**Appendix**

**Descriptive statistics**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Variable | Obs | Mean | Std.Dev. | Min | Max | Source |
| Approval | 470 | 42.014 | 9.689 | 17.878 | 69.983 | Executive Approval project (EAP) |
| Total consolidation | 470 | .638 | 1.275 | -.309 | 9.748 | Alesina et al. 2019 |
| Spending-based consolidation | 470 | .379 | .793 | -.36 | 6.244 | Alesina et al. 2019 |
| Tax-based consolidation | 470 | .259 | .611 | -.802 | 3.871 | Alesina et al. 2019 |
| Per capita growth | 470 | 1.763 | 2.316 | -6.4 | 9.7 | OECD, national accounts |
| Right/left index | 468 | 3.169 | 16.792 | -46.414 | 48.458 | Seki and Williams |
| Cabinet share of right parties | 470 | 44.08 | 43.18 | 0 | 100 | Comparative political Dataset (CPDS) |
| Cabinet share of left parties | 470 | 30.47 | 39.86 | 0 | 100 | CPDS |
| Avoidance | 470 | 3.582 | 1.547 | 1 | 6 | CPDS |
| Unemployment | 470 | 7.738 | 3.721 | 1.952 | 26.094 | CPDS |
| Inflation | 470 | 3.467 | 3.258 | -4.48 | 20.37 | CPDS |
| Change in public debt | 453 | 1.664 | 4.983 | -14.224 | 24.623 | CPDS |
| Log trade openness | 470 | 3.962 | .51 | 2.768 | 5.343 | CPDS |
| Election dummy | 470 | .3 | .459 | 0 | 1 | CPDS |
| Government composition | 470 | 1.191 | .906 | 0 | 2 | CPDS |
| Years in office | 470 | 3.97 | 2.869 | 1 | 16 | Database of political institutions (DPI) |
| Government turnover | 469 | .122 | .327 | 0 | 1 | DPI |
| Changes in vote shares | 159 | -2.923 | 6.56 | -29.49 | 20.35 | DPI |
|  | | | | | |  |

**Descriptive statistics on fiscal consolidations**

In our dataset, there are 185 country/years in consolidation, which represents 39% of the dataset. 46% of the consolidations/years are between 0 and 1% of GDP, 25% between 1 and 2%, and 30% are above 2%. There are 51 different episodes of consolidations that last on average 4.6 years. For each consolidation year, the average is a combination of spending cuts and tax increases amounting to 1.6% of GDP. There are on average 3.2 consolidation episodes per country in our data. All countries except Australia, Japan and Sweden consolidate after the 2008 recession. Seven country-years of consolidations included in our dataset did not reduce government deficits, but excluding these countries does not alter the results. We present the average distribution of consolidations in the histograms below.



**Distribution of consolidations by countries, as percentage of GDP**



**Distribution of approval in percentages.**



**Explanation of the measurement strategy for table 1**

In addition to replicating studies on the impact of fiscal consolidations on the probability of government turnover, we use the changes in vote shares of the governing party(ies) from one election to the next as a dependent variable measuring a government’s electoral performance. Following the modelling strategy of two other papers using this dependent variable (Armingeon and Giger 2008; Grittersova et al. 2016), we move to a cabinet-level analysis because vote share changes are only observed once every election. We follow the measurement strategy outlined in Grittersova et al. (2016). We include the total amount of consolidation implemented two years before the election, assuming that voters would not punish governments for earlier consolidations episodes. We use the average change in each of the control variables during a government mandate and control for the government vote share at the previous election.

