Party Democratization and Fiscal Redistribution

Kenneth Mori McElwain
mcelwain@iss.u-tokyo.ac.jp

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I. Introduction

The comparative politics literature has long asserted a causal linkage between the electoral incentives of politicians and redistributive spending by governments. The narrative is fairly straightforward: politicians woo voters by supplying—and claiming credit for—public works projects, social welfare programs, and other expenditures which inject money and jobs in their districts. What has been in dispute, however, is the list of factors that generate these redistributive incentives and, by extension, variation in the content of fiscal expenditures.

The standard approach is to link government spending to the particularistic vs. programmatic concerns of individual legislators, as shaped by the electoral system. Milesi-Ferretti et al. (2002) contend that fiscal programs vary with the geographical size of districts. Public goods that benefit a broad cross-section of the electorate are more valuable in larger constituencies, while particularistic, local goods are preferred in smaller districts. Carey and Shugart (1995), taking a slightly different approach, argue that certain electoral systems induce legislators to prioritize their personal popularity over that of their party. In this scenario, individual legislators may value targeted redistribution to their constituencies over policies that benefit the national median voter and improve the party’s collective brand.

There are, however, methodological and theoretical limitations to these arguments. First, electoral systems rarely change over time. This means that most of the empirical variation that institutions account for is between rather than within countries over time. Second, and more important, the electoral system alone does not determine the relative salience of the “personal” vote. We posit instead that the internal organization of political parties can alter the incentives of and constraints on individual legislators.

Political parties typically struggle to balance the self-interest of their backbenchers and the collective wellbeing of the party. For example, legislators may prefer to maximize targeted goods to
their district in order to demonstrate their competence and build personal support among their constituents. However, for the party itself to grow, it must expand its popularity in districts where the party has previously lost. One option is to strengthen national social welfare programs whose benefits cut across geographical lines. To balance these competing pressures, parties imbue their leaders with carrots and sticks, such as control over campaign funds or committee assignments, to limit excessively self-interested behavior.

In this paper, we demonstrate that variation in the selectorate of party leaders influences whether governments are motivated to spend more on particularistic vs. programmatic goods. When leaders are elected by a broad segment of the party, such as in a one-man-one-vote primary, they will privilege expenditures on national public goods. However, if leaders are responsible to their backbenchers, e.g. selected in a parliamentary vote, then they will accede to their legislators’ demands for more geographically targeted redistribution.

We test these hypotheses using an original dataset of party organization, covering over 120 political parties in seventeen advanced-industrialized democracies between 1950 and 2005. We find that where the leaders of governing parties are selected by other backbenchers, the budget share of capital expenditures (our proxy for particularistic goods) increases, while that of social security transfers (our measure for programmatic public goods) decreases. These results hold even when controlling for a wide variety of economic and institutional variables, such as electoral system and government composition.

II. Brief Review of the Literature on Fiscal Redistribution

The comparative politics literature on government spending begins with the assumption that fiscal redistribution is linked to the reelection desires of legislators. In order to maximize their vote share, politicians set tax rates and design fiscal programs to better appeal to their constituents. As posited
by Meltzer and Richard (1981), voters whose income falls below the mean level prefer more taxes and redistribution, while those above the mean prefer smaller governments. Left-wing parties that represent poorer voters thus push for greater income transfers than conservative parties representing richer voters. Extending this model, Tavits (2004) argues that the turnout of poorer voters is higher where more parties compete, and as such, government expenditures should be greater in proportional representation (PR) systems (which produce multi-partyism) than under majoritarian rules. Taking a slightly different approach, Iversen and Soskice (2006) posit that middle-income voters are more likely to ally with poorer voters in PR and with richer voters in plurality systems. As such, socialist parties will do better in proportional electoral systems, driving government spending higher.

