

The Social Welfare Deficit: Public Opinion, Policy Responsiveness, and Political Inequality in Affluent Democracies

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DRAFT—Comments welcome

Analysts of democratic policy-making have argued that “the people ultimately decide” (Soroka and Wlezien 2010, 182). Yet, governments in affluent democracies uniformly and persistently spend less than most of their citizens want on major social programs, including old age pensions, health, and education. What accounts for this chronic discrepancy between preferences and social welfare policies? I explore the relationship between public opinion and social spending in 23 OECD countries over the past three decades. My analysis suggests that governments’ responsiveness to citizens’ preferences is quite limited, and also that it is highly skewed in favor of affluent citizens who are generally much less supportive of the welfare state than other citizens are. *Unresponsiveness* and *biased* responsiveness both contribute significantly to the social welfare deficit, producing estimated average reductions of about 40% and 30%, respectively, in social spending.

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The Social Welfare Deficit: Public Opinion, Policy Responsiveness, and Political Inequality in Affluent Democracies¹

The preeminent scholar of modern democracy, Robert Dahl (1971, 1), argued that “a key characteristic of a democracy” is “the continuing responsiveness of the government to the preferences of its citizens, considered as political equals.” While political theorists have generally resisted an exclusive or mechanical focus on responsiveness to citizens’ preferences as a benchmark of democratic performance, most have acknowledged that political leaders “must not be found persistently at odds with the wishes of the represented without good reason” (Pitkin 1967, 210). Many ordinary citizens likewise seem to view “the will of the people” as a key desideratum for democratic policy-making.²

My aim in this paper is to gauge the nature and extent of policy-makers’ responsiveness to “the wishes of the represented” in affluent democracies. Studies of “dynamic representation” (Stimson, MacKuen, and Erikson 1995) have generally found that policy responds to public opinion: shifts in the public’s broad “policy mood” or in more specific preferences for policy change generally tend to be followed by consonant shifts in policy. As Stuart Soroka and Christopher Wlezien (2010, 182) succinctly

¹ Previous versions of the analysis reported here were presented at the University of California, Berkeley; Nuffield College, Oxford; and the University of Wisconsin, Madison. I am grateful to participants in those seminars for criticism and advice.

² For example, a majority of Americans in a 2012 YouGov survey endorsed the view that “the will of the people on most issues is pretty clear, and politicians should just follow it” (53% agreed; 19% disagreed). At the same time, an even larger majority rejected the notion that “the current political system does a good job of representing the interests of all Americans, rich or poor, white or black, male or female” (19% agreed; 62% disagreed).

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summarized the results of their prominent study in this vein, “the people ultimately decide.”

But do they? I propose to address that question by extending existing analyses of representation in three important ways. First, I treat policy responsiveness to public opinion as a causal hypothesis rather than as a purely descriptive matter. As Christopher Achen (1978, 490) noted, scholarly interest in responsiveness “derives from liberal doctrines of popular sovereignty: what the people decide must influence the outcome.” However, empirical studies of responsiveness have often borne rather lightly the burden of causal inference implied by the phrase “influence the outcome.”³ Given the complexity of policy-making processes and the limitations of available data, causal inferences in this domain—including my own—will of course be tentative and subject to challenge. Nevertheless, it seems important in principle to try to assess whether citizens’ preferences actually *influence* policy, rather than merely *covarying* with elite preferences or policy outcomes across electoral districts (Miller and Stokes 1963) or countries (Brooks and Manza 2007) or over time (Stimson, MacKuen, and Erikson 1995; Soroka and Wlezien 2010).

Second, I focus particular attention on the magnitude of responsiveness to public opinion and its implications for absolute *congruence* between citizens’ preferences and government policies. In my view, the key question is not *whether* governments respond

³ For example, Miller and Stokes (1963) measured “constituency influence in Congress” by relating constituents’ attitudes in each of three policy domains to representatives’ own attitudes, with no systematic attention to the role of parties, interest groups, or other political actors. Bartels (2008, chap. 9) measured “unequal responsiveness” by relating senators’ roll call votes to their own partisanship and the preferences of high-, middle-, and low-income constituents, ignoring the potential effects of senators’ own social backgrounds (Carnes 2013), interest groups, campaign contributors, and a host of other factors. Stimson, MacKuen, and Erikson’s (1995) analyses accounted for policy change on the basis of public opinion, the partisan composition of (particular branches of) government, and a somewhat ad hoc variable measuring “cumulative Vietnam deaths.” Soroka and Wlezien’s (2010) analyses generally included public opinion and partisan control of government as the sole explanatory variables. All of these analyses are unhappily rudimentary from the standpoint of causal inference.

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to the preferences of their citizens, but whether that responsiveness is sufficiently vigorous and “continuing” (as Dahl put it) to avoid major, persistent disparities between preferences and policies. When preferences and policies are measured on incommensurate scales—as they generally are in this literature—it may be difficult or impossible to draw clear conclusions regarding the extent of congruence between them.⁴ Nonetheless, it seems worth bearing in mind that *responsiveness* does not necessarily imply absolute *congruence* between preferences and policy, or vice versa—and that both are substantively and normatively important in their own right.

Finally, I follow Dahl in emphasizing responsiveness to the preferences of citizens “considered as political equals” rather than to public opinion as an undifferentiated whole. If governments only seem to be responsive to the views of ordinary citizens when those views happen to coincide with the preferences of privileged elites or powerful interest groups, then the *appearance* of popular political influence is illusory (Bartels 2008; Gilens 2012; Gilens and Page 2014). This focus clearly builds upon the first two, since any serious assessment of disparities in responsiveness requires serious attention to both problems of causal inference and questions of relative magnitude.

Consider, for example, Soroka and Wlezien’s (2010, 165) claim that “representation” is “not the preserve of the attentive few or of a well-heeled elite.” That

⁴ Stimson, MacKuen, and Erikson (1995) related summary scales measuring the liberal or conservative content of domestic policy in each year to an index of “public mood” summarizing responses to scores of specific policy questions in opinion surveys. Thus, their analysis provides no way to assess the degree of congruence between what citizens wanted and what they got. The specific survey questions employed by Soroka and Wlezien (2010)—in which preferences for “more” or “less” government spending in a given domain are implicitly calibrated to current spending levels—do provide some indirect evidence regarding (in)congruence, but their analyses did not exploit that fact. Cross-sectional analyses of congruence have generally focused either on correspondence between mass and elite preferences measured on putatively comparable scales (Achen 1978; Huber and Powell 1994; Jacobs and Page 2005) or on correspondence between preference majorities and dichotomous policy outcomes (Lax and Phillips 2012).

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conclusion was based on an analysis of “groups and policy representation” relating policy shifts in the United States and Canada *separately* to the preferences of distinct income, education, and partisan groups—assessing, for example, whether policy “reflects the preferences” of low-income citizens in a model where the preferences of middle- and high-income citizens are ignored, then assessing whether policy “reflects the preferences” of middle-income citizens in a model where the preferences of low- and high-income citizens are ignored, and so on (Soroka and Wlezien 2010, 161-167). The results of such analyses obviously cannot tell us which, if any, of these groups’ preferences actually *influenced* policy, or to what extent. Nor, if “reflects the preferences” is supposed to connote absolute congruence, do these analyses shed any light on how closely the resulting policy outcomes actually mirrored each group’s preferences.

Soroka and Wlezien (2010, 161) noted that more direct attempts to assess the political influence of specific sub-groups are “complicated by very high multicollinearity resulting from the substantial parallelism in preferences” across groups within each country. The cross-national variation in my analysis here mitigates this complication, but only modestly.⁵ Nonetheless, in a setting where the *absolute* preferences of affluent and poor citizens often differ dramatically, it seems well worth learning whatever we can about whose preferences actually matter politically.⁶ In Soroka and Wlezien’s (2010, 161) framework, “Even if policymakers represent one group more than another, the resulting pattern of policy change would be pretty much as we would predict using the preferences of other groups.” But that conclusion only

⁵ The correlations between the preferences of affluent and poor citizens in my analyses range from $R=.81$ in the case of social spending preferences to $R=.86$ in the case of welfare state values.

⁶ Bartels (2008, chap. 9), Bhatti and Erikson (2011), Gilens (2012), and Gilens and Page (2014) addressed and assessed various analytical strategies for disentangling the effects of highly correlated sub-group preferences in the U.S. context.

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follows if we are interested in temporal covariation for its own sake rather than in effective political influence or absolute congruence between preferences and policy.

My analysis focuses specifically on the relationship between public preferences and government spending on social welfare programs, including (for example) old age pensions, health, unemployment benefits, and education. These programs represent a major share of government spending in every affluent democracy (Wilensky 2002) and, arguably, an important source of public well-being (Radcliff 2013). As Gøsta Esping-Andersen (1990, 106) argued in an influential study of welfare state structures, “expenditures present a circumspect and possibly misleading picture of welfare-state differences. If what we care about is the strength of social rights, equality, universalism, and the institutional division between market and politics, social-spending levels may camouflage more than they reveal.” Nevertheless, significant variation across countries and over time in social spending levels is likely to be both politically salient and economically and socially significant.

Moreover, the political salience of social welfare programs has inspired significant scholarly efforts to assess the relationship between citizens’ preferences and governments’ social policies. The results of these efforts have generally been interpreted as providing strong evidence of responsiveness. For example, Clem Brooks and Jeff Manza asked *Why Welfare States Persist* and answered that “mass policy preferences are a powerful factor behind welfare state output” (Brooks and Manza 2007, 141). Soroka and Wlezien (2010, 128) likewise argued that “When the public wants more social spending policymakers usually provide it.” These findings make the social welfare domain an unusually tough but fertile testing ground for my more skeptical perspective on the nature and extent of policy responsiveness.

Finally, the availability of consistent, concrete data regarding both social spending and citizens’ preferences regarding social spending and the welfare state provides

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unusual scope for systematic analyses of policy responsiveness. My analysis employs data on social spending from the OECD's Social Expenditure (SOCX) Database. My primary measure of policy outcomes in each country-year is total public and mandatory private social spending per capita (in 2005 U.S. dollars, at purchasing power parity).⁷

I merge the OECD spending data with data on citizens' policy preferences from 49 surveys conducted in 23 countries as part of the International Social Survey Programme (ISSP), an international collaborative project that has produced coordinated social surveys since the mid-1980s.⁸ The ISSP's periodic "Role of Government" modules have consistently included a battery of questions tapping preferences about government spending on a variety of specific programs as well as broader questions about the government's responsibilities in the social domain. Table 1 lists the countries in which each of the four waves of the Role of Government module was administered. The set of participating countries increased from six in the first (mid-1980s) wave to 21 in the fourth (mid-2000s) wave. The latter set includes most of the established democracies of Western Europe and the English-speaking world, as well as a few newer democracies in Central Europe and Asia.

*** *Table 1* ***

Obviously, statistical analyses based on such a small and heterogeneous sample of democratic political systems must be taken as suggestive rather than definitive. I take formal account of the resulting statistical uncertainty by reporting jackknife standard

⁷ The average level of social spending among the 49 country-years in my analysis is \$5,813 per capita; the range is from \$2,027 per capita (in Korea in 2006) to \$9,953 per capita (in Sweden in 2006). Descriptions of variables and summary statistics appear in Table A1.

⁸ Information and data are available from the ISSP website, <http://www.issp.org/data.shtml>.

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errors clustered by country in each of the analyses presented here.⁹ In addition, and more importantly, I attempt to convey the robustness or fragility of the statistical findings by reporting the results of a variety of analyses employing different explanatory variables, time horizons, specific policy domains, and allowances for differences across countries in patterns of policy responsiveness.

In Section 1, I document a substantial, persistent unmet demand for social spending among citizens in affluent democracies. This “social welfare deficit” seems to provide *prima facie* evidence that the responsiveness of policy-makers to citizens’ preferences in this domain is insufficient to produce congruence between preferences and policy, at least in the estimation of citizens themselves. In Section 2, I explore the bases of the social welfare deficit, examining the relationship between public demand for social spending in each country-year and current spending levels, economic conditions, and broader public attitudes related to social welfare and government spending.

In Section 3, I assess the extent to which governments in affluent democracies respond to the views of their citizens regarding social spending, budget-cutting, and the welfare state. I examine policy responsiveness both as a simple descriptive matter (for example, gauging the bivariate relationship between social spending preferences and subsequent changes in spending) and in the context of more realistic models of the policy-making process incorporating current spending levels, national economic capacity, and short-term changes in economic growth and unemployment. In Section 4 I disaggregate these analyses of responsiveness by policy domain, relating specific

⁹ Each analysis is repeated 24 times, once with the entire sample of 49 observations and then omitting the observation(s) from each country in turn. The estimated standard errors derived from the distribution of results across these 23 overlapping sub-samples capture both conventional sampling error and cross-national heterogeneity, producing conservative estimates of variance even if the disturbances are not identically distributed across countries (Miller 1974; Efron and Stein 1981).

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changes in spending on old age pensions, health, and unemployment benefits to public preferences for spending in each of those areas and other factors.

In Section 5, I consider whether policy-makers respond to the preferences of citizens “considered as political equals.” For each country-year, I tabulate separate measures of opinion for citizens at the top and bottom of the income distribution, and repeat my analyses of policy responsiveness allowing for the possibility that affluent and poor citizens have unequal influence on policy outcomes.

In Section 6, I provide some rudimentary analyses of potential variation in patterns of policy responsiveness across affluent democracies. I differentiate countries on the basis of broad political cultures, comparing the social democracies of continental Europe and Scandinavia with the liberal democracies of the English-speaking world and Asia. I also compare countries with different political institutions, allowing for distinct patterns of policy responsiveness in countries with proportional representation (compared to majoritarian systems) or federalism (compared to more centralized systems).

My findings suggest two very important caveats to Brooks and Manza’s (2007, 141) claim that “mass policy preferences are a powerful factor behind welfare state output.” First, while mass policy preferences may be powerful, they are not powerful enough to produce welfare policies that comport with those preferences. Both direct evidence from citizens’ own assessments and indirect evidence from observed patterns of policy-making suggest that affluent democracies spend much less on social programs than they would if policy-makers were fully responsive to citizens’ preferences in this domain. And second, the apparent power of mass policy preferences seems upon closer inspection to reflect a highly unequal distribution of political influence, with policy-makers responding powerfully to the preferences of affluent citizens but not at all (or even negatively) to the preferences of poor citizens. In a domain where affluent

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and poor citizens often express very different views, this disparity in apparent influence has substantial implications for welfare state policies as well as for our understanding of democratic politics.

