

Finding the Limits of Partisan Budgeting

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Governments do not exist in a vacuum. The reality of governance is that events will occur outside of the control of those in power. Natural disasters, economic developments, public desires for social change, military action, and stochastic events will force governments to act to mitigate potential costs, leading to parties in power acting in policy areas that may not be of their choosing, or consistent with what they said they would do in their electoral platform. The result is that parties will have to go outside of their normal policy comfort zones, leading to spending that seemingly goes against their stated priorities before coming to office. We ask a two-part question: a) do heads of government and their parties redirect spending toward distinct partisan priorities and b) if they do, under what conditions are partisan reallocations most likely to occur? In answering these questions, we examine a wide range of data on spending, analyzing budget data from 28 Organization for Economic Cooperation and Development (OECD) countries, to determine if left-wing and right-wing governments reallocate more funds to programs that are more associated with their own party versus those of the other party or to programs with no clear partisan identity. We find that the parties appear to be severely constrained in their ability to redirect spending toward their priorities.

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Governments do not exist in a vacuum. The reality of governance is that events will occur outside of the control of those in power. Natural disasters, economic developments, public desires for social change, military action, and stochastic events will force governments to act to mitigate potential costs, leading to parties in power acting in policy areas that may not be of their choosing, or consistent with what they said they would do in their electoral platform. The result is that parties will have to go outside of their normal policy comfort zones, leading to spending that seemingly goes against their stated priorities before coming to office. For example, parties that focus their electoral statements on defense and security may have to act in cases of economic crisis by directing their energies into economic relief. On the other hand left parties, who put their primary focus on health care and general welfare, may have to deal with potential armed conflict and security matters. While the party may not be the party known for these issues, random events call the party in power to necessary action. Simply, our contention is that due to the stochastic reality of governance, parties in power in governments have diminished capabilities to act on their primary policy areas of interest. During an electoral campaign, one may be able to pick and choose. Governing, however, is something different.

We ask a two-part question: a) do heads of government and their parties redirect spending toward distinct partisan priorities and b) if they do, under what conditions are partisan reallocations most likely to occur? In answering these questions, we examine a wide range of data on spending, analyzing budget data from 28 Organization for Economic Cooperation and Development (OECD) countries, to determine if left-wing and right-wing governments reallocate more funds to programs that are more associated with their own party versus those of the other

party or to programs with no clear partisan identity. We find that the parties appear to be severely constrained in their ability to redirect spending toward their priorities.

Our focus here is multi-faceted. After exploring potential reasons why states may or may not have problems reallocating funds, we begin with an analysis of data from the United States, where the amount of data on budget allocations is plentiful, and is broken down by relatively detailed individual budgetary subtopics. We then move into an analysis of data over a long period of time for three countries, the United Kingdom, France, and Denmark, where analysis is topically-based. Finally, we analyze a limited time period of data for 24 OECD countries, looking at trends across different types of governmental structure.

Background

Issue Ownership

Political science literature supports the notion that left and right political parties produce ideologically distinct outcomes while in office. Scholarship that examines this phenomenon tends to focus on the concept of issue ownership – that these parties “own” certain issues that they focus on during campaigns, and then address once in office (Damore 2004; Petrocik, Benoit and Hansen 2003). For example, a traditional distinction in American government arises with budgeting and the size of the federal government, with Republicans promoting spending cuts, and Democrats favoring larger government. Another traditional party division is between unemployment and inflation – with Democrats favoring lower unemployment and Republicans lower inflation (Budge and Hofferbert 1990; Hibbs 1977).

While it is widely accepted that issue ownership may drive party platforms and agendas, it is less clear that the two parties are actually successful in implementing their policy priorities. In their 1990 article, Ian Budge and Richard Hofferbert present findings that show a relationship

between party platforms and government outputs. They conclude that “most federal spending priorities in the United States are quite closely linked to prior party platform emphases in the postwar period.” This result is part of a long line of scholarship that presents evidence of a relationship between parties and government spending. Specifically, that left or Democratic governments spend more than conservative ones (Blais, Blake and Dion 1993; Cameron 1978; Lewis-Beck and Rice 1985; Berry and Lowery 1987; Swank 1988).

On the other side of the debate are scholars who doubt the existence of a clear link between party control and budgetary allocations (Dye 1966; Wilensky 1975; Solano 1983; Garand 1988). These include Gary King and his colleagues, who replicate Budge and Hofferbert’s 1990 article and question the original interpretation. King and his colleagues suggest that a more accurate interpretation of the results would indicate that party platforms actually have very small effects on government spending (King et al. 1993).

Divided and Coalition Governments

The reality of governance is that individual political parties may not have total control over their own destinies (or the nation’s finances). While some governments (such as the United Kingdom) have generally had clear partisan control of government, others find the necessity of coalition-building between parties to be a fact of life. Parties in parliamentary systems such as Belgium and Finland must work with other parties to form governments, creating coalitions of different ideological stripes. Furthermore, presidential systems with legislative components, like the United States, must deal with potential differences between their primary governing bodies in the form of divided government, where one party controls the executive, and the other controls at least part if not the entirety of the legislature.

What does this mean for a government's ability to pass legislation? In the American divided government system, the idea that unification helps a party move its agenda through a legislature is well supported in the congressional literature. The general form of the argument is that divided government imposes greater transaction costs on the majority party, which limit its productivity. In turn, majority parties under unified governments enjoy greater degrees of in-party cooperation and institutional leverage, which afford them greater success in passing their legislative agenda (Cox and McCubbins 1991, Aldrich 1995, Coleman 1999).

