

****NOT FOR PUBLICATION****

Supplementary Online Appendices

The Electoral Origins of the Fiscal State

The appendices contain data details, results and robustness checks that supplement the main text. Specifically, the materials include:

- A Simple formalization of the argument (Including Figure A-1)
- Data details
- Figure A-2: Social pending: Original data points and interpolated series from earliest data to 1975
- Figure A-3: Franchise levels and franchise extensions
- Figure A-4: Average franchise for three periods: pre-1870, 1870-1914, and post-1914
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A Simple Formalization of The Argument

We conceive of mid 19th-century parties as weak political machines. There is little coherence either within party families or over time and, as a result, time horizons are bound to be short. Under these conditions, parties do not internalize the long term consequences of today's decisions over the rules of game of the policies that enhance loyalty among its core voters. We characterize this *organizationally-induced* myopia in the form of a the discount ratio, δ , that denotes the relative weight assigned by office seeking politicians to future relative to current payoffs.

To capture the strategic interaction between Liberals and Conservatives over time, we analyze a two period game as displayed in Figure A-1. We proceed in three steps.

- We begin by assuming restricted parliamentary representation consistent with average conditions in mid-nineteenth century (*period 1*). We analyze what happens when Liberals reach office in a context of *Conservative dominance*.³⁵ We establish the conditions under which Liberals choose to expand franchise and advance the policy implications, both on the spending and revenue sides.
- Second, assuming that the Liberals have succeeded in their strategy to optimize the electorate's size and policy offerings, we study the Conservative's reaction in a context of *Liberal dominance* (period 2).
- Third, we analyze the decision of the first mover in light of the consequences that follow, and draw insights about the conditions under which the dynamics of fiscal expansion unfolds as a result of short-term electoral strategies.

³⁵Hereafter, *dominance* implies that forces other than the incumbent have a very low probability of winning elections

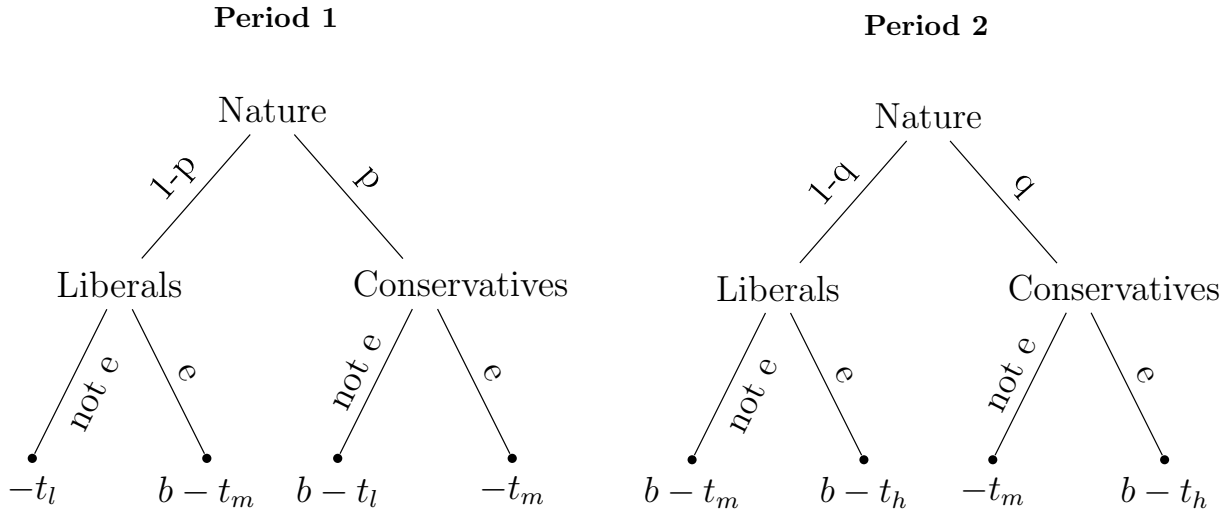


Figure A-1: **Decision tree**

Period 1: Liberal Parties' Strategies and Payoffs

A status quo of *Conservative dominance* implies that the probability of Conservatives, C, winning the election as assigned by nature is almost one, that is, $p \approx 1$. Under Conservative rule the Liberals, L, receive no benefit other than parliamentary representation, for which they pay a low tax rate, t_l . Conservatives enjoy an electorally dominant position until some exogenous factor (e.g. a sudden increase in the prize of agricultural goods associated with exceptional climatic conditions breeding political instability) reduces p enough for Liberals to conceivably win office (in other words $1 - p > 0$). Historians show that there were few of these exceptional times in Europe, mainly resulting from climate shocks at home or abroad.³⁶

Our analysis begins at the point in which Liberals win office. Given limited franchise (that is a situation in which labor parties are excluded from the political game), Liberal elites must expand the franchise enough to incorporate their natural constituency, namely new industrialists, and the upper echelons of urban liberal professionals such as lawyers and traders. Otherwise, p regresses to values near 1 and the conservative hegemony is restored (à la Acemoglu and Robinson 2000).

If Liberals extend franchise, e , they will also increase the tax rate to $t_m > t_l$ so as

³⁶See Berger, Helge and Mark Spoerer. 2001. *Economic Crises and the European Revolutions of 1848*. *The Journal of Economic History* 61(2):293–326 and Traugott, Mark. 1983. *The Mid-Nineteenth-Century Crisis in France and England*. *Theory and Society* 12(4):455–468. for the opportunities of reform derived from the mid-nineteenth century crises.

to expand social spending $G(t_m) > G(t_l)$ and lure the newly enfranchise into the Liberal coalition. The Liberals' payoff is then $b - t_m$, with $b > 1$ being the value of office and t_m an intermediate tax rate. By contrast, if Liberals do not expand franchise, they go back to their "loser/opposition party" condition, where they remain in opposition, receive a payoff that we normalize to 0, pay little taxes (in exchange for parliamentary representation) and remain outside the executive. That is, they would continue to receive a $-t_l$ payoff.

Period 2: Conservative's Strategies and Payoffs

The second case of interest is one in which Liberals have achieved office and begun to enact their policy platform. They face two contenders: Labor, still largely excluded from the formal political arena, and Conservatives, the opposition party in the new status quo.

