Do Parties Matter? The Impact of Parties on the Key Decisions in the Political System*

TO AN ORDINARY DEMOCRATIC CITIZEN THE QUESTION 'DO parties matter' might seem a typical pseudoproblem of scholars. Everybody knows that parties matter, otherwise nobody would leave home on election day and cast his vote. Even the enlightened politicians have hardly any doubts that parties matter. When Margaret Thatcher was asked before her first electoral victory what her access to power would change in Britain, she answered in one word: 'everything'. This means that she firmly believed that parties almost exclusively matter in a political system. How did scholars come to ask such a stupid question — so contrary to democratic common sense? New and unfamiliar questions normally rise when a change of paradigm in science takes place. The change of paradigm in this case was the shift of attention from the study of politics to policy analysis.

SOME PROBLEMS IN TRANSNATIONAL COMPARISONS OF POLICY OUTPUT

As part of the study of institutions party research saw its function for a long time as examining the *input* from society to the decision-making process. Studies concentrated on what parties put into the political system in the way of mobilization, socialization and elite recruitment, and far less attention was devoted to the question of how far the *output* of the system in the form of political decisions and material policies depended on the activities of political parties. There has been research into output in the policy sciences since Lasswell, but it was rapidly distracted from political issues by sociological and economic

^{*} This is the text of the 1983 Government and Opposition public lecture given at the London School of Economics on 17 November 1983.

questions. The achievements of the system were studied in time flows in relation with social and economic factors which have a long-term effect and, in this context, they appeared to be quasi-automatic products of certain stages in the modernization process of the bourgeois society.

It was the debate over the welfare state which challenged sociologists to return to a more political approach. The question arose whether the highly developed welfare states in Scandinavia, which still bore many signs of peripheral poverty at the beginning of the 20th century, were due to political factors, especially the fact that social democrat governments had held power earliest and longest there.1 Attempts were also made to show that in Scandinavia the social democrats' ability to gain mass support from voters was not due solely to constant social factors such as the size of the working class and the social profile of voters but to the policy the social democrats had been pursuing in government. A difficulty of this hypothesis was that the dominance of the social democrats in Scandinavia varied: it was more pronounced in Sweden than in Denmark, and this was seen as related to the more successful social and housing policies pursued in Sweden.²

However, the concentration of policy research on the relation between the social democrats and the welfare state has recently changed, and Harold Wilensky has raised the question whether the christian democrat parties, especially those whose philosophy derives from Catholic social doctrine and whose party structure facilitates the integration of many different social groups, is not an equally important cause of the accelerated development of the social state in some countries. The data is such that a definitive answer to this is not possible, but it does seem certain that there is a particularly strong tendency to heavy state spending where the struggle for power is between christian and social democrats and each has a fair chance of taking over government.³

¹ F. G. Castles/R. D. McKinlay, 'Public Welfare Provision. Scandinavia and the Sheer Futility of the Sociological Approach to Politics', *British Journal of Political Science*, 1979, pp. 157–171; R. Scase, *Social Democracy in Capitalist Society*, London, Croom Helm, 1977, pp. 162 ff.

² G. Esping-Andersen, 'Social Class, Social Democracy, and the State. Party Policy and Party Decomposition in Denmark and Sweden', *Comparative Politics*, 1978, pp. 42–58.

³ H. L. Wilensky, 'Leftism, Catholicism, and Democratic Corporatism: The Role

The new branch of social science studying policy output in comparative perspective was mainly developed in the USA. But there was from the outset a danger that American experiences of changing party governments were all too easily transferred to 'non-American field situations'. Hasty conclusions have been drawn from quantitative comparisons, and a few warnings will not come amiss: factors such as the institutional features of the system, the length of time a party can remain in power, the degree of homogeneity of a cabinet, and possibilities of utilizing offers to voters in an election campaign can all affect a comparison of aggregated data and there are seven further political factors which should be borne in mind here:

- 1. Federalism is one of the institutional variables which make it difficult to assign policy output to any particular party. In the USA and the Federal Republic of Germany and not only in the proportional government system practised in Switzerland it can force the dominant party in government to make numerous concessions to Federal Länder, cantons or states where different parties hold the majority. But occasional concessions to the opposition are also sometimes necessary in nonfederal two-chamber systems where there are fixed procedures for settling differences of opinion between the majorities in the two chambers, and the results of the decision-making process cannot be ascribed solely to the government party here either. Pairing and log-rolling with opposition parties enables the opposition to achieve a number of its aims as well.⁴
- 2. The tendency for a cooperative opposition to develop, which will be strengthened if parties are moving closer together in their ideas, also makes it more difficult to assign policy results to particular parties than in times when there is more fundamental opposition. Even communist parties in some countries are responsible for or play a part in up to three quarters of the legislation.⁵ Only excessively powerful coalitions, which are a

of Political Parties in Recent Welfare State Development', in P. Flora/A. J. Heidenheimer (eds), *The Development of Welfare States in Europe and America*, New Brunswick, Transaction Books, 1981, pp. 345-82 at p. 368.

⁴ W. Dewachter et al., 'The Effect of the Opposition Parties on the Legislative Output in a Multi-Party System. The Belgian Case from 1965 to 1971', European Journal of Political Research, 1977, pp. 245-65 at p. 259.