**Fixed effects models replicating table 2.**

This table replicates table 2 from the paper but uses fixed effects instead of random effects. The results remain qualitatively the same.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Lagged dependent variable | 0.752\*\*\* | 0.758\*\*\* | 0.751\*\*\* | 0.751\*\*\* | 0.730\*\*\* | 0.732\*\*\* | 0.729\*\*\* | 0.731\*\*\* |
|  | (0.0297) | (0.0285) | (0.0303) | (0.0306) | (0.0324) | (0.0316) | (0.0328) | (0.0331) |
| Total consolidation | -0.494 |  |  |  | -0.0677 |  |  |  |
|  | (0.292) |  |  |  | (0.289) |  |  |  |
| total consolidation t-1 | -0.335\* |  |  |  | -0.498\*\* |  |  |  |
|  | (0.187) |  |  |  | (0.204) |  |  |  |
| Spending cuts |  | -0.469 |  | 0.0264 |  | 0.104 |  | 0.392 |
|  |  | (0.398) |  | (0.384) |  | (0.474) |  | (0.481) |
| Spending cuts t-1 |  | -0.655\*\* |  | -0.449 |  | -0.798\*\*\* |  | -0.591\* |
|  |  | (0.293) |  | (0.388) |  | (0.222) |  | (0.298) |
| Tax increases |  |  | -1.190\*\* | -1.122\*\* |  |  | -0.509 | -0.630 |
|  |  |  | (0.468) | (0.451) |  |  | (0.432) | (0.430) |
| Tax increases t-1 |  |  | -0.604 | -0.293 |  |  | -0.758 | -0.486 |
|  |  |  | (0.434) | (0.511) |  |  | (0.568) | (0.610) |
| Unemployment |  |  |  |  | -0.470 | -0.495 | -0.444 | -0.481 |
|  |  |  |  |  | (0.325) | (0.325) | (0.300) | (0.321) |
| Unemployment t-1 |  |  |  |  | 0.498\* | 0.500\* | 0.455\* | 0.512\* |
|  |  |  |  |  | (0.252) | (0.250) | (0.238) | (0.246) |
| GDP growth |  |  |  |  | 0.470\*\*\* | 0.474\*\*\* | 0.471\*\*\* | 0.450\*\*\* |
|  |  |  |  |  | (0.0981) | (0.101) | (0.0998) | (0.0952) |
| GDP growth t-1 |  |  |  |  | -0.0116 | -0.00894 | -0.0170 | -0.0110 |
|  |  |  |  |  | (0.180) | (0.182) | (0.179) | (0.178) |
| Inflation |  |  |  |  | -0.168 | -0.168 | -0.185 | -0.205 |
|  |  |  |  |  | (0.156) | (0.168) | (0.137) | (0.156) |
| Inflation t-1 |  |  |  |  | 0.151 | 0.153 | 0.173 | 0.197 |
|  |  |  |  |  | (0.178) | (0.199) | (0.150) | (0.181) |
| Δ debt |  |  |  |  | 0.0972 | 0.0913 | 0.0968 | 0.0888 |
|  |  |  |  |  | (0.0704) | (0.0680) | (0.0674) | (0.0667) |
| Δ debt t-1 |  |  |  |  | -0.117\*\* | -0.124\*\* | -0.114\*\* | -0.112\*\* |
|  |  |  |  |  | (0.0467) | (0.0474) | (0.0500) | (0.0430) |
| Log trade | -2.159 | -2.584 | -2.696 | -2.591 | -6.755 | -7.162 | -6.427 | -6.707 |
|  | (4.931) | (4.976) | (4.804) | (4.837) | (5.939) | (5.838) | (5.989) | (6.035) |
| Log trade t-1 | 4.861 | 5.367 | 5.073 | 5.176 | 9.571 | 9.933 | 9.098 | 9.518 |
|  | (4.746) | (4.739) | (4.688) | (4.728) | (5.741) | (5.661) | (5.859) | (5.906) |
| Years in office | -0.191 | -0.188 | -0.183 | -0.184 | -0.191 | -0.191 | -0.190 | -0.184 |
|  | (0.138) | (0.143) | (0.135) | (0.135) | (0.164) | (0.164) | (0.163) | (0.163) |
| Years in office t-1 | 0.0340 | 0.0325 | 0.0347 | 0.0251 | 0.0902 | 0.0896 | 0.0972 | 0.0817 |
|  | (0.140) | (0.146) | (0.139) | (0.138) | (0.148) | (0.147) | (0.149) | (0.148) |
| Election year | 2.704\*\*\* | 2.767\*\*\* | 2.682\*\*\* | 2.708\*\*\* | 2.702\*\*\* | 2.757\*\*\* | 2.674\*\*\* | 2.708\*\*\* |
|  | (0.735) | (0.736) | (0.746) | (0.738) | (0.700) | (0.710) | (0.703) | (0.699) |
| Election year t-1 | -0.0892 | -0.0962 | -0.0209 | -0.0214 | -0.157 | -0.108 | -0.129 | -0.0950 |
|  | (0.977) | (1.006) | (0.959) | (0.970) | (1.038) | (1.049) | (1.011) | (1.020) |
| Government composition | 0.592 | 0.567 | 0.600 | 0.583 | 0.883 | 0.836 | 0.877 | 0.868 |
|  | (0.841) | (0.851) | (0.833) | (0.851) | (0.866) | (0.891) | (0.859) | (0.881) |
| Government composition t-1 | -0.522 | -0.520 | -0.553 | -0.531 | -0.397 | -0.361 | -0.415 | -0.403 |
|  | (0.609) | (0.610) | (0.643) | (0.635) | (0.699) | (0.705) | (0.705) | (0.724) |
| Right-left index | 0.0518 | 0.0489 | 0.0507 | 0.0500 | 0.0327 | 0.0305 | 0.0348 | 0.0318 |
|  | (0.0311) | (0.0303) | (0.0318) | (0.0326) | (0.0260) | (0.0266) | (0.0246) | (0.0265) |
| Right-left index t-1 | 0.00684 | 0.01000 | 0.00598 | 0.00866 | 0.00387 | 0.00505 | 0.001000 | 0.00496 |
|  | (0.0346) | (0.0343) | (0.0355) | (0.0368) | (0.0292) | (0.0300) | (0.0276) | (0.0293) |
| Government turnover | 2.375\*\* | 2.363\*\* | 2.303\*\* | 2.331\*\* | 2.285\*\* | 2.312\*\* | 2.266\*\* | 2.267\*\* |
|  | (0.998) | (0.975) | (1.005) | (0.988) | (0.968) | (0.939) | (1.019) | (0.988) |
| Government turnover t-1 | 3.568\*\* | 3.515\*\* | 3.485\*\* | 3.560\*\* | 3.294\* | 3.263\* | 3.242\* | 3.255\* |
|  | (1.302) | (1.346) | (1.232) | (1.285) | (1.548) | (1.551) | (1.514) | (1.533) |
| Constant | -1.068 | -1.754 | 0.191 | -0.561 | -2.143 | -1.975 | -1.457 | -2.165 |
|  | (8.129) | (7.804) | (8.448) | (8.222) | (10.27) | (10.10) | (10.31) | (10.19) |
|  |  |  |  |  |  |  |  |  |
| Observations | 452 | 452 | 452 | 452 | 433 | 433 | 433 | 433 |
| R-squared | 0.615 | 0.612 | 0.616 | 0.617 | 0.638 | 0.637 | 0.638 | 0.639 |
