Index

Aldrich, John, 142
Alesina, Alberto, 7, 8, 9, 11, 37, 42, 49, 89, 94
Alt, James E., 7, 166
Alvarez, R. Michael, 106, 107, 110
Ambuhl, Martin, 50, 51
Andrews, David M., 31, 88
Australia, 36
Autocorrelation, 58, 90, 148

Bade, Robin, 37
Bank of England, 1, 19, 103
Basinger, Scott, 53
Bayne, Nicholas, 35
Beck, Nathaniel, 47, 57, 81, 90
Beer, Samuel, 82
Belgium, 35, 36
Bernhard, William, 30
Blair, Tony, 1, 41, 119
Blais, André, 47
Blake, Donald E., 47
Blanchard, Oliver, 48
Boix, Carles, 49, 51, 67
Branson, William H., 22
Bretton Woods system, 32, 33, 34, 35, 49, 76, 86
Brown, Gordon, 103
Bruno, Michael, 117
Budget cuts, 48
Budget deficits, 7, 45, 67, 71, 80, 95
Buiter, Willem H., 22
Bundesbank, 1, 20
Burdekin, Richard C. K., 86

California, 102
Calvert, Randall, 7
Cameron, David, 45, 50, 51, 64
Canada, 35
Capital controls, 32, 33, 35
Capital mobility, 1, 13, 14, 22, 52
cause of increase in, 31
effect on centralized bargaining, 53
effect on electoral control of the economy, 18, 22
effect on electoral cycles
in fiscal policy, 86, 99
in monetary policy, 86
in outcomes, 144–45, 150–56
under fixed exchange rates, 157–58, 161–64
under flexible exchange rates, 158–59, 164–65
effect on fiscal policy, 17, 22
effect on monetary policy effectiveness, 16, 17, 22
effect on partisan control of the economy, 17, 18, 22, 105
measurement of, 31–35, 37–38, 88
Cargill, Thomas F., 8, 10
Castles, Francis G., 46, 47, 52
Central bank independence (CBI), 2, 13, 14–16, 19, 25
choice of level, 30, 103
left government and, 119
effect on electoral cycles, 15, 25, 29
in outcomes, 144–45, 147–50
under fixed exchange rates, 157–58, 161–64
under flexible exchange rates, 158–59, 164–65
effect on partisan cycles, 15, 25, 29
in fiscal and monetary policy, 56–83, 105
measurement of, 89
monetary policy, 93
Chappell, Henry W., 8
Clark, William R., 19, 22, 27, 31, 39, 49, 51, 54, 73, 86, 87, 88, 90, 99, 103, 122, 126, 144, 146, 148, 151, 152, 153, 156, 157, 174
Cleary, Paul D., 151
Clinton, Bill, 71
Coffey, Peter, 36, 37
Cohen, Benjamin J., 35
Cohen, Gerald D., 7, 8
Collective action, 140, 143
Comiskey, Michael, 47
Common pool resource problem, 101
Compensation hypothesis, 53, 56, 65, 67, 72, 79, 122, 124, 125
Conservative Party (UK), 43, 82, 105
Context-dependent electoral cycles, 13, 87, 88
Convergence hypothesis, 1, 2, 7, 41, 42, 56, 62, 65, 67, 71, 72, 74, 79, 85, 122, 123, 124, 125, 139, 167, 172
Council of Ministers (European Union), 101
Covered interest-rate parties, 34
Cukierman, Alex, 6, 37, 89
Cusack, Thomas R., 42, 53, 54, 55
Debt servicing costs, 95
de Haan, Jakob, 48, 86, 94, 95, 96, 150
Demand management, 44, 53
Democracy, 169, 171
Democratic Party (U.S.), 41, 43, 85
Denmark, 35, 36
Deutschemark, 119
Dion, Stéphane, 47
Dornbusch, Rudiger, 22
Downs, Anthony, 3, 42, 142
Downsian approach, 7, 42, 48, 55, 111, 170
Early elections, 9
Economic and Monetary Union (EMU), 100–102, 103
Edin, Per Anders, 96
Eichengreen, Barry, 102
Eijffinger, Sylvester C., 86
Elections, effect on money supply
when high CBI, fixed, 92
when high CBI, flexible, 92
when low CBI, fixed, 93
when low CBI, flexible, 92, 93
Election year, measurement of, 94, 97
Electoral cycles
context dependent, 10
in budget deficits, 7
in fiscal policy, 94–100, 103
in inflation, 6
in macroeconomic outcomes, 26–28, 159
in monetary policy, 7, 25, 26, 89–94, 103
in unemployment, 6
Electoral model, 3, 4, 10, 13, 141, 169–72
Endogenous elections, 8, 10
Euro, 101
European Central Bank, 150
European Commission, 101
European Community, 95
European exchange rate crisis, 95
European Exchange Rate System, 35, 36
European integration, 48
European Monetary System (EMS), 36, 49, 95
European Union, 87, 95, 99, 100–102
Exchange Rate Mechanism. See European Monetary System
Exchange Rate Mechanism II, 103
Exchange rate regime, 14, 17, 22, 29
choice of, 30, 103
left government and, 119
classification of, 35, 36, 88
effect on electoral cycles
in outcomes, 144–45, 150–56
in fiscal policy, 97, 99, 100
effect on partisan differences in fiscal and monetary policy, 73–82
fixed, 17, 22, 29, 75
expected electoral cycles under, 157–58
flexible, 17, 22, 29
expected electoral cycles under, 158–59

