

CASTLES, Francis G. (Edit.). *The impact of parties: politics and policies in democratic capitalist states*. Sage Publications, 1982.

Leandro Molhano Ribeiro*

This book is based on research completed by the Party Differences and Public Policy group. The research group, established in 1978 during the European Consortium for Political Research conference in Grenoble, defends the importance of politics, and political actors in particular, to analyses on the production of public policy. More specifically, the articles published in this work apply “partisan theory” in examining the Social Welfare State, thereby measuring the effects of parties of varying political ideologies on the formulation and implementation of social policies (SHMIDT, 2010). Hence, articles in this book may be considered essential to at least two areas of debate: a) to methodological-theoretical debates surrounding the effects of social agents on public policy results over economic or functionalist approaches and b) to debates on democracy.

Applying a methodological-theoretical perspective, this work edited by Castles challenges approaches that ignore the actions of political actors when describing public policy results, and notably social welfare policies. Among these approaches, works from the 1960s and 1970s that emphasise the economic dimension as a preponderant of welfare policy implementation are distinct. These works were premised on two major hypotheses: one attributed economic growth from industrialisation to the welfare state, and the other applied a (neo)Marxist perspective to explain how social policies are conceived as legitimate and stabilising sources of the social capitalist order.

The first argument presented affirms the direct relationship between resources generated through economic growth and the financing of social policies implemented to solve problems stemming from industrialisation: transformations of productive activity and of the demographic structure (WILENSKY; LEBEAUX, 1965). Politics (institutions and political actors) is not important as an explanatory

* Researcher at the Getúlio Vargas Foundation – Rio de Janeiro-RJ, Brazil.

variable of variations in welfare policies (WILENSKY, 1975). One may argue that social policies are a “by-product” of economic development. In turn, the economic approach of the (neo)Marxist perspective identifies the production of public policies, particularly welfare policies, as a strategy of the State to ease tensions inherent to the capitalist system. This viewpoint is directly linked to the welfare state and to the legitimisation and reproduction of the capitalist system (OFFE, 1984). According to this perspective, politics (institutions and political actors) is also not considered an explanatory factor.

Nevertheless, if actors are not important (or are of very little importance), what is the purpose of democratic participation? Rather, subjacent to functionalist and economic theoretical methodological approaches is the premise of the dynamics of the political system itself. Not surprisingly, the influential work of Wilensky (1975) does not relate differences within the political regime to the production of welfare policies. These variations would be directly related to the level of economic development present, regardless of whether a regime is democratic, authoritarian or totalitarian. Further, even in a democratic regime, do the main actors that mediate the state-society relationship not differ in their public policies? What is the purpose, then, in discussing the formation of political parties and to debate the configuration of representative political institutions?

The work edited by Castles provides a different explanation for the production of public policies centred on political actors or political parties, but without disregarding possible restrictions on partisan action resulting from institutional and economic factors. The chapter written by Castles echoes partisan theory’s explanation of the welfare state and, therefore, the importance of political parties in the formulation and implementation of public policies. The author’s objectives are:

- I – To observe whether capitalist democracies became more or less similar in their public spending patterns throughout the 1960s and 1970s.
- II – To determine the effect of political parties on variations in public expenditures in diverse areas of public policy (social policy expenditures in particular).

III – To determine when relationships between public policy patterns are mediated by voter choices or party system structures.

The effects of parties are measured by the degree of covariance between political party ideologies and social welfare policy expenditures. The author's hypothesis states that left-wing political parties in the government increase public spending, and social spending in particular¹⁵. Far-right parties would serve as an obstacle to increased public spending. As such, a right-wing majority government would oppose the implementation of welfare policies. A weak right-wing presence or the absence of right-wing parties in the government would create more favourable conditions for the expansion of welfare policies¹⁶.

It is naïve to assume a direct relationship between political party affiliation and public spending that is not mediated by situational conditions in which partisan action occurs. Accordingly, Castles adds the following social and economic factors to his explanatory model as "controls": economic development and demographic structure. For the author, development is essential to replenish necessary resources for the expansion of public spending. The demographic structure is also influential because the presence of an economically inactive group, such as the elderly, forces an increase in spending on social security. Similarly, the existence of a large youth population necessitates higher expenditures on education. In other words, Castles argues that analyses of political party actions should consider the supply and demand of economic resources in a given society.

Another factor considered by Castles is the strength of trade unions, measured as a proportion of the strength of the unionised workforce. In turn, the author adds an important political actor derived

¹⁵ The author measures public expenditures in the following ways: Total public expenditure/GDP; Consumption of public spending/GDP (current); Transfers and subsidies/GDP; (total expenditure – social expenditure)/GDP; Education spending/GDP; Social security spending/GDP; Health spending.