| Number of countries | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Robust standard errors in parentheses | |  |  |  |  |  |  |  |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 | |  |  |  |  |  |  |  |
| **Models replicating table 2, but without consolidations at T-0**  This table replicates table 2, but do not include consolidations at time T-0, to show that the effect of consolidation are significant also in a dead start model and do not depend on the choice of the lag structure. | | | | | | | | |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Lagged dependent variable | 0.754\*\*\* | 0.760\*\*\* | 0.754\*\*\* | 0.753\*\*\* | 0.731\*\*\* | 0.734\*\*\* | 0.729\*\*\* | 0.731\*\*\* |
|  | (0.0292) | (0.0283) | (0.0291) | (0.0291) | (0.0332) | (0.0327) | (0.0329) | (0.0333) |
| Total consolidation t-1 | -0.648\*\*\* |  |  |  | -0.535\*\* |  |  |  |
|  | (0.232) |  |  |  | (0.260) |  |  |  |
| Spending cuts t-1 |  | -0.938\*\* |  | -0.574 |  | -0.734\*\* |  | -0.449 |
|  |  | (0.365) |  | (0.395) |  | (0.345) |  | (0.308) |
| Tax increases t-1 |  |  | -1.213\*\* | -0.749 |  |  | -0.979 | -0.654 |
|  |  |  | (0.486) | (0.540) |  |  | (0.601) | (0.619) |
| Unemployment |  |  |  |  | -0.520\* | -0.516 | -0.527\* | -0.522\* |
|  |  |  |  |  | (0.311) | (0.316) | (0.313) | (0.311) |
| Unemployment t-1 |  |  |  |  | 0.534\*\* | 0.508\*\* | 0.518\*\* | 0.536\*\* |
|  |  |  |  |  | (0.244) | (0.248) | (0.250) | (0.246) |
| GDP growth |  |  |  |  | 0.439\*\*\* | 0.445\*\*\* | 0.452\*\*\* | 0.440\*\*\* |
|  |  |  |  |  | (0.107) | (0.112) | (0.106) | (0.107) |
| GDP growth t-1 |  |  |  |  | -0.0422 | -0.0321 | -0.0620 | -0.0457 |
|  |  |  |  |  | (0.187) | (0.191) | (0.188) | (0.185) |
| Inflation |  |  |  |  | -0.189 | -0.184 | -0.193 | -0.191 |
|  |  |  |  |  | (0.175) | (0.178) | (0.170) | (0.176) |
| Inflation t-1 |  |  |  |  | 0.118 | 0.112 | 0.125 | 0.120 |
|  |  |  |  |  | (0.173) | (0.178) | (0.164) | (0.174) |
| Δ debt |  |  |  |  | 0.101 | 0.0976 | 0.103 | 0.101 |
|  |  |  |  |  | (0.0703) | (0.0700) | (0.0676) | (0.0702) |
| Δ debt t-1 |  |  |  |  | -0.120\*\* | -0.120\*\* | -0.132\*\* | -0.122\*\* |
|  |  |  |  |  | (0.0562) | (0.0522) | (0.0617) | (0.0549) |
| Log trade | -2.407 | -2.486 | -2.606 | -2.414 | -6.174 | -6.265 | -6.282 | -6.174 |
|  | (4.940) | (4.951) | (4.878) | (4.921) | (5.461) | (5.415) | (5.485) | (5.470) |
| Log trade t-1 | 6.678 | 6.887 | 6.691 | 6.660 | 10.18\* | 10.30\* | 10.02 | 10.14\* |
|  | (4.780) | (4.779) | (4.793) | (4.808) | (5.995) | (5.982) | (6.131) | (6.037) |
| Years in office | -0.176 | -0.176 | -0.174 | -0.176 | -0.179 | -0.182 | -0.178 | -0.178 |
|  | (0.148) | (0.149) | (0.149) | (0.148) | (0.166) | (0.166) | (0.166) | (0.167) |
| Years in office t-1 | 0.0272 | 0.0304 | 0.0397 | 0.0278 | 0.0839 | 0.0878 | 0.0911 | 0.0842 |
|  | (0.161) | (0.159) | (0.161) | (0.161) | (0.152) | (0.150) | (0.153) | (0.152) |
| Election year | 2.684\*\*\* | 2.759\*\*\* | 2.636\*\*\* | 2.673\*\*\* | 2.693\*\*\* | 2.747\*\*\* | 2.650\*\*\* | 2.681\*\*\* |
|  | (0.752) | (0.760) | (0.767) | (0.760) | (0.711) | (0.725) | (0.716) | (0.713) |
| Election year t-1 | -0.156 | -0.111 | -0.171 | -0.161 | -0.182 | -0.137 | -0.193 | -0.188 |
|  | (1.001) | (1.015) | (0.983) | (0.987) | (1.063) | (1.070) | (1.047) | (1.053) |
| Government composition | 0.752 | 0.686 | 0.799 | 0.761 | 0.934 | 0.874 | 0.964 | 0.945 |
|  | (0.863) | (0.873) | (0.852) | (0.870) | (0.891) | (0.906) | (0.884) | (0.891) |
| Government composition t-1 | -0.533 | -0.498 | -0.573 | -0.539 | -0.389 | -0.345 | -0.425 | -0.399 |
|  | (0.636) | (0.636) | (0.650) | (0.642) | (0.718) | (0.718) | (0.712) | (0.718) |
| Right-left index | 0.0429 | 0.0417 | 0.0432 | 0.0431 | 0.0308 | 0.0303 | 0.0314 | 0.0310 |
|  | (0.0311) | (0.0307) | (0.0316) | (0.0315) | (0.0253) | (0.0252) | (0.0251) | (0.0255) |
| Right-left index t-1 | 0.0130 | 0.0141 | 0.00978 | 0.0127 | 0.00379 | 0.00348 | 0.00187 | 0.00361 |
|  | (0.0349) | (0.0347) | (0.0353) | (0.0361) | (0.0291) | (0.0292) | (0.0283) | (0.0293) |
| Government turnover | 2.228\*\* | 2.259\*\* | 2.168\*\* | 2.220\*\* | 2.287\*\* | 2.332\*\* | 2.244\*\* | 2.276\*\* |
|  | (1.008) | (0.998) | (1.029) | (1.028) | (0.991) | (0.973) | (1.030) | (1.014) |
| Government turnover t-1 | 3.423\*\* | 3.438\*\* | 3.294\*\*\* | 3.413\*\* | 3.346\*\* | 3.347\*\* | 3.264\*\* | 3.336\*\* |
|  | (1.333) | (1.360) | (1.277) | (1.351) | (1.571) | (1.576) | (1.556) | (1.582) |
| Constant | 72.63 | 74.51 | 79.30 | 72.94 | 76.73 | 78.14 | 76.25 | 76.50 |
|  | (57.69) | (58.85) | (56.20) | (57.95) | (100.6) | (102.3) | (99.77) | (100.3) |
|  |  |  |  |  |  |  |  |  |
| Observations | 452 | 452 | 452 | 452 | 433 | 433 | 433 | 433 |
| R-squared |  |  |  |  |  |  |  |  |
| Number of countries | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Robust standard errors in parentheses | |  |  |  |  |  |  |  |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 | |  |  |  |  |  |  |  |

