

Online Appendix C - Responsiveness: issues of congruence between Manifesto data and voters' preferences

Democratic responsiveness requires a positive association between public support for a policy and the likelihood of the policy being adopted (Gilens 2012, 70). As Thomson et al. (2017) put it, 'if parties channel societal demands into government policies effectively, there should be a substantial level of congruence between the policy content of their election programmes or manifestos and subsequent government policies.' Following the Downsian model of electoral competition two political parties compete and 'formulate policy in order to win the election, rather than win elections in order to formulate policy' (Downs 1957, 28). In their quest to gain the highest number of votes, electoral competition will lead to the expectation that the party closest to the median voter will receive a parliamentary majority (Kang and Powell 2010). Thus, on the one hand, both in majoritarian systems and in multi-party systems the government will be likely to include the party closest to the position of the median voter (Blais and Bodet 2006; Downs 1957; Huber and Powell 1994). On the other hand, if, as Thomson et al. (2017) claim, the parties channel societal demands successfully (which they should be able to do because they formulate policy to win elections, thus attracting the median voter), then government policies should strongly reflect the policy contents of their election programmes. Therefore, there would be some kind of (admittedly, indirect) positive association between public support for the policy and the policy that is adopted, as Gilens (2012) claims.

This model of electoral competition forces us to consider cases when policies are 'patently at odds with the preferences of the median voter,' who has a below-average income (see Franzese 2002). If State aid is to be preferred by the median voter, then it should have some welfare-improving characteristics, since in this case the measure would benefit voters rather than aim to electoral return (Golden and Min 2013). Recent evidence from van Buuren et al. (2019), shows that, in some situations State aid control is excessive because State aid can have welfare-improving characteristics, favouring the median voter. Hence, despite the targeted nature of State aid, the literature does not exclude the possibility for subsidy spending to be welfare-improving.

Thus, I conclude that the median voter theorem offers a 'natural benchmark' against which to assess policy distortion of allocative measures. If this is indeed the case, then the government would be said to be responsive, at least with respect to correction of market failures. Hence, it would be in the interest of the governing parties that their election promises be translated into policy outputs. However, the first regression model finds no evidence for the responsiveness hypothesis. Parties in government do not seem to act out their policy programmes with regards to correction of market failures. If State aid is granted, it does not, on average, benefit the median voter. While Grossman and Helpman (1996) might suggest that the lack of

responsiveness may be due to capture by special interest groups, no such claim can be inferred from this analysis. Another possibility is that polarisation leads to a government composition that does not reflect the median voter (Powell 2009), which also highlights the limitation of the median voter theorem.

In this Online Appendix I explore this possibility by looking at the congruence between the Comparative Manifesto Project (CMP) data and the International Social Survey Programme (ISSP) surveys on the role of government data, which measure public opinion in selected countries.¹ The ISSP surveys on the role of government provide, among many other items, four questions which I identified as being relevant to government intervention in the economy and the use of subsidies. The first one, called ‘Government financing create new jobs’ (Q1), asks whether respondents agree that the government should finance projects to create new jobs. The second one, called ‘Support of industry for new products’ (Q2), asks whether respondents agree that the government should support industry to develop new products and technology. The third one, called ‘Support of declining industry to protect jobs’ (Q3), asks whether respondents agree that the government should support industries in difficulties to protect jobs. The fourth one, called ‘Responsibility: provide industry with help to grow’ (Q4), asks whether, on the whole, respondents agree that it should be the government’s responsibility to provide industry with the help it needs to grow. For each question, respondents can be ‘strongly in favour of’, ‘in favour of’, ‘neither in favour or against’, ‘against’ or ‘strongly against’ (or they could choose not to answer).

I sum up the scores of ‘strongly in favour of’ and ‘in favour of’ of each question and correlate these values with the CMP `per402` variable I use, which expresses that there is a ‘need for wage and tax policies to induce enterprise; encouragement to start enterprises; need for financial and other incentives such as subsidies’ (Volkens et al. (2017)). Though it would be good to have empirical congruence between Manifesto data and public opinion, the ISSP data have characteristics that could make this exercise potentially misleading.

Firstly, surveys on the role of government are taken on average almost every eight years (seven years if only the years 1991-2010 are included): in 1985, in 1990, in 1996, in 2006 and in 2016. Secondly, not all Member States are part of the surveys, or some Member States (such as Italy, for instance), only partially participated to these surveys. As a result, against 381 observations in my dataset, the ISSP data provided between 178 and 183 observations, slightly less than half the sample. Further, the data for each country-year observations do not vary in between one survey and another. Yet, it would be hard to justify that the public’s opinion in 1996 would be the same as in 2005; or that in 2007 the same as in 2010, particularly after the economic crisis. Indeed, upon creating the correlation matrix, the results were rather poor, as shown in Table C1.

[Table C1 about here.]

Although the four questions correlate rather well between themselves, the results are less optimistic when compared to the Manifesto variable. CMP per402 correlated best with the first question, on government financing for new jobs, but even then, Pearson's r coefficient was a measly 0.12. For the other questions, correlation was 0.113 (Q2 on the support of industry for new products), -0.053 (Q3 on the support of declining industries), and 0.007 (Q4 on the responsibility to help industry grow) respectively. This could be due to a variety of reasons. 1) Because of poor data, which seems very likely; 2) because there is a mismatch between that the parties in government promise and what the median voter wants, which I also acknowledge as a possible shortcoming; or 3) both. In sum, while a direct empirical justification could potentially provide a stronger benchmark of justification for the theory, poor data would not properly allow for such a comparison.

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Table C1: Correlation matrix between CMP data and ISSP data

	Per402	Q1	Q2	Q3	Q4
Per402	1.000				
Q1	0.120	1.000			
Q2	0.113	0.721*	1.000		
Q3	-0.053	0.646*	0.473*	1.000	
Q4	0.007	0.701*	0.679*	0.466*	1.000

Note: * indicates a significance level of at least 0.05.

Notes

¹<https://www.gesis.org/issp/modules/issp-modules-by-topic/role-of-government>.