Data Appendix

Our sample consists of democracies for which data on expenditure composition were available. The data used in this study were collected from several sources covering economic, fiscal and political variables. We also used information on institutional characteristics of countries, the timing of elections and data related to the party association and career circumstances of country leaders. The data sources we used are listed in Table A-1.

The Sample

Central government expenditure data were collected from the *GFS* (Government Finance Statistics). They are available for the years 1972-2009 but for many countries the covered period is shorter. We restrict our sample to the period for which GFS data are available, even though election years and election results data are available for a longer period.

We limit our sample to democracies by including only the years in which the country has a non-negative score in the *POLITY IV* level of democracy index[1]. That index is calculated as the sum of the scores of each country in each year on two scales: the degree of democracy (a 0 to 10 scale) and the degree of autocracy (a 0 to -10 scale).

The information on leaders and changes in national leadership were collected from World Political Leaders 1945-2011 (http://www.terra.es/personal2/monolith/00index2.htm) and World Statesmen (http://www.worldstatesmen.org/). Leader identification is based on the Presidential variable, described below. In presidential systems the leader is the president and in parliamentary systems the leader is the prime-minister.

Information on election dates was collected from the Institute for Democracy and Electoral Assistance (IDEA) dataset[2] "Voter Turnout Since 1945" and supplemented by data from the ERA (Election Results Archive) (http://cdp.binghamton.edu/era/), Psephos Election Archive (http://psephos.adam-carr.net) and the CIA's "World Factbook".[3] In Presidential systems, we used only presidential elections and in Parliamentary systems only parliamentary ones. The identification of the political system was

[1] POLITY IV Project Home Page (http://www.systemicpeace.org/polity/polity4.htm)
[2] International IDEA (http://www.idea.int/vt/)
[3] Additional sources used to complement the data on election dates were: **Wikipedia**, the free encyclopedia (www.wikipedia.org); **African Elections Database** http://africanelections.tripod.com/index.html).

according to whether the chief executive responsible for economic policy is elected directly by the public (*Presidential*) or by parliament (*Parliamentary)*, as in Persson and Tabellini (2002). For example, France is defined as parliamentary since the government and the prime minister are dominant in determining economic policy, rather than the president. (Though the prime minister is formally chosen by the president and then elected by the legislature, he generally comes from the majority party in the latter.) These definitions are based on the variable SYSTEM in the *DPI* dataset[4].

Fiscal Years

In countries in which the fiscal years are not the calendar years, we adjusted all the data to fit the fiscal years. For example, in Canada the fiscal year starts on April 1st and ends at March 31st the following year. Hence, elections in March 2009 would be in the 2008 fiscal year. Data about fiscal years are from the *GFS* books, supplemented by IFS data when information is missing in the GFS.

Expenditure Composition Data

Expenditure composition data for Consolidated Central Government were used where available and Budgetary Central Government otherwise. Data for the years 1990-2009 were taken from the GFS CD and data for the years 1972-1989 were taken from the GFS Historical Data CD. These were supplemented by GFS yearbooks.

GFSM 2001 accounting was applied retroactively to GFS data from 1990 and on. The expenditure data on the GFS CD, namely the GFS data from 1990 and on, are reported by the IMF according to GFSM 2001 accounting. As a result the definitions of the GFS CD differ from the GFS Historical Data CD for several of the expenditure categories we use. In order to calculate the changes in expenditure composition between data points reported according to the same accounting system, we used expenditure data from the GFS yearbooks for the years 1990-1993[5]. These data, reported according to the same definitions as the historical GFS, were used to calculate the changes in compositions for the years 1990-1993 (which are calculated relative to 1986-1989). In contrast, when calculating the changes in the following years – relative to 1990-1993 – we used the GFS CD.

[4] Database of Political Institutions - http://go.worldbank.org/2EAGGLRZ40
[5] We used the volumes from the years 1995-1997.