**Table 3 with controls.**

This table reports the full results of table 3 from the paper, including the regression coefficients for the control variables.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|  | Government partisanship |  |  |  |  | Economic conditions |  |  |
|  |  |  |  |  |  |  |  |  |
| Lagged dependent variable | 0.731\*\*\* | 0.732\*\*\* | 0.730\*\*\* | 0.738\*\*\* | 0.740\*\*\* | 0.733\*\*\* | 0.733\*\*\* | 0.732\*\*\* |
|  | (0.0335) | (0.0327) | (0.0341) | (0.0310) | (0.0325) | (0.0331) | (0.0324) | (0.0334) |
| Total consolidations | -0.113 |  |  |  |  | -0.103 |  |  |
|  | (0.327) |  |  |  |  | (0.279) |  |  |
| Total consolidations t-1 | -0.464 |  |  |  |  | -0.496\*\* |  |  |
|  | (0.287) |  |  |  |  | (0.204) |  |  |
| Spending cuts |  | 0.00336 |  | 0.894\* |  |  | -0.0129 |  |
|  |  | (0.480) |  | (0.484) |  |  | (0.439) |  |
| Spending cuts t-1 |  | -0.679\*\*\* |  | -1.173\*\* |  |  | -0.862\*\*\* |  |
|  |  | (0.249) |  | (0.530) |  |  | (0.232) |  |
| Tax increases |  |  | -0.470 |  | 0.0679 |  |  | -0.506 |
|  |  |  | (0.455) |  | (0.894) |  |  | (0.432) |
| Tax increases t-1 |  |  | -0.740 |  | -0.499 |  |  | -0.782 |
|  |  |  | (0.642) |  | (0.819) |  |  | (0.572) |
| Comnstitutive term | 0.0279 | 0.0231 | 0.0352 | 0.0215\* | -0.00745 | 0.423\*\*\* | 0.424\*\*\* | 0.433\*\*\* |
|  | (0.0260) | (0.0255) | (0.0250) | (0.0120) | (0.0130) | (0.100) | (0.102) | (0.103) |
| Comnstitutive term t-1 | 0.00567 | 0.00884 | 0.000247 | -0.0257\* | -0.00151 | -0.0763 | -0.0823 | -0.0584 |
|  | (0.0325) | (0.0325) | (0.0304) | (0.0138) | (0.0112) | (0.187) | (0.187) | (0.196) |
| Total consolidation \* left/right index | 0.00812 |  |  |  |  |  |  |  |
|  | (0.0181) |  |  |  |  |  |  |  |
| Total consolidation t-1 \* left/right index t-1 | -0.00538 |  |  |  |  |  |  |  |
|  | (0.0168) |  |  |  |  |  |  |  |
| Spending cuts \* left right index |  | 0.0183 |  |  |  |  |  |  |
|  |  | (0.0269) |  |  |  |  |  |  |
| Spending cuts t-1\* left right index t-1 |  | -0.0158 |  |  |  |  |  |  |
|  |  | (0.0191) |  |  |  |  |  |  |
| Tax increases \* left-right index |  |  | -0.00660 |  |  |  |  |  |
|  |  |  | (0.0301) |  |  |  |  |  |
| Tax increases t-1\* left-right index t-1 |  |  | -0.00240 |  |  |  |  |  |
|  |  |  | (0.0478) |  |  |  |  |  |
| Spending cuts \* left gvt |  |  |  | -0.0158 |  |  |  |  |
|  |  |  |  | (0.0123) |  |  |  |  |
| Spending cuts t-1\* left gvt t-1 |  |  |  | 0.0110 |  |  |  |  |
|  |  |  |  | (0.00801) |  |  |  |  |
| Tax increases \* right gvt |  |  |  |  | -0.00734 |  |  |  |
|  |  |  |  |  | (0.0120) |  |  |  |
| Tax increases t-1\* right gvt t-1 |  |  |  |  | 0.0182 |  |  |  |
|  |  |  |  |  | (0.0132) |  |  |  |
| Total consolidation \* GDP growth |  |  |  |  |  | 0.0451 |  |  |
|  |  |  |  |  |  | (0.0717) |  |  |
| Total consolidation t-1 \* GDP growth t-1 |  |  |  |  |  | 0.0791\*\* |  |  |
|  |  |  |  |  |  | (0.0371) |  |  |
| Spending cuts \* GDP growth |  |  |  |  |  |  | 0.0682 |  |
|  |  |  |  |  |  |  | (0.125) |  |
| Spending cuts t-1 \* GDP growth t-1 |  |  |  |  |  |  | 0.208\*\*\* |  |
|  |  |  |  |  |  |  | (0.0751) |  |
| Tax increases \* GDP growth |  |  |  |  |  |  |  | 0.0809 |
|  |  |  |  |  |  |  |  | (0.128) |
| Tax increases t-1 \* GDP growth t-1 |  |  |  |  |  |  |  | 0.0667 |
|  |  |  |  |  |  |  |  | (0.0898) |
| Right-left index | 0.0279 | 0.0231 | 0.0352 |  |  | 0.0329 | 0.0321 | 0.0340 |
|  | (0.0260) | (0.0255) | (0.0250) |  |  | (0.0266) | (0.0275) | (0.0253) |
| Right-left index t-1 |  |  |  |  |  | 0.00148 | 0.00121 | 0.000228 |
|  |  |  |  |  |  | (0.0289) | (0.0299) | (0.0276) |
| Unemployment | -0.497 | -0.532 | -0.483 | -0.475 | -0.332 | -0.440 | -0.450 | -0.436 |
|  | (0.367) | (0.360) | (0.338) | (0.361) | (0.353) | (0.324) | (0.320) | (0.303) |
| Unemployment t-1 | 0.510\* | 0.518\* | 0.482\* | 0.496\* | 0.368 | 0.461\* | 0.453\* | 0.441\* |
|  | (0.284) | (0.273) | (0.268) | (0.275) | (0.280) | (0.266) | (0.255) | (0.251) |
| GDP growth | 0.442\*\*\* | 0.452\*\*\* | 0.445\*\*\* | 0.458\*\*\* | 0.485\*\*\* |  |  |  |
|  | (0.105) | (0.107) | (0.107) | (0.109) | (0.104) |  |  |  |
| GDP growth t-1 | -0.0463 | -0.0538 | -0.0353 | -0.00662 | 0.0236 |  |  |  |
|  | (0.179) | (0.188) | (0.180) | (0.188) | (0.172) |  |  |  |
| Inflation | -0.190 | -0.195 | -0.206 | -0.201 | -0.215 | -0.175 | -0.173 | -0.202 |
|  | (0.187) | (0.201) | (0.171) | (0.203) | (0.166) | (0.170) | (0.182) | (0.153) |
| Inflation t-1 | 0.116 | 0.119 | 0.146 | 0.126 | 0.147 | 0.0980 | 0.0982 | 0.135 |
|  | (0.187) | (0.208) | (0.164) | (0.203) | (0.165) | (0.179) | (0.198) | (0.149) |
| Δ debt | 0.100 | 0.0952 | 0.100 | 0.0923 | 0.111 | 0.0981 | 0.0886 | 0.0999 |
|  | (0.0694) | (0.0683) | (0.0673) | (0.0680) | (0.0715) | (0.0710) | (0.0699) | (0.0681) |
| Δ debt t-1 | -0.118\*\* | -0.129\*\*\* | -0.112\*\* | -0.141\*\* | -0.125\*\* | -0.114\*\* | -0.116\*\* | -0.113\*\* |
|  | (0.0472) | (0.0495) | (0.0529) | (0.0560) | (0.0519) | (0.0466) | (0.0480) | (0.0505) |
| Log trade | -5.972 | -6.378 | -5.806 | -6.847 | -5.321 | -5.686 | -6.046 | -5.489 |
|  | (5.768) | (5.642) | (5.697) | (5.636) | (5.871) | (5.951) | (5.822) | (5.850) |
| Log trade t-1 | 9.978 | 10.33\* | 9.500 | 10.91\* | 9.309 | 10.01 | 10.41\* | 9.442 |
|  | (6.303) | (6.238) | (6.352) | (6.309) | (6.532) | (6.402) | (6.248) | (6.502) |
| Years in office | -0.185 | -0.187 | -0.181 | -0.171 | -0.222 | -0.187 | -0.182 | -0.192 |
|  | (0.168) | (0.167) | (0.168) | (0.184) | (0.171) | (0.162) | (0.159) | (0.167) |
| Years in office t-1 | 0.0902 | 0.0889 | 0.0933 | 0.0486 | 0.0993 | 0.0967 | 0.0944 | 0.104 |
|  | (0.152) | (0.150) | (0.154) | (0.179) | (0.163) | (0.150) | (0.144) | (0.156) |
| Election year | 2.696\*\*\* | 2.732\*\*\* | 2.657\*\*\* | 2.745\*\*\* | 2.666\*\*\* | 2.693\*\*\* | 2.736\*\*\* | 2.669\*\*\* |
|  | (0.720) | (0.726) | (0.720) | (0.712) | (0.717) | (0.721) | (0.729) | (0.720) |
| Election year t-1 | -0.172 | -0.105 | -0.154 | -0.167 | -0.312 | -0.178 | -0.134 | -0.161 |
|  | (1.079) | (1.089) | (1.058) | (1.052) | (1.036) | (1.067) | (1.075) | (1.041) |
| Government composition | 0.895 | 0.855 | 0.925 | 1.278\* | 1.132 | 0.934 | 0.909 | 0.923 |
|  | (0.888) | (0.897) | (0.879) | (0.729) | (0.727) | (0.890) | (0.903) | (0.894) |
| Government composition t-1 | -0.369 | -0.319 | -0.393 | -0.540 | -0.423 | -0.342 | -0.278 | -0.399 |
|  | (0.765) | (0.738) | (0.776) | (0.709) | (0.661) | (0.710) | (0.699) | (0.731) |
| Government turnover | 2.301\*\* | 2.330\*\* | 2.272\*\* | 2.334\*\*\* | 2.278\*\* | 2.258\*\* | 2.301\*\* | 2.240\*\* |
|  | (0.986) | (0.954) | (1.037) | (0.891) | (0.985) | (0.967) | (0.935) | (1.022) |
| Government turnover t-1 | 3.295\*\* | 3.183\*\* | 3.290\*\* | 3.316\*\* | 3.180\* | 3.306\*\* | 3.325\*\* | 3.244\*\* |
|  | (1.554) | (1.552) | (1.538) | (1.603) | (1.626) | (1.545) | (1.539) | (1.534) |
| Constant | 73.63 | 77.60 | 68.97 | 97.07 | 86.22 | 79.82 | 80.04 | 72.28 |
|  | (102.8) | (103.4) | (105.1) | (103.4) | (106.1) | (103.7) | (107.0) | (102.4) |
|  |  |  |  |  |  |  |  |  |
| Observations | 433 | 433 | 433 | 436 | 436 | 433 | 433 | 433 |
| Number of countries | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Robust standard errors in parentheses |  |  |  |  |  |  |  |  |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 |  |  |  |  |  |  |  |  |