1. Evidence of a “Social Welfare Deficit”

In each of the country-years listed in Table 1, ISSP survey respondents were asked a battery of questions introduced as follows:

Listed below are various areas of government spending. Please show whether you would like to see more or less government spending in each area.

Remember that if you say “much more,” it might require a tax increase to pay for it.

Respondents were asked whether they wanted more or less spending on each of eight specific programs: the environment, health, police and law enforcement, education, defense, old age pensions, unemployment benefits, and culture and the arts. I focus here on the four programs that cohere most clearly (both theoretically and empirically) in a common dimension of support for social welfare spending: pensions, health, unemployment benefits, and education.

By way of illustration, Table 2 shows the distribution of responses to each of these questions for a single country and year, the United States in 2006. The most striking pattern here is the strong net public support for increases in social spending. In the cases of education and health, more than 80% of the survey respondents wanted to spend more (or “much more”), while only 4-6% wanted to spend less. In the case of old age pensions, almost two-thirds of the respondents supported increased spending. Even in the case of unemployment benefits, which were much less popular than the bigger-ticket social welfare programs, supporters of increased spending outnumbered those who wanted to spend less by more than two to one, producing a significant net public demand for additional spending.

*** *Table 2* ***

This substantial public demand for additional social welfare spending is by no means limited to a single country or a single year. Figure 1 summarizes the average net demand for social welfare spending in each of the 23 countries included in my analysis.¹⁰ I quantify spending preferences using a simple scale ranging from –100 (for respondents who want to “spend much less” in a given policy domain) to +100 (for respondents who want to “spend much more”).¹¹ Averaging the four separate measures of demand for spending on pensions, health, unemployment benefits, and education provides an overall measure of *social spending preferences*.¹² In every case, the figure indicates significant demand for increased social spending. The average values range from +20 to +25 in the “best” cases (France, Switzerland, and the Netherlands) to more than +50—the equivalent of a unanimous public desire to “spend more” in all four social policy domains—in the most discrepant cases (Portugal, Ireland, and Poland).

*** *Figure 1* ***

In four countries—Australia, Great Britain, Germany, and the United States—the ISSP Role of Government module has been administered four times over a period of two decades or more. Repeated measurement of spending preferences using similar study designs and identical questions makes it possible to track the magnitude of the social welfare deficit over time in these four countries. The results are presented in

¹⁰ In countries with multiple ISSP surveys, Figure 2 reports the average net demand across waves, with fixed effects for the first three waves to capture general shifts in spending preferences over time in the OECD as a whole.

¹¹ The length of the scale is, of course, arbitrary. However, the zero point on the scale (for respondents who want to “spend the same as now”) is meaningful, corresponding to satisfaction with the perceived status quo spending level.

¹² The separate measures of demand for spending on pensions, health, and unemployment benefits are related to subsequent spending shifts in those specific domains in Section 4 below.

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Figure 2. In three of the four countries, net unmet demand for social welfare spending *increased* substantially over time. Only Great Britain saw a significant decline, from very high levels under Conservative prime ministers Margaret Thatcher and John Major to a much lower level after nine years of Tony Blair's Labour government.

*** *Figure 2* ***

Lest these four countries be considered anomalous, it is also possible to track unmet demand for social welfare spending in a broader set of 15 countries over the decade between the mid-1990s and the mid-2000s.¹³ Again, the results produce no evidence of convergence between spending preferences and policies. Indeed, the average net demand for social spending in these countries *increased* by about 10%, from +31.9 in the mid-1990s to +35.3 in the mid-2000s; increases outnumbered decreases by nine to six.

According to Soroka and Wlezien (2010, 173), it is “not surprising” to observe discrepancies between citizens' preferences and policies at any given time due to fluctuations in partisan control of government and other factors: “substantial disjunctures with public preferences in the short term can exist even as policy reflects those preferences over the long term.” However, *persistent* mismatches between preferences and policies over periods of ten or twenty years seem much harder to account for within the framework of dynamic representation, which implies that responsiveness by public officials to citizens' demands—and recognition of that responsiveness by citizens—should erode “substantial disjunctures ... over the long term.” The large, persistent social welfare deficits evident in the ISSP data suggest that one or both of these reciprocal connections must often fail in practice.

¹³ Australia, Canada, the Czech Republic, France, Germany, Great Britain, Ireland, Japan, New Zealand, Norway, Poland, Spain, Sweden, Switzerland, and the United States.

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2. Sources of Public Support for Social Spending

Figure 1 provides evidence of substantial unmet demand for social spending in every one of the 23 countries in my analysis. However, it also provides evidence of substantial *variation* in the extent of unmet demand across countries, and Figure 2 provides evidence of substantial variation over time even within countries. It is hard to know what to make of this variation—or of the “social welfare deficit” itself—without having some clear sense of the bases of public support for social spending. Why do democratic citizens in some times and places perceive larger or smaller gaps between what they want from their governments and what they are getting in the way of social spending? I consider four possibilities.

First, since the ISSP spending questions asked respondents whether they wanted “more” or “less” spending in each domain, their responses were presumably calibrated in relation to their perceptions of prevailing spending levels. To the extent that they were (at least roughly) cognizant of how much their governments were already spending on a given program, the same *absolute* desired spending level should, given the structure of these questions, have elicited a “spend more” response when current spending was low but a “spend less” response when current spending was high. Thus, other things being equal, *relative* spending preferences are likely to be “thermostatic” (Wlezien 1995; Soroka and Wlezien 2010), fluctuating up and down with cuts and increases (respectively) in actual spending.

Second, it seems plausible to suppose that *absolute* spending preferences would vary across countries and over time with differences or changes in economic and social conditions. Although many such conditions are potentially relevant, I shall focus here on two that seem especially likely to be important in the domain of social welfare policy: national economic capacity (as measured by real GDP per capita) and unemployment. My expectation is that public demand for social spending will tend to

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be higher in more affluent times and places, other things being equal, and higher in times and places with high unemployment (since the unemployed are key targets of social spending).

Third, specific spending preferences may be shaped by broader attitudes about the role of government and the welfare state. In their influential analysis of *Why Welfare States Persist*, Brooks and Manza (2007, 39-41) measured “mass policy preferences” using two questions included in the same ISSP Role of Government surveys employed here. One of these questions asked, “On the whole, do you think it should or should not be the government’s responsibility to provide a job for everyone who wants one?” The other asked, “On the whole, do you think it should or should not be the government’s responsibility to reduce income differences between the rich and the poor?”

In order to distinguish the more general attitudes tapped by these questions from the specific, concrete policy preferences tapped by the domain-specific spending questions, I shall refer to Brooks and Manza’s “mass policy preferences” as a measure of *welfare state values*. Figure 3 displays the resulting average level of public support for welfare state values (net of fixed effects for survey waves) in each of the 23 countries included in my analysis.¹⁴ The cross-national variation is substantial—fully twice that of the spending preferences summarized in Figure 1. At one extreme, citizens in Portugal, Hungary, Poland, and Spain were strongly supportive of the government’s role in providing jobs and equalizing incomes, with average scores of +60 or more on the –100 to +100 scale. At the other extreme, most citizens in the United States, New Zealand, Canada, and Australia were indifferent or even mildly hostile to the welfare state by this measure.

¹⁴ The index is a simple average of responses to the two items, rescaled to range from –100 (for respondents who “disagree strongly” with both items) to +100 (for respondents who “agree strongly” with both items).

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*** *Figure 3* ***

Brooks and Manza (2007, 36) showed that these attitudes toward the welfare state were strongly correlated with countries' welfare state spending (measured as a percentage of GDP). As Lane Kenworthy (2009) and Nate Breznau (2014) have pointed out, it is hard to know what to make of this correlation. Cross-national differences in welfare state effort tend to be rather stable over long periods of time, making it very difficult to discern whether supportive public attitudes are a cause or an effect of government policy. I shall attempt to shed some light on that causal ambiguity below. In the meantime, however, it seems plausible to suppose that the broad welfare state values summarized in Figure 3 may significantly shape more specific policy preferences regarding social spending.

Finally, public support for social spending may be tempered (or not) by concerns about the fiscal cost of an expansive welfare state. Yet another question in the ISSP Role of Government surveys seems well-designed to tap such budgetary concerns. In the context of a battery of questions focusing on "some things the government might do for the economy," respondents were asked whether they favored or opposed "cuts in government spending."¹⁵ Perhaps surprisingly, the same respondents who expressed substantial support for additional spending on the social programs that make up the lion's share of their governments' budgets also expressed substantial enthusiasm for cuts in government spending.¹⁶ Indeed, the distribution of responses to the budget-

¹⁵ The other items in the battery asked about controlling wages and prices, financing projects to create new jobs, reducing regulation of businesses, supporting industrial research and development, supporting declining industries to protect jobs, and reducing the work week.

¹⁶ The apparent contradiction between public enthusiasm for cuts in government spending and strong support for *increases* in spending on specific social programs is heightened by the proximity of these questions in the ISSP surveys: the spending battery consistently appeared just six questions after the item about cutting government spending. Thus, within a matter of two or three minutes the same survey respondents who were fervent budget hawks became strong supporters of increased spending on a variety of major social programs.

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cutting question is, if anything, even more skewed than for the questions on spending for specific government programs. Averaging across countries and years, about two-thirds of the respondents said they favored cuts in government spending, many “strongly”; only 10% were opposed.

Figure 4 shows the average level of support for budget-cutting (net of fixed effects for survey waves) in each of the 23 affluent democracies considered here.¹⁷ Again, there is a great deal of cross-national variation—from overwhelming public support for budget-cutting in France, Hungary, Portugal, and Japan to indifference or modest antipathy in Denmark, Great Britain, and Finland.

***** Figure 4 *****

It is worth noting that budget-cutting preferences were largely unrelated to welfare state values at the aggregate (country-year) level ($R=.10$). Among the countries with the greatest enthusiasm for budget-cutting, average levels of support for welfare state values ranged from over 60 in Portugal, Hungary, and Poland to 30-45 in Austria, France, and Germany, 15 in Japan, and -15 in the United States. Moreover, public support for budget-cutting sometimes shifted dramatically from one survey to the next in the same country, especially between the mid-1990s and mid-2000s (falling by almost 50 points in Ireland, about 40 points in Switzerland and Spain, and more than 20 points in Australia and the United States).

How, if at all, did budget-cutting preferences and other factors affect concrete public demand for spending on social programs? The regression results for Model 1, presented in the first column of Table 3, provide a statistical summary of the sources of net support for social spending in affluent democracies. These results suggest that

¹⁷ The measures of budget-cutting preferences for each country in Figure 4, as well as the measures of welfare state values in Figure 3 and spending preferences in Figure 1, appear in Table A2.

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public support for spending increases was indeed significantly lower when spending was already high, as the “thermostatic” model of public opinion implies.¹⁸ On the other hand, support for spending tended to be higher in circumstances of greater economic capacity (as measured by GDP per capita) and social need (as measured by unemployment). Finally, welfare state values had a fairly strong (and statistically “significant”) positive effect on spending preferences, while budget-cutting preferences had a somewhat weaker (but still clearly discernible) negative effect, as expected.

*** *Table 3* ***

Model 2 (the results of which are presented in the second and third columns of Table 3) provides parallel analyses of net demand for social spending among citizens at the top and bottom of the income distribution in each country-year.¹⁹ The separate results for affluent and poor citizens are broadly similar to each other and to the overall results produced by Model 1. Spending preferences at both ends of the income distribution were strongly (and equally) responsive to current spending. Affluent citizens may have been slightly more sensitive to national economic capacity and poor citizens rather more sensitive to unemployment; but in both cases the parameter estimates are very imprecise. Spending preferences among citizens with lower incomes were somewhat less consistently related to welfare state values, but equally tempered by budget-cutting preferences. In general, the preferences of poor citizens seem to have been rather more idiosyncratic (at the level of country-years) than those of

¹⁸ The interquartile range of (logged) social spending per capita for my 49 country-years is .53—roughly the difference between average spending in Japan or Portugal on one hand and Finland or the Netherlands on the other. The parameter estimate in Model 1 implies that this difference in spending would temper public support for spending increases by 7 or 8 points on the -100 to +100 scale.

¹⁹ I employ a seemingly unrelated regression framework in order to allow for correlation among the unmeasured factors influencing support for spending among affluent and poor citizens in each country-year. The residual correlation is substantial, $R=.82$.

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affluent citizens, as evidenced by the much lower R^2 statistic and greater residual variation reported for Model 2.

3. Policy Responsiveness

The evidence presented thus far demonstrates that most citizens in affluent democracies over the past 30 years have wanted their governments to spend more on a variety of major social programs. Moreover, these preferences for additional spending have been remarkably persistent despite the “thermostatic” tendency of spending preferences to respond to current spending levels. One obvious way to make sense of these facts is to suppose that the problem is with the *other* half of the reciprocal relationship between preferences and policy envisioned in the theory of dynamic representation. If governments persistently fail to “turn up” social spending sufficiently to meet public demand, then “thermostatic” citizens will persist in wanting more.

On its face, that supposition seems to be contradicted by Soroka and Wlezien’s (2010, 142) evidence that “budgetary policy responds to public preferences.” But responsiveness is a matter of degree. Even a “responsive” policy-making process may fail to reflect public preferences, even over long periods of time, if the *extent* of responsive is inadequate. Indeed, this sort of persistent incongruence between public preferences and policy is evident in Soroka and Wlezien’s own data. At one point, for example, they presented a graph relating annual changes in social spending in the U.S. to public spending preferences (based on responses to questions similar in form to those employed here) in the preceding year (Soroka and Wlezien 2010, 128). The correlation between the two series over the 33 years covered by their analysis is $R=.61$, suggesting a consistent pattern of responsiveness. “Budgetary policy responds to public preferences.” However, the two series are substantially offset in the graph in order to make them overlap, with a net spending preference of zero implying an

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annual *decline* in social spending of about \$35 billion (2000 dollars) and a net spending preference of about +20 required to maintain social spending at its current level (adjusted for inflation, but with no allowance for population growth or growth in per capita income). The relationship is one of fairly consistent *marginal* responsiveness, but persistent incongruence between preferences and policy.