Attempts to test theories that united government leads to more legislative successes for the majority party often center on classifying legislation as significant versus non-significant. This approach was pioneered by David Mayhew in his 1991 book *Divided We Govern*, in which he examines legislation between 1947 and 1990, and determines that significant legislation is just as likely to be passed under divided government as it is unified (Mayhew 1991). These, at the time very surprising, findings were later supported by a number of studies that showed no statistically significant increase in the amount of "important" legislations passed under unified government (Fiorina 1996, Quirk and Nesmith 1995, Quirk and Nesmith 1994, Cameron, Howell, and Adler 1997, Krehbiel 1996).

However, the findings of Mayhew and his congressional colleagues have not gone unchallenged. Using different classification systems and updated datasets other scholars find that united government has a significant impact on the type of legislation Congress passes (Kelly 1993; Edwards et al. 1997). John Coleman (1999) offers a summary study on the effects of united and divided governments, which compares the classification strategies of previous scholars. He concludes: "In this article I have drawn on a range of conceptions of 'significant' legislation to see whether unified government is associated with the passage of more such

enactments. The answer in most instances is ‘yes’” (Coleman 1999; see also Baumgartner et al. 2014 who present similar results for lawmaking in the US and France).

Moving beyond divided government, the coalition government structure seen in many European countries also helps explain why governments with multiple parties in power may be less successful at getting directional policy passed than single party governments. In coalition governments, actors must be strategic to obtain any sort of policy goals, as they are actually in government with a party that likely does not share their policy goals (Muller and Strom 2000). In coalition governments, the coalition cabinet focuses on issues that will be most helpful to all parties in the coalition, postponing dealing with issues that are more unattractive to the parties in government (Martin 2005). Agency problems force cabinets to also rely on legislative measures to ensure that joint policy is achieved (Martin and Vanberg 2005). Furthermore, attempts to try and move policy in specific directions in coalition governments will result in pushback against “hostile” ministerial proposals, keeping the coalition in check (Martin and Vanberg 2004). Therefore, we should expect that coalition governments are less likely to reallocate funding to and from priorities versus ideological coalitions (those coalitions where multiple parties of the same ideological direction share power) and single-party governments.

Mandatory Spending

Government spending is driven not only by partisan choices but also by formulas that lead to increased spending on certain topics when more people are legally entitled to it. This “auto-pilot” spending is often criticized as making government difficult to manage. However, any analysis of spending shifts over time must take seriously the possibility that a governing body has tied its hands by making large portions of the budget be automatic. Effectively, the impact of any such trends would be to render party control moot. Of course, leaders together have the

authority to change the formulas used even in the case of mandatory spending programs. In any case, the growth of mandatory spending over time could be an important limiting element for any partisan control hypothesis.

Governance

Bryan Jones and Frank Baumgartner (2005) have discussed the overwhelming complexity of government and the need of governments, no matter what their partisan make-up, to respond to the rise of new issues. Increasing evidence from several countries suggests that shifts in spending priorities over time relate more to long-term trends in demographics (e.g., growth in pension spending) or to global / strategic issues (e.g., whether a country is at war) than to the free and open choice of newly elected officials on arrival in office. In the American case, President G.W. Bush, a Republican, was in office when the financial crisis of 2007-8 occurred and therefore oversaw the largest intervention into the private economy in decades including taking over General Motors. Government take-overs of major corporations are hardly traditional parts of the Republican Party platform, and the argument is not that leaders move purposefully against their platforms. Rather, the governance hypothesis is that “things happen” which often require responses against the ideological predispositions of those in power. If the course of economic and political life were more predictable, then parties would be better able to lay out a plan of how they would deal with new issues, and then implement those plans. But given the inherent surprises of public life, parties must adjust to what comes at them, often necessitating movements that would not be predicted by partisan ideology alone. (For more detail and examples relating to the governing hypothesis, see Sigelman and Buell 2004, Walgrave et al. 2009, Green-Pedersen and Mortensen 2010, Baumgartner et al. 2011.)

Given these various expectations, our goal is very simple: we wish to compare spending behaviors of governments of the left and right to see if these patterns are consistent or inconsistent with their stated ideological predispositions. Further, we want to explore if the ability of governments to push spending toward their preferences is greater when the party in power has greater institutional control, such as in single party systems with unified control. Our empirical approach is very simple, and we seek to test these ideas on a large scale

Data and Results

We assemble budget data for 28 OECD countries to provide straightforward tests of the possible partisan effects on spending and government action. A key element is to classify policy domains and spending categories by party. We rely as much as possible on published studies to do so but the general idea is that left-wing parties are associated with health, education, and other domestic social services whereas right-wing parties “own” defense, crime-fighting, and certain related issues. Once the issues are assigned to the parties, then it is straightforward to determine if control of government is related to spending on those issues.

The United States

The most comprehensive data available to us is for the United States, where the Policy Agendas Project breaks the budget into 67 distinct subfunctions, spanning from 1947 to 2009. Table 1 shows our classification of spending as Democratic, Republican, or Neutral. In the 2008 budget year, which we use for illustration, 57 percent of the spending aligns with what are called Democratic priorities, 21 percent Republican, with the remainder unallocated.