Liberals enjoy now a *dominant* position: they stay in office with probability $(1 - q) \approx 1$. The payoff function in Figure A-1 captures the fact that they are particularly averse to the tax increase that would necessarily come with the extension of franchise. Conservatives, in turn, access power with probability $q < 1 - q$, again driven by some set of extraordinary politico-economic circumstances: e.g. WWI (Ticchi and Vindigni, 2008).

If they happen to achieve office, Conservatives face a strategic dilemma common to all non-dominant parties, and *similar to the Liberals' in the previous period*. If they extend franchise, they receive a payoff $b - t_h$, with $t_h > t_m > t_l$. That is, they secure office but they also pay relatively larger taxes to lure the newly enfranchised into their support coalition. If, on the contrary, they do not extend franchise they remain in the opposition and pay t_m (the cost of being part of the selectorate, again with the only benefit of parliamentary representation normalized to 0).

Much like Liberals in period 1, Conservatives face a trade-off between their ideological preferences and their own electoral survival. Conservatives do not extend franchise at $t = 2$ if their probability of staying in office under full franchise, h , is very low. Insofar as the condition $b - t_h + \delta[h(b - t_h) + (1 - h)(-t_h)] > -(1 + \delta)t_m$ is met, the decision by Conservatives to expand franchise in $t = 2$ is optimal.

Given the responses by Conservatives to *Liberal dominance* in period 2, the last hurdle is to analyze the conditions under which Liberals find it rational to extend franchise in period 1. Taking periods 1 and 2 as two elements of a single game, and solving the Liberal inter-temporal calculation through backwards induction, yields the following condition:

$$\delta < \delta^* = \frac{b - (t_m - t_l)}{qt_h - [t_l + (1 - q)(b - t_m)]} \quad (5)$$

which implies that Liberals extend franchise in period 1 if and only if $\delta < \delta^*$, that is, as long as they discount the future large enough.³⁷ Liberals (as any other political group) value office rents: Expression 5 is more easily met when b is high. Liberals fear extraction too: Expression 5 is harder to be satisfied when Liberals anticipate a low probability of retaining office in the future, $(1 - q)$, or high tax rates, t_h .

The key insight from the analysis is that Liberals extend franchise in period 1 if and only if they prioritize short-term office rents, or underestimate the probability of Conservatives regaining office in the future. Three important analytical implications follow:

1. Liberals' *organizationally-induced* myopia in period 1, captured by a high discount ratio, pushes Conservatives to lead further extensions of franchise in period 2, reaching to a sub-optimal result for *both* the Liberals and Conservatives with respect to the initial conditions of the game: that is, they end paying high taxes, and taking turns in office with a third player, Labor.
2. Under partial franchise, no combination of franchise regulation and public policy constitutes a stable equilibrium. For any party satisfied with the status quo in terms of the size and composition of the demos and the policy regime there will always be at least one other party inside the political game with (1) different policy preferences and (2) incentives to push for additional extensions of franchise in the hope that the new inflow of voters increase their chances to influence policy. Critically, this holds true regardless of ideological position of the challenger relative to the incumbent party.
3. Fiscal policy choices evolve over time as part of an office seeking electoral strategy. As incumbents are defeated and become the *new* challengers, their preferences over the optimal size of the electorate switch, and they support additional extensions of franchise, which in turn demands new fiscal policies to forge new and stable political coalitions. Herein lies the mechanism linking electoral incentives and fiscal expansions.

³⁷Expression 5 results from comparing Liberals' current utility of expanding plus the expected value in time 2, against the possibility of being in opposition in time 1 and 2, provided a discount factor $\delta \in [0, 1]$. This result requires $b > t_m - t_l$ in period 1 (i.e. Liberals extend franchise in $t = 1$), and $b > t_h - t_m$ in period 2 (i.e. Conservatives extend franchise in $t = 2$). Both conditions are simultaneously met for $b > (t_h - t_l)/2$.

Data Details

Social spending. We limit the attention to 10 Western European economies for which we have been able to recollect social (and other types of) expenditure at the central government level. The main data source for this series is Flora, Kraus and Pfenning (1983), who coded spending in housing, social services and education. These data are provided in nominal values. To normalize it, we have used nominal GDP values from Scavo et al. (2014) compendium, accessible at the [Global Price and Income History Group](#).³⁸ The data is completed for the UK with central government education spending data from Carpentier (2001) for the period 1830-1890, also made available by the [Global Price and Income History Group](#).³⁹ For Germany, we did not code central government spending but general government spending. Once the social spending to GDP series were ready, we interpolated the data. We also considered multiple imputation. Amelia II estimates proved systematically upwardly biased for all panels. This was due to the high degree of data missingness in the original series. Figure A-2 plots the original and interpolated series. As manifest in Figure A-2, the actual coverage of these series varies by country. Table A-2 reports the first and last year for which we have data for each country. All series end in 1975, coinciding with the heydays of the welfare state, but truly constrained by Flora, Kraus and Pfenning (1983) data.

Franchise. This variable is computed as the ratio of eligible electors (Flora, Kraus and Pfenning, 1983; Nohlen and Stöver, 2010) to total population Maddison (2007).⁴⁰ Franchise extensions are drawn from Aidt and Jensen (2014) and Przeworski (2013). Both franchise level and extensions are plotted in Figure A-3. Average franchise level per period (initial conditions, pre-WWI, and long-term) is plotted in Figure A-4.

Parliamentary Plurality. This variable is coded step-wise. First, we code party seat shares in the National Parliament from Flora, Kraus and Pfenning (1983), Nohlen and Stöver (2010), Sternberger et al. (1969),⁴¹ and [Rois & Présidents](#). Second, we classified

³⁸Scavo, Jordan, Jutta Bolt and Peter Lindert. 2014. *Nominal National Product in Western Europe since Earliest data*. Government Budget Historical Series.

³⁹Carpentier, Vincent. 2001. *Système Éducatif et Performances Économiques au Royaume-Uni: 19ème et 20ème siècles*. Paris: Logiques Economiques.

⁴⁰Maddison, Angus. 2007. *Contours of the World Economy 1-2030 AD: Essays in Macroeconomic History*. Oxford University Press.