Here, I attempt to shed light on the magnitude and consistency of incongruence by measuring the *extent* of policy responsiveness to public opinion in the realm of social spending. I begin, in the spirit of the literature on dynamic representation, with a simple description of the relationship between public support for social spending in each country-year and subsequent changes in actual spending levels. Are policy changes correlated with citizens' spending preferences? In order to allow time for policy changes to be implemented, I consider changes in spending over the two years following each ISSP survey.²⁰ I also consider changes in spending over the five years following each survey; in most cases this longer interval would allow time for voters to induce responsiveness through electoral replacement of incumbent policy-makers if necessary.

Model 3 in Table 4 presents the simple bivariate relationships between net public support for social spending and subsequent changes in spending. The parameter estimate of .141 in the first column implies that a difference of 15 points in support for social spending (roughly the difference between Great Britain or Korea at the 75th percentile of the distribution and Canada or Australia at the 25th percentile) is associated with an expected difference of about two percentage points in incremental social spending over the next two years. On its face, this association seems to provide

²⁰ Since some ISSP surveys were conducted toward the end of the indicated calendar year, and since national policy-making processes vary considerably in their timing, it seems unrealistic to require that public demand for spending in year t be translated into additional spending in year $t+1$. Thus, I allow policy-makers in year $t+1$ to respond to demand in year t , producing changes in spending in year $t+2$ relative to those in year t .

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solid, albeit modest evidence of “policy representation” in Soroka and Wlezien’s (2010) terms.

*** *Table 4* ***

This basic relationship between spending preferences and subsequent changes in spending is presented graphically in Figure 5. Although there is clearly a good deal of variation in policy unaccounted for by public spending preferences, the statistical relationship is clear. The corresponding relationship between spending preferences and actual changes in spending over the subsequent *five* years is somewhat weaker (and a good deal less precisely estimated); however, this apparent erosion could conceivably reflect the effects of subsequent compensating shifts in spending in response to “thermostatic” shifts in preferences prompted by the original short-term changes in spending. In any case, bivariate analysis seems to confirm that “budgetary policy responds to public preferences” (Soroka and Wlezien 2010, 142), at least in the short term.

*** *Figure 5* ***

However, the additional statistical results presented in Table 4 (for Model 4) suggest that much of the apparent relationship between public preferences and budgetary policy is probably spurious. The analysis presented in Table 3 showed that prevailing levels of spending and GDP strongly affected public support for additional spending. However, it seems likely that those same factors also affected policy-makers (and thus policy) directly, without regard to public opinion (Wilensky 2002). It also seems likely that changes in economic conditions in the years between the measurement of preferences and policy outcomes may have produced changes in spending more or less automatically through the operation of spending formulae keyed to economic indicators such as unemployment and wage growth, again without

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regard to public opinion. Model 4 includes additional explanatory variables intended to capture these independent influences on social spending policy.

Once these factors are taken into account, the apparent effect of public demand on spending two years later is reduced by more than one-third, while the apparent effect on spending five years later evaporates entirely. Moreover, as Figure 6 suggests, the apparent surviving impact of spending preferences in Model 4 is entirely attributable to a single anomalous case. After a decade of spectacular economic growth, Ireland in 2006 recorded the greatest public support for social spending in my data set (+64.2), followed by the largest spurt in spending over the next two years (18.2%, almost three times the sample average). Excluding this anomalous case from the analysis leaves no trace of responsiveness to spending preferences in the remaining 48 cases (as indicated by the dashed regression line in Figure 6).²¹ These findings suggest that spending preferences *per se* probably had little or no real impact on spending policy.

*** *Figure 6* ***

The analyses reported in Table 5 parallel those in Table 4, but with welfare state values and budget-cutting preferences substituted for spending preferences. These alternative models allow for the possibility that policy-makers responded to broad “*embedded preferences ... grounded in a country’s social structure, major institutions, and the collective memory of citizens*” (Brooks and Manza 2007, 7) rather than to more specific, concrete preferences for more or less spending in any given domain at any given time. More prosaically, they also allow for the possibility that my *measure* of spending preferences fails, for one reason or another, to capture concrete public preferences for more or less social spending.

²¹ The parameter estimates for spending preferences with the 2006 Irish observation excluded are .023 (with a standard error of .043) for two-year spending changes and –.063 (with a standard error of .104) for five-year spending changes.

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*** *Table 5* ***

The simple descriptive analysis in Model 5 provides rather little evidence of consistent correlation between “embedded preferences” and subsequent changes in spending. However, the more elaborate analysis in Model 6 provides stronger evidence of responsiveness, at least over a two-year time horizon, with *t*-statistics of 2.8 for welfare state values and -1.5 for budget-cutting preferences. The former estimate implies that a 33-point difference in welfare state values (roughly the difference between Norway or Austria at the 75th percentile and Denmark or Switzerland at the 25th percentile) would produce an additional two percentage points of spending over the next two years. (The five-year estimate is slightly larger, though less precise.) The estimate for budget-cutting preferences implies that a 30-point difference in enthusiasm for budget-cutting (say, between Austria or Portugal at the 75th percentile and Australia or South Korea at the 25th percentile) would produce a decrease of about one percentage point in social spending (though that effect seems not to persist over the longer five-year time horizon).²²

The additional explanatory variables in Model 6 have estimated effects roughly comparable to those in Model 4. Current spending had a substantial negative effect on subsequent spending increases, while GDP had a substantial positive effect. In addition, fluctuations in economic conditions (GDP and unemployment) in the years following each survey translated into more-or-less-automatic changes in social spending, with increases in unemployment and (perhaps) GDP growth producing spending increases.

The analyses presented in Table 6 provide a different characterization of the same patterns of policy responsiveness documented in Table 5. All of the variables in Model

²² The correlation between the residuals from the analyses of two-year and five-year changes in spending for Model 6 (and thus also for Model 7) is .46.

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7 are the same as in Model 6, and in sum they account for changes in social spending exactly as well as in that model using the same number of free parameters. However, the variables and parameters are reconfigured to shed light on the process of *dynamic equilibration* by which policy-makers act (or not) to reduce the gap between the effective demand for social spending and actual spending levels at any given time.²³

The “responsiveness” parameters represent the extent to which any gap between effective demand and current spending is, in fact, reduced by spending changes over the subsequent two years or five years (net of the more-or-less automatic effects of subsequent changes in economic conditions). The parameter estimate of 9.57 in the first column of Table 6 suggests that about 10% of the gap between effective demand and actual spending is likely to be eliminated by policy changes over the next two years; the parameter estimate of 23.41 in the second column suggests that almost one-fourth of the gap is likely to be eliminated over five years.²⁴

*** *Table 6* ***

Within this framework, the intercept and coefficients for welfare state values, budget-cutting preferences, and GDP per capita represent the *effective demand* for social spending in each country-year. Subtracting the current level of spending produces a measure of the gap between effective demand and current spending. When this gap is positive, the responsiveness parameter implies that social spending is likely

²³ This framework is essentially an error correction model (Engle and Granger 1987), with the first two terms capturing short-term dynamics, “responsiveness” corresponding to the error correction rate, and the remaining terms representing the equilibrium relationship of social spending to public preferences and GDP.

²⁴ Substituting spending preferences for welfare state values in Table 6 produces qualitatively similar but weaker results. The statistical models fit the data less well, the estimates of responsiveness are similar in magnitude but with larger standard errors, and the *t*-statistics for spending preferences are 1.1, -0.3, and -0.1

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to increase; when (much more rarely) the gap is negative, the responsiveness parameter implies that social spending is likely to decrease.

It is important to note that this “effective demand” for spending increases or decreases is distinct from the *public* demand for spending captured by the spending questions in the ISSP surveys. My analysis suggests that equilibrium levels of social spending do reflect, in part, public preferences as measured by welfare state values and budget-cutting preferences. However, equilibrium levels of spending also reflect a separate tendency for the growth rates of welfare states to track (or perhaps slightly exceed) the growth rates of the economies in which they are embedded, net of any measureable *public* demand for spending increases.²⁵ Indeed, most of the variation in effective demand implied by these parameter estimates is attributable to the apparent sensitivity of policy-makers to variation in national economic capacity rather than to variation in public preferences.²⁶

In Model 8, all of the coefficients measuring “effective demand” for social spending are constrained to be identical over two years and five years; only the extent of responsiveness is allowed to vary.²⁷ The resulting parameter estimates are generally similar to those for five-year changes in spending in Model 7. Thus, imposing these constraints reduces the apparent short-term impact of welfare state values on spending changes and erases the apparent short-term impact of budget-cutting preferences. However, the model fits the observed two-year spending changes less well

²⁵ Perhaps surprisingly, neither the unemployment rate nor the proportion of the population over age 65 has any discernible effect on “effective demand” for social spending within this framework.

²⁶ The standard deviation (across country-years) of the economic capacity component of effective demand ($1.15 \times \ln(\text{GDP})$) is .33; the standard deviation of the public preference component ($.0062 \times \text{welfare state values} - .0036 \times \text{budget-cutting preferences}$) is .16.

²⁷ Model 8 also constrains the coefficients for post-survey economic fluctuations to be the same over two years and five years, though of course the magnitudes of the fluctuations themselves tended to be larger over five years.

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than the less parsimonious Model 7 does, even after allowing for the fact that it requires fewer parameters.

In both Model 7 and Model 8, the parameter estimates for “responsiveness” imply that, other things being equal, actual social spending tended to equilibrate with effective demand at a rate of about 5% per year. This is highly “significant” responsiveness in a purely statistical sense—the relevant *t*-statistics range from 4.6 to 9.8. However, since effective demand also evolves over time, there is no reason to expect that this modest degree of equilibration would actually eliminate the gap between effective demand and actual spending, even over a period of decades.

The distinction between marginal responsiveness and absolute policy congruence is especially stark in the case of the country with the lowest recorded level of public support for welfare state values, the United States. Brooks and Manza (2007, 145) argued that “the United States is not an outlier with regard to welfare state responsiveness to mass opinion” and that “low levels of public support for the welfare state are a central reason behind the market-oriented character of the American political economy.” My own analysis suggests that the U.S. spent about one-third less (per capita) on social programs than other comparably affluent OECD democracies.

A calculation based on the parameter estimates from Model 7 suggests that the difference in effective demand for social spending attributable to a 42-point difference in welfare state values (the difference between the overall average of +27 and the U.S. average of -15) is about 25%, accounting for a substantial part of that one-third less social spending. In that sense, my findings handsomely support Brooks and Manza’s contention regarding the importance of welfare state values. On the other hand, the expected difference in *incremental spending* attributable to the same 42-point difference in welfare state values would be just 2.5% over two years and less than 3% over five years. Thus, if Brooks and Manza are read as arguing that substantial changes

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in American welfare state values would produce substantial changes in social spending, my findings provide considerable grounds for skepticism. Policy-making inertia (or *unresponsiveness*) provides a more powerful explanation than public opinion for “why welfare states persist.”

4. Policy Domains

So far, I have treated social spending as an undifferentiated package, aggregating responses to the specific questions on old age pensions, health, unemployment benefits, and education in the ISSP survey data into a single indicator of social spending preferences and relating those preferences to changes in overall social expenditures. However, the OECD Social Expenditures Database also includes specific measures of spending in three of these domains—pensions, health, and unemployment benefits. Thus, it is feasible to examine policy responsiveness separately in each of these domains using the same general approach as for overall social spending.

Table 7 provides a very simple disaggregated analysis of this sort, attempting to account for two-year spending changes in each domain solely on the basis of public preferences for spending in that domain. The results of this descriptive analysis reveal a great deal of variation across policy domains in the basic relationship between spending preferences and policy. Changes in spending on pensions were fairly strongly correlated with public demand ($R=.46$), whereas changes in spending on health were virtually uncorrelated with public demand in that domain ($R=.05$); the relationship between preferences and policy in the domain of unemployment benefits is impossible to gauge due to the substantial variability of changes in spending on unemployment (ranging from -73% in Sweden from 2006-08 to $+64\%$ in Great Britain from 1990-92).²⁸

²⁸ Extending this analysis to include five-year changes in spending further reinforces the implications of the results presented in Table 7. The estimated impact of net support for spending on old age pensions increases from .180 (with a standard error of (.048) after two

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***** Table 7 *****

The analyses presented in Table 8 provide a more extensive account of spending shifts in each of these policy domains, employing explanatory variables paralleling those in Table 5. Here, too, the results suggest that public preferences were only clearly related to shifts in spending on old age pensions, with negligible or highly uncertain effects in the areas of health and unemployment benefits. Budget-cutting preferences seem to have had a modest constraining effect on health spending, and perhaps also on unemployment benefits (though the latter effect is, once again, very imprecisely estimated). More broadly, changes in health spending seem to have been driven primarily by economic conditions—national economic capacity and changes in GDP and unemployment. Spending on unemployment benefits was, unsurprisingly, strongly driven by changes in unemployment rates—though still with a great deal of variability unaccounted for by previous spending levels, economic conditions, and public preferences.²⁹

***** Table 8 *****

Table 9 presents separate analyses of the bases of public demand for government spending in each of these three distinct policy domains.³⁰ In each case, spending preferences reflected welfare state values (albeit more strongly for unemployment benefits and old age pensions than for health spending) and budget-cutting

years to .433 (with a standard error of .105) after five years, evidence of strong and sustained policy responsiveness in that domain. The estimated effects of net support for spending on health and unemployment benefits after five years are both negative and statistically indistinguishable from zero.

²⁹ The correlations in residual spending shifts across the three policy domains are quite weak, ranging from .06 to .13. Thus, the unmeasured factors driving spending shifts in each domain, like the measured factors, seem to be largely distinct.

³⁰ The seemingly unrelated regression estimation allows for correlations among the unmeasured factors influencing support for spending in each domain. The residual correlations range from .17 (for health and unemployment benefits) to .61 (for health and old age pensions).

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preferences (albeit more strongly for health and pensions than for unemployment benefits). However, the apparent effect of current spending varies greatly across the three domains, with weak evidence of “thermostatic” feedback in the case of pensions and unemployment benefits and none at all in the domain of health spending.

