Explaining policy change: the impact of the media, public opinion and political violence on urban budgets in England

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1. I am grateful to the Nuffield Foundation for providing a small grant to assist the research. I also thank Rainbow Murray and Sachiko Muto for coding the data.
Abstract

This paper seeks to explain national government allocations of urban budgets in England, which changed dramatically over the 1966-2003 period. The paper sets out three perspectives on major policy change: partisan shifts, external shocks, and media-agenda punctuations, which link respectively to the literatures on the policy-opinion link, the impact of political violence on welfare policy outputs, and on the media and agenda setting. After discussing descriptive statistics, the analysis uses a regression model to explain budget change, with media attention to urban issues, public opinion on economic issues, unemployment, partisan control, and measures of urban riots as the explanatory terms. The paper finds that the media agenda and the key riot year of 1981 are the best explanations of budget levels.
One of the key questions about policy change is why? Political scientists want to know about the origins of significant and large changes in public priorities, what Jones et al (1998, 2003) call ‘policy punctuations’. Do they come from democratic processes, such as parties and interest groups, or from inside political systems, such as from bureaucracies, or arise in the media and from other propagators of ideas? Findings on this question would increase knowledge about some of the key behavioural relationships between institutions and groups in a democracy. It also matters whether major policy changes, such as budget shifts, are random or rare occurrences, such as Kingdon’s (1984) ‘policy windows’, which may lead to a series of ‘wild lurches’ before policy-making settles down again, or whether they arise from long-term movements in social and economic processes. Concerning the former, observing policy-making becomes just like the science of studying earthquakes, with little relation to the impact of democratic debate or deliberation; the latter could reflect the periodic re-awakening of opinion formers and publics from a long slumber.

This paper uses a case study of major policy change: the creation of a new category for central government funding in England in the late 1960s - urban policy - followed by rapid increases in its budget, and the subsequent lessening of official attention after 1997. After setting out three perspectives on policy change, it tests out various hypotheses to explain the budget levels. In particular, it asks whether urban political violence has an impact on public expenditure in contrast to or alongside partisan processes and debates in the media?

Accounts of policy change

The first candidate for an explanation of policy change is partisan shifts, whereby policy outputs are shaped by the ideological and policy positions of parties
and groups of voters, which may turn into public spending or other policy outputs. Some elections may be particularly strong examples of partisan change when they originate from a sea-change in political debate. And there are existing tests of the impact of changes of partisanship for public spending levels (e.g. Hofferbert and Budge 1992) and that party politics matters for the output of nations (Castles 1982, Garrett 1998, Swank 2002, Jones et al 1998). Linked to partisan change, is the effect of public opinion on the policy positions and outputs of governments (e.g. Page and Shapiro 1983, Wlezien 1996, 2004, Soroka and Lim 2003, Soroka and Wlezien 2004, 2005).

The second cause of policy change is sudden shocks to the political system, highlighted in the policy advocacy coalition framework (Sabatier and Jenkins-Smith 1993, Sabatier 1999), which can be large socio-political events, such as the oil embargo of the 1970s, that shatter policy routines, force new issues and ideas onto the agenda by their sheer magnitude, and thereby shift the governing advocacy coalitions. These events are probably more distant from democratic process than public opinion and partisan change because the elite has to respond to environment changes rather than to a new expression of political will; but sometimes external change is about the more extreme behavior of excluded groups that seek to seize the agenda.

The third source of radical agenda and policy change is the emergence of new ideas, which can suddenly ‘hit’ a political system. Here policy entrepreneurs may be able to sell an idea to political leaders, experts and communicators at first, which then catches on more widely in the media later on. Here policy entrepreneurs often promote the idea to the media, where it takes hold and in turn influences the policy agenda, on the one hand, and public opinion, on the other. And once an idea catches on, it can be unstoppable, causing the punctuation in attention and policy outputs.
Here the media acts as a gatekeeper between mass public and executive leaders, which may reflect the selective pressure of particular interest-group entrepreneurs (Baumgartner and Jones 1993: 106). The influence of the media on public opinion and/or executive priorities is central to much agenda-setting research (e.g. Cobb and Elder 1983, Soroka 2002a), with studies focusing on the positive and significant influence of the media on public opinion on the one hand (McCombs and Shaw 1972, Winter and Eyal 1981, Cook et al 1983, Soroka 2002) and others on policy adoptions (Carpenter 2002).