Many of the countries in our sample switched from Cash to Accrual reporting in the GFS between the years 1995-2002. In this switch, several countries also changed some of their reporting definitions, creating analytical inconsistencies. To base the calculation of the changes in expenditure composition between data points on the same accounting system, we used expenditure data from the GFS yearbooks for the years 1995-2002[6] for the countries that switched systems and did not maintain reporting of consistently defined series. These data were used to calculate the changes in compositions for the years in which the switches occurred and the three subsequent years. In cases where such bridging data were unavailable, we excluded the observation.

Expenditures are reported in 12 categories (Accrual/Cash): General Public Services (a/cB_CG_701), Defense (a/cB_CG_702), Agriculture, Forestry, Fishing and Hunting (a/cB_CG_7042), Fuel and Energy (a/cB_CG_7043), Mining, Manufacturing and Construction (a/cB_CG_7044), Other Economic Services [Economic Affairs (a/cB_CG_704) - Agriculture, Forestry, Fishing and Hunting, Fuel and Energy, Mining, Manufacturing and Construction], Housing and Community Amenities (a/cB_CG_706), Health (a/cB_CG_707), Recreation, Culture and Religion (a/cB_CG_708), Education (a/cB_CG_709), Social Protection (a/cB_CG_710) and Other [Subtracting the sum of the above 11 categories from Total Outlays (a/cB_CG_7)][7].

For most countries all 12 categories were available; however for some countries 3 categories of Economic Services [Agriculture, Forestry, Fishing and Hunting; Fuel and Energy; Mining, Manufacturing and Construction] were not available. For those countries we used 9 expenditure categories (Accrual/Cash): General Public Services (a/cB_CG_701), Defense (a/cB_CG_702), Economic Affairs (a/cB_CG_704), Housing and Community Amenities (a/cB_CG_706), Health (a/cB_CG_707), Recreation, Culture and Religion (a/cB_CG_708), Education (a/cB_CG_709), Social Protection (a/cB_CG_710) and Other [Subtracting the sum of the above 8 categories from Total Outlays (a/cB_CG_7)].

We built the variable "Change in Expenditure Composition" by first dividing expenditures in each of the 12(9) categories by Total Expenditure to get percentages. We then took the absolute value of the

[6] We used the volumes for the years 1998-2006

[7] In previous GFS Data publications these series were named: General Public Services (_82A..HZG), Defense (_82B..HZG), Agriculture, Forestry, Fishing and Hunting (_82HB..HZG), Fuel and Energy (_82HD..HZG), Mining, Manufacturing and Construction (_82HC..HZG), Economic Services (_82H..HZG), Housing and Community Amenities (_82F..HZG), Health (_82D..HZG), Recreation, Culture and Religion (_82G..HZG), Education (_82C..HZG), Social Protection (_82E..HZG) and Total Expenditure (_82..HZG).

change in percentages between the variable in the current observation and the same variable 1,2,3 or 4 years before (for Cat12(9)_1,2,3 or 4 respectively), summed up the absolute values over all 12(9) categories and divided by 2 (in order to prevent double counting of expenditure changes).

EXP_i$_0$ is the value of Expenditure on category i in the current observation and ***EXP_i$_{-x}$*** is the value of Expenditure on category i x years before.

TXP$_0$ is the value of Total Expenditure in the current observation and ***TXP$_{-x}$*** is the amount of Total Expenditure x years before.

$$\textbf{Cat12\_x} = \sum_{i=1}^{12} \left| (\mathrm{EXP\_i}_0 / \mathrm{TXP}_0) - (\mathrm{EXP\_i}_{-x} / \mathrm{TXP}_{-x}) \right| / 2 * 100$$

$$\textbf{Cat9\_x} = \sum_{i=1}^{9} \left| (\mathrm{EXP\_i}_0 / \mathrm{TXP}_0) - (\mathrm{EXP\_i}_{-x} / \mathrm{TXP}_{-x}) \right| / 2 * 100$$

For example, if Cat9_1 equals 3, this means that three percent of expenditure shifted between categories between this year and the previous year.

If an observation lacked data in any of the above 12(9) categories in the current or previous years it was dropped from the dataset. The observation was also dropped if there was a break in the series between the current observation and the observation 2, 3 or 4 years before (for Cat12(9)_1,2,3 or 4 respectively).

