Facts or fiction?

Welfare cuts and fiscal adjustments

Appendix Tables

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Appendix Table 1: Variables and data sources

Name of Variable	Measurement	Source
Cabinet share center parties	Centre parties in percentage of total cabinet posts, weighted by days.	Armingeon et al. 2010
Delta deficit t-1	Annual deficit (government primary balance) as a percentage of GDP	OECD Economic Outlook Database (No. 86)
Delta elderly ratio	Population 65 and over as a percentage of population, annual change	Armingeon et al. 2010
Delta social spending	Total public and mandatory private social expenditure as a percentage of GDP.	Armingeon et al. 2010
Delta social transfers	Social security transfers as a percentage of GDP	Armingeon et al. 2010
Delta unemployment	Unemployment rate as a percentage of civilian labour force	Armingeon et al. 2010
Delta welfare generosity	Index of welfare state generosity	Scruggs 2004
Econ. growth t-1	Growth of real GDP, percentage change from previous year, lagged for one year	OECD Factbook 2010 (Online)
Monetary conditions (interest rate)	Short term interest rate	OECD Economic Outlook Database (No. 86)
OECD fiscal situation	Cyclically adjusted primary balance, arithmetic mean of all countries in the sample	OECD Economic Outlook Database (No. 86)
OECD output gap	Output gap, arithmetic mean of all countries in the sample	OECD Economic Outlook Database (No. 86)
Output gap	Output gap	OECD Economic Outlook Database (No. 86)
Previous consolidations	Number of previous consolidation years	
Trade Union Density	Net union membership as a proportion wage and salary earners in employment (union density).	Armingeon et al. 2010

Appendix Table 2: Linear discriminant analysis for "expansionary" adjustments (replic. Tab. 5)

	(1)		(2)		(3)		(4)	
Delta deficit t-1	-.549	-.488	-.663	-.026	-.614	-.008	-.507	.069
Delta social spending	.982	-.739	-.897	.709	-.548	-.571	-.826	-.695
Cabinet share center parties	-.589	-.010	-.486	-.461	-.469	-.377	-.628	-.526
Delta unemployment			-.297	-.408			-.365	-.380
Delta elderly ratio			.040	-.066				
Delta welfare generosity			.089	.045				
Economic growth					.722	.730		
OECD output gap					-.021	.187		
OECD fiscal situation					-.125	.144		
Output gap							-.321	.027
N	78		77		78		76	
Canonical correl	0.5096***		0.5243***		0.6082***		0.5733***	
Classification (loo)	0: 80,65 / 19,35		0: 80,33 / 19,67		0: 87,10 / 12,90		0: 79,03 / 20,97	
	1: 62,50 / 37,50		1: 62,50 / 37,50		1: 68,75 / 31,25		1: 78,57 / 21,43	

Note: First column: standardized canonical discriminant function coefficients;
Second column: canonical structure coefficients;
Classification (leave-one-out table): "group: correct / false"

Appendix Table 3: Linear discriminant analysis for "successful" adjustments (replic. Tab. 6)

	(1)		(2)		(3)		(4)		(5)	
OECD fiscal situation	-.801	-.150	-.743	-.065	-1.107	-.115	-1.288	-.127	-1.181	-.126
Cabinet share center parties	-.584	-.522	-.548	-.501	-.759	-.487	-.661	-.427	.815	-.455
Previous consolidations	.634	.202	.582	.262	.793	.197	.605	.162	.613	.186
Output Gap	.722	.636	.666	.662	.489	.566	.672	.496		
Delta unemployment	.177	-.241								
Delta elderly ratio	-.179	-.166								
Delta social spending			-.172	-.302						
Delta welfare generosity			.209	.151						
OECD output gap					.172	.256				
Trade Union Density					-.515	-.049	-.312	-.027	-.517	-.036
Monetary conditions (interest rate)							-.685	-.169	-.430	-.180
Economic growth									.555	.487
N	78		77		79		78		79	
Canonical correl	0.4096		0.4023		0.4461		.4883		0.4681	
Classification (loo)	0: 66,67 / 33,33		0: 66,67 / 33,33		0: 67,21 / 32,79		0: 66,67 / 33,33		0: 67,21 / 32,79	
	1: 61,11 / 38,89		1: 64,47 / 23,53		1: 66,67 / 33,33		1: 88,89 / 11,11		66,67 / 33,33	

Note: First column: standardized canonical discriminant function coefficients;
Second column: canonical structure coefficients;
Classification (leave-one-out table): "group: correct / false"