

Politics in France, Spring 2008, Prof Baumgartner, March 26, 2008

Below are some figures on French government spending from a paper I am currently working on with some colleagues in France.

Review the graphs and look at the surprising results toward the end. In terms of spending patterns, there are very few partisan effects; that is, governments of the Left and of the Right are not as easily distinguished as you might imagine...

Figure 1. The rise of social transfer payments (e.g., pensions and other direct payments to citizens) and the decline of administrative services as a share of the budget. Note also the decline in capital spending (e.g., roads and buildings) and the increase in interest on the debt.

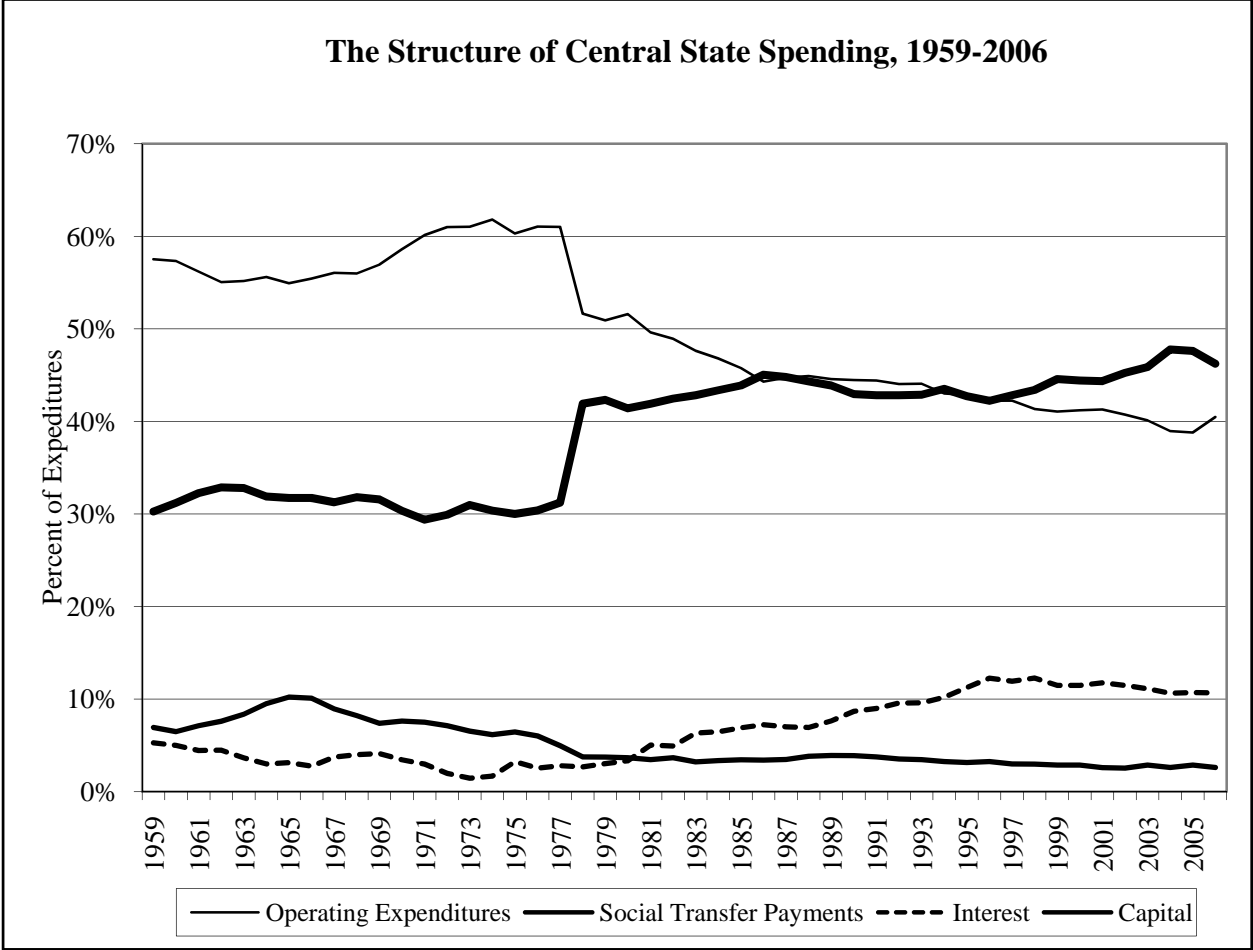
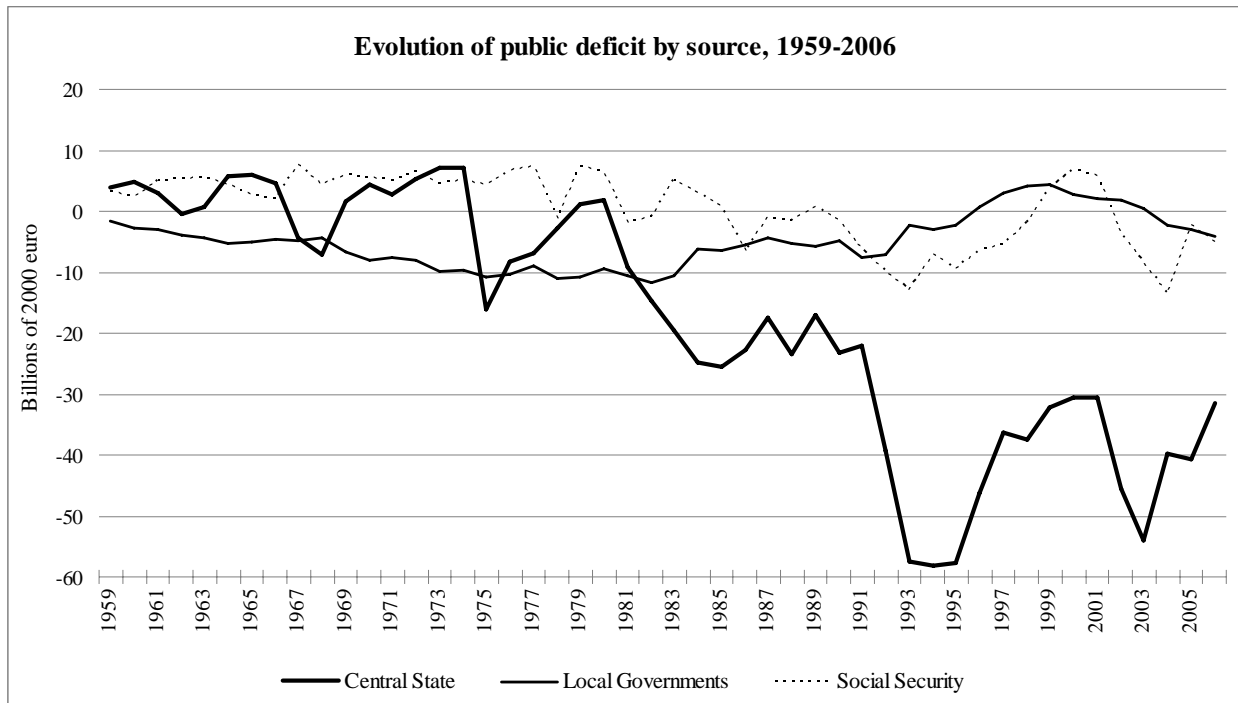