The Meltzer-Richard model is useful for understanding political tradeoffs between revenues and expenditures, but it does not speak to the exact content of redistributive programs. One key distinction is between national versus local goods. For example, most social welfare programs designate recipients by income level, and so poorer residents receive benefits as a class. By contrast, public works (e.g. infrastructural construction projects) are geographically-based transfer programs. From a political perspective, the benefits of social welfare accrue across constituency boundaries, while those of public works can be targeted to specific districts. This greater targetability makes public works more susceptible to political interference: government parties can reward (or punish) specific constituencies for voting for (or against) their candidates.¹

These public policy tradeoffs are influenced by the electoral incentives of veto players as shaped by formal political institutions, particularly the electoral system. One accepted wisdom is that larger “district magnitudes”—the number of legislators per constituency—reduce geographically-

¹ An extensive theoretical literature posits that poorer voters value targeted payoffs with immediate benefits to dispersed goods with future payoffs (Dixit and Londregan 1996; Kitschelt 2000; Calvo and Murillo 2004), but the empirical record of these studies is mixed, varying quite substantially by national context (Stokes 2007).
targeted redistribution. In multi-member districts (MMDs) that cover a larger, more populous area with diverse voter needs, it is more efficient for parties to provide public goods that benefit a broad cross-section of the electorate. Single-member districts (SMDs), on the other hand, tend to encompass a smaller geographical area, where it is more reasonable to cater to specific localized interests (Milesi-Feretti et al. 2002).\(^2\)

One important limit of this approach is the high correlation between electoral systems and other factors that can influence fiscal redistribution. Most statistical tests analyze government spending in OECD cases, but the bulk of countries employing multi-member districts are in Europe, where labor unions, corporatism, and socialism have historically been stronger forces. Studies of electoral rule choice have argued that PR is more likely to be adopted in countries with robust union movements, which also produces stronger Leftist parties (Lipset and Rokkan 1967; Boix 1999). As Colomer (2005) writes, parties choose electoral systems, not the other way around. Estimating government spending as functions of electoral system type and leftist party strength can thus produce an over-determined model, as the two factors are causally related. At the same time, electoral systems tend to be static over time, meaning that much of our knowledge is based on differences between countries, rather than variation in fiscal redistribution over time.

Taking a slightly different approach, Carey and Shugart (1995) divide the electoral system into finer component parts that affect incentives to cultivate the “personal vote.” The personal vote refers to popularity that is specific to individual candidates, not to the party as whole. When the electoral value of the personal vote trumps that of party labels, individual legislators benefit from redistributing to local constituency groups. Carey and Shugart argue that personalistic support is more valuable when voters cast ballots for specific candidates, not parties, and those candidates have

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\(^2\) Primo and Snyder (2008) discuss the importance of program “targetability” in a related paper on the aggregate size of government spending and common pool resource problems. They argue that geographically small projects are more useful to individual legislators, because the benefits accrue only to those legislators’ districts, while the tax cost is shared by the nation as a whole.
to compete with co-partisans in the same district (e.g. single transferable vote elections in Ireland). By contrast, where people vote for a fixed party list and those votes are pooled across jurisdictions (e.g. closed-list PR systems of Israel and Spain), the electoral success of candidates is based on their ranking on the party list, not on their personal support in any given region. This incentivizes politicians to curry favor with party bosses to secure higher list positions, thereby reducing the value of geographically narrow redistribution.

The Carey and Shugart framework is insightful precisely because it is based on the simple premise that political actors will pursue strategies—broadly categorized as maximizing the personal versus party vote—which best enhance their chances for reelection. An implicit assumption in this and other institutionalist arguments, however, is that parties are functionally identical, i.e. they are instrumental, unitary actors. Within the same electoral system, all politicians are expected to prioritize the personal versus party vote in the same way.

III. **Thesis: Strong Leaders = More Public Goods**

While agreeing with the “personal versus party vote” framework, we argue that the literature understates the ability of *strong party leaders* to curb the self-interest of legislators.\(^3\) The short-term reelection prospects of incumbents should, of course, increase with fiscal transfers to their districts. However, the long-term success of the party as a whole depends on improving its brand in districts where its candidates previously lost, e.g. through national-scale social welfare programs whose benefits accrue to districts regardless of incumbent status. To balance these goals, parties endow their leaders with carrots and sticks, such as control of campaign funds or committee assignments,

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\(^3\) See for example Cox and McCubbins (1993) for the role of party leaders in curbing legislative demands in the United States.
to limit excessively self-interested behavior. As Robert Michels (1915/1962) famously argued, parties are governed by the “iron law of oligarchy”: while they are crucial institutions of democracy, parties themselves tended to be ruled in a top-down, non-democratic fashion.

