Partisan Priorities and Public Budgeting

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Abstract
We explore budget data from twenty-nine Western countries from 1948 to 2012 to investigate the impact of partisan control of government on spending patterns. We use a variety of empirical methods, but the central element of analysis is to code spending allocations as “consistent” or “inconsistent” based on the partisanship of the majority party in government. Looking across the board, we show that inconsistent allocations occur at almost exactly the same rate as consistent ones. The implication is that budgets are best understood not as an expression of partisan priorities but as a reaction to changing contextual circumstances.

Keywords
budgeting, public policy, parties, comparative politics

When election results indicate that a new party will take the reins of government in a representative democracy, supporters hope and expect that changes will happen. The new party leaders hope to bring into effect the values that motivated the election victory. Of course, they hope and plan to translate this electoral win into a new way of allocating resources, redirecting government efforts to better ways of solving social problems. This is the essence of what elections are about. In this paper, we explore the abilities of democratically elected governments to shift spending to reflect their priorities, and we find that while governments do indeed attempt to make these things happen, constraints abound. Mandatory spending formulas that tie spending levels to demographic changes, economic cycles of higher or lower unemployment, international conflict, and other factors beyond the control of a government force leaders everywhere to allocate funds to issues that may not correspond to their ideological predispositions. Given the need to respond to changing economic, fiscal, and international realities, what is the leeway for the modern government to implement an ideologically distinct pattern of spending that distinguishes one party clearly from another?

We take a simple approach to answer this question. Looking in as much detail as available data allow at the United States, the United Kingdom, Denmark, and France, and then systematically at twenty-five additional Organisation for Economic Co-operation and Development (OECD) countries, and covering as much as sixty years of recent history, we look for patterns of change in national spending by left- and right-wing parties, asking whether shifts in spending can be explained by partisanship. We use a variety of methods to provide as robust an analysis as possible, but the key component of our approach is to classify spending reallocations as “consistent” or “inconsistent” based on ideology. The results show highly conditional evidence of party effects in spending. Most of the time, reallocations are better understood by long-term trends in social spending, or by the “alarmed discovery” of growing social problems or stochastic events outside of the control of the government, but to which parties must respond regardless of ideology. We conclude that when it comes to budgeting, except under rare circumstances, partisanship takes a back seat to the everyday demands of responsible governance. This does not suggest that party leaders are not attempting to implement their programs; indeed we do observe cases where left governments reallocate toward what are generally considered left priorities, and vice versa. This is particularly true, for example, when we eliminate cases of shared governmental control. But when we look across the board, we find that the pressures of governing typically preclude most governments from systematically implementing an ideologically pure budget.¹

The paper proceeds as follows: the first section reviews scholarship, considering the case for and against party spending effects. It then develops a set of empirical

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expectations and explains the paper’s data and methodological approach. The second section describes the results of a broadly focused stochastic analysis. The third section provides a robustness check in the form of difference of means tests, searching for evidence of statistically significant differences between parties in spending, regardless of the direction they might take. Final elements discuss and conclude. The supplemental materials (see the supplementary material at http://prq.sagepub.com supplemental/) include extensive robustness tests, clearly showing that our results are not due to any particulars of our coding rules.

Theoretical Background

A large body of research supports the notion that left- and right-wing parties produce ideologically distinct outcomes while in office. Scholarship that examines this phenomenon has often focused on the concept of issue ownership—that parties “own” certain issues, which they focus on during campaigns, and then prioritize 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, where Democrats are thought to favor lower unemployment and Republicans lower inflation (Budge and Hofferbert 1990; Hibbs 1977). Similarly, Democrats are said to promote spending on social welfare items including unemployment insurance, poverty assistance, education, and health care, and Republicans are expected to be less enthusiastic about such spending increases but more focused on military and crime control spending.

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” (Budge & Hofferbert 1990, 129). 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 in general than conservative governments, and more on social welfare items in particular (Berry and Lowery 1987; Blais, Blake, and Dion 1993; D. R. Cameron 1978; Lewis-Beck and Rice 1985; Swank 1988). In their 2001 Development and Crisis of the Welfare State, Evelyne Huber and John Stephens, using cross-sectional time-series analysis of 16 countries over 26 years, find that expenditure levels in left and Christian Democratic governments are generally greater than in other governments, as a result of increased spending on the welfare state. Huber, Ragin, and Stephens (1993) also show a positive effect on welfare spending for cumulative years of left government. This finding was counter to the prevailing wisdom at the time that increases in social spending were simply a result of modernization (Wilensky 1975). Clearly then, there is strong support for the view that parties do indeed reflect national budgets in accordance with their ideologies.

Arguments against Party Effects

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 work within multiparty coalitions. 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 during divided government, where one party controls the executive, and the other controls at least part of the legislature.