⁴¹Sternberger, Dolf, Bernhard Vogel and Dieter Nohlen. 1969. *Die Wahl der Parlamente und anderer Staatsorgane: Ein Handbuch. Band I: Europa*. Berlin: Walter de Gruyter & Co.

parties in three larger families: Conservative (or traditionalist), Liberals (or reformers), and Labor (or radicals). The information for the ideological stand of each party is drawn from multiple sources: Bartolini (2000),⁴² Caramani (2004), Kalyvas (1996), country experts such as Alberto Penades (Italy), and general open sources, such as Wikipedia, for party name identification. For the Finnish Diet, based on Haapala (1987), Jutikkala (1960) and Mylly (2008), we classified the Nobility and Burgers estates as Conservatives, and the Clergy and Peasant estates as reformers (Liberals).⁴³ Third, for each parliamentary session, we pooled all parties from the same ideological family and identified the one having the largest share of seats (i.e. the plurality). Figure A-6 plots the evolution of the three main ideological families: Conservatives, Liberals and Labor. Aware of the Conservative split between religious and non-religious parties, we repeated the same steps assuming four ideological families instead of three: Liberals, confessional Conservatives, non-confessional Conservatives and Labor.

Next we list all parties in each category from earliest data to 1975. Parties are classified based on their policy preferences, not their labels.

Belgium

- **Conservative Parties:** Catholic Party, Dissident Catholics Rexists, Daensists, Christian Social Party, Dissident Catholic Lists, Party Of German-speaking Belgians
- **Liberal Parties:** Liberal Party
- **Labor Parties:** Workers Party/Socialist Party, Communist Party, Walloon Democratic Front, Walloon Workers Party, Walloon Rally

Denmark

- **Conservative Parties:** Conservatives, Farmers Party, National Socialists, Christian Peoples Party, Center Democrats, Progress Party

⁴²Bartolini, Stephano. 2000. *The Class Cleavage. The electoral Mobilisation of the European Left 1880-1980*. New York: Cambridge University Press.

⁴³Haapala, Pertti. 1987. "How Was the Working Class Formed? The Case of Finland, 1850-1920." *Scandinavian Journal of History* 12(3):179197. Jutikkala, Eino. 1960. "Political Parties in the Elections of Deputies to the Estate of Burgesses and the Estate of Farmers in the Finnish Diet of Estates." *Proceedings of the Finnish Academy of Science and Letters* pp. 167184. Mylly, Juhani. 2008. "The Emergence of the Finnish Multi-Party System." *Scandinavian Journal of History* 4(1):277293.

- **Liberal Parties:** Moderate, Liberals, Liberal Reform, Radicals Justice Party, Independent Party, Liberal Center
- **Labor Parties:** Socialdemocrat, Communist Party, Socialist Peoples Party, Socialist Peoples Party

Finland

- **Conservative Parties:** Finnish Party, Peoples Party, Young Finnish Party, Swedish Peoples Party, National Coalition, Patriotic Peoples Movement, Christian League, Finnish Constitutional People's Party
- **Liberal Parties:** Agrarian Union, Progressive Party, Liberal People's Party, Swedish Left Wing, Liberal League, Finnish Rural Party
- **Labor Parties:** Christian Labor Union, Social Democrats, Socialist Workers Party, Small Farmers Party, Democratic Union, Social Democratic League

France

- **Conservative Parties:** Action Liberte, Autoritaires, Conservateurs, Conservateurs Ministeriels, Divers Droite, Droite, Federation Republicaine, Gouvernementaux Ultras, Legitimiste, Monarchistes, Nationalistes, Orleanistes, Parti De L'ordre, Rallies, Republicans Progressistes, Revisionnistes, Royalistes, Ultras, Union Republicaine, Conservatives I, Conservatives Ii, Liberal Popular Action, Independent Radicals, Republican Union, Popular Democratic Party, Gaullists, Poujadists, Reformers, Center Democrats, Democratic Union, Independent Republicans, Other Government Supporters
- **Liberal Parties:** Bonapartistes 2nd Rep, Bonapartistes 3rd Rep, Centre Gauche, Constitutionnels, Gauche Republicaine, Gauche Republicaine, Indetermines, Liberaux 1st Rep & Juliet, Moderes, Opportunistes, Opposition 1846, Opposition 1842, Opposition 1834, Opposition 1815, Progressistes, Radicaux, Radicaux Independants, Radicaux Socialistes, Republicain Socialiste, Republicains, Republicains Moderes, Republicans Du Gauche, Tiers Parti, Tiers Parti Et Republicains, Radical Socialist Party, Left Republicans, Democratic Center, Popular Republican Movemnet
- **Labor Parties:** Extreme Gauche, Gauche, Montagnards, Republicains Et Gauche Dynastique, Sfiio, Socialistes, Socialistes Independants, Socialist Republicans, Independent Socialists, Communist Party, United Socialist Party, United Socialist Party, And Extreme Left, Left Radicals

Germany

- **Conservative Parties:** German Conservatives, German Reich Party, Guelph Party, Farmers League, Economic Union, German National Peoples Party, Hanoverian Party, Middle Class Party, Bavarian Peoples Party, Land League National, Socialist/nazi Party, Farmers Party, Refugee Party, Peoples Land Party, Peoples Rights Party, Center Party, Christian Peoples Service, Christian Democratic Union, German Party
- **Liberal Parties:** German Peoples Party, Liberal Reich Party, National Liberals, Liberal Union, Progressive Party, Free Thinking Party, Free Thinking Peoples Party, Free Thinking Union, German Democratic Party, German Peoples Party, Free Democrats
- **Labor Parties:** Social Democrats, Independent Social Democrats, Communist Party

Italy

- **Conservative Parties:** Right, Constitutionals, Constitutional Democratic Party, Fascist, Catholics, Catholic Conservatives, Economic Party, Catholic, Economic, Fighter Republican, National Bloc, Dissident Fascist, Christian Democrats, Common Man's Front, Monarchist Party, United Monarchist Party, Popular Monarchist Party, Social Movement
- **Liberal Parties:** Ministerial And Opposition Liberals, Social Democrats, Republican Party, Popular Party, Liberal Party
- **Labor Parties:** Socialist Party, Independent Socialists, Reformist Socialists, Independent Radicals, Communist Party, Liberal Democratic, United Socialist Party, Extreme Socialist, Socialist Constitutional Opposition, Peasants, Sardinian, Left Socialist Party, Action Party, Sardinian Action Party, Community Front, Italian Socialist Party Of Proletarian Unity

Netherlands

- **Conservative Parties:** Conservative, Catholic, Anti-revolutionary, Christian Historicals, Roman Catholic Peoples Party, Christian Historical Union, Political Reformed Party, New Reformed State Party, Alliance For National Reconstruction, Farmers League, National Socialist Movement, Catholic Peoples Party, Catholic National Party, Roman Catholic Party, Reformed Political Union, People's Party For Freedom And Democracy

