Shaping the preferences of local councillors: Party politics, committee structure, and employment background

Søren Serritzlew
March 2001
Abstract. The preferences of politicians are important. Politicians have a direct influence on public policy, and understanding their attitudes is the first step in understanding policy outcomes. Knowledge about preferences is also the basis for much theory. Rational choice theories without assumptions about the substantive content of preferences often have multiple equilibria. The preferences of local councillors are shaped by party membership, committee affiliation, and occupation. This paper provides a straightforward empirical test of the relative importance of these factors. Party membership is the most important predictor. Left wing politicians prefer higher expenditure. Occupation has only little impact, but committee affiliation has a substantial positive effect on preferences. More senior committee members prefer higher spending. Simulations show that the effect of committee affiliation is lower, but still comparable, to that of party.

Introduction
It is important to understand how the preferences of local councillors are shaped. Politicians are important actors, and changes in their preferences have great potential influence on public policy. Knowledge of the substantive content of preferences is also essential for theories in which local councillors are important actors.

A large body of literature has shown that politicians and parties to a great degree matter in public policy. Political parties are less than omnipotent, but it is fair to say that they are omnipresent (Schmidt 1996). Schmidt emphasizes that even if the influence of politicians is limited by “constitutional rules and the relative autonomy of social and economic life from political intervention” (1996: 166), politicians still have enough leeway to matter in a wide range of areas, including e.g. tax and expenditure policy. Furthermore, in an overview of the literature, Schmidt shows that this claim has a lot of empirical support (Schmidt 1996: 166-169). Since parties and politicians matter, it is important to understand how attitudes of politicians are shaped. This is the purpose of this paper.

Prominent public choice theorists have refrained from concerning themselves with the substantive content of preferences. According to this group of scholars, preferences are exogenous. The merit of a theory is contingent on its predictive power, while it is less important whether the underlying assumptions about preferences are accurate (Friedman 1953: 14-19). Riker claims that theories without assumptions of the substantive content of preferences in general leads to “interesting discoveries about tastes and institutions” (1990: 174). Thus, theoretical progress is possible and even likely on the basis of the well-known assumptions of rational choice: Actors choose from alternatives in order to maximise their utility, and preferences are consistent. So, according to this position, precise knowledge about the substantive content of preferences is not a precondition for the development of theory, and empirical measurement of preferences will often be superfluous, since preferences are revealed through the actual behaviour of actors (Riker 1990: 173).

The problem is that rational choice theories without assumptions about the substantive content of preferences often have multiple equilibria. In Ferejohn’s words:
Recent work in game theory, however, has shown that in a very wide class of situations of strategic action (…) almost any outcome can occur in some game-theoretical equilibrium. This indeterminancy (…) suggests that unless we substantially enrich the concept of rationality itself, or supplement it with extra assumptions about human nature, rationality by itself cannot fully account for the selection of one outcome rather than another. (Ferejohn 1991: 284)

Rational choice explanations without any assumptions about the substantive content of preferences will rarely lead to precise predictions. If a specific outcome of an interaction between actors is to be explained, and if multiple equilibria are possible, it is necessary to refer to assumptions about substantive preferences in order to explain this specific outcome. Further, without substantive preferences it is hard to establish whether a change in outcomes reflects changes in institutions or changes in preferences (Green & Shapiro 1994: 18).

The substantive content of politicians’ preferences thus seems to be important for several reasons. Politicians are omnipresent, and many studies have established that they in fact have an important influence on public policy. Furthermore, preference-empty theory will often be ridden by a plethora of equilibria. The literature has pointed at three important factors in explaining the preferences. Members of committees will prefer higher expenditure in the areas of their committee (Niskanen 1971, Cowart 1981, Payne 1991, Sørensen 1995). Party membership also shapes the preferences of politicians (Hibbs 1977, Sørensen 1995, Schmidt 1996). According to e.g. Rubinfeld & Shapiro (1989) and Sørensen (1995), publicly occupied politicians generally prefer higher expenditure than other politicians. This paper assesses the relative merit of these three claims.

It is hard to get a hold of the concept of preferences. Attitudes might be multidimensional and difficult to measure. A simple and condensed indicator of local policy is the budget. Very many single decisions are contained in the spending policy. The spending preferences are quite easy to measure, since they are usually salient to politicians and since they are easy to express precisely. Thus, the aim of this paper is to explore the shaping of Danish local councillors’ spending preferences. First, the impact of committee affiliation, party membership, and occupation is discussed theoretically. Eight hypotheses about these relations are set forth. After a tentative bivariate test, which shows that all hypotheses seem to have some merit, more thorough testing is conducted by applying multivariate ordinal regression. Finally, in order to estimate the relative merit of the three claims, the impact of an average seniority is simulated and compared with the effect of party membership. Both of these factors are clearly more important than occupation.
Committee affiliation

The influence of committee affiliation on politicians’ attitudes is a *sine qua non* of Niskanen’s classical contribution to this field of research (1971). Niskanen claims that politicians with specific committee affiliation prefer increased expenditure levels in their field as opposed to politicians not affiliated to the committee. In short, the argument claims that (1994: 139):

> The committees for each service are dominated by representatives of the group with the highest relative demand for the service. (One might think it equally plausible that the committees would consist of those representatives who have the highest and lowest demands for a specific service. A characteristic of legislatures, however, is that advocacy is concentrated and opposition diluted (…)).

Any budgeting process is on the one hand dominated by a number of claims on appropriations (the claiming function), and on the other by questions of priorities and allocation. Schick (1988: 63) labels these elements the basic elements of budgeting since there would be no budgeting at all without them. Without claims, allocation of resources would be unwarranted. Allocation is often controversial because it is a general characteristic of budgeting that the claims total a higher amount than the available resources (1988: 64). Schick (1988: 65) emphasizes that the two functions can be administered by different persons and organisations, but claims often originate from service providers whereas a central budget office usually works with the allocation.

Niskanen assumes that members of certain committees take care of the claiming function and consist of politicians with preferences for increased expenditure within the field of their interest. Three arguments support that politicians with a specific committee affiliation prefer increased expenditure in their own field: 1) a self-selection argument; 2) an argument based on politicians’ interest in re-election; 3) a socialisation argument.

According to the self-selection argument, politicians with a special interest in or knowledge about a particular field are likely to seek membership of the committee in charge of the field. Sørensen (1995: 124) has shown this effect empirically in educational and health care fields in Norwegian municipalities. The special interest in the field may stem from educational or employment matters or from an interest which the politician may have in the field due to his/her political work. In any case, self-selection is expected to tend towards committee members having preferences for larger expenditure within their field when comparing with other politicians’ attitudes to the same issue. Regarding the Danish case, Damgaard (1981: 402) found that in the Parliament’s standing committees there is “a significant overrepresentation of
members with affiliation to sectors of society which are affected by legislation in the
fields of committees in question” (author’s translation). Whether the same
mechanisms apply to the municipal committees, is of course an empirical question.