These three perspectives give an indication of the origins of large agenda and policy change. As the discussion indicates, they are not entirely exclusive in that they may run together, such as external events and partisan change. Nonetheless, they suggest certain hypotheses: that policy change will be associated with partisan changes and prior shifts in public opinion; second that agenda and policy change will be associated with large events external to the political system; and third that debates and changes can initiate large policy changes, so that the media is seen to influence.

**Urban policy change**

Urban policy concerns targeted government programmes that aim to remedy acute spatially-concentrated patterns of unemployment, physical decay, and associated social problems, often occurring in the core of urban areas. One of the consequences of economic growth is a tendency for certain locales to be prosperous and for others, such as urban areas within a metropolis, to lose their economic advantage through competition with other places. Underlying this process are the powerful forces that create inequality in modern societies, such as population movements, and the way in which aspects of disadvantage reinforce each other. On top of that is the tendency for minority groups to live in these deprived areas where
the lack of access to jobs is compounded by discrimination in the labour market and exclusion by public agencies, such as the police.

In the west, governments once believed they only needed to manage the macro-economy and then the market would sort out these inequalities. But the persistence of pockets of poverty and unemployment in the 1960s, at a time of rising prosperity, and the confidence of social science to develop techniques to improve society, led governments, such as those in the US and in the UK, to intervene more selectively. In addition, there have been bursts of activism and reform that reflect political pressures to do something about cities, places that the media highlight as well as willingness to replace programmes because of frustration that many do not appear to work (see Robson 1994). Urban policies typically suffer from successive bursts of activism, which reflect ministerial sponsorship, and have a see-saw pattern as fashions come and go: the creation of the Urban Programme, a stream of funding, in 1968, the direct intervention of the Labour governments in the 1970s; then targeted initiatives to revive urban markets by the Conservatives first in the early 1980s associated with the urban development corporations, which rapidly expanded expenditure up the mid-1980s; the Action for Cities set of initiatives that followed the 1987 election, aiming to promote the competitiveness of cities; and finally the reform of urban policy through the Single Regeneration Budget in 1993, with a gradual lessening of attention to urban issues afterwards after the election of a Labour government more concerned with general equality rather than spatially targeted schemes.

It is possible to apply the three perspectives on policy change to urban policy. Although there is a high degree of partisan agreement, such as on the need for government to remedy market failure, political parties often disagree about the causes of inner city deprivation, such as the extent to which new forms of regulation are
needed or whether substantial transfers of funds is the key tool of government, as represented by the difference between a free-market approach and the traditional social-democratic account of the need for state intervention. Partisan change may have been associated with the creation of the urban policy in 1968, with the activities of a Labour government keen to forge new sets of voting patterns. Similarly, urban policy fashion in the 1980s followed the election of a Conservative government that wanted to impose a business agenda on deprived areas.