Falsificationism, 141
Federal Reserve, 20, 142
Feldstein, Martin, 33
Feldstein-Horioka coefficients, 32, 35
Finance ministers, 1, 20, 103
Financial innovation, 31
Financial integration, 1, 4
Financial market, deregulation of, 31
Finland, 36
Fiorina, Morris P., 142
Fiscal policy
definition, 20
effectiveness, 14, 49
institutions
antideficit rules, 102
negotiated targets, 96
strong finance minister, 96
Fixed effects, 89, 107, 171
Football, 143
France, 6, 35, 36, 41

Frankel, Jeffrey A., 33, 34
Franzese, Robert J., 86, 94, 97, 107, 126
Frieden, Jeffry A., 88, 166
Friedrich, Robert J., 62
Globalization, 1, 4, 14, 41
Golden, Miriam A., 117
Gold standard, 35
Gourevitch, Peter, 166
Gowa, Joanne, 32
Greene, William H., 58
Greenspan, Alan, 143
Grier, Kevin B., 7
Grilli, Vittorio, 37, 86
Growth (output), 3, 110
Hahm, Sung Deuk, 49
Hall, Peter A., 107, 126
Hallerberg, Mark, 19, 22, 31, 39, 49, 53, 54, 73, 87, 88, 90, 94, 96, 99, 102
Heller, Walter, 85
Henning, C. Randall, 35
Hibbs, Douglas A., 3, 7, 9, 43, 45, 50
Hibbsian variant. See under Partisan model
Hicks, Alexander, 46, 47, 50, 51
Horioka, Charles, 33
Huber, Evelyne, 45, 48, 53, 73
Hutchison, Michael M., 8, 10
Hypothesis 1F, 25, 94
Hypothesis 1M, 26
Hypothesis 1P, 28, 129, 136
Hypothesis 2F, 25, 94, 97
Hypothesis 2M, 26, 92, 93
Hypothesis 2P, 28, 129, 136
Inflation
natural rate of, 21
Inflation (continued)
price stability, 3, 7
target of central bank, 25
Inflationary expectations, 8
Interaction effects, 62, 81, 107, 120, 149, 151
Interest rates, 16, 17, 32, 33, 67, 71, 80, 102
premium paid by left governments, 71, 80
Interwar period, 50
Ireland, 35, 36
Italy, 6, 35, 36
Iversen, Torben, 4, 48, 58, 126, 139
Jaccard, James, 62
Johnson, Lyndon B., 85
Kamlet, Mark S., 49
Katz, Jonathan N., 47, 57, 81, 90
Katzenstein, Peter, 52, 64, 106
Keech, William R., 8, 11, 86
Kessler, Ronald C., 151
Key, V. O., 171
Keynesian consensus, 53, 82, 83
Kim, Won-Ik, 55
Kmenta, Jan, 58
Kohl, Helmut, 1
Kurzer, Paulette, 88
Labor–market institutions, 50–52, 57, 105,
  106, 107, 109, 110, 111
Labor unions, 48, 50, 51
Labour Party (UK), 1, 43
Lafontaine, Oskar, 1
Lagged dependent variable, 89, 107
Laney, Leroy O., 86
Lange, Peter, 50, 67, 106, 107, 110, 166, 167
Leibl, David, 30
Lewis-Beck, Michael, 6
Lindblom, Charles, 170
Lipset, Seymour M., 171
Luxembourg, 35, 36
MacRae, Duncan, 6, 86
Macroeconomic policy, democratic control, 3
Masciandaro, Donato, 37, 86
McCallum, Bennett T., 6
McKinley, R. D., 46
McNamara, Kathleen R., 88, 173
Median voter, 3, 7, 13, 43, 170, 171, 172
Meltzer, Allan, 6
Milner, Helen, 166
Misra, Joya, 47
Mitterrand, François, 41
Monetary policy, 17
definition, 17, 19
effectiveness, 14, 80
Money supply, 7, 16, 89
Moral hazard, 101
Mowery, David C., 49
Mundell, Robert A., 22
Mundell–Fleming model, 16–18, 22, 23, 31,
  49, 73, 86, 87, 102, 119, 122, 151, 165
Nair Reichert, Usha, 19, 27, 39, 86, 88, 104,
  122, 126, 144, 146, 148, 151, 152, 153,
  156, 157, 174
Netherlands, 35, 36
New Zealand, 36
Neyapti, Bilin, 37, 89
Nixon, Richard M., 35
“Nixon in China” metaphor, 48
Nordhaus, William D., 3, 6, 7, 8, 9, 86
Norges Bank, 19
Normative implication, 5
Norway, 19, 35
Oatley, Thomas, 42, 55, 73
Odell, John S., 32
Ohlsson, Henry, 96
Orange County, CA, 102
Organization for Economic Cooperation
  and Development (OECD), 6, 7, 14, 87
Index