A party leader’s tenure is predicated on the electoral success of the party: when the party’s aggregate seat share declines, the leader is typically the first one to go (Andrews and Jackman 2008). Individual MPs, on the other hand, may care more about protecting their own incumbencies—and only secondarily about the fate of the party as a whole (Luebbert 1986). This contrast between the determinants of collective versus individual success creates an intra-party tug-of-war, the outcome of which depends on the preferences and autonomy of party leaders.\(^4\)

We argue that the priorities of party leaders are determined by their selectorate. Leaders will prefer national public goods when they are responsible to a broad cross-section of the party’s grassroots base. However, they will privilege targetable local goods when their survival is in the hands of the party’s MPs. This theory is built on two related insights. First, for the leader to be chosen, she must maximize support from party subgroup with veto power over leader selection. If legislators are the primary audience, then leaders should approve and design government programs that ensure those legislators’ electoral survival, i.e. fiscal benefits that are narrowly tailored to their incumbents’ districts. The redistributive logic changes when leaders are selected in a primary election or by the party congress. Partisan voters reside around the nation, even if they may be concentrated in certain regions. Activists play a vital role as campaign volunteers or donors even in districts where the party’s electoral candidate lost, and they can influence party policy should they have direct input

\(^4\) Kitschelt (2000) and Aldrich (1995) extend this framework to social choice problems over preference cycling. They argue that party hierarchy is crucial to resolving policy disputes over public goods, such as social welfare, pensions, and foreign relations.

\(^5\) The preferences of party leaders and backbenchers may be more aligned when the former has more control over the latter’s fate. Where a candidate’s electoral success depends on the party’s aggregate vote share, e.g. in party-list systems, then improving the “party vote” is more important than trying to maximize her individual “personal vote” (Carey and Shugart 1995). We will return to this point later in the paper.
in selecting the party leader. To receive support from these grassroots members, party leaders should push for more programmatic, *national* public goods.

Take the example of Japan. Traditionally, the Japanese budget share of targeted public works has been extremely high. The ruling Liberal Democratic Party’s support base—and most of its incumbents—has been concentrated in rural areas that are heavily dependent on fiscal transfers for construction jobs and infrastructural investments. However, McElwain and Umeda (2011) argue that when the ruling LDP adopted leader primaries in 2001, it shifted the party’s median voter towards more urban districts. This has incentivized party leaders to advocate more programmatic policies, and Noble (2010) shows that particularistic programs have given way to larger social security and education expenditures since the early 2000s.

The second linkage between leader selectorates and fiscal programs relates to the ability of party leaders to say no to their backbenchers. For party leaders to effectively control their caucus, their political survival must be independent of the whims of the MPs. In the Netherlands, for example, the heads of major parties—typically the first name on party lists in elections—are chosen by either a one-man-one-vote referendum or the national party congress. Both scenarios strip MPs of the power to pick the parliamentary leader unilaterally, giving the leader more freedom to pursue collective goals without risking her own survival. As discussed above, party leaders who are selected by a broad selectorate must cater to a wider range of socioeconomic interests, and as such, are likely to encourage the prioritization of national interests over local ones.

Where parties select their leaders by an MP vote, however, leaders have less leeway to override their backbenchers. The British Labour Party chose its parliamentary leader in a House of Commons caucus vote until 1980, as did the Tories until 1997. Margaret Thatcher famously resigned the Tory leadership in 1990 over internal criticism of her opposition to a single European currency
and the imposition of a local poll tax. If party leaders risk being replaced whenever they incur the wrath of too many backbenchers, they will be less effective in controlling their caucus.

We extend this logic to explaining patterns of fiscal redistribution. Party leaders who are elected by a diverse cross-section segment of the party, such as in a one-man-one-vote primary or by the party congress, can privilege social welfare redistribution without fear of internal revolt. Leaders who are chosen by an MP vote or through factional negotiations, however, will prioritize their backbenchers reelection, thus diminishing incentives to limit geographically-targeted redistribution.