Figure 2. The Debt



Annual surplus or deficits by source of public spending, 1959-2006.

Figure 3. Where the taxes come from. Note that income tax is lower than you might imagine, TVA is the sales tax, which is huge. 'Social contributions' means payroll taxes such as health insurance, unemployment compensation, other payroll taxes paid partly by the employer, partly by the employee.

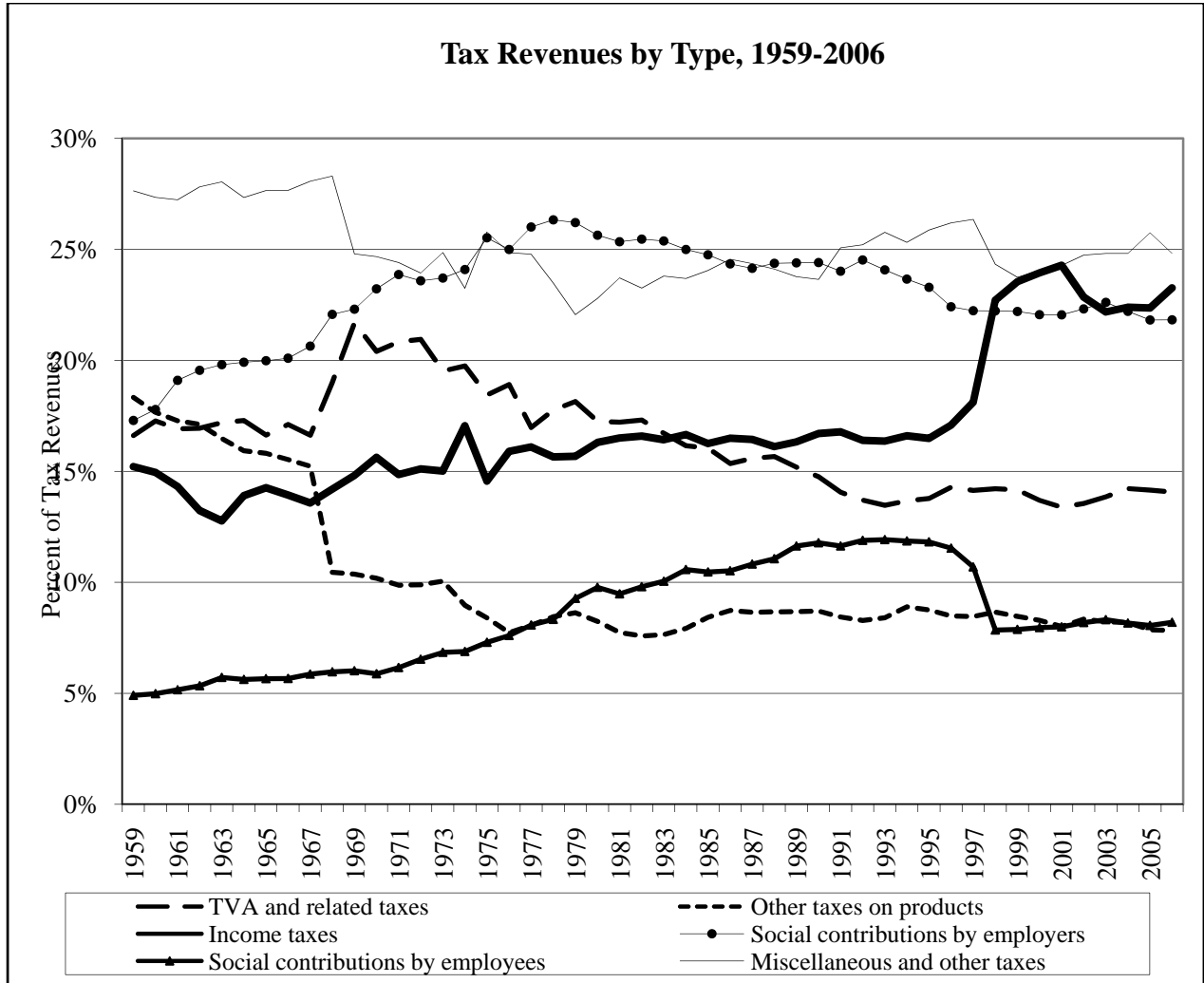


Figure 4. Annual Spending by Category, 1959 2002.