209

Palfrey, Thomas R., 7, 142
Palmer, Harvey D., 8
Pampel, Fred C., 47, 51
Panel-corrected standard errors, 90
Parkin, Michael, 37
Partisan cycles
  in fiscal policy, 8
  in macroeconomic outcomes, 26–28, 105
  in monetary policy, 8, 25, 26, 85
  in unemployment, 7, 43
Partisan differences
  in budget deficits and public debt, 48–50, 85
  in revenue collection, 45, 46, 66
  in spending and welfare effort, 46–48, 51
  in taxation of capital, 45, 46, 49, 59
  in taxation of income, 46, 49, 59
Partisan model, 3, 4, 10, 13, 42, 171
Hibbsian variant, 43, 49, 106, 140
  and macroeconomic outcomes, 128–37
    under fixed exchange rates, 129–31
    under flexible exchange rates, 131–33
    modifying effect of CBI, 136–37
    modifying effect of exchange rate regime, 133–37
  in the open economy, 44, 52–56, 56–81
    rejection of, 82, 141, 169–72
social democratic corporatist variant, 44, 140
  and fiscal and monetary policy, 50–52, 56–81
  and growth, 115, 118, 127
  and inflation, 115, 117, 123, 126
  and macroeconomic outcomes, 107–28
    in the open economy, 111–26
    modifying effect of capital mobility, 112–19
modifying effect of CBI, 126–28
modifying effect of exchange rate regime, 119–26
and unemployment, 114, 115, 117, 123, 126
Perotti, Roberto, 48, 49
Persson, Torsten, 6, 9
Phillips curve, 21, 43
Pindyck, Robert S., 58
Pluralism, 139
Political parties
  ideological mobility, 111
    left, 7, 41, 45
    credibility problem facing, 119
    number of, in government, and effect on fiscal discipline, 95, 96
    right, 7, 41
Pollard, Patricia S., 86
Poterba, James M., 102
Pound sterling, 119
Poverty, 105
Prais-Winsten regression, 91, 93, 148
Presidential elections (U.S.), 6
Princeton University, 143
Przeworski, Adam, 1, 2, 170
Public debt, 45, 95
Putnam, Adam D., 35
Ragin, Charles, 45, 48
Rational electoral cycles, 6, 142
Rational expectations, 5, 10, 142–43, 166
Rational partisan model, 8
Reagan, Ronald, 71
Redistribution of wealth, 44
Republican Party (U.S.), 41, 43
Revenues, 44
Rice, Tom W., 47
Rodrik, Dani, 4, 53, 139
Rogoff, Kenneth, 6, 9
Rogowski, Ronald, 166
Rose, Andrew K., 34
Rosenthal, Howard, 7, 9, 11, 42, 142
<table>
<thead>
<tr>
<th>Name</th>
<th>Page(s)</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ross, Fiona</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>Roubini, Nouriel</td>
<td>7, 8, 11, 48, 51, 89, 94, 95, 96</td>
<td></td>
</tr>
<tr>
<td>Rubinfeld, Daniel L.</td>
<td>58</td>
<td></td>
</tr>
<tr>
<td>Rueben, Kim S.</td>
<td>102</td>
<td></td>
</tr>
<tr>
<td>Sachs, Jeffrey D.</td>
<td>41, 48, 95, 96, 117</td>
<td></td>
</tr>
<tr>
<td>Schroeder, Gerhard</td>
<td>1, 41</td>
<td></td>
</tr>
<tr>
<td>Sibert, Anne C.</td>
<td>6, 9</td>
<td></td>
</tr>
<tr>
<td>Simmons, Beth</td>
<td>34, 51, 54</td>
<td></td>
</tr>
<tr>
<td>Smith, Alastair</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Snake, the.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social democratic corporatism</td>
<td>56, 105</td>
<td>See also Partisan model, social democratic corporatist variant</td>
</tr>
<tr>