To avoid a dominant effect of extreme observations (outliers) on the results, in the final dataset we included only observations in which ***Cat12(9)_X*** fell within the following range:

Cat9_1<25 ***Cat9_2***<27 ***Cat9_4***<38 ***Cat12_1***<28 ***Cat12_2***<33 ***Cat12_4***<38

For developed countries we implemented a stricter restriction of Cat9_4 & Cat12_4<25.

A list of the country years which are included in each sample in the dataset is provided at http://econweb.umd.edu/~drazen/Data Sets.htm. The number of observations dropped due to the constraint on the change in expenditure composition is reported in Table A-2.

Replaced Leader

Rep_lead – A binary variable receiving the value 1 if the leader on the last day of the fiscal year is different from the leader in the previous observation, and the value 0 if the leader is unchanged. The calculations are based on the leader definition above.

Ey_rep_lead – A binary variable receiving the value 1 if the current observation is an election year **and** the leader on the last day of the fiscal year in the current observation is different from the leader in the previous observation.

Political alignment

The political alignment variables for each country in each year are based mainly on the variable EXECRLC in the *DPI* dataset. We adjusted the data from calendar to fiscal years where necessary, because DPI data are as of January 1st each year while ours are as of the last day of the fiscal year. We supplemented the data with information from Worldstatesmen.org and "World Political Leaders 1945-2008", using coding of parties in the DPI to add political alignment for years before 1975. The political alignments we used are: L-Left, R-Right, C-Center and U-Unaffiliated.

The political alignment variables are written in the general form "XY"

CHIEF_XY – A binary variable receiving the value 1 if the current leader's political alignment is X or Y. Where we examine only one specific alignment, X or Y is dropped.

X_to_all – A binary variable receiving the value 1 if the previous leader's political alignment was X and the current leader has a different political alignment.

Ch_align - a binary variable receiving the value 1 if the current leader's political alignment is different from that of the previous leader.

Political Strength Variables

The political strength variables for each country in each election year are mainly based on *DPI* data. These variables (GOV1SEAT, PERCENT1, PERCENTL in *DPI*) are available for the period 1975-2010. For the other years: 1972-1975, we used data from *IDEA* and completed missing information from *ERA*.

PARTY_STR - the percent of seats in the parliament held by the leader's party on the last day of the fiscal year in the current observation. It receives the value 0 in a presidential system (in cases where data are from *IDEA* it is the proportion of the public's votes received by the party). It was standardized in each sample by subtracting its average in that sample and then dividing by its standard deviation in that sample.

VOTE - the percent of votes for the current president in the first round of the most recent elections, the current leader being the leader on the last day of the fiscal year in the current observation; receives the value 0 in a parliamentary system. It was standardized in each sample by subtracting its average in that sample and then dividing by its standard deviation in that sample.

Economic variables

Economic growth

The economic growth calculation is based on: ***GDPPC***- real per-capita GDP for each country in each year, which is taken from the "World Development Indicators" (WDI) dataset of the World Bank.

Using ***GDPPC*** we calculate: ***GDPPC_gr*** in the following way:

$GDPPC_0$ is the value of ***GDPPC*** in the current observation and $GDPPC_{-X}$ is the value of ***GDPPC*** X years before:

- ***GDPPC_gr_X*** $= \left(\frac{\text{GDPPC}_0}{\text{GDPPC}_{-\text{X}}} - 1 \right) * 100$; which is the total GDPPC growth in percentage points over the last X years.

To avoid a dominant effect of extreme observations (outliers) on the results, in the final dataset we included only observations in which ***GDPPC_gr_X*** fell within the following range:

15>***GDPPC_gr_1***>-15 (1=1% growth) 20>***GDPPC_gr_2***>-20 (1=1% growth)

30>***GDPPC_gr_3***>-20 (1=1% growth) 40>***GDPPC_gr_4***>-15 (1=1% growth)

The number of observations dropped in each sample due to this restriction is reported in Table A-2 and the list of observations dropped is reported on the authors' website and is available on request.

Inflation

INF is the average year-on-year CPI percentage change for each country in each year, which is taken from the IFS database (series code _64..XZF).

Using ***INF*** we calculated ***INF_avg_1,2,3,4*** and ***INF_avg_1,2,3,4sq***, in the following way:

INF_0 is the value of ***INF*** in the current observation and INF_{-i} is the value of ***INF*** i years before:

- ***INF_avg_X =*** $\left(\sqrt[X]{\left[\prod_{i=1-X}^{0} \left(1+\frac{INF_i}{100} \right) \right]} -1 \right)$; which is the average inflation rate over the last X years.
- ***INF_avg_X***sq ***=*** $\left(\sqrt[X]{\left[\prod_{i=1-X}^{0} \left(1+\frac{INF_i}{100} \right) \right]} -1 \right)^2$; which is the square of the average inflation rate over the last X years.

In the final dataset we excluded observations in which ***INF_avg_X*** was in the following range:

20***<INF_avg_1*** (1=100% inflation) 2***<INF_avg_4*** (1=100% inflation)

The number of observations dropped in each sample due to this restriction is reported in Table A-2 and the list of observations dropped is reported on the authors' website and is available on request.

Expenditure growth

The real expenditure growth calculation is based on Total Expenditure from the GFS and ***INF*** from the IFS.

TXP_0 is the value of Total Expenditure in the current observation and TXP_{-i} is the value of Total Expenditure i years before:

We calculate ***EXP_gr_X*** as follows = $\left\langle \left\{ (TXP_0/TXP_{-X}) / \left[\prod_{i=1-X}^{0} \left(1+\frac{INF_i}{100} \right) \right] \right\} -1 \right\rangle *100$; which is the growth in total expenditure over the last X years divided by the total inflation over the last X years.

EXP_gr_X is therefore expressed in percentage points – if ***EXP_gr_2*** equals 3 this means there has been 3 percent real growth in the total expenditure over the last 2 years.

New vs. Established Democracies

New_Democracy – A binary variable, for each country in each year, receiving the value 1 for the period until the 4th election after a country with a negative *polity* value in the *POLITY IV* dataset shifted to non-negative values, not counting the elections in the transition year. Otherwise, the country is defined as an *Established Democracy* and the variable receives a value of 0.

Established – A binary variable, for each country in each year, receiving the value 1 if the country is defined as an *Established Democracy* in that year.

Developed vs. Less Developed Countries

Developed – A binary variable, for each country, receiving the value 1 for OECD economies that were members of the organization during the entire sample period.

Less_Developed – A binary variable, for each country, receiving the value 1 for all the countries that are not defined as developed.

Proportional vs. Majoritarian Electoral Rules

The *DPI* provides information, in each country and in each year, whether candidates for presidency or parliament are elected based on the total share of votes received by their party or on the majority of votes in each voting zone (e.g., district). In the former case the electoral system is defined in the *DPI* as *Proportional* representation (PR in the *DPI*) and in the latter as *Majoritarian* representation.

Prop – A binary variable, for each country in each year, receiving the value 1 in a country with a *Proportional* electoral system, and 0 otherwise.

Maj – A binary variable, for each country in each year, receiving the value 1 in a country with a *Majoritarian* electoral system, and 0 otherwise.

Presidential vs. Parliamentary Constitutional Rules

Based on the constitutional rules defined above we calculated the following variables:

Pres **-** A binary variable, for each country in each year, receiving the value 1 in a country with a *Presidential* system, and 0 otherwise.

Parl **-** A binary variable, for each country in each year, receiving the value 1 in a country with a *Parliamentary* system, and 0 otherwise.

Population over the age of 65

The percentage of the population over age 65 for each country in each year is taken from the WDI dataset of the World Bank.

War

The War variable is based on The Heidelberg Institute of International Conflict Research's KOSIMO database (http://www.hiik.de/en/kosimo/index.html). It is a binary variable receiving the value 1 if this country in this year has a conflict with an "Intensity of Conflict" rating of 4=War in the database. For later years it was updated from various news sources.