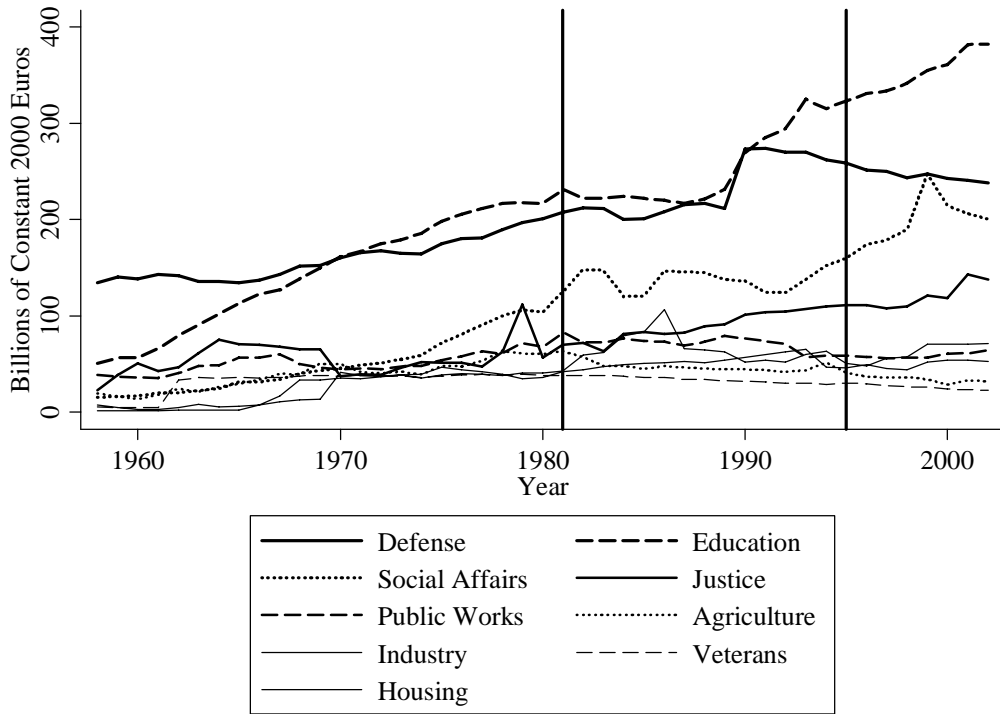


Figure 5. Defense, Justice, Veterans, and Agriculture Spending.

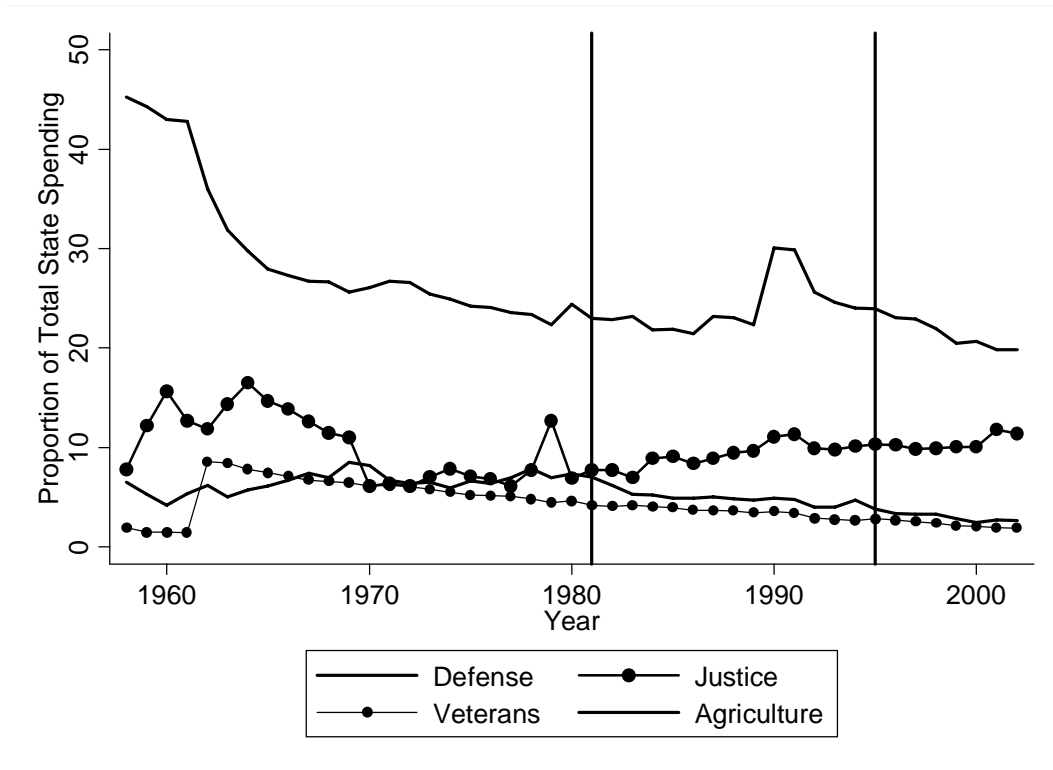


Figure 6. Education, Housing, and Social Affairs Spending.