Outside the traditional means of political communication, radical political events may stimulate the introduction of urban policies, which can act as an external shock, the second cause of policy change. A core idea in the neo-pluralist perspective is that inequalities of political and economic power may be addressed by more extreme forms of political behaviour that react to those economic and social inequalities. What radical political action can achieve is issue expansion. Riots are collective outbreaks of violence that have an element of spontaneity. They usually affect inner cities and are often carried out by the poor and excluded. They often challenge political elites, either to respond with more law and order spending and a police crackdown, and/or they encourage improved welfare provision. In neo-pluralist terms, riots can be a form of political communication from the poor to the governed, where they operate as a compensation for the failure of the traditional mechanisms of democracy (Lipsky 1970). They can punctuate the political agenda and compensate for the operation of traditional biases in favour of established interests (Cobb and Elder 1971: 913). Then there is the interaction of political violence with the stances and ideological positions of political parties, which may affect the extent to which a political party may react to these events (Button 1978). Riots can stimulate policy change by causing issues, such as urban poverty, the needs
of the ethnic populations, and the conditions of the inner cities, to be considered by policy-makers who fear the re-occurrence of repeated acts of violence and who perceive a need to react to the dramatic media commentary. In 1960s USA and 1980s UK, black violence was caused by a host of grievances, such as poor housing and unemployment, which provoked a social policy response from agenda setters and policy-makers. In the US, the 1960s riots stimulated policy-makers in riot states and cities to allocate federal aid programmes, in particular the Aids to Families with Dependent Children (AFDC) to inner city populations (Piven and Cloward 1972: 196-198, 240-245, Hicks and Swank 1983, Fording 1997, 2001), and a range of other programmes (Button 1978). Many of the dedicated urban programmes derived from this date, and represent a flowering of urban policy initiatives in the late 1960s and in 1970s (Baumgartner and Jones 1993: 126-149).

Piven and Cloward place their argument in a more complex account of the intersection of political violence and public policies whereby the social programmes of the 1960s expressed a political project to integrate the disruptive poor populations. Overall they adopt a social control rather than a political communication perspective, but even so they stress that gains are still there to be had. Their approach is summed up by the much-quoted phrase: ‘a placid poor get nothing; but a turbulent poor sometimes gets something’ (Piven and Cloward 1972: 338). Such positive responses from the state usually only last a short period of time. A social control perspective would suggest that state actors respond to the demands created by political violence, in which case welfare spending should return to trend when those demands are not present (Fording 2001: 115-116).

In England, the 1980s riots are quite close in time to the urban policy initiatives described earlier. Although they were not the first race-related riots in
British history (see for example the race riots in Cardiff in 1919, and then those of 1978 in Notting Hill, London), the riots of the early 1980s were distinctive, partly because of their intensity, and also from the media coverage, which led to extensive public discussion and to sympathetic official deliberation, such as from the Scarman report of 1981. The Conservative Secretary of State for the Environment, Michael Heseltine, showed an interest in the social conditions of cities that experienced riots, visiting Merseyside, and he promoted a new wave of special purpose economic development bodies, the urban development corporations (Hennessy 1986).

The third factor is the extensive discussion, in the media and elsewhere, of policy alternatives, which is particularly common in urban policies that are subject to changes in fashion and to experimentation. Policy transfer from the US was apparent in the 1960s (Batley and Edwards 1978) and also in the 1980s, with Urban Development Corporations (UDCs) and Enterprise Zones - copied from the North American experience. In this case, political leaders may lead fashionable changes in urban policy promoted by the media, particularly as urban policy is particularly subject to ministerial entrepreneurship.

**Data collection**

The research identifies policy and agenda change in urban policy from 1966-2003, dates chosen to encompass the whole of the longest-running centrally-funded policy instrument, the Urban Programme, through a coding of 37 years of media attention, public opinion and policy outputs. The media’s attention data is drawn from Lexis-Nexis and the *The Times* Digital Archive. The former is an electronic newspaper record of stories which can be listed according to pre-chosen selection terms; the latter is an electronic record of the whole of *The Times* extending back from 1985 to way before the cut-off period of 1966. The two coders examined *The Times*’
inclusion of the term ‘inner city’ and ‘riot’ in its articles and other newspaper features, such as letters. They developed a code frame to determine whether the articles the electronic search engine produced should be included, which involved developing criteria to exclude articles. For example, they excluded articles on European urban policy produced by the inner city search term. There were also a large number of riot articles that were irrelevant, such as those on gardening (e.g. ‘riot of colour’) and the many that used the expression in sports commentary. More troublesome were occasions of riots were not linked to the urban context, such as football and prison riots, which could conceivably be linked to urban problems, say in deprived areas; but in the end the coders excluded them. There emerged an effective code frame for both terms, with 95 per cent intercoder reliability.