The arguments based on politicians’ interest in re-election claim committee
members to prefer larger expenditure within their own field since this strategy
maximizes politicians’ share of votes. This phenomenon is evident in electoral
systems where politicians represent a certain geographical area. Thus, Cowart (1981)
shows that politicians in the American Congress often are members of a committee
with a field corresponding to a particular interest of their constituency. Consequently,
politicians have a possibility to work for a policy to the benefit of their electorate.
This argument does not apply directly to Danish municipalities where every politician
in a municipal council is elected in the same geographical area. But it is likely,
though, that committee members expect that their electorate will hold them
responsible for service reductions in a field of expenditure belonging to the committee
of their affiliation. Hence, politicians have an interest in preventing such service
reductions from taking place.

According to the socialisation argument, the very action of becoming a member
of a specific committee results in changed preferences. To an increasing extent,
members will prefer larger expenditure in the field of their committee. A result of the
Norwegian Democracy and Power study is the concept of segmentation. A segment is
a part of the political system organized around a specific sector. Participants are partly
from service providers but also from municipal sectoral committees, from committees
in the national parliament, representatives from research organizations, the media, etc.
(Egeberg, Olsen & Sætren 1978: 122). To be a part of a segment has consequences for
one’s view of the world:

Each segment can be described by considering which participants are found legitimate,
which problems, values and ways of understanding the situation are found to be
important, which types of knowledge is defined as expertise. Further, each segment
may be described by its rules and routines for solving problems and conflicts (Egeberg,
Olsen & Sætren 1978: 122). [Author’s translation]

Committee members are influenced by being part of the segment and by having
frequent contact with other participants. This influences the politicians’ understanding
of the importance of the field of the committee and hence the politicians’ expenditure
preferences. Moreover, as time passes, participation in a specific segment results in a
worsening of the ability of understanding other types of the problem since
“specialisation has a contrast in training members of a segment to ‘overlook’
problems or solutions to problems which are outside the incorporated planning
horizon” (Egeberg, Olsen & Sætren 1978: 130). [author’s translation]. Segmentation
is not a particularly Norwegian phenomenon and many studies show (cf. Damgaard 1981: 407) that it is found in Denmark as well.

Payne’s (1991) investigation of the extent of socialisation confirms that politicians gradually develop more and more expansive spending preferences. Payne does not focus on membership of sectoral committees, but argues that it is the actual role of being politician, which is the cause of socialisation. He demonstrates how the information presented to the politicians to a large extent is dominated by arguments in favour of increases in spending (1991: 492). The argument is strengthened when applied to committee members since they are the very ones to receive the largest share of information about the field of the committee. In line with the socialisation hypothesis, Payne’s (1991: 499) results indicate that American congress-members gradually develop more and more expansive spending preferences. In the same way, Payne finds that socialisation can take place before the election of a politician if he or she has been otherwise closely involved in the policy area concerned (1991: 496).

But the empirical results regarding the effect of committee affiliation are very mixed. Payne (1991: note 4) claims that committee affiliation bears no importance to expenditure preferences. Based on an investigation of the American Congress, Krehbiel (1990) also concludes that there are no noticeable differences in preferences between members and non-members. However, two methodological problems characterise both studies. The first problem relates to the operationalisation. Hall & Grofman (1990: 1154) show that Krehbiel’s results are extremely sensitive to the how the expenditure preferences are measured. Measuring the preferences differently yields other results. The second problem relates to the statistical method applied by Krehbiel and Payne (Hall & Grofman 1990: 1156). They aim at showing that there is no difference in spending preferences among members and non-members. Usually, one tries to prove that a difference actually does exist, and hence the test is designed to minimise the risk of type-I errors (finding a difference which does not exist in reality). That is the reason why low p-values are required to justify a rejection of a 0-hypothesis. Krehbiel and Payne want to show that there is no difference. Thus, a more appropriate statistical procedure would be to minimise the number of type-II errors (not discovering an actual difference). In practice, this is easily accomplished by raising the significance level from the traditional 5% (which minimises the risk of type-I errors) to around 25% (which in a similar way minimises the risk for type-II errors). When employing the 25%-criterion, Krehbiel’s results change. Consequently, the study cannot with any high degree of certainty claim that the existence of differences in spending preferences among the committees is rejected. As a matter of fact, Hall & Grofman find that in contrast to the rest of the politicians, members of sectoral committees have preferences for higher expenditure within their spending area (Hall & Grofman 1990: 1160).
According to Helland & Rasch (1997: 48), committee affiliation has no
importance for the preferences of the politicians in the Norwegian Landsting
(parliament). It turns out that committee members are just slightly more positive
towards organisations within their own field than towards politicians, which are not
members of the committee. However, two objections to Helland & Rasch’s results
worth are mentioning. First, expenditure preferences are only measured indirectly.
Politicians may very well believe that a certain field should be supplied with more
resources without having great sympathy for the organisations in the field. Second,
Helland and Rasch’s analysis suffers from the same methodological defect as
Krehbiel’s (1990). If the aim is to prove that there are no differences between the two
groups, minimising the number of type-I errors seems unwarranted. If Helland &
Rasch had applied a more appropriate significance level, it is dubious whether they
could reject that there are differences in sympathy among members and non-members.
On this basis, it is less surprising that Sørensen (1995) has found an empirical
correlation between Norwegian local politicians’ committee affiliation and spending
preferences. Members of a certain committee demand increased expenditure in their

Thus, Norwegian and American results are ambiguous. However, investigations
rejecting the importance of committee affiliation are somewhat encumbered with
operationalisation problems and apply a contestable statistical method. The results are
not directly transferable to Danish conditions. To that end, differences between the
American Congress, the Norwegian Landsting, and the Danish municipalities are too
big. Also Norwegian municipalities diverge from Danish, especially since the taxes in
Norwegian municipalities are in practice centrally fixed (Sørensen 1995: 121). Should
the same differences apply to Danish municipalities, you would expect the importance
of committee membership to be at least equally effective because Danish local
politicians have a larger room for manoeuvre in the expenditure policy.