⁵ F. Cazzola, Governo e opposizione nel Parlamento italiano, Milan, Giuffrè, 1974, p. 99.

long way from the minimum coalition in the game theory, need pay little heed to the opposition. An example of this situation was the coalition which left the small liberal party, the Free Democrats, alone in the opposition in the Federal Republic of Germany in 1966–69 (the 'Grand Coalition') and the Popular Front governments (formed of the Centre plus the Left) which President Kekkonen sometimes insisted on in Finland under pressure from the Soviet Union).6

- 3. A meaningful relation can only be established between the material policy being pursued in a system and particular parties if the parties are in office long enough. This is only likely where parties alternate in power, as in Great Britain, Canada, and New Zealand, or where there is alternating government with coalitions, as in Australia and the Federal Republic of Germany. (There has been alternating government without a coalition in Austria 1966–1983.) In countries where major and minor coalitions alternate, such as Belgium, the Netherlands and Finland, assignation is particularly difficult. In systems where one group is always dominant, as in France up to 1981 and Italy even now, there is no test case. In both the latter countries the influence of left-wing parties on policies can only be studied at regional level.⁷
- 4. Medium-term policy planning can only be implemented in a relatively crisis-free period. Where the government has had to concentrate on short-term crisis management there has been an approximation of the strategies of the opposing camps, sometimes to such an extent as to make it seem as if the government had very little scope for manoeuvre. There is much to suggest that the older studies have concentrated too much on the fair weather phases in the Western world. The data since 1973 indicate that comparisons or policies for the end of the 1970s will show that there is no longer so strong a divergence between the Left and the Right as formerly. This does not necessarily mean a unilinear tendency extending into the future. My hypothesis is rather that in case of an increasing need for emergency and austerity measures a new convergence between the parties might

⁶ Cf. P. Pesonen/O. Rantala, 'Change and Stability in the Finnish Party System', in H. Daalder et al. (ed.), The Party Systems of Western Europe, London, Sage, 1983, part 3 (in print).

⁷ S. Tarrow, Between Center and Periphery. Grassroots Politicians in Italy and France, New Haven, Yale UP, 1977, p. 256.

develop in social matters, whereas divergence may continue in matters where repression instead of regulation and distribution is the dominant policy.

5. In party systems where the social democrats are dominant the influence the party exercises on policies is often indistinguishable from that exercised by the trade unions. This is especially so where the party consists largely of the collective membership of trade unions, as in Great Britain, Norway and Sweden, or where the party is closely integrated with the unions without a system of collective membership, as in Israel and Austria. Conversely, where there is no powerful and politically oriented trade union movement, as in the USA, the occasional engagement of the Democrats and the populist movement did not outweigh the disadvantages of segmented class relations. What the system has achieved in the way of social benefits lags far behind the average for the West.8 In historical perspective many of the global statements on the relation between party in power and welfare state growth need further examination. In the early days patrimonial conservatives tended to push welfare issues. In a second phase, between the two world wars, the growth of labour parties accounted for increasing welfare policies. Whereas in the last phase, after the second world war, welfare programmes were growing independently of the party composition of government. The latecomers took the lead of growth whatever colour their party in government had.9

But even where parties seemed to matter they did not matter on their own. Part of what has been ascertained about the impact of parties on policy outputs has proved to be rather the impact of neo-corporatism. This is another proof for the author's hypothesis that neo-corporatism does not necessarily ruin the party state — as some analytical scholars are afraid of and some authors of the dialectical school seem to hope $-^{11}$

⁸ I. Katznelson, 'Consideration on Social Democracy in the United States', Comparative Politics, 1978, pp. 77-99.

⁹ J. Alber, Vom Armenhaus zum Wohlfahrtsstaat. Analysen zur Entwicklung der Sozialversicherung in Westeuropa, Frankfurt, Campus, 1982, p. 197.

¹⁰ M. G. Schmidt, Wohlfahrtsstaatliche Politik unter bürgerlichen und sozialdemokratischen Regierungen. Ein internationaler Vergleich, Frankfurt, Campus, 1982, pp. 211 ff.

¹¹ C. Offe, 'Competitive Democracy and the Keynesian Welfare State. Factors of Stability and Disorganization', *Policy Science*, 1983, pp. 225-246.

but that interest groups need the support of the parties in order to make corporatist devices work.¹²

6. The influence of the parties is not equally evident in every policy area, and some caution should be exercised in using indicators. It is strongest in the social sphere, especially in old age pensions, and less in state expenditure on younger age groups, comparatively least in education and health. Housing would appear to be somewhere in the middle.¹³ In normal times social democrat and socialist parties have stressed welfare and domestic security in their policy statements. The latter choice would seem a little paradoxical, but it dates from the time when the social democrats were under persecution, and it manifests itself in a tendency to use military force to suppress social unrest, and this in turn leads to a strengthening of the police force.¹⁴ The welfare policy pursued by the social democrats is strongly oriented to the state, and the public sector of the economy and the state share in the national product also tends to rise under socialist governments. 15 Bourgeois governments have other priorities. They are, for instance, much more inclined to put emphasis on the conservation aspects of cultural policy than the social democrats, as has been evident in the Federal Republic of Germany. 16

7. Policies are not only the output of ideas by parties in power, they are themselves also increasingly becoming a weapon in an election campaign. A comparison between the cycles of election years and the increases in social expenditure has shown that in many countries in Europe (the Federal Republic of Germany, Denmark, Italy and Austria) there is no relation between these two variables.¹⁷ The problem of federalism with annual election battles in one or the other of the states, frequent changes of government and weak minority governments would appear to

¹² K. von Beyme, 'Neo-Corporatism. A New Nut in an Old Shell?', International Political Science Review, 1983, pp. 173-96 at p. 191.

¹³ A. Heidenheimer et al., Comparative Public Policy, London, Macmillan, 1976, p. 273.

¹⁴ M. G. Schmidt, CDU und SPD an der Regierung. Ein Vergleich iherer Politik in den Ländern, Frankfurt, Campus, 1980, p. 74.

¹⁵ D. R. Cameron, 'The Expansion of Public Economy. A Comparative Analysis', American Political Science Review, 1978, pp. 1243-1261.

¹⁶ K. von Beyme, Das Kulturdenkmal zwischen Wissenschaft und Politik. Deutsche Kunst- und Denkmalpflege, 1981, pp. 89-98.

¹⁷ E. R. Tufte, Political Control of the Economy, Princeton UP, 1978, p. 12.

disrupt a policy of sops to voters in the form of better social benefits. In all the countries in which the 'new economics' found election-conditioned cycles of social give-aways the social democrats and the bourgeois parties were equally generous. This means that party programmes and the instruments used to implement them tend to become more similar, while at the same time the relevance of the conflict between the parties for the political end result declines over the long term.