IV. Measurement and Analysis

Differences in the internal cohesion of political parties have been noted by numerous scholars in the past and are by no means a new revelation of this paper. For the most part, however, discussions of leadership selection procedures are organized in edited volumes with detailed country chapters, and to our knowledge, have not been applied to cross-national statistical analyses. We have collected a new dataset on party organization that focuses on internal party processes. Our data covers 17 advanced industrialized democracies between 1960 and 2000. In addition to the standard Western European democracies of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Spain, Sweden, and the United Kingdom, we have also collected data on political parties in Australia, Canada, Japan, and the United States. The total number of parties included is 120, and while this does not cover the entire universe of political parties in each of these countries, they do incorporate all major parties that have been in government. We rely heavily on

information provided by Katz and Mair (1992), as well as personal communications with representatives from various political parties and other country-specific sources.

Measuring leadership selection can be complicated by difficulties in identifying who the party leader is. Most political parties have two separate organizational bodies: the party-on-the-ground and the party-in-parliament. The parliamentary party is comprised of MPs in the national legislature. The party-on-the-ground encompasses grassroots members, professional staffers who work for the party, and activists who manage the day-to-day operations of the party. In some cases, the same figure is the leader of both groups: the LDP President in Japan is the head of the entire party. In Denmark, on the other hand, the chairman of the party-on-the-ground is elected separately from the parliamentary president, with the former chosen by the party congress and the latter by an MP vote, although the same person is frequently selected for both.

In coding leadership selection procedures, we have focused primarily on the head of the parliamentary party, except when country specialists overwhelmingly state that the chair of the party-on-the-ground dominates. In presidential systems such as the US, France, and Finland, the party leader is defined as the President (or presidential candidate). Leadership selection is operationalized on a five-point scale in ascending levels of centralization, where “1” implies greatest control by grassroots party members and “5” implies full delegation to MP preferences.

1 = **One-man-one-vote (OMOV):** leaders are selected in a vote by all party members; includes cases where candidate choices are restricted to a short-list specified by the party executive. Examples: Conservative Party in the UK since 1998; D66 in the Netherlands; Socialist Party in France.

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7 For example, the head of the Democratic Party in the US in 2013 would be Barack Obama, rather than Debbie Wasserman Schultz, the chair of the Democratic National Committee.
2 = **Electoral College**: leaders are selected by a delegates’ vote in the national party congress; delegates are split between representatives for grassroots members, ancillary associations (youth groups, labor unions), MPs, and/or distinct geographical regions. Examples: British Labour since 1981; SAP in Sweden; DNA in Norway; OVP in Austria.

3 = **Party Executive**: selected by the party executive committee, which must receive formal approval by the party congress; if the executive committee is dominated by MPs, then coded as “4”. Examples: SPO in Austria; PCF in France; CDA and KVP in the Netherlands.

4 = **MP Vote**: vote by parliamentary caucus; if primaries or party conventions are dominated by MPs, also coded here. Examples: British Conservatives (pre-1998) and Labour (pre-1981); all major Australian parties; Fianna Fail and Fine Gael in Ireland.

5 = **Inner Sanctum**: closed-door selection by an informal group of party notables; typically involves negotiations among faction bosses, but also includes unilateral selection by the founding leader. Examples: LDP in Japan (most years).

Studies have noted a growing tendency towards more democratic procedures in leadership selection (LeDuc 2001). Farrell (2002) attributes this to the increasing media focus on party leaders in election news coverage, which makes selecting a telegenic leader through a popular referendum more important than finding an effective legislative negotiator. McElwain and McGovern (2009) show that electoral performance matters: parties that lose consecutive elections are more likely to decentralize their leader selection process in order to reenergize their base and mobilize voters.

Figure 1, which tabulates the frequency of each leadership selection code by party-year, supports these insights. The proportion of parties with a one-man-one-vote mechanism has
increased in every decade, from less than 1% in the 1960s to 17.6% in the 1990s. This shift is not due only to the emergence of new parties that use OMOV, but rather a switch in leadership selection formats by existing parties. Most Belgian parties, for example, have switched from choosing their party leaders in national congresses (code = 2) to an open ballot among party members (code = 1). The British Tories switched to a modified OMOV format in 1998, whereby MPs first vote to narrow the number of candidates down to two, after which grassroots members vote to determine the victor. The British Labour Party, on the other hand, uses an electoral college format, where MPs, trade union delegates, and grassroots members each get a third of the votes. The correlation between the number of elections that a party has competed in and its leader selection code is -0.11, indicating a gradual tendency towards decentralization for even established parties. As reference, the Appendix includes a table that shows average leadership selection codes by country, separated into systems that use single-member districts versus multi-member districts.