What does this mean for a government’s ability to pass legislation? In the American system, unified government is generally thought to help the majority party implement its agenda. The logic is that divided government imposes greater transaction costs on the majority party, which limit its productivity. While Mayhew (1991) notes that the same amount of legislation passes under unified and divided government, divided government is thought to decrease the likelihood that substantively important legislation will pass (Edwards, Barrett, and Peake 1997). Furthermore, divided government can significantly delay and dilute legislation (Sundquist 1992). In terms of policymaking, majority parties under unified governments enjoy greater degrees of in-party cooperation and institutional leverage, which afford them greater success in implementing their legislative agenda (Aldrich 1995; Coleman 1999; Cox and McCubbins 1991). In the budgetary process, findings at the U.S. state level suggest that unified government can lead to quicker responses to budgetary deficits and crises (Alt and Lowry 1994), while others find that divided government leads to more budgetary conflict, when the two legislative bodies oppose the governor (Clarke 1998). But unified partisan control of government, in the U.S. context, is actually quite rare. More often than not, control of government is split between parties and the strongest form of unified control - unified government with a filibuster-proof majority in the Senate - has actually only been obtained for six years in the postwar period at the federal level (see Baumgartner
et al. 2014). If divided government leads to reduced partisan control over budgeting, we should expect fewer differences that Budge and Hofferbert suggest.

In the European context, the coalition government structure 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 policy goals, as they have joint control with a party that may not share their priorities (Muller and Strom 2000). A consequence of the need to accommodate multiple party platforms is a larger public sector, so the type of government that forms is an important factor influencing the size of overall expenditures (Bawn and Rosenbluth 2006). There is also pressure for the coalition cabinet to avoid controversial issues and instead focus on issues where there is agreement between coalition parties. Attempts to move policy in specific directions in coalition governments will result in pushback against “hostile” ministerial proposals, keeping the coalition in check (Martin 2004; Martin and Vanberg 2004). For all these reasons, we should expect that coalition governments are less likely to reallocate funding in a distinctly partisan manner, versus ideological coalitions (those coalitions where multiple parties of the same ideological direction share power), or single-party governments.

Another impediment to ideological budgeting is mandatory spending programs. In these cases, 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 more difficult to observe. 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.

Mandatory spending illustrates how government administrations in a single country do not exist independently of one another. The history created by an outgoing government will affect future choices made by the incoming government. Rose and Davies (1994) argue that governments “inherit” policy, meaning that the policies and decisions made by past governments affect what future governments can do. Looking at the British government, they find that inherited programs persist long after the administration that created the programs has left office. If programs persist, they need to be funded, meaning that there will be constraints on government to act quickly in their own chosen direction.

European governments must increasingly be attuned to the demands of the European Union (EU) and the implementation of its various directives. With twenty-seven countries now affected by these common decisions, and with some being of the left while others are controlled by the right, the implementation of EU directives, or a common focus on, say health care, environment, or immigration control, would have the effect of reducing any apparent party effects on budgeting.

We know government to be a complex system of programs and policies. Jones and 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 2007–2008 occurred and therefore oversaw the largest intervention into the private economy in decades including taking over General Motors. Government takeovers 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” that 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 Baumgartner, Jones, and Wilkerson 2011; Breunig 2011; Green-Pedersen and Mortensen 2010; Sigelman and Buell 2004; Walgrave, Lefevere, and Nuytemans 2009.)

Finally, we note that partisanship and ideology may not be the same thing. Especially when we look broadly at a number of different countries, the left party or coalition may not always have the same priorities. This is particularly true in countries where Christian Democratic parties are more prominent. We control for this by presenting evidence in the supplemental materials treating Christian Democratic parties in an alternative manner, showing little difference in our results. In general, though, we treat left governments as favoring greater spending on health, education, housing, and other social issues, and
right governments as preferring more spending on defense and crime control measures. If these priorities change over time in response to shifting economic circumstances, these shifts can be said to relate to the economic context, not to ideology or partisanship. Thus, our empirical strategy is straightforward, asking whether we can see left governments adjusting the budget systematically toward spending categories traditionally associated with the left. In fact, in later analyses, we look at each budget category to see whether there are significant differences across left and right partisan control. This analysis eschews any \textit{a priori} coding of partisanship or ideology for each spending category but simply tests for any partisan differences in spending levels. In sum, we take a multifaceted approach in our analysis of partisan effects on spending.

**Empirical Expectations—An Ideological or Stochastic Budget?**

We can place the preceding scholarship into one of two camps—those that support the “party effects hypothesis” and findings that support the “governance hypothesis.” On the party effects side are those studies showing that political parties have a clear systematic effect on national budgets. From this perspective, public budgets can be considered ideological, in the sense that they should be viewed as an expression of ideological preferences. Conversely, the governance hypothesis emphasizes the stochastic nature of budgeting, suggesting that historical context is the key driver of government spending. The methodological approach this paper takes is intended to distinguish between these competing hypotheses. Before proceeding to data and analysis, we briefly review the type of empirical evidence that would support one hypothesis over the other.

