

Web Appendix for Left without a Choice?

Table A-1: Codebook

Topic	Code	Examples
Efficiency		
<i>Macroeconomics</i>		
business cycle, growth, consumption	I	VAT...will damage consumer demand; VAT will hurt economic growth; good for business in general
inflation, costs of living	II	VAT...will (not) increase inflation or costs of living
globalisation, international competition	III	VAT necessary because of globalisation; VAT will benefit exports
<i>Microeconomics</i>		
non-wage labour costs, labour market incentives	IV	VAT will reduce non-wage labour costs; VAT will reduce/ increase work incentives
sector neutrality, broad basis	VI	VAT best because it has a broad tax base; VAT best because it does not discriminate between economic sectors/ activities; VAT good because you only pay if you consume
Necessity		
<i>Public Finance</i>		
revenue for public budget, fiscal deficit	VII	VAT necessary to balance budget or to lower public debt/ deficit
less/ more taxation for citizens, tax burden	VIII	VAT raise will lead to higher tax burden;
temporal inconsistency, future raises	IX	one can never be sure whether government won't raise VAT in future again
<i>Politics</i>		
role of other countries, EU integration	X	VAT necessary because of EU integration, EU commission recommends...; Germany has also raised VAT
party politics, elections	XI	you only increase VAT because you want to get re-elected; raising VAT now means cheating your voters
federalism, constitutional issues	XII	we cannot raise VAT because of its consequences on federalism; you only oppose the VAT reform in the second chamber...
Regressivity		
<i>Social Justice</i>		
distribution, progressivity, poor people	XIII	VAT hurts poor people most; VAT bad because it is regressive
Other		
transition- and transaction costs	XIV	VAT will lead to additional costs for business or public administration; will cause transitory costs

exceptions for specific sectors, people	XV	small business owners need to be helped or exempted; families need more relief; pensioners,...
all others	XVI	all others

Instructions:

A total of 12 British and 14 German debates were selected to cover the entire period and the major instances of raising or cutting VAT rates. Next, 2 British and 2 German debates about the introduction of VAT were added. The German and the British parliamentary system are somewhat different, but essentially the debates are either plenary readings of special bills or, in fewer cases, those parts of general debates on the annual budget that discuss VAT.

Two coders coded the debates. The first task was to select only those natural sentences in which ‘VAT’ or ‘value-added tax(ation)’ was explicitly mentioned. Next, the coders added those in which the implicit reference to VAT was sufficiently clear (e.g. ‘it’, ‘this tax’ etc.). These sentences formed the units of analysis.

The coders used the codebook to assign 1 of 16 categories to each sentence. If the coders were uncertain about which category to choose, or they saw several arguments in a natural sentence they used up to three codings, where the first coding expresses the ‘best guess or most salient argument’.

For instance, during a sitting of the House of Commons, the Chancellor of the Exchequer Denis Healey, proposed to lower the VAT rate from 10 to 8 percent (http://hansard.millbanksystems.com/commons/1974/jul/22/economic-situation-governments-proposals#S5CV0877P0_19740722_HOC_186). He goes on:” This reduction in VAT will enable manufacturers and retailers to reduce prices of a very wide range of goods and services.” Coder 1 coded this as 2 “inflation, costs of living”. The next sentence is: “It should initially cut the cost of living by about 1 per cent., and because of its effect on threshold agreements, by perhaps a further ½ percent.” This is again code no. 2. The following sentence is: “The direct reduction in revenue this year is estimated at about £140 million, though the full-year revenue effect would be £510 million.” This was coded as code 7 “revenue for public budget, fiscal deficit”. The debate continued till the next day (http://hansard.millbanksystems.com/commons/1974/jul/23/economic-situation#S5CV0877P0_19740723_HOC_312), when a member of the opposition, Terrence Higgins, criticized the inconsistent VAT policy: “The fact is that, taking the Budget and yesterday's statement together, we find that the yield on VAT is expected to be higher in the current year than it would have been if we had had neither the Budget nor the Chancellor's so-called mini-Budget yesterday.” This was coded as 7 “revenue for public budget”. A second coding was 8 “tax burden” because it seems that the speaker is also worried about the problems this causes. The speaker continues: “The effect of successive fiscal measures is that prices are sometimes going up rather faster and sometimes rather slower, but they are always going up.” This was coded as 3 “inflation, costs of living”

Coders also coded the overall opinion of each speaker in the context of introducing VAT, or raising or lowering VAT rates. In the example above the first speaker defends the rate cut (coded as 3), whereas the second speaker criticizes it (coded as 1). In some cases the speaker did not have a clear opinion (2). The coders also recorded information on the speakers: their position, their parties, and their constituencies.