Government size

The Government Size for each country in each year is constructed by dividing Total Expenditure from IFS (until the August 2007 issue of IFS, series GF_*countrynumber*_cB_BA_2) by GDP from the IFS. For missing data points we completed the information using GFS expenditure series that were correlated with the specific country's IFS data.

Number of Parties in Government

The *DPI* provides information, in each country and in each year, about the 3 largest parties in government and opposition and provides aggregate information regarding all other parties in government and opposition.

Number of Parties in Government – 1, plus 1 if the DPI lists the existence of a 2nd largest Government Party, plus 1 if the DPI lists the existence of a 3rd largest Government Party, plus the number of parties listed in the DPI under House-Other Govt. Parties.

Presidential Control

The *DPI* provides information, in each country and in each year, as to the party affiliation of the chief executive, the names of the 3 largest parties in government and in opposition and the number of seats in parliament each party holds.

Pres_Control – A binary variable, for each country in each year, receiving the value 1 in a country with a *Presidential* system in which the president's party is the largest party in government and in parliament and 0 otherwise.

Table A-1: Data Sources

Source Name	Code	Dataset Producer	Date	Variables	Available Years
International Financial Statistics	IFS	International Monetary Fund	2011	central government total expenditure and total revenue and grants; Inflation	1960-2010
Government Financial Statistics	GFS	International Monetary Fund	2011	central government total expenditure, expenditure by category and total revenue and grants	1972-2009
World Development Indicators	WDI	The World Bank	2011	GDP per capita in constant 2000 US$, GDP in constant 2000 US$, Population over 65	1960-2010
POLITY IV	POLITY	University of Maryland	2011	Level of Democracy index	1800-2009
Database of Political Institutions	DPI	The World Bank	2010	political system, term limits, election results and the allocation of seats in parliament, election system, political alignment.	1975-2010
Voter Turnout Since 1945 to Date	IDEA	Institute for Democracy and Electoral Assistance	Current	election years, election results	1945-2010
The Center on Democratic Performance	CDP	Binghamton University	Current	election years, election results, election dates	1974-2004
Electionguide.org	IFES	International Foundation for Electoral Systems	Current	election dates	1998-2012
World Political Leaders	ZPC	Zárate's Political Collections	Current	leaders' names, dates of accession and their party association	1945-2011
The World Factbook	CIA	Central Intelligence Agency	Current	election dates, frequency of elections in a country, political system	1960-2012
Worldstatesmen.org		Ben M. Cahoon	Current	leaders' names, dates of accession, and their party association	1945-2012
Psephos		Adam Carr	Current	election dates, leaders' names	1970-2012

Table A-2: Numbers of Observations Dropped by Variable Limitation and Dataset *

	9 Expenditure Categories				12 Expenditure Categories			
	1 year	2 years	3 years	4 years	1 year	2 years	3 years	4 years
Change in Expenditure Composition	8	11	5	1	5	8	4	0
GDP Per Capita limitations	5	16	12	16	5	15	10	13
Average Inflation limitations	4	-	-	14	4	-	-	14

* The listed limitations are cumulative, therefore the number of observations dropped in each line assumes that observations that fail a previous constraint had already been dropped.

Table A-3: Descriptive Statistics of the Change in Expenditure Composition by Country Characteristics*