Public opinion data were drawn from Gallup polls (King and Wybrow 2001: 262-273). Soroka and Wlezien (2005) have used the repeated annual question, ‘Do you think that the government is spending too much, too little or about the right amount on …’, with respect to policy areas. But there was no question on an urban policy issue, so we used ‘What would you say is the most urgent problem facing the country at the present time?’, with a choice of responses. The basket of responses started in 1966, changed in 1978, and again in 1989, to reflect the changing character of public issues. The core list remained unchanged. The project coded the percentage of respondents indicating unemployment was the most urgent problem.

The policy output is annual budgets for urban policy. There is no government estimate for urban expenditure before 1994, the first year of the Single Regeneration Budget (SRB), which drew together the many spending initiatives. These budget lines were coded from the detailed list of sub-functions in the annual House of

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1. The project coded 57 budget heads that occurred at various points since 1966.
Commons Appropriations accounts, which are laid in front of Parliament, after being audited by the National Audit Office. Two spending measures, planned and actual (which are closely related to each other), are created by adding together these programmes across the departmental estimates for each financial year. A GDP deflator creates constant pounds.

There are key dates from which to generate dummy variables. One is party control in central government, either the Conservatives, which pursued the market-led initiatives in the 1980s, or Labour, which centrally directed economic activity in the 1960s and 1970s, though which has been less activist when in government again after 1997. Then there are key dates of changes in government policy. One is the July 1981 urban riots, which led to extensive ministerial interest in the condition of the inner cities; then in June 1987, the Prime Minister at the time, Margaret Thatcher, promoted urban policy as a core initiative. This policy was launched immediately after the general election of that year, and was memorably captured by a photo shoot of the prime minister walking about an urban wasteland. In addition, the project used annual measures of unemployment, from the Labour Force Survey, as calculated by the Office for National Statistics, to proxy for the economic conditions facing inner cities.

The descriptive findings

The first task is to examine the data for periods of agenda change. Figure 1 shows the monthly hits for the term ‘inner city’. This term was hardly existent in newspaper coverage at the beginning of the period, and then it rose gradually. It had several dramatic peaks during the key events of the period, associated with the policy debates and interest of the mid-1970s, the riots of 1981, and then the policy interest of
the 1987 election. These peaks, though dropping from the height of interest, appeared to have caused a permanent rise in coverage of this topic since 1987, and the term has not returned to the pre-riot levels – the inner city label has entered the political vocabulary, and by implication the policy one as well.3

To assess the impact of these dates, Table 1 presents a Box-Jenkins model of the Times’ reporting of the term ‘inner city’, using logged values because of the punctuated character of the series. As well as the intervention variables of the 1981 riots and the June 1987 policy change, we include public opinion on unemployment as a control. Here we find the coefficients are in the expected direction, but with the riot dummy with the largest coefficient, followed by 1987 and then party, with a much lower coefficient.

Turning to the riots, the coders counted the media’s reporting, which is in part a measure of the incidence of riots and also how they attract the media’s attention (see Figure 2). This figure is more spiky as would be expected from this sort of phenomenon, with sudden bursts of interest, which then dampen down again. The main peaks are the riots of 1981 and also the Handsworth disturbance of 1985, but there are other ones too: the urban unrest in Notting Hill, London in 1978; the riots in Bristol in 1980; the poll tax riots of 1990; and then the riots of 2001 and 2002 in Oldham, Burnley and Bradford associated with racial conflict and the rise of the radical right. There is a close relationship between inner city and riot with similar peaks and troughs, and a Pearson correlation of .463 (p=.000). Because riots are

3 A formal test for large change or punctuated data is suggested by Jones and colleagues (2002, Jones and Baumgartner 2005): mapping the distributions of bands of per cent changes around the median point. If the distribution is normal, then the decision-making pattern is incremental; if there are punctuations, then the spread should be leptokurtic – that is have many frequencies close to the median point, with an above average at extreme points to mark the punctuations. Tests show the distribution is not normal. The Shapiro-Wilk statistic is .867, which has a probability of zero; and so too the Kolmogorov-Smirnov score is 3.98 and also has a zero probability. The distribution has a kurtosis of 4.2 (standard error=2.3).
usually an inner city phenomenon, there is a cross over between the two, and some of
the same articles are in each one. It does not appear that articles for inner city precede
those for riot. Lagging riot does not improve the correlations, but reduces them from
.463 to .391 (lag of one month), 3.91 (two months), and .342 (six).