Table A-2 Cross Tabulation Voting for/ against VAT raise in relation to partisanship

	Germany		UK	
	Pro	Contra	Pro	Contra
Left	60%	13%	5%	45%
Right	33%	33%	40%	9%
Total	170	152	236	285
Chi2	3.38		280.01***	

Notes: levels of significance * < .1, ** < .05, *** < .01

Table A-3: Multinomial-Logit Regressions

	(1)	(2)	(3)	(4)	(5)
	Robust SE	FC & Trend	No intro- duction	2 nd choice codes	Subnational Data
Macroeconomic Efficiency					
Colour of Party	0.039 (0.22)	0.042 (0.22)	0.146 (0.75)	-0.064 (-0.26)	0.836** (2.17)
Valence	-0.125 (-0.75)	-0.161 (-0.89)	-0.468** (-2.40)	0.051 (0.19)	-0.757 (-1.15)
Government	0.059 (0.21)	0.051 (0.18)	-0.068 (-0.23)	-0.179 (-0.56)	-0.886 (-0.65)
Growth	0.036 (0.23)	-0.185 (-1.04)	-0.335 (-1.30)	-0.121 (-0.71)	
Unemployment	0.063 (0.97)	-0.112 (-1.01)	-0.236* (-1.77)	-0.081 (-0.93)	0.229 (1.35)
Inequality	-5.462 (-0.82)	-14.695 (-1.04)	-38.672 (-1.08)		-0.037 (-0.41)
Deficit	-0.019* (-1.95)	0.032 (1.21)	0.074 (1.20)	0.021 (1.43)	
Public Opinion EU	0.091 (0.09)	4.349*** (2.82)	3.875** (2.38)	2.695*** (5.80)	
Year		-1.541** (-2.31)	-1.175* (-1.69)	-1.304*** (-3.67)	
UK Dummy		0.120* (1.65)	0.268 (1.34)	0.048 (1.57)	
Constant	0.747 (0.34)	-232.827* (-1.66)	-518.115 (-1.34)	-95.066 (-1.56)	-0.210 (-0.12)
Public Finance					
Colour of Party	-0.193 (-1.26)	-0.180 (-1.02)	-0.063 (-0.36)	-0.146 (-1.18)	0.020 (0.05)
Valence	0.443*** (2.73)	0.390** (2.20)	0.292 (1.54)	0.366** (2.58)	0.018 (0.03)
Government	-0.147 (-0.51)	-0.126 (-0.42)	-0.164 (-0.49)	-0.287 (-1.18)	-0.374 (-0.28)
Growth	-0.216 (-1.41)	-0.473** (-2.40)	-0.664** (-2.28)	-0.492*** (-2.68)	
Unemployment	0.065 (1.05)	0.022 (0.22)	-0.098 (-0.77)	-0.024 (-0.50)	0.295* (1.77)
Inequality	-15.757** (-2.41)	-2.092 (-0.15)	-23.043 (-0.65)		-0.008 (-0.09)
Deficit	-0.011 (-1.02)	0.016 (0.63)	0.062 (1.02)	0.021* (1.72)	
Public Opinion EU	-4.460*** (-4.02)	0.579 (0.37)	-1.060 (-0.63)	0.218 (0.16)	
Year		-2.945*** (-4.59)	-2.717*** (-3.71)	-2.427*** (-7.19)	
UK Dummy		0.004 (0.06)	0.157 (0.79)	-0.002 (-0.10)	
Constant	5.919*** (2.77)	-4.826 (-0.04)	-300.314 (-0.78)	5.575 (0.17)	-0.610 (-0.34)
Political Constraints					
Colour of Party	-0.181 (-1.13)	-0.161 (-0.90)	-0.171 (-0.98)	-0.175 (-1.62)	0.688 (1.61)
Valence	0.283* (1.71)	0.229 (1.28)	0.009 (0.05)	0.282 (1.19)	-0.268 (-0.41)
Government	0.480 (1.60)	0.479 (1.53)	0.239 (0.71)	0.179 (0.56)	-0.136 (-0.10)
Growth	-0.138 (-0.95)	-0.312* (-1.70)	-0.459* (-1.74)	-0.332*** (-3.84)	
Unemployment	0.136** (2.18)	0.076 (0.73)	-0.058 (-0.45)	0.036 (0.42)	0.374** (2.24)
Inequality	-16.682*** (-2.65)	-4.114 (-0.30)	-26.300 (-0.75)		-0.072 (-0.75)
Deficit	-0.004 (-0.38)	0.023 (0.90)	0.067 (1.11)	0.027* (1.83)	

