How do governments justify their budgets? A comparative dataset

Codebook

Johannes Karremans, October 9, 2023

This dataset contains policy justifications from the annual budget plans that governments have presented to their parliaments in five eurozone countries ranging from autumn 2007 to autumn 2020. More specifically, the dataset captures governments over the course of three consecutive legislative periods between the global financial crisis of 2008 and the outbreak of the Covid-19 pandemic, in Austria, France, Germany, Italy and Spain. Annual budget plans are speeches (or in some cases written texts) by which the finance minister presents the total of the government's expenditure and taxation policies to the parliament. Policy-justifications are sentences in which the government provides a justification for a specific measure, a policy-package or the overall budgetary policy. Policy-justifications are coded both with regards to the policy type they refer to and to the contents of the justifications. The dataset contains an original categorical variable "responsive-responsible" coded by the author. It distinguishes justifications into those that on the one hand commit resources to domestic constituencies and on the other express a commitment towards balancing the budget. The data collection was funded by the Austrian Science Fund (grant M_2591 G27) and was finalized at the European University Institute (EUI) in Florence, Italy.

Variables

country	Name of the country
c_id	country code
date	Day of the speech
month	Month of the speech
year	Year in which the speech was given (or for the Italian case, in which the text was published)
budget_year	Budget year: each speech (or text) refers to a specific budget year. For example, most speeches are given in September or October: the budget year is the one starting from the following January.
nameoffinanceminister	Name of the Finance Minister
s_id	Identification Number of the larger sentence (or paragraph) from which the policy justification was retrieved
p_id	Identification Number of the policy to which the justification refers
j_id	Identification number of the justification
policytypekeywords	Keywords in the sentence that guided the classification of policy type
justificationkeywords	Key words in the sentence that guided the classification of the justification
originalsentence	Original sentence from which justification was retrieved
j_cat	category of justification: see more detailed description under "**Categorization of justifications**" below
p_type	Category of policy: see more detailed description under **"Categorization of policy types"** below
j_cat_new	J_cat categories grouped into five large categories (social; market; macro-economic; financial; international commitments)

p_zation	Stands for 'politicization' and contains different combinations of justifications and policytypes (j_cat_new & p_type). