- limited access to data: first only got those from Nat.Devt. Agency who were granted EU SF, but not all applicants - first results are from these data!

recently got access to all applications (incl. unsuccessful ones) and longer period (up until 2012) – will start new round of research on these!

?: what is affecting *the chances for grant receivals*

probability model (probit and linear) dep.variables binary (1,0)

- **gotgrant_all**, if any (govt. or business, NGO) kind of applicant has received money from EU funds throughout all the years of 2004-08,
- **gotgrant_LG** if the local government has received grants across all EU SF operation programs,
- **gotgrant_ROP** if any applicant from a certain municipality has received funds from the EU SF Regional Operative Program (ROP)
- **gotgrant_LG_ROP** if the local govt. itself has received funds from the ROP

Research design

- **MODEL: $Y(0,1) = \text{constant} + P + A + S + R + Z + \varepsilon$**
 - **P vector of political variables**
 - **Partisan**: political color of **mayor/LG/MemberParl.** same as central govt. vs
 - **Swing**: closeness of elections, MP elected in 2nd round)
 - **lobbying capacity** :
 - **MP and mayor terms served**
 - **times reelected**
 - **A vector of administrative capacity vars** - previous findings, suggested its importance, also due to heavy EU bureaucracy needs
 - ratio of higher educated population,
 - previous EU funds experience (from 2004- 06 period)
 - **S vector of socioeconomic controls** (size, LG fin. autonomy, econ. position/PIT base, need variables, backwardness, Roma etc.)
 - **R region dummies, Z year dummies, E error term**

Probability models for receiving EU SFgrants and political colors 2004-2008 - Probit estimation marginal effects															
dep.var.:gotgrant_all	all 4 years 2004-08					first cycle 2004-05	election year 2006		2007-08						
LABELS	Pooled - basemodel	region dummies	swingvoters _2002	same pol.color	swing	same	swing	same color	local elec.close	parl. elec.close	same pol.color				
political vars.:															
closeness of 2002 parliamentary elections			0.00127*** [0.000466]		0.00127* [0.000736]		0,0013 [0.00104]								
MP got elected in the second round of the			0.0272** [0.0108]		0.0289* [0.0170]		0,027 [0.0241]								
MP same color as central government 2002				0,00142 [0.00972]		0,00202 [0.0154]		0,00059 [0.0218]							
MP reelected for more than 1 term 2002				-0.0411*** [0.0101]		-0.0415*** [0.0159]		-0.0411* [0.0225]							
mayor political color same as central government 2002				-0.0221*** [0.00429]		-0.0218*** [0.00682]		-0.0225** [0.00954]							
MP same color as central government 2006													0.0354*** [0.00646]	0.0348*** [0.0102] 0.0371*** [0.0102]	
MP reelected for more than 1 term 2006														-0.0493*** [0.0111]	
mayor political color same as central government 2006														0.0962*** [0.0155]	0.0964*** [0.0246] 0.0951*** [0.0251]
closeness of 2006 local elections									0.0473*** [0.0146]						
closeness of 2006 parliamentary elections														-0,0003 [0.000798]	
MP got elected in the second round of the election 2006														0.0390*** [0.0137]	
Number of terms Member of Parliament reelected 2006															-0.0123*** [0.00380]
socioecon.controls:															
ln_population	0.176*** [0.00622]	0.161*** [0.00635]	0.176*** [0.00626]	0.192*** [0.00785]	0.174*** [0.00618]	0.177*** [0.00993]	0.192*** [0.0125]	0.173*** [0.0139]	0.191*** [0.0175]	0.178*** [0.00999]	0.174*** [0.00981]	0.173*** [0.00977]	0.172*** [0.00978]		
In per capita local Personal Income Tax	0.0361*** [0.0101]	0.0334*** [0.0102]	0.0376*** [0.0101]	0.0476*** [0.0118]	0.0339*** [0.00997]	0.0401*** [0.0149]	0.0454*** [0.0174]	0.0373* [0.0226]	0.0496* [0.0265]	0.0323* [0.0175]	0.0325* [0.0173]	0.0303* [0.0173]	0,0283 [0.0174]		
% of young population	0,0178	-0,091	0,0158	0.204*	-0,00286	0,0479	0,268	-0,0198	0,22	0,0232	-0,00114	0,000466	-0,0166		
% of old population	0.0872] 0.707*** [0.0649]	[0.0869] 0.510*** [0.0662]	[0.0873] 0.693*** [0.0648]	[0.117] 0.668*** [0.0863]	[0.0868] 0.731*** [0.0660]	[0.142] 0.725*** [0.106]	[0.190] 0.706*** [0.141]	[0.188] 0.653*** [0.142]	[0.256] 0.653*** [0.191]	[0.136] 0.688*** [0.102]	[0.137] 0.715*** [0.101]	[0.135] 0.730*** [0.102]	[0.135] 0.696*** [0.101]		
% of own resources in LG budget	0,0166	0,0413	0,0159	0,0494	0,031	0,0453	0,0637	0,00699	0,0497	-0,00124	0,00425	0,00643	0,00599		
size indicator	[0.0394] -0.0726*** [0.0100]	[0.0395] -0.0725*** [0.0101]	[0.0392] -0.0757*** [0.0101]	[0.0462] -0.0506*** [0.0124]	[0.0392] -0.0664*** [0.00996]	[0.0623] -0.0741*** [0.0159]	[0.0728] -0.0502** [0.0195]	[0.0878] -0.0784*** [0.0225]	[0.104] -0.0520* [0.0277]	[0.0624] -0.0729*** [0.0159]	[0.0624] -0.0706*** [0.0159]	[0.0622] -0.0667*** [0.0158]	[0.0625] -0.0656*** [0.0158]		
ratio of local population with higher education	0.00700*** [0.00144]	0.00856*** [0.00140]	0.00695*** [0.00146]	0.00366** [0.00173]	0.00727*** [0.00142]	0.00727*** [0.00232]	0,00413 [0.00276]	0.00692** [0.00326]	0,0037 [0.00387]	0.00669*** [0.00226]	0.00681*** [0.00229]	0.00703*** [0.00224]	0.00713*** [0.00225]		
Munic. Belongs to special program for the least developed 33 small regions (LHH)	0.0327*** [0.00747]	0,0075 [0.00889]	0.0329*** [0.00758]	0.0517*** [0.0106]	0.0163** [0.00789]	0.0318*** [0.0120]	0.0493*** [0.0168]	0.0334** [0.0169]	0.0511** [0.0236]	0.0356*** [0.0118]	0.0285** [0.0121]	0,0168 [0.0125]	0.0223* [0.0122]		
Observations	15720	15720	15680	9920	15630	6272	3968	3136	1984	6260	6280	6252	6252		
Percent correctly classified Robust standard errors in brackets	78,56	79,34	78,65	78,39	78,52	78,7	78,33	78,57	77,92	78,63	78,73	78,69	78,82		

*** p<0.01, ** p<0.05, * p<0.1
note: dummies not incl.

Probit estimation results political variables

all 4 years 2004-08

	Model 1-ALL.	Model 2.-LG	Model 3.-all/ROP	Model 4.-LG/ROP
closeness of 2002 parliamentary elections	● ●	● ●	●	○
MP got elected in the second round of the election	● ●	● ●	● ●	● ●
MP same color as central government 2002	○	● ●	● ●	● ●
MP reelected for more than 1 term 2002	● ●	● ●	○	○
mayor political color same as central government 2002	● ●	● ●	○	○
MP same color as central government 2006	● ●	● ●	● ●	● ●
MP reelected for more than 1 term 2006	● ●	● ●	○	○
mayor political color same as central government 2006	● ●	●	○	○

Signals:

p<0.05 ● ● 0.05<p<0.1 ● not sign. ○

Models:

1. **Any applicant** receiving EU SF grants and political colors 2004-2008
2. **Local Governments receiving EU SF grants and political colors 2004-2008**
3. Any applicant receiving EU **Regional OP** grants and political colors 2004-2008
4. **Local Governments** receiving EU **Regional OP** grants and political colors 2004-2008

Robustness checks

- Several models have been tested with different sets of political and socioeconomic control variables as well as year and regional dummies and also a restricted version without any political variable.
- **Full sample + sub-samples** by **size** - a usual suspect, plus population came out always strongly and positively
- A kind of sub-sampling is given by the **various dependent variables (all, LG, ROP_all, ROP_LG)** themselves.
- checked allocations from the **Regional Operative Program** separately - that is supposed to have traditional regional disparity/convergence focus, yet, rumors claim the ROP allocations to be the most politically driven - my results do not confirm this
- To capture more insights on the politics, I **split data** for ***different periods pre- and post-election, election year*** too

Probit estimation results on political variables split to before and after election periods

	first cycle 2004-05				election year 2006				second cycle 2007-08			
	Model 1.	Model 2.	Model 3.	Model 4.	Model 1.	Model 2.	Model 3.	Model 4.	Model 1.	Model 2.	Model 3.	Model 4.
closeness of 2002 parliamentary elections	●	● ●	●	○	○	● ●	●	○				
MP got elected in the second round of the election	●	● ●	● ●	● ●	○	● ●	● ●	● ●				
MP same color as central government 2002	○	● ●	● ●	● ●	○	● ●	●	●				
MP reelected for more than 1 term 2002	● ●	● ●	○	○	●	○	○	○				
mayor political color same as central government 2002	● ●	● ●	○	○	● ●	○	○	○				
MP same color as central government 2006									● ●	●	● ●	● ●
MP reelected for more than 1 term 2006									● ●	● ●	○	● ●
mayor political color same as central government 2006									● ●	○	○	○
closeness of 2006 local elections									○	○	● ●	● ●
closeness of 2006 parliamentary elections									● ●	● ●	● ●	● ●
MP got elected in the second round of the election 2006									● ●	● ●	● ●	● ●
number of terms MPs reelected 2006											● ●	● ●
received funds from NFT												

Signals:
 p<0.05 ● ●
 0.05<p<0.1 ●
 not signific ○

Models:
 Model 1. Receiving EU SF grants and political colors 2004-2008
 Model 2. Local Governments receiving EU SF grants and political colors 2004-2008
 Model 3. Receiving EU Regional OP grants and political colors 2004-2008
 Model 4. Local Governments receiving EU Regional OP grants and political colors 2004-2008

Major results – Partisan model reinforced

- strongly significant (at 1%) results, showing that *if **political color of the Member of Parliament from a certain locality is the same** as the incumbent **central** government, the **chances for getting from EU SF grants are increased with +2-8%*** across all models and different specifications (**highest effects for LG projects** funding chance, and especially for the years 2004-05 and election year 2006, where it reaches +8% more chances
- ***color similarity of the mayor** was in most of the cases **insignificant** /negative yet, in the probit models for all recipients (gotgrant_all) and (gotgrant_LG) it **raises chances for the LG to get EU SF grants by +4 - 9%**.*
- **Majority of mayors runs independent**, that explains odd behaviour of this variable!
- ***Swing voter hypothesis cannot be accepted**, the **closeness proxies behave oddly**, across models for all recipients or LGs and even for different time periods*

Major results - Lobbying, Admin. capacity

- Contrary to my expectations, the dummy variable proxying **lobbying capacity** (MP_long) if the **MP** is elected for **more than one term** was **not positive!**, though almost always **significant**—this *needs further checking + data on mayor terms needed + further research on lobbying*
- ***EU project bureauc. needs + admin diffs. matter!***
→ ***administrative capacity*** of a local government:
proxy: ratio of local population with higher education
+ for data 2007-08 **earlier EU funds experience** from the first cycle of **2004-06** → *both were* **strongly sign.** **and +** (except election year 2006!, when admin. Capac. is not signif. – further sign for “other” aspects?)

Socioeconomic and need indicators in EU grant allocations

- *were expected to have some role* - **picture** is quite **mixed** in my findings
- **EU grant reciprocity chances increase with size** – **not a surprise**, is also true even in the case of the Regional OP grants, - a clear sign of **growth enhancement policy dominance!**, (Lisbon goals) but has its **administrative reasons** too!
- **better off economic position** (measured by the *per capita Personal Income Tax base*)
Reasons are probably similar to that of size

Table 5: Distribution of projects and contracted amounts along size categories

Size	Total no. and % of municip.		% total projects	% LG projects	% contracted amount total	% contracted amount by LG
Municipality size 50000-	33	1,0 %	21,1 %	15,8 %	41,7 %	46,5 %
Municipality size 10000-50000	122	3,9 %	20,4 %	24,2 %	24,5 %	24,7 %
Municipality size 5000-10000	138	4,4 %	9,2 %	14,8 %	8,9 %	11,5 %
Municipality size 1000-5000	1132	35,9 %	29,5 %	33,7 %	19,2 %	14,2 %
Municipality size -1000	1731	54,8 %	19,8 %	11,5 %	5,7 %	3,1 %
Total	3157	100,0 %	100,0 %	100,0 %	100,0 %	100,0 %

Chances for Local Govt. receiving EU funds and political color by municipality size		-1	-2	-3	-4	-5	-6	-7
depvar.: gotgrant_LG		<i>LPM</i>				<i>Probit</i>		
LABELS	10-50000	5-10000	1000-5000	under1000	5-10000	1000-5000	under1000	
MP same color as central government 2002	-0.0275** [0.0120]	-0.108*** [0.0286]	0,0149 [0.0179]	0.0914*** [0.0171]	-0.0898*** [0.0304]	0,0136 [0.0187]	0.0961*** [0.0184]	
MP same color as central government 2006	0,00211 [0.00271]	-0,0292 [0.0234]	0,0142 [0.0161]	-0,00514 [0.0119]	-0,0196 [0.0207]	0,0148 [0.0169]	-0,00966 [0.0126]	
mayor political color same as central government 2006	-0.0170** [0.00761]	0.0661** [0.0278]	-0,0119 [0.0290]	0.131*** [0.0434]	0.0442*** [0.0161]	-0,0128 [0.0309]	0.130*** [0.0455]	
In_population	-0.0176** [0.00811]	0.155*** [0.0460]	0.244*** [0.0146]	0.135*** [0.00889]	0.153*** [0.0446]	0.256*** [0.0162]	0.146*** [0.00979]	
In per capita local personal income tax base	0,00102 [0.00214]	0.0450* [0.0270]	0.0699*** [0.0194]	0,0255 [0.0219]	0.0410** [0.0209]	0.0719*** [0.0209]	0,0166 [0.0227]	
% of young population	0.781** [0.340]	1.962*** [0.598]	0.899*** [0.249]	0.244** [0.112]	1.819*** [0.454]	0.943*** [0.268]	0.274** [0.132]	
% of old population	0.399** [0.178]	2.931*** [0.475]	0.973*** [0.221]	0.586*** [0.0822]	2.595*** [0.396]	1.003*** [0.230]	0.658*** [0.0960]	
% of own resources in LG budget	0.0559** [0.0260]	0.277* [0.142]	-0,0257 [0.0738]	-0.214*** [0.0537]	0.257** [0.118]	-0,0238 [0.0770]	-0.240*** [0.0587]	
ratio of local population with higher education	0.00259** [0.00115]	0.00617** [0.00258]	0,00319 [0.00226]	0.0180*** [0.00207]	0.00550** [0.00226]	0,00364 [0.00245]	0.0179*** [0.00210]	
Munic. Belongs to special program for the least developed 33 small regions (LHH)	0.0130** [0.00616]	-0.0746** [0.0333]	0.0676*** [0.0170]	0,0173 [0.0121]	-0.0750** [0.0362]	0.0711*** [0.0178]	0,0136 [0.0128]	
Constant	0.924*** [0.0457]	-1.605*** [0.499]	-1.865*** [0.144]	-0.853*** [0.131]				
Observations	610	685	5650	8565	685	5650	8565	
R-squared	0,066	0,104	0,058	0,06				