To sum up we can say that the effect parties can have on the political output of countries can be most reliably traced in federal states, where it is easiest to compare economic and political framework conditions. The differences in the stage of development reached by the various regions or states can more easily be taken into account. In the USA — in contrast to the Federal Republic of Germany — earlier studies did not show that the question of which party is in power has a greater effect on the political end result than social and economic variables. But that may be due to the fact that there are fewer ideological differences between the parties in America than in Germany, so that there is less competition between them in many of the US states than in most of the West German Länder.

For an international comparison, however, the framework conditions are so different that only a small number of cases can be compared in Western democracies and the results are not reliable. In countries with very traditional structures, like Ireland and Italy, many a correlation analysis will measure everything twice: the political achievement in some areas appears weak because there are development deficits; but the same fact is seen as the reason why a bourgeois party has achieved hegemony, and so the development deficit is seen as greatly to its detriment on a comparison with the North European social democrats.

SOME FINDINGS OF THE 'DOES PARTY MATTER?' STUDIES

Only after taking these difficulties into account can we venture on a few hypotheses on the comparisons between the dominance of a party and political output into decision-making. Two

18 B. Fry/R. Winters, 'The Politics of Redistribution', American Political Science Review, 1970, pp. 508-523.

comparisons are generally made: between budget data, and between political achievement, measured by aggregate data.

The simplest approach would appear to be the comparison between items in the state budget. Even where one party has a dominant position changes in party elites have been seen as the reason for the variations in the budget priorities. 19 In Western democracies it is generally assumed that public expenditure in percentage of the gross national product is above the average in countries where the social democrats are more often in power. There are good reasons for this assumption, as Table 1 shows. Up to 1975 the Scandinavian countries were in the lead here, Sweden with 51 per cent, Denmark 47.5 per cent and Norway 46.5 per cent. But the Netherlands topped the list with 54.3 per cent. That could be because 'grand coalitions' between social and christian democrats, which are familiar in the Benelux states, are particularly inclined to spend public money.²⁰ But a glance at the period of major coalitions in other European countries and a comparison of these with the growth in public expenditure will cast doubts on this argument: Belgium 1947-48, 1961–66, 1968–74, 1977 onwards, the Federal Republic of Germany 1966-69, the Netherlands 1946-58, 1965-66, 1973-77, Austria 1945-66. Even if one excludes Switzerland, which could be called a permanent grand coalition going beyond the socialist-christian democrat union, the thesis cannot be sustained. Up to 1966 Austria was rather in the middle, while the Federal Republic of Germany did not move forward noticeably under its Grand Coalition and actually dropped back a little in 1970 under the social democrats. Belgium and the Netherlands offer better confirmation, but in the case of Belgium it is possible that the ethnic conflicts and their consequences caused the rise in public expenditure. The pressure to form a grand coalition is more likely to be a further result of the ethnic conflict and not the cause of the state spending.

In all Western democracies public expenditure rose proportionately more than in other periods during the 1970s. State

¹⁹ V. Bunce, 'Elite Succession. Petrification and Policy Innovation in Communist Systems', Comparative Political Studies, 1976, pp. 3-42.

²⁰ J. Kohl, 'Trends and Problems in Postwar Public Expenditure Development in Western Europe and North America', in Flora/Heidenheimber, op. cit. note 3, pp. 307-44 at p. 327.

TABLE 1 Total Public Expenditures as Percentage of GNP

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	A	В	DK	SF	F	FRG	I	NL	Z	S	СН	GB	USA	CDN
1950	25.0	 - -	19.4		28.4	30.8		27.0	25.5			30.4	i I	
1951	28.2		21.3		29.3	30.6		27.1	23.4			31.6		
1952	29.0		22.4		32.1	31.3		27.1	25.3			32.9		
1953	29.2	26.3	22.6		33.0	31.1		28.9	27.4			32.2	27.4	8.97
1954	27.6	26.1	23.0		32.0	30.6		28.7	27.2			31.4	56.6	27.9
1955	27.5	24.7	23.6		32.2	30.0	27.8	28.5	26.8			30.2	24.9	27.1
1956	28.8	24.8	23.7		34.3	30.2	29.3	29.9	26.7			29.8	28.2	27.8
1957	29.5	24.4	24.4		34.3	31.7	29.5	32.5	28.4			29.3	27.1	27.2
1958	31.5	26.8	24.8		33.3	33.1	29.5	33.4	29.7			30.1	29.0	29.5
1959	31.4	28.2	24.0		33.8	33.4	31.5	31.6	31.1			30.5	27.6	29.7
1960	30.7		25.0	26.9	32.5	31.7	29.6	34.3	31.9	37.5	20.8	32.2		29.7
1961	31.0		27.2	26.4	33.7	32.3	28.3	34.7	31.7	37.4	22.1	33.0		31.1
1962	32.8		28.1	27.8	35.0	34.0	29.3	35.8	33.7	38.7	23.3	33.6		31.0
1963	33.8		28.7	30.2	35.6	35.0	30.3	38.1	35.2	41.1	24.2	33.8		30.4
1964	34.6		28.5	30.4	35.6	34.7	31.0	38.8	35.1	41.1	25.5	33.5		29.5
1965	33.8	32.3	29.9	31.5	36.1	35.0	33.3	40.0	36.4	35.4	25.3	35.2	28.3	29.3
1966	34.3	33.4	31.7	32.2	36.0	35.4	33.5	42.2	36.7	37.2	26.1	36.0	29.6	30.4
1967	36.2	34.5	34.2	33.5	36.5	37.1	32.9	43.8	38.1	39.1	26.5	38.4	31.6	32.3
1968	36.8	36.3	36.2	34.1	37.6	36.4	34.5	42.6	37.8	41.3	26.2	39.0	31.8	33.2
1969	36.3	36.1	36.2	32.7	36.5	36.0	34.2	43.0	39.5	41.9	27.4	38.1	31.5	33,6
1970	35.8	36.5	40.0	32.0	38.5	35.9	35.4	44.4	41.0	42.8		38.1	32.9	35.8
1971	36.2	37.8	42.2	33.4	38.0	37.0	38.4	46.6	42.9	44.9		37.7	33.0	36.7
1972	36.3	38.9	41.8	34.4	37.8	37.8	40.3	47.1	44.7	46.0		39.4	32.8	37.4
1973	36.6	39.1	40.3	32.9	38.1	38.6	39.3	47.6	44.8	45.6		39.9	32.2	36.1
1974	38.0	39.5	44.0	34.3	38.7	41.5	39.3	50.0	44.8	49.0		44.6	33.8	38.0
1975	40.3	44.9	47.5	37.2	42.4	45.6	43.1	54.3	46.5	51.0		46.1	36.2	41.1