8 Some specific cases should be noted. The lowest level of MP influence is in the US, where both parties select presidential candidates in party conventions. France also has directly-elected presidents, but not all parties choose their party nominees in an organized fashion. Any candidate can run for President of France with signatures from at least 500 mayors, and the major parties have occasionally had two or more candidates stand for the first-round. This has changed in recent years, as both the Socialists and Gaullists now use one-man-one-vote primaries to settle on one presidential candidate before the general election.

9 Among parliamentary systems, Norway has seen the least variance over time, but there is a bifurcation in selection procedures which reflects each party’s division of authority between the party chair (controlling the party-on-the-ground) and parliamentary leader (controlling MPs). Where the party-on-the-ground dominates, the party chair is selected by a national congress vote; this group includes the Progress Party (far-right), Labour Party, and the Socialist Left. Where the parliamentary party wields more power, however, the party head is the parliamentary leader, who is selected by an MP vote. The latter group includes the Conservatives, the “Left” Party, the Christian Democrats, and the Centre Party.
For our empirical analysis of fiscal redistribution, we operationalize leader selection in two ways. First, we use the ordinal 1-5 ranking described above, or Leader_Rank. Second, we separate parties in which members of parliament select the leader (Categories 4 and 5) from parties that require approval from grassroots members or local activists (Categories 1, 2, and 3). We then create a dichotomous variable, Leader_MP, which takes the value “1” when legislators from the chief executive’s party have full authority over leader selections. Because we expect the most salient factor to be the leaders’ autonomy from legislators, we expect Leader_MP to have a stronger and clearer effect than Leader_Rank.

Our estimation is based on two models with distinct dependent variables. The first, SS, is the percentage of the national budget (0-100) allocated to social security transfers, as calculated by the OECD and made available in the Comparative Political Data Set (Armingeon, Leimgruber, Beyeler, and Menegale 2005). The second, Cap Ex, is the budget share of capital expenditures (0-100), which subsumes most forms of infrastructural spending (International Monetary Fund). SS is our operationalization of national-scale redistribution, while Cap Ex proxies for locally-targeted spending. We expect SS to be lower and Cap Ex to be higher in legislator-dominated parties (Leader_MP = 1). Our models test spending levels in Year t+1, because any given budget is designed explicitly for government expenditures in the next period. As such, changes in economic conditions, party organization, or government composition should only affect redistribution in the year following the change. We include current expenditure levels (SS_lag and Cap Ex_lag) to control for autocorrelations in overspending.

The existing literature identifies the electoral system and government composition as crucial explanatory factors. There are a variety of ways to operationalize each, and to the extent possible, we

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10 We have also tested our models using alternative aggregations of party organization. In one, we used the average Leader_MP for all parties in government. In another, we calculated the weighted average by multiplying each government party’s Leader_MP value by its relative share of the governing coalition’s seats. We find little substantive difference between these measurement choices.
pick out those most relevant to estimating redistributive preferences. To measure incentives to cultivate the personal vote, we use Farrell and McAllister’s (2006) modified version of the Carey and Shugart (1995) coding scheme. Carey and Shugart break down electoral systems into four parts: whether voters can alter the party ballot, whether votes are pooled across parties and jurisdictions, whether voters pick between parties or candidates, and the number of seats per district. Farrell and McAllister create a composite index (Personalism) that sums and weights these values on a ten-point scale, where a higher value signifies more personalistic electoral incentives. We also include \( \text{Magnitude}_{\log} \), which is the logged median district magnitude—the number of seats per constituency—to account for the geographical breadth of individual constituencies. Multi-member systems have fewer distinct constituencies, meaning that each district covers a larger area with more diverse groups of voters, which should induce more programmatic spending on social security transfers.