Table 1. Party Ownership by OMB Subfunctions

| Category | FY Spending 2008 (\$Billions) | Spending Type | Coding |
|---|--|--------------------------|-------------------------|
| Military Personnel | 139.03 | Defense | Republican ^A |
| DOD - Operation and Maintenance | 256.21 | Defense | Republican ^A |
| DOD - Procurement | 164.99 | Defense | Republican ^A |
| DOD - Research and Development | 79.56 | Defense | Republican ^A |
| DOD - Military Construction | 22.06 | Defense | Republican ^A |
| DOD - Family Housing | 2.91 | Defense | Republican ^A |
| DOD - Other | 9.92 | Defense | Republican ^A |
| Atomic Energy Defense Activities | 16.63 | Defense | Republican ^A |
| Defense-related Activities | 4.91 | Defense | Republican ^A |
| Federal Law Enforcement Activities | 26.95 | Discretionary | Republican ^B |
| Federal Litigative and Judicial Activities | 11.89 | Discretionary | Republican ^B |
| Federal Correctional Activities | 6.74 | Discretionary | Republican ^B |
| Criminal Justice Assistance | 3.51 | Discretionary | Republican ^B |
| Emergency Energy Preparedness | 0.19 | Discretionary | Republican |
| Republican Total | 745.50 (20.69% of All Spending) | | |
| Farm Income Stabilization | 12.84 | Mandatory | Democrat ^B |
| Agricultural Research and Services | 4.60 | Discretionary | Democrat ^B |
| Elementary, Secondary, and Vocational Education | 37.21 | Discretionary | Democrat ^B |
| Higher Education | 24.62 | Mandatory | Democrat ^B |
| Research and General Education Aids | 3.36 | Discretionary | Democrat ^B |
| Training and Employment | 7.31 | Discretionary | Democrat ^C |
| Other Labor Services | 1.53 | Discretionary | Democrat ^B |
| Social Services | 17.31 | Discretionary | Democrat ^B |
| Health Care Services | 251.67 | Mandatory | Democrat ^D |
| Health Research and Training | 30.19 | Discretionary | Democrat ^D |
| Consumer and Occupation Health and Safety | 3.43 | Discretionary | Democrat ^B |
| General Retirement and Disability Insurance | 7.54 | Mandatory | Democrat ^B |
| Federal Employee Retirement and Disability | 110.90 | Mandatory | Democrat ^B |
| Unemployment Compensation | 45.63 | Mandatory | Democrat ^E |
| Housing Assistance | 35.29 | Discretionary | Democrat ^B |
| Food and Nutrition Assistance | 60.79 | Mandatory | Democrat ^B |
| Other Income Security | 166.00 | Mandatory | Democrat ^B |
| Social Security | 802.82 | Mandatory | Democrat ^A |

| | | | |
|---|--|---------------|-----------------------|
| Medicare | 422.18 | Mandatory | Democrat ^B |
| Democratic Total | 2,045.22 (56.78% of All Spending) | | |
| Energy Information, Policy and Regulation | 0.57 | Discretionary | - |
| Energy Conservation | 1.23 | Discretionary | - |
| | | | - |
| General Science and Basic Research | 11.10 | Discretionary | - |
| Space Flight, Research, and Supporting Activities | 16.58 | Discretionary | - |
| | | | - |
| Water Resources | 10.90 | Discretionary | - |
| Conservation and Land Management | 9.58 | Discretionary | - |
| Recreational Resources | 3.41 | Discretionary | - |
| Pollution Control and Abatement | 7.55 | Discretionary | - |
| Other Natural Resources | 5.75 | Discretionary | - |
| | | | - |
| Ground Transportation | 52.57 | Discretionary | - |
| Air Transportation | 19.77 | Discretionary | - |
| Water Transportation | 8.78 | Discretionary | - |
| Other Transportation | 0.35 | Discretionary | - |
| | | | - |
| Community Development | 18.50 | Discretionary | - |
| Area and Regional Development | 3.11 | Discretionary | - |
| | | | - |
| Legislative Functions | 3.62 | Discretionary | - |
| Executive Direction and Management | 0.50 | Discretionary | - |
| Central Fiscal Operations | 11.44 | Discretionary | - |
| General Property and Records Management | 4.05 | Discretionary | - |
| Central Personnel Management | 0.19 | Discretionary | - |
| General Purpose Fiscal Assistance | 4.05 | Discretionary | - |
| Other General Government | 1.48 | Discretionary | - |
| Conduct of Foreign Affairs | 12.08 | Defense | - |
| International Development and Humanitarian Assistance | 17.69 | Defense | - |
| International Security Assistance | 10.54 | Defense | - |
| Foreign Information and Exchange Activities | 1.25 | Defense | - |
| | | | - |
| Income Security for Veterans | 42.30 | Mandatory | - |
| Veterans Education, Training, and Rehabilitation | 2.82 | Mandatory | - |
| Veterans Medical Care | 39.05 | Discretionary | - |
| Other Veterans Benefits and Services | 4.57 | Discretionary | - |
| | | | - |
| Disaster Relief and Insurance | 19.89 | Discretionary | - |
| | | | - |
| Other Advancement of Commerce | 14.40 | Discretionary | - |

| | | | |
|-----------------------------|-----------------|---------------------------------|---|
| Interest on the Public Debt | 451.14 | Mandatory | - |
| Neutral Total | 810.81 | (22.51% of All Spending) | |
| Total All Spending | 3,601.53 | | |