Figure 4 shows the per cents in surveys nominating unemployment as the most
important problem, which reflects the extent of unemployment in the economy. It is
not related much to attention to inner cities, though there is a modest correlation
between the two (Pearson=.22, significant at .01 level). Here we show the massive
changes in public opinion over the period, which suggests a link between public
opinion and spending levels.

Now to budgets, which are annual totals as represented in Figure 5, revealing a
gradual growth during the period, and then a lessening off after 1999/98 when the
Single Regeneration Budget programme started to come to an end. As with the media
interest, there appears to be an acceleration around 1988/89, after the 1987 election or
policy-change date, then a marked drop at the end of the period. This rapid
acceleration in budgets is partly a function of the inter-departmental nature of urban
expenditure, with a rapid increase in the number of programmes as departments of
state competed to have their own urban policies. The rapid decline at the end of this
period is a function of the new wave of policies of the Labour government elected in
1997, which cut the funds going to urban areas and replaced programmes with more
universal programmes, such as the New Deal. This is not to say that urban areas did
not get funds, but they did not get them under programmes with urban titles and strict
spatial allocation criteria.\

4. It is no surprise that such changes are punctuated, with a kurtosis of 8.99 and a standard error of
.768, more punctuated than the media term, which is consistent with the theory of institutional friction,
that institutions can cause more pronounced disruptions to policy routines when they happen (Jones and
Baumgartner 2005).
Explaining budgets

Before running models to explain budget change, one issue to resolve is whether the media’s reporting influences policy outputs or do policy outputs affect media reporting. To answer this, a Granger test from a Vector Autoregression model of the two variables implies the direction of causation flows from inner city to budgets, though only at the 10 per cent level.

It is possible to match budget changes with the media interest by adding together the monthly-recorded terms into figures that span the budget years along with public opinion on unemployment. In addition, there is the actual level of unemployment, but where reliable and comparable measures only go back to 1971. The modelling strategy reported in Table 1 is to first adjudicate whether it is riots or media opinion that is the better predictor of budget change. Because the two terms are so closely related, the models in table 1 test them as alternative hypotheses. Owing to their punctuated character, the budget, inner city and riot coverage terms are logged. It should also be noted that the logged budget series is stationary (Dickey-Fuller=4.16, exceeding the one per cent critical value).

Model 1 tests for the impact of inner city coverage on the grounds that budget levels reflect media concern about urban issues lagged by one year to allow for the stickiness of budget decision-making. Note that the cases drop to 35 because of the lagging and also because there was a zero in one of the cases of inner city where there was no coverage, which meant there was no logged value for this case. The results show a positive and statistically significant relationship. Model 2 performs the test.

Historical LFS-consistent Time Series 1971-2003

The Office for National Statistics (ONS) has produced a set of historical estimates covering the period 1971-91, which are fully consistent with post-1992 Labour Force Survey (LFS) data. The loss of some years at the beginning of the dataset is worth the benefit of a consistent and valid series, when many other measures are affected by frequent definitional changes.
for riot coverage, but here the variable is not statistically significant, which is a clear
verdict in favour of the ideas-version of the agenda-setting model. But this finding
does not preclude the claim that some riots are important. As before the
hypothesis is that the riots of 1981 should prove to be critical, and once again it is
possible to use a dummy variable, also lagged by one year. Model 3 shows that both
the media agenda and the riot dummy independently predict urban expenditure. The
other models test hypotheses related to other external or political factors in public
policy: all these variables have non-significant results. Model 4 tests whether public
opinion on employment, lagged by a year, predicts spending; but it does not, rejecting
the opinion-policy link in this case. Model 5 tests whether the national level of
unemployment, which is correlated with unemployment in inner city areas, is a driver
of urban spending on the grounds that demands from the inner cities feed into
policies. This again is not significant, which is a surprising finding because the early
1980s saw rises in unemployment, particularly in the inner cities. Model 6 tests
whether the key date of 1987 makes a difference – but it does not when controlling for
the riot year and for media interest in inner city issues. Finally, the partisanship
variable does not make an impact as shown in model 7. Though the negative
coefficient appears to indicate that the Conservatives were urban policy spenders, in
fact they were no different to Labour, with the rise in expenditure happening for other
reasons than partisanship.6