*** *Table 9* ***

According to Brooks and Manza (2007, 143), “Politicians tend to incorporate mass opinion into social policymaking in a global fashion, rather than adjusting each specific domain to match precisely citizen preferences.” They suggested that “policymaking within specific domains is more heavily shaped by the influence of interest groups and strategic action on the part of politicians” than by responsiveness to public preferences (Brooks and Manza 2007, 10). However, it is far from obvious why the influence of interest groups and strategic action by politicians would negate the impact of public opinion within specific domains while somehow allowing it to flourish at the “global” level of overall social spending. It might be fairer to infer that the *appearance* of global responsiveness in social policy-making mostly reflects strong, consistent responsiveness to public preferences in a single, apparently atypical domain.³¹

5. Disparities in Responsiveness

So far, I have treated public preferences in each country-year as an undifferentiated force influencing—or failing to influence—subsequent shifts in social spending. However, recent research focusing on the United States has documented

³¹ Indeed, the “significant” apparent impact of overall spending preferences on subsequent changes in spending in Model 3 disappears completely when specific preferences for spending on old age pensions are included in the analysis; the parameter estimate for overall spending preferences declines from .141 to $-.073$ (with a standard error of .141), and the parameter estimate for pension spending preferences is .194 (with a standard error of .114).

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substantial disparities in responsiveness to the policy preferences of affluent and poor citizens. For example, Elizabeth Rigby and Gerald Wright (2013) found that political parties in the states were generally unresponsive to low-income preferences. Bartels (2008, chap. 9) found that U.S. senators' roll call voting records were influenced by the ideological preferences of their high-income constituents but not by the preferences of their low-income constituents. Martin Gilens (2012) used hundreds of specific policy questions in opinion surveys to show that subsequent policy shifts reflected the views of affluent citizens, but not the views of middle-class or poor citizens when these groups' policy preferences diverged. According to Gilens (2012, 1), "The American government does respond to the public's preferences, but that responsiveness is strongly tilted toward the most affluent citizens. Indeed, under most circumstances, the preferences of the vast majority of Americans appear to have essentially no impact on which policies the government does or doesn't adopt." A subsequent analysis of the same data by Gilens and Benjamin Page (2014, 576) concluded, "When a majority of citizens disagrees with economic elites or with organized interests, they generally lose."

One possible interpretation of these findings is that the American political system is anomalous among affluent democracies in its apparent disregard for the preferences of middle-class and poor citizens. Alternatively, it might be the case that such political inequalities are endemic in affluent democracies, and that detailed studies of other countries would produce similar results. Unfortunately, no other affluent democracy has been subjected to similar scholarly scrutiny, while cross-national analyses of the sort provided here have seldom attempted to distinguish between responsiveness to the public as a whole and responsiveness more specifically to the preferences of

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affluent citizens.³² Thus, the broader relevance of the U.S. evidence is very much subject to question.

The substantive implications of disparities in responsiveness depend in significant part on the extent to which the preferences of affluent and poor citizens diverge. If poor citizens had the same preferences as affluent citizens did, even a very class-biased policy-making process might turn out to give them what they wanted, albeit by coincidence. One might—and I would—attach considerable theoretical and moral significance to the class bias, nonetheless; but from a practical standpoint, it would have little impact on policy outcomes. On the other hand, if affluent and poor citizens have very different preferences, a political system skewed in favor of the affluent will tend to produce policies inimical to the preferences of the poor, compounding procedural inequality with substantive inequality of outcomes.

Here, I measure high-income preferences and low-income preferences in each country-year by regressing survey respondents' social welfare preferences on their

³² Yvette Peters and Sander Ensink (2015) related social expenditures in 25 countries to support for redistribution among high- and low-income citizens (controlling for government ideology and GDP growth). They interpreted their findings as reflecting “differential responsiveness”; however, their statistical results actually seem to imply that high-income preferences had *no* effect on spending (.010 with a standard error of .038), while low-income preferences had a *negative* effect (−.088 with a standard error of .048). A recent working paper by Michael Donnelly and Zoe Lefkofridi (2014) provided a broader analysis of the relationship between high- and low-income citizens' preferences and subsequent policy changes in 15 distinct policy domains, including those considered here. They, too, concluded that policy is “tilted toward the preferences of the wealthy.” However, their analysis pooled fragmentary data from all 15 policy domains and 36 European countries (ranging from France and Germany to Malta and Albania) in a single regression model with constant coefficients, ignoring the fact that preferences and (especially) policy changes were measured quite differently in each domain. (Measures of policy outcomes ranged from police officers per capita to “environmental policy intensity and scope” to ratios of tax rates and nuclear energy production.) Given the apparent heterogeneity of responsiveness to public preferences regarding three closely related social spending policies in Table 8, it is hard to know what to make of this highly amalgamated analysis.

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positions in the income distribution.³³ The estimated differences in preferences between respondents in the highest income percentile and those in the lowest income percentile in each country (averaged across surveys, with fixed effects for survey waves) are presented in Table 10. Clearly, the extent of “class conflict” in the domain of social welfare preferences varied considerably across countries and measures. On average, the most affluent citizens in each country were about 15 points less supportive of social spending than the poorest citizens were, and about four points more enthusiastic about budget-cutting. However, in a few countries (the United States, Finland, and Denmark) both of these differences were 20 points or more. Moreover, substantial class conflict appeared in every country with respect to welfare state values. The *average* difference between affluent and poor citizens in support for welfare state values was almost 50 points—more than twice the standard deviation of national averages in Figure 3—and in some countries (the Netherlands, Sweden, and New Zealand) it exceeded 70 points. With differences of this magnitude, significant disparities in the political influence of affluent and poor citizens are likely to translate into significant differences in policy outcomes.

*** *Table 10* ***

Table 11 presents the results of two distinct analyses of policy responsiveness to the views of affluent and poor citizens. Model 12 parallels Model 4 in Table 4, except that the variable measuring overall public support for social spending in each country-year is replaced by separate variables measuring public support at the top and bottom

³³ In each country-year, I used the most detailed available measure of respondents’ family incomes (or, if necessary, the respondents’ own incomes) to estimate their place in the income distribution. I then regressed each measure of social welfare preferences on income percentiles separately in each country-year. The predicted preferences at the 1st and 100th income percentiles are my measures of low- and high-income preferences, respectively, for each country-year. I also examined quadratic relationships between preferences and income, but they generally did little to improve upon the simple linear regressions.

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of the income distribution in each country-year.³⁴ Although the separate parameter estimates for high- and low-income preferences are quite imprecise, the results suggest that policy-makers probably responded to the preferences of affluent citizens but *not* to the preferences of poor citizens—indeed, the estimates for low-income spending preferences are both negative, though not statistically distinguishable from zero.³⁵

*** **Table 11** ***

Model 13 in Table 11 parallels Model 6 in Table 5, except that the variables measuring overall welfare state values and budget-cutting preferences are replaced by separate variables measuring affluent and poor citizens' welfare state values and budget-cutting preferences. Again, the parameter estimates reflecting responsiveness to affluent citizens' views have the expected signs (positive for welfare state values, negative for budget-cutting preferences), plausible magnitudes, and fair precision (with *t*-statistics ranging in magnitude from 1.4 to 1.9). However, the parameter estimates reflecting responsiveness to poor citizens' views are once again perversely signed (negative for welfare state values, positive for budget-cutting preferences) and statistically "insignificant." Here, too, the results suggest that poor citizens have essentially no influence on social spending in affluent democracies.

Table 12 reports the results of statistical analyses of policy equilibration paralleling those in Table 6, but allowing for disparities in responsiveness to citizens'

³⁴ Since "high-income" and "low-income" preferences in each country-year are the endpoints of a linear relationship, we can think of each citizen's influence on policy as being proportional to a weighted average of these two endpoints. So the parameter estimates of .088 and -.009 in the first column of Table 11 imply that a citizen at the 75th percentile of the income distribution had about three-fourths as much influence as someone at the top of the income distribution ($.088 \times .75 - .009 \times .25 = .064$), while someone at the 25th percentile had about one-fourth as much influence as someone at the top of the distribution ($.088 \times .25 - .009 \times .75 = .015$).

³⁵ Omitting the control variables from Model 12 has relatively little effect on the parameter estimates for high-income spending preferences (.125 and .168) or low-income spending preferences (.001 and -.099).

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policy preferences on the basis of income. Each analysis includes a single parameter reflecting relative responsiveness to low-income preferences, expressed as a fraction of responsiveness to high-income preferences.³⁶ In Model 14, the rest of the parameters are estimated separately for two-year changes in spending and five-year changes; in Model 15, both the gap between effective demand and actual spending at the time of the survey and the impact of subsequent changes in GDP and unemployment are constrained to be identical; only the extent of equilibration is allowed to vary over time.

*** *Table 12* ***

In both cases, the estimated low-income influence ratio is less than zero, implying once again that the preferences of low-income citizens had no effect (or even some *negative* effect) on policy outcomes.³⁷ The estimate from Model 15 is too imprecise to rule out the possibility that the preferences of poor citizens had *some* positive effect; however, even in that case we can confidently reject the hypothesis that citizens regardless of income level were *equally* efficacious in influencing social spending.³⁸ These results suggest that the dramatic inequalities in responsiveness portrayed by

³⁶ Given this parameterization, equal responsiveness to the preferences of low- and high-income citizens would produce a “responsiveness ratio” of 1.0. A ratio of 0.5 would imply that the preferences of citizens at the bottom of the income distribution in each country-year were half as consequential as those of citizens at the top of the distribution, while a ratio of zero would imply no responsiveness at all to the preferences of citizens at the bottom of the income distribution.

³⁷ Given the simple linear parameterization of influence employed here, the estimated low-income influence ratio of $-.75$ in Model 15 can be interpreted as implying that the relative influence of citizens in the bottom half of the income distribution in each country-year ranged from $(1 \times .50 - .75 \times .50) = .125$ to $-.75$, averaging $-.31$.

³⁸ A coefficient of $+1.00$ would represent equal influence. The 99% confidence interval for the low-income influence ratio in Model 15 extends from -2.32 to $+.82$. The corresponding interval for Model 14 extends from -1.23 to $+.01$.

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Gilens (2012) and others in the U.S. are endemic in affluent democracies, posing a major challenge to the ideal of effective political equality.

6. Cross-National Variation

My analyses provide substantial evidence that citizens' influence on social spending in contemporary OECD countries has been modest in magnitude and highly biased by differences in economic resources. However, these analyses impose the significant simplifying assumption that policy responsiveness worked similarly in each of the 23 countries (and 49 country-years) in my sample. There are obviously a variety of good reasons to expect significantly different patterns of responsiveness in countries with significantly different political histories, cultures, and institutions (e.g., Esping-Andersen 1990; Powell 2000; Alesina and Glaeser 2004). Given the limitations of my sample and data, it is fruitless to hope for much precision in assessing the implications of these differences for policy responsiveness. Nonetheless, in this section I provide a few simple comparisons of patterns of responsiveness in distinct subsets of my data. In each case, I look for significant differences in both the overall *extent* of responsiveness and *equality* of responsiveness as measured by the relative impact of low-income preferences.

In Table 13, I distinguish between the social democracies of continental Europe and Scandinavia on one hand and the liberal democracies of the English-speaking world and Asia on the other.³⁹ Model 16 allows for differential responsiveness in social democracies (but the same relative influence of low-income preferences), while Model

³⁹ My labels are derived from Jonas Pontusson (2005) but applied more broadly. I classify Australia, Canada, Great Britain, Ireland, Japan, New Zealand, South Korea, and the United States as liberal democracies and the remaining 15 countries as social democracies. The latter category combines Esping-Andersen's (1990) "social democracies" and "Christian democracies," which are too thinly represented in my data to have any hope of discerning differences between them.

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17 allows for differences in the relative influence of low-income preferences (but the same level of overall responsiveness). In the former case, the data suggest fairly clearly that social spending is about one-third *less* responsive to public preferences in the social democracies of Europe than in liberal democracies, at least in the short run. However, this difference in responsiveness is no longer apparent after five years (perhaps simply due to the greater statistical imprecision of the estimate). And in Model 17 there is no evidence at all that poor citizens have any more (or less) relative influence on social spending in Europe than elsewhere.

*** *Table 13* ***

Table 14 reports the results of a similar comparison between countries with more proportional electoral systems and those with winner-take-all electoral rules.⁴⁰ The results for Model 18 suggest that more proportional systems may have produced more responsive governments, at least over a five-year time horizon—but the difference is estimated quite imprecisely and readily attributable to chance. The results for Model 19 provide somewhat stronger evidence suggesting that class bias in responsiveness was milder in more proportional systems than in majoritarian systems. However, it is

⁴⁰ My *proportionality* variable is derived from the “PR,” “PLURALITY,” and “HOUSESYS” variables in the December 2012 version of the World Bank Database of Political Institutions (Beck et al. 2001). Electoral systems in which all legislators are elected by proportional representation (Austria, Denmark, Finland, Ireland, Italy in 1985 and 1991, the Netherlands, Norway, Poland in 1997, Portugal, and Sweden) receive scores of 1. Mixed systems in which most seats in the lower house are allocated by proportional representation (the Czech Republic, Germany, Hungary, Poland in 2008, Spain, and Switzerland) receive scores of 2/3. Mixed systems in which most seats in the lower house are allocated by plurality rule (Australia, Italy in 1996, Japan, South Korea, and New Zealand) receive scores of 1/3. Systems in which all legislators are elected using a winner-take-all rule (Canada, France, Great Britain, and the United States) receive scores of 0. Proportional representation is generally more prevalent in the countries I have classified as social democracies than in liberal democracies; however, the correlation is far from perfect (R=.67).

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worth noting that even in the most proportional systems, the estimated relative influence of low-income citizens ($-.95+.66=-.29$) is less than zero.

*** *Table 14* ***

Finally, Table 15 reports the results of comparing federal systems with more centralized systems.⁴¹ Again, there is little evidence here of significant differences in patterns of responsiveness. The results for Model 20 suggest that federal systems may have been slightly less responsive to public opinion in the short term but slightly more responsive in the long term. The results for Model 21 suggest that federal systems may have been somewhat less—though still highly—unequal in their responsiveness to the preferences of affluent and poor citizens. However, even if we took the highly uncertain parameter estimates entirely at face value, none of these differences would be sufficient to warrant significant revision of the overall findings presented in Table 12.

*** *Table 15* ***

Obviously, the differentiated analyses of policy responsiveness presented in Tables 13, 14, and 15 capture just a few of the many dimensions of cultural and institutional variation that might plausibly affect the relationship between citizens and their governments with respect to social spending. Equally obviously, the limitations of the data employed here make such cross-national comparisons suggestive at best. Nonetheless, two points seem worth noting.