Public Opinion EU	-2.311**	2.972*	1.632	3.599***	
	(-2.14)	(1.92)	(0.99)	(2.68)	
Year		-2.874***	-2.532***	-2.704***	
		(-4.62)	(-3.77)	(-6.94)	
UK Dummy		0.016	0.172	0.007	
		(0.24)	(0.87)	(0.22)	
Constant	4.988**	-30.602	-329.979	-12.954	-1.876
	(2.47)	(-0.23)	(-0.86)	(-0.21)	(-1.05)
Social Justice					
Colour of Party	-0.379**	-0.409**	-0.347**	-0.278**	-1.257**
	(-2.40)	(-2.23)	(-1.99)	(-2.55)	(-2.41)
Valence	0.207	0.186	0.008	0.203	-0.578
	(1.22)	(1.00)	(0.04)	(1.27)	(-0.88)
Government	-0.036	0.043	-0.016	-0.348	-0.039
	(-0.11)	(0.13)	(-0.04)	(-1.54)	(-0.03)
Growth	-0.031	-0.013	-0.140	-0.259***	
	(-0.18)	(-0.07)	(-0.53)		
Unemployment	0.251***	0.281**	0.163	0.161*	0.322*
	(3.67)	(2.49)	(1.20)	(1.94)	(1.87)
Inequality	-2.662	15.104	-7.938		0.337**
	(-0.36)	(1.01)	(-0.22)		(2.31)
Deficit	0.012	0.011	0.053	0.018	
	(1.07)	(0.39)	(0.86)	(1.28)	
Public Opinion EU	-1.808	1.000	0.218	-0.295	
	(-1.38)	(0.52)	(0.11)	(-0.16)	
Year		-2.154***	-1.731**	-0.976	
		(-2.86)	(-2.27)	(-1.58)	
UK Dummy		-0.044	0.105	-0.020	
		(-0.60)	(0.52)	(-0.55)	
Constant	0.709	83.887	-204.123	40.652	-1.922
	(0.29)	(0.59)	(-0.53)	(0.57)	(-1.03)
Microeconomic Efficiency					
Colour of Party	-0.226	-0.325*	-0.301	-0.107	0.259
	(-1.39)	(-1.66)	(-1.48)	(-0.56)	(0.46)
Valence	0.597***	0.599***	0.279	0.650**	-0.426
	(3.14)	(3.07)	(1.24)	(2.43)	(-0.62)
Government	0.600	0.774*	0.838	0.128	1.792
	(1.40)	(1.68)	(1.47)	(0.19)	(1.20)
Growth	-0.039	-0.159	-0.140	0.051	
	(-0.23)	(-0.80)	(-0.47)	(0.38)	
Unemployment	0.438***	0.512***	0.339**	0.474***	0.428**
	(3.70)	(3.42)	(2.07)	(4.20)	(2.51)
Inequality	-19.763**	-25.203	-39.291		0.106
	(-2.55)	(-1.42)	(-1.06)		(0.93)
Deficit	0.022	0.020	0.054	0.007	
	(0.98)	(0.60)	(0.84)	(0.26)	
Public Opinion EU	1.528	2.514	-0.519	2.265	
	(1.06)	(1.28)	(-0.22)	(1.13)	
Year		-0.134	0.113	-1.356**	
		(-0.12)	(0.10)	(-2.17)	
UK Dummy		-0.005	0.152	-0.071	
		(-0.06)	(0.74)	(-1.62)	
Constant	1.213	11.690	-292.005	135.501	-4.949**
	(0.53)	(0.08)	(-0.74)	(1.57)	(-2.27)
Pseudo R2	0.063***	0.084***	0.106***	0.063	0.154***
Number of observations	669	669	493	669	138
ll	-1104.005	-1078.636	-769.149	-1101.533	-201.561