The next table presents interactions using an alternative measure of partisanship (the fiscal expansion pledges), the misery index and interactions with an index of blame avoidance and a measure of government composition. We create an additive index of blame avoidance based on federalism, bicameralism, presidentialism, and the type of government (minority/majority). Governments are coded 0 for single party majority governments, 1 for single-party minority and 2 for coalition governments. Federalism is coded from 0 (unitary) to 2 (decentralized federalism), parliamentary systems are coded 0, hybrid systems 1 and presidential systems 2. Bicameralism is coded from 0 to 2, depending on the strength of the second chamber. We sum these four measures into an additive index ranging from 1 to 6. The government composition measure represents an inverse of clarity of responsibility and is coded 0 for single party governments, 1 for single-party minority governments and 2 for coalition governments). Interactions with single party/coalition governments and majority/minority governments are not significant either (results not shown). The fiscal expansion pledge follows the measurement strategy of Horn and Jensen (2017). It uses the Comparative Manifesto Project and divides the sum of positive statements about welfare state expansion and economic intervention by those about austerity and welfare state limitation. More precisely, this variable is the sum of the share of manifesto statements about education and welfare expansion, equality, market regulation and economic planning divided by the sum of statements about free market economy, economic orthodoxy, welfare state limitation and education limitation. The misery index is created with a principal component analysis, including economic growth, unemployment rates and long-term interest rates on government bonds