The only recent Danish investigations of effects of committee affiliation in
Danish municipalities are found in Mouritzen (1985) and Mouritzen (1991a).
Politicians’ committee affiliation appears to have no impact on attitudes to the total
municipal expenditure (1991a: 244). Thus, being member of a sectoral committee
does not seem to affect the attitude towards the general expenditure level. On the
other hand, there is a correlation when analysing the expenditure level for each
committee. Membership of a sectoral committee does seem to affect the attitude
towards the expenditure level on the area of that committee. Mouritzen’s investigation
dates back to 1981, however, and included only the political elite (1985: 9). Hence,
existing research give reason to expect an effect of committee affiliation on
preferences for expenditure preferences, even though this effect has not yet been
documented empirically for a representative sample of Danish local politicians.
Consequently, hypothesis one goes as follows:
Politicians affiliated to a given committee demand higher expenditure within the field of this committee as opposed to politicians not affiliated to the committee.

Prior to budget negotiations, many politicians will have various concrete proposals to give certain fields a higher priority in the budget of the coming year. The above arguments also have implications for these proposals, cf. hypothesis 2:

New proposals of politicians are more likely to be within the field of their own committee than outside their own field of committee.

Payne (1991: 499) has shown socialisation to develop over time. Thus, hypothesis three goes as follows:

Politicians who have been affiliated to the same committee during a longer period of time demand higher expenditure within the field of the committee as opposed to politicians who have been affiliated to the committee for only a short time.

However, Hall & Grofman (1990: 1163) indicate that dependent on the character of the committee, the seniority effect varies. If the field is well defined and limited, socialisation takes place much easier. Along the same lines, in such cases politicians are more likely to become part of a specific segment. Another argument for the importance of the character of the field is due to the fact that certain committee areas are very important to groups of voters. If these groups are easy to mobilise, the re-election interest draws even further in the direction of politicians demanding more resources. Sørensen (1995: 126) apply these arguments in anticipating the insignificance of affiliation to Norwegian construction committees and cultural committees. Thus, it is not a basic condition that every type of committee has the anticipated effect to the exact same extent. This is an empirical question, which will be investigated in the following.

Hence, the first hypotheses deal with how Schick’s claiming function is conditioned upon the political organisation. The same arguments apply to the second of the two functions: allocation. Usually, it is assumed that members of the economic committee are more fiscally conservative (see e.g. Christensen & Søndergaard 1984: 85; Høgenhaven 1982: 15; Hagen & Sørensen 1996: 43). Members of the economic committee are the ones most directly responsible for the development of the level of total expenditure. The Danish local government act stipulates that an economic committee should be established which has “insight into the economic and ordinary administrative relations within every field of municipal administration” (author’s
translation). The economic committee should be served by the secretariat of the economic administration, which are known to be more fiscally conservative than the rest of the administration (Mouritzen 1991: 270). Thus, the members of the economic committee are expected to be more fiscally conservative than other politicians.

Since the members of the economic committee are assigned the main responsibility of the municipal economy, they are the ones in the greatest risk of being held responsible by the electorate for rapidly growing spending. Much work has shown that support of a government depends on the general economic development (Nannestad & Paldam 1994: 229), whereas in Denmark it is the economic situation of the individual voter, which best explains the votes cast (Nannestad & Paldam 1993). Consequently, there is a reason to believe that, to a certain extent, the votes cast depend on the economic development and of the economic situation of the individual voter. Particularly the latter relates to the rate of increase in municipal expenditure and hence the rate of increase in taxes.

Both arguments draw in the same direction. The risk of being held responsible for rapidly increasing expenditure as well as socialisation fostering expenditure conservatism induce members of the economic committee to have preferences for small expenditure increases as opposed to other local politicians – or as formulated in hypothesis four:

Members of the economic committee prefer smaller total expenditure increase than the rest of the municipal council.

Moreover, in parallel with hypothesis three, you may expect the effect of socialisation to grow by time; hence hypothesis five goes as follows:

The longer the period of affiliation to the economic committee, the more fiscally conservative the politician will become.

Party affiliation
Hibbs (1977) has shown that party politics is important for the macroeconomic development. Countries governed by left wing parties have larger inflation but less unemployment than countries with liberal governments (Hibbs 1977: 1473). According to Schmidt (1996), left wing parties’ participation in government leads to increased public spending. Thus, there is considerable evidence that the policy depends on the party affiliation of the politicians.

Consequently, it is a common hypothesis that politicians’ spending preferences are related to their party affiliation (cf. e.g. Mouritzen 1985: 4; Sørensen 1995: 122). As commonly supposed, the electorate votes to a certain extent for candidates, which represent their views or interests. Empirically, it also turns out that a large part of the
votes cast may be understood on this basis (Borre & Goul Andersen 1997: 85). Since the votes cast by the electorate thus reflect perceived differences between the politicians, there are several reasons to expect that politicians’ preferences to a large degree reflect their party affiliation.

Apart from the obvious point that politicians in most cases represent parties which correspond to their personal views, a reason for expecting a strong correlation between party and candidate is that a candidate must convince voters that her political attitudes correspond theirs in order to get elected. To facilitate the collection of reliable information about the politicians, the voters employ various methods of information collection (Downs 1957: 218). The party affiliation of the politician is one of the most important sources for information about the politicians’ points of view. Party affiliation signals the politicians’ attitudes on a number of fields (Popkin 1991: 51; Lupia & McCubbins 1998: 206). One way of collecting information about candidates is by taking notice of their party affiliation. A deep rift between the politicians’ attitudes and the party line will make it more difficult for the electorate to evaluate the candidate. Hence, the politician has a vote-maximising incentive to respect the party line. Of course there will be variations, which among other things may be due to the candidates’ interest in having an independent profile in relation to the other candidates of the party, but a basic rift between party and candidate may be expected to harm the candidate.

Another reason is that local party associations list the candidates. Thus, local party members have great influence on which candidates will be listed (Buch Jensen & Kjær 1997: 97), and these party members will prefer a candidate holding more or less the same attitude as themselves. Consequently, recruitment also contributes to securing a basic similarity. Furthermore, the same mechanism contributes to maintaining the resemblance. Since local politicians come up for election every four years, there are good possibilities to prevent the relisting of a candidate who takes a distance from the party line.

In other words, it is not reasonable to expect the causal relation between politicians’ party affiliation and their preferences to be one-way. Politicians’ own choice of party depend on their preferences, but when a politician is affiliated to a specific party, he/she will have an interest in asserting political attitudes which tally with his/her own party. Nevertheless, spending preferences are expected to correlate with party affiliation. In accordance with the general expectation and with other empirical studies, left wing parties are assumed to demand higher expenditure than right wing parties (Kristensen 1982: 42; Borre & Goul Andersen 1997: 71). The fields where right wing parties are expected to demand higher expenditure than left wing parties (in particular defence and police) are not administered locally in Denmark, and thus are not relevant in this connection. Consequently, hypothesis six goes as follows:
Politicians representing a left wing party have preferences for higher expenditure than politicians representing a right wing party.

