The bureaucratic theory of government growth revisited

A comparative study of fifteen post-industrial economies

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The bureaucratic theory of government growth predicts government employees to be more likely to participate in elections, to favor public policies that preserve or expand the public sector and to vote for political parties with a state-interventionist position. According to this causal chain, the spending preferences of government employees outweigh the preferences of private sector employees and will lead to growing public budgets.

The bureaucratic voting model of government growth, however, dates back to a time in which the public and private sector were clearly distinguishable by different modes of production. With the privatization of public services in the mid 80s and ongoing attempts to modernize the public administration, government employment has been subject to substantial changes. We argue that public sector reforms in post-industrial economies are characterized by the attempt to implement market instruments and market-like coordination into the public administration. In this context, it can be assumed that the traditional cleavage between public and private employment should matter less. This study investigates how the shift toward service-based government employment affects individual preferences toward the welfare state. Do government employees in post-industrial economies still represent a distinct constituency? A constituency whose welfare preferences are responsible for growing government budgets?

In order to answer these questions, the empirical analysis employs data from the ISSP “Role of Government” module for the years 1996 and 2006. For the first, the bureaucratic theory of government growth will be tested for a wide range of post-industrial democracies taking into account the temporal stability of its predictions. Applying binary logistic regression with interaction terms we explore whether government employees are more likely to vote, disagree with cuts in government spending and favor left wing political parties. Finally, merging findings from the individual level analysis with macro-economic data shows whether the bureaucratic voting model helps to explain cross-national variance in the size of government spending.

\textsuperscript{1} Collaborative Research Center “Transformation of the State (CRC) 597”, Project D6 “The Transformation of the State as Employer: Public Employment Regimes between Efficiency and Effectiveness, 1980-2010”, www.sfb597.uni-bremen.de

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