

# Democracy of "Taxation-Redistribution" and Peacetime Budget Deficit

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*Abstract:*

*The link between an introduction of the universal suffrage and the growth of government spending has been established in some literature (Meltzer, Richard, 1981, Aidt et al., 2006, Funk and Guthmann, 2006). In this article we try to identify a more detailed mechanism behind that link. So, we addressed to the conflict of interest of bureaucrats, and of the state subsidy beneficiaries. Historically the growth of government spending might be traced to the emergence of mainstream left parties, which openly stood in favor of the nanny state and government help from the cradle to the grave<sup>2</sup> as a priority over the provision of pure public goods. Finally we check the hypothesis that the growth of government care correlates with the chronic illnesses of the modern state finance like budget deficit, state debt and inflation.*

Key words: Universal Suffrage; Left parties; Budget Deficit; Conflict of Interest

JEL codes D72, D73, H62, N40

## Introduction

Universal military recruitment and great wars mobilization - universal suffrage - left took power - budget liabilities expansion - budget deficit - growth of the state debt and inflation. We have already described the link between the universal suffrage and income expansion is already described so we left it out of this paper. We suggest that the link is that significant and qualitatively evident (based on incentives of voters and bureaucrats), that even with one logical step abandoned and estimating direct influence of left parties on budget deficit we could get significant results. Before the universal suffrage military spending dominate (Eloranta, 2007, Eloranta, 2011).

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<sup>1</sup> Preliminary Draft of the Paper. Look for updates and Data: <http://ssrn.com/abstract=2367861>  
<http://instecontransit.org/how-to-import-modern-western-institutions-to-suppress-economic-growth-in-underdeveloped-countries/>

<sup>2</sup> Since F. Lassalle challenged the "night watchman state" concept.

Introduction of the universal suffrage comes at cost for a budget (Meltzer, Richard, 1981<sup>3</sup>; Aidt et al., 2006<sup>4</sup>), for example, women suffrage (Lott and Kenny, 1999; Funk and Guthmann, 2006) which caused the growth of government.

The same factor accounts for the government sector growth (Boix, 2001). We left with the hypothesis of the link between the growing (peacetime) public debt, chronic budget deficit and inflation with the universal suffrage. In places where it is meaningfully abided by (the democratic states), the principle of universal suffrage engenders a multitude of stimuli for non-cooperative (opportunistic) behavior.

The voter bureaucrat finds him or herself in a situation of a conflict of interests. He or she is also interested in to maximize spending and to obtain excess regulation authority.

A large and growing group of voters is made up of “professional” recipients of aid. A sizeable group is in many countries made up of immigrants arriving with the express objective of receiving such aid. Consequently, persons whose interest is bound up with the redistribution of resources from taxpayers for their own benefit, also have no moral right to make decisions by voting in elections. The same applies in part to entrepreneurs obtaining their principal income from the budget, for instance, through an extraordinarily fortunate sequence of tenders won for providing goods and services for state needs.

Mass media workers and education systems interested in financing both reliable and independent of quality of the work performed, demand budgetary financing for themselves (or else defend such financing). They have the full right to defend their position publicly, but their right to foist their position on donors by force – by means of voting – is also doubtful.

The sum total of the agents described (and the list is far from complete) tends to force – “in the name of the public good,” obviously – the donor taxpayers to pay for their existence without need.<sup>5</sup> Besides, it tends to extinguish attacks in the form of pangs of conscience (by aiding both those genuinely in need and those who have themselves contributed to the creation of their dire

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<sup>3</sup> They developed theoretical model.

<sup>4</sup> These authors and all further mentioned authors – empirical studies

<sup>5</sup> The absence of such a coalition as a significant player is granted in a non-evident way in models and experiments by V. Smith (1980) in financing public goods. In other words, the 2002 Nobel Prize Winner supposes that taxpayers are capable of evolving a private mechanism, an agreement, in accordance with which it will provide financing even for pure public goods. Our suggestions do not go this far at present.

condition: the reasons for such generosity are easily explained both by the source – the money of others, and the interest – to widen the coalition of recipients of aid and mixed public goods).