Change in Expenditure Composition [1]		9 Expenditure Categories				12 Expenditure Categories			
		1 year	2 years	3 years	4 years	1 year	2 years	3 years	4 years
All Countries	mean	4.369	6.088	7.514	7.771	5.132	7.057	8.518	8.706
	stdev	*3.804*	*4.614*	*5.669*	*4.969*	*4.391*	*5.217*	*6.129*	*5.396*
Developed	mean	2.850	4.180	5.236	5.785	3.134	4.586	5.612	6.233
	stdev	*2.458*	*3.097*	*3.696*	*3.534*	*2.427*	*3.065*	*3.385*	*3.392*
Undeveloped	mean	5.935	8.175	10.128	10.298	6.913	9.507	11.563	11.692
	stdev	*4.284*	*5.076*	*6.371*	*5.372*	*4.951*	*5.732*	*6.844*	*5.842*
New Democracies	mean	6.103	8.823	10.887	10.711	6.798	9.952	12.255	12.219
	stdev	*4.369*	*5.315*	*6.572*	*5.468*	*4.923*	*5.748*	*6.831*	*6.163*
Established Democracies	mean	3.757	5.204	6.521	7.094	4.485	6.083	7.366	7.892
	stdev	*3.380*	*3.983*	*4.959*	*4.591*	*3.986*	*4.640*	*5.402*	*4.857*
Presidential	mean	6.033	8.511	10.652	10.829	7.221	9.895	12.156	12.374
	stdev	*4.329*	*5.208*	*6.586*	*5.533*	*5.017*	*5.758*	*6.912*	*5.936*
Parliamentary	mean	3.600	5.005	6.138	6.543	4.111	5.738	6.864	7.243
	stdev	*3.263*	*3.861*	*4.587*	*4.134*	*3.641*	*4.361*	*4.922*	*4.383*
Majoritarian	mean	4.373	6.086	7.127	7.215	5.100	6.954	7.837	7.821
	stdev	*3.735*	*4.605*	*5.106*	*3.935*	*4.348*	*5.148*	*5.414*	*3.991*
Proportional	mean	4.368	6.088	7.618	7.927	5.142	7.089	8.722	8.988
	stdev	*3.825*	*4.619*	*5.809*	*5.214*	*4.407*	*5.241*	*6.315*	*5.747*

* For detailed information on the construction of the variables and definitions of the construction of country characteristics see the data appendix.

[1] The percentage change in Expenditure Composition within 9 or 12 categories during the period.

Table A-4: Majoritarian New Democracies in the Sample

	9 Categories			
	Cat9_1	**Cat9_2**	**Cat9_3**	**Cat9_4**
Bangaladesh	2002-2003	2003	-	-
Chile	2002-2003	2003	-	-
Ethiopia	1996-1999	1997-1999	1998-1999	-
Iran	1998-2001	1999-2001	2000-2001	-
Malaysia	1973-1978	1974-1978	1975-1978	1976-1978
Mauritius	1981-1982	1982	-	-
Mongolia	1993-1994, 1996-1998, 2001-2002	1994, 1997-1998, 2002	1997-1998	-
Nepal	1998-2001	1999-2001	2000-2001	2001
Thailand	1975, 1979-1990	1980-1988	1981-1988	1982-1989

	12 Categories			
	Cat12_1	**Cat12_2**	**Cat12_3**	**Cat12_4**
Bangaladesh	2002-2003	2003	-	-
Chile	2002-2003	2003	-	-
Ethiopia	1996-1999	1997-1999	1998-1999	-
Iran	1998-2000	1999-2000	2000	-
Malaysia	1974-1975, 1978	1975, 1977	1977-1978	1977-1978
Mauritius	1981-1982	1982	-	-
Mongolia	1993-1994, 1996-1998, 2001-2002	1994, 1997-1998, 2002	1997-1998	-
Nepal	1998-2001	1999-2001	2000-2001	2001
Thailand	1975, 1979-1990	1980-1988	1981-1988	1982-1989

Table A-5 - Leadership Change Effects on Expenditure Composition: 1-2 and 4 years*

	Dependent Variable	Replaced leader in election year	Expenditure growth	Number of observations	Number of countries	R-Squared
1	**Cat9_1**	-0.357		1231	70	0.350
		[0.185]				
2	**Cat9_1**	-0.345	0.040*	1231	70	0.357
		[0.183]	[0.072]			
3	**Cat12_1**	-0.238		1012	69	0.404
		[0.475]				
4	**Cat12_1**	-0.234	0.038	1012	69	0.410
		[0.464]	[0.147]			
5	**Cat9_2**	-0.446		1114	70	0.424
		[0.211]				
6	**Cat9_2**	-0.443	0.011	1114	70	0.424
		[0.208]	[0.502]			
7	**Cat12_2**	-0.47		898	67	0.461
		[0.252]				
8	**Cat12_2**	-0.482	0.022	898	67	0.464
		[0.226]	[0.353]			
9	**Cat9_4**	0.526		876	58	0.448
		[0.284]				
10	**Cat9_4**	0.523	0.034**	866	57	0.463
		[0.277]	[0.016]			
11	**Cat12_4**	1.158*		699	56	0.521
		[0.083]				
12	**Cat12_4**	1.079*	0.044***	691	55	0.543
		[0.091]	[0.003]			

* P values are in the parantheses. The equations also included controls for cases where there was an additional leadership change in t-1 or in t.