Employment in the public sector
Publicly employed persons are especially dependant on the public sector. Thus, it is natural to consider whether the attitudes of local politicians are affected by affiliation to the public sector.

A utility maximising voter employed in the public sector will dislike cutbacks within the field of his or her work. Such cutbacks would imply increased workload, less fringe benefits, and greater risk of loosing the job. The strength of the self-interest argument depends on several conditions. Abstract questions about the size of the welfare state are more loosely connected to the voter’s own situation than local political questions about the voter’s job. The more relevant the question to the voter, the more likely it is that the vote cast is influenced by affiliation to the public sector. An argument against the importance of the affiliation to the public sector for the behavioural pattern of the voter is that the voter’s possibility of making a difference is quite small. First, it is very unlikely that a single vote will have any significance as to who will be elected, and second it is dubious whether the election of a particular candidate will have any influence at all on the voter’s job situation. Nevertheless, the existence of a relation between the work place of the voter and the attitude to the public sector has been demonstrated empirically (Mouritzen 1987: 431). This effect can also be explained by the socialisation of the voter. The effect of employment on the attitude to appropriations for a specific sector should be expected to be even greater, if the politician is not only a public sector employee but also an employee of the sector in question. Accordingly, Rubinfeld and Shapiro (1989: 387) found that American school sector employees prefer expenditure increases in the school sector to a much higher degree than others.

The same mechanism is likely to apply to politicians. Most Danish local politicians have jobs besides being politicians (Berg & Kjær 1997: 109), and publicly employed local politicians have exactly the same interest as any publicly employed voter in preventing cutbacks. Furthermore, contrary to the common voter, the local politician has a real opportunity to influence his own job situation. If the politician is employed in a municipal institution, the municipal council’s policy in the field could have actual consequences for the job situation of the politician.¹ Sørensen (1995: 126)

¹ The legal incapacity rules of the Danish administrative law ensure that local politicians do not participate in the handling of cases with particular personal or economic significance for the person concerned. However, in practise, legal capacity shall not be established only because a case concerns the institution where the politician is an employee (Nørgaard & Garde 1995: 96). Thus, in practise politicians will in most cases be able to participate in the handling of the cases. Furthermore, the
has investigated this effect in Norwegian municipalities. His findings demonstrate that politicians employed in a specific sector demand higher expenditure than other politicians. A similar effect might exist for the total expenditure level. Thus, hypothesis seven goes as follows:

Local politicians employed in the public sector demand higher total municipal expenditure than other politicians.

Hypothesis eight is about the association between attitudes and politicians’ employment in specific sectors:

Municipally employed local politicians demand higher expenditure within their sector of their employment than other local politicians.

Empirical analysis
The spending preferences of Danish local government politicians have been mapped by a questionnaire distributed by mail to 1200 politicians in the autumn of 2000. The response rate was 74%.

Tentative bivariate analyses of the effect of occupation, party, and committee affiliation reveals that the three independent variables do have a bivariate association with spending preferences. Table 1 shows the proportion of politicians preferring higher spending in 2001 than in 2000. The politicians have stated their spending preferences in nine municipal expenditure areas. The division into expenditure areas is sufficiently detailed for each of the fields to refer to one committee only. At the same time, the division is sufficiently general for a reasonable labelling of every single municipal field as an independent policy area. It appears that left wing politicians in all nine spending areas prefer higher expenditure than other politicians. They are also more in favour of tax increases, and the tendency for left wing politicians to refrain from cutbacks is higher. The effect of committee affiliation has been investigated by comparing the attitudes of members of the relevant committee with the remaining politicians. Again, in every spending area the members of the relevant committee seem to approve more of spending increases than other politicians. Membership of sectoral committees does apparently have an effect on

politician is not only interested in cases, which deal with his or her own job area. It will also be advantageous to work for a generally high appropriation level in the sector.


3 The school committee deals with public schools, the child committee with childcare, the social committee with care for elderly, and activation of unemployed. The areas of the cultural committee are public libraries, and sport / culture, and the areas of the technical committee are roads, environment, and public utilities. Tax policy and the general level of expenditure fit best under the economic committee.
spending preferences on specific spending areas. In order to examine the effect of membership of the economic committee, the attitude to general spending has been examined. Members of the economic committee have a special responsibility for the general level of expenditure and for the tax level. Therefore, the politicians have also been asked about attitudes to tax increases and to the need for general cutbacks. This preliminary analyses show that members of the economic committee are reluctant to favour tax increases. Finally, publicly occupied politicians desire higher spending in five of the nine spending areas.

Table 1: Bivariate analyses: Level of support for spending increases

<table>
<thead>
<tr>
<th>Politicians' party</th>
<th>Public schools</th>
<th>Child care</th>
<th>Elderly care</th>
<th>Activation of unemployed</th>
<th>Public libraries</th>
<th>Sport and culture</th>
<th>Road system</th>
<th>Environment</th>
<th>Public utilities</th>
<th>Tax policy - increase</th>
<th>No need for general cutbacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not left wing</td>
<td>47%</td>
<td>23%</td>
<td>37%</td>
<td>19%</td>
<td>12%</td>
<td>23%</td>
<td>38%</td>
<td>10%</td>
<td>4%</td>
<td>26%</td>
<td>11%</td>
</tr>
<tr>
<td>Left wing</td>
<td>67%</td>
<td>45%</td>
<td>56%</td>
<td>36%</td>
<td>27%</td>
<td>27%</td>
<td>42%</td>
<td>34%</td>
<td>7%</td>
<td>56%</td>
<td>38%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Politicians' committee</th>
<th>Not member</th>
<th>54%</th>
<th>31%</th>
<th>44%</th>
<th>23%</th>
<th>15%</th>
<th>22%</th>
<th>34%</th>
<th>17%</th>
<th>4%</th>
<th>42%</th>
<th>23%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member</td>
<td>60%</td>
<td>37%</td>
<td>49%</td>
<td>32%</td>
<td>29%</td>
<td>30%</td>
<td>52%</td>
<td>28%</td>
<td>8%</td>
<td>----</td>
<td>----</td>
<td>----</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Politicians' occupation</th>
<th>Not public</th>
<th>54%</th>
<th>30%</th>
<th>44%</th>
<th>26%</th>
<th>18%</th>
<th>24%</th>
<th>41%</th>
<th>20%</th>
<th>6%</th>
<th>39%</th>
<th>22%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>61%</td>
<td>39%</td>
<td>53%</td>
<td>27%</td>
<td>25%</td>
<td>24%</td>
<td>39%</td>
<td>25%</td>
<td>4%</td>
<td>----</td>
<td>----</td>
<td>----</td>
</tr>
</tbody>
</table>

Note: N varies between 127 and 709. See appendix for specification of variables. The school committee deals with public schools, the child committee with childcare, the social committee with care for elderly, and activation of unemployed. The areas of the cultural committee are public libraries, and sport / culture, and the areas of the technical committee are roads, environment, and public utilities. Tax policy and the general level of expenditure fit best under the economic committee.