Thinking back to the universal and eternally relevant recipe for flourishing as given by Adam Smith – not overly burdensome taxation and reasonable laws (limited intervention)<sup>6</sup> – we are compelled to affirm the following. Universal suffrage gives the officials and the aid recipients interested in expanding expenses the right to receive income by using the state apparatus to full capacity. It thereby creates an instrument for shooting up taxes and state expenditures. In an age of universal suffrage the volume of mixed public goods provided by the state rises sharply.

By contrast, in an age of classical liberalism, the connection between payment of taxes and the right to be represented in parliament seemed self-evident. Thus, the same Adam Smith suggested establishing a quota for the colonies as a way to resolve the conflict with them: the colonies would be represented in England's Parliament based on their participation in general taxes.<sup>7</sup> Quotas also became the preponderant motivating factor in the voting rights reforms in Great Britain (1832 and 1867).

The growing burden imposed upon budget donors leads to a slowdown in economic growth rates essentially achievable under conditions of Rule of Law democracy.

An easy-to-follow example of the consequences implied by giving up the democracy of the taxpayer is provided by the historical statistics of state budget balancing (the dynamics of state debt) and inflation (see Appendices I and II to the Third Volume). During the age preceding universal suffrage, financing problems were almost exclusively connected with military shocks or other upheavals of similar magnitude originating from the without. In an era of universal suffrage, the budget deficit, growing state debt, and inflation have become the norm.

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<sup>6</sup> "Little else is requisite to carry a state to the highest degree of opulence from the lowest barbarism, but peace, easy taxes, and a tolerable administration of justice; all the rest being brought about by the natural course of things" Lecture in 1755, quoted in Dugald Stewart, *Account Of The Life And Writings Of Adam Smith LLD*, Section IV, 25. <http://www.econlib.org/library/Smith/smWN0.html> . See also Adam Smith, *The Wealth of Nations*, Chapter V of Book IV.

<sup>7</sup> See *ibid.*

In recent years, economists and political scientists have once again begun to focus on the influence which the institution of universal suffrage has on the economy; on the problem of the genesis of this institution; and on discussions which preceded its introduction into society.

Let us note a bare few of the principal positions discussed in this connection.

Introducing universal suffrage has led to drastic growth in state expenditures (Aidt et al., 2006, Funk and Gathmann, 2006, Tavares and Wacziarg, 2001); the last of these papers provides argumentation in favor of the conclusion that modern democracy in general has a negative impact on economic growth.<sup>8</sup> Priority and dominating of defense spending in the total spending by the state since that has been substituting by social spending (realizing "butter vs. guns" choice of the budget dependent voter – Yanovskiy and Zatscovecky, 2013).

Boix (2001) stressed that Public Sector expansion as a feature, immanent to a modern "Democratic" regimes with "high participation" (which he equates with Universal Suffrage Regimes). He shows, the public sector burden is minimal under "low participation" Democracy, the heaviest under "high participation" Democracy and intermediate under Autocratic Government.

Growth of state expenditures took place thanks to redistribution programs and programs for providing "mixed" public goods (education, health, and, to a lesser extent, projects in infrastructure, science, culture, and so on).

Introducing universal suffrage worsened the condition of safeguards of private property (Acemoglu and Robinson, 2006), just as had been feared by the Aristotle (who warned against "ochlocracy" – the sort of the "mob rule"<sup>9</sup>) and by the conservative-minded Founding Fathers

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<sup>8</sup>True enough, based on data from 1950-90, Przeworski (Przeworski et al., 2000) reaches somewhat more optimistic conclusions. The outcomes of the two studies do not contradict each other in principle. The present paper deals with a different and shorter period: 1970-89, working with more detailed specifications of channels of influence upon growth. Magnitude of state consumption is among influence channels of this kind, having an obvious and significant impact upon growth rates. At the same time, magnitude of state consumption is positively and statistically bound up with democracy in a significant way (see Table 10 on p. 1371).

<sup>9</sup> This rule for a time is covered by the social bureau's control frameworks, but it is still mob-rule. See for example scenes of 2013 George Zimmerman protesters riot in Los Angeles, CA  
<http://www.youtube.com/watch?v=kx8UCGzx7Fg>

(Madison, *The Federalist* №10<sup>10</sup>; Adams, "Defense of Constitution..."<sup>11</sup>), albeit without destroying them entirely in the short term, as Karl Marx had hoped (for the appropriate survey, see also Przeworski 2010, pp. 80-84). In his essay on "The Law," Bastiat presents universal suffrage as one of the ways to introduce "legal plunder" (pp. 6-7).

Introducing universal suffrage lowers the quality level of the voter, making voters on average considerably more dependent, less educated, less experienced in life, and so on; a universal property qualifying requirement or a tax-related one does not deprive anyone of the right to take part in elections, but rather creates an additional stimulus to achieve economic self-sufficiency (Przeworski, 2010, p.75).

It is left to check a hypothesis of the link between chronic budget deficit, growing peacetime debt and inflation with the universal suffrage. In this work we use the term 'left party' for coalitions of proponents of the priority mixed public goods provision over pure public goods (Yanovski and Zatschevsky, 2013, Lisin, Yanovski et al., 2011) and therefore proponents of the 'Big' government with indefinitely large credentials.

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<sup>10</sup> "Hence it is that such democracies have ever been spectacles of turbulence and contention; have ever been found incompatible with personal security or the rights of property ... Theoretic politicians, who have patronized this species of government, have erroneously supposed that by reducing mankind to a perfect equality in their political rights, they would, at the same time, be perfectly equalized and assimilated in their possessions, their opinions, and their passions."

<sup>11</sup> "Perhaps, at first, prejudice, habit, shame or fear, principle or religion, would restrain the poor from attacking the rich, [*An actually observable lags' explanation –the papers' authors note*] and the idle from usurping on the industrious; but the time would not be long before courage and enterprise would come, and pretexts be invented by degrees, to countenance the majority in dividing all the property among them, or at least, in sharing it equally with its present possessors. Debts would be abolished first; taxes laid heavy on the rich, and not at all on the others; and at last a downright equal division of every thing be demanded, and voted".

Besides danger of incentive to redistribute, Adams addressed the Voters' Qualification issue, the problem of lack of dependant person's capacity to make responsible decision (Letter to James Sullivan, 1776): "Your Idea, that those Laws, which affect the Lives and personal Liberty of all, or which inflict corporal Punishment, affect those, who are not qualified to vote, as well as those who are, is just. But, So they do Women, as well as Men, Children as well as Adults. What Reason Should there be, for excluding a Man of Twenty years, Eleven Months and twenty-seven days old, from a Vote when you admit one, who is twenty one? The Reason is, you must fix upon Some Period in Life, when the Understanding and Will of Men in general is fit to be trusted by the Public. Will not the Same Reason justify the State in fixing upon Some certain Quantity of Property, as a Qualification".

## Cases and models

### Incentives of the voter-taxpayer

Extensive discussion on the expedition against Tripoli pirates. The government control programs and resource mobilization in the US after the WWI abandoned, proving the relative strength of .

$$U_{pg} = U(\text{Taxrate}; \text{Fagressprob}; \text{Securincprob}; \text{Justicef})$$

where:

$U_{pg}$  – taxpayer's- utility on public goods provided

Taxrate; taxation rate (price of the public goods provided)

Fagressprob; foreign aggressors' assault probability – in public perception;

Securincprob ; security incident probability – in public perception

Justicef ; Justice failure probability – in public perception;

Under balanced budget (historically proven reasonable for a peace times) Taxrate couldn't exceed level 5-10%.

### Civic bureaucrat's incentives

The voter - bureaucrat is locked into a situation of a conflict of interests: as a conscientious citizen, he or she should support optimal expenditure levels for providing certain public goods, but as a person whose wellbeing and career depend on the volume of expenditures for providing public goods, he or she is interested in supporting volumes and prices which obviously exceed the levels acceptable for most citizens of the state. The bureaucrat is also interested in obtaining excess control and regulatory empowerment and authorization. It follows that a conscientious and enlightened functionary should submit a statement about a conflict of interests, and abstains from voting until retirement or demotion.

Civil bureaucrats' utility for determined period modeled as:  $U_{\text{civilburT}} = U(\text{Budget}; \text{DiscrPower})^{12}$ ;

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<sup>12</sup> Both partial differential coefficients are positive.

Civil officials' utility depends on the managed Budget size (share) – pointed out initially by William Niskanen (1971). We believe, the discretionary powers are principal component of bureaucrats' utility too.

The life-time utility of bureaucrat depends on his (her) tenure. All above mentioned utility's components, tenure, budget and discretionary powers heavily depends on two institutions: the civil service autonomy and on Universal Suffrage. The civil service autonomy pushes up tenure, the Universal Suffrage historically observable outcomes drastically extended Budget non-military spending (Aidt et al, 2006, Yanovski and Syunyaev, 2013). Both, long lasted tenure and budget depended voters' political power endows the bureaucrats' chance to reach more discretionary powers (see cases of elections/ reelection of knowingly failed leaders by budget depended voters). The model predicts bureaucrats' strong support for the "party of generous spending".

First example of the interference in the electoral results: voters recruitment from the clients. Works Progress Administration (Building New Deal Liberalism: The Political Economy of Public Works, 1933-1956 By Jason Scott Smith; <http://www.osc.gov/hatchact.htm> <http://www.archives.gov/legal/ethics/hatch-act.html>)

[http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1444192](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1444192)

### **Welfare's beneficiary's incentives**

This large and growing group of voters made up of “professional” recipients of aid. It follows that persons, whose interests include the redistribution of resources of the taxpayers in their own favor, also have no moral right to make decisions by voting during elections. This applies in part also to those entrepreneurs who derive most of their income from the budget.

The infamous NGO ACORN, which heavily relied on budget support (to cover the "costs" mentioned above) as well, coined the definition of goal of the movement for the wealth redistribution as following: "The broad vision of ACORN as a movement to unify the powerless in pursuit of economic justice was not shared by all the members. The inclusion of many groups in

a single coalition came with costs. These costs, however, proved to be a necessary part of the struggle to become a force for social justice in America."<sup>13</sup>

If provide the reader due translation the term: "Social Justice" (tracing from Russian expression "socialnaya spravedlivost", as in Russian very word "spravedlivost" – "justice" loaded by meaning "redistribution to benefit poor"), this statement in some extent reminds us the standard Conflict of Interest Statement "I have involvement, affiliation and financial interest..." with inverted conclusion: "so I full of resolution to vote in spite of my personal interest dominates the common goods' considerations."

### **Cases of electoral behavior under situation "conflict of interest"**

Voters of Detroit and New Orleans support their mayors even after catastrophic failures.

New Orleans mayor Ray Nagin successfully reelected (2006) after his hurricane Katrina relief failure (2005).

Detroit mayor Kwame Malik Kilpatrick successful reelection in 2005, after numerous scandals<sup>14</sup> (McGraw, 2008). The mayor reelection was heavily supported by budget depended citizens.

Federal justice Alcee Lamar Hastings, was impeached (1988-89, found guilty<sup>15</sup> in bribery and perjury<sup>16</sup>) then 11 times elected (reelected) as US Congress representative since 1992 (Democrat, 20<sup>th</sup> congressional district, Florida).

Cases of restricted sensitivity to politician's moral standard detected in the last third of the 19th century could be explained as an aftermath of the Civil War<sup>17</sup>. This war affected disproportionately ideologically motivated volunteers bearing civic culture and high morality. Modern peacetime examples have no more satisfying explanation than reduced incentives of the historically new voters to supervise their representatives, which is perfectly rational if representatives considered as lobbyist for additional voters income, taken from the money of someone else.

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<sup>13</sup> <http://www.acorn.org/early-growth.html?id=12342> retrieved July 21 2013; See the same: Power to the People: Thirty-five Years of Community Organizing <http://www.sonoma.edu/users/w/wallsd/community-organizing.shtml>

<sup>14</sup> <http://www.freep.com/article/20080905/NEWS01/809050448/The-rise-fall-Kwame-Kilpatrick>

<sup>15</sup> <http://www.fjc.gov/servlet/nGetInfo?jid=996&cid=999&ctype=na&inststate=na>

<sup>16</sup> [http://www.csmonitor.com/1988/0804/ahast.html/\(page\)/2](http://www.csmonitor.com/1988/0804/ahast.html/(page)/2)

<sup>17</sup> Almost coincided with Universal (White) Male Suffrage came into effect by 1860, BTW



$$U_{pg} = U (W_{elfincome}; W_{elfcost}; S_{ecurfail}; )$$

$W_{elfincome}$  Welfare payments per capita (partial differential coefficient  $>0$ )

$W_{elfcost}$  Welfare access costs (partial differential coefficient  $>0$ )

$S_{ecurfail}$  - Grave security incident or grave justice failure probability perception (foreign threat generally ignored as "war is not solution") (partial differential coefficient  $<0$ ).

Taxation rate sensibility turned to be insignificant (at least we failed to find evidences of the same, exploring electoral history).

## Hypothesis formulation.

**Hypothesis 1.** Extension of the franchise for those who do not contribute to the budget including totally budget-dependent households and bureaucrats give rise to the left parties.

**Hypothesis 2.** Combination of the incentives of bureaucrat and limited horizon of budget dependent voter bring about support for new ideas of budget liabilities which could not always be easily balanced.

Powerful left parties in the opposition or even in the government causes large growth of the spending. Spending expansion is nor always balanced with corresponding rise of the governmental incomes. That affects the stability of the governmental debt, increasing long-term debt and rising inflation. Destabilization unfolds during peacetime.

## Statistical tests

In this section we perform a statistical check for the connection of budget deficit and inflation on the universal suffrage, wars and economic crises. See Annex 1 for Data & for summary statistics.

In the tables 1 and 2 estimation results are show for the statistical link between universal suffrage and budget balance with the list of different variables possibly contributing to the amplifying state expenditures. We controlled for wartime periods, religious tradition (catholic and protestant countries), legal tradition (civil law). Link remains significant and negative (positive in case of the budget deficit). Similar results were achieved when controlling for federation or government involvement into big infrastructure projects.

**Table 1. Wars and Universal Suffrage are bad for budget.**

DV: Deficit (Central Govt)	OLS		FE	
	<i>Coefficient</i>	<i>Std. Error</i>	<i>Coefficient</i>	<i>Std. Error</i>
Const	-1.13017	0.833246	-0.677434	0.10506 ***
GDP	-3.47749e-07	1.61711e-07 **	-6.45843e-07	5.96267e-08***
Great Wars	-16.6392	3.50176 ***	-16.6603	3.48717***
Local Wars	-0.874282	0.531237	-1.15869	0.481832**
Japan dummy	6.64982	0.685922 ***		
Civil Law	-1.02451	0.429864 **		
Protestant	0.707317	0.736049		
Catholic	0.49174	0.316814		
Suffrage	-0.690429	0.235424***	-0.55577	0.203244***
Number of obs.	1561		1561	
R-squared	0.395861		0.426607	

All standard errors are robust. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table 2. Railways and Universal Suffrage are country-specific.**

DV: Deficit (Central Govt)	OLS		FE	
	<i>Coefficient</i>	<i>Std. Error</i>	<i>Coefficient</i>	<i>Std. Error</i>
Const	-2.37217	0.729726***	-2.42339	0.291361***
Japan dummy	6.2964	0.345383***		
Suffrage	-1.13432	0.462799**	-1.35078	0.184928***
Railway	0.416698	0.96805	0.674727	0.379103*
Federation	0.723984	0.739961	1.73719	0.58661***
Number of obs.	1716		1716	
R-squared	0.107201		0.138735	

All standard errors are robust. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

In both cases we controlled for Japan additionally.

In the table 3 we test hypothesis 1. Left parties successes are well explained by the introduction of the universal suffrage and public media activity.

**Table 3. Suffrage and Radio fuel Left Parties.**

DV: Leftists	OLS		FE	
	<i>Coefficient</i>	<i>Std. Error</i>	<i>Coefficient</i>	<i>Std. Error</i>
Const	8.58936	0.370234 ***	10.8466	0.299351***
Radio or TV	21.5493	0.751447***	15.884	0.643817***
Suffrage	7.10219	0.442513***	8.76839	0.367276***
Number of obs.	1977		1977	
R-squared	0.683751		0.825315	

All standard errors are robust. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Regressions in the table 4 confirms with the hypothesis that expectation (expected probability) of losing office correlates positively with budget deficit.

**Table 4. Power Rotation increase Deficit.**

DV: Deficit (Central Govt)	OLS		FE	
	<i>Coefficient</i>	<i>Std. Error</i>	<i>Coefficient</i>	<i>Std. Error</i>
Const	-0.536863	0.600351	-0.604058	0.385371
Federation	0.254674	0.956607	3.26392	0.703663***
Power Rotation	-0.0826327	0.0454171*	-0.179665	0.0275648***
Rule of Law	-0.927166	0.624371	-1.2947	0.37331***
Number of obs.	1652		1652	
R-squared	0.018892		0.152543	

All standard errors are robust. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Periods of the legal democracy (Yanovskiy and Shulgin, 2012, Carol, Shestakov and Yanovskiy, 2013) also favors budget deficit. This result could be easily explained by the fact that even for the old democracies sample for years with power rotation both fierce media competition and authorities lose in the court only in the universal suffrage period. Partly that dominance could be attributed to the information bias — we know less about earlier periods of census democracy.

Tables 5 and 6 shows regressions for the second hypothesis. They show that explaining power of the 'left voting' variables is approximately the same as 'universal suffrage', 'civil law' and religion taken together. The sign implies that left parties contribute both to the growth of budget deficit (Table 5) and inflation (Table 6).

**Table 5. Left Parties increase Deficit.**

DV: Deficit (Central Govt)	OLS		FE	
	<i>Coefficient</i>	<i>Std. Error</i>	<i>Coefficient</i>	<i>Std. Error</i>
Const	-0.429745	0.240326*	-0.280939	0.159509*
Leftists	-0.0426812	0.011698***	-0.027608	0.00619605***
Great Wars	-16.2002	3.4372***	-16.3973	0.6057***
Local Wars	-0.892911	0.574615	-0.988684	0.409413**
GDP	-4.66858e-07	9.43507e-08***	-6.40884e-07	1.40411e-07***
Japan dummy	5.52411	0.183184***		
USA dummy	0.364495	0.310043		
Number of obs.	1559		1559	
R-squared	0.384592		0.138735	

All standard errors are robust.