- **Liberal Parties:** Liberal, Liberal Union, Free Liberal League, Economic League, Middle Class Party, Middle Party For City And Country, League For National Renewal, Radical Political Party, Labor Party, Democratic Socialists 70, Democrats 66, Middle Class Party,
- **Labor Parties:** Radicals, Social Democratic League, Social Democratic Workers, Christian Democratic Union, Workers Party, Socialist Party Communist Party, Revolutionary Socialist Party, Pacifist Socialist Party

Norway

- **Conservative Parties:** Moderates, Conservatives, Coalition Party (Samlingspartiet), National Socialists, Anders Lange's Party
- **Liberal Parties:** Liberals, Worker Democrats, Conservatives And Liberal Left Party, Liberals And Workers Democrats, National Liberals, Agrarian League/Farmers Party, Radical Peoples Party, Liberal Left Party, FV/FF, Christian Peoples Party, Farmers Party/Center Party
- **Labor Parties:** Labor Party, Workers Party, Communist Party, Socialist Peoples Party, Socialist Electoral Alliance

Sweden

- **Conservative Parties:** Protectionists, Conservatives, Citizen Coalition
- **Liberal Parties:** Free Traders, Liberal People's Party , Moderate Free Traders, Agrarian Party, Farmers Union, Prohibitionist Liberals, People's Party, Swedish Liberal Party, Middle Parties
- **Labor Parties:** Social Democrats, Left Socialists, Communists, Høglund Communists, Socialist Party

United Kingdom

- **Conservative Parties:** Tories, Conservative Party, Liberal Unionists, Coalition Independent, National Liberal Party, National Labor, National Democratic Party, Democratic Unionist Party, United Ulster Unionist Council
- **Liberal Parties:** Whigs, Irish Repeal, Home Rule Party, Liberal Party, Irish Nationalist Party, Coalition Labor, Lloyd George Liberals, Plaid Cymru

- **Labor Parties:** Chartist, Independent Labor Party, Labor Party, Irish Republicans, Communist Party, Commonwealth, Scottish National Party, Social Democratic Labor Party

Additional Data Sources

- Data of the secret (open) ballot is drawn from Przeworski (2013)
- The adoption year of a proportional electoral system is drawn from Calvo, Ernesto. 2009. “The Competitive Road to Proportional Representation. Partisan Biases and Electoral Regime Change under Increasing Party Competition.” *World Politics* 61(2): 254–295.
- Militar personnel per capita, urbanization (population in cities of 50,000 and over) and trade openness (proportion of world trade) are drawn from Banks, Arthur S. and Kenneth A. Wilson. 2012. *Cross-National Time-Series Data Archive. Databanks International*. These are all time-varying covariates.
- War participation data is drawn from Sarkees, Meredith Reid and Frank Wayman. 2010. *Resort To War*. CQ Press.

Figure A-2: Social Spending. Original data points and interpolated series from earliest data to 1975.

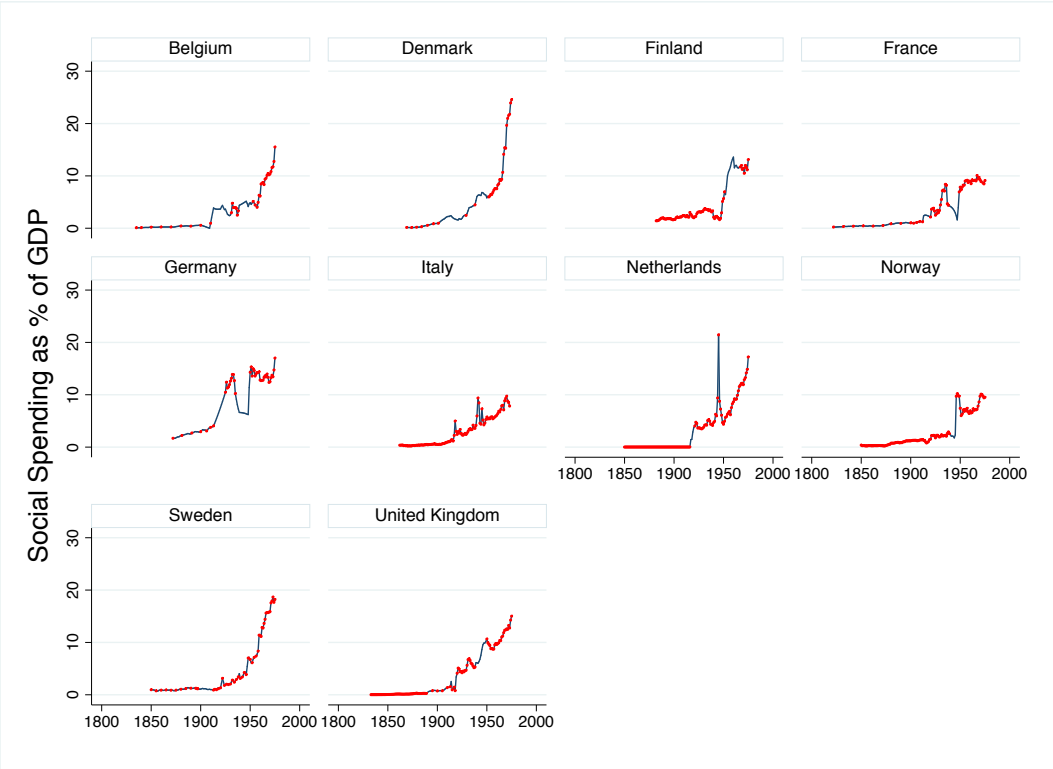


Figure A-3: Franchise (as share of total population) and franchise extensions (vertical lines).