**The Ideological Budget**

If ideology is a major driver of public budgets, then we would expect, even at high levels of aggregation, to observe clear breaks in spending patterns in the aftermath of national elections, as new administrations refocus the priorities of government. A classic example of budgetary reallocations that can be considered ideologically consistent comes from President Reagan’s first term in office—from 1981 to 1984. Conventional wisdom is that the Republican Party places a particular emphasis on defense and, consistent with this logic, Reagan presided over an enormous increase in defense spending. In only four years, allocations to national defense grew by approximately 100 billion dollars, or 20 percent of their 1981 value. Of particular note is that these reallocations began with President Reagan’s very first budget, so he wasted no time in adjusting spending to coincide with the ideological priorities of the Republican Party.

The question then is whether this type of behavior is representative of budgetary reallocations in general, or whether it presents a special case. If it is representative, then we can conclude that public budgets are indeed ideological and we would expect empirical evidence of ideologically consistent budgeting to be highly robust, that is, we should find statistically significant differences in the budgetary practices of parties with distinct ideologies and these differences should be manifested across a range of governing conditions.

**The Stochastic Budget**

The governance hypothesis suggests that rather than ideology, the driving force behind public budgets is stochastic events to which policymakers must respond regardless of political party. To give an example of this type of budgeting, Figure 1 tracks total U.S. budget authority toward national defense and, instead of focusing exclusively on the early 1980s, the time series is for the entire modern era: from 1947 to 2012. The light-gray shading indicates that a Republican president was in office. The increases enacted during the Reagan administration are still an important part of the story, but from the new vantage point, we must acknowledge that a simple ideological account is insufficient. Consider, for instance, the major increases that took place under Democratic presidents—in the late 1940s under Truman and again in the 1960s under Johnson. Even the increases presided over by Reagan, which have become a major component of his presidential legacy, are foreshadowed by Carter, who began dramatically increasing spending on defense toward the end of his term. Furthermore, looking at Reagan’s second term, we see that allocations toward defense are being scaled back from their 1984 peak. A new explanation presents itself: spending on defense is largely determined by America’s involvement in military conflicts.

The shift from focusing on Reagan’s first term to Figure 1 is indicative of our methodological strategy. We do not doubt that party effects exist and, with a relatively limited focus, they may not be particularly difficult to document. Our concern, however, is that by employing a limited focus, we may inadvertently develop a picture of budgeting that is inconsistent with the process at large. The general attention in the literature (and the overwhelming attention in the media and among political pundits) to instances where party spending effects are observable ignores the broader, but fundamental, question of how often ideologically consistent changes actually occur. Are such changes common, or do they prove the exception to the rule? For example, one might expect
that any newly elected leader would need to set a few priorities, not attempting to implement reforms in each and every domain of public policy. If that leader makes changes consistent with ideology in three cases, but allows other elements to drive spending in ten others, what should the analyst conclude? Our strategy is to look comprehensively across all budget categories. If parties can successfully implement only a few of many priorities, and these change over time, then this is not consistent with a view suggesting that partisan priorities affect the budget overall.

As our brief review of the literature suggests, many factors may prevent policymakers from implementing an ideologically pure budget. From Figure 1, war presents itself as an obvious consideration, something that policymakers must heed regardless of ideology. Demographic shifts may necessitate increasing budgetary commitments to social safety nets; social movements—such as the U.S. environmental movement in the 1970s—may require unexpected government interventions, economic realities constrain what policymakers can hope to accomplish, and of course, issues evolve over time. For instance, health care costs have grown dramatically, such that policymakers are forced to allocate ever-increasing amounts to provide similar services.

The multifaceted nature of governance makes direct empirical tests of this hypothesis challenging. A full accounting of the many historical circumstances that might affect spending is beyond the scope of this study, especially with the cross-national approach we wish to employ. Instead, we focus our empirical efforts on observing party effects and, if partisanship has only a small role in budgeting, or none at all, we expect our tests for party effects to come up empty. That is, in testing the party effects hypothesis, we would observe null results. Would failure to observe party effects confirm the governance hypothesis? Not necessarily, but the scope of the governance hypothesis is broad, encompassing everything from issue evolution to wars. So in the absence of systematic party effects, any causal explanation of spending patterns would have to rest heavily on changing stochastic events.

Data and Method

We assemble budget data for twenty-nine OECD countries to provide direct tests of the possible partisan effects on spending. The data come from two sources—the Comparative Agendas Project (CAP) and the OECD online database. The CAP is a growing endeavor to catalog political events by policy domains and makes detailed budget data available over multiple decades for the United States, France, Denmark, and the United Kingdom. Where data are not available from the CAP, we rely on the OECD database, which breaks expenditures down into the same ten budget categories for each member-state.