Robust standard errors in brackets
 *** p<0.01, ** p<0.05, * p<0.1

note: in the case of cities >50000 for LPM, and >10000 for probit:MP_gov_02=1 and In_population >

Socioeconomic and need indicators

- **demographic need variables** : percent of **young** school-age population is significant and positive, whenever it comes to **local government projects**, either overall or from ROP (which is as it should be), but usually loses its significance in other models with different dep.vars.
- percentage of **old** population is always **strongly significant and positive, adding to grant reciprocity chances** across all model specifications and sub-samples - a finding *contradictory* to what I have previously found in my research for Hungarian national investment grants for municipalities for period 1993-2003(Kalman,2007)
- **ratio of own resources in the LG budget** (*decentralization measure – important also for EU co-financing needs!*) usually did **not even** come out **significant** (or where it did, it has opposing signs)- **needs further checking with amounts** as dep.vars, not only these binary gotgrants

- proxy for **backwardness** (LHH - municipality belonging to the special program for the least developed 33 small regions) - most of the cases it came out **significant and positive**, though **after 2006 it is more ambiguous = presence of some equity considerations** in H. development policy - reassured by recent evaluations
- Region dummies (NUTS2) did not add much information – all regions of H. received EU funding in this period

Work in progress

- First estimations, model specification is to be refined – still some questions (Perhaps inclusion of some further variables?, depending on data availability)
- With recent access to **data on all those who applied**, not only successful, funded projects + new time period (until 2012)– **plans for new analysis**
 - exploring ways to do analysis, build diff. model on **actual amounts, not only binary** gotgrant. vars.
 - **Do matching** (successful, unsuccessful, not even applied?) **and use some diff.in diff technique?**

Conclusions: development, but some derangement

- **Institutional conditions matter!** - Grant schemes inefficiency
 - **Room for politics, rent-seeking** - My estimations can **only underestimate** real political influences and rent-seeking (large projects handled separately, pre-agreed tenders?, investments by munic. enterprises? Etc.)
 - **Governance** :EU SF planning, admin. **very centralized** in H ('gatekeeper' centre) ↔ goes against meaningful absorption and better convergence by recent empirical governance literature, that stresses higher decentralization (Bachtler-McMaster,2008; Bahr,2006; Barca,2009, Ederveen et al.,2006)
 - As long as **grant dependence** of Hungarian **local governments** stays, **strong effect of political factors and lobbying is likely to remain** → reform of local own revenues/local govt. structure and financing seems **crucial** (some happening right now)

Thank You!

Comments very welcome

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Probability models for receiving EU SFgrants and political colors 2004-2008 - Linear Prob.model

dep.var.: gotgrant_all	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11	-12
	all 4 years 2004-2008					first cycle 2004-05	election year 2006		2007-08			
LABELS	Pooled - basemode	with region dummies	swingvote rs_2002	same pol.color		swing	same	swing	same pol. color	local elec.close	parl. elec.close	same color
political vars.:												
closeness of 2002 parliamentary elections			0,000694 [0.000449]			0,000693 [0.000710]		0,00071 [0.00101]				
MP got elected in the second round of the election 2002			0.0164* [0.00994]			0,0177 [0.0157]		0,0163 [0.0223]				
MP same color as central government 2002				0,00621 [0.00841]			0,00627 [0.0133]		0,00554 [0.0189]			
MP reelected for more than 1 term 2002				-0.0400*** [0.0100]			-0.0405** [0.0159]		-0.0406* [0.0224]			
mayor political color same as central government 2002				-0.0320*** [0.00457]			-0.0319*** [0.00724]		-0.0324*** [0.0103]			
MP same color as central government 2006					0.0313*** [0.00638]							0.0312*** [0.0101]
MP reelected for more than 1 term 2006					-0.0389*** [0.00780]							-0.0391*** [0.0123]
mayor political color same as central government 2006					-0,00136 [0.0111]							-0,00132 [0.0176]
closeness of 2006 local elections									0.0489*** [0.0154]			
closeness of 2006 parliamentary elections											-0,00081 [0.00824]	
MP got elected in the second round of the election 2006											0.0320** [0.0138]	
Number of terms Member of Parliament reelected 2006												
socioecon.controls:												
ln_population	0.212*** [0.00564]	0.190*** [0.00595]	0.211*** [0.00569]	0.219*** [0.00693]	0.211*** [0.00565]	0.213*** [0.00909]	0.219*** [0.0112]	0.208*** [0.0126]	0.217*** [0.0152]	0.214*** [0.00894]	0.210*** [0.00890]	0.211*** [0.00889]
ln per capita local personal income tax base	-0.0434*** [0.00843]	-0.0428*** [0.00861]	-0.0438*** [0.00869]	-0.0215** [0.0102]	-0.0442*** [0.00844]	-0.0367*** [0.0129]	-0,0196 [0.0155]	-0.0434** [0.0191]	-0,0192 [0.0224]	-0.0544*** [0.0145]	-0.0521*** [0.0144]	-0.0542*** [0.0145]
% of young population	0,00684 [0.100]	-0.202** [0.101]	-0,00209 [0.100]	0.204* [0.124]	-0,0234 [0.101]	0,0333 [0.170]	0,292 [0.216]	-0,084 [0.190]	0,159 [0.219]	0,0403 [0.162]	-0,00065 [0.162]	0,0111 [0.163]
% of old population	0.741*** [0.0771]	0.471*** [0.0787]	0.733*** [0.0771]	0.551*** [0.0956]	0.737*** [0.0779]	0.764*** [0.132]	0.591*** [0.168]	0.656*** [0.151]	0.499*** [0.178]	0.736*** [0.123]	0.766*** [0.121]	0.763*** [0.123]
% of own resources in LG budget	-0.106*** [0.0363]	-0.0505 [0.0367]	-0.108*** [0.0365]	-0,0184 [0.0434]	-0.0932** [0.0366]	-0,077 [0.0569]	-0,00081 [0.0674]	-0,121 [0.0826]	-0,023 [0.0983]	-0.123** [0.0582]	-0.121** [0.0584]	-0.119** [0.0587]
size indicator	0.0912*** [0.00805]	0.0854*** [0.00799]	0.0893*** [0.00807]	0.0979*** [0.00985]	0.0929*** [0.00805]	0.0910*** [0.0128]	0.0985*** [0.0156]	0.0864*** [0.0180]	0.0960*** [0.0219]	0.0905*** [0.0127]	0.0918*** [0.0127]	0.0926*** [0.0127]
ratio of local population with higher education	0,00154 [0.00105]	0.00397*** [0.00109]	0,00154 [0.00106]	-0,00134 [0.00140]	0,00171 [0.00106]	0,00161 [0.00168]	-0,00113 [0.00222]	0,00155 [0.00235]	-0,00131 [0.00313]	0,00147 [0.00166]	0,00147 [0.00166]	0,00171 [0.00166]
Munic. Belongs to special program for the least developed 33 small regions (LHH)	0.0416*** [0.00831]	0,0122 [0.00862]	0.0418*** [0.00837]	0.0624*** [0.0113]	0.0316*** [0.00842]	0.0406*** [0.0132]	0.0600*** [0.0179]	0.0429** [0.0187]	0.0631** [0.0251]	0.0444*** [0.0132]	0.0368*** [0.0132]	0.0317** [0.0133]
Constant	-1.111*** [0.0924]	-0.911*** [0.0945]	-1.115*** [0.0936]	-1.237*** [0.115]	-1.086*** [0.0928]	-1.156*** [0.153]	-1.265*** [0.191]	-1.029*** [0.207]	-1.194*** [0.251]	-1.101*** [0.148]	-1.072*** [0.149]	-1.051*** [0.148]
Observations	15720	15720	15680	9920	15630	6272	3968	3136	1984	6260	6280	6252
R-squared	0,228	0,241	0,229	0,242	0,231	0,229	0,242	0,228	0,242	0,23	0,231	0,232

