

Colleagues

We have received an R&R on our AJPS budget paper. Can you all please review the comments, and let me know what you think?

BJ

----- Original Message -----

From: [AJPS](#)

To: bdjones@u.washington.edu

Sent: Monday, June 30, 2008 12:41 PM

Subject: AJPS AJPS-33702

ajps*

The American Journal of Political Science

Professor Jones:

The *American Journal of Political Science* writes to report that the requisite reviews of the manuscript, titled "A General Empirical Law of Public Budgets: A Comparative Analysis" and numbered AJPS-33702, have been received. Please read them and this letter carefully. As you

do, you will see that the reviewers and I acknowledge that the manuscript is interesting, its intellectual merits and potential impacts are promising, and one or more minor or major revisions may advance it to a publishable article.

More specifically, The reviewers agree that the research question posed about how to model and analyze the impact of institutional arrangements on budget outputs is important, and that the research answer presented, in terms of a double Paretian distribution (implying more or less punctuation) across countries and government levels, intrigues. But, the reviewers are not completely convinced by this answer presented - one is positive, one is mixed, one is negative - and all identify areas for improvement. These improvements sort into at least four major areas. One is theoretical development, with more elaboration needed of institutional friction in general and, in particular, of the causal mechanisms that link institutional friction to policy outputs, of the related forces that act on budgetary punctuations, and of intra-country variations in institutional politics that can produce a strong explanation, rather than a simple description, of budgetary dynamics. A second area involves concepts and measurement, with reference to more precise definition and use required of institutional friction, of chaos, and of error accumulation. The third area pertains to the data used and to the data analysis conducted, notably to whether the Texas School data provide added value to the other possibly "convenience" data being employed, and to what appropriations as well as output data can show in terms of how institutional friction operates. A fourth area urges more consultation and better use of other research on institutional friction and on statistical modeling. Other comments are made as well. Taken together, the reviewer comments and my own reading indicate that the research question posed is serious and that a significant manuscript revision is needed to produce a convincing answer that strengthens the case for making a unique and important contribution. If you accept this notice to revise, then please also note that the revision and its accompanying memorandum should address the areas and comments made in the reviews and in this letter. Note as well that the revision and the memorandum will be sent to at least two original reviewers and, if necessary, then to a third reviewer as well. The fuller text of the reviews can be viewed at the links below.

Reviewer #2: Review: 'A General Empirical Law of Public Budgets'.

1. This paper offers an important comparative test of the dynamic behaviour of political attention, quantified here in the form of public budgeting.
2. It uses the 'punctuated equilibrium' model to understand how the stability of political systems is, from time to time, interrupted by disproportionate shifts of the attention of decision-makers.

That pattern results from cognitive/organization and institutional friction, which restricts change until external signals exceed a threshold.

3. The paper uses stochastic process methods to investigate the distribution of changes in public budgets.

4. It shows that non-normal (leptokurtic) distributions of budget changes are replicated across a selection of countries and level of government (ten budgetary datasets from six separate nations).

5. The paper also shows that relative degrees of leptokurtosis reflect differences in institutional structures.

Overall, this paper provides an important demonstration of the punctuated distribution of public budgets. It shows that a stronger tendency exists for changes on the positive tail than the negative tail (i.e. spending tends to dominate cuts). It also offers some evidence that change distributions of sub-national government budgets are also leptokurtic, but subject to less friction than national governments. The findings provide evidence of comparative differences in public budgeting that will require further empirical investigation by scholars.

In general, the methodology and empirical analysis presented in this paper are robust and clear.

The paper merits publication in AJPS. I have some additional comments which the author(s) might consider.

First, there is an important distinction between non-linear models where 'sensitive dependence upon initial conditions' means that small changes in the input can generate large changes in the output, and situations in which errors accumulate such that the difference between the input and output becomes increasingly large. The former implies models (such as in weather systems) that are highly sensitive to marginal changes in the initial parameters. The latter, as I understand this paper relates to, implies models that observe an increasing build-up of errors (where the output fails to respond to the input for an extended period of time) that only subsequently are subject to a realignment or punctuation after they reach a particular threshold (this point is made on p.18

and might be emphasised earlier). Thus, 'chaos' as discussed in the text (p. 5) is not the same as error-accumulation. In some senses, this is a minor conceptual point, but one that I think is worth noting.

Second, another technical point that might be noted is that whilst there is a general formulation of 'error-correction' models (Engle and Granger 1987) and other derivative models (e.g. Johansen 1991), there is (to my knowledge) no formal general representation of error-accumulation. This statistical process can be implied either from evidence of misspecification of an error-correction model (where the error-correction component is positive not negative as it should be) or, as this paper does, from the differences between (Gaussian) input and (leptokurtic) output distributions. Again, the inference of 'error-accumulation' from leptokurtic distributions is valid, but subject to this caveat. Nonetheless, care should be taken in use of the concept of 'error-accumulation'.

Third (p.6), my reading of the analysis of the UK by Soroka and Wlezien (2005, p. 687) is that it might be expected that "governments in parliamentary systems [would tend] to be less reliably responsive to the public", despite there being less institutional friction in parliamentary systems. Ultimately, this argument can be made in either direction, attributed to either the absence of veto points in the political system, which enables responsiveness, or the relative absence of consensual electoral structures, which encourages unresponsive behaviour of the executive between general elections. Still, claims about the relationship between institutions and responsiveness are not clear cut, and as such might conflict with claims about friction.