Source: J. Kohl: Trends and Problems in Postwar Public Expenditure Development in Western Europe and North America. In: P. Floral A. J. Heidenheimer (eds), The Development of Welfare States in Europe and America, New Brunswick, Transaction Books, 1981, pp. 307-44 at p. 338. Bold type indicates socialist governmental periods and their equivalents.

spending was higher in France and Italy, countries where the socialists have had the smallest share in government, than in Austria, where the social democrats have had a powerful influence, and only slightly lower than in the Federal Republic of Germany under social democratic rule.

Purely conservative governments make particular efforts to cut down the growth in public expenditure generally and the amount of social transfer payments in particular.²¹ For social transfers the Netherlands were again in the lead up to 1975 with 26.1 per cent of GNP, followed by France with 20 per cent. Even Italy comes before the Scandinavian countries (see Table 2). It is striking that certain social benefits which flow to families are much more highly developed in the Catholic countries, Italy and France. But the 'Latin model' of transfer payments is in relative decline now.²²

However, the figures on transfer payments are only part of the picture, and other social benefits, where the Scandinavian countries are more advanced than the Latin countries, should also be taken into account. Demographic and economic developments will affect the amount of expenditure on these much more than the nature of the benefit or the group receiving it.

We should add to this a study of the relative share of expenditure on social policy in the public budget in comparison with other major items. A comparison of the items 'social expenditure', 'education' and 'defence', all of which are of central importance in most parties' philosophy or creed, does not yield a very clear picture (Table 3). Defence expenditure appears to vary more according to the extent to which a country feels threatened, its role in an alliance or, for neutral states, special conditions (Switzerland and Sweden spend a lot on defence, Austria spends very little) than according to which party is in power. Federal states have given so much autonomy to the individual states, cantons or Länder in education and social policy that the expenditure on these items in the national budget seems unusually low (USA, FRG). The aftermath of the war (FRG and Austria) and demographic structures play such a part in social expenditure that again the question of which party is in power is of relatively little significance here. Generally, however, the countries where the social democrats are more

²¹ Kohl, ibid., p. 327.

²² Kohl, ibid., p. 321.

TABLE 2 Social Transfers as Percentage of GNP

SF F
5.8
6.1
6.5
8.9
6.5
7.0
7.4
7.9
7.9
7.6
7.4
12.1 8.1 17.0
8.5
8.0
8.3
8.8

Source: Ibid., p. 339. Bold type indicates periods of socialist government.

TABLE 3 State expenditures in percentages

	Def	Defence	Social Wel	Social Welfare/Health	Education	Education/Science
	1971/72	1981/82	1971/72	1981/82	1971/72	1981/82
Austria	4.6	4.3	32.2	27.2	16.0	16.0
Belgium	7.6	7.9	24.0	26.7	20.2	20.7
Denmark	8.6	6.7	47.1	46.5	17.1	12.4
France	16.9	17.5	15.8	19.8	20.1	24.3
FRG	23.1	18.8	30.3	36.2	4.7	5.4
Italy	9.5	4.9	18.1	26.0	19.9	11.2
Japan	8.8	6.5	27.3	30.9	14.3	12.7
Netherlands	12.9	9.5	14.0	29.1	29.8	23.2
Norway	14.0	10.6	20.7	20.3	16.0	12.2
Sweden	13.2	9.2	30.0	28.3	19.8	14.6
Switzerland	23.3	22.7	22.2	24.8	10.9	9.7
UK	23.3	18.8	31.4	36.2	4.9	2.8
USA	31.8	25.8	12.1	44.7	5.9	4.8

Sources: Bundesministerium der Finanzen. Finanzbericht 1983. Bonn 1982, pp. 288 and earlier issues.

powerful head the list for budget spending on social policy (Scandinavia, Great Britain, Austria). If one does not compare the relative share of the national budget but the development of social expenditure in absolute figures in individual countries further exceptions to the rule become apparent. In Great Britain social expenditure rose by about 5 per cent p.a. during the 1960s independently of which party was in power. When the Labour Party took over in 1970 the item continued to rise, but dropped for the next three years.²³ Certainly one cannot derive general trends from the figures which would enable any meaningful prognosis to be made of how a party is likely to behave in office, and that certainly applied to most countries at the end of the 1970s.

Two further hypotheses are current, not so much in scientific debate as in politics, where they are mainly propounded by the conservatives, namely that left-wing governments impose higher taxes and social insurance contributions (in percentage of GNP) and tend to increase public borrowing. But again the empirical evidence is not so clear. Sweden, Norway and the Netherlands have the highest taxes and insurance contributions (see Table 4), while other countries where the social democrats have been in power for a long time, like Austria and the Federal Republic of Germany, are rather in the middle of the table, close to France and Great Britain and far higher than Japan, the USA and Switzerland.