**Table 3 with alternative interactions**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|  | Fiscal expansion pledge | | | Blame avoidance | | Misery index | | Government composition | |
|  |  |  |  |  |  |  |  |  |  |
| Lagged dependent variable | 0.739\*\*\* | 0.740\*\*\* | 0.738\*\*\* | 0.737\*\*\* | 0.740\*\*\* | 0.736\*\*\* | 0.734\*\*\* | 0.726\*\*\* | 0.728\*\*\* |
|  | (0.0336) | (0.0349) | (0.0310) | (0.0305) | (0.0317) | (0.0319) | (0.0318) | (0.0379) | (0.0358) |
| Spending cuts | 0.416 |  | 0.894\* |  | 0.148 | -0.0738 |  | 0.679 |  |
|  | (0.651) |  | (0.484) |  | (0.823) | (0.558) |  | (0.970) |  |
| Spending cuts t-1 | -0.892\*\* |  | -1.173\*\* |  | -0.738\*\* | -0.512\* |  | 0.114 |  |
|  | (0.375) |  | (0.530) |  | (0.364) | (0.297) |  | (0.491) |  |
| Tax increases |  | -0.356 |  | 0.0973 |  |  | -0.330 |  | -0.736 |
|  |  | (0.833) |  | (0.559) |  |  | (0.559) |  | (1.143) |
| Tax increases t-1 |  | -0.241 |  | -0.602 |  |  | -0.785 |  | 0.484 |
|  |  | (0.776) |  | (0.769) |  |  | (0.710) |  | (1.029) |
| Constitutive term | -0.0257 | -0.0418 | 0.0215\* | 0.0141 | -0.0150 | -1.742 | -1.086 | 1.102 | 0.879 |
|  | (0.0634) | (0.0592) | (0.0120) | (0.0113) | (0.0143) | (2.234) | (2.235) | (1.085) | (1.115) |
| Constitutive term t-1 | -0.0408 | -0.0227 | -0.0257\* | -0.0194 | 0.0213 | 2.637 | 1.373 | -0.162 | -0.102 |
|  | (0.0621) | (0.0604) | (0.0138) | (0.0141) | (0.0140) | (1.896) | (2.252) | (0.814) | (0.856) |
| Spending cuts \* fiscal expansion pledge | -0.0240 |  |  |  |  |  |  |  |  |
|  | (0.0347) |  |  |  |  |  |  |  |  |
| Spending cuts t-1 \* fiscal expansion pledge t-1 | 0.0114 |  |  |  |  |  |  |  |  |
|  | (0.0256) |  |  |  |  |  |  |  |  |
| Tax increases \* fiscal expansion pledge t-1 |  | -0.00275 |  |  |  |  |  |  |  |
|  |  | (0.0536) |  |  |  |  |  |  |  |
| Tax increases \* fiscal expansion pledge t-1 |  | -0.0279 |  |  |  |  |  |  |  |
|  |  | (0.0579) |  |  |  |  |  |  |  |
| Spending cuts \*left gvt |  |  | -0.0158 |  |  |  |  |  |  |
|  |  |  | (0.0123) |  |  |  |  |  |  |
| Spending cuts t-1 \*left gvt t-1 |  |  | 0.0110 |  |  |  |  |  |  |
|  |  |  | (0.00801) |  |  |  |  |  |  |
| Spending cuts \* blame avoidance | | |  | -0.0573 |  |  |  |  |  |
|  |  |  |  | (0.376) |  |  |  |  |  |
| Spending cuts t-1 \* blame avoidance t-1 | | |  | -0.211 |  |  |  |  |  |
|  |  |  |  | (0.210) |  |  |  |  |  |
| Tax increases blame avoidance | | |  |  | 0.170 |  |  |  |  |
|  |  |  |  |  | (0.499) |  |  |  |  |
| Tax increases t-1 blame avoidance t-1 | | |  |  | -0.580 |  |  |  |  |
|  |  |  |  |  | (0.435) |  |  |  |  |
| Spending cuts \* misery index |  |  |  |  |  | -0.276 |  |  |  |
|  |  |  |  |  |  | (0.640) |  |  |  |
| Spending cuts t-1 \* misery index t-1 |  |  |  |  |  | -1.145\*\*\* |  |  |  |
|  |  |  |  |  |  | (0.307) |  |  |  |
| Tax increases \*misery index |  |  |  |  |  |  | -0.904 |  |  |
|  |  |  |  |  |  |  | (0.725) |  |  |
| Tax increases t-1 \* misery index t-1 |  |  |  |  |  |  | 0.491 |  |  |
|  |  |  |  |  |  |  | (0.844) |  |  |
| Spending cuts \* gvt composition |  |  |  |  |  |  |  | -0.389 |  |
|  |  |  |  |  |  |  |  | (0.548) |  |
| Spending cuts t-1 \* gvt composition t-1 |  |  |  |  |  |  |  | -0.624 |  |
|  |  |  |  |  |  |  |  | (0.410) |  |
| Tax increases \* gvt composition |  |  |  |  |  |  |  |  | 0.0794 |
|  |  |  |  |  |  |  |  |  | (0.606) |
| Tax increases t-1 \* gvt composition t-1 |  |  |  |  |  |  |  |  | -0.916 |
|  |  |  |  |  |  |  |  |  | (0.678) |
| Right-left index |  |  |  | 0.0363 | 0.0433 | 0.0323 | 0.0322 | 0.0312 | 0.0362 |
|  |  |  |  | (0.0298) | (0.0283) | (0.0276) | (0.0278) | (0.0288) | (0.0267) |
| Right-left index t-1 |  |  |  | -0.00136 | -0.00702 | -0.00238 | -0.00300 | 0.00175 | -0.00390 |
|  |  |  |  | (0.0310) | (0.0287) | (0.0329) | (0.0301) | (0.0300) | -0.027 |
| Unemployment | -0.388 | -0.315 | -0.475 | -0.574 | -0.480 |  |  | -0.503\* | -0.428 |