Robust standard errors in brackets

*** p<0.01, ** p<0.05, * p<0.1

Chances for Local Govt. receiving EU ROP funds and political color by municipality size

dep.var.:gotgrant_LG_ROP		<i>LPM</i>				<i>Probit</i>			
LABELS	10-50000	5-10000	1000-5000	under1000	10-50000	5-10000	1000-5000	under1000	
MP same color as central government 2002	-0,0244 [0.0200]	-0.170*** [0.0444]	0,0172 [0.0180]	0,0105 [0.0119]	-0,0133 [0.00887]	-0.167*** [0.0494]	0,0216 [0.0184]	0,00237 [0.00856]	
MP same color as central government 2006	0,000835 [0.0140]	0,0477 [0.0417]	0.0314** [0.0158]	0.0369*** [0.00808]	0,00142 [0.00490]	0,0575 [0.0463]	0.0337** [0.0164]	0.0346*** [0.00735]	
mayor political color same as central government 2006	-0,0146 [0.0154]	-0,00178 [0.0480]	-0,0236 [0.0276]	0,0467 [0.0309]	-0,00406 [0.00567]	0,000824 [0.0489]	-0,0256 [0.0278]	0,0265 [0.0229]	
In_population	0,0186 [0.0123]	0.148* [0.0860]	0.239*** [0.0148]	0.0867*** [0.00560]	0,00535 [0.00770]	0,148 [0.0913]	0.244*** [0.0155]	0.0935*** [0.00561]	
In per capita local personal income tax base	-0,00365 [0.00803]	0,0949 [0.0629]	0.0389** [0.0155]	0.0456*** [0.0148]	-0.0259** [0.0118]	0,0885 [0.0584]	0.0487** [0.0206]	0.0369** [0.0154]	
% of young population	0,341 [0.638]	3.324*** [0.984]	1.203*** [0.254]	0.189** [0.0757]	0.457** [0.209]	3.540*** [1.045]	1.237*** [0.269]	0.188** [0.0782]	
% of old population	-0,349 [0.505]	1.662** [0.789]	0.957*** [0.211]	0.280*** [0.0481]	-0,0244 [0.168]	1.723** [0.812]	0.994*** [0.227]	0.252*** [0.0574]	
% of own resources in LG budget	0,052 [0.0626]	0.702*** [0.228]	-0,0272 [0.0714]	-0,00892 [0.0335]	0,016 [0.0474]	0.674*** [0.251]	-0,0355 [0.0744]	-0,011 [0.0298]	
ratio of local population with higher education	0.00409*** [0.00146]	0.0160*** [0.00387]	0.0128*** [0.00212]	0.00678*** [0.00124]	0.00457*** [0.00109]	0.0182*** [0.00515]	0.0133*** [0.00233]	0.00465*** [0.00118]	
Munic. Belongs to special program for the least developed 33 small regions (LHH)	-0,0299 [0.0389]	-0,0398 [0.0531]	0.0814*** [0.0180]	0.0198** [0.00848]	-0,0014 [0.00785]	-0,0424 [0.0547]	0.0831*** [0.0189]	0.0137* [0.00762]	
Constant	0.764*** [0.211]	-2.049** [0.896]	-2.111*** [0.140]	-0.748*** [0.0849]					
Observations	610	685	5650	8565	610	685	5650	8565	
R-squared	0,03	0,067	0,065	0,048					

Robust standard errors in brackets

*** p<0.01, ** p<0.05, * p<0.1

note: in the case of cities >50000 : MP_gov_02=1 and ln_population > 6.907755 predicts success perfectly, thus regressions do not run

Probability models for receiving EU SFgrants and political colors 2004-2008 - Probit estimation marginal effects													
dep.var.:gotgrant_all	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11	-12	-13
LABELS:	all 4 years 2004-08					first cycle 2004-05		election year 2006		2007-08			
political vars.:	Pooled -	region	swingvoters	same pol.color		swing	same	swing	same	local	parl.	same pol.color	
closeness of 2002	basemodel	dummies	_2002						color	elec.close	elec.close		
parliamentary elections			0.00127*** [0.000466]			0.00127* [0.000736]		0.0013 [0.00104]					
MP got elected in the second round of the			0.0272** [0.0108]			0.0289* [0.0170]		0.027 [0.0241]					
MP same color as central government 2002				0.00142 [0.00972]			0.00202 [0.0154]		0.00059 [0.0218]				
MP reelected for more than 1 term 2002				-0.0411*** [0.0101]			-0.0415*** [0.0159]		-0.0411* [0.0225]				
mayor political color same as central government 2002				-0.0221*** [0.00429]			-0.0218*** [0.00682]		-0.0225** [0.00954]				
MP same color as central government 2006					0.0354*** [0.00646]							0.0348*** [0.0102]	0.0371*** [0.0102]
MP reelected for more than 1 term 2006					-0.0492*** [0.00697]							-0.0493*** [0.0111]	
mayor political color same as central government 2006					0.0962*** [0.0155]							0.0964*** [0.0246]	0.0951*** [0.0251]
closeness of 2006 local elections										0.0473*** [0.0146]			
closeness of 2006 parliamentary elections											-0.0003 [0.000798]		
MP got elected in the second round of the election 2006											0.0390*** [0.0137]		
Number of terms Member of Parliament reelected 2006													-0.0123*** [0.00380]
socioecon.controls:													
ln_population	0.176*** [0.00622]	0.161*** [0.00635]	0.176*** [0.00626]	0.192*** [0.00785]	0.174*** [0.00618]	0.177*** [0.00993]	0.192*** [0.0125]	0.173*** [0.0139]	0.191*** [0.0175]	0.178*** [0.00999]	0.174*** [0.00981]	0.173*** [0.00977]	0.172*** [0.00978]
In per capita local Personal Income Tax	0.0361*** [0.0101]	0.0334*** [0.0102]	0.0376*** [0.0101]	0.0476*** [0.0118]	0.0339*** [0.00997]	0.0401*** [0.0149]	0.0454*** [0.0174]	0.0373* [0.0226]	0.0496* [0.0265]	0.0323* [0.0175]	0.0325* [0.0173]	0.0303* [0.0173]	0.0283 [0.0174]
% of young population	0.0178 [0.0872]	-0.091 [0.0869]	0.0158 [0.0873]	0.204* [0.117]	-0.00286 [0.0868]	0.0479 [0.142]	0.268 [0.190]	-0.0198 [0.188]	0.22 [0.256]	0.0232 [0.136]	-0.00114 [0.137]	0.000466 [0.135]	-0.0166 [0.135]
% of old population													
% of own resources in LG budget	0.0166 [0.0394]	0.0413 [0.0395]	0.0159 [0.0392]	0.0494 [0.0462]	0.031 [0.0392]	0.0453 [0.0623]	0.0637 [0.0728]	0.00699 [0.0878]	0.0497 [0.104]	-0.00124 [0.0624]	0.00425 [0.0624]	0.00643 [0.0622]	0.00599 [0.0625]
size indicator	-0.0726*** [0.0100]	-0.0725*** [0.0101]	-0.0757*** [0.0101]	-0.0506*** [0.0124]	-0.0664*** [0.00996]	-0.0741*** [0.0159]	-0.0502** [0.0195]	-0.0784*** [0.0225]	-0.0520* [0.0277]	-0.0729*** [0.0159]	-0.0706*** [0.0159]	-0.0667*** [0.0158]	-0.0656*** [0.0158]
ratio of local population with higher education	0.00700*** [0.00144]	0.00856*** [0.00140]	0.00695*** [0.00146]	0.00366** [0.00173]	0.00727*** [0.00142]	0.00727*** [0.00232]	0.00413 [0.00276]	0.00692** [0.00326]	0.0037 [0.00387]	0.00669*** [0.00226]	0.00681*** [0.00229]	0.00703*** [0.00224]	0.00713*** [0.00225]
Munic. Belongs to special program for the least developed 33 small regions (LHH)	0.0327*** [0.00747]	0.0075 [0.00889]	0.0329*** [0.00758]	0.0517*** [0.0106]	0.0163** [0.00789]	0.0318*** [0.0120]	0.0493*** [0.0168]	0.0334** [0.0169]	0.0511** [0.0236]	0.0356*** [0.0118]	0.0285** [0.0121]	0.0168 [0.0125]	0.0223* [0.0122]
dummies:													
2004 year dummy	-0.0276** [0.0132]	-0.0248* [0.0132]	-0.0289** [0.0132]	-0.0373** [0.0165]	-0.0258** [0.0130]	-0.00562 [0.0101]	-0.00627 [0.0128]						
2005 dummy	-0.0222* [0.0124]	-0.0203 [0.0124]	-0.0233* [0.0124]	-0.0305* [0.0156]	-0.0207* [0.0122]								
2006 dummy	-0.0156 [0.0114]	-0.0146 [0.0114]	-0.0164 [0.0115]	-0.0215 [0.0145]	-0.0145 [0.0113]								
2007 dummy	-0.00855 [0.0104]	-0.00791 [0.0104]	-0.00892 [0.0104]	-0.0111 [0.0133]	-0.00803 [0.0103]					-0.00758 [0.0108]	-0.00763 [0.0107]	-0.00712 [0.0106]	-0.00665 [0.0107]
Northern Hungary region													
North great Plain Region													
South Great Plain Region													
Central Transdanubia													
Western Transdanubia													
Southern Transdanubia													
Observations	15720	15720	15680	9920	15630	6272	3968	3136	1984	6260	6280	6252	6252
Percent correctly classified Robust standard errors in brackets	78.56	79.34	78.65	78.39	78.52	78.7	78.33	78.57	77.92	78.63	78.73	78.69	78.82