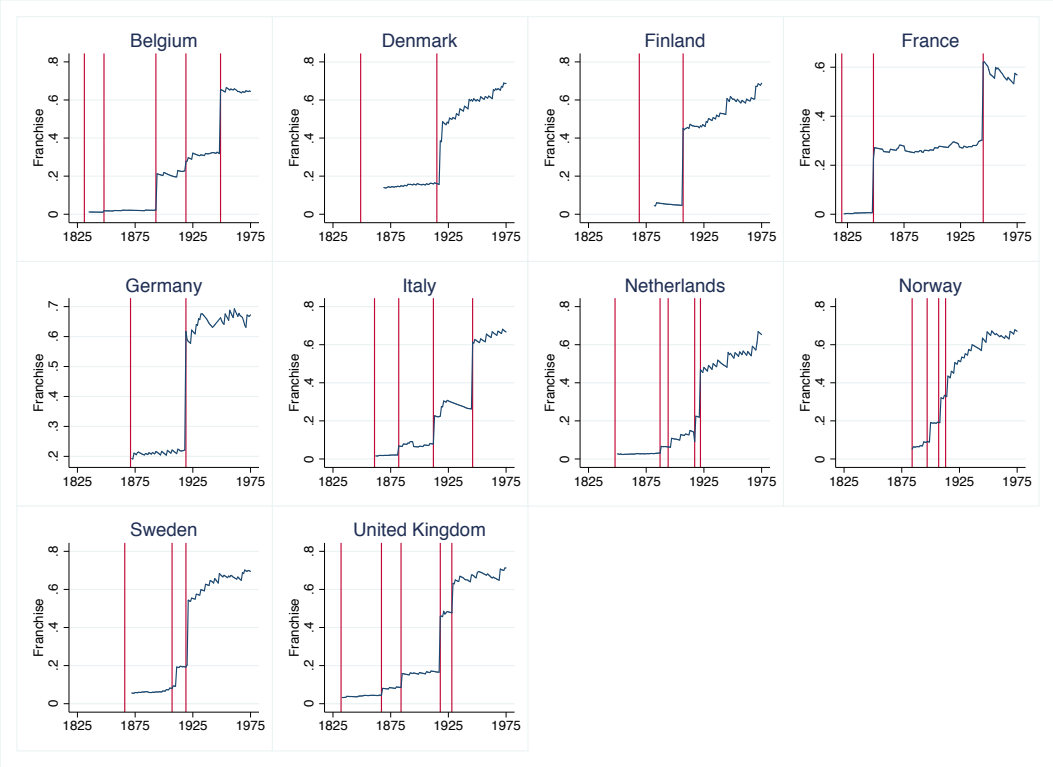


Figure A-4: Average franchise for three periods: before 1870, 1870-1914, and after 1914.

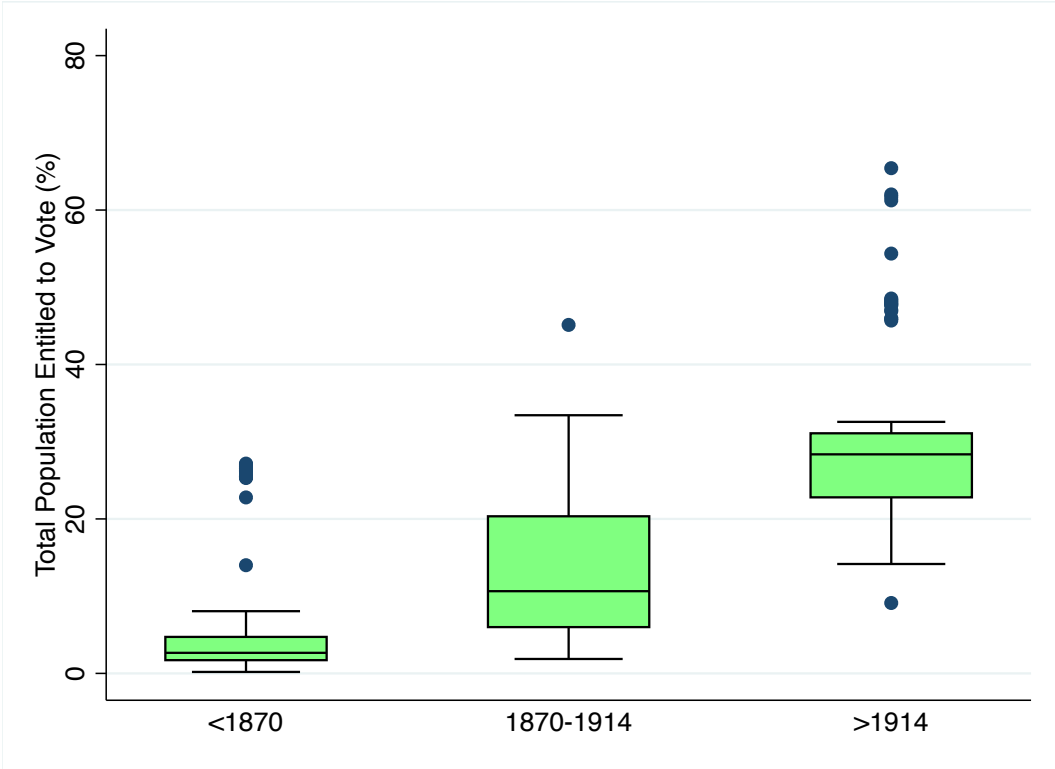


Figure A-5: **Colorblind version of Figure 1.** Trends in franchise, total tax, direct tax and social spending as % of GDP in Western Europe since earliest data to 1975.