⁴¹ My *federalism* variable is based on the “*AUTHOR*” variable in the December 2012 version of the World Bank Database of Political Institutions (Beck et al. 2001), which codes whether states or provinces have authority over taxing, spending, or legislating. Federal systems include Australia, Austria, Canada, the Czech Republic, Finland, France, Germany, Italy, Spain, Switzerland, and the United States.

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First, none of these six elaborations of my statistical analysis produce dramatic changes in the patterns of responsiveness presented in Table 12. For example, the estimated short-term impact of welfare state values is always positive (ranging in magnitude from .0066 to .0136), while the corresponding impact of budget-cutting preferences is always negative (ranging in magnitude from $-.0090$ to $-.0141$). The other parameter estimates are generally even more stable. This consistency of results across model specifications provides some, albeit modest, grounds for confidence in a setting where the ratio of parameter estimates to cases is inevitably uncomfortably high.

Second, none of these additional analyses provides *any* evidence of positive responsiveness of governments to the preferences of low-income citizens. While the results for Models 19 and 21 suggest that proportionality and federalism may mitigate disparate responsiveness somewhat, even in these cases the point estimates are negative and sufficiently precise to confidently reject the hypothesis of equal responsiveness.⁴²

In short, the patterns of *unresponsiveness* and *biased* responsiveness evident in Table 12 seem to hold, more or less, across the range of affluent democracies included in my analysis. They are clearly not attributable to any single country or cluster of countries, and they are largely unrelated to (at least) the specific institutional arrangements that have figured most prominently in the scholarly literature on comparative representation. While much more careful comparisons remain to be done, it seems hard to avoid the *provisional* conclusion that affluent democracies are more similar than different in their responsiveness to the preferences of their citizens.

⁴² For proportional systems, the estimated low-income influence ratio is $-.29$ (with a standard error of $.30$), producing a p-value of $.0001$ for the two-tailed statistical test of equality. For federal systems, the estimated low-income influence ratio is $-.36$ (with a standard error of $.51$), producing a p-value of $.011$.

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7. The Social Welfare Deficit and Democratic Representation

Having provided a good deal of empirical analysis of policy responsiveness, I turn in conclusion to a consideration of the *magnitude* of responsiveness indicated by my analysis and of the implications of that responsiveness for *congruence* between citizens' preferences and social welfare policies. To what extent do the limited and biased responsiveness of democratic systems to the preferences of their citizens actually affect social spending? The model of dynamic equilibration underlying the statistical results presented in Tables 9, 12, and 13-15 provides a natural framework for specifying and estimating the counterfactual implied by these questions—a system in which policy-makers were fully and equally responsive to citizens' preferences for social spending.

Within the framework of dynamic equilibration, responsiveness operates on what I have termed “effective demand”—the product of citizens' preferences and economic capacity against which policy-makers balance current policy. Thus, by extrapolating from observed responsiveness we can gauge the policy implications of (hypothetical) full responsiveness. In that spirit, Figure 7 summarizes the impact of unresponsiveness implied by the statistical results reported in Table 12. Observations are arrayed along the horizontal axis on the basis of actual social spending (logged 2005 dollars per capita), and on the vertical axis on the basis of the *gap* between effective demand and actual social spending implied by the parameter estimates for welfare state values, budget-cutting preferences, and GDP per capita (and the intercept and low-income influence ratio) in Table 12.⁴³

⁴³ I average the distinct estimates of increases in effective demand implied by the three different sets of parameter estimates reported in Table 12. The three estimates are highly correlated ($R=.91-.996$), and imply very similar average shortfalls in social spending due to unresponsiveness (43%, 39%, and 39%, respectively). The three different sets of parameter estimates reported in Table 6 also imply similar average shortfalls (40%, 34%, and 37%).

*** *Figure 7* ***

In one case—Sweden in the wake of the economic crisis of the early 1990s—unresponsiveness had no apparent impact on social spending (because spending was already commensurate with effective demand). In every other case, Figure 7 suggests that limited responsiveness produced shortfalls in spending. The average estimated shortfall is 41%. Even larger shortfalls are estimated in several cases with relatively low levels of current spending. This pattern reflects the “thermostatic” tendency for effective demand to be mitigated by spending increases. For example, the striking 80% shortfall in social spending estimated for South Korea in 2006 is largely explained by the fact that South Korea’s relatively new democratic welfare state was spending only half as much on social programs (as a share of GDP) as the next lowest country at the time, Japan. However, South Korea’s real social spending per capita increased by almost 40% over the next five years, bringing it into much closer alignment with other OECD countries.

Figure 8 summarizes a parallel calculation of what is at stake in the disparities in responsiveness to the preferences of affluent and poor citizens reported in Table 12. Here, projected social spending levels are computed by substituting *equal* responsiveness to low- and high-income preferences for the *biased* responsiveness reflected in the parameter estimates in Table 12. (For example, the relative weights of 1.00 for high-income preferences and $-.61$ for low-income preferences in Model 14 are replaced by equal weights of $.195$ for both high- and low-income preferences, preserving the total estimated impact of preferences on spending but equalizing the implied influence of citizens across the income spectrum.) Figure 8 shows the

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estimated impact of biased responsiveness on effective demand for social spending in each country-year.⁴⁴

*** *Figure 8* ***

These projections suggest that biased responsiveness to public preferences is a major factor in the politics of modern welfare states, depressing real social spending per capita by 28% on average.⁴⁵ Again, there is a good deal of cross-national variation (though less than in Figure 7), due primarily to differences in the extent of class conflict regarding welfare state values and budget-cutting preferences. In Portugal, Korea, and Spain—the countries with the lowest levels of class conflict—biased responsiveness probably depressed social spending by 10 to 15%. In the United States, Sweden, and Finland—the countries with the highest levels of class conflict—the corresponding estimated shortfalls in spending are about 40%. The overall pattern, in contrast to the pattern in Figure 7, is for countries that already had relatively large welfare states to have larger estimated shortfalls in spending due to biases in responsiveness.

Given the complexity of social welfare policy-making in 23 different countries over a period of three decades—and the substantial limitations of available data—none of my various statistical findings will or should be entirely convincing. Nonetheless, the evidence presented here seems to me to provide empirical support for four important conclusions.

⁴⁴ Given the logarithmic specification of the statistical models in Table 12, the gaps recorded in Figure 8 may be interpreted as (roughly) proportional reductions in *either* effective demand *or* actual spending changes resulting from policy-makers' partial responses to that demand.

⁴⁵ The projections summarized in Figure 8, as in Figure 7, are computed by averaging the three distinct sets of parameter estimates reported in Table 12. The three resulting estimates are very highly correlated ($R=.98-.995$), but imply rather different average shortfalls in social spending due to biased responsiveness (43%, 17%, and 21%, respectively).

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First, as a purely descriptive matter, citizens in affluent democracies generally say they want their governments to spend more than they already do on a variety of major social welfare programs. Public demand for additional social spending is substantial (in some cases, overwhelming) and tends to persist (or even increase) over time. While there may be good reasons to discount these spending preferences—for example, because the same citizens often express practically contradictory demands for government budget-cutting—they nevertheless provide strong *prima facie* evidence of *subjective* incongruence between public opinion and social welfare policy.

Second, there is a “statistically significant” bivariate relationship between citizens’ demands for more social spending in a given country and changes in actual spending over the next two years. On its face, that relationship lends support to the theory of dynamic representation. However, the connection seems to be largely spurious, with shifts in public demand driven by the same factors that directly induce policy-makers to alter spending—most importantly, imbalances between current spending and national economic capacity. Thus, when public support for social spending increases, actual spending is likely to increase as well, but *not* because policy-makers actually respond to public spending preferences.

Third, other aspects of public opinion—specifically, welfare state values and budget-cutting preferences—do seem to have discernible independent effects on social spending, even after accounting for the impact of current spending (relative to economic capacity) and changing economic conditions. For example, the parameter estimates presented in Model 6 imply that a 33-point (interquartile) difference in public support for welfare state values would translate into a difference of two percentage points in expected real social spending growth over the next two years, while a 30-point difference in support for government budget-cutting would translate into a difference of one percentage point in expected spending growth. These effects

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are large enough to be politically important, especially if they cumulate over time.⁴⁶ However, they are much too small to erase persistent gaps between preferences and policy, reducing incongruence by only 5% or so per year.

Fourth, insofar as policy-makers do respond to public preferences, my analysis suggests that they respond primarily or even entirely to the preferences of affluent citizens. Indeed, in models allowing for the effective political influence of citizens to vary with income, the influence attributed to poor citizens is not just less than that attributed to affluent citizens, but consistently *negative*. This apparent evidence of hyper-inequality may be an artifact of peculiar patterns of measurement error (Achen 1985; Gilens 2012, 253-258) or other problems of data or model specification. Nonetheless, my findings are consistent with those of other recent studies (Donnelly and Lefkofridi 2014; Peters and Ensink 2015) in suggesting that severe class disparities in responsiveness are endemic in affluent democracies, not limited to the United States. Moreover, rudimentary comparisons of patterns of responsiveness in countries with different political cultures and institutions provide little indication of significant variation in the relationship between public opinion and social welfare policy.

These findings seem to me to underscore a variety of important questions facing contemporary scholars of democratic politics. Why does policy responsiveness to citizens' social welfare preferences seem to be so limited, despite the strong presumption in the scholarly literature that electoral competition will ensure popular control of salient public policies (Bartels 2008; Bawn et al. 2014)? How do affluent citizens manage to exert (if indeed they do manage to exert) much more effective

⁴⁶ Regressing public support for welfare state values on logged social spending per capita, logged GDP per capita, and country fixed effects provides little evidence that incremental social spending depresses public support for welfare state values; the parameter estimate is small (implying that the total increase in social spending over two decades in the U.S. or Great Britain reduced public support for the welfare state by about one point) and very imprecise (with a *t*-statistic of -1.3). In Brooks and Manza's (2007) terms, welfare state values are "embedded preferences."

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influence in the policy-making process, achieving substantial reductions in social spending relative to the levels apparently preferred by the public as a whole (Hacker and Pierson 2010; Gilens 2012)? What changes, if any, in democratic processes or political institutions would produce greater correspondence between citizens' preferences and policy in the social welfare domain (Powell 2000)? And would citizens actually be better off if they got their way (Radcliff 2013; Kenworthy 2014)?

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Table 1
Country-Years

ISSP “Role of Government” modules merged with OECD Social Expenditures data.

	1st wave (circa 1985)	2nd wave (circa 1990)	3rd wave (circa 1996)	4th wave (circa 2006)
Australia (AUS)	1986	1990	1997	2007
Austria (AUT)	1986	---	---	---
Canada (CAN)	---	---	1996	2006
Czech Republic (CZE)	---	---	1996	2006
Denmark (DNK)	---	---	---	2008
Finland (FIN)	---	---	---	2006
France (FRA)	---	---	1997	2006
Germany (DEU)	1985	1990	1996	2006
Great Britain (GBR)	1985	1990	1996	2006
Hungary (HUN)	---	---	---	2006
Ireland (IRL)	---	---	1996	2006
Italy (ITA)	1985	1990	1996	---
Japan (JPN)	---	---	1996	2006
Netherlands (NLD)	---	---	---	2006
New Zealand (NZL)	---	---	1997	2006
Norway (NOR)	---	1990	1996	2006
Poland (POL)	---	---	1997	2008
Portugal (PRT)	---	---	---	2006
South Korea (KOR)	---	---	---	2006
Spain (ESP)	---	---	1996	2007
Sweden (SWE)	---	---	1996	2006
Switzerland (CHE)	---	---	1998	2007
United States (USA)	1985	1990	1996	2006

Table 2
Support for Social Spending in the United States, 2006

Total N=1,518. (Other, don't know, and missing responses for individual items omitted.)

	Old age pensions	Health	Unemployment benefits	Education	Social spending (average)
Spend much more (+100)	24.2%	36.1%	10.5%	41.2%	28.0%
Spend more (+50)	41.0%	44.4%	25.1%	42.4%	38.2%
Spend the same as now (0)	27.6%	13.6%	49.6%	12.6%	25.8%
Spend less (-50)	5.6%	4.6%	12.8%	3.0%	6.5%
Spend much less (-100)	1.7%	1.3%	2.1%	0.8%	1.5%
Net unmet demand	+40.2	+54.7	+14.5	+60.1	+42.4

Table 3
Sources of Public Support for Social Spending

Net support for additional social spending (−100 to +100). Ordinary least squares {1} and seemingly unrelated {2} regression parameter estimates with jackknife standard errors (clustered by country) in parentheses. N=49.

	{1}	{2}	
	Net support	High-income support	Low-income support
Spending per capita (<i>ln</i>)	−13.94 (7.61)	−14.07 (7.33)	−14.46 (9.57)
GDP per capita (<i>ln</i>)	11.62 (13.49)	15.29 (12.49)	12.22 (15.92)
Unemployment rate (%)	.42 (.56)	.19 (.41)	.70 (.72)
Welfare state values	.292 (.106)	.338 (.057)	.240 (.103)
Budget-cutting preferences	−.190 (.074)	−.117 (.063)	−.132 (.064)
Intercept	31.4 (98.4)	−6.7 (90.0)	28.8 (113.4)
<i>Standard error of regression</i>	7.8	7.6	8.9
<i>Adjusted R²</i>	.44	.59	.29

Table 4
Policy Responsiveness to Spending Preferences

Two-year and five-year changes in real social spending per capita (%). Ordinary least squares {3} and seemingly unrelated {4} regression parameter estimates with jackknife standard errors (clustered by country) in parentheses. N=49.

	{3}		{4}	
	Two-year change (%)	Five-year change (%)	Two-year change (%)	Five-year change (%)
Support for social spending	.141 (.069)	.091 (.135)	.090 (.069)	-.024 (.109)
Spending per capita (<i>ln</i>)	---	---	-7.24 (2.25)	-20.68 (3.86)
GDP per capita (<i>ln</i>)	---	---	8.38 (3.55)	20.96 (6.19)
Δ GDP per capita (%)	---	---	.17 (.28)	.31 (.17)
Δ Unemployment rate (%)	---	---	1.06 (.41)	.84 (.35)
Intercept	1.39 (2.40)	10.76 (5.15)	-21.06 (29.11)	-24.75 (48.14)
<i>Standard error of regression</i>	4.57	8.16	3.52	5.26
<i>Adjusted R²</i>	.08	-.01	.40	.54

Table 5
Policy Responsiveness to Welfare State Values and Budget-Cutting Preferences

Two-year and five-year changes in real social spending per capita (%). Ordinary least squares {5} and seemingly unrelated {6} regression parameter estimates with jackknife standard errors (clustered by country) in parentheses. N=49.