*** p<0.01, ** p<0.05, * p<0.1

	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11	-12	-13	
dep.var.: gotgranr LG	all 4 years 2004-08					first cycle 2004-05	election year 2006		2007-08					
LABELS	Pooled - b: region durr swingvoter same pol.color					swing	same	swing	same	pol. (local elec.c	parl. elec.c	same	color	
<i>political vars.:</i>														
closeness of 2002 parliamentary elections		0.00415***				0.00416***		0.00420***						
		[0.000525]				[0.000831]		[0.00118]						
MP got elected in the second round of the election 2002		0.0832***				0.0843***		0.0834***						
		[0.0114]				[0.0181]		[0.0256]						
MP same color as central government 2002			0.0677***			0.0684***		0.0661***						
			[0.0107]			[0.0169]		[0.0240]						
MP reelected for more than 1 term 2002			-0.0388***			-0.0389**		-0.0401						
			[0.0117]			[0.0185]		[0.0261]						
mayor political color same as central government 2002			-0.0166***			-0.0164***		-0.0170**						
			[0.00347]			[0.00549]		[0.00779]						
MP same color as central government 2006				0.0205***								0.0208*	0.0243**	
				[0.00747]								[0.0118]	[0.0118]	
MP reelected for more than 1 term 2006				-0.0618***								-0.0621***		
				[0.00921]								[0.0146]		
mayor political color same as central government 2006				0.0052								0.00595	0.00602	
				[0.0164]								[0.0260]	[0.0259]	
closeness of 2006 local elections									0.0577***					
									[0.0172]					
closeness of 2006 parliamentary elections										0.000418				
										[0.000932]				
MP got elected in the second round of the election 2006										0.0421***				
										[0.0157]				
Number of terms Member of Parliament reelected 2006													-0.00934**	
													[0.00450]	
<i>socioecon.controls:</i>														
In_population	0.173***	0.152***	0.172***	0.156***	0.172***	0.175***	0.156***	0.170***	0.154***	0.175***	0.172***	0.171***	0.170***	
	[0.00580]	[0.00608]	[0.00584]	[0.00728]	[0.00585]	[0.00924]	[0.0115]	[0.0131]	[0.0161]	[0.00938]	[0.00921]	[0.00928]	[0.00929]	
In per capita local personal income tax base	0.0229**	0.0211**	0.0279***	0.0467***	0.0243**	0.0377**	0.0519***	0.0214	0.0438	0.0151	0.0155	0.015	0.0134	
	[0.0104]	[0.0103]	[0.0106]	[0.0128]	[0.0104]	[0.0157]	[0.0191]	[0.0234]	[0.0282]	[0.0179]	[0.0178]	[0.0178]	[0.0178]	
% of young population	0.350***	0.171*	0.386***	0.598***	0.368***	0.407**	0.689***	0.412**	0.589**	0.361**	0.330**	0.346**	0.333**	
	[0.0991]	[0.101]	[0.0985]	[0.129]	[0.100]	[0.168]	[0.224]	[0.187]	[0.230]	[0.162]	[0.162]	[0.162]	[0.162]	
% of old population	0.667***	0.419***	0.651***	0.592***	0.721***	0.636***	0.591***	0.656***	0.563***	0.713***	0.704***	0.746***	0.709***	
	[0.0719]	[0.0757]	[0.0720]	[0.0953]	[0.0745]	[0.123]	[0.166]	[0.142]	[0.176]	[0.119]	[0.116]	[0.120]	[0.120]	
% of own resources in LG budget	-0.143***	-0.0865**	-0.128***	-0.157***	-0.126***	-0.102	-0.134*	-0.137	-0.163	-0.166***	-0.151**	-0.151**	-0.155**	
	[0.0396]	[0.0401]	[0.0397]	[0.0455]	[0.0398]	[0.0646]	[0.0742]	[0.0872]	[0.0999]	[0.0620]	[0.0618]	[0.0620]	[0.0622]	
size indicator	-0.0321***	-0.0368***	-0.0338***	-0.0567***	-0.0330***	-0.0320**	-0.0566***	-0.0362*	-0.0586**	-0.0355***	-0.0320**	-0.0336**	-0.0333**	
	[0.00860]	[0.00867]	[0.00867]	[0.0106]	[0.00879]	[0.0137]	[0.0168]	[0.0194]	[0.0236]	[0.0137]	[0.0137]	[0.0139]	[0.0139]	
ratio of local population with higher education	0.00634***	0.00906***	0.00701***	0.00423***	0.00657***	0.00723***	0.00439*	0.00712***	0.00439	0.00625***	0.00591***	0.00634***	0.00648***	
	[0.00118]	[0.00121]	[0.00118]	[0.00152]	[0.00119]	[0.00189]	[0.00241]	[0.00263]	[0.00338]	[0.00186]	[0.00186]	[0.00186]	[0.00187]	
Munic. Belongs to special program for the least developed 33 small regions (LHH)	0.0364***	0.00337	0.0359***	0.0482***	0.0225**	0.0329**	0.0436**	0.0370*	0.0496	0.0414***	0.0358**	0.0248*	0.0329**	
	[0.00915]	[0.00985]	[0.00926]	[0.0135]	[0.00944]	[0.0146]	[0.0215]	[0.0207]	[0.0301]	[0.0146]	[0.0147]	[0.0150]	[0.0148]	
<i>dummies:</i>														
2004 dummy	-0.0185	-0.0163	-0.0225*	-0.0375**	-0.0195	-0.010586	-0.00794							
	[0.0134]	[0.0133]	[0.0135]	[0.0168]	[0.0134]	[0.0112]	[0.0141]							
2005 dummy	-0.0144	-0.013	-0.0177	-0.0303*	-0.0152									
	[0.0129]	[0.0128]	[0.0129]	[0.0161]	[0.0129]									
2006 dummy	-0.0097	-0.00913	-0.0122	-0.0215	-0.0102									
	[0.0121]	[0.0120]	[0.0121]	[0.0152]	[0.0121]									
2007 dummy	-0.00527	-0.00486	-0.00642	-0.0106	-0.00558				-0.00348	-0.00356	-0.00345	-0.00308		
	[0.0113]	[0.0113]	[0.0113]	[0.0142]	[0.0113]				[0.0118]	[0.0118]	[0.0118]	[0.0118]		
Northern Hungary region		0.111***												
		[0.0176]												
North great Plain Region		0.116***												
		[0.0184]												
South Great Plain Region		0.124***												
		[0.0188]												
Central Transdanubia Region		-0.0216												
		[0.0174]												
Western Transdanubia Region		0.0325*												
		[0.0172]												
Southern Transdanubia Region		0.00602												
		[0.0175]												
Constant	-0.887***	-0.692***	-1.021***	-0.755***	-0.856***	-1.111***	-0.832***	-0.983***	-0.731**	-0.886***	-0.879***	-0.809***	-0.811***	
	[0.103]	[0.104]	[0.104]	[0.129]	[0.104]	[0.168]	[0.211]	[0.236]	[0.287]	[0.168]	[0.167]	[0.168]	[0.169]	
Observations	15720	15720	15680	9920	15630	6272	3968	3136	1984	6260	6280	6252	6252	
R-squared	0.226	0.235	0.23	0.229	0.229	0.23	0.229	0.23	0.229	0.228	0.228	0.229	0.228	
Robust standard errors in brackets														
*** p<0.01, ** p<0.05, * p<0.1														