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table 6. Left Parties increase Inflation.**

DV: CPI	OLS		FE	
	<i>Coefficient</i>	<i>Std. Error</i>	<i>Coefficient</i>	<i>Std. Error</i>
Const	0.100829	0.517588	-0.280939	0.159509*
Leftists	-0.0498464	0.0132043***	-0.027608	0.00619605***
GDP	-6.148e-07	1.5007e-07***	-6.40884e-07	1.40411e-07***
Great Wars	-16.3884	3.38276***	-16.3973	0.6057***
Local Wars	-0.552229	0.478432***	-0.988684	0.409413**
Number of obs.	1559		1559	
R-squared	0.318875		0.138735	

All standard errors are robust.

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## Conclusions

We could not reject the first hypothesis on the origin of the partisan political systems with lefts as a leading player. It looks impressively and might be as well illustrated statistically as all other historical examples of the old democracies. The hypothesis on the state financed public media to amplify a tendency to destabilize finance also looks convincing.

The second hypothesis on the reasons for peacetime government finance destabilization we could not reject either based on the statistical analysis.

It looks like John Adams' forecast is coming true currently. The forecast is realizing with significant lag, as it was predicted by Adams. If so, the legislation for preventing conflicts of interest, mentioned above, should be recommended<sup>18</sup>.

One prospective route for future research is to take episodes of the sharp growth of the government spending as well as spending cuts, deficit and inflation suppression in the epoch of the universal suffrage and their political/economic origins (Shestakov, Yanovskiy, 2013).

<sup>18</sup> See for some pieces of Policy Advice in the paper "Rebuilding of the Democracy of Taxpayer" <http://ssrn.com/abstract=2266956> the summarizing section "The Road Back..."

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## Annex 1. Data and Summary Statistics

### Data<sup>19</sup>

GDP: Mitchell (Mitchell, 2007: *Mitchell R.* International Historical Statistics: Europe 1750—2005. L.: Palgrave Macmillan, 2007 6<sup>th</sup> Edition., etc), national statistics: indicators of economic development of the World Bank (WDI, WB); national statistical agencies (mainly for the US).

#### **National Accounts, Government Spending, Deficit**

- Mitchell (2007),
- US federal budget historical tables,
- US census historical data [http://www.census.gov/compendia/statab/past\\_years.html](http://www.census.gov/compendia/statab/past_years.html)
- German national statistics  
<https://www.destatis.de/EN/FactsFigures/NationalEconomyEnvironment/NationalAccounts/NationalAccounts.html>
- Sutch Richard, Carter Susan B., ed., *Historical Statistics of the United States*, Millennial Edition online <http://hsus.cambridge.org/HSUSWeb/toc/hsusHome.do>
- World Development Indicators of World Bank

#### **Electoral Statistics**

- "Parties and Elections in Europe" <http://www.parties-and-elections.de/> ;
- Mackie T.T., Rose R. "The International Almanac of Electoral History", CQ, 1991
- A. Tanin-Lvov, "Elections around the World: Encyclopedic Reference Book," (Moscow: "Rosspen," 2001; in Russian);
- Official vote counts for federal elections from the official sources compiled by the Office of the Clerk, US House of Representatives: <http://clerk.house.gov>  
([http://clerk.house.gov/member\\_info/electionInfo/index.aspx](http://clerk.house.gov/member_info/electionInfo/index.aspx))

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<sup>19</sup> Selected Data for this paper will be presented at: <http://instecontransit.org/> and <http://idr-db.org/>



## Summary Statistics

N is 13, T is 1790 to 2012 (223), 2899 obs. totally

(missing values were skipped)