<td>Social Democratic Party (Germany)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Social insurance</td>
<td>140</td>
<td></td>
</tr>
<tr>
<td>Socialist Party (France)</td>
<td>119</td>
<td></td>
</tr>
<tr>
<td>Social welfare programs</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>Stability and Growth Pact</td>
<td>101</td>
<td></td>
</tr>
<tr>
<td>Stephens, John D.</td>
<td>45, 46, 48, 53, 73</td>
<td></td>
</tr>
<tr>
<td>Strikes</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Strom, Kaare</td>
<td>140</td>
<td></td>
</tr>
<tr>
<td>Structural dependence of the state on capital</td>
<td>49, 71, 72, 170</td>
<td></td>
</tr>
<tr>
<td>Sturm, Jan-Egbert</td>
<td>48, 86, 95, 96</td>
<td></td>
</tr>
<tr>
<td>Substitution of policy instruments</td>
<td>86, 103, 156, 165, 173</td>
<td></td>
</tr>
<tr>
<td>Summers, Lawrence H.</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Swank, Duane H.</td>
<td>46, 50, 51</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>Tabellini, Guido</td>
<td>6, 9, 37, 86</td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>on capital or profits</td>
<td>45</td>
<td>on income, 44</td>
</tr>
<tr>
<td>Terrones, Marco E.</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Tories. See Conservative Party</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade openness</td>
<td>52, 57, 71, 72</td>
<td></td>
</tr>
<tr>
<td>Treaty of Maastricht</td>
<td>101</td>
<td></td>
</tr>
<tr>
<td>Tripartite bargaining</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Tuft, Edward R.</td>
<td>3, 7, 86, 169, 176</td>
<td></td>
</tr>
<tr>
<td>Turrisi, Robert</td>
<td>62</td>
<td></td>
</tr>
<tr>
<td>Ulam, Adam B.</td>
<td>82</td>
<td></td>
</tr>
<tr>
<td>Unemployment</td>
<td>7, 95, 141</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1, 6, 7, 19, 35, 36, 41, 43, 82, 97, 103</td>
<td>United States, 6, 7, 19, 43, 102</td>
</tr>
<tr>
<td>Varieties of capitalism</td>
<td>172</td>
<td></td>
</tr>
<tr>
<td>von Hagen, Jürgen</td>
<td>49, 94, 96, 102</td>
<td></td>
</tr>
<tr>
<td>Voters</td>
<td></td>
<td></td>
</tr>
<tr>
<td>adaptive/retrospective</td>
<td>5, 6, 7, 8, 170</td>
<td>pocketbook, 6, 170, 171</td>
</tr>
<tr>
<td>rational, 5, 10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>contracts, 8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>indexation, 51</td>
<td></td>
<td></td>
</tr>
<tr>
<td>restraint, 50, 106, 110</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wallace, George</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>Wan, Choi K.</td>
<td>62</td>
<td></td>
</tr>
<tr>
<td>Way, Christopher</td>
<td>107</td>
<td></td>
</tr>
<tr>
<td>Webb, Michael C.</td>
<td>31, 32, 35, 88</td>
<td></td>
</tr>
<tr>
<td>Webb, Steven B.</td>
<td>37, 89</td>
<td></td>
</tr>
<tr>
<td>West Germany</td>
<td>1, 6, 19, 35, 36, 41</td>
<td></td>
</tr>
<tr>
<td>Whitten, Guy</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Wildavsky, Aaron</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Williamson, John B.</td>
<td>47, 51</td>
<td></td>
</tr>
<tr>
<td>Wilson, Harold</td>
<td>41, 119</td>
<td></td>
</tr>
</tbody>
</table>