Probability models for Local Government receiving EU SFgrants and political colors 2004-2008 - Probit estimation marginal effects													
dep.var.:gotgrant_LG	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11	-12	-13
	all 4 years 2004-08					first cycle 2004-05		election year 2006		2007-08			
LABELS	Pooled - basemodel	region dummies	swingvote rs_2002	same pol. color		swing	same	swing	same color	local elec.close	parl. elec.close	same color	
<i>political vars.:</i>													
closeness of 2002 parliamentary elections			0.00588*** [0.000663]			0.00590*** [0.00105]		0.00594*** [0.00148]					
MP got elected in the second round of the election 2002			0.106*** [0.0139]			0.108*** [0.0220]		0.107*** [0.0311]					
MP same color as central government 2002				0.0793*** [0.0129]			0.0803*** [0.0204]		0.0775*** [0.0289]				
MP reelected for more than 1 term 2002				-0.0503*** [0.0146]			-0.0501** [0.0231]		-0.0518 [0.0327]				
mayor political color same as central government 2002				-0.0203*** [0.00626]			-0.0200** [0.00994]		-0.0208 [0.0140]				
MP same color as central government 2006					0.0216** [0.00919]							0.0216 [0.0145]	0.0257* [0.0145]
MP reelected for more than 1 term 2006					-0.0831*** [0.0113]							-0.0828*** [0.0179]	
mayor political color same as central government 2006					0.0442* [0.0254]							0.0455 [0.0401]	0.0449 [0.0399]
closeness of 2006 local elections									0.0705*** [0.0211]				
closeness of 2006 parliamentary elections										0.00121 [0.00118]			
MP got elected in the second round of the election 2006										0.0554*** [0.0194]			
Number of terms Member of Parliament reelected 2006													-0.0132** [0.00558]
<i>socioecon.controls:</i>													
ln_population	0.214*** [0.00853]	0.195*** [0.00878]	0.216*** [0.00860]	0.195*** [0.0106]	0.213*** [0.00858]	0.219*** [0.0136]	0.197*** [0.0166]	0.212*** [0.0193]	0.193*** [0.0237]	0.215*** [0.0138]	0.213*** [0.0136]	0.211*** [0.0136]	0.209*** [0.0136]
ln per capita local personal income tax base	0.0575*** [0.0146]	0.0552*** [0.0141]	0.0656*** [0.0151]	0.0846*** [0.0185]	0.0591*** [0.0146]	0.0791*** [0.0228]	0.0901*** [0.0277]	0.0550* [0.0333]	0.0795* [0.0410]	0.0483* [0.0250]	0.0486* [0.0249]	0.0481* [0.0249]	0.0455* [0.0248]
% of young population	0.482*** [0.137]	0.290** [0.137]	0.552*** [0.138]	0.787*** [0.183]	0.510*** [0.139]	0.574** [0.226]	0.910*** [0.297]	0.617** [0.295]	0.841** [0.394]	0.485** [0.217]	0.465** [0.218]	0.466** [0.218]	0.443** [0.217]
% of old population	0.946*** [0.100]	0.681*** [0.103]	0.944*** [0.101]	0.890*** [0.134]	1.025*** [0.104]	0.932*** [0.165]	0.912*** [0.219]	0.966*** [0.222]	0.889*** [0.294]	0.999*** [0.160]	0.981*** [0.157]	1.037*** [0.162]	0.978*** [0.161]
% of own resources in LG budget	-0.158*** [0.0505]	-0.0983* [0.0507]	-0.138*** [0.0506]	-0.184*** [0.0581]	-0.135*** [0.0506]	-0.101 [0.0813]	-0.156* [0.0936]	-0.153 [0.112]	-0.192 [0.128]	-0.188** [0.0793]	-0.172** [0.0793]	-0.170** [0.0793]	-0.172** [0.0795]
size indicator	-0.0742*** [0.0127]	-0.0787*** [0.0126]	-0.0772*** [0.0129]	-0.105*** [0.0156]	-0.0761*** [0.0129]	-0.0762*** [0.0203]	-0.105*** [0.0246]	-0.0793*** [0.0288]	-0.106*** [0.0348]	-0.0790*** [0.0203]	-0.0732*** [0.0201]	-0.0760*** [0.0204]	-0.0756*** [0.0203]
ratio of local population with higher education	0.0125*** [0.00177]	0.0158*** [0.00179]	0.0134*** [0.00179]	0.00928*** [0.00214]	0.0130*** [0.00181]	0.0138*** [0.00285]	0.00963*** [0.00339]	0.0137*** [0.00402]	0.00965** [0.00479]	0.0125*** [0.00279]	0.0118*** [0.00281]	0.0126*** [0.00284]	0.0126*** [0.00282]
Munic. Belongs to special program for the least developed 33 small regions (LHH)	0.0385*** [0.0115]	0.00364 [0.0124]	0.0376*** [0.0117]	0.0487*** [0.0170]	0.0201* [0.0218]	0.0337* [0.0185]	0.0425 [0.0269]	0.0385 [0.0261]	0.0488 [0.0378]	0.0454** [0.0182]	0.0399** [0.0183]	0.0235 [0.0187]	0.0343* [0.0184]
<i>dummies:</i>													
2004 dummy	-0.0445*** [0.0172]	-0.0417** [0.0171]	-0.0509*** [0.0175]	-0.0659*** [0.0217]	-0.0457*** [0.0173]	-0.0114 [0.0140]	-0.013 [0.0176]						
2005 dummy	-0.0358** [0.0165]	-0.0340** [0.0164]	-0.0411** [0.0166]	-0.0539*** [0.0206]	-0.0368** [0.0165]								
2006 dummy	-0.0253 [0.0154]	-0.0245 [0.0153]	-0.0292* [0.0155]	-0.0386** [0.0193]	-0.0259* [0.0154]								
2007 dummy	-0.0132 [0.0142]	-0.0126 [0.0142]	-0.015 [0.0143]	-0.0192 [0.0179]	-0.0135 [0.0143]					-0.0111 [0.0150]	-0.0111 [0.0150]	-0.011 [0.0150]	-0.0104 [0.0150]
Northern Hungary region		0.160*** [0.0217]											
North great Plain Region		0.158*** [0.0229]											
South Great Plain Region		0.169*** [0.0235]											
Central Transdanubia		0.00537 [0.0224]											
Western Transdanubia		0.0914*** [0.0220]											
Southern Transdanubia		0.0516** [0.0226]											
Observations	15720	15720	15680	9920	15630	6272	3968	3136	1984	6260	6280	6252	6252
Percent correctly classified	70.95	71.68	71.01	71.94	70.88	71.01	72	71.05	71.93	71.05	70.84	70.87	71.07
Robust standard errors in brackets													
*** p<0.01, ** p<0.05, * p<0.1													