Government composition is measured by three variables, relating to the ideological tilt and legislative organization of cabinets. \( \text{Left-Cabinet} \) is a continuous variable ranging from 0 to 100 that measures the proportion of cabinet positions that left-wing parties control. As per Tavits’s (2004) contention that Socialist governments are more redistributive, higher values of \( \text{Left-Cabinet} \) may be correlated with greater transfers. \( \text{Coalition} \) is a dichotomous variable for which 1 = coalition governments and 0 = single-party governments. \( \text{Minority} \) is also a dichotomous variable for whether the governing coalition controls less than 50% of parliamentary seats. We also include \( \text{Unionization} \), which is the percentage of the workforce belonging to unions (0-100). This variable is included to assess the influence of leftist socioeconomic organizations on public policy, independent of current government composition.

Finally, we include four covariates to control for the economic environment. \( \text{GDP Growth} \) is the percentage change in GDP from the previous to current years. When the economy is growing,
we would expect fewer demands for welfare benefits, thereby decreasing social security transfers. By contrast, capital expenditures should be positively correlated with growth, since expansionary fiscal spending would increase aggregate demand, thereby stimulating economic activity. We also control for Unemployment (the percentage of the workforce that is unemployed), Trade (the sum of imports and exports as percentage of GDP), and Elderly (the percentage of the population over 65 years of age).

Results

We estimate levels of government deficit using ordinary least squares regressions with panel-corrected standard errors, including a lagged dependent variable to control for serial autocorrelation. The panel and period variables are “country” and “year,” respectively. Table 1 displays the results from six separate models, but to preserve space, we do not show the economic and demographic control variables. Models 1-3 estimate the determinants of social security transfers (SS): (1) without a leader selection variable, (2) with Leader_MP, and (3) with Leader_Rank. Models 4-6 do the same with capital expenditures (Cap Ex): (4) no selection variable, (5) with Leader_MP, and (6) with Leader_Rank. Only country-years for which all government parties have been coded are included in the regressions.

[TABLE 1 ABOUT HERE]

The model fit is very high for each equation, due to the inclusion of the lagged dependent variable. Government budgets are highly subject to inertial pressures, and so the lags explain a significant proportion of the variation in social security and capital expenditure transfers. Our main variable, Leader_MP, is nevertheless statistically significant in Models 2 and 5. Figure 2 depicts the marginal effect of a one unit increase in Leader_MP and Leader_Rank, along with 95% confidence
intervals. When the executive’s party selects its leader through a parliamentary vote, social security transfers decrease by 0.37%, while capital expenditures increase by 0.05%. These results are consistent with our principal-agent argument that leaders will advocate and enforce policies that maximize benefits to their selectorates. Leaders who are chosen exclusively by legislators will support geographically targeted redistribution that can be concentrated in their incumbent’s bailiwicks. When grassroots members and affiliated groups (such as unions) are granted input, however, leaders must satisfy voters nationally, incentivizing them to implement broader redistributive programs.

[FIGURE 2 ABOUT HERE]

The results are less consistent when using Leader_Rank (Models 3 and 6). Social security transfers still fall at a statistically significant level; a one-unit increase in Leader_Rank (on a 1-5 scale) decreases expenditures by 0.11%. Capital expenditures also increase with Leader_Rank, but the coefficient is only significant at the p<0.1 level. The weaker findings for Leader_Rank suggest that our intuition to separate leader selection into MP-dominated vs. grassroots-oriented categories is the correct one. Leader_Rank is an ordinal variable, but there is no a priori reason to expect that the effect of a one unit increase from “2” to “3” should be the same as that between “3” and “4”. While not reported in Table 2, we experimented with inserting Leader_Rank as a series of dummy variables (baseline when Leader_Rank=1), instead of as a continuous variable. We find that SS decreases the most (-0.46%) when Leader_Rank = 4, i.e. when leaders are selected in an MP vote, while CapEx increases the most (+0.05%) when Leader_Rank = 5, i.e. in a closed-door negotiation among the

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11 As reference, mean SS in our sample is 13.16% (standard deviation of 5.19%), while mean Cap Ex is 2.27% (s.d. of 0.41%).
party’s national elites. This suggests the need to theorize and estimate the effects of specific leader selection rules and government expenditures more carefully.