Citation A = Sigelman and Buell 2004; Petrocik et al. 2003; Damore 2004

Citation B = Petrocik et al. 2003; Damore 2004

Citation C = Hibbs 1977

Citation D = Sigelman and Buell 2004

Citation E = Hibbs 1977; Petrocik et al. 2003; Damore 2004

Having assigned each subfunction to a party (or the neutral category), our question is empirically very simple. If we compare each annual allocation of spending changes across the 67 categories, and link the partisan “ownership” from Table 1 to these spending decisions, then we can conclude whether there is any systematic pattern of spending consistent with partisanship. We can call a spending change “consistent” if it increases spending more than the annual average to a spending category associated with the head-of-state’s party, or if it increases less than the annual average to those categories associated with the rival party. “Inconsistent” budget changes would be (relative) cuts to one’s own party priorities or relatively great increases in those categories associated with the rival party. In the United States, as about 23 percent of the budget is unallocated by party, some changes may also be deemed “neutral.” So we simply want to know what percentage of budget reallocations are neutral, consistent, and inconsistent.⁴

Table 2 displays these percentages for different levels of party control across three different spending types. The first section of the table (under the “all spending” row) examines total spending from 1947 through 2009. Looking at the rightmost column, which simply

⁴ We are interested in relative allocations and therefore our measure of consistent, inconsistent, and neutral allocations is the percent change for a given program minus the overall growth rate of the budget that year. So if a category shows a 3 percent increase but the budget has 5 percent overall growth in that year, we count this as - 2, reflecting a relative allocation of funds away from that budget category. This is an important adjustment to the data as each year has a different overall growth rate. We measure consistency the same way for each OECD country that we consider.

subtracts the percentage of inconsistent changes from consistent ones, we see that across all governing conditions, inconsistent changes occur slightly more frequently than consistent ones. There is, however, a marginal increase in the number of consistent changes taking place as a party consolidates control over the federal government. During divided government only 22 percent of changes are consistent while during united government with filibuster proof majorities in the Senate, 30 percent of changes are consistent.⁵ This suggests that the parties are better able to allocate money toward their priorities when they control the presidency and Congress, rather than just the presidency.

Table 2. Spending Consistency by Party Control in the United States, 1947-2009

| Government | N | % Consistent | % Inconsistent | C-I |
|-------------------------------------|-------|--------------|----------------|-------|
| All Spending | | | | |
| Total | 3,807 | 24.03 | 24.82 | -0.79 |
| Divided | 2,306 | 22.51 | 26.11 | -3.60 |
| Unified | 1,501 | 26.38 | 22.85 | 3.53 |
| Unified and filibuster proof | 606 | 29.70 | 21.12 | 8.58 |
| Discretionary Spending Changes Only | | | | |
| Total | 2,292 | 17.80 | 16.45 | 1.35 |
| Divided | 1,388 | 16.57 | 17.36 | -0.79 |
| Unified | 904 | 19.69 | 15.04 | 4.65 |
| Unified and filibuster proof | 352 | 22.44 | 12.78 | 9.66 |

The bottom half of Table 2 shows the breakdown of consistent and inconsistent changes for discretionary spending only. The logic here is that parties may be more successful at directing discretionary spending as compared to mandatory topics, which are controlled by long-standing formulas that are difficult to change. We find that isolating discretionary spending makes little difference for the results. Again we see that as the president's party consolidates control over the federal government the occurrence of consistent changes increases. In fact, consistent changes are almost twice as common as inconsistent ones. But we are dealing with only one-tenth of the

⁵ The percentage of changes belonging to neutral budget categories is not displayed, but is simply the sum of consistent and inconsistent changes subtracted from 100.

total number of observations at this point in the analysis, as filibuster-proof government is rare, and discretionary spending is only a portion of the budget.

Figure 1 provides a visual depiction of the data by tracking spending on Democratic and Republican priorities over time. The different background shadings represent varying levels of party control. As we have lagged our presentation of the budget data so that spending is associated with the government that authorized it, if there are party effects in spending they should be clearly visible at the thresholds between shading areas. Based on the figure, there is little evidence that partisan reallocations are taking place. The general trend, of increasing commitments toward Democratic priorities, continues regardless of party control.

Figure 1. The Proportion of Democratic and Republican Spending Over Time, by Party Control