Chances for Local Govt. receiving EU funds and political color by municipality size								
		-1	-2	-3	-4	-5	-6	-7
depvar.: gotgrant_LG								
		<i>LPM</i>				<i>Probit</i>		
LABELS	10-50000	5-10000	1000-5000	under1000	5-10000	1000-5000	under1000	
MP same color as central government 2002	-0.0275**	-0.108***	0.0149	0.0914***	-0.0898***	0.0136	0.0961***	
	[0.0120]	[0.0286]	[0.0179]	[0.0171]	[0.0304]	[0.0187]	[0.0184]	
MP same color as central government 2006	0.00211	-0.0292	0.0142	-0.00514	-0.0196	0.0148	-0.00966	
	[0.00271]	[0.0234]	[0.0161]	[0.0119]	[0.0207]	[0.0169]	[0.0126]	
mayor political color same as central government 2006	-0.0170**	0.0661**	-0.0119	0.131***	0.0442***	-0.0128	0.130***	
	[0.00761]	[0.0278]	[0.0290]	[0.0434]	[0.0161]	[0.0309]	[0.0455]	
In_population	-0.0176**	0.155***	0.244***	0.135***	0.153***	0.256***	0.146***	
	[0.00811]	[0.0460]	[0.0146]	[0.00889]	[0.0446]	[0.0162]	[0.00979]	
In per capita local personal income tax base	0.00102	0.0450*	0.0699***	0.0255	0.0410**	0.0719***	0.0166	
	[0.00214]	[0.0270]	[0.0194]	[0.0219]	[0.0209]	[0.0209]	[0.0227]	
% of young population	0.781**	1.962***	0.899***	0.244**	1.819***	0.943***	0.274**	
	[0.340]	[0.598]	[0.249]	[0.112]	[0.454]	[0.268]	[0.132]	
% of old population	0.399**	2.931***	0.973***	0.586***	2.595***	1.003***	0.658***	
	[0.178]	[0.475]	[0.221]	[0.0822]	[0.396]	[0.230]	[0.0960]	
% of own resources in LG budget	0.0559**	0.277*	-0.0257	-0.214***	0.257**	-0.0238	-0.240***	
	[0.0260]	[0.142]	[0.0738]	[0.0537]	[0.118]	[0.0770]	[0.0587]	
ratio of local population with higher education	0.00259**	0.00617**	0.00319	0.0180***	0.00550**	0.00364	0.0179***	
	[0.00115]	[0.00258]	[0.00226]	[0.00207]	[0.00226]	[0.00245]	[0.00210]	
Munic. Belongs to special program for the least developed 33 small regions (LHH)	0.0130**	-0.0746**	0.0676***	0.0173	-0.0750**	0.0711***	0.0136	
	[0.00616]	[0.0333]	[0.0170]	[0.0121]	[0.0362]	[0.0178]	[0.0128]	
2004 dummy	-0.0019	-0.025	-0.0518**	-0.0221	-0.0279	-0.0542**	-0.0151	
	[0.0113]	[0.0402]	[0.0239]	[0.0223]	[0.0373]	[0.0258]	[0.0226]	
2005 dummy	-0.00157	-0.0208	-0.0427*	-0.0169	-0.0236	-0.0444*	-0.0109	
	[0.0112]	[0.0377]	[0.0229]	[0.0207]	[0.0340]	[0.0246]	[0.0210]	
2006 dummy	-0.00032	-0.0133	-0.0298	-0.0117	-0.0142	-0.0309	-0.00712	
	[0.0112]	[0.0360]	[0.0217]	[0.0184]	[0.0305]	[0.0230]	[0.0188]	
2007 dummy	-0.00022	-0.0096	-0.0152	-0.00614	-0.00894	-0.0156	-0.00397	
	[0.0113]	[0.0343]	[0.0202]	[0.0158]	[0.0280]	[0.0213]	[0.0163]	
Constant	0.924***	-1.605***	-1.865***	-0.853***				
	[0.0457]	[0.499]	[0.144]	[0.131]				
Observations	610	685	5650	8565	685	5650	8565	
R-squared	0.066	0.104	0.058	0.06				
Robust standard errors in brackets								
*** p<0.01, ** p<0.05, * p<0.1								
note: in the case of cities >50000 for LPM, and >10000 for probit:MP_gov_02=1 and In_population > 6.907755 predicts success perfectly, thus regressions do not run								

Chances for Local Govt. receiving EU ROP funds and political color by municipality size