Our analysis takes place in two stages. The first is a stochastic analysis designed to provide a direct accounting of the extent to which party spending effects can be
observed in national budgets. A key element is to classify policy domains and budget functions 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 whether control of government is related to spending on those issues. If we compare each annual allocation of spending changes across various budget functions, and link partisan “ownership” 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 chief executive’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 each country, as a percentage of the budget is unallocated by party, some changes may also be deemed “neutral.” So we simply want to know what percentages of budget reallocations are neutral, consistent, and inconsistent.

The second stage of our analysis compares the average size of spending reallocations across each budget function for left- and right-wing parties using difference of means tests. This approach is intended as a robustness check on the stochastic analysis by comparing reallocations independent of any assumptions about party ownership. The logic of coding a particular budget category as a left- or right-wing priority can always be debated. Difference of means testing bypasses this controversy because it does not rely on any partisan classification of spending functions, so we can simply test whether there is any statistically significant difference in spending between parties, regardless of the direction it might take. This approach also allows us to test the conventional wisdom that left parties favor “big government,” while right parties will attempt to reduce the government’s budgetary commitments. Finding that statistically significant differences in spending between parties are common would support the party effects hypothesis, even if the direction of those differences was unexpected, which would simply be cause to rethink traditional ideas about party ownership. However, if there are very few instances of statistically significant differences, it will cast doubt on the ability of parties to engage in partisan budgeting.

Previous scholarship on party effects in spending has often included regression-based models of spending levels. We avoid doing so here for three reasons. First, if we take the governance hypothesis seriously—that spending is driven predominately by stochastic events outside the control of political parties—then we must concede that any model we design will be woefully underspecified. Second, budgetary time series show high levels of first-order autocorrelation. As Aaron Wildavsky (1984, 13) famously notes, “the largest determining factor of the size and content of this year’s budget is last year’s budget.” Models predicting spending levels are therefore dominated by variables with a first-degree lag, which merely emphasizes the critical role path dependency plays in budgeting. For these reasons, current trends in budgetary studies shy away from using elaborate models to predict national spending and increasingly feature broadly focused stochastic analyses (see Breunig and Jones 2010, for a discussion of this trend). Most importantly, we are interested in global patterns across all budget categories and as many countries as possible. Many previous studies focused only on aggregate expenditures, or on a particular element of social welfare spending, for example. For such purposes, it may be possible to construct a list of relevant controls, allowing for a relatively fully specified statistical model. With a more comprehensive approach, no single set of controls will do. We gain from two elements of our research strategy, however. First, our definition of “consistent” and “inconsistent” spending is relative to the overall spending level in a given year; this allows us effectively to control for all elements, such as economic growth, that affect overall spending levels, that is, we control for them through our measurement rather than through a statistical control. Second, by looking at as many budget categories as possible, rather than only looking at aggregate spending levels or that of any particular policy domain, we dramatically increase the empirical base and guarantee that stochastic effects are more likely to be truly stochastic, rather than idiosyncratic.

Results

The most comprehensive data available are for the United States, where the CAP breaks the budget into sixty-six distinct categories (called subfunctions in Office of Management and Budget [OMB] parlance), spanning from 1947 to 2012. Table 1 provides a summary of our classification of spending as Democratic, Republican, or Neutral. In the 2011 budget year, which we use for illustration, 61 percent of the spending aligns with what are called Democratic priorities, 19 percent Republican, with the remainder unallocated. While the percentage of the budget going to each party’s priorities varies over time, the subfunctions assigned to each party are constant. Table 1A in the supplemental materials provides the full list of subfunctions and their party assignments, as well
as citations to the literature that informed our coding decisions.

Having assigned each subfunction to a party (or the neutral category), we can develop a measure of consistency, classifying each spending reallocation as consistent, inconsistent, or neutral with respect to partisanship. To review, consistent changes are relative increases in the priorities of the president’s party, or decreases in the rival party’s priorities, and inconsistent changes are the opposite. Table 2 displays these percentages for different levels of party control. The first section of the table examines total spending from 1947 through 2012. Looking at the rightmost column, which simply subtracts the percentage of inconsistent changes from consistent ones, we see that across the total time series, 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 23 percent of changes are consistent while during united government with filibuster-proof majorities in the Senate, 29 percent of changes are consistent. This suggests that the parties are better able to allocate money toward their priorities when they control the presidency and Congress, rather than only the presidency. Still, even under the rare circumstance where a president enjoys a filibuster-proof level of unified government, there are only marginal differences between the percentage of consistent and inconsistent changes.