These tentative analyses are for several reasons not sufficient for rejecting or corroborating any of the hypotheses. The independent variables might be interrelated, spurious relations might be undetected, and the differences could be insignificant due to sampling error. To remedy these potential problems, the test is conducted below using multiple regression. The spending preferences in each of the expenditure areas and attitudes to the general spending level are used as dependent variables in eleven separate regressions. Since spending preferences can only be measured crudely, standard multiple regression is unsuitable. Instead, ordinal regression, which only requires the dependent variable to be ordinal, has been used. As independent variables, committee affiliation, party membership and occupation has been used together with several control variables. The results of the regression analysis are displayed table 2. The table shows location parameters and significance level for each of the significant independent variables. In the cells containing the effects of the committee variables, a parenthesis marks whether committee affiliation is measured by committee membership or committee seniority. Empty cells indicate that the independent variable in question is insignificant. Positive location parameters

---

4 Refer to the technical appendix for further details.
indicate, just as standard regression coefficients, that the variable in question has a positive impact on the dependent variables. The parameters can also be interpreted as probabilities, but the calculations are somewhat cumbersome. Refer to the technical appendix for a few examples.

The explanatory power is not particularly strong. Thus, the first important observation is that political and institutional variables, and variables for service demands and economic constraints only explain a relatively small proportion of variance. Since all important control variables have been involved, the analysis is still fit to test the hypotheses. The table shows the variable for party affiliation to be significant in every model, and even on the 0.001 level in nine out of eleven of the models. Politicians who are affiliated to a left wing party are in every field of expenditure interested in higher expenditure increases than the rest of the politicians.\textsuperscript{5} This result is in accordance with hypothesis six.

\textsuperscript{5} Anderson, Berg, and Mouritzen included questions about party affiliation and work place in a survey from 1995. Politicians’ spending preferences have been measured by asking whether politicians believe there has been spent too few resources, sufficient resources, or too many resources on the various expenditure areas (Anderson, Berg & Mouritzen 1996). A dichotomised version of this variable has been used in logistic regressions for each spending area. The control variables have been operationalised as in the other analyses. Politicians’ party affiliation has the expected impact, and place of work has only significance in rare cases. I owe Poul Erik Mouritzen a debt of gratitude for kindly lending me the data.
Table 2: Ordinal multiple regression of spending preferences for 12 fields. Location parameters and significance levels

<table>
<thead>
<tr>
<th>Variable</th>
<th>Public schools</th>
<th>Child care</th>
<th>Elderly care</th>
<th>Activation of unemployed</th>
<th>Public libraries</th>
<th>Sport and culture</th>
<th>Road system</th>
<th>Environment</th>
<th>Public utilities</th>
<th>Tax policy</th>
<th>No need for general cutbacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Left wing party</td>
<td>0.899***</td>
<td>1.136***</td>
<td>0.735***</td>
<td>1.088***</td>
<td>1.289***</td>
<td>0.318*</td>
<td>0.271*</td>
<td>1.858***</td>
<td>0.751***</td>
<td>1.435***</td>
<td>1.459***</td>
</tr>
<tr>
<td>Committee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School committee</td>
<td>0.0544*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child care committee</td>
<td>0.0610*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social affairs committee</td>
<td>0.289*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture committee</td>
<td>0.0403*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical committee</td>
<td>-0.0344*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic committee</td>
<td>-0.416**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mayor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publicly employed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Control variables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand indicator</td>
<td>10.242***a,b</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Town population (in 10000’s)</td>
<td>0.083**</td>
<td>-0.151***</td>
<td>-0.076*</td>
<td>0.104***</td>
<td>-0.100**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prosperity increase</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nagelkerke’s R²</td>
<td>6.6%</td>
<td>10.6%</td>
<td>5.0%</td>
<td>10.7%</td>
<td>16.5%</td>
<td>4.0%</td>
<td>6.2%</td>
<td>18.4%</td>
<td>6.8%</td>
<td>14.8%</td>
<td>16.0%</td>
</tr>
</tbody>
</table>

a) p = 0.058, thus slightly above the significance level. b) Increase in proportion of 0-6 year olds. c) Growth in town population.  
Note: By committee variables the variable applied has been stated in parentheses: a variable for committee affiliation is marked “member”, and a variable for seniority in the committee is marked by “seniority”. The criterion for choice of variable is the explanatory power. The one that contributes the most is used. Significance level is marked in asterisks: *** corresponding to p < 0.001, ** to 0.001 < p < 0.01 and * to 0.01 < p < 0.05.
Committee affiliation has, in most cases, a statistically significant impact just as predicted by hypothesis one. Members of a sectoral committee tend to prefer higher spending in expenditure areas belonging to their committee. Politicians affiliated to the childcare committee prefer higher expenditure levels in the child area than other politicians. The same holds true for members of the social committee in the activation area, of members of the cultural committee in the areas of public libraries and sport/culture, and of the members of the technical committee regarding expenditures on roads, environment, and public utilities. The effect of affiliation to the school committee is just slightly over the 5% significance level, leaving only the attitude to spending care for elderly uncorrelated to affiliation to the relevant sectoral committee, and even here the point prediction of the location parameter has the expected sign. So, in eight out of nine models, committee affiliation has the effect as anticipated by hypothesis one. The question of whether or not socialisation is a part of the explanation of these correlations can be answered by examining if seniority has an independent effect on attitudes. This has been analysed by including a variable for politicians’ seniority in the models only when it contributes with a higher explanatory power than a variable for committee membership. It appears from table 2 that seniority has been the best predictor in the models for public schools, childcare, sport and culture, roads, environment, and public utilities. Only in the models for activation of unemployed and public libraries, membership is the best predictor. Consequently, there is considerable evidence in favour of hypothesis 3. The preference for higher spending grows by the years.

In spite of party and committee differences, there is a relatively high degree of consensus among local politicians. Within the nine expenditure areas, between 36% and 78% have stated that they want to keep expenditure at the same level as the year before. A particularly high degree of consensus might explain why committee affiliation has no significant importance. One measure for the degree of consensus in an area is the standard deviation in answers. If an area is characterised by consensus, politicians will give relatively similar responses to the questions about supply of resources, and if the area is characterised by conflict answers will differ, corresponding to low and high standard deviations respectively. It appears that there are only small differences in standard deviations, and that consensus in the area of care for elderly is one of the lowest compared to other areas. Thus, even if in general there is a high degree of consensus about expenditure policy, this is not the place to start looking for an explanation of why the attitude to the expenditure in this particular area is not related to committee affiliation.