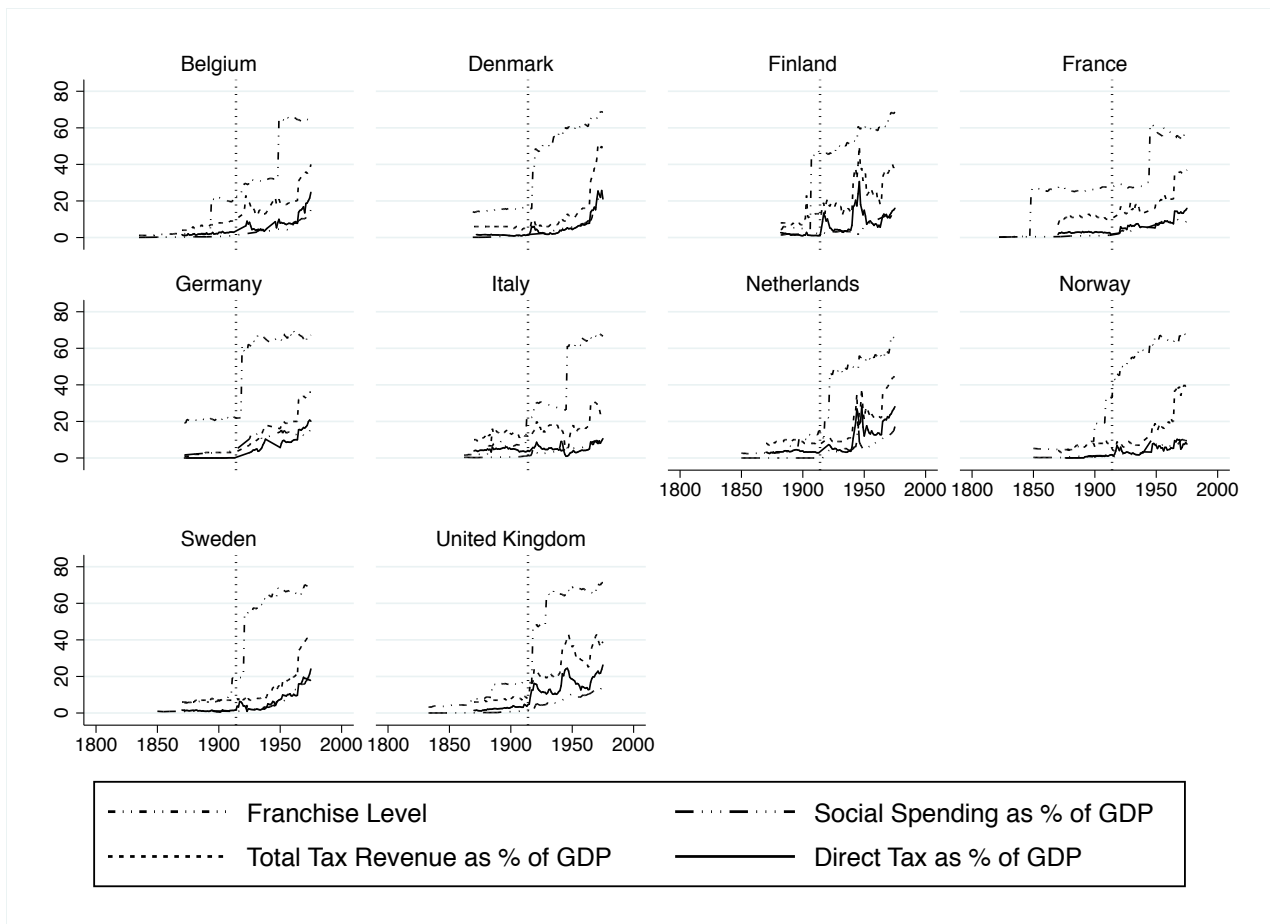


Figure A-6: Party seat shares from earliest data to 1975.

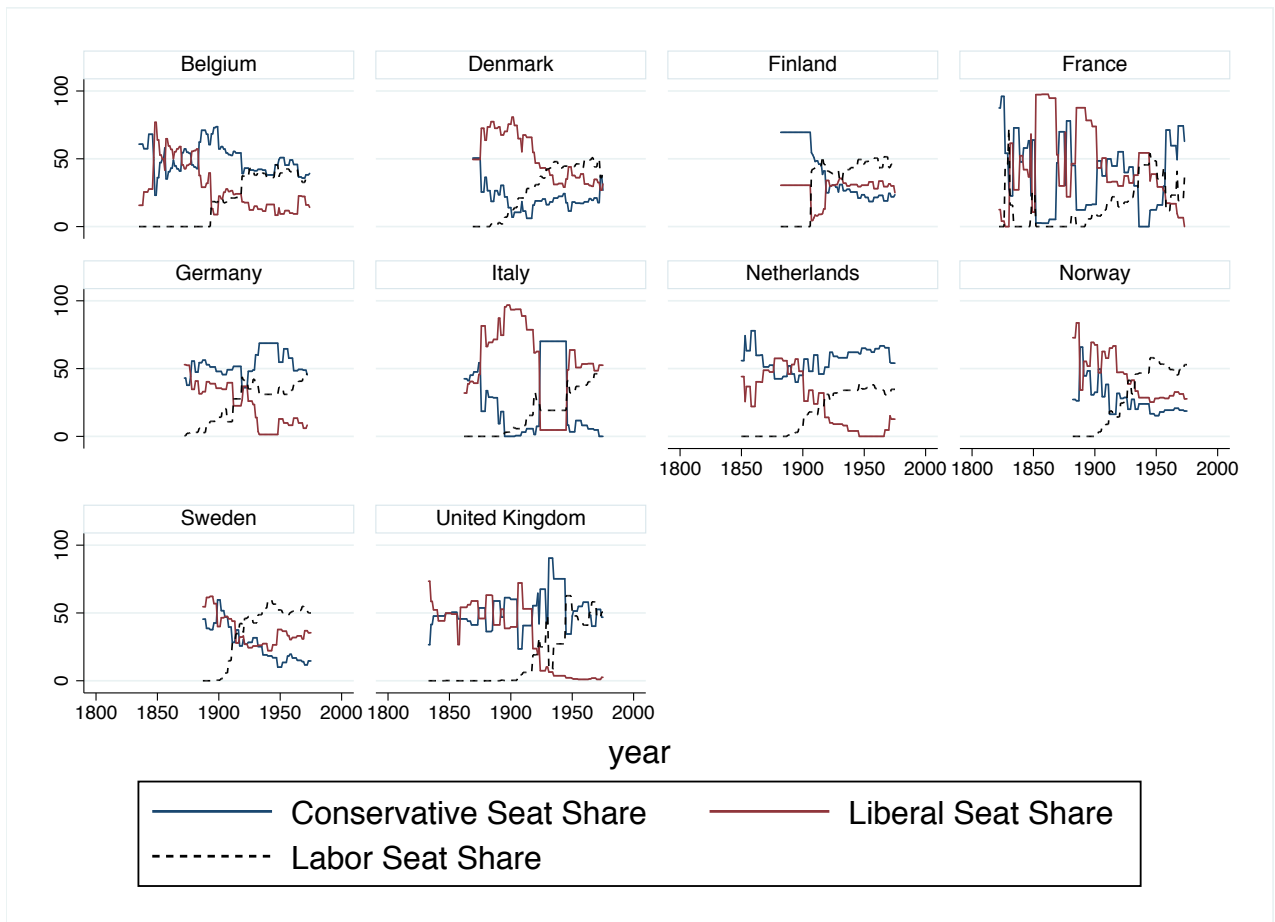


Table A-1: **Timing of Franchise Extensions and Parliamentary Plurality in Parenthesis**

Country	First Election	Franchise Extensions
Belgium	1831	1848 (Lib), 1893 (Cons), 1919 (Cons), <i>1948</i> (Left)
Denmark	1849	<i>1915</i> (Lib)
Finland	1869	<i>1906</i> (Cons)
France	1820	1848 (Lib), <i>1945</i> (Left)
Germany	1871	<i>1919</i> (Left)
Italy	1861	1882 (Lib), 1912 (Lib), <i>1946</i> (Cons)
Netherlands	1849	1887 (Lib), 1894 (Lib), 1917 (Cons), <i>1922</i> (Cons)
Norway	1884	1897 (Lib), 1907 (Lib), <i>1913</i> (Lib)
Sweden	1866	1907 (Lib), <i>1919</i> (Left)
United Kingdom	1832	1867 (Lib), 1884 (Lib), 1918 (Cons), <i>1928</i> (Cons)

Women's universal suffrage in italics. Source: Przeworski 2013 and Aidt and Jensen 2013.

Table A-2: Coverage of Central Government Social Spending

Country	First observation	Last observation
Belgium	1835	1975
Denmark	1869	1975
Finland	1882	1975
France	1822	1975
Germany*	1872	1975
Italy	1862	1975
Netherlands	1850	1975
Norway	1850	1975
Sweden	1850	1975
United Kingdom	1833	1975

*German data corresponds to general government.

Table A-3: **Robustness tests for Tables 5 and 6.** Columns 1 and 2 include first-lags of all independent variables instead of contemporaneous levels, thus addressing sequential causation. Columns 3 and 4 report ADL models, in which all covariates are expressed in both levels and in first-lags. Models control are: War, War Lags, GDP/Cap, Military Gap, PR, Open Ballot, Left Seat Share, Trade and Urbanization.

	LDV		ADL	
	Total Tax Revenue as % of GDP (1)	Excise Yields as % of Revenue (2)	Total Tax Revenue as % of GDP (3)	Excise Yields as % of Revenue (4)
Lagged Liberal Plurality	0.176* (0.106)	0.642* (0.332)		
Contemporaneous Liberal Plurality			0.198 (0.143)	0.779** (0.377)
First Lag of Dependent Variable	Yes	Yes	Yes	Yes
First Lag of Controls	Yes	Yes	Yes	Yes
Non-lagged Controls	No	No	Yes	Yes
Country FE	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes
Observations	346	428	346	428
R-squared	0.960	0.967	0.963	0.969

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-4: **Robustness test for excise models in Table 6.** The sample is now limited to 1870-1913, coinciding with the period for which we have total tax revenue data.

	Excise Yields as % of Tax Revenue	
	(1)	(2)
Liberal Plurality	0.691*	0.732*
	(0.394)	(0.375)
ln(GDP/Cap)		5.209**
		(2.447)
War		0.905
		(0.678)
Military Gap		0.690***
		(0.223)
ln(Urbanization)		-3.790***
		(1.388)
PR		-0.048
		(0.805)
Labor Seat Share		0.080**
		(0.039)
Open Ballot		-0.710
		(0.491)
ln(Trade)		2.768***
		(0.984)
Constant	2.779***	2.375
	(0.753)	(9.873)
First Lag of Dependent Variable	Yes	Yes
Country FE	Yes	Yes
Year FE	Yes	Yes
Observations	379	348
R-squared	0.968	0.970

LDV Models. Robust standard errors in parentheses.

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

Table A-5: **Robustness test for Table 7.** Change in Social spending increases as a function of Liberal-sponsored franchise extensions from 1870 to 1913, coinciding with the period for which we have total tax revenue data.

	Δ Social Spending $_{t+4,t-1}$	
	(1)	(2)
Liberal Plurality \times Franchise Extension	0.454*** (0.168)	0.386** (0.158)
Liberal Plurality	-0.104** (0.045)	-0.137*** (0.046)
Franchise Extension	-0.342*** (0.110)	-0.333** (0.130)
War	-0.014 (0.092)	0.048 (0.096)
ln(GDP/Cap)	-0.799 (0.509)	-0.523 (0.426)
Franchise Level	-1.199*** (0.459)	-2.943*** (0.735)
Military Gap		0.004 (0.034)
PR		0.770*** (0.287)
Open Ballot		-0.014 (0.092)
Left Seat Share		-0.011 (0.007)
ln(Trade)		0.543*** (0.201)
ln(Urbanization)		-0.501** (0.247)
Constant	1.545** (0.724)	0.339 (1.518)
First Lag of Dependent Variable	Yes	Yes
Country FE	Yes	Yes
Year FE	Yes	Yes
Observations	389	358
R-squared	0.318	0.453

Robust standard errors in parentheses

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

Table A-6: **Pre-1914 Social Spending as a function of Liberal-sponsored franchise extensions and different time windows.** When does the effect found in Table 7 become statistically significant? Column number indicates the number of years elapsed since franchise extension. Results show that the interactive coefficient is always positive but it achieves standard levels of statistical significant starting in year four after the Liberal-sponsored franchise extension, with an exception in year 1.

	+0	+1	+2	+3	+4	+5	+6	+7	+8
Liberal Plurality × Franchise Extension	0.067 (0.043)	0.114* (0.067)	0.085 (0.124)	0.146 (0.117)	0.347** (0.145)	0.743* (0.407)	0.445* (0.249)	0.600** (0.260)	0.529** (0.249)
Liberal Plurality	-0.022 (0.014)	-0.046* (0.024)	-0.072** (0.033)	-0.088** (0.039)	-0.110*** (0.042)	-0.119*** (0.045)	-0.123** (0.049)	-0.149*** (0.051)	-0.149*** (0.052)
Franchise Extension	-0.069** (0.030)	-0.090* (0.054)	-0.072 (0.112)	-0.193** (0.093)	-0.315*** (0.106)	-0.487*** (0.167)	-0.497** (0.205)	-0.734*** (0.222)	-0.736*** (0.195)
Franchise Level	-0.118 (0.123)	-0.421** (0.191)	-0.717*** (0.241)	-0.832** (0.329)	-1.059*** (0.353)	-1.349*** (0.424)	-1.719*** (0.504)	-1.946*** (0.590)	-2.197*** (0.687)
ln(GDP/Cap)	-0.099 (0.112)	-0.227 (0.182)	-0.244 (0.230)	-0.126 (0.281)	-0.140 (0.320)	0.024 (0.385)	-0.048 (0.460)	-0.363 (0.509)	-0.565 (0.600)
War	-0.011 (0.020)	-0.029 (0.029)	-0.011 (0.033)	-0.028 (0.036)	-0.005 (0.050)	0.202 (0.155)	0.242 (0.178)	0.097 (0.068)	0.059 (0.069)
Constant	0.156 (0.123)	0.399* (0.216)	0.545** (0.274)	0.538 (0.331)	0.686* (0.371)	0.648 (0.427)	0.862* (0.494)	1.327** (0.555)	1.691*** (0.647)
First Lag of Dependent Variable	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	532	532	532	532	532	532	532	532	532
R-squared	0.244	0.275	0.282	0.307	0.356	0.385	0.435	0.469	0.527