Fourth, I understand that the Texas School Districts dataset is unique in the level of detail it offers but it seems a strange and perhaps unnecessary addition to the sub-national cases in the absence of budget data for equivalent cases.

In general, the paper is well written, presents important evidence that the punctuated distribution of public budgets in the United States can be generalized in comparative perspective, and that the degree of budget leptokurtosis is associated with institutional characteristics of different political systems.

It merits publication in AJPS and should be of considerable interest to its readership. In particular, it represents an important contribution in adding comparative evidence in support of claims that have tended, in the past, to be tested for evidence from the United States.

Reviewer #3: Review of "A General Empirical Law of Public Budgets"

I found this manuscript very difficult to review and I suspect that will be obvious in my written comments. In some ways, this manuscript represents a mature research project that can serve as a model of the steady accumulation of knowledge from a scientific research project. On the other hand, it is hard to identify exactly what this article contributes to the pre-existing literature.

I will start by setting out subjects on which I will not comment. This article builds on a series of articles going back a number of years from such outlets as APSR, JOP, and other political science journals. This series of articles has built up the justification for the "stochastic process" method. I consider this method to be pre-vetted and, despite some reservations, don't feel that arguing over the finer points of the method is appropriate for an article like this. I will review the article from the perspective of someone who accepts the previous work and the general strategy of the approach.

Second, many of the data sets are familiar from other studies of budgetary (non)incrementalism over the past few years in public policy journals. I take these data as previously vetted in their first appearances. While I am not positive that all of these data are re-appearing here after having been published elsewhere, the organization of the manuscript suggests this is an appropriate assumption.

This leaves me wondering what there is to review in the article. I take it that the main conclusion the reader is supposed to take away with him or her is that previously identified dynamics of budgets (identified mostly in American federal budgets) are also present in the budgets of other levels of governments and other countries. In this, the manuscript succeeds. The robustness of the dynamics of Paretian distributions is remarkable. Here a finding originally thought to be peculiar has been verified in a wide variety of settings. This is a good example of actually taking a proposition developed in the context of American politics and actually testing it with data from other countries - a promise more often made than followed.

Beyond the illustration that the Paretian distribution is robust across levels of government and countries, the paper starts to promise more than it delivers. To a great extent, the sample of countries and levels of government is one of convenience. Given the hefty data requirements, this is to be expected but should be acknowledged. Along with some complexities of the Paretian distribution, this may prevent the author(s) from conducting a true meta-analysis. However, foregoing a formal meta-analysis is a decision that should be addressed.

Second, the inferences about the importance of institutions in explaining the magnitude differences of the Paretian distribution are not backed up with a formal theory of institutional friction, measurement of this phenomenon, or a rigorous method of testing. The author(s) should note that the array of data sets suggest that institutional differences explain the differences in the distribution but that the data presented do not formally test that proposition.

These considerations have left me quite torn. Forgive me a personal anecdote, but this reminds me of a review I received once from a similar journal. A few years back a reviewer noted for one of my papers that it did not fit in a similar journal because it was an initial paper in what promised to be a series of findings. The top journals, like this one, the reviewer noted should be reserved for the capstones of ambitious and influential studies. Based on this standard, I would recommend publishing this article (with the caveats and areas needing improvement mentioned above). This manuscript represents an important milestone in the policy change literature and represents the culmination of a series of important studies. However, I worry that as the capstone it does not innovate sufficiently to warrant inclusion in this journal. The key findings are based on an informal meta-analysis with seemingly little attention to the theoretical motivation for the institutional friction hypotheses and measures. The weakest parts of the paper are the parts that add to what has been said before (albeit in far flung publication outlets)

In the best of all worlds, I would hope the authors could revise the text to really dig into what institutional friction means and how it can be measured. The authors would still have to deal with a deceptive small-n problem (while the manuscript references a lot of data, there are still only about a dozen budgetary systems included and the hypotheses are stated at the system level) but a theoretically motivated work could be an excellent example of a steadily accumulating body of knowledge starting within the area of American politics but slowly expanding to justify a general empirical law.

Accordingly, *AJPS* offers you an opportunity to revise and resubmit the manuscript. You should decide carefully about whether it is worthwhile to revise and resubmit the manuscript to the peer-review process based on the following:

- The offer to revise and resubmit is exceedingly rare; a manuscript must be judged initially as having a >80% probability of success. However, the offer also is not a guarantee of acceptance for publication.
- At least one and possibly all original reviewers may be recontacted and a new reviewer may be selected.
- If you do decide to revise and resubmit, then the revised manuscript must be resubmitted within the next six months unless you specifically request an extension of time from the editor.
- The revised manuscript must not exceed 40 double-spaced pages in length with all text as well as references being double-spaced in 12-point type. All figures and tables, if included, may be smaller-point type but printed on separate pages.
- The revised manuscript must be resubmitted online at Guidelines for Manuscripts at www.ajps.org. At the time of resubmission, you should send:
 - an anonymous (pdf) version of the manuscript; and
 - an anonymous (pdf) memorandum of response to the reviewers' comments. The response should not exceed 4 single-spaced pages inserted at the top of the anonymous version of the manuscript.

If you have any questions about the above, then please contact me at your earliest convenience. In thanking you for considering *AJPS* as an appropriate journal of publication of your work, I remain,

Sincerely,

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