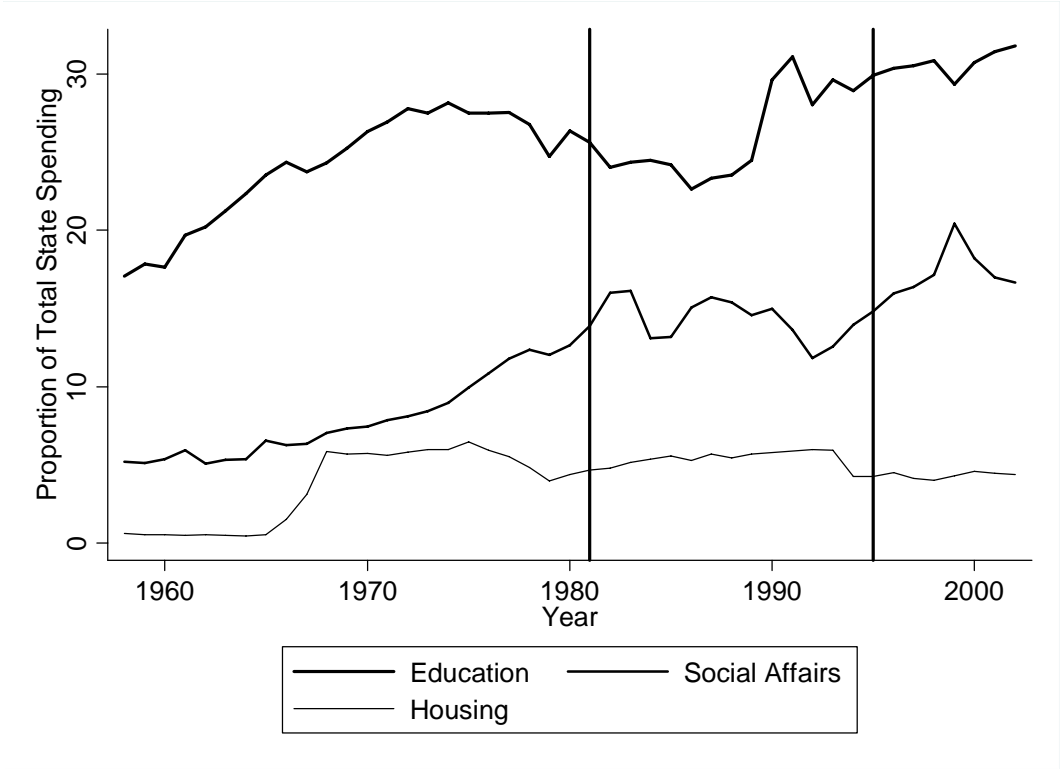


Figure 7. Industry and Commerce and Public Works and Transportation Spending.