Social Spending is expressed as a percentage of GDP. The excluded category is Conservative plurality, as prior to 1914 there were no Labor pluralities. All covariates are indexed at $t - 1$. Robust standard error in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A-7: **Models of tax revenue and social spending since earliest data to 1913 while controlling for landholding inequality.** These models expand Table 5 and 7 results, respectively, by including a slow-moving control for landholding inequality. Column 1 follows Expression 2. Column 2 follows Expression 4. Landholding inequality is computed as the percentage of farms not owned by families. This variable is drawn from Vanhanen (2003), and it is a standard measure in the literature: Ansell and Samuels (2014); Mares and Queralt (2015); Ziblatt (2008).

	Total Tax Revenue to GDP, 1870-1913 (1)	5-Year Change in Social Spending to GDP, 1822-1913 (2)
Liberal Plurality	0.229** (0.108)	-0.122*** (0.045)
Liberal Plurality × Franchise Extension		0.411*** (0.157)
Franchise Extension		-0.374*** (0.131)
Landholding Inequality	-0.048 (0.031)	0.033* (0.018)
Franchise Level	4.639*** (1.766)	-2.248*** (0.845)
ln(GDP/Cap)	-1.501* (0.821)	-0.504 (0.427)
War	0.417 (0.322)	-0.008 (0.079)
ln(Urbanization)	1.154*** (0.415)	-0.561* (0.286)
ln(Trade)	-0.499 (0.314)	0.396** (0.172)
PR	1.090*** (0.316)	0.689** (0.283)
Labor Seat Share	-0.041*** (0.014)	-0.018** (0.007)
Open Ballot	-0.392** (0.164)	-0.136 (0.089)
Military Gap	-0.050 (0.064)	0.007 (0.034)
Constant	-0.955 (3.701)	3.788 (2.794)
First Lag of Dependent Variable	Yes	Yes
Five Lags of War	Yes	Yes
Country FE	Yes	Yes
Year FE	Yes	Yes
Observations	347	379
R-squared	0.960	0.466

LDV Models. Robust standard errors in parentheses. *** p<0.01, ** p<0.05,
* p<0.1

Table A-8: **Robustness test I for Table 8.** ADL models of total tax revenue and social spending since earliest data.

	Total Tax Revenue as % of GDP, 1870-1975 (1)	Social Spending as % of GDP, 1822-1975 (2)
Labor Plurality \times Franchise Level	6.396*** (2.197)	1.819*** (0.694)
Labor Plurality	-3.888*** (1.381)	-0.939** (0.396)
Franchise Level	0.867 (1.633)	0.300 (0.475)
War	0.371 (0.430)	0.007 (0.090)
ln(GDP/Cap)	-1.072 (2.360)	-2.149*** (0.658)
Military Gap	0.205 (0.297)	-0.077 (0.079)
WWI Participant	0.125 (0.347)	-0.073 (0.105)
PR	0.072 (0.277)	-0.035 (0.069)
Open Ballot	-0.080 (0.364)	-0.049 (0.076)
ln(Trade)	-0.044 (0.742)	-0.108 (0.211)
ln(Urbanization)	0.858 (4.383)	1.825 (1.193)
Constant	4.872* (2.514)	1.740* (0.970)
First Lag of All Controls	Yes	Yes
First Lag of Dependent Variable	Yes	Yes
Country FE	Yes	Yes
Year FE	Yes	Yes
Observations	806	910
R-squared	0.982	0.989

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-9: **Robustness test II for Table 8.** Models of social spending as % of GDP from 1870 to 1975, coinciding with the period for which we have total tax revenue data.

	(1)	(2)
Labor plurality \times Franchise Level	1.942** (0.785)	2.243*** (0.795)
Labor plurality	-0.954** (0.418)	-1.080** (0.419)
Franchise Level	0.129 (0.253)	0.154 (0.257)
War		0.001 (0.121)
Military Gap		0.064 (0.048)
WWI Participant		0.095 (0.204)
ln(GDP/Cap)		-0.290 (0.262)
PR		-0.004 (0.103)
Open Ballot		-0.139 (0.109)
ln(Trade)		-0.003 (0.113)
ln(Urbanization)		0.007 (0.157)
Constant	0.527* (0.294)	0.772 (1.374)
First Lag of Dependent Variable	Yes	Yes
Country FE	Yes	Yes
Year FE	Yes	Yes
Observations	880	848
R-squared	0.977	0.976

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table A-10: **Robustness test III for Table 8.** Models of tax revenue and social spending since earliest data to 1975 while controlling for landholding inequality. The latter is computed as the percentage of farms not owned by families. This variable is drawn from Vanhanen (2003), and it is a standard measure in the literature: Ansell and Samuels (2014); Mares and Queralt (2015); Ziblatt (2008).

	Total Tax Revenue as % of GDP, 1870-1975 (1)	Social Spending as % of GDP, 1822-1975 (2)
Labor Plurality × Franchise Level	6.152*** (1.954)	2.248*** (0.799)
Labor Plurality	-3.110*** (1.133)	-1.040** (0.420)
Franchise Level	-0.949* (0.538)	0.084 (0.252)
Landholding Inequality	0.000 (0.013)	-0.012** (0.006)
War	0.568 (0.408)	-0.005 (0.106)
ln(GDP/Cap)	-1.167* (0.705)	-0.018 (0.299)
WWI Participant	0.025 (0.370)	0.187 (0.234)
PR	0.308 (0.208)	0.042 (0.098)
Open Ballot	-0.196 (0.219)	-0.082 (0.088)
Military Gap	0.066 (0.089)	0.063 (0.047)
ln(Trade)	-0.352 (0.276)	-0.052 (0.104)
ln(Urbanization)	0.024 (0.325)	-0.011 (0.157)
Constant	6.356** (2.502)	1.579 (1.237)
First Lag of Dependent Variable	Yes	Yes
Country FE	Yes	Yes
Year FE	Yes	Yes
Observations	817	879
R-squared	0.980	0.977

LDV Models. Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1