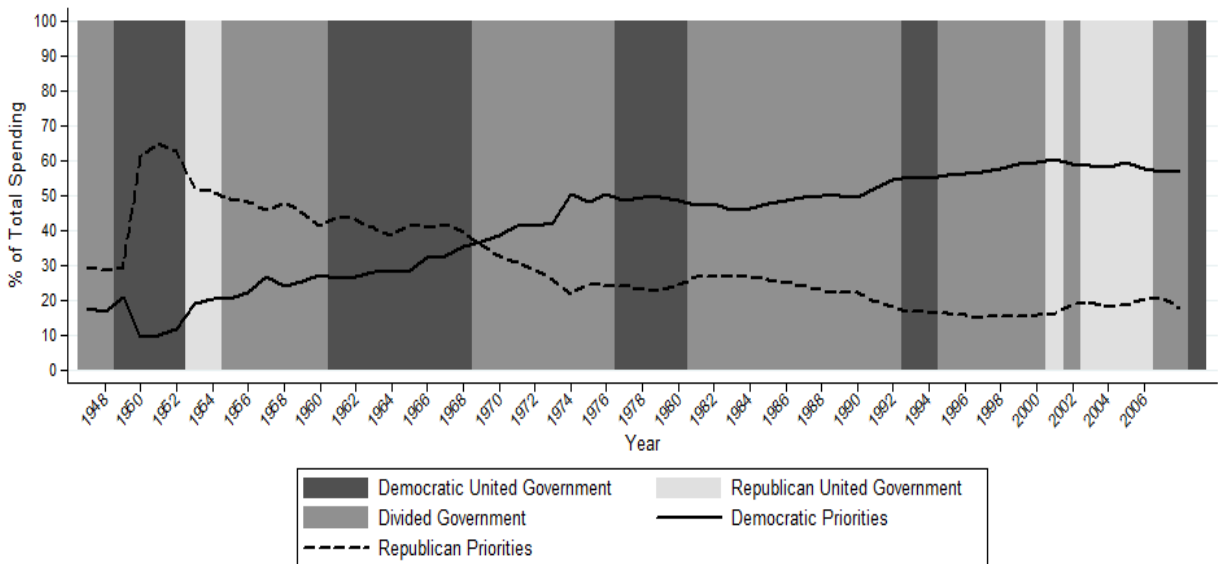
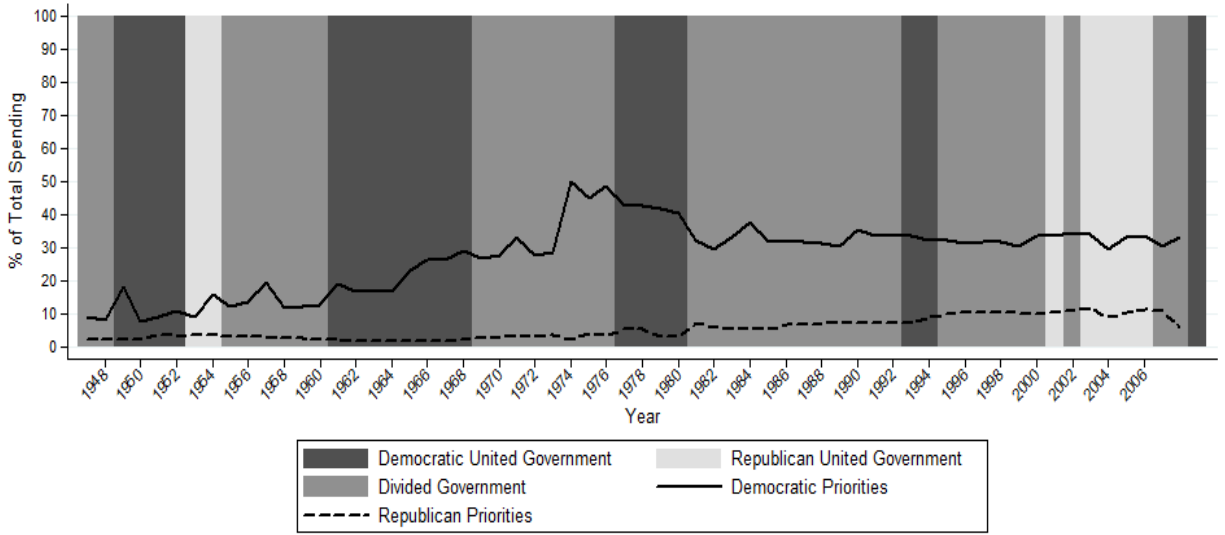


Figure 2 follows the same format as Figure 1, but isolates discretionary spending. As we saw with Table 2, looking only at discretionary spending does not substantively alter the results. Once again we find scant visual evidence that partisan reallocations are taking place.

Figure 2. The Proportion of Discretionary Democratic and Republican Spending Over Time, by Party Control



The United Kingdom, France, and Denmark

Our analysis of US budgets found only moderate evidence of party effects in spending. Much more dominate as an explanation for spending patterns, as Figures 1 and 2 made clear, were general social trends that appeared to drive spending regardless of party control over

government. We turn now to the United Kingdom, France, and Denmark, asking the same question: do parties direct spending toward their traditional partisan priorities when in office?

We use budget data available from the Comparative Agendas Project that tracks spending across various budget functions from 1950 to 2010 for the UK, 1958 to 2001 for France, and 1971 to 2010 for Denmark. We assign functions to left and right-wing parties following the general trend established in our analysis of US budgets, where left parties are assigned categories relating to health, education, and welfare, and right parties are assigned categories relating to law and order.⁶

Table 3 shows the percentage of total budget changes that are consistent and inconsistent

⁶ The appendix lists budget functions by country and our corresponding party codes.

for each country. For the US, we compared the occurrence of consistent changes for divided and unified governments, showing that consistent changes are more likely as party control over government solidifies. We take a similar approach here by looking at coalition governments. When a prime minister's party wins enough seats in an election to control government without forming any coalitions, we call that single party government. An ideological coalition is when a prime minister's party forms a coalition with parties of similar ideological orientation, and a cross ideological coalition is when the prime minister's party must form coalitions with parties of different ideological predispositions. The rightmost column reveals meager evidence of party spending effects. Only in Denmark do consistent changes outnumber inconsistent changes when looking at the total time series and, unlike in the US, breaking things down by party control does not appear to substantively alter the results.⁷

⁷ The exception is in the UK during cross ideological coalitions, when consistent changes are 12 percent more common than inconsistent changes. This result runs against conventional wisdom, which would suggest that prime ministers faced with ideologically diverse coalitions will be less successful in directing spending toward their own party's priorities. The caveat here is that the sample size is very small, as only 17 spending reallocations took place in the UK under these conditions.