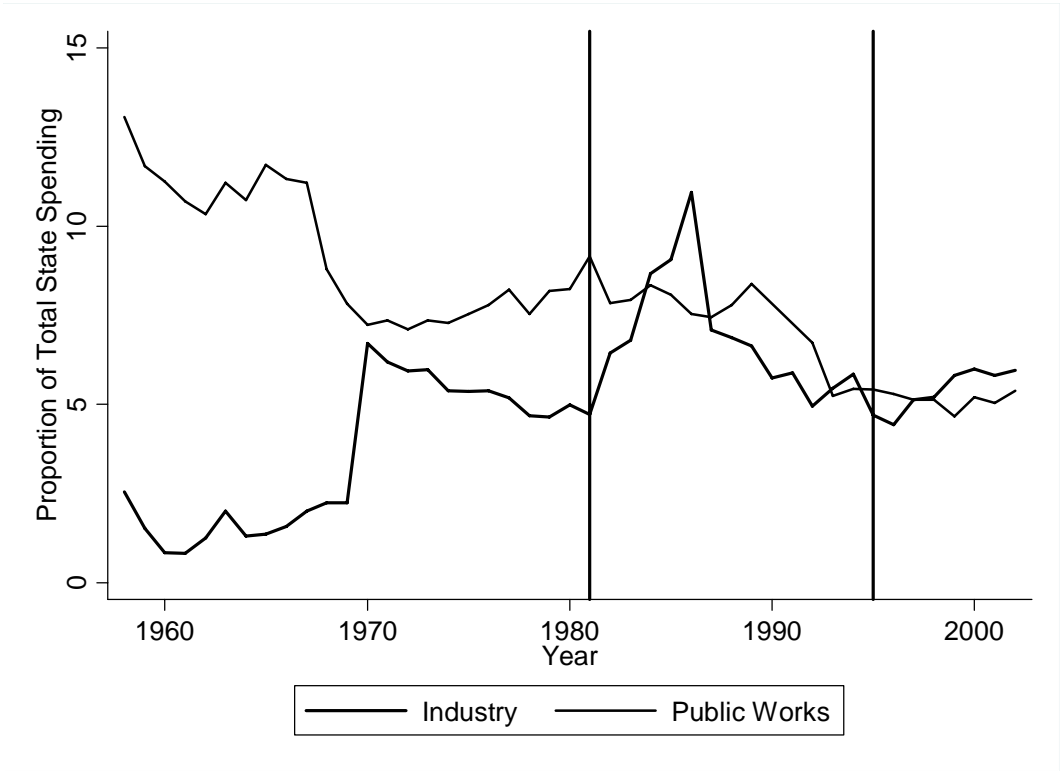
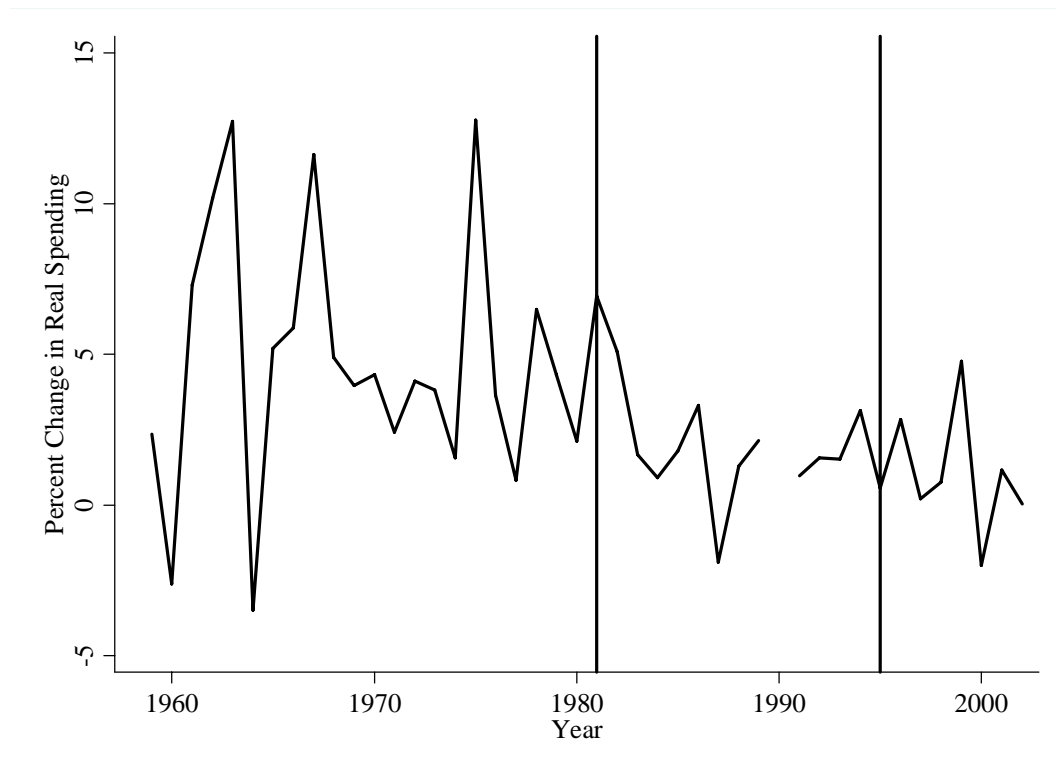


Figure 8. Annual Change in Real Spending, 1959-2002.



(Note: Data are not shown for 1990 when accounting changes related to the transfer of large amounts of funds from the central Economy and Finance budget to local collectivities made the series not comparable to the previous year.)