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 with mandatory topics, which are controlled by long-standing formulas that are difficult to change. Isolating discretionary spending slightly improves the case for party effects. Consistent changes now outnumber inconsistent ones for each type of governmental control, even divided government, with the largest disparity during periods of unified filibuster-proof control. But we are dealing with only one-tenth of the 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 2 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 aligned 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. In large part, this can be attributed to the growing size of Social Security and Medicare payments, which as key components of social welfare

Table 1. Summary of Party Ownership of Sixty-Seven OMB Subfunctions, FY 2011 as Example.

<table>
<thead>
<tr>
<th>Coding</th>
<th>No. of subfunctions</th>
<th>FY spending 2011 ($billions)</th>
<th>% Total spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republican</td>
<td>14</td>
<td>635.80</td>
<td>19.16</td>
</tr>
<tr>
<td>Democrat</td>
<td>19</td>
<td>2,011.75</td>
<td>60.62</td>
</tr>
<tr>
<td>Neutral</td>
<td>33</td>
<td>670.58</td>
<td>20.20</td>
</tr>
<tr>
<td>Total</td>
<td>66</td>
<td>3,318.13</td>
<td>100.00</td>
</tr>
</tbody>
</table>

OMB = Office of Management and Budget; FY = fiscal year.

Table 2. Spending Consistency by Party Control in the United States, 1947–2012.

<table>
<thead>
<tr>
<th>Government</th>
<th>n</th>
<th>% Consistent (C)</th>
<th>% Inconsistent (I)</th>
<th>C − I</th>
</tr>
</thead>
<tbody>
<tr>
<td>All spending</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3,915</td>
<td>24.44</td>
<td>25.08</td>
<td>−0.64</td>
</tr>
<tr>
<td>Divided</td>
<td>2,362</td>
<td>22.95</td>
<td>26.71</td>
<td>−3.76</td>
</tr>
<tr>
<td>Unified</td>
<td>1,553</td>
<td>26.72</td>
<td>22.60</td>
<td>4.12</td>
</tr>
<tr>
<td>Unified and filibuster proof</td>
<td>601</td>
<td>28.95</td>
<td>21.63</td>
<td>7.32</td>
</tr>
<tr>
<td>Discretionary spending changes only</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,353</td>
<td>18.78</td>
<td>16.02</td>
<td>2.76</td>
</tr>
<tr>
<td>Divided</td>
<td>1,418</td>
<td>17.91</td>
<td>16.85</td>
<td>1.06</td>
</tr>
<tr>
<td>Unified</td>
<td>935</td>
<td>20.11</td>
<td>14.76</td>
<td>5.35</td>
</tr>
<tr>
<td>Unified and filibuster proof</td>
<td>350</td>
<td>21.71</td>
<td>13.43</td>
<td>8.28</td>
</tr>
</tbody>
</table>
spending are Democratic priorities, but are so firmly entrenched in the budget that it may not be feasible for Republican presidents to alter the course of spending.

Figure 3 follows the same format as Figure 2, but isolates discretionary spending. As we saw with Table 2, looking only at discretionary spending does not substantively alter the results. Once again, there is scant visual evidence that partisan reallocations are taking place, although eliminating mandatory categories greatly diminishes the trend of increasing expenditures toward Democratic priorities.

Figure 4 provides a broad perspective on the issue by aggregating percentage changes into a distribution, where inconsistent changes are coded as negative and consistent changes are positive. Note that this coding is artificial in the sense that inconsistent changes could be either positive or negative based on our consistency measure. The advantage to arranging the data in this way is that it allows for a quick visual assessment as to the relative frequency of consistent versus inconsistent adjustments. If consistent changes occur more frequently, we can expect the distribution to be skewed to the right, with a median value well above 0. In fact, the distribution is centered almost exactly at 0, indicating that consistent and inconsistent changes occur at nearly the same rate across the U.S. budget data.

In all, the analysis of the U.S. budget found only moderate evidence of party effects in spending. A more plausible explanation for spending patterns, as Figure 2 indicates, is general social trends that appear 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...

**Figure 2.** The proportion of Democratic and Republican spending over time, by party control.

**Figure 3.** The proportion of discretionary Democratic and Republican spending over time, by party control.
in office? We use these three countries because, like the United States, we can use a long-term time series, allowing a broader test of the competing hypotheses. Once again, we use budget data available from the CAP that tracks spending across various budget functions from 1950 to 2010 for the United Kingdom, 1958 to 2002 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 U.S. budgets, where left parties are assigned categories relating to health, education, and welfare, and right parties are assigned categories relating to defense and law and order.6

Table 3 shows the percentage of total reallocations that are consistent and inconsistent for each country. For the United States, 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 budget series and, unlike in the United States, breaking reallocations down by party control does not strengthen the case for party effects.7

Figure 5 displays changes to the percentage of partisan spending occupied by left-wing priorities over time for each country, dropping neutral categories in order to track the relative success of the parties at directing spending toward their priorities. So, if 75 percent of partisan spending is on left-wing categories, then only 25 percent is going to right priorities. The gray 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 United States, visually there is very little evidence of party spending effects for the United Kingdom, France, or Denmark. In all three cases, the general trend is of relative increases in spending on left-wing priorities, regardless of the partisanship of the prime minister.