Table A-6: Leadership Change Effects on Expenditure Composition in Developed and Less Developed Countries: 1-2 years*

	Developed				Less Developed			
	Cat9_1	Cat12_1	Cat9_2	Cat12_2	Cat9_1	Cat12_1	Cat9_2	Cat12_2
	1	2	3	4	5	6	7	8
Economic variables								
Expenditure growth (1% growth=1)[1]	0.066**	0.085**	0.083***	0.103***	0.089***	0.096***	0.052***	0.090***
	[0.017]	[0.012]	[0.000]	[0.001]	[0.000]	[0.000]	[0.005]	[0.002]
GDP per-capita growth (1% growth=1)[1]	0.005	-0.001	-0.053	-0.066	-0.141***	-0.168***	-0.101**	-0.186***
	[0.919]	[0.985]	[0.345]	[0.260]	[0.004]	[0.009]	[0.014]	[0.000]
GDP per-capita (in 000's of USD)	0.005	0.044	-0.012	0.062	-0.024	0.256	0.095	0.750
	[0.890]	[0.293]	[0.803]	[0.261]	[0.917]	[0.459]	[0.775]	[0.185]
Average inflation (100% inflation=1)	-0.055	-2.518	1.557	1.500	1.964***	2.341***	2.032***	2.075***
	[0.982]	[0.348]	[0.778]	[0.747]	[0.000]	[0.002]	[0.002]	[0.001]
Average inflation squared	3.236	6.074**	4.738	5.883	-0.105***	-0.122***	-0.073***	-0.075***
	[0.187]	[0.018]	[0.414]	[0.231]	[0.000]	[0.000]	[0.005]	[0.003]
Expenditure Composition[2]								
Defense share	-0.002	0.071	0.037	0.194	-0.065	-0.065	-0.083	-0.140
	[0.980]	[0.466]	[0.722]	[0.127]	[0.396]	[0.508]	[0.444]	[0.303]
Education share	0.013	0.030	-0.084	-0.176	-0.184**	-0.148	-0.150	-0.261
	[0.805]	[0.786]	[0.141]	[0.212]	[0.022]	[0.124]	[0.348]	[0.115]
Social Protection share	-0.058*	-0.043	0.001	0.033	-0.104**	-0.139	-0.215***	-0.328***
	[0.076]	[0.439]	[0.984]	[0.607]	[0.040]	[0.115]	[0.001]	[0.001]
Agriculture share		0.203*		0.195		0.003		-0.166*
		[0.066]		[0.208]		[0.978]		[0.098]
Political Characteristics								
Government size (% of GDP)	0.055***	0.072**	0.086***	0.107**	0.027	0.110	0.056	0.180
	[0.004]	[0.019]	[0.009]	[0.018]	[0.653]	[0.136]	[0.510]	[0.128]
New democracy	0.573	1.454	2.148**	3.207***	1.814***	1.695**	2.285**	2.448*
	[0.208]	[0.149]	[0.043]	[0.009]	[0.001]	[0.041]	[0.013]	[0.058]
Majoritarian	-0.075	-0.345	0.230	-0.268	-2.589	-2.437*	-0.321	-2.206**
	[0.909]	[0.466]	[0.672]	[0.596]	[0.195]	[0.075]	[0.756]	[0.019]
Majoritarian and new democracy					-2.979**	-3.552***	-4.660*	-5.611**
					[0.023]	[0.009]	[0.050]	[0.020]
Presidential	-0.511		-0.796		-0.855	-1.454*	-0.271	-1.991
	[0.466]		[0.592]		[0.358]	[0.090]	[0.873]	[0.269]
Leader Characteristics								
Replaced leader in EY[3]	-0.339*	-0.249	-0.011	0.139	-0.237	-1.110	-0.793	-0.959
	[0.074]	[0.210]	[0.973]	[0.725]	[0.637]	[0.208]	[0.258]	[0.379]
Vote_pres * Replaced leader in EY[4]	-0.011	0.058	0.140	-0.238**	-0.871*	0.985	-0.491	-0.448
	[0.841]	[0.380]	[0.163]	[0.032]	[0.100]	[0.564]	[0.413]	[0.577]
Party_parl * Replaced leader in EY[4]	-0.067	-0.026	0.224	0.273	0.251	0.526	-0.189	-0.803
	[0.782]	[0.930]	[0.574]	[0.555]	[0.556]	[0.377]	[0.642]	[0.157]
Vote_pres	-0.373***	-0.181**	-0.290	-0.021	0.174	-0.241	0.251	0.483
	[0.000]	[0.027]	[0.310]	[0.884]	[0.708]	[0.680]	[0.573]	[0.401]
Party strength_parl	0.111	0.180	0.092	0.211	0.292	0.198	0.905	1.151**
	[0.619]	[0.525]	[0.822]	[0.683]	[0.538]	[0.734]	[0.121]	[0.048]
Constant	2.644**	-0.138	1.274	-2.567	10.329***	8.682**	12.548***	14.203**
	[0.049]	[0.964]	[0.558]	[0.500]	[0.000]	[0.036]	[0.008]	[0.020]
Number of observations	606	474	567	445	547	484	484	408
Number of countries	23	22	23	22	45	44	45	42
R-Squared	0.254	0.324	0.309	0.391	0.400	0.434	0.484	0.516
Adjusted R-Squared	0.201	0.263	0.255	0.331	0.321	0.349	0.405	0.429