|  | (0.356) | (0.333) | (0.361) | (0.373) | (0.341) |  |  | (0.296) | (0.317) |
| Unemployment t-1 | 0.386 | 0.306 | 0.496\* | 0.548\* | 0.458\* |  |  | 0.478\*\* | 0.426\* |
|  | (0.261) | (0.261) | (0.275) | (0.282) | (0.265) |  |  | (0.229) | (0.257) |
| GDP growth | 0.473\*\*\* | 0.483\*\*\* | 0.458\*\*\* | 0.418\*\*\* | 0.440\*\*\* |  |  | 0.495\*\*\* | 0.479\*\*\* |
|  | (0.107) | (0.112) | (0.109) | (0.108) | (0.114) |  |  | (0.123) | (0.104) |
| GDP growth t-1 | -0.00679 | -0.00218 | -0.00662 | -0.0582 | -0.0559 |  |  | -0.0236 | -0.0498 |
|  | (0.166) | (0.169) | (0.188) | (0.195) | (0.201) |  |  | (0.190) | (0.196) |
| Inflation | -0.171 | -0.162 | -0.201 | -0.195 | -0.185 | -0.143 | -0.195 | -0.182 | -0.163 |
|  | (0.194) | (0.177) | (0.203) | (0.187) | (0.166) | (0.236) | (0.227) | (0.193) | (0.176) |
| Inflation t-1 | 0.113 | 0.117 | 0.126 | 0.120 | 0.129 | -0.191 | -0.0522 | 0.144 | 0.126 |
|  | (0.202) | (0.190) | (0.203) | (0.199) | (0.151) | (0.237) | (0.208) | (0.217) | (0.160) |
| Δ debt | 0.107\* | 0.113\* | 0.0923 | 0.0826 | 0.0919 | -0.0220 | -0.0313 | 0.0957 | 0.102 |
|  | (0.0648) | (0.0632) | (0.0680) | (0.0644) | (0.0668) | (0.0774) | (0.0721) | (0.0703) | (0.0711) |
| Δ debt t-1 | -0.141\*\* | -0.131\*\* | -0.141\*\* | -0.122\*\* | -0.106\*\* | -0.161\* | -0.166\* | -0.100\*\* | -0.108\*\* |
|  | (0.0572) | (0.0598) | (0.0560) | (0.0489) | (0.0496) | (0.0849) | (0.0876) | (0.0493) | (0.0537) |
| Log trade | -5.528 | -4.993 | -6.847 | -6.532 | -6.171 | -1.446 | -1.499 | -7.291 | -6.410 |
|  | (5.828) | (5.905) | (5.636) | (5.682) | (5.782) | (6.137) | (6.425) | (5.596) | (5.794) |
| Log trade t-1 | 9.820 | 9.084 | 10.91\* | 10.38\* | 9.466 | 6.203 | 5.075 | 11.50\* | 10.19 |
|  | (6.183) | (6.365) | (6.309) | (6.112) | (6.207) | (5.796) | (6.017) | (6.240) | (6.432) |
| Years in office | -0.217 | -0.211 | -0.171 | -0.166 | -0.164 | -0.175 | -0.176 | -0.198 | -0.179 |
|  | (0.174) | (0.169) | (0.184) | (0.169) | (0.167) | (0.153) | (0.156) | (0.164) | (0.162) |
| Years in office t-1 | 0.119 | 0.128 | 0.0486 | 0.0759 | 0.0955 | 0.0467 | 0.0329 | 0.113 | 0.107 |
|  | (0.159) | (0.159) | (0.179) | (0.145) | (0.141) | (0.145) | (0.147) | (0.149) | (0.146) |
| Election year | 2.817\*\*\* | 2.761\*\*\* | 2.745\*\*\* | 2.766\*\*\* | 2.712\*\*\* | 2.765\*\*\* | 2.745\*\*\* | 2.852\*\*\* | 2.722\*\*\* |
|  | (0.720) | (0.713) | (0.712) | (0.723) | (0.715) | (0.772) | (0.739) | (0.757) | (0.748) |
| Election year t-1 | -0.0861 | -0.114 | -0.167 | -0.0825 | -0.0798 | 0.229 | 0.188 | -0.0294 | -0.0801 |
|  | (1.108) | (1.080) | (1.052) | (1.071) | (1.052) | (1.180) | (1.138) | (1.056) | (1.035) |
| Government composition | 0.909 | 0.944 | 1.278\* |  |  | 0.293 | 0.253 |  |  |
|  | (0.780) | (0.765) | (0.729) |  |  | (0.979) | (1.006) |  |  |
| Government composition t-1 | -0.481 | -0.542 | -0.540 |  |  | -0.102 | -0.106 |  |  |
|  | (0.657) | (0.690) | (0.709) |  |  | (0.808) | (0.809) |  |  |
| Government turnover | 2.238\*\* | 2.195\*\* | 2.334\*\*\* | 2.297\*\* | 2.261\*\* | 2.855\*\* | 2.688\*\* | 2.223\*\* | 2.155\*\* |
|  | (0.897) | (0.967) | (0.891) | (0.967) | (0.919) | (1.161) | (1.203) | (0.947) | (0.985) |
| Government turnover t-1 | 2.904\* | 3.059\*\* | 3.316\*\* | 3.419\*\* | 3.220\* | 3.402\*\* | 3.385\*\* | 3.108\*\* | 3.318\*\* |
|  | (1.545) | (1.527) | (1.603) | (1.575) | (1.667) | (1.604) | (1.670) | (1.517) | (1.553) |
| Constant | 17.57 | 10.40 | 97.07 | 98.48 | 90.29 | 170.4 | 126.9 | 60.40 | 52.90 |
|  | (99.40) | (94.52) | (103.4) | (103.8) | (106.8) | (107.0) | (116.6) | (108.2) | (101.1) |
|  |  |  |  |  |  |  |  |  |  |
| Observations | 436 | 436 | 436 | 436 | 436 | 408 | 408 | 433 | 433 |
| Number of countries | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Robust standard errors in parentheses | | |  |  |  |  |  |  |  |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 | | |  |  |  |  |  |  |  |