V. Conclusion

All political parties struggle to balance the individual reelection concerns of its backbenchers with the collective reputation and wellbeing of the party. This paper tests how this conflict manifests in public policy, specifically fiscal expenditures on targeted particularistic goods versus programmatic public goods. As previous studies have identified, the relative importance of the “personal” and “party” vote varies with the electoral system and levels of partisan identification. However, we demonstrate that under certain conditions, the party leader can check or mitigate the self-interest of backbenchers. When the selection of party leaders involves grassroots members and local activists, the leader will emphasize programmatic government spending. When leaders are chosen exclusively by other parliamentarians, however, they cannot afford to ignore their MP’s particularistic goals without risking their own jobs.

There are reasons to believe that the influence of party leaders has risen since the 1980s. As Poguntke and Webb (2005), Dalton and Wattenberg (2000), and others have argued, voters—especially weakly partisan or independent voters—have come to view leaders as an important cue for the collective competence or attractiveness of parties. This implies that the ability of leaders to override their backbenchers has also increased, at least when they are popular. However, the leader’s selectorate still matters in determining the extent to which the preferences of leaders are at odds with that of their backbenchers, making continuing examination of intra-party structures valuable.

We also believe that one methodological merit of collecting data on party organization is that it allows us to better assess political outcomes within countries over time. The process for leader
selection, candidate endorsements, and manifesto development varies not just between parties, but also within the same party over time. This variation allows us to estimate temporal changes in government spending that may allude more static factors such as the electoral system.

Bibliography


FIGURE 1

Leader Selection: Primaries Increase

- Primary (1)
- Party Congress (2&3)
- MPs (4&5)
**TABLE 1: Estimating Patterns of Fiscal Redistribution**
OLS with Panel-Corrected Standard Errors and AR(1) Auto-Correlation

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<th>4: Cap Ex</th>
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<td>-0.013</td>
</tr>
<tr>
<td><em>Leader_MP</em></td>
<td>-0.365***</td>
<td>-0.101</td>
<td></td>
<td></td>
<td>0.047**</td>
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<td>-0.020</td>
<td></td>
</tr>
<tr>
<td><em>Leader_Rank</em></td>
<td></td>
<td></td>
<td></td>
<td>-0.114***</td>
<td>-0.043</td>
<td>0.013*</td>
</tr>
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<td>-0.007</td>
</tr>
<tr>
<td><em>Observations</em></td>
<td>431</td>
<td>431</td>
<td>431</td>
<td>214</td>
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<tr>
<td><em>R-squared</em></td>
<td>0.973</td>
<td>0.973</td>
<td>0.973</td>
<td>0.969</td>
<td>0.969</td>
<td>0.969</td>
</tr>
</tbody>
</table>

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
FIGURE 2

Leader Selection Influences Redistributive Choices

Marginal Change in Expenditures (Budget %)

Leader_Rank - .6

Leader_MP -.4 -.2 0 .2

Social Security

Capital Expenditures

3/8/14
### APPENDIX:

**Average Leadership Selection Code by Country and Electoral System Type**

*Single-Member Districts* | *Multi-Member Districts*
---|---
| Country | Av. Leader Code | Min/Max | Country | Av. Leader Code | Min/Max |
| Australia | 4 | 4, 4 | Austria | 2.3 | 2, 3 |
| Canada | 2.25 | 1, 3 | Belgium | 2.1 | 1, 2.75 |
| France | 1.6 | 1.5, 1.6 | Finland | 2.1 | 2, 2.2 |
| UK | 3.4 | 1.3, 4.5 | Germany | 2.5 | 1, 3.5 |
| USA | 1.4 | 1, 3 | Ireland | 3 | 1, 4 |
|  |  |  | Italy | 4.4 | 2.75, 5 |
|  |  |  | Japan | 3.6 | 2, 4.3 |
|  |  |  | Netherlands | 2.1 | 1, 3 |
|  |  |  | Norway | 3.1 | 3.1, 3.1 |
|  |  |  | Spain | 2.1 | 2, 3 |
|  |  |  | Sweden | 2.3 | 2, 2.6 |

Subtotal: 2.58 | 1, 4.5 | 2.72 | 1, 5 |

* National averages are calculated by taking the mean of yearly averages in leader selection. Minimum and maximum values are the lower and highest country-year averages.