The hypothesis cannot be substantiated at all as far as public borrowing in the 1970s is concerned (see Table 5). The great free enterprise countries, USA and Switzerland, are close to social democrat countries like Sweden and Norway, all at the head of the Western democracies. France, Luxembourg and Japan come last on this item, with Great Britain, Germany, Ireland and Austria in the middle. Again party political structures do not appear to make much difference.

Clearly comparisons of budget items need to be oriented more to the essence of policies. Budgets are plans, they need to be implemented and even this does not necessarily mean that the policies on which the budget is based are going to have a positive effect. We need further *indicators of the impact of implemented policies*. Economists, particularly, have tended to

²³ N. Bosanquet/P. Townsend (eds), Labour and Equality. A Fabian Study of Labour in Power 1974-1979, London, Heinemann, 1980, p. 10.



TABLE 4 Taxes and social insurance fees in percentage of ${\sf GNP}$

Country	1968	69	20	71	72	73	74	75	9/	77	78	79	80	81
Austria	35.0	35.9	34.4	35.3	35.0	33.5	35.6	36.2	36.5	36.3	40.8	40.7	40.5	42.1
Belgium	28.9	33.5	37.4	33.6	34.2	34.3	35.1	37.6	38.7	41.0	42.5	42.1	42.7	42.4
Denmark	33.3	36.4	40.2	43.5	40.6	40.9	41.7	38.4	38.3	44.5	41.9	44.1	45.5	44.7
France	38.7	36.7	38.4	37.7	37.1	36.9	35.6	34.5	39.1	40.3	39.6	40.8	42.5	42.5
FRG	33.5	33.8	33.2	33.7	35.1	36.5	36.6	36.4	37.4	39.2	38.8	38.5	38.4	38.4
Italy	32.7	36.7	35.4	32.6	32.9	33.3	35.2	35.0	34.0	34.2	32.1	30.5	33.4	35.3
Japan			21.1	19.4	19.2	22.0	23.7	21.4	20.6	35.1	20.4	21.9	25.6	26.3
Netherlands	37.7	38.6	37.2	39.3	42.5	45.2	48.5	48.4	46.7	47.7	48.7	49.1	48.9	48.0
Norway	33.3	37.2	39.0	40.2	44.1	44.0	43.6	43.6	42.9	44.0	46.6	47.4	50.7	48.3
Sweden	40.0	40.5	39.5	43.2	44.8	44.3	44.7	44.2	50.0	53.5	53.1	53.1	52.5	49.7
Switzerland	35.0	22.3	24.7	24.1	24.9	25.7	26.5	28.8	30.6	28.5	30.4	29.4	29.5	28.8
UK	36.5	35.3	37.7	35.8	34.7	33.1	35.6	36.1	35.9	35.5	34.2	34.4	37.1	39.4
USA	27.7	31.1	29.2	27.8	30.4	32.4	31.3	31.5	29.3	29.6	30.0	30.3	29.5	30.3

Sources: Finanzbericht des Bundesministeriums der Finanzen. Bonn, 1972 ff.

TABLE 5
Public debt per capita in \$

					ı	1					
	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
Austria	296	495	578	n.d.	817	1165	1593	2140	2837	3410	3053
Belgium	1611	1901	2397	n.d.	3193	3447	4221	5525	6165	8416	6770
Denmark	671	269	855	885	1150	1464	4608	3385	4528	5556	4469
France	464	467	604	682	670	929	991	1294	1691	1705	1460
FRG	642	784	1003	1171	1664	1887	2756	2937	3601	4125	3850
Ireland	n.d.	833	1119	1333	1672	n.d.	2283	2837	3983	4730	4248
Italy	638	556	1048	1119	1580	1311	1550	2787	2128	3410	2962
Japan	243	258	465	485	795	1102	1723	2787	3164	3740	4469
Luxembourg	1100	1123	1425	n.d.	1481	1755	2024	2588	2782	2970	2522
Netherlands	1843	1582	2119	2064	2376	2583	2972	3435	4801	5501	4779
Norway	1038	1260	1608	n.d.	2440	3085	2445	4430	5947	6601	5708
Sweden	1521	1656	2239	2596	3087	3223	3144	4380	6110	7756	8186
Switzerland	1047	1293	1518	1928	2141	3009	3359	4131	4474	4400	3894
UK	2114	1623	2305	2465	2830	2580	2713	3285	4419	5391	5310
USA	2944	2247	2763	2995	3415	4201	4221	4679	5292	7536	6018

Sources: Finanzbericht des Bundesministeriums der Finanzen. Bonn, 1972 ff. Based on the dollar exchange rate in OECD, National Accounts 1952–1981. Main aggregates Volume 1, p. 92.

assume not only that the party in power in a Western democracy is of only secondary importance in the output, but even that it does not really matter whether the system is capitalist or socialist, the stage of development will hardly be affected.²⁴

So is it worth sifting the data on the various hypotheses once again? Presumably only if we can draw on data which is not too highly aggregated. Otherwise it may happen that a socialist country like Yugoslavia is counted among the market societies as in the seminal study by the British economist Frederic Pryor.²⁵

A diagram of the relations between policies and parties may look less scientific than computer studies on correlations between the two variables, but it has the heuristic value of allowing every reader to check unlikely interpretations for himself. Moreover, short-term changes are immediately apparent, and this prevents a consideration of only longer-term trends in economic or social terms, enforcing greater consideration of short-term political factors as well.

One of the most familiar hypotheses in this area of party research is the assumption that social democrat governments concentrate more on reducing unemployment and so accept higher inflation rates, while the 'bourgeois' parties in Europe and the Republicans in the USA tend to concentrate on a maximum of monetary stability, if necessary accepting a higher unemployment rate.26 This would appear to be confirmed by the prima facie evidence (see Table 6), with Italy and Ireland, the two countries where one bourgeois party has been dominant for longest, with the highest unemployment rates. Since there are so few countries where a bourgeois party has remained in power for so long, the comparison is bound to work out to the disadvantage of Ireland and Italy, and some of the countries where the social democrats have been in power for a long time do have low unemployment rates. The argument would appear to be confirmed.