	{5}		{6}	
	Two-year change (%)	Five-year change (%)	Two-year change (%)	Five-year change (%)
Welfare state values	.019 (.027)	-.034 (.058)	.059 (.021)	.069 (.048)
Budget-cutting preferences	-.052 (.036)	-.035 (.055)	-.034 (.023)	-.007 (.062)
Spending per capita (<i>ln</i>)	---	---	-9.57 (2.07)	-23.41 (2.44)
GDP per capita (<i>ln</i>)	---	---	11.05 (2.70)	26.09 (5.01)
Δ GDP per capita (%)	---	---	.16 (.27)	.30 (.17)
Δ Unemployment rate (%)	---	---	1.06 (.38)	.76 (.32)
Intercept	7.72 (1.84)	16.14 (2.85)	-25.49 (20.20)	-56.04 (49.87)
<i>Standard error of regression</i>	4.68	8.14	3.38	5.09
<i>Adjusted R²</i>	.02	-.02	.44	.56

Table 6
Dynamic Equilibration of Social Spending

Two-year and five-year changes in real social spending per capita (%). Non-linear seemingly unrelated regression parameter estimates with jackknife standard errors (clustered by country) in parentheses. N=49.

		{7}		{8}	
		Two-year change (%)	Five-year change (%)	Two-year change (%)	Five-year change (%)
Responsiveness (%)		9.57 (2.07)	23.41 (2.44)	10.36 (1.21)	23.23 (2.38)
↑	Intercept	-2.66 (2.13)	-2.39 (2.18)	-2.34 (1.83)	
↑	Welfare state values	.0062 (.0017)	.0029 (.0022)	.0033 (.0021)	
↑	Budget-cutting preferences	-.0036 (.0025)	-.0003 (.0026)	-.0007 (.0023)	
↑	GDP per capita (<i>ln</i>)	1.15 (.20)	1.11 (.20)	1.11 (.17)	
↑	Spending per capita (<i>ln</i>)	-1.00 (---)	-1.00 (---)	-1.00 (---)	
↑	Δ GDP per capita (%)	.16 (.27)	.30 (.17)	.27 (.16)	
↑	Δ Unemployment rate (%)	1.06 (.38)	.76 (.32)	.81 (.30)	
↑	<i>Standard error of regression</i>	3.38	5.09	3.65	5.14
↑	<i>Adjusted R²</i>	.44	.56	.39	.58

$nlsur (dsocexp2 = \{a1\} * dgdp2 + \{a2\} * durate2 + \{a3\} * (\{a4\} + \{a5\} * welfm + \{a6\} * cutsm + \{a7\} * lgdp - lsocexp) (dsocexp5 = \{b1\} * dgdp5 + \{b2\} * durate5 + \{b3\} * (\{b4\} + \{b5\} * welfm + \{b6\} * cutsm + \{b7\} * lgdp - lsocexp)), vce(jack, cluster(country))$

$nlsur (dsocexp2 = \{c1\} * dgdp2 + \{c2\} * durate2 + \{c3\} * (\{c4\} + \{c5\} * welfm + \{c6\} * cutsm + \{c7\} * lgdp - lsocexp) (dsocexp5 = \{c1\} * dgdp5 + \{c2\} * durate5 + \{c8\} * (\{c4\} + \{c5\} * welfm + \{c6\} * cutsm + \{c7\} * lgdp - lsocexp)), vce(jack, cluster(country))$

Table 7
Responsiveness to Spending Preferences by Policy Domain

Two-year changes in real spending per capita (%). Seemingly unrelated regression parameter estimates with jackknife standard errors (clustered by country) in parentheses. N=49.

	{9}		
	Old age pensions	Health	Unemployment benefits
Support for program spending	.192 (.048)	.021 (.092)	.123 (.216)
Intercept	-.46 (1.84)	6.00 (4.33)	-2.32 (4.13)
<i>Standard error of regression</i>	5.16	5.89	32.08
<i>Adjusted R²</i>	.19	-.02	-.02

Table 8
Responsiveness to Welfare State Values and Budget-Cutting Preferences by Policy Domain

Two-year changes in real spending per capita (%). Seemingly unrelated regression parameter estimates with jackknife standard errors (clustered by country) in parentheses. N=49.

	{10}		
	Old age pensions	Health	Unemployment Benefits
Welfare state values	.136 (.047)	-.010 (.039)	-.164 (.218)
Budget-cutting preferences	-.001 (.029)	-.040 (.034)	-.051 (.177)
Spending per capita (<i>ln</i>)	-9.01 (3.64)	-10.38 (4.21)	-4.30 (8.66)
GDP per capita (<i>ln</i>)	5.84 (5.28)	18.95 (6.46)	-6.81 (28.40)
Δ GDP per capita (%)	-.55 (.38)	.87 (.31)	-1.05 (1.87)
Δ Unemployment rate (%)	-.45 (.65)	1.39 (.41)	6.93 (3.26)
Intercept	12.78 (42.70)	-112.36 (49.92)	101.05 (291.55)
<i>Standard error of regression</i>	4.62	4.39	26.09
<i>Adjusted R²</i>	.27	.37	.25

Table 9
Sources of Public Support for Spending by Policy Domain

Net support for additional spending (–100 to +100). Seemingly unrelated regression parameter estimates with jackknife standard errors (clustered by country) in parentheses. N=49.

	{11}		
	Old age pensions	Health	Unemployment benefits
Spending per capita (<i>ln</i>)	–3.40 (4.51)	9.23 (14.67)	–3.50 (6.10)
GDP per capita (<i>ln</i>)	–8.80 (10.06)	–25.93 (26.29)	15.41 (18.48)
Unemployment rate (%)	–.40 (.49)	–.48 (.44)	1.50 (1.07)
Welfare state values	.344 (.103)	.195 (.108)	.441 (.250)
Budget-cutting preferences	–.264 (.077)	–.337 (.093)	–.094 (.155)
Intercept	157.6 (84.2)	259.9 (169.4)	–153.6 (176.7)
<i>Standard error of regression</i>	8.3	10.2	13.5
<i>Adjusted R²</i>	.56	.36	.35

Table 10
Class Conflict in Social Welfare Preferences by Country

Estimated differences between top-income and bottom-income preferences
(with fixed effects for survey waves).

	Net support for social spending	Budget-cutting preferences	Welfare state values
Australia	-18.9	-10.2	-50.8
Austria	-9.1	-2.3	-39.4
Canada	-18.4	+10.1	-56.0
Czech Republic	-9.3	-0.9	-49.6
Denmark	-19.9	+20.0	-53.5
Finland	-20.0	+27.4	-60.4
France	-18.3	-7.9	-64.5
Germany	-16.1	+5.4	-49.4
Great Britain	-24.7	-9.1	-65.1
Hungary	-7.1	+6.6	-26.1
Ireland	-22.0	-3.1	-49.4
Italy	-10.8	+3.9	-33.8
Japan	-9.5	+8.5	-39.7
Netherlands	-19.1	+4.0	-77.4
New Zealand	-22.4	-8.2	-72.9
Norway	-9.7	+0.3	-51.0
Poland	-12.9	+2.9	-32.9
Portugal	-7.5	-2.1	-17.0
South Korea	+0.6	+4.8	-21.1
Spain	-5.1	+1.8	-26.5
Sweden	-17.7	+11.1	-74.4
Switzerland	-11.9	+7.6	-48.3
United States	-26.4	+23.9	-67.6

Table 11
Disparate Responsiveness to Public Preferences

Two-year and five-year changes in real social spending per capita (%). Seemingly unrelated regression parameter estimates with jackknife standard errors (clustered by country) in parentheses. N=49.

	{12}		{13}	
	Two-year change (%)	Five-year change (%)	Two-year change (%)	Five-year change (%)
High-income support for spending	.088 (.086)	.137 (.143)	---	---
Low-income support for spending	-.009 (.116)	-.175 (.112)	---	---
High-income welfare state values	---	---	.060 (.038)	.103 (.072)
Low-income welfare state values	---	---	-.033 (.059)	-.093 (.125)
High-income budget-cutting preferences	---	---	-.090 (.048)	-.072 (.048)
Low-income budget-cutting preferences	---	---	.053 (.046)	.054 (.094)
Spending per capita (<i>ln</i>)	-7.33 (2.32)	-20.90 (3.62)	-8.11 (2.51)	-20.50 (3.29)
GDP per capita (<i>ln</i>)	8.66 (3.65)	22.10 (5.68)	10.50 (2.95)	24.27 (5.06)
Δ GDP per capita (%)	.18 (.31)	.33 (.16)	.23 (.28)	.35 (.19)
Δ Unemployment rate (%)	1.06 (.40)	.83 (.33)	1.08 (.43)	.75 (.33)
Intercept	-22.05 (30.45)	-31.54 (49.92)	-29.22 (19.96)	-55.59 (51.92)
<i>Standard error of regression</i>	3.51	5.12	3.28	4.94
<i>Adjusted R²</i>	.39	.56	.45	.57

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Table 12
Dynamic Equilibration of Social Spending with Disparate Responsiveness

Two-year and five-year changes in real social spending per capita (%). Non-linear seemingly unrelated regression parameter estimates with jackknife standard errors (clustered by country) in parentheses. N=49.

		{14}		{15}	
		Two-year change (%)	Five-year change (%)	Two-year change (%)	Five-year change (%)
Responsiveness (%)		7.95 (1.99)	21.55 (3.34)	9.26 (1.32)	20.53 (3.24)
↑	Intercept	-3.75 (2.58)	-2.67 (2.23)	-2.80 (2.12)	
↑	Low-income influence ratio	-.61 (.23)		-.75 (.58)	
↑	Welfare state values	.0079 (.0037)	.0041 (.0026)	.0050 (.0029)	
↑	Budget-cutting preferences	-.0117 (.0068)	-.0027 (.0027)	-.0046 (.0031)	
↑	GDP per capita (<i>ln</i>)	1.31 (.26)	1.17 (.22)	1.19 (.21)	
↑	Spending per capita (<i>ln</i>)	-1.00 (---)	-1.00 (---)	-1.00 (---)	
↑	Δ GDP per capita (%)	.24 (.26)	.34 (.16)	.32 (.16)	
↑	Δ Unemployment rate (%)	1.09 (.43)	.74 (.28)	.82 (.30)	
↑	<i>Standard error of regression</i>	3.28	4.96	3.56	5.00
↑	<i>Adjusted R²</i>	.47	.58	.41	.60

$nlsur$ (dsocexp2 = {a1} * dgd2 + {a2} * durate2 + {a3} * ({a4} + {a5} * (welfh + {w} * welf0) + {a6} * (cutsh + {w} * cuts0) + {a7} * lgdp - lsocexp)) (dsocexp5 = {b1} * dgd5 + {b2} * durate5 + {b3} * ({b4} + {b5} * (welfh + {w} * welf0) + {b6} * (cutsh + {w} * cuts0) + {b7} * lgdp - lsocexp)), vce(jack, cluster(country))

$nlsur$ (dsocexp2 = {c1} * dgd2 + {c2} * durate2 + {c3} * ({c4} + {c5} * (welfh + {w} * welf0) + {c6} * (cutsh + {w} * cuts0) + {c7} * lgdp - lsocexp)) (dsocexp5 = {c1} * dgd5 + {c2} * durate5 + {c8} * ({c4} + {c5} * (welfh + {w} * welf0) + {c6} * (cutsh + {w} * cuts0) + {c7} * lgdp - lsocexp)), vce(jack, cluster(country))

Table 13
Policy Responsiveness in Social Democracies and Liberal Democracies

Two-year and five-year changes in real social spending per capita (%). Non-linear seemingly unrelated regression parameter estimates with jackknife standard errors (clustered by country) in parentheses. N=49.

		{16}		{17}		
		Two-year change (%)	Five-year change (%)	Two-year change (%)	Five-year change (%)	
Responsiveness (%)		6.38 (2.70)	21.92 (3.73)	8.02 (1.99)	21.22 (11.67)	
Differential: Europe	↑ ↑	-2.12 (.97)	.38 (5.02)	0 (---)	0 (---)	
Intercept		-5.28 (5.30)	-2.62 (2.36)	-3.79 (2.77)	-2.64 (2.68)	
Low-income influence ratio		-.46 (.37)		-.57 (2.04)		
Differential: Europe	↑ ↑	0 (---)		-.09 (3.04)		
↑	↑	Welfare state values	.0136 (.0144)	.0034 (.0035)	.0078 (.0062)	.0040 (.0093)
↑	↑	Budget-cutting preferences	-.0121 (.0108)	-.0021 (.0029)	-.0116 (.0115)	-.0026 (.0032)
↑	↑	GDP per capita (<i>ln</i>)	1.51 (.58)	1.16 (.23)	1.32 (.28)	1.17 (.29)
↑	↑	Spending per capita (<i>ln</i>)	-1.00 (---)	-1.00 (---)	-1.00 (---)	-1.00 (---)
Δ GDP per capita (%)		.25 (.28)	.33 (.16)	.25 (.26)	.34 (.19)	
Δ Unemployment rate (%)		1.16 (.41)	.74 (.28)	1.09 (.46)	.75 (.30)	
<i>Standard error of regression</i>		3.20	4.98	3.26	4.98	
<i>Adjusted R²</i>		---	---	.46	.57	

$$\text{nlstur}(\text{dsocexp2}=\{a1\}*\text{dgd}p2+\{a2\}*\text{durate}2+(\{a3\}+\{a4\}*\text{eur})*(\{a5\}+\{a6\}*(\text{welfh}+\{w\}*\text{welf}0)+\{a7\}*(\text{cutsh}+\{w\}*\text{cuts}0)+\{a8\}*\text{lgdp-lsocexp}))(\text{dsocexp5}=\{b1\}*\text{dgd}p5+\{b2\}*\text{durate}5+(\{b3\}+\{b4\}*\text{eur})*(\{b5\}+\{b6\}*(\text{welfh}+\{w\}*\text{welf}0)+\{b7\}*(\text{cutsh}+\{w\}*\text{cuts}0)+\{b8\}*\text{lgdp-lsocexp})), \text{vce}(\text{jack}, \text{cluster}(\text{country}))$$

$$\text{nlstur}(\text{dsocexp2}=\{a1\}*\text{dgd}p2+\{a2\}*\text{durate}2+\{a3\}*(\{a4\}+\{a5\}*(\text{welfh}+(\{w\}+\{ew\}*\text{eur})*\text{welf}0)+\{a6\}*(\text{cutsh}+(\{w\}+\{ew\}*\text{eur})*\text{cuts}0)+\{a7\}*\text{lgdp-lsocexp}))(\text{dsocexp5}=\{b1\}*\text{dgd}p5+\{b2\}*\text{durate}5+\{b3\}*(\{b4\}+\{b5\}*(\text{welfh}+(\{w\}+\{ew\}*\text{eur})*\text{welf}0)+\{b6\}*(\text{cutsh}+(\{w\}+\{ew\}*\text{eur})*\text{cuts}0)+\{b7\}*\text{lgdp-lsocexp})), \text{vce}(\text{jack}, \text{cluster}(\text{country}))$$

Table 14
Proportionality and Policy Responsiveness

Two-year and five-year changes in real social spending per capita (%). Non-linear seemingly unrelated regression parameter estimates with jackknife standard errors (clustered by country) in parentheses. N=49.