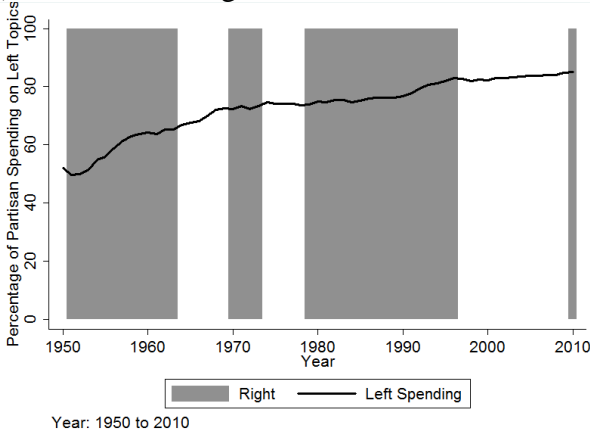
Table 3. Spending Consistency by Party Control in France, Denmark, and the United Kingdom

| Government | N | % Consistent | % Inconsistent | C-I |
|-----------------------------|-----|--------------|----------------|--------|
| France, 1958-2002 | | | | |
| Total | 424 | 32.78 | 37.50 | -4.72 |
| Single Party | 314 | 33.76 | 36.62 | -2.86 |
| Ideological Coalition | - | - | - | - |
| Cross Ideological Coalition | 110 | 30.00 | 40.00 | -10.00 |
| Denmark, 1971-2011 | | | | |
| Total | 390 | 42.05 | 37.95 | 4.10 |
| Single Party | 70 | 37.14 | 42.86 | -5.72 |
| Ideological Coalition | 280 | 43.21 | 36.79 | 6.42 |
| Cross Ideological Coalition | 40 | 42.50 | 37.50 | 5.00 |
| United Kingdom, 1950-2011 | | | | |
| Total | 498 | 15.46 | 21.69 | -6.23 |
| Single Party | 481 | 18.18 | 22.04 | -3.86 |
| Ideological Coalition | - | - | - | - |
| Cross Ideological Coalition | 17 | 23.53 | 11.76 | 11.77 |

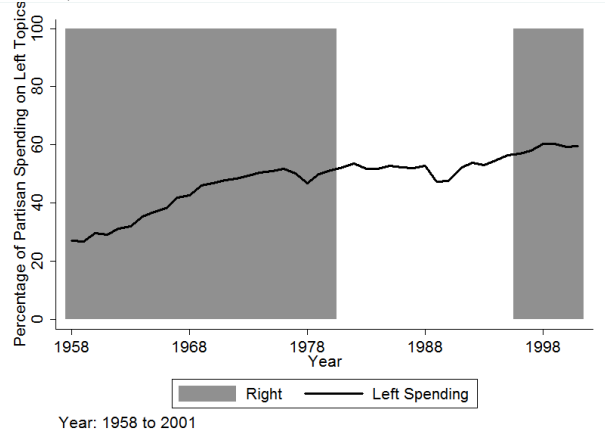
Figure 3 displays changes to spending on left-wing party priorities over time for each country. The grey shading indicates a prime minister from a right-wing party was in office, while no shading represents a left-wing prime minister. Once again, spending has been lagged so that it matches the governments that authorized it. As was the case with the US, visually there is very little evidence of party spending effects for the UK, France, or Denmark. In all three cases the general trend is increasing spending on left-wing priorities, regardless of the party of the prime minister.

Figure 3. Spending on Left-Wing Priorities for the UK, France, and Denmark

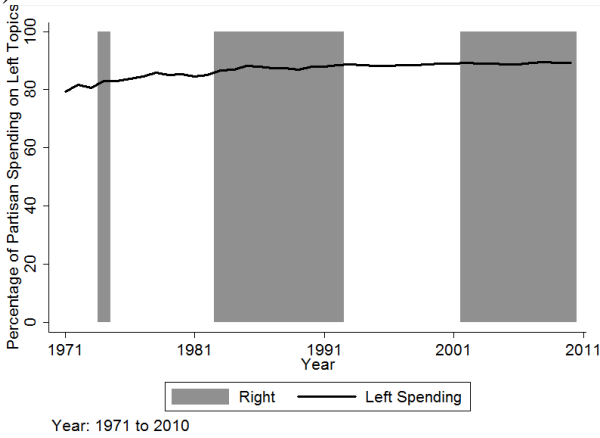
a) The United Kingdom



b) France



c) Denmark



OECD Countries

We expand the scope of our analysis by assembling budget data for 24 additional OECD countries.⁸ The maximum time series available for any country is from 1990 to 2010, with some countries having data for shorter periods. The OECD datasets break expenditures down into the same 10 budget functions for each country, which we assign to either left or right-wing parties based on the same general logic that informed our prior coding decisions.⁹

Table 4 displays the occurrence of consistent and inconsistent spending changes for each country. Once again, our definition of a consistent change focuses on the party of the head of

⁸ This data is available on the OECD data website [<http://stats.oecd.org/>].

⁹ The appendix lists the 10 budget functions and their party assignments.

government, so that a consistent change occurs when the prime minister's party increases spending on one of their priorities more than the annual average (or makes a relative decrease in spending to a rival party's priority).¹⁰ The rightmost column reveals that there is considerable variance across countries in terms of the government's ability to implement consistent changes. In Greece, for example, consistent changes are 8 percent more likely than inconsistent changes, while in Slovenia inconsistent changes are 12 percent more likely. The last row of the table aggregates across all 24 countries, and shows that collectively consistent changes occur at almost exactly the same rate as inconsistent ones.