According to hypothesis 2, new proposals of politicians are more likely to be within the field of their own committee than outside their own field of committee. The survey included a question about politicians’ new proposals, and whether their
proposals are best described as being inside or outside of the area of their own committee. The politicians mentioned 2369 proposals, and slightly more than half of these actually fell under a committee of the proposer. This proportion must be compared with the proportion of proposals, which would be expected to fall under a committee in which the proposer is a member, provided that the proposer is unaffected of being member of that particular committee. And then the question is whether there is a statistically significant difference between these two proportions.

The expected proportion of proposals is estimated to $P_e = 0.3337$. The observed proportion of proposals is $P_o = 0.5493$. If the committee affiliation does not have any impact on the tendency to give suggestions within certain areas, these to proportions will be equal. The null-hypothesis is consequently that $P_e - P_o = 0$. Provided that the null-hypothesis is true, the difference of the proportions can be transformed into a t-distributed test statistic. The standard error for the difference is estimated to $\sigma_{P_e-P_o} = 0.0107$. It follows that the t-value is 20.1 and $p<0.000$. Thus, we can safely reject the null-hypothesis and conclude that politicians actually have a higher tendency to make a proposal within an area of a committee of which he is a member. This serves to strengthen hypothesis two.

In several cases, affiliation to other committees than the one administering the field of expenditure influences spending preferences. The sectoral committees do to a certain degree compete for the financial resources. Consequently, politicians from other committees could be imagined to prefer lower expenditure. The saving could be used for tax cuts or to ease the resource pressure on their committee. However, it appears that only in seven of eleven cases affiliation to another committee has the expected effect. In four cases members prefer increased expenditure.

None of the employment types have - according to the ordinal regressions - systematic effects on expenditure preferences. The effect of being employed in the public sector is not statistically significant. Hence, no support can be found for hypothesis seven in this analysis. This result is supported (cf. footnote 5) by data for politicians’ spending preferences in 1995. Other operationalisations of place of work yield similar results. Neither variables indicating whether the politicians are

\[ P_e = \frac{\sum_{i=1}^{n} U_i}{U c}. \]

The expected proportion of proposals is therefore for n politicians given by:

\[ P_e = \frac{\sum_{i=1}^{n} U_i}{U c}. \]

The observed value is simply calculated as $P_o = \frac{\sum_{i=1}^{n} S_{\text{inside},i}}{S_{\text{total},i}}$, where $S_{\text{inside},i}$ is the number of proposals of politician $i$ inside the area of his own committee and $S_{\text{total},i}$ the total number of suggestions of politician $i$. 

---

6 Let $U_i$ be the number of committees of which politician $i$ is a member, $U_c$ be the number of the sectoral committees in each city council. Then likelihood a proposal falling under a committee of which the proposer is a member, is given by $U_i/U_c$. The expected proportion of proposals is therefore for n politicians given by:

\[ P_e = \frac{\sum_{i=1}^{n} U_i}{U c}. \]

The observed value is simply calculated as $P_o = \frac{\sum_{i=1}^{n} S_{\text{inside},i}}{S_{\text{total},i}}$, where $S_{\text{inside},i}$ is the number of proposals of politician $i$ inside the area of his own committee and $S_{\text{total},i}$ the total number of suggestions of politician $i$. 

employed inside the municipal sector nor even in the same expenditure sector appear to have an impact. Consequently, hypothesis eight may be regarded as rejected. Yet the bivariate analyses in the beginning of this section showed a weak relationship between occupation and spending preferences. These contrasting results might have a quite simple explanation. Other empirical work has established that there is a relation between occupation and party choice (Borre & Goul Andersen 1997: 125). The same holds true here: publicly employed politicians are more likely to be left wing. The above analyses have shown that party membership is an important predictor of spending preferences. Thus, a causal model could look like this:

Figure 1: Causal model

It appears that party is an intervening variable. Also committee affiliation could be an intervening variable, but there is almost no empirical association between occupation and committee membership. Since the effect of occupation is indirect, the statistical correlation could disappear when controlling for the intervening variables. This is exactly what happened in the ordinal regression. Repeating the same analyses without including party membership shows that public occupation has the expected impact on preferences for expenditure in the three big service areas: Schools, child care, and elderly care. The explanatory power of the model drops dramatically, however, so it may be concluded that occupation only has a very limited effect in just a few areas. Omitting committee affiliation does not affect the significance of occupation.

Hypotheses four and five assert that members of the economic committee prefer smaller total spending than other politicians. The discussion above deals with preferences towards spending in specific areas, and not with the general level of expenditure. It appears from the last two columns of table 2, in line with the other results, that left wing party members prefer higher levels of expenditure and tax increases. But affiliation to the economic committee has no impact at all on the attitudes of the politicians, neither when measured as seniority nor as membership. Members of the economic committee differ in four of the spending areas from other

---

7 The relation is statistically significant with $\gamma = 0.28$.
8 The only statistically significant association is between occupation and membership of the technical committee where the publicly employed are underrepresented.
politicians. In two of the cases the economic committee prefers lower spending, but in the other two cases, this group of politicians want higher spending levels than the rest of the town council. On this basis hypotheses four and five must be rejected.

Surprisingly, the prosperity of the municipality has no effect on the politicians’ preferences of the single expenditure areas. When including the variable in regression analyses anyhow, it even appears that increased prosperity in some areas lead to preferences for higher expenditure in some cases and lower expenditure in others. Thus, the sign is not as expected. Changes in the prosperity of the municipalities are a better explanation of the attitude to cutbacks in total expenditure. In return, the demand indicators are significant in a few cases. The variable for town population is in several instances statistically significant. In four cases politicians in bigger towns prefer relatively lower expenditure levels, and in two cases the effect of town size is opposite.

To test the robustness of results, the same analyses have been carried out applying another operationalisation of the dependent variable. Politicians have been asked whether they believe the various expenditure areas are under economic pressure. Results are more or less identical. Hypotheses about party affiliation and sectoral committee affiliation are further supported while employment and membership of the economic committee once again seems to have no systematic effect.

Relative importance of party and seniority

The above analyses show that politicians’ seniority in a committee leads to more expansive expenditure preferences. This supports hypothesis three, which states that local politicians demand increased expenditure in their field of committee the longer the duration of membership. It is not clear, however, whether seniority is important compared to the effect of party membership. The location parameters in the ordinal regression are difficult to interpret, and moreover the parameters are hard to compare since the units of measurement are different. This section takes a closer look at the relative importance of party and seniority.