However, if a fairer comparison is made by taking individual

²⁴ F. Pryor, Public Expenditures in Communist and Capitalist Nations, London, Allen & Unwin, 1968. For a detailed criticism see K. von Beyme, Economics and Politics within Socialist Systems. A Comparative and Developmental Approach, New York, Praeger, 1982, pp. 332 ff.

²⁵ Ibid., p. 31 et passim.

²⁶ D. A. Hibbs Jr., 'Political Parties and Macroeconomic Policy', American Political Science Review, 1977, pp. 1467-1478.

TABLE 6

	81	5.8	2.4	11.6	9.7	8.3	5,3	7.8	5.5	10.5	5.1	6.9	2.2	7.4	1.7	2.5	0.2	10.5	7.6
	80	6.1	1.9	9.4	7.0	6.2	4.8	6.3	3.8	8.3	4.8	8.0	2.0	5.1	1.3	5.0	0.2	6.9	7.1
	79	6.2	2.0	8.7	7.5	6.1	5.3	5.9	3.8	7.4	2.9	7.7	2.1	5.1	2.0	2.1	0.3	5.3	5.8
	78	6.3	2.1	8.4	8.4	7.3	7.5	5.2	4.3	10.7	3.6	7.2	2.2	5.0	1.7	2.2	4.0	6.1	6.1
	77	5.7	1.8	7.8	8.1	6.4	6.1	4.7	4.5	11.8	3.9	7.2	2.0	5.1	1.5	1.8	4.0	6.2	7.1
	9/	4.8	5.0	8.9	7.1	5,3	4.0	4.4	4.6	12.3	3.6	6.7	2.0	5.3	1.8	1.6	0.7	5.7	7.7
	75	4.9	2.0	6.7	6.9	0.9	2.2	4.1	4.7	12.2	3.1	5.9	1.9	5.0	2.3	1.6	0.3	4.1	8.5
ď	74	2.7	1.5	4.0	5.4	2.5	1.7	2.9	2.6	7.9	3.0	5.4	1.4	3.5	1.5	2.0	n.d.	2.6	9.6
Percentage of Unemployed	73	2.3	1.6	3.6	9.6	1:1	2.3	2.3	1.2	7.2	5.6	6.4	1.3	2.8	1.5	2.5	n.d.	2.7	4.9
of Uner	72	2.6	1.9	3.4	6.3	3.6	2.5	2.8	1.1	8.1	2.7	6.4	1.4	2.8	1.7	2.2	n.d.	3.8	5.6
ntage (71	1.9	2.1	2.9	6.4	3.7	2.3	n.d.	8.0	7.2	3.5	5.4	1.2	1.6	8.0	2.5	n.d.	3.5	5.9
Perce	70	1.6	2.4	2.9	5.9	2.9	1.9	n.d.	0.7	7.2	3.8	5.7	1.1	1.1	8.0	1.5	n.d.	2.6	4.9
	69	1.5	2.8	3.6	4.7	3.9	8.7	n.d.	6.0	6.4	4.5	3.4	1.1	1.4	1.0	1.9	n.d.	2.5	3.5
	89	1.5	2.9	4.5	4.8	5.0	4.0	n.d.	1.5	6.7	6.1	3.5	1.2	1.9	1.1	2.2	n.d.	2.5	3.6
	67	1.6	2.7	3.7	4.1	2.7	5.8	n.d.	2.1	6.7	10.4	3.5	1.3	2.0	8.0	3.1	n.d.	2.3	3.8
	99	1.5	2.5	2.7	3.6	2.3	1.6	n.d.	0.7	6.1	7.4	3.9	6.0	1.0	8.0	1.6	n.d.	1.5	3.8
	65	1.3	2.7	2.4	3.9	2.0	1.4	n.d.	9.0	5.6	3.6	3.6	8.0	0.7	6.0	1.2	n.d.	1.5	4.5
	1964	1.4	2.7	2.2	4.7	2.4	1.5	n.d.	0.7	5.7	3.3	2.7	8.0	9.0	1.1	1.6	n.d.	1.8	5.2
		Australia	Austria	Belgium	Canada	Denmark	Finland	France	FRG	Ireland	Israel	Italy	Japan	Netherlands	Norway	Sweden	Switzerland	UK	USA

Sources: Year Book of Labour Statistics. Geneva, ILO, 1982, pp. 370 ff. Figures since 1979 from OECD data.

periods when different parties were in power in the same country, the results are not so plain. Small countries like Switzerland, Luxembourg and Austria have the lowest unemployment figures, in periods of christian democrat government as well. In the Federal Republic of Germany - contrary to general expectations - unemployment only really started to rise under the social democrats. In Denmark it rose from 2.4 per cent in 1973 to 4.2 per cent in 1974 and 11.1 per cent in 1975. But this can hardly be imputed to the brief interval of the Hartling bourgeois government, since the trend did not slow down after 1975 under the social democrat government led by Jørgensen either. Belgium is a further case with an above-average rise in unemployment since 1975; there was a peak under a bourgeois government, between 1973 and 1975, but the trend has not slowed since the social democrats joined the government in 1977. Again the explanation is more likely to lie in the ethnic issue and the structural problems of the ageing industrial area than party politics. Belgium has too big a workforce but it did succeed in keeping some of its labour market problems down until 1973, albeit at the price of excessive public borrowing. Since the 1973 crisis the limits to this have become apparent. In Sweden and Israel the change after years with a workers' party in power did not lead to a disproportionate rise in unemployment.

From Australia through Europe to North America unemployment began to shoot up after the 1974–5 oil crisis, independent of which party was in power. The correlation which was established before that date may may well apply to longer growth periods, but more recent studies suggest that it has not applied since the middle of the 1970s.