Figure 9. Average Spending Change by Prime Minister

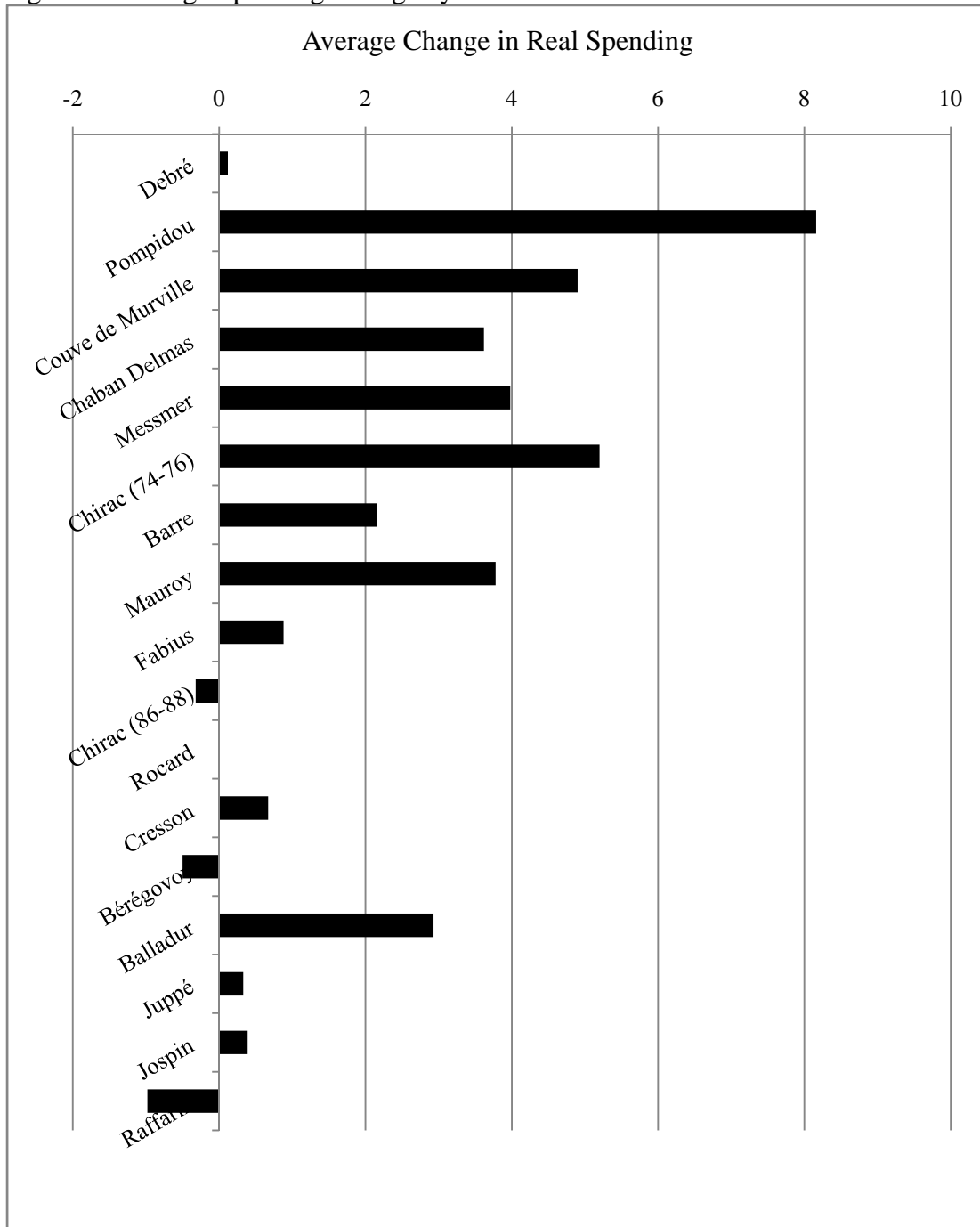


Table 1. Annual Changes in Spending by President, 1959-2002.

President	Partisanship	N	Mean	Median	SD	CV	Min.	Max.
De Gaulle	Right	132	15.91	5.31	62.90	3.95	-43.51	597.03
Pompidou	Right	60	5.97	3.84	29.36	4.92	-42.28	210.42
Giscard	Right	84	4.31	2.92	13.07	3.03	-49.12	78.23
Mitterrand	Left	168	1.73	1.03	10.52	6.08	-48.81	40.20
Chirac	Right	96	0.74	0.16	7.63	10.30	-20.27	30.25
Overall		540	5.71	2.02	33.28	5.82	-49.12	597.03

Note: The data show annual percentage changes in spending for twelve categories of spending across the period of 1959 to 2002.

Table 2. Annual Changes in Spending by Government, 1959-2002.