The average seniority of all politicians is 6.3 years. One can get an idea of the impact of committee affiliation by estimating the effect of 6.3 years of membership. This is done in table 3 below. The entries show the predicted probabilities of politicians answering that they prefer to increase spending in the various areas. The first column contains predicted probabilities for non-left wing politicians with no history of membership in the relevant committee. This column is used as a reference

---

9 An explanation of why the prosperity level has no systematic significance could be that the prosperity variable (cf. appendix A) is operationalised as the prosperity increase from 1999 to 2000. The increase from 2000 to 2001 could have a more direct relevance for politicians’ preferences for the 2001 Budget. However, the numbers for the prosperity level in 2001 are not yet available, and the variable used is probably useable proxy.
to get an idea of the effect of seniority and party. The average committee member has been sitting in the same committee for 6.3 years. The predicted probabilities for politicians with an average seniority (6.3 years) and for members of a left wing party are reported in the second and third columns respectively. In all areas the predicted probability of preferring more spending is higher for politicians with affiliation to a left wing party or with 6.3 years of seniority in the relevant committee.

The last column compares the effect of party and seniority. The effect on the attitude towards public schools of an average seniority in the school committee is 52.0% - 43.5% = 8.5%. The effect of being a member of a left wing party is 65.4% - 43.5% = 21.9%. It appears that the effect of party is much stronger than seniority. Actually, seniority has only 8.5% / 21.9% = 38.8% as big an impact as party. This is the figure reported in the last column. From this it follows that the effect of committee membership in most cases is lower than the effect of left wing party affiliation. In one case, an average seniority has more than double the effect of party. Not surprisingly, this is the somewhat apolitical road area. On the other hand, party is more than seven times as important as seniority in the environment area.

Table 3: The effect of seniority compared to the effect of party affiliation

<table>
<thead>
<tr>
<th></th>
<th>Predicted probability of preferring more; 0 years of seniority and non-left wing</th>
<th>Predicted probability of preferring more; 6.3 years of seniority and non-left wing</th>
<th>Predicted probability of preferring more; 0 years of seniority and member of left wing party</th>
<th>Relative effect of 6.3 years of seniority in relation to party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public schools</td>
<td>43.5</td>
<td>52.0</td>
<td>65.4</td>
<td>38.8</td>
</tr>
<tr>
<td>Child care</td>
<td>20.4</td>
<td>27.3</td>
<td>44.3</td>
<td>29.0</td>
</tr>
<tr>
<td>Sport and culture</td>
<td>26.5</td>
<td>32.9</td>
<td>33.2</td>
<td>95.6</td>
</tr>
<tr>
<td>Roads</td>
<td>34.5</td>
<td>47.9</td>
<td>40.9</td>
<td>210.7</td>
</tr>
<tr>
<td>Environment</td>
<td>6.2</td>
<td>9.4</td>
<td>29.7</td>
<td>13.7</td>
</tr>
<tr>
<td>Public utilities</td>
<td>3.1</td>
<td>4.1</td>
<td>6.3</td>
<td>30.7</td>
</tr>
</tbody>
</table>

Note: Probabilities are estimated on basis on the ordinal regression. Refer to the technical appendix for details.

Thus, it may be concluded that seniority has considerable effect on expenditure preferences. This serves to strengthen hypothesis three. Party is more important, but it is evident that the relative importance of party and seniority is contingent on the characteristics of the spending area.
Conclusion
Knowledge about the shaping of the preferences of local councillors is essential. Politicians have much influence on public policy, and even if they are less than omnipotent, the preferences of politicians can have a great impact on public policy. Knowledge about preferences is also the basis for much theory. Rational choice theories without assumptions about the substantive content of preferences often have multiple equilibria, and will not always lead to precise and testable predictions.

This paper has shown how the spending preferences of local councillors are affected by party membership, committee affiliation, and occupation. Table 4 provides an overview over the eight hypotheses.

Table 4: Overview over hypotheses

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Description</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesis 1</td>
<td>Politicians affiliated to a given committee demand higher expenditure within the field of this committee as opposed to politicians not affiliated to the committee</td>
<td>Corroborated</td>
</tr>
<tr>
<td>Hypothesis 2</td>
<td>New proposals of politicians are more likely to be within the field of their own committee than outside their own field of committee.</td>
<td>Corroborated</td>
</tr>
<tr>
<td>Hypothesis 3</td>
<td>Politicians who have been affiliated to the same committee during a longer period of time demand higher expenditure within the field of the committee as opposed to politicians who have been affiliated to the committee for only a short time.</td>
<td>Corroborated</td>
</tr>
<tr>
<td>Hypothesis 4</td>
<td>Members of the economic committee prefer smaller total expenditure increase than the rest of the municipal council.</td>
<td>Rejected</td>
</tr>
<tr>
<td>Hypothesis 5</td>
<td>The longer the period of affiliation to the economic committee, the more fiscally conservative the politician will become.</td>
<td>Rejected</td>
</tr>
<tr>
<td>Hypothesis 6</td>
<td>Politicians representing a left wing party have preferences for higher expenditure than politicians representing a right wing party.</td>
<td>Corroborated</td>
</tr>
<tr>
<td>Hypothesis 7</td>
<td>Local politicians employed in the public sector demand higher total municipal expenditure than other politicians.</td>
<td>Partly rejected</td>
</tr>
<tr>
<td>Hypothesis 8</td>
<td>Municipally employed local politicians demand higher expenditure within their sector of their employment than other local politicians.</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

The empirical analyses show, in harmony with hypothesis six, that party membership is the most important independent variable. In all spending areas, specific and general, left wing politicians are more in favour of spending increases and higher taxes. The occupation of politicians has only small effects on spending preferences. No relation was found between occupation and spending preferences in the multiple ordinal regression analyses. This is in part due to the fact that party membership is an intervening variable. The occupation of politicians has some influence on spending preferences in a few spending areas, but this is a result of the tendency for publicly employed politicians to be members of left wing parties. Hypothesis seven is not entirely rejected, but occupation is among the least important explanations of politicians’ preferences. Not much support was found for hypotheses four and five. Members of the economic committee are not different from other politicians. There is no tendency for them to be more fiscally conservative. Affiliation to sectoral
committees, however, is important for spending preferences. In line with hypothesis one, a politician is more positive to spending increases if he or she is a member of the relevant sectoral committee. It also appears, as hypothesis two suggests, that new ideas of politicians are likely to fall under their own committee. The effect of committee affiliation is lower, but still comparable, to that of party. A simulation of the influence of committee membership reveals that party generally is about three times as important. In most cases, a variable for seniority rather than committee membership explained most variance. Thus, there is considerable evidence in favour of hypothesis three. The effect of committee affiliation grows by the years.
Technical appendix