		{18}		{19}			
		Two-year change (%)	Five-year change (%)	Two-year change (%)	Five-year change (%)		
Responsiveness (%)		8.05 (2.09)	20.41 (2.71)	7.92 (2.04)	22.02 (3.53)		
Differential: proportionality	↑ ↑	.64 (3.47)	8.72 (9.15)	0 (---)	0 (---)		
Intercept		-3.12 (2.36)	-1.57 (2.02)	-2.95 (2.69)	-2.22 (2.05)		
Low-income influence ratio		-.55 (.30)		-.95 (.28)			
Differential: proportionality	↑ ↑	0 (---)		.66 (.43)			
↑	↑	Welfare state values		.0066 (.0040)	.0013 (.0035)	.0082 (.0043)	.0040 (.0019)
↑	↑	Budget-cutting preferences		-.0104 (.0071)	-.0012 (.0027)	-.0141 (.0084)	-.0049 (.0032)
↑	↑	GDP per capita (<i>ln</i>)		1.24 (.24)	1.05 (.21)	1.24 (.27)	1.13 (.20)
↑	↑	Spending per capita (<i>ln</i>)		-1.00 (---)	-1.00 (---)	-1.00 (---)	-1.00 (---)
Δ GDP per capita (%)		.23 (.27)	.26 (.17)	.26 (.26)	.33 (.16)		
Δ Unemployment rate (%)		1.03 (.39)	.63 (.20)	1.08 (.47)	.68 (.25)		
<i>Standard error of regression</i>		3.29	4.95	3.25	4.86		
<i>Adjusted R²</i>		---	---	.47	.59		

$$\text{nlsur}(\text{dsocexp2}=\{a1\}*\text{dgd}p2+\{a2\}*\text{durate}2+(\{a3\}+\{a4\}*\text{pr})*(\{a5\}+\{a6\}*(\text{welfh}+\{w\}*\text{welf0})+\{a7\}*(\text{cutsh}+\{w\}*\text{cuts0})+\{a8\}*\text{lgdp-lsocexp}))(\text{dsocexp5}=\{b1\}*\text{dgd}p5+\{b2\}*\text{durate}5+(\{b3\}+\{b4\}*\text{pr})*(\{b5\}+\{b6\}*(\text{welfh}+\{w\}*\text{welf0})+\{b7\}*(\text{cutsh}+\{w\}*\text{cuts0})+\{b8\}*\text{lgdp-lsocexp})), \text{vce}(\text{jack}, \text{cluster}(\text{country}))$$

$$\text{nlsur}(\text{dsocexp2}=\{a1\}*\text{dgd}p2+\{a2\}*\text{durate}2+\{a3\}*(\{a4\}+\{a5\}*(\text{welfh}+(\{w\}+\{pw\}*\text{pr})*\text{welf0})+\{a6\}*(\text{cutsh}+(\{w\}+\{pw\}*\text{pr})*\text{cuts0})+\{a7\}*\text{lgdp-lsocexp}))(\text{dsocexp5}=\{b1\}*\text{dgd}p5+\{b2\}*\text{durate}5+\{b3\}*(\{b4\}+\{b5\}*(\text{welfh}+(\{w\}+\{pw\}*\text{pr})*\text{welf0})+\{b6\}*(\text{cutsh}+(\{w\}+\{pw\}*\text{pr})*\text{cuts0})+\{b7\}*\text{lgdp-lsocexp})), \text{vce}(\text{jack}, \text{cluster}(\text{country}))$$

Table 15
Federalism and Policy Responsiveness

Two-year and five-year changes in real social spending per capita (%). Non-linear seemingly unrelated regression parameter estimates with jackknife standard errors (clustered by country) in parentheses. N=49.

		{20}		{21}		
		Two-year change (%)	Five-year change (%)	Two-year change (%)	Five-year change (%)	
Responsiveness (%)		8.19 (2.13)	20.80 (3.33)	8.01 (2.15)	22.14 (3.64)	
Differential: federalism	↑ ↑	-1.07 (1.20)	1.99 (3.23)	0 (---)	0 (---)	
Intercept		-3.82 (2.75)	-2.56 (2.15)	-3.72 (2.76)	-3.00 (2.09)	
Low-income influence ratio		-.62 (.29)		-.84 (.43)		
Differential: federalism	↑ ↑	0 (---)		.48 (.59)		
↑	↑	Welfare state values	.0079 (.0048)	.0045 (.0022)	.0067 (.0043)	.0047 (.0022)
↑	↑	Budget-cutting preferences	-.0118 (.0088)	-.0034 (.0024)	-.0090 (.0072)	-.0026 (.0030)
↑	↑	GDP per capita (<i>ln</i>)	1.32 (.28)	1.16 (.21)	1.30 (.28)	1.20 (.21)
↑	↑	Spending per capita (<i>ln</i>)	-1.00 (---)	-1.00 (---)	-1.00 (---)	-1.00 (---)
Δ GDP per capita (%)		.25 (.26)	.33 (.16)	.25 (.28)	.36 (.16)	
Δ Unemployment rate (%)		1.14 (.45)	.74 (.26)	1.11 (.44)	.76 (.26)	
<i>Standard error of regression</i>		3.25	4.93	3.37	4.75	
<i>Adjusted R²</i>		---	---	.43	.61	

$nlsur (dsocexp2=\{a1\}*dgd2+\{a2\}*durate2+(\{a3\}+\{a4\}*eur)*(\{a5\}+\{a6\}*(welfh+\{w\}*welf0)+\{a7\}*(cutsh+\{w\}*cuts0)+\{a8\}*lgdp-lsocexp)) (dsocexp5=\{b1\}*dgd5+\{b2\}*durate5+(\{b3\}+\{b4\}*eur)*(\{b5\}+\{b6\}*(welfh+\{w\}*welf0)+\{b7\}*(cutsh+\{w\}*cuts0)+\{b8\}*lgdp-lsocexp)), vce(jack, cluster(country))$

$nlsur (dsocexp2=\{a1\}*dgd2+\{a2\}*durate2+\{a3\}*(\{a4\}+\{a5\}*(welfh+(\{w\}+\{fw\}*fed)*welf0)+\{a6\}*(cutsh+(\{w\}+\{fw\}*fed)*cuts0)+\{a7\}*lgdp-lsocexp)) (dsocexp5=\{b1\}*dgd5+\{b2\}*durate5+\{b3\}*(\{b4\}+\{b5\}*(welfh+(\{w\}+\{fw\}*fed)*welf0)+\{b6\}*(cutsh+(\{w\}+\{fw\}*fed)*cuts0)+\{b7\}*lgdp-lsocexp)), vce(jack, cluster(country))$

Table A1
Descriptive Statistics

	Country-year mean, standard deviation, and range (N=49)
Support for social spending —Net support for government spending on old age pensions, health, unemployment benefits, and education (–100 to +100), from ISSP surveys.	+33.9 11.1 +14.7 to +64.2
High-income support for social spending —Net support for social spending at top income percentile, estimated by linear regression, from ISSP surveys.	+25.9 12.7 +5.5 to +54.8
Low-income support for social spending —Net support for social spending at bottom income percentile, estimated by linear regression, from ISSP surveys.	+42.2 11.3 +23.7 to +76.4
Welfare state values —Average support for government’s responsibility to provide jobs and reduce income differences between rich and poor (–100 to +100), from ISSP surveys.	+27.1 23.9 –21.9 to +69.0
High-income welfare state values —Support for welfare state values at top income percentile, estimated by linear regression, from ISSP surveys.	+1.4 29.6 –63.3 to +57.0
Low-income welfare state values —Support for welfare state values at bottom income percentile, estimated by linear regression, from ISSP surveys.	+53.7 20.2 +13.5 to +84.6
Budget-cutting preferences —Average support for cuts in government spending to help the economy (–100 to +100), from ISSP surveys.	+39.6 21.7 –10.5 to +82.8
High-income budget-cutting preferences —Support for cuts in government spending at top income percentile, estimated by linear regression, from ISSP surveys.	+40.3 22.9 –8.7 to +78.1
Low-income budget-cutting preferences —Support for cuts in government spending at bottom income percentile, estimated by linear regression, from ISSP surveys.	+39.0 22.5 –25.1 to +87.6
Social spending per capita (<i>ln</i>) — <i>ln</i> (social expenditures per capita, 2005 \$US), including public and mandatory private expenditures, from OECD.	8.60 .38 7.61 to 9.21
Two-year change in social spending —Percentage change in social expenditures per capita: $100 \times (\ln(\text{SocExp}_{t+2}) - \ln(\text{SocExp}_t))$, from OECD.	+6.2 4.9 –2.3 to +18.2
Five-year change in social spending —Percentage change in social spending per capita: $100 \times (\ln(\text{SocExp}_{t+5}) - \ln(\text{SocExp}_t))$, from	+13.8 8.3

OECD.	-2.5 to +38.4
GDP per capita (<i>ln</i>) — $\ln(\text{GDP per capita, 2005 \$US})$, from OECD.	10.24 .28 9.25 to 10.79
Two-year change in GDP per capita —Percentage change in GDP per capita: $100 \times (\ln(\text{GDP}_{t+2}) - \ln(\text{GDP}_t))$, from OECD.	+3.5 3.7 -5.0 to +16.0
Five-year change in GDP per capita —Percentage change in GDP per capita: $100 \times (\ln(\text{GDP}_{t+5}) - \ln(\text{GDP}_t))$, from OECD.	+7.3 8.2 -8.9 to +36.0
Unemployment rate —Harmonized unemployment rate (% of labor force), from OECD.	7.2 3.4 3.1 to 22.2
Two-year change in unemployment rate —Change in unemployment rate: $(U_{t+2}) - (U_t)$, from OECD.	+0.0 2.2 -4.1 to +9.7
Five-year change in unemployment rate —Change in unemployment rate: $(U_{t+5}) - (U_t)$, from OECD.	+0.5 4.3 -11.6 to +16.6

Table A2
Social Welfare Preferences by Country

Estimated average preferences (with fixed effects for survey waves).

	Net support for social spending	Welfare state values	Budget-cutting preferences
Australia	+28.7	-1.2	+26.7
Austria	+25.6	+45.2	+34.7
Canada	+25.3	-4.4	+52.4
Czech Republic	+30.5	+27.2	+23.5
Denmark	+33.0	+11.6	+4.8
Finland	+33.8	+27.9	-10.5
France	+21.6	+39.4	+72.0
Germany	+33.2	+31.6	+47.8
Great Britain	+44.9	+25.9	-2.4
Hungary	+47.4	+64.0	+63.4
Ireland	+55.8	+32.9	+14.0
Italy	+45.4	+47.3	+31.4
Japan	+33.7	+14.6	+55.3
Netherlands	+23.3	+22.1	+37.1
New Zealand	+29.2	-7.1	+34.5
Norway	+32.7	+45.2	+27.5
Poland	+54.0	+63.0	+49.5
Portugal	+58.7	+66.0	+59.5
South Korea	+42.7	+38.8	+25.6
Spain	+48.6	+60.9	+29.8
Sweden	+34.3	+27.0	+18.5
Switzerland	+22.7	+13.7	+22.6
United States	+34.9	-15.5	+41.9

Figure 1
Net Support for More Social Spending in 23 OECD Countries

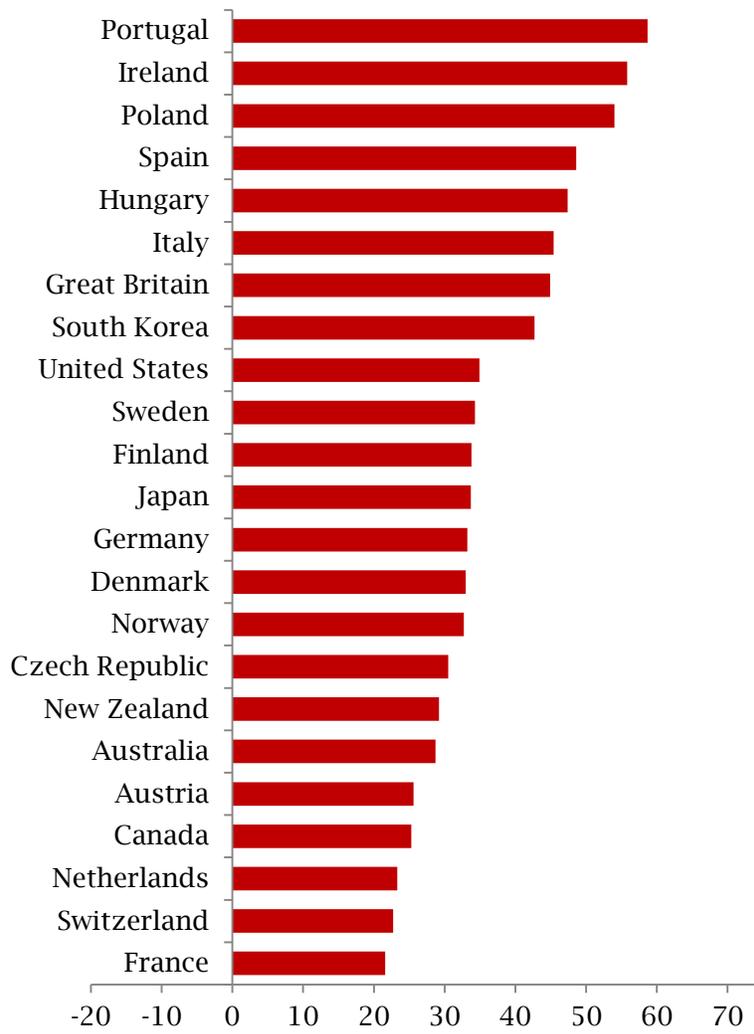


Figure 2
Trends in Net Support for More Social Spending in Four Countries, 1985-2007

