MBS 98-30 Political Biases Against Public Investment and Growth Amihai Glazer, Mark Gradstein

Public investment can cause the preferences of the decisive voter in one period to differ from preferences of the decisive voter in an earlier period. Forward-looking voters may therefore vote against a policy that would increase the incomes of all persons. The effect may arise when increased public investment causes such a large increase in redistribution in future periods that the welfare of the decisive voter (or his descendants) in earlier periods declines.