Ordinal regression

Ordinal regression predicts cumulative probabilities for answers in the categories of the dependent variable by using GLM-regression. Since no special emphasis is put on either low or high categories, the standard logit link function has been used. There is no simple way of interpreting the location parameters as probabilities, since ordinal regression estimates a function for each category of the dependent variable:

$$\log \left( \frac{\gamma_j}{1-\gamma_j} \right) = \Theta_j - \sum_{k=1}^{K} \beta_k x_k,$$

where $\gamma_j$ is the cumulative probability for answering in category $j$, $\Theta_j$ is a constant different for each equations and $\beta_1 \ldots \beta_k$ are the location parameters corresponding to regression coefficients in ordinary regression. $\Theta_j$ is not reported in table 2 but can be found on www.ps.au.dk/soren, where complete output is reported.

Interpreting the location parameters as probabilities for each of the categories of the dependent variable can be done by isolating the cumulative probability, $\gamma_j$:

$$\gamma_j = \frac{e^{\Theta_j}}{1 + e^{\Theta_j}} \cdot e^{\beta_1 x_1 + \beta_2 x_2 + \ldots + \beta_k x_k}.$$

Take the model for care for elderly as an example. The full output includes $\Theta_j$ for each of the $j$ categories.

**Table 5: Full output for the model for care for elderly**

<table>
<thead>
<tr>
<th>Threshold values</th>
<th>$\Theta_1$</th>
<th>-5.229</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\Theta_2$</td>
<td>-2.371</td>
<td></td>
</tr>
<tr>
<td>$\Theta_3$</td>
<td>-0.662</td>
<td></td>
</tr>
<tr>
<td>$\Theta_4$</td>
<td>3.280</td>
<td></td>
</tr>
<tr>
<td>$\Theta_5$</td>
<td>3.658</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location parameters</th>
<th>Town size</th>
<th>0.083</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Left wing</td>
<td>0.735</td>
</tr>
</tbody>
</table>

The predicted cumulative probability of answering in the first category for non-left wing politicians in towns of 1.7334 (size is measured in 10000’s), and $\gamma_1$ is consequently:

$$\gamma_1 = \frac{e^{\Theta_1}}{1 + e^{\Theta_1}} \cdot e^{\beta_1 x_1 + \beta_2 x_2 + \ldots + \beta_k x_k} = \frac{e^{-5.229}}{1 + e^{-5.229}} \cdot \frac{e^{0.083 \cdot 1.7334 + 0.735 \cdot 0}}{e^{0.083 \cdot 1.7334 + 0.735 \cdot 0}} = 0.0046$$
Similarly, $\gamma_2 = 0.0748$, $\gamma_3 = 0.6268$, $\gamma_4 = 0.9584$, and $\gamma_5 = 0.9711$. These results appear by replacing $\Theta_1$ with $\Theta_2$, $\Theta_3$, $\Theta_4$, and $\Theta_5$ respectively. The predicted probabilities for the six categories is now easy to calculate: $p_1 = \gamma_1 = 0.5\%$, $p_2 = \gamma_2 - \gamma_1 = 0.0748 - 0.0046 = 7.0\%$, $p_3 = 55.2\%$, $p_4 = 33.2\%$, $p_5 = 1.3\%$, and $p_6 = 1 - \gamma_5 = 2.3\%$. Predicted probabilities for left wing politicians is estimated by setting $x_{party} = 1$. Parallel calculations of these predicted probabilities would show a higher tendency of left wing politicians to prefer higher spending.

**Specification of independent variables**

The exact formulation of questions can be found in Blom-Hansen & Serritzlew (2000).

*Party.* The politicians have indicated to which party they belong. The Social Democracy and parties more to the left has been coded as left wing. A special problem is a large number of local parties. Here the politicians have been classified according to their own conception of their local party being left wing or not ($1 =$ left wing, $0 =$ not left wing). Source: Questionnaire.

*Occupation.* Politicians have indicated whether they work in the public sector ($1 =$ publicly employed, $0 =$ not publicly employed). Source: Questionnaire.

*Committee affiliation.* There is a plethora of different names of committees in the Danish municipalities. The politicians have mentioned more than 50 different names. All these have been categorised into six types of committees, which cover most of the variation. A variable has been constructed for membership of the committees ($1 =$ member, $0 =$ not member), and for seniority in the committee measured in years. Source: Questionnaire.

*Control variables.* Four general control variables have been used in all regressions: town population, town population increases, expenditure needs, and resources. Expenditure needs are an index calculated by the Ministry of the Interior. The index is composed of a number of social and demographical indicators (see Ministry of the Interior 2000). The variable for municipal resources is the growth in municipal (revenue + interests) / level of taxation. Since the figures for 2001 are not yet available, these two variables reflect the growth in needs and resources from 1999 to 2000. In the analysis of the child care area, school area, and the elderly care area, respectively increases from 2000-2001 in the share of 0-6 year olds, 7-16 year olds’, and the share of persons over 67 have been used as a specific demand indicator. Source: Statistics Denmark and Ministry of the Interior.
**Specification of dependent variables**

An index has been calculated for each of the nine spending areas from two questions cf. the method recommended by Bergstrom, Rubinfeld, and Shapiro (1982: 1186). The first question asks whether politicians prefer higher expenditure in the budget for 2001 compared to the budget for 2000, and the second asks politicians who prefer higher expenditure whether they would answer the same if spending increases would require a tax raise. The variable has been coded like this:

<table>
<thead>
<tr>
<th>Answer</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Much lower spending</td>
<td>1</td>
</tr>
<tr>
<td>Somewhat lower spending</td>
<td>2</td>
</tr>
<tr>
<td>As in 2000</td>
<td>3</td>
</tr>
<tr>
<td>Somewhat higher spending</td>
<td>4</td>
</tr>
<tr>
<td>Much higher spending</td>
<td>5</td>
</tr>
<tr>
<td>Much more + prefer higher spending even if tax must be raised</td>
<td>6</td>
</tr>
</tbody>
</table>

The attitude towards tax policy has been measured by a question of whether taxes should be lower, the same or higher in 2001 as compared to 2000. These answers have been coded 2, 3, and 4 respectively. Another question asks if politicians would cut taxes even it would result in service cutbacks. Confirmative answers have been coded 1 on the tax variable. Finally, politicians have stated whether they strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree. These answers have been coded as 1, 2, 3, 4, and 5, respectively. Source: Questionnaire.
References


University Press.