Table 4. Spending Consistency in 24 OECD Countries

| Country | N | % Consistent | % Inconsistent | C-I |
|------------------------|-------|--------------|----------------|--------|
| Austria, 1995-2010 | 150 | 36.67 | 33.33 | 3.34 |
| Belgium, 1990-2010 | 200 | 36.50 | 33.50 | 3.00 |
| Canada, 1990-2005 | 160 | 42.50 | 37.50 | 5.00 |
| Czech Rep., 1995-2010 | 150 | 32.00 | 28.67 | 3.33 |
| Estonia, 1995-2010 | 150 | 36.67 | 33.33 | 3.34 |
| Finland, 1990-2010 | 200 | 18.00 | 13.50 | 4.50 |
| Germany, 1991-2010 | 190 | 37.89 | 32.11 | 5.78 |
| Greece, 2000-2010 | 100 | 39.00 | 31.00 | 8.00 |
| Hungary, 1995-2010 | 150 | 32.67 | 37.33 | -4.66 |
| Iceland, 1997-2010 | 120 | 29.17 | 29.17 | 0.00 |
| Israel, 1995-2010 | 150 | 26.00 | 25.33 | 0.67 |
| Italy, 1990-2010 | 200 | 31.00 | 25.00 | 6.00 |
| Japan, 2005-2010 | 50 | 24.00 | 26.00 | -2.00 |
| Korea, 2000-2010 | 90 | 11.11 | 12.22 | -1.11 |
| Luxembourg, 1990-2010 | 200 | 34.50 | 35.50 | -1.00 |
| Netherlands, 1995-2010 | 150 | 38.00 | 32.00 | 6.00 |
| Norway, 1990-2010 | 190 | 30.00 | 40.00 | -10.00 |
| Poland, 2002-2010 | 70 | 38.57 | 31.43 | 7.14 |
| Portugal, 1990-2009 | 190 | 33.68 | 36.32 | -2.64 |
| Slovakia, 1995-2010 | 150 | 25.33 | 30.67 | -5.34 |
| Slovenia, 1999-2009 | 100 | 29.00 | 41.00 | -12.00 |
| Spain, 1995-2009 | 140 | 19.29 | 30.71 | -11.42 |
| Sweden, 1955-2009 | 140 | 37.14 | 32.86 | 4.28 |
| Turkey, 2006-2009 | 30 | 33.33 | 36.67 | -3.34 |
| Total | 3,480 | 31.26 | 31.70 | -0.44 |

¹⁰ Changes made by center parties, where the head of state does not have a clear left or right political orientation, are coded as neutral.

In Table 5 we take a collective look at coalition governments across the 24 OECD countries. Our analysis of the UK, France, and Denmark found no evidence that increasing party control over government corresponds with more consistent spending changes. Here the evidence is mixed. Consistent changes are most prevalent under single party governments, as conventional logic suggests, but ideological coalitions appear less likely to make consistent changes than cross ideological coalitions. In all, the differences between consistent and inconsistent changes are only very modest for each of the three governing conditions.

Table 5. Spending Consistency by Party Control across 24 OECD Countries

| Party Control | N | % Consistent | % Inconsistent | C-I |
|-----------------------------|-------|--------------|----------------|-------|
| Single Party | 600 | 34.17 | 31.00 | 3.17 |
| Ideological Coalition | 1,520 | 32.96 | 34.28 | -1.32 |
| Cross Ideological Coalition | 1,360 | 30.15 | 29.78 | 0.37 |
| Total | 3,480 | 31.26 | 31.70 | -0.44 |

The OECD datasets divide expenditures by the same 10 budget functions for each country, which allows us, in Table 6, to display the occurrence of consistent and inconsistent changes across all 24 OECD countries by function. As a consistent change takes place either when a party increases spending on their own priority more than the annual average or makes a relative decrease to a rival party's priority, the occurrence of consistent changes by function does not say anything about the relative success of left or right-wing parties at directing spending toward their own priorities. Instead, this analysis speaks to the likelihood that particular spending categories will see partisan budgeting effects.

Table 6. Spending Consistency by Budget Function across 24 OECD Countries

| Topic (Party Affiliation) | N | % Consistent | % Inconsistent | C-I |
|--|-------|--------------|----------------|--------|
| Environment (Left) | 348 | 50.86 | 39.08 | 11.78 |
| Housing (Left) | 348 | 47.99 | 41.95 | 6.04 |
| Education (Left) | 348 | 47.13 | 42.82 | 4.31 |
| Health (Left) | 348 | 43.97 | 45.98 | -2.01 |
| Social Protections (Left) | 348 | 41.95 | 47.99 | -6.04 |
| Defense (Right) | 348 | 42.24 | 47.70 | -5.46 |
| Public Order (Right) | 348 | 38.51 | 51.44 | -12.93 |
| Public Service (Neutral) | 348 | - | - | |
| Economic Affairs (Neutral) | 348 | - | - | |
| Recreation, Culture & Religion (Neutral) | 348 | - | - | |
| Total | 3,480 | 31.26 | 31.70 | -0.44 |

In the rightmost column, we see that party effects are most prevalent for environmental spending, suggesting that for this topic left and right-wing parties have the flexibility to adjust spending according to their ideological predispositions. This is not the case for spending on public order, where inconsistent changes are much more likely than consistent ones. Of course, maintaining public order is an important function of government that responsible parties must engage in, regardless of ideology. In all, Table 6 adds important nuance to our analysis, demonstrating that the relative merits of the party effects and governance hypotheses may vary across spending domains.

Conclusion

Our search for party effects in spending covered 28 countries and, while there was substantial variance across countries, overall the evidence for partisan budgeting was very limited. In light of these results, understanding government budgets as an expression of partisan priorities is probably misleading. Much more likely is that government budgets simply reflect the nature of the times, changing in response to stochastic events outside the control of political parties.