These models model a step up for public spending, but as policy-makers found
new programmes and the Labour government elected in 1997 explored less spatially
targeted forms of intervention, urban spending fell. It is possible to test a further
models which model the intrusion of the riots as a temporary intervention. Table 3

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6
presents a distributed lag analysis, presenting the 1981 riot as a short run intervention, which gradually died away. This finding is consistent too with the Piven and Cloward thesis that the policy effects of riots are usually short-lived.

Conclusions

The period of 1966/67-2002/03 shows how an aspect of the public agenda that had no importance earlier grew massively, and then stabilised to a permanent concern. Public policy-makers did not just leave public policy to the media, they translated these concerns into new programmes that took money from other budget heads and found new sources. Such expenditure rapidly increased. This paper has traced the impact of media interest, public opinion, and external events on urban policy outputs. The analysis has sought to uncover the origins of a large policy change through exploring the attention of the media to a critical policy issue of the ‘inner city’. The analysis shows that there is a direct influence of the media coverage of inner city issues, but not of riot coverage. But the key date of 1981 appears to be the main switching point even when controlling for inner city coverage. It seems that the riots of 1981 were critical in shifting agendas and in state funding just as Piven and Cloward hypothesise. Other factors, such as unemployment, public opinion and party control, or key elections do not have a significant impact. The one model that did not have an effect was of political partisanship, which is a revision to the conventional wisdom. Just as Piven and Cloward hypothesise, urban spending fell, and the riot impact was short lived.

Such findings show the link in a particular area of government policy, which itself is defined by the attention politicians and policy-makers to the acute problems faced by those cities. In this sense, we expect the media and for dramatic political
events to be influential. Such processes may apply to more ‘mainstream’ funding streams, such as the traditional categories of agriculture, industry and so. However, further empirical tests using the categories and data in this study could show whether these findings are more widely applicable.
References


Figure 1: Monthly coverage of ‘inner city’ in *The Times*
Figure 2: Monthly coverage of ‘riot’ in *The Times*
Figure 3: Gallup’s ‘Most Urgent Problem Facing the Country’: Unemployment
Figure 4: Total deflated English urban expenditure 1966/67-2002/03, in billions of pounds
Table 1: modelling the attention to the Times’ reporting of ‘inner city’ 1966-2002

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Loglikelihood: 53.06148

N = 335

*=p. < .05  **=p. < .01  ***=p. < .001
Table 2: The determinants of urban budgets, 1966/67-2002/03

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<td>35</td>
<td>35</td>
<td>35</td>
<td>32</td>
<td>32</td>
<td>35</td>
<td>35</td>
</tr>
</tbody>
</table>

Semi-robust standard errors in parentheses
* = p. < .05 ** = p. < .01 *** = p. < .001 ***
Table 3: autoregressive Koyck distributed lag equation for urban spending

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inner City (n-1)</td>
<td>.0003*</td>
<td>(.0001)</td>
</tr>
<tr>
<td>Riots 1981</td>
<td>.1406**</td>
<td>(.0446)</td>
</tr>
<tr>
<td>Spending (n-1)</td>
<td>.8682***</td>
<td>(.0245)</td>
</tr>
<tr>
<td>AR(1)</td>
<td>.6754</td>
<td>(.0360)</td>
</tr>
<tr>
<td>Constant</td>
<td>1.050</td>
<td>(.1525)</td>
</tr>
<tr>
<td>Loglikelihood</td>
<td>11.74</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>35</td>
<td></td>
</tr>
</tbody>
</table>