¹⁶ For the author, the right wing parties will be stronger if they are secular. Christian parties are classified as right-wing by the author, but they are weaker than secular right-wing parties. One party controls the government with 66% of the seats for 66% of the analysed period. A party is considered stronger than another if it has at least 5% more of the popular vote.

from the existing socioeconomic structure and strongly linked to left-wing parties (or labour parties). For example, Castle argues that the high degree of industrial concentration required in a small market increases the probability of the formation of strong unions and left-wing governments. Both political actors pressure the government to deliver publicly financed services, promoting welfare policies. Finally, Castle considers a political institutional factor: whether a country is a federation or not. He hypothesises that a low degree of administrative and political centralisation is associated with greater restrictions on public expenditure.

Generally speaking, Castles arrives at the following conclusions. First, he finds little evidence for the validity of convergence theory (first objective). According to the author, “aggregate expenditure patterns among nations have been less similar, while [...] welfare program expenditure patterns within nations have become similar” (p. 69). Economic development, despite having a lesser impact on public spending, permits the expansion of social programs. Demographic variables have a predictable effect: larger proportions of elderly and youth populations result in more public spending.

Castles confirms the partisan hypothesis and concludes that “there is evidence that products and results of public policies are more decisively influenced by the strength of right-wing political parties than by the extension of socialist partisanship” (p. 57). Another important finding refers to the legacy of welfare as a prominent explanatory factor. According to the author, the composition of the government and relative position of a country with welfare spending between 1960 and 1970 changed little over time, implying that the variance in spending at time t is strongly related to variance at time $t-1$. The 1960s appear to have determined whether a social welfare state would be established in Europe. In fact, Castles argues that low degrees of welfare found in some countries in the 1970s are linked to the reluctance of right-wing parties in power during the 1960s to expand welfare provisions. For him,

The countries that seem to have capitalized on the opportunity (to implement the Welfare State) were precisely those that had centre or social democratic governments (in the 1960s).

The right saw economic development in other terms, as the opportunity to increase the return of private initiative and enterprise. (p. 74).

Other articles published in *The Impact of Parties* follow Castles' directives. Rather, analyses focus on political actors, mediation between actors, institutions and socioeconomic conditions. Writing at the beginning of the 1980s, the authors of the work reinforced the use of theoretical-methodological approaches that would become prevalent in works on public policy at the start of the 1990s: new institutionalism. This occurred because hypotheses on the effects of political parties on welfare production are supported by theories on relationships between the "inputs" and "results" of the political system. One may argue that the literature on political parties and public policies largely establishes an analytical explanatory model for the institution, expansion and retraction of social welfare policies that combine the actions of relevant actors on one hand, and the institutional-political and socioeconomic factors that characterise their contexts of operation on the other. One can thus assume that variability among implemented social policies can largely be explained by a combination of 1) relevant actor motivations, 2) interactions between actors, 3) current institutional-political frameworks, 4) socioeconomic contexts and 5) welfare policy legacies.

The work edited by Castles contributes greatly to the construction of this analytical model. This approach, which emphasises the importance of institutions to the provision of public policies, justly problematises the factors that restrict and guide partisan action. Public policies can be largely conceived of as the decisions of political parties whose primary motivations may be to win votes in order to exercise and maintain power or seek participation in governments through political roles or through the provision of public policies based on ideology (STROM; MULLER, 1999). In this case, the ideological coloration of political parties as suggested by Castles and other authors reflects their political motivations.

The roles of parties in the maximisation of their policies, in turn, can be promoted or restricted through interactions with different political and/or social actors, and principally unions, the electorate,

bureaucracies and oppositional political parties (HICKS; SWANK, 1992). This issue has also been explored to an extent in *The Impact of Parties* through an analysis of the strength and power of political parties and of the presence or absence of strong unions. In turn, the actions and interactions of these actors are guided by previously adopted policies (or in other words, the legacy, as described by Castles), by veto points given through existing institutional arrangements (CREPAZ, 1998; IMMERGUT, 1996; TSEBELIS, 2002) and by the socioeconomic context in which they act. Although Castles has not explored institutional veto points, the intermediation between economics and politics is a concern not solely of the author but of the entire work.

Recent analyses of political parties and public policies have used sophisticated statistical models to test the analytical model outlined above. This is a weak feature of Castles article in that relationships between explanatory variables and public expenditures are measured largely through bivariate correlations. Castles also presents contradictory information in that he classifies all Christian political parties as right-wing parties but then argues that such political parties in western Germany, Austria and Italy were strong proponents of welfare policies. More recently, the effects of political parties have been measured mainly through their participation in government, as measured by time spent in office (BLAIS; BLAKE; DION, 1993) and by the sharing of roles within cabinets, or in other words, through an analysis of government coalitions (BUDGE; KEMAN, 1990).

One may note, therefore, the importance of the work's theoretical orientation to the development of further analyses on the importance of political parties to the production of public policies. However, to what extent is the work current? Furthermore, what roles do political parties play in an environment in which ideological cleavages have changed and in which programmatic convergence among parties seems to be the rule in representative democracies? The work's importance resides in the simplicity of its research questions: do political parties make a difference? In what sense and in what context do they make a difference? These questions will continually make us contemplate the workings of representative democracies.

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