Demographic changes, in particular, appear to dictate long-term trends in spending that parties

find difficult to break, no matter their partisan make-up. The best case for party effects appears to be for specific budget categories, such as environmental spending, where political parties may have more discretion to budget along the lines of their ideological predispositions. On the other hand topics like national defense and public order, which any responsible party must attend to, have a much higher occurrence of inconsistent changes. The implications of these findings appear quite substantial. They suggest that parties are much more affected by the nature of the times and the particular policy challenges they happen to face during their time in office than they are able to force the implementation of what may well be their sincere ideologically-based preferences. Sometimes, governance means doing what you have to do rather than what you want to do.

Appendix 1 – Party Coding

Tables 1A and 2A show how we code various budget domains by party for the UK and France.

Table 3A shows the party coding for Denmark and the remaining 24 OECD countries.

Table 1A. UK Party Ownership by Budget Category

| Topic | Left | Right | Neutral |
|--------------------------|------|-------|---------|
| Pensions | X | | |
| Health | X | | |
| Education | X | | |
| Defense | | X | |
| Welfare | X | | |
| Protection (Law & Order) | | X | |
| General Government | | | X |
| Transportation | | | X |
| Other | | | X |

Table 2A. French Party Ownership by Budget Category

| Topic | Left Party | Right Party | Neutral |
|--|------------|-------------|---------|
| Economy & Finance | | | X |
| Education | X | | |
| Public Works & Transportation | | | X |
| Justice & Interior Affairs | | X | |
| Defense | | X | |
| Agriculture | | X | |
| Industry & Commerce; Research & Technology | | | X |
| Social Affairs | X | | |
| Housing | X | | |
| Veterans | | X | |

Table 3A. OECD Party Ownership by Budget Category

| Topic | Left Party | Right Party | Neutral |
|---------------------------|------------|-------------|---------|
| Public Service | | | X |
| Defense | | X | |
| Public Order | | X | |
| Economic Affairs | | | X |
| Environment ¹¹ | X | | |
| Housing | X | | |
| Health | X | | |
| Recreation, Culture | | | X |
| Education | X | | |
| Social Protection | X | | |

Appendix 2 – Robustness Tests

Our analyses use a measure of spending consistency that is based on the party of the head of government. Here, we look at the US, and consider an alternate definition that measures consistency according to the party that controls Congress. Under this definition a consistent change takes place when spending is adjusted to match the partisan priorities of whichever party controls the House of Representatives. Table 4A shows the results of our analysis using this alternate definition, revealing that substantively it makes little difference what definition of consistency we use.

¹¹ For Denmark, we code the environmental spending category as neutral.

Table 4A. Spending Consistency by Party Control Based on Congressional Consistency Measure, 1947-2009

| Government | N | % Consistent | % Inconsistent | % Neutral |
|-------------------------------------|-------|--------------|----------------|-----------|
| All Spending | | | | |
| Total | 3,807 | 23.59 | 19.20 | 57.21 |
| Divided | 2,306 | 21.77 | 16.83 | 61.41 |
| Unified | 1,501 | 26.38 | 22.85 | 50.77 |
| Unified and filibuster proof | 606 | 29.70 | 21.12 | 49.17 |
| Discretionary Spending Changes Only | | | | |
| Total | 2,292 | 16.49 | 13.48 | 70.03 |
| Divided | 1,388 | 14.41 | 12.46 | 73.13 |
| Unified | 904 | 19.69 | 15.04 | 65.27 |
| Unified and filibuster proof | 352 | 22.44 | 12.78 | 64.77 |

Another possibility we consider is that party spending effects accumulate over time, in which case they may not be immediately apparent from one election to the next. For example, perhaps leftist parties do indeed increase spending to environmental programs more than their right-wing counterparts, but only by small annual margins, in which case the full extent of party spending disparities would not be apparent unless the amounts were aggregated across multiple years. Table 5A investigates this possibility by showing average growth for left and right-wing priorities under left and right-wing governments. If party spending effects accumulate over time, they should be apparent in the averages, which account for spending across all available budget years. We find, however, little evidence that party effects accumulate over time. After conducting difference of means tests the only significant coefficient is for right-wing governments in the United States, but this result works against the party effects hypothesis, showing that spending on left-wing priorities is significantly higher than spending on right-wing priorities under Republican presidents.

Table 5A. Average Spending on Left and Right-Wing Priorities by Control of Government

| Government | N | Avg. Growth Left Priority | N | Avg. Growth Right Priority | T-Test |
|---------------------------|-----|------------------------------|-----|-------------------------------|--------|
| France, 1958-2002 | | | | | |
| Left Government | 42 | 1.99 | 60 | 0.07 | 1.19 |
| Right Government | 84 | 10.70 | 112 | 8.28 | 0.35 |
| Denmark, 1971-2011 | | | | | |
| Left Government | 95 | 11.04 | 57 | 8.58 | 1.14 |
| Right Government | 100 | 5.07 | 60 | 3.63 | 1.03 |
| United Kingdom, 1950-2011 | | | | | |
| Left Government | 85 | 9.62 | 48 | 8.89 | 0.54 |
| Right Government | 113 | 8.94 | 72 | 7.74 | 1.09 |
| United States, 1947-2009 | | | | | |
| Left Government | 457 | 16.98 | 284 | 63.45 | 1.86 |
| Right Government | 668 | 13.40 | 432 | 5.93 | -2.02* |

* = significant with a two-tailed p-value of 0.05

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