Prime Minister	Partisanship	Cohabitation	N	Mean	Median	SD	CV	Min.	Max.
Debré	Right	no	36	1.31	0.12	19.11	14.63	-43.51	66.94
Pompidou	Right	no	72	23.71	8.16	78.36	3.30	-31.22	597.03
Couve de Murville	Right	no	12	12.92	4.90	30.45	2.36	-16.50	99.84
Chaban Delmas	Right	no	36	7.67	3.62	37.84	4.93	-42.28	210.42
Messmer	Right	no	24	3.42	3.98	4.93	1.44	-3.25	18.33
Chirac 1974-76	Right	no	24	6.47	5.20	8.83	1.36	-8.75	22.66
Barre	Right	no	60	3.44	2.16	14.40	4.18	-49.12	78.23
Mauroy	Left	no	36	4.87	3.78	11.16	2.29	-15.84	40.20
Fabius	Left	no	24	2.21	0.88	9.94	4.50	-18.51	28.85
Chirac 1986-88	Right	yes	24	.56	-0.32	11.65	20.96	-38.13	28.04
Rocard	Left	no	36	-0.06	-0.00	12.15	-200.66	-48.81	29.14
Cresson	Left	no	12	0.0	0.67	4.11	99.21	-8.38	5.79
Bérégoovoy	Left	no	12	-0.31	-0.50	3.23	-10.44	-4.86	4.75
Balladur	Right	yes	24	1.76	2.93	10.20	5.79	-28.58	17.89
Juppé	Right	no	24	-0.95	0.33	7.58	-8.02	-20.27	8.74
Jospin	Left	yes	60	1.57	0.39	8.18	5.22	-15.13	30.25
Raffarin	Right	no	12	-0.01	-0.98	3.63	-257.19	-3.70	7.54
Overall			540	5.71	2.02	33.28	5.82	-49.12	597.03

Note : due to data availability, only the first year of the Raffarin's cabinet is taken into account.

Table 3: Average Annual Spending Changes by Category by Presidential Partisanship, 1959-2002.

Spending Category	Mean Spending Changes by Presidents of the:	
	Left	Right
Overall*	1.05	3.76
Economy	-0.22	4.26
Education	2.85	5.76
Public Works	0.35	2.47
Justice	5.28	6.72
Defense	2.19	1.06
Agriculture	-0.87	3.38
Industry	5.02	12.07
Social Affairs	3.35	7.89
Housing	1.58	16.12
Veterans	-1.90	19.04

*= $<.10$

Note: The table shows average (mean) spending increases within each category for Presidents of the Left and the Right. Only one of the differences is statistically different; overall spending under Presidents of the Right was significantly higher than under President Mitterrand, the only President of the Left to serve during the Fifth Republic.

Some of the lack of difference in the table could be due to the effects of Cohabitation. If we look at mean spending during periods of unified Right control, divided with a President of the Right, divided with a President of the Left, and unified Left control of government, growth in overall state spending is as follows: 8.69, 1.57, 1.16, and 1.97. Unified Right and unified Left control are even more clearly different than the data in the table suggest, therefore, with the Left spending significantly less than the Right.

Table 4: Average Annual Spending Changes by Category by Prime Ministerial Partisanship, 1959-2002.

Topics	Mean Spending Changes by Prime Ministers of the:	
	Left	Right
Overall**	0.90	3.93
Economy	-0.97	4.80
Education	3.30	5.62
Public Works	2.72	1.56
Justice	6.50	6.14
Defense	1.48	1.39
Agriculture**	-3.12	4.69
Industry	6.66	11.46
Social Affairs*	1.79	8.85
Housing	4.12	15.57
Veterans	-2.63	20.14

*= $p < .10$ **= $p < .05$

Note: The table is similar to Table 3, above. Just three series are significantly different among governments of the Left and Right and in each case the Right governments spend more than those of the Left. Most series are not statistically discernible from each other.

See also the note to Table 3 concerning the effects of Cohabitation.

Table 5: Average Annual Spending Changes Before and After the 1981 Elections

Topics	Average (Mean) Spending Change:	
	Before 1981	After 1980
Overall***	4.75	1.05
Economy	5.26	0.40
Education***	6.95	2.71
Public Works	2.93	0.71
Justice	8.03	4.49
Defense	1.87	0.97
Agriculture**	6.49	-2.44
Industry	15.66	3.99
Social Affairs*	9.25	3.64
Housing*	21.34	1.67
Veterans	27.03	-2.28

***=p<.01 **=p<.05 *=p<.01

The table shows that five series out of eleven showed significantly lower spending levels after 1981 than before. Growth in every spending series was lower in the later period than in the earlier period, though most of the differences were not statistically significant.