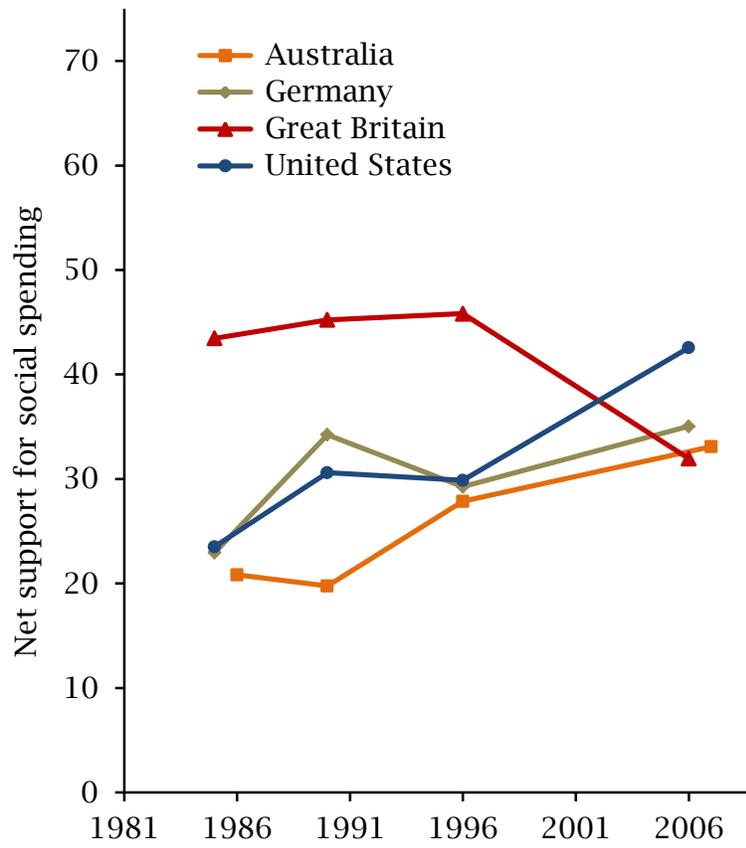


Figure 3
Support for Welfare State Values in 23 OECD Countries

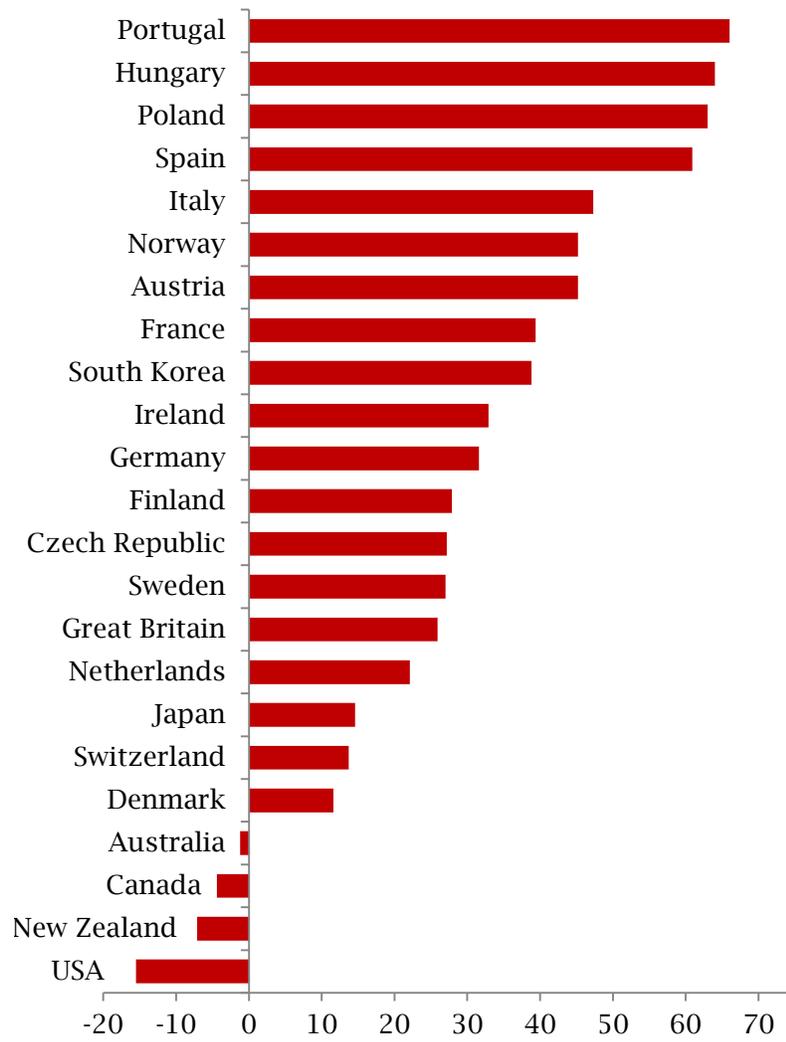


Figure 4
Budget-Cutting Preferences in 23 OECD Countries

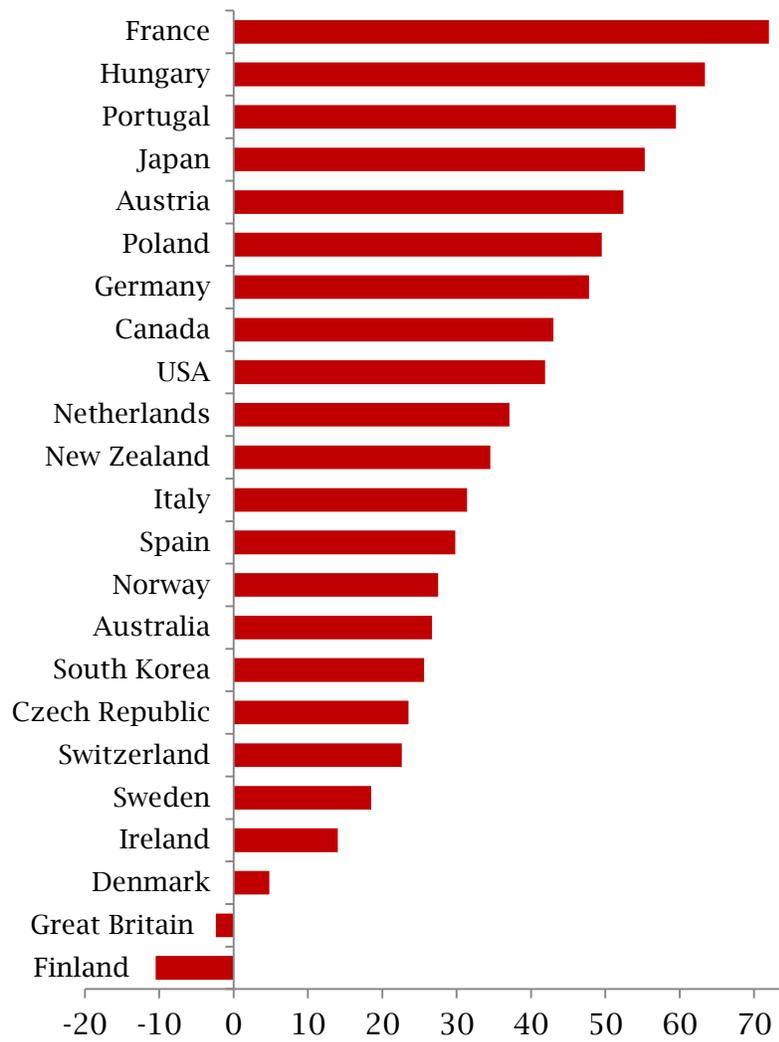


Figure 5
Spending Preferences and Policy Change

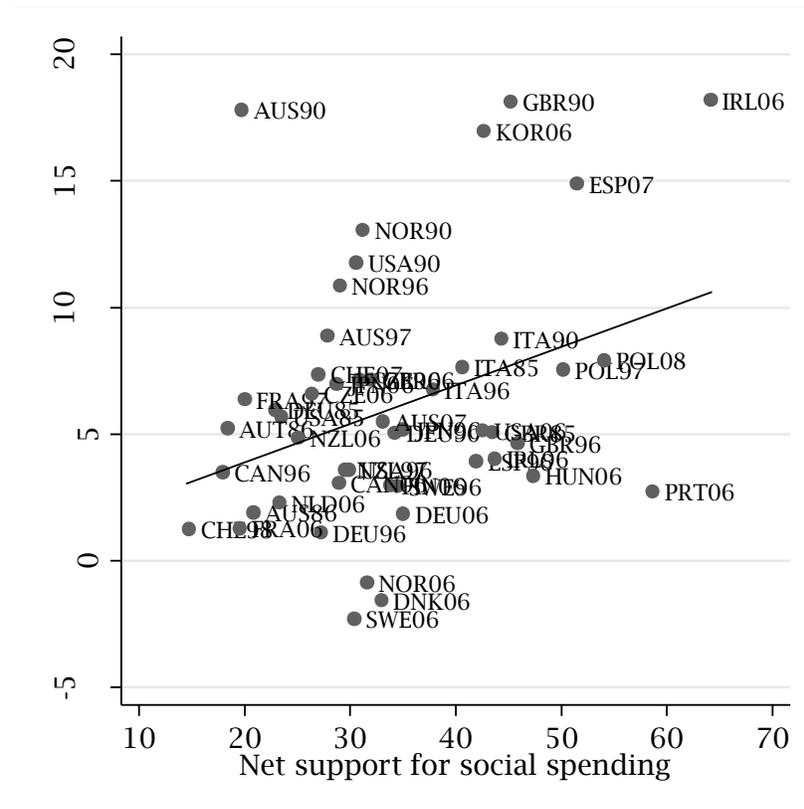


Figure 6
Spending Preferences and Policy Responsiveness, with Controls

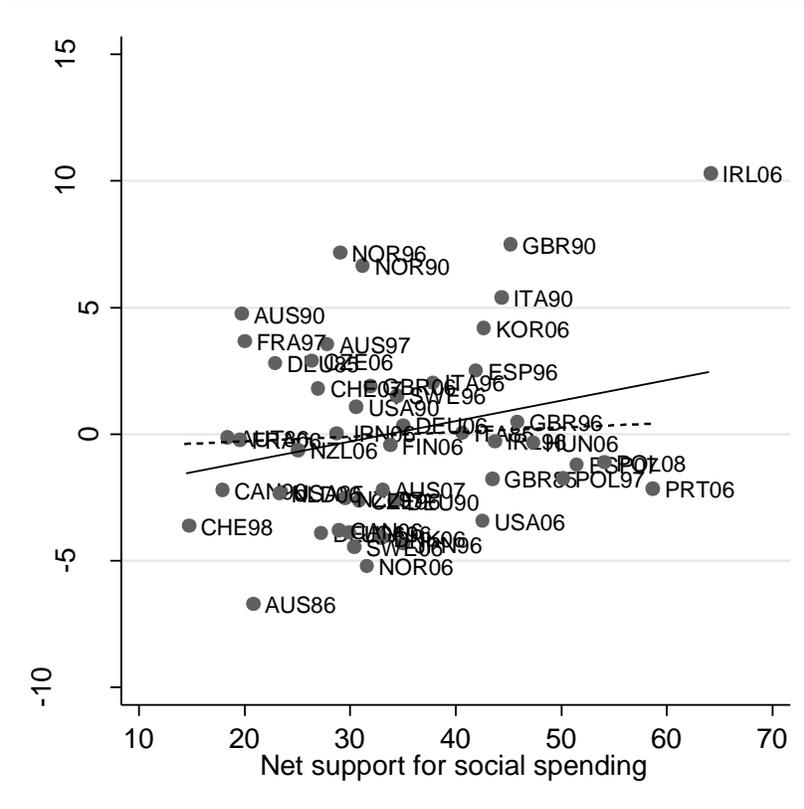


Figure 7
Estimated Impact on Social Spending of
Unresponsiveness to Public Preferences

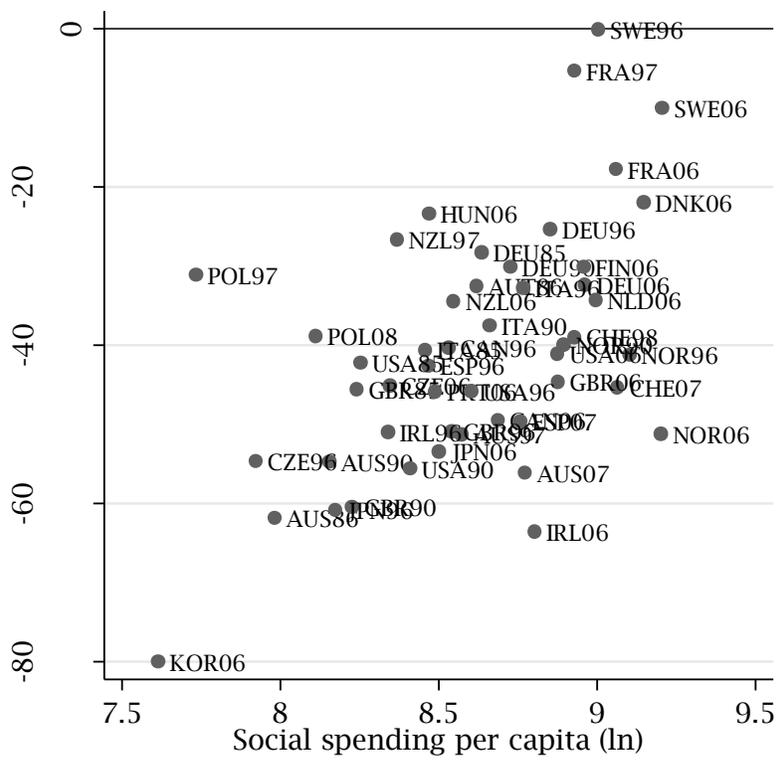


Figure 8
Estimated Impact on Social Spending of
Biased Responsiveness to Public Preferences