We expand the scope of our analysis by assembling budget data for twenty-five 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 ten budget functions for each country.
Table 3. Spending Consistency by Party Control in France, Denmark, and the United Kingdom.

<table>
<thead>
<tr>
<th>Government</th>
<th>n</th>
<th>% Consistent (C)</th>
<th>% Inconsistent (I)</th>
<th>C − I</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>France, 1958–2002</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>424</td>
<td>32.78</td>
<td>37.50</td>
<td>−4.72</td>
</tr>
<tr>
<td>Single party</td>
<td>314</td>
<td>33.76</td>
<td>36.62</td>
<td>−2.86</td>
</tr>
<tr>
<td>Ideological coalition</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cross-ideological coalition</td>
<td>110</td>
<td>30.00</td>
<td>40.00</td>
<td>−10.00</td>
</tr>
<tr>
<td><strong>Denmark, 1971–2011</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>390</td>
<td>40.26</td>
<td>39.74</td>
<td>0.52</td>
</tr>
<tr>
<td>Single party</td>
<td>70</td>
<td>44.29</td>
<td>35.71</td>
<td>8.58</td>
</tr>
<tr>
<td>Ideological coalition</td>
<td>280</td>
<td>38.93</td>
<td>41.07</td>
<td>−2.14</td>
</tr>
<tr>
<td>Cross-ideological coalition</td>
<td>40</td>
<td>42.50</td>
<td>37.50</td>
<td>5.00</td>
</tr>
<tr>
<td><strong>United Kingdom, 1950–2011</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>498</td>
<td>16.47</td>
<td>20.68</td>
<td>−4.21</td>
</tr>
<tr>
<td>Single party</td>
<td>481</td>
<td>16.42</td>
<td>20.79</td>
<td>−4.37</td>
</tr>
<tr>
<td>Ideological coalition</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cross-ideological coalition</td>
<td>17</td>
<td>17.65</td>
<td>17.65</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Figure 5. Percentage of total partisan spending on left-wing priorities for (A) the United Kingdom (1950–2011), (B) France (1958–2002), and (C) Denmark (1971–2011).
which we assign to either left- or right-wing parties based on the same logic that informed our prior coding decisions.9

Figure 6 displays the percentage of total budget reallocations that are consistent, inconsistent, or neutral for each country. Once again, our definition of a consistent change focuses on the party of the head of government, so that a consistent change occurs when the chief executive’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 figure 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 clearly a larger percentage of the total than inconsistent changes, while in Turkey and Japan inconsistent changes are much more prevalent. The row labeled Total aggregates across all twenty-five countries, and shows that collectively consistent changes occur at almost exactly the same rate as inconsistent ones, mirroring the result from Figure 4 when we looked at the distribution of changes in the United States. Finally, as a point of comparison, the last four rows of the table look at the breakdown of changes for the United States, the United Kingdom, France, and Denmark, which illustrates that the findings are robust when we include countries where long time series are available.

In Table 4, we take a collective look at coalition governments across the twenty-five OECD countries. Our analysis of the United Kingdom, France, and Denmark found no evidence that increasing party control over government corresponds with greater consistency, but in the United States, the case for party effects was stronger as party control solidified. Here the evidence offers some support for the party effects hypothesis. Consistent changes are most likely under single-party governments and least likely during cross-ideological coalitions. However, the differences between consistent and inconsistent changes are only very slight for each of the three governing conditions.

**Difference of Means Tests**

The analysis thus far has compared the number of consistent versus inconsistent changes across various countries and governing conditions. A limitation of this approach is...
that all changes count equally, even if their magnitudes, or the degree to which they could be qualified as consistent or inconsistent, differ. For example, a massive reallocation by a left-wing government toward public health care (a consistent change), is completely offset by what might be a comparatively minor inconsistent change in spending on another issue. In this way, the analysis might fail to find party spending effects, where in fact they exist.

To guard against this possibility, we use \( t \) tests to compare the mean size of annual percentage changes by left- and right-wing governments toward partisan spending priorities and total government spending. We limit this analysis to the United States, the United Kingdom, France, and Denmark, where the budgetary time series are sufficiently long for significance testing. Table 5 shows the results. More than half of the twelve comparisons show statistically significant differences. In Denmark, left governments, for all types of spending, increase spending levels by larger average amounts than right-wing governments. Likewise, in the United Kingdom, left-wing governments average larger annual increases in total spending than right-wing governments and the same is true in the United States, but the \( t \) statistic is non-significant. The situation is reversed in France, where right-wing governments make larger annual increases in left-wing priorities and total government spending than their left-wing counterparts, and in the United States spending toward right-wing priorities sees larger increases under Democratic presidents than Republicans.\(^{11}\) In all, the results hardly amount to strong support for the partisan spending hypothesis. If anything, they suggest that parties are slightly more likely to increase spending on their rival’s priorities than their own.