A complementary hypothesis sees a relation between the dominance of the social democrats and a tendency to higher inflation. Again, it is not easy to check this argument, because only in a few countries are there clearly separate phases when one party was in power long enough. The Federal Republic of Germany is one, but even the period of SPD rule after 1969 is not entirely indicative, since the coalition with the Liberals prevented this from being a 'typical' phase of socialist policy. In Italy the periods when the PSI shared in government after 1963 are certainly not test cases of the implementation of socialist aims. In Belgium, Finland, Denmark, Norway and

Sweden the phases of non-social democrat government were too short to enable a proper assessment to be made. If we do take the Federal Republic of Germany as a test case, we see that the inflation rate rose only by 23.8 per cent altogether from 1963 to 1969. Under the SPD-FDP coalition, from 1970 to 1980, it rose to 64.9 per cent. But even this figure is below the average for the Western world. Austria since 1970 could also be cited as a case which runs counter to the theory that socialist rule is inflationary. In Great Britain - another country where Conservative and Labour governments have alternated the inflation rate rose under the Labour government from 1974 to 1979 rather faster than it had under the preceding Conservative government, but when the Conservatives returned to power in 1979 it did not initially slow down until recently, when Thatcherism was pushed through at high social costs in other fields. The same can be said of the bourgeois governments which have been determining the main direction of policy in Sweden since 1976, Israel since 1977, and the Netherlands since 1978.

Nor does the examination of countries where the social democrats have been in power throughout the period under review clearly substantiate the argument. Sweden, Norway and Denmark are in the middle of the international comparison. Two marginal countries where left-wing coalition governments are frequent, Finland and Iceland, suffer from very high inflation rates, but the left-wing governments are the result of the crisis and not its cause. Conversely, countries where a bourgeois party has remained in power for years head the inflation Table 7 (Italy, France, Ireland and Japan), with price increases of between 150 and 200 per cent between 1970 and 1980.

The Neo-Marxists often see further proof of the argument that parties have little influence on the political end result in that nowhere has the dominance of a social democrat party led beyond the social state to socialism. They explain this by saying that socialist parties are increasingly having to fight bourgeois parties for voters in the centre, and so they have to adjust.²⁷ Bourgeois democracy is being used as a barrier against socialism. Not even socialist governments can ignore the veto position of the bourgeois forces under the rules of a Western democracy.

²⁷ J. D. Stephens, *The Transition from Capitalism to Socialism*, London, Macmillan, 1979, p. 197.

TABLE 7 Inflation (general indices of prices)

Aa.13.	20	71	72	73	74	7.5	92	77	78	79	80	81
Australia	001	110.6	112.3	122.9	141.5	162.8	184.9	207.6	224.0	244.3	269.2	295.3
Austria 1	001	104.7	111.3	119.7	131.1	142.2	152.6	161.0	166.8	172.9	184.0	196,4
Belgium 1	001	104.3	110.0	117.7	132.6	149.5	163.2	174.8	182.6	190.8	203.5	219,0
•	001	102.9	107.8	115.9	128.6	142.5	153.2	165.4	180.2	196.7	216.7	243.7
•	001	105.8	112.8	123.3	142.1	155.8	169.8	188.7	207.6	227.6	255.6	285.5
	001	106.5	114.1	127.5	149.6	176.3	201.7	227.1	244.3	262.2	292.5	327.6
_	001	105.5	112.0	120.2	136.7	152.8	167.5	183.2	199.8	221.3	251.3	285.0
	001	105.2	111.1	118.1	127.1	134.7	140.4	145.6	149.6	155.8	164.3	174.0
	001	108.9	118.4	131.8	154.2	186.2	219.9	249.9	269.0	304.5	360.0	433.6
	001	106.0	126.0	152.0	212.0	295.0	388.0	522.0	786.0	1401.0	3236.0	7015.0
	100	104.7	110.8	122.8	146.3	171.1	199.8	236.6	265.3	304.5	369.1	441.1
	001	106.0	110.9	124.0	154.1	172.3	188.4	203.6	211.4	219.0	236.4	248.0
spı	001	107.6	116.0	125.2	137.3	151.3	164.6	175.6	182.7	190.5	202.9	216.5
	100	106.2	113.9	122.4	133.9	149.5	163.2	178.0	192.5	201.7	223.6	254.0
•	8	107.4	113.8	121.5	133.5	146.6	161.7	180.1	198.1	212.4	241.5	270.8
Switzerland 1	001	106.6	113.7	123.6	139.7	144.8	143.3	149.8	150.8	156.2	162.5	173.1
UK 1	001	109.4	117.2	128.0	148.4	184.4	214.9	249.0	269.6	305.8	360.8	403.6
, ,	001	104.3	107.7	114.4	127.0	138.6	146.6	156.1	167.9	187.2	212.4	234.1

Sources: Year Book of Labour Statistics. Geneva, ILO, 1982, pp. 595 ff. and earlier issues.

Figures on redistribution policy are often produced to show that social democrat welfare policy has not even improved the balance in society. It has been denied that social democrat governments have achieved more equality.²⁸ The data produced is generally a comparison of the top and bottom quarters of the income scale, and it is then easy to show that the distance has remained depressingly the same.²⁹ The approximation which has taken place in the upper and middle ranges is either tacitly ignored or declared irrelevant as it was not envisaged in the aims of the socialist parties. This is also to play down the fact that the wage ratio in countries governed by social democrats has clearly improved for the workers.³⁰

EVALUATION OF THE NEW BRANCH OF QUANTITATIVE RESEARCH

My basic hypothesis is that much of the quantitative work done is misleading in its overall results and neglects too much of the genuine political aspects of the work of a political scientist. Comparisons are of great interest. They are most valuable, however, when they concentrate on the question of how governments of similar party composition handled similar problems in their respective societies. If we only compare the output of countries which experienced social democratic and Labour governments in the 1970s and at the beginnings of the 1980s, we end up with very few cases, such as Britain, the FRG, Austria, Sweden and Norway. The recent Eurosocialism in the South (France, Italy, Spain, Portugal and Greece), which stresses other objectives than social democratic and Labour governments in the North has been in power for too short a time to allow its evaluation in quantitative terms. But looking at the quality of the initial steps Eurosocialism has taken, it is improbable that its greater emphasis on socialist targets is likely to survive. Eurosocialist parties were more radical than the socialist parties of the North before they got into power, but usually ended up as middle-of-the-road Labour parties or, alternatively, out of power.