dep.var.:gotgrant_LG_ROP

LABELS	<i>LPM</i>				<i>Probit</i>			
	10-50000	5-10000	1000-5000	under1000	10-50000	5-10000	1000-5000	under1000
MP same color as central government 2002	-0.0244 [0.0200]	-0.170*** [0.0444]	0.0172 [0.0180]	0.0105 [0.0119]	-0.0133 [0.00887]	-0.167*** [0.0494]	0.0216 [0.0184]	0.00237 [0.00856]
MP same color as central government 2006	0.000835 [0.0140]	0.0477 [0.0417]	0.0314** [0.0158]	0.0369*** [0.00808]	0.00142 [0.00490]	0.0575 [0.0463]	0.0337** [0.0164]	0.0346*** [0.00735]
mayor political color same as central government 2006	-0.0146 [0.0154]	-0.00178 [0.0480]	-0.0236 [0.0276]	0.0467 [0.0309]	-0.00406 [0.00567]	0.000824 [0.0489]	-0.0256 [0.0278]	0.0265 [0.0229]
In_population	0.0186 [0.0123]	0.148* [0.0860]	0.239*** [0.0148]	0.0867*** [0.00560]	0.00535 [0.00770]	0.148 [0.0913]	0.244*** [0.0155]	0.0935*** [0.00561]
In per capita local personal income tax base	-0.00365 [0.00803]	0.0949 [0.0629]	0.0389** [0.0155]	0.0456*** [0.0148]	-0.0259** [0.0118]	0.0885 [0.0584]	0.0487** [0.0206]	0.0369** [0.0154]
% of young population	0.341 [0.638]	3.324*** [0.984]	1.203*** [0.254]	0.189** [0.0757]	0.457** [0.209]	3.540*** [1.045]	1.237*** [0.269]	0.188** [0.0782]
% of old population	-0.349 [0.505]	1.662** [0.789]	0.957*** [0.211]	0.280*** [0.0481]	-0.0244 [0.168]	1.723** [0.812]	0.994*** [0.227]	0.252*** [0.0574]
% of own resources in LG budget	0.052 [0.0626]	0.702*** [0.228]	-0.0272 [0.0714]	-0.00892 [0.0335]	0.016 [0.0474]	0.674*** [0.251]	-0.0355 [0.0744]	-0.011 [0.0298]
ratio of local population with higher education	0.00409*** [0.00146]	0.0160*** [0.00387]	0.0128*** [0.00212]	0.00678*** [0.00124]	0.00457*** [0.00109]	0.0182*** [0.00515]	0.0133*** [0.00233]	0.00465*** [0.00118]
Munic. Belongs to special program for the least developed 33 small regions (LHH)	-0.0299 [0.0389]	-0.0398 [0.0531]	0.0814*** [0.0180]	0.0198** [0.00848]	-0.0014 [0.00785]	-0.0424 [0.0547]	0.0831*** [0.0189]	0.0137* [0.00762]
2004 dummy	-0.00239 [0.0248]	-0.0751 [0.0690]	-0.0326 [0.0220]	-0.0368** [0.0148]	0.0114* [0.00692]	-0.0753 [0.0732]	-0.039 [0.0239]	-0.0266** [0.0116]
2005 dummy	-0.00167 [0.0254]	-0.0622 [0.0643]	-0.026 [0.0213]	-0.0303** [0.0136]	0.0101 [0.00724]	-0.0621 [0.0681]	-0.0314 [0.0230]	-0.0223** [0.0109]
2006 dummy	-0.00057 [0.0254]	-0.042 [0.0593]	-0.0168 [0.0205]	-0.0222* [0.0120]	0.00858 [0.00709]	-0.0408 [0.0624]	-0.0209 [0.0218]	-0.0168* [0.00982]
2007 dummy	0.000782 [0.0253]	-0.0203 [0.0540]	-0.00845 [0.0196]	-0.011 [0.0101]	0.00523 [0.00758]	-0.0191 [0.0565]	-0.0106 [0.0205]	-0.00849 [0.00849]
Constant	0.764*** [0.211]	-2.049** [0.896]	-2.111*** [0.140]	-0.748*** [0.0849]				
Observations	610	685	5650	8565	610	685	5650	8565
R-squared	0.03	0.067	0.065	0.048				

Robust standard errors in brackets

*** p<0.01, ** p<0.05, * p<0.1

note: in the case of cities >50000 : MP_gov_02=1 and In_population > 6.907755 predicts success perfectly, thus regressions

Chances for LG receiving EU funds and political color by municipality size and different periods -Probit													
	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11	-12	-13
	same color 2004-05					elec.year 2006			same color 2007-08				
LABELS	above50000	10-50000	5-10000	1000-5000	under10000	5-10000	1000-5000	under1000	above50000	10-50000	5000-10000	1000-5000	under1000
MP same color as central government 2002	0.0849***	0.0805***	0.0751***	0.0666***	0.109***	-0.146*	0.0286	0.141***					
	[0.0287]	[0.0285]	[0.0282]	[0.0233]	[0.0236]	[0.0844]	[0.0385]	[0.0391]					
MP reelected for more than 1 term 2002	-0.0515	-0.0544*	-0.0485	-0.0457*	-0.0569**	0.118	-0.03	-0.0599					
	[0.0329]	[0.0325]	[0.0325]	[0.0271]	[0.0261]	[0.132]	[0.0460]	[0.0392]					
mayor political color same as central government 2002	-0.0193	-0.0185	-0.0157	-0.0227*	-0.0198*		-0.0454	-0.0185					
	[0.0135]	[0.0133]	[0.0124]	[0.0130]	[0.0101]		[0.0281]	[0.0140]					
ln_population	0.251***	0.248***	0.254***	0.254***	0.230***	0.303*	0.259***	0.147***	0.246***	0.245***	0.247***	0.253***	0.222***
	[0.0162]	[0.0159]	[0.0161]	[0.0146]	[0.0138]	[0.177]	[0.0451]	[0.0296]	[0.0126]	[0.0125]	[0.0125]	[0.0115]	[0.0107]
ln per capita local personal income tax base	0.108***	0.100***	0.105***	0.0931***	0.106***	0.018	0.0548	0.082	0.0474	0.0442	0.0451	0.0561*	0.0348
	[0.0402]	[0.0373]	[0.0387]	[0.0327]	[0.0347]	[0.0462]	[0.0567]	[0.0729]	[0.0343]	[0.0335]	[0.0328]	[0.0288]	[0.0293]
% of young population	1.010**	1.052**	1.031**	1.099***	0.878***	3.400*	1.347*	0.531	0.471	0.505	0.502	0.590**	0.364
	[0.428]	[0.426]	[0.427]	[0.383]	[0.317]	[1.786]	[0.788]	[0.351]	[0.312]	[0.312]	[0.310]	[0.278]	[0.229]
% of old population	1.024***	1.027***	1.082***	1.077***	0.921***	5.009**	1.199*	0.559**	1.053***	1.057***	1.087***	1.087***	0.952***
	[0.317]	[0.315]	[0.316]	[0.290]	[0.230]	[2.034]	[0.638]	[0.254]	[0.231]	[0.231]	[0.230]	[0.211]	[0.167]
% of own resources in LG budget	-0.104	-0.0956	-0.098	-0.114	-0.153	0.24	-0.129	-0.254*	-0.168	-0.163	-0.16	-0.132	-0.208**
	[0.138]	[0.136]	[0.136]	[0.115]	[0.105]	[0.316]	[0.200]	[0.147]	[0.112]	[0.112]	[0.111]	[0.0954]	[0.0874]
ratio of local population with higher education	0.0115**	0.0123***	0.0109**	0.00951**	0.0124***	-0.00012	0.00535	0.0107*	0.0139***	0.0142***	0.0132***	0.0104***	0.0163***
	[0.00470]	[0.00469]	[0.00460]	[0.00399]	[0.00368]	[0.00578]	[0.00709]	[0.00554]	[0.00398]	[0.00398]	[0.00384]	[0.00328]	[0.00318]
Munic. Belongs to special program for the least developed 33 small regions (LHH)	0.0375	0.0416	0.0353	0.0583*	0.0214	-0.0915	0.105**	-0.00285	0.0318	0.034	0.0303	0.0436**	0.0247
	[0.0383]	[0.0379]	[0.0377]	[0.0319]	[0.0301]	[0.127]	[0.0531]	[0.0431]	[0.0260]	[0.0259]	[0.0258]	[0.0222]	[0.0201]
2004 dummy		-0.245*	-0.0305	-0.0153	0.00109								
		[0.140]	[0.0758]	[0.0242]	[0.0222]								
MP same color as central government 2006									0.0288	0.0284	0.025	0.0278	0.0333**
									[0.0203]	[0.0203]	[0.0201]	[0.0170]	[0.0160]
Number of terms Member of Parliament reelected 2006									-0.0127	-0.0133*	-0.0146*	-0.0111*	-0.0133**
									[0.00789]	[0.00787]	[0.00779]	[0.00665]	[0.00613]
mayor political color same as central									0.0547	0.0368	0.0634	0.0299	0.0808
									[0.0554]	[0.0549]	[0.0523]	[0.0437]	[0.0496]
2007 dummy									-0.0628	-0.247**	-0.0814	-0.00871	0.00193
									[0.310]	[0.126]	[0.0629]	[0.0207]	[0.0184]
Observations	1984	2070	2069	2736	3029	76	752	1045	3147	3248	3264	4256	4841
Percent correctly classified	71.17	72.22	72.16	69.3	71.54	88.16	64.49	72.63	71.08	72.01	71.63	69.45	71.12

Robust standard errors in brackets
*** p<0.01, ** p<0.05, * p<0.1