Another possible explanation for the scarcity of party spending effects is if our classification of spending functions by party is inaccurate. The OECD datasets divide expenditures by the same ten budget functions for each country, which allows us, in Table 6, to compare annual

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**Table 4.** Spending Consistency by Party Control across Twenty-Five OECD Countries.

<table>
<thead>
<tr>
<th>Party control</th>
<th>( n )</th>
<th>% Consistent (C)</th>
<th>% Inconsistent (I)</th>
<th>( C - I )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single party</td>
<td>880</td>
<td>32.95</td>
<td>29.43</td>
<td>3.52</td>
</tr>
<tr>
<td>Ideological coalition</td>
<td>1,460</td>
<td>34.59</td>
<td>34.45</td>
<td>0.14</td>
</tr>
<tr>
<td>Cross-ideological coalition</td>
<td>1,280</td>
<td>27.42</td>
<td>30.00</td>
<td>-2.58</td>
</tr>
<tr>
<td>Total</td>
<td>3,620</td>
<td>31.57</td>
<td>31.66</td>
<td>-0.09</td>
</tr>
</tbody>
</table>

OECD = Organisation for Economic Co-operation and Development.

**Table 5.** Mean Annual Percentage Change in Spending by Partisan Control.

<table>
<thead>
<tr>
<th>Average change</th>
<th>( n )</th>
<th>Left government</th>
<th>( n )</th>
<th>Right government</th>
<th>( t ) test</th>
</tr>
</thead>
<tbody>
<tr>
<td>France, 1958–2002</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Left priority</td>
<td>42</td>
<td>1.99</td>
<td>84</td>
<td>10.70</td>
<td>-1.99*</td>
</tr>
<tr>
<td>Right priority</td>
<td>60</td>
<td>0.07</td>
<td>112</td>
<td>8.28</td>
<td>-1.09</td>
</tr>
<tr>
<td>Total spending</td>
<td>144</td>
<td>0.74</td>
<td>280</td>
<td>8.87</td>
<td>-2.27*</td>
</tr>
<tr>
<td>Denmark, 1971–2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Left priority</td>
<td>95</td>
<td>11.04</td>
<td>100</td>
<td>5.07</td>
<td>3.39*</td>
</tr>
<tr>
<td>Right priority</td>
<td>57</td>
<td>8.58</td>
<td>60</td>
<td>3.63</td>
<td>3.46*</td>
</tr>
<tr>
<td>Total spending</td>
<td>142</td>
<td>9.78</td>
<td>200</td>
<td>4.64</td>
<td>4.47*</td>
</tr>
<tr>
<td>United Kingdom, 1950–2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Left priority</td>
<td>85</td>
<td>9.62</td>
<td>113</td>
<td>8.94</td>
<td>0.65</td>
</tr>
<tr>
<td>Right priority</td>
<td>48</td>
<td>8.89</td>
<td>72</td>
<td>7.74</td>
<td>0.82</td>
</tr>
<tr>
<td>Total spending</td>
<td>133</td>
<td>10.34</td>
<td>185</td>
<td>7.49</td>
<td>2.25*</td>
</tr>
<tr>
<td>United States, 1947–2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Left priority</td>
<td>514</td>
<td>14.86</td>
<td>668</td>
<td>13.40</td>
<td>0.30</td>
</tr>
<tr>
<td>Right priority</td>
<td>325</td>
<td>57.92</td>
<td>432</td>
<td>5.93</td>
<td>2.20*</td>
</tr>
<tr>
<td>Total spending</td>
<td>1,839</td>
<td>26.27</td>
<td>2,095</td>
<td>22.24</td>
<td>0.39</td>
</tr>
</tbody>
</table>

The “Total spending” row includes neutral spending categories. The analysis for the United States excludes one observation of percent change in excess of 600,000, corresponding to Hurricane Andrew. This is the only observation that approaches this magnitude.

\(^*\)Significant with a two-tailed \( p \) value of .05.
reallocations by left- and right-wing governments across all twenty-five countries by function. The benefit of this approach is that it does not rely on any partisan classification of spending functions, so we can simply test whether there is any statistically significant difference in spending between parties, regardless of the direction it might take. Indeed, the results in Table 6 are counterintuitive. Across the twenty-five OECD countries, right-wing governments, on average, make larger annual reallocations toward social protections and total spending than their left-wing counterparts. Of greater note, only one of the ten categories shows statistically significant differences. For most spending functions, left- and right-wing parties are statistically indistinguishable.