²⁸ F. Parkin, Class Inequality and Political Order, London, Paladin, 1972, p. 121.

²⁹ R. W. Jackman, 'Parties and Income Inequality in Western Industrial Societies', *Journal of Politics*, 1980, pp. 133-49, at p. 147.

³⁰ Figures in A. Pelinka, Sozialdemokratie in Europa, Vienna, Herold, 1980, p. 108.

If we compare the performance of the five established Labour parties of the North, the results in terms of global indicators (Table 8) are best in Austria and worst in Britain. Why this is so, is a more interesting question than the global question whether parties matter. It leads us back to the study of a policy mix rather than of isolated policies watered down in formalistic numerical indicators thrown into a computer, and it includes the study of historical traditions and grown institutions which are no longer introduced ex post facto as a deus ex machina as in some of the computer studies.

A comparison of the performance of Labour and social democratic parties shows, for instance, that Germany achieved anti-inflationary monetary stability to a greater extent under SPD rule than have many conservative governments, whereas its record on fighting unemployment is poor — with an increasingly negative tendency. Simple institutional factors like a highly autonomous Federal Bank, which has the right to determine money supply policies independent of the government in power, account for this deviant case. Sweden's performance in labour market policies is unique, but at high costs in terms of public debts and increasing inflation. Austria had a similar success in its more traditional practice of steering the economy by means of fiscal incentives. But even this success of the Austrian miracle had its price: an enormous borrowing of capital abroad in order not to divert too much money from capital formation within the country today has led to a dramatic balance of payments situation.31

Institutional restraints such as federalism, independent agencies, judicial review by constitutional courts and other institutional variables account for the extent to which parties can carry out their programmes. Parties do not matter only as individual organizations, the whole system of parties matters. Where the bourgeois camp was fragmented and social democratic parties developed a kind of intellectual hegemony the performance on the most important issues was good. Where the bourgeois opposition was highly united and most frequently remained the strongest party, the social democratic government in some respects implemented the most balanced conservative policy as the SPD did under Schmidt. In spite of Ralf Dahren-

³¹ Cf. F. W. Scharpf et al., Implementationsprobleme offensiver Arbeitsmarktpolitik, Frankfurt, Campus, 1982, pp. 155 ff. and unpublished papers by the same author.

TABLE 8
Profile of performance (1982) in some countries predominantly governed by social democrats in the 1970s

	Austria	FRG	Norway	Sweden	UK
Percentage of votes for a Labour Party	1983:49.5	1983:38.2	1983:49.5 1983:38.2 1981:37.4 1982:45.9	1982:45.9	1983:27.6
Industrial production $(1975 = 100)$	127	123	121	102	102
Development of wages $(1975 = 100)$	163	147	173	192	233
Indices of prices $(1975 = 100)$	145	131	186	198	238
Unemployment (in percentage)	3.4	8.9	2.2	2.7	11.4
Public debt per capita (in Dollars)	3053	3850	5708	8186	5310
Taxes and insurance fees in percent of GNP	42.1	38.4	48.3	49.7	39.4

Sources: Bundesministerium der Finanzen. Finanzbericht 1983, Bonn, December 1982, and earlier issues (Data provided by OECD).

dorf's assertions³² no basic social democratic consensus developed in Germany as in Sweden, except in the most general sense that many issues of welfare politics are less divergent in a system where socialists are competing with christian democrats than in those countries where conservatism opposes a Labour party.

The social democratic-christian democratic alternative usually has one more advantage: alternation leads to small policy changes. No Christian Democratic Chancellor in Germany would have dared to declare that after his victory everything would change. Limited success of pure social democratic politics in a system like Germany is rewarded by limited change after alternation in power.

The final answer to our question 'do parties matter' is, they do matter. But as to the extent to which they matter, we will not find this out by the computerization of global figures (especially of budgetary figures) but rather by a configurative comparative analysis of policies and policy mixes under similar social conditions and comparable political challenges. Sometimes the parties that matter cannot be isolated from their social and organizational environment.

The way parties are involved or integrated with interest groups, their ability to mobilize relatively uniform social groups, the patterns of negotiation or settlement of conflict on various levels and any institutionalization through neo-corporative structures together with any social or christian democrat consensus which penetrates most of society will all affect the policy result in any Western democracy. There is a much greater difference between the type of state achievement and its distribution effect in countries with left- and right-wing governments than the figures in the tables can show.

The thesis that it is only of secondary importance which party is in power is generally propounded by those who see oppositional socialism as it was when the socialists had very little political influence anywhere, or certainly far less than the trade unions on which they so much depended and which were in a much better position to fight (France and Italy were examples of this). This is a crucial question and it calls forth the extremes in the two approaches. Conservative economists and Neo-

³² R. Dahrendorf, Lebenschancen, Frankfurt, Suhrkamp, 1979, pp. 147 ff. Idem, Die Chancen der Krise, Stuttgart, DVA, 1983. p. 59.

Marxist critics of the system both see the role of party politics as slight. But there is a crucial difference in their approach: while researchers who have reduced the role of the parties in an economic context — from Pryor to Wilensky — saw no chance of escaping from the vicious circle of economic determinism even by changing to a socialist system, the Neo-Marxist theoreticians will only answer 'no' to the question 'do parties matter?' as long as the capitalist system survives.

The analytical mainstream of political science will offer more differentiated answers than a simple 'yes' or 'no' to this global question. But even if analytically minded scholars found out that parties did not matter very much in correlation to policy output, we are forced to accept the idea that parties do matter as a basic myth of pluralist democracies. It would function as a kind of 'Lebenslüge' of democracy — fortunately it is more

than that.