Multinomial regression models with base outcome 'all other', coefficients and z scores, Levels of Significance * < .1, ** < .05, *** < .01

Table A-4: Descriptive Statistics for Covariates

	Germany		UK	
	Mean	Std. Dev.	Mean	Std. Dev.
Colour of Party	0.85	1.40	2.86	1.08
Valence	2.05	0.98	1.91	0.99
Government	0.19	0.39	0.46	0.50
Growth %	3.68	1.93	1.30	1.98
Unemployment %	3.73	4.02	4.93	1.81
Inequality	0.27	0.01	0.30	0.04
Deficit (primary in % of GDP)	-0.24	0.17	-0.17	0.25
Public Opinion EU	0.34	0.06	0.56	0.09
Unemployment subnational %	12.97	4.30	2.34	1.73
Inequality subnational	0.11	0.03	0.12	0.02

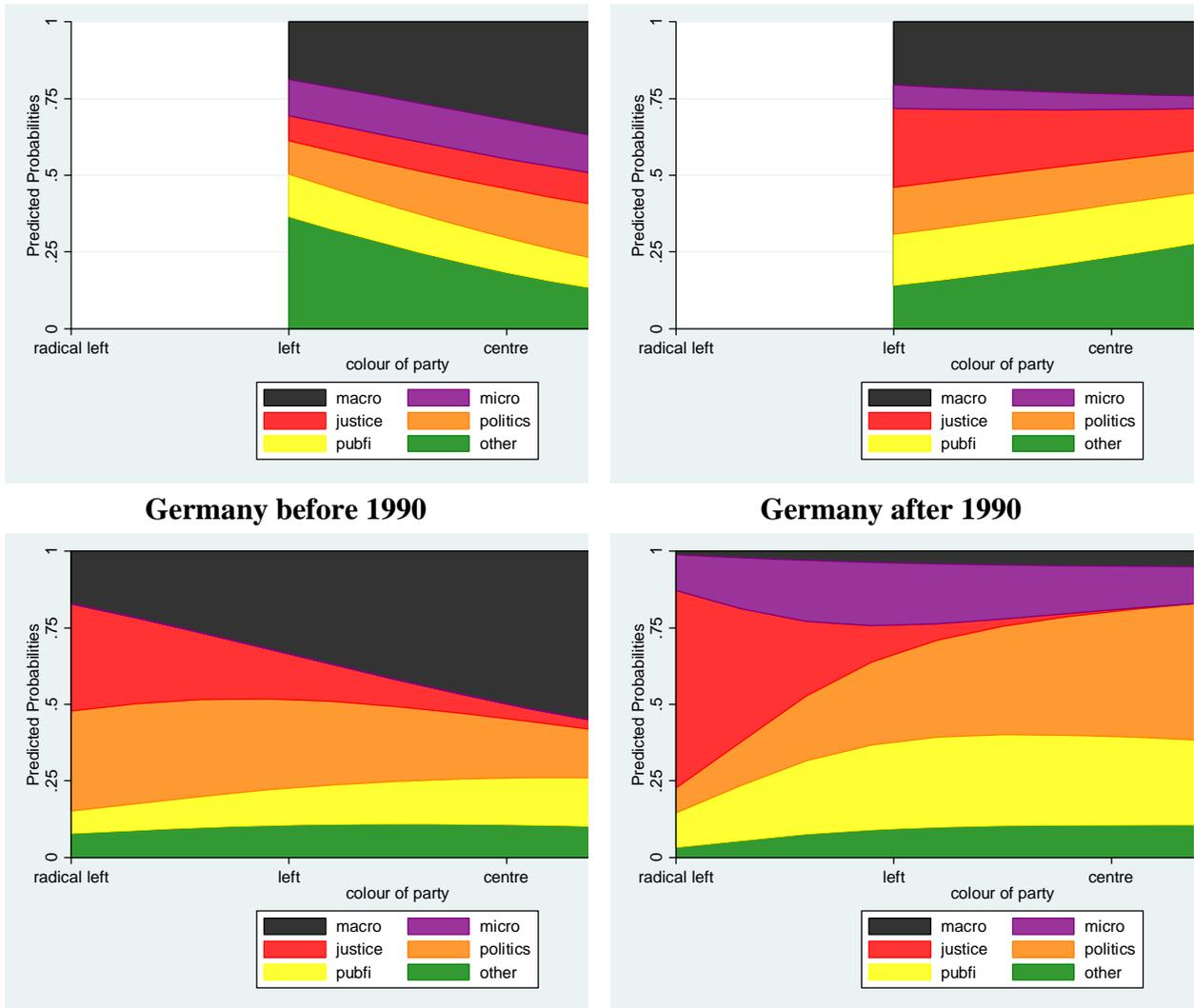
Notes: see footnotes 10 and 11 for data sources