*P values are in the parantheses. The equations also included controls for cases where there was an additional leadership change in t-1 or in t.

[1] Total growth during the period.

[2] The percent of government spending on the respective category in the base year (1% share=1).

[3] A binary variable that receives the value 1 if the leader was replaced in the base year and it was an election year.

[4] An interaction between the share of votes received by the president in a presidential system (the largest party's share of seats in parliament in a parliamentary system) and the variable "Replaced Leader in EY".

Table A-7 - Leadership Change Effects on Expenditure Composition: 1-2 years in Selected OECD countries*

	Tsebelis & Chang 19 †			
	Cat9_1	**Cat12_1**	**Cat9_2**	**Cat12_2**
	1	**2**	**3**	**4**
Leader Characteristics				
Replaced leader in EY[1]	-0.392*	-0.266	-0.181	0.143
	[0.081]	[0.117]	[0.618]	[0.719]
Party_parl * Replaced leader in EY[2]	-0.185	-0.198	0.030	-0.090
	[0.336]	[0.305]	[0.916]	[0.763]
leader from right or center	0.445	-0.060	0.824*	0.198
	[0.147]	[0.841]	[0.072]	[0.715]
Vote_pres	0.020		-0.134**	
	[0.818]		[0.022]	
Party strength_parl	0.072	0.160	0.135	0.324
	[0.796]	[0.587]	[0.758]	[0.510]
Constant	2.316***	2.745***	1.987	3.876**
	[0.001]	[0.004]	[0.326]	[0.021]
Number of observations	559	428	522	403
Number of countries	19	19	19	19
R-Squared	0.152	0.213	0.181	0.246
Adjusted R-Squared	0.101	0.154	0.126	0.183

P values are in the parantheses. The equations also included controls for cases where there was an additional leadership change in t-1 or in t and the economic and political variables variables that appear in Table 4.

† Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden and the United Kingdom

‡ Australia, Austria, Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Luxembourg, Netherlands, New Zealand, Norway, Sweden and the United Kingdom

[1] A binary variable that receives the value 1 if the leader was replaced in an election year in the base year.

[2] An interaction between the largest party's share of seats in parliament in a parliamentary system and the variable "replaced leader".