We repeat this analysis for the United States, testing for significant difference in spending across all sixty-six budget categories. We find that out of the sixty-six categories, only four show significant differences in spending between parties. Table 7 displays the four categories and the related test statistics. (A full table with difference of means tests for all sixty-six categories is available in the supplemental materials.) The U.S. results mirror those from the OECD countries at large—across the vast majority of budget categories we examine there is nothing, statistically speaking, to distinguish the behavior of left- or right-wing parties.

### Conclusion

Our search for party effects in spending spanned twenty-nine countries and, while there was substantial variance, the overall evidence for partisan budgeting was limited. The best case scenario for party effects is during periods of strong party control—either unified government in the United States, or single-party government in Europe. The extent to which governments across a range of Western countries enjoy unilateral control, without ideologically hostile coalition partners or veto-holding partisan rivals, differs dramatically. Furthermore, much modern government spending is through mandatory spending formulas that are difficult to change. Spending levels, therefore, can change because of economic or demographic shifts rather than ideologically driven choices by the government in power.

We do not suggest that elections and voting have no effect on spending. As Huber and Stephens demonstrate,
a key issue is the cumulative number of years of left government; they have certainly given convincing evidence that, with various controls, it affects overall welfare spending levels. However, our results do put a damper on any expectations that party effects would be strong, immediate, and clear. Our focus on “consistent” and “inconsistent” changes provides a straightforward measure of the actual successes or failures parties experience at attempting to redirect spending in a partisan manner. Governments are typically only marginally more consistent than they are inconsistent. Some of this is due to factors beyond their control, such as coalition arrangements, mandatory spending, or perhaps EU directives. But in a global perspective, these limits on governmental initiative are important to keep in mind and they suggest that those steering the ship of state must navigate choppy waters and be attuned to more than only fulfilling their electoral mandate.

In light of these results, understanding government budgets as an expression of partisan priorities is probably misleading. A corollary is that concepts of issue ownership, while they may provide a useful framework for understanding campaign dynamics, appear to have little relevance to budgeting. This contradicts the prevailing notion that right-wing parties spend more on defense and crime prevention, while left-wing parties emphasize spending on social safety nets. Even the basic distinction that left parties favor “big government” and right-wing parties seek to reduce government spending finds very little empirical support. The implications 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.

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Notes
1. As becomes clear in the pages to come, we code parties by “left” and “right” ideological leaning. However, we recognize that some parties are ideologically more complicated than this simple dichotomy allows. We deal with this in two ways: first, we have a series of robustness tests including Christian Democratic parties on either side of the ideological divide. More importantly, we assess partisan differences for individual policy domains, recognizing that parties may not cluster in the same manner across all issues. It would take a different research approach than that chosen here, however, to fully disentangle the partisan versus ideological effects. By disaggregating our analysis to individual policy domains within individual countries as much as the available data allow, we seek to give the fullest test to the partisan hypothesis, not assuming that parties consistently fit into a single ideological framework across all countries. Our findings of few partisan effects are just as strong as those suggesting few ideological effects.
2. The presentation of the budget data is lagged to correspond with the government that authorized the spending.
3. For example, if a function 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.
4. We use chief executives as the reference unit for coding consistency because they are often viewed as the primary agenda setter for their party (Canes-Wrone 2006; Cohen 1995; Edwards and Wood 1999). In the supplemental materials (see the supplementary material at http://prq.sagepub.com/supplemental/), we repeat the analysis for the United States with a definition of consistency that is based on party control of Congress, instead of the presidency. The power to pass a budget resides with Congress, so from a partisan spending perspective, controlling Congress may be more important than control over the White House. We find no substantive differences using the alternative coding.
5. The percentage of changes belonging to neutral budget categories is not displayed, but is the sum of consistent and inconsistent changes subtracted from 100.
6. The supplemental materials list budget functions by country and our corresponding party codes.
7. In the supplemental materials, we break this analysis down into pre- and post-1974 periods, to better assess how budgeting dynamics have evolved over time. The idea is that the 1974 Arab oil embargo created economic and social pressures that may have fundamentally altered the budgetary behavior of political parties. We find modest evidence that consistent changes are more likely in the post-1974 period.
8. These data are available on the Organisation for Economic Co-operation and Development (OECD) data website (http://stats.oecd.org/).
9. The supplemental materials list the ten budget functions and their party assignments.
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.
11. The analysis shows little support for the idea that left parties can be associated with “big government” while right governments try to decrease spending. We take a second look at this possibility in the supplemental materials, where we test for differences between overall government growth under left- and right-wing parties; that is, instead of assessing mean differences across each budget category, we look at mean differences across aggregate government spending in each year. The results are similar; there is no strong evidence that left-wing parties are significantly more likely to increase spending than their right-wing counterparts.
12. We repeat the U.S. analysis in the supplemental materials, using control over the House of Representatives as the indicator for periods of left- and right-party control. With this alternative coding, only three of the sixty-six budget categories show statistically significant differences between parties.

References