Table A-5: Multinomial-Logit Regressions for Figure 1

	(1)	(2)	(3)	(4)
	Germany before 1990	Germany after 1990	UK before 1990	UK after 1990
Macroeconomic Efficiency				
Colour of Party	-0.38 (-1.33)	-0.113 (-0.18)	-1.213*** (-3.24)	0.375 -1.07
Valence	-0.454* (-1.73)	-1.331 (-1.52)	0.674** -2.24	-0.27 (-0.87)
Government	-0.163 (-0.34)	0.835 -0.61	1.021* -1.93	0.014 -0.03
Constant	0.261 -0.33	3.351 -1.55	0.095 -0.25	-0.253 (-0.46)
Public Finance				
Colour of Party	-0.161 (-0.60)	-0.222 (-0.46)	-0.748 (-1.58)	-0.113 (-0.33)
Valence	1.229*** -4.4	0.144 -0.17	0.891*** -2.78	0.083 -0.26
Government	-1.956*** (-3.52)	0.438 -0.31	-0.042 (-0.06)	-0.195 (-0.35)
Constant	-2.031** (-2.38)	1.71 -0.82	-1.257** (-2.51)	-0.175 (-0.28)
Political Constraints				
Colour of Party	-0.795*** (-3.04)	0.111 -0.21	-0.139 (-0.33)	-0.195 (-0.52)
Valence	0.808*** -3.42	0.913 -1.49	0.590** -1.97	-0.255 (-0.70)
Government	-1.320*** (-2.75)	-1.432 (-1.49)	0.496 -0.73	0.316 -0.58
Constant	-0.098 (-0.12)	0.783 -0.37	-1.781*** (-3.46)	0.248 -0.4
Social Justice				
Colour of Party	-1.535*** (-3.64)	-3.110* (-1.94)	-0.345 (-0.92)	-0.564* (-1.67)
Valence	0.148 -0.47	-0.639 (-0.89)	0.456 -1.42	0.103 -0.31
Government	-1.310** (-2.16)	2.167 -1.4	-0.553 (-1.15)	0.025 -0.05
Constant	1.317 -1.36	4.171* -1.93	-1.100*** (-2.75)	0.583 -0.91
Microeconomic Efficiency				
Colour of Party	0.206 -0.53	-0.589 (-0.96)	-0.447 (-1.25)	-0.543* (-1.70)
Valence	13.170*** -34.18	-0.265 (-0.40)	0.971*** -3.37	0.194 -0.54
Government	-1.317 (-1.39)	2.218* -1.94	0.366 -0.72	1.038 -1.36
Constant	-39.749*** (-21.43)	1.645 -0.74	-2.073*** (-4.17)	-1.23 (-1.06)
Pseudo R2	0.115***	0.155*	0.043***	0.025
Number of observations	268	160	347	181
ll	-363.681	-83.35	-568.845	-302.893

Multinomial regression models with base outcome 'all other', coefficients and z scores, Levels of Significance * < .1, ** < .05, *** < .01

Figure A-6: Predicted Probabilities of Major Frames in Relation to the Speakers' Partisanship
UK before 1990 **UK after 1990**



Based on Table A-5, colour of party ranges from 0 'radical left' (only Germany) to 4 'right'.