**Replicating figure 2, but with fixed effects models and with country specific time trends**



Hainmueller et al. (2019) interflex models are presented in the two figures below. The left figure shows that there is common support between the treatment variable and the moderating variable. Hence, there are enough situations where the treatment (consolidation) and the moderator (per capita growth) are present, notably in the cases where we observe an interaction effect (low growth and consolidations and high growth and consolidations). The right figure shows that there are no non-linearities in the effect. Of all the country/years with real per capita growth above 2% (mean is 1.76), 36% of them are in consolidation, which is not much lower than 43% of the country/years where growth is lower than 2%. The average amount of consolidation is smaller when growth is high (1.2% of GDP for country/years implementing consolidations against 2% of GDP when growth is low), but the frequency of consolidation episode is just slightly lower.

 

**Augmented inverse probability weighting.**

The augmented inverse probability weighting (AIPW) method uses the *teffects* command in Stata. In the first stage, we use a rich set of covariates to predict a dummy for total, spending-based and tax-based consolidations. These covariates are primary deficit, years left in the current term, being in a recession, having a credit downgrade, a right-wing government, economic orthodoxy (calculated with the Comparative Manifesto project), the right/left index, inflation, per capita growth and unemployment. In the second stage, less weight is given to fiscal consolidations episodes that are better predicted by the first stage. Consolidation that are not well predicted by the first stage are considered more exogenous. The same regression models as in table 2 are used in the second stage. The table below presents the results of the second stage of the AIPW, showing the effect of the three measures of consolidation on approval.

**Table AIPW model, second stage coefficients**

|  |  |  |  |
| --- | --- | --- | --- |
| Variable | Coefficient on approval | 95% confidence interval | |
| Total consolidations | -2.98\*\* | -4.83 | -1.12 |
| Spending cut | -3.00\*\* | -5.37 | -.64 |
| Tax increase | -2.27\*\* | -3.82 | -.72 |

|  |
| --- |
| Robust standard errors in parentheses |
| \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 |

**Placebo test**

We ran a placebo test, where we use the lead of consolidations, one year prior to the real event, as a predictor of approval. The results confirm that approval does not react to “fake” consolidations occurring one year prior to the real episode.

|  |  |
| --- | --- |
|  | Approval |
|  |  |
| Lagged dependent variable | 0.721\*\*\* |
|  | (0.0319) |
| Placebo | 1.053 |
|  | (0.867) |
| Unemployment t-1 | 0.0909 |
|  | (0.0999) |
| Growth t-1 | 0.109 |
|  | (0.208) |
| Inflation t-1 | -0.106 |
|  | (0.148) |
| Public debt t-1 | -0.174\*\* |
|  | (0.0713) |
| Trade openness t-1 | 3.990 |
|  | (2.751) |
| Years in office t-1 | -0.00620 |
|  | (0.0808) |
| Election dummy t-1 | -1.697\* |
|  | (1.014) |
| Government composition t-1 | 0.0557 |
|  | (0.464) |
| Left/right index t-1 | 0.0236 |
|  | (0.0213) |
| Government turnover t-1 | 4.189\*\*\* |
|  | (1.004) |
| Constant | 141.9 |
|  | (95.82) |
|  |  |
| Observations | 438 |
| Number of ctyid | 14 |
| Robust standard errors in parentheses | |
| \*\*\* p<0.01, \*\* p<0.05 \* p<0.1 | |