Variable	Mean	Minimum	Maximum	Std. Dev.	Missing obs.
Budget Balance (Central Govt)	-1.84396	-47.1151	17.6596	5.63659	1169
Budget Balance (General Govt)	-2.65119	-11.9387	4.79908	2.97534	2764
Debt (Central Govt)	89.9357	12.4033	260.340	55.7713	2485
Debt (General Govt)	30.1097	-25.3846	344.569	37.7614	2662
CPI	4.14541	-88.7427	516.114	18.2839	1033
WPI	3.00637	-90.0518	932.039	26.2860	1271
Suffrage	0.251752	-1	1	0.836800	901
Conscription	-0.0633484	-1	1	0.754119	2678
Govt Spending (Central)	14.4013	0.817439	64.0070	12.5403	2468
Govt Spending (General)	26.6424	6.86275	70.3472	13.9896	2637
Military Expenditures	33.7633	6.70458	131.933	18.7116	2473
Population	44166.3	637.333	307212.	49034.0	1372
Universal Suffrage	0.230578	-1	1	0.851226	891
Leftists	20.2092	0	73.5000	19.0159	852
USA dummy	0.103286	0	1	0.304404	769
Civil Law	0.725995	0	1	0.446116	764
Protestant	0.637471	0	1	0.480843	764
Catholic	0.514286	0	1	0.499913	764
Federal State	0.383138	0	1	0.486265	764
Strong Unelected Leadership	0.243078	0	1	0.429043	768
Japan dummy	0.0594848	0	1	0.236585	764

Govt Railway	0.640918	0	1	0.479844	763
Separatist Movt or Weak Federation	0.0784038	0	1	0.268869	769
Public Radio or TV	0.465606	0	1	0.498932	762
Neutral State	0.363466	0	1	0.481110	764
Umbrella Taker	0.367213	0	1	0.482158	764
Power Rotation	5.76366	0	34.0000	7.05951	758
Right to Left Power Rotation	0.878561	0	8.00000	1.49679	758
Left to Right Power Rotation	0.698272	0	7.00000	1.33169	758
Great Wars	0.0527791	0	1	0.223644	758
Local Wars	0.0583839	0	1	0.234523	758
GDP	359138.	2638.00	9266360	898832	954
GDP per capita	7698.05	860.124	31654.9	6838.43	830
Limited Government	0.939952	0	1	0.237634	834
Rule of Law	0.794760	0	1	0.403975	838

## Annex 2. Universal Conscription as probable precondition for Universal (Male) Suffrage

Country	Universal Conscription	Universal Male Suffrage	Female Suffrage
United Kingdom	1916-20; 1939-	1918	1918 (1929)
USA	1862; 1917; 1940-	1870—1890	1919 (1964)

Country	Universal Conscription	Universal Male Suffrage	Female Suffrage
		(1964)	
France	1793 Decree Establishing the "Levée en Masse"	(1793) 1870	1945
Canada	1917	1919	1920 (1940, Quebec)
Italy	1861 (Modern Italy, apart Napoleonic Decree)	1882	1945-46
Netherlands	1811	1917	1919
Belgium	1913	1919 (plural vote system benefited the taxpayers repealed <sup>20</sup> )	1921 (1948 )
Sweden	1901	1907	1921
Switzerland	1871 (1874)	1848	1971
Germany (Prussia)	1814	1871 - 25 years old male (1919 – 20 years old male)	1919

<sup>20</sup> See for ex. <http://www.ibzdgip.fgov.be/result/fr/doc.php> (in French)

1793 – The French Constitution of 1793 was approved by a referendum in the summer of 1793 which held via universal male suffrage<sup>21</sup>

Switzerland adopted universal conscription by 1874, but never applied it actually, AND delay of the Universal Suffrage till 1971 not caused any detectable political troubles.

In most cases Universal conscription was introduced by national Governments (with few exemptions – Netherlands and Italy by Napoleon Bonaparte).

Strong connection (causal relation ): from universal conscription to universal (male) suffrage looks obvious (as it pretty hard to deny franchise for person contributing so much in public affair). It is especially clear for Sweden, where Social Democrats promoted their claim for universal suffrage through campaign "one man – one vote – one rifle" ("En man, en röst, ett gevär!").

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<sup>21</sup> [http://www.assemblee-nationale.fr/histoire/suffrage\\_universal/suffrage-1789.asp#1793](http://www.assemblee-nationale.fr/histoire/suffrage_universal/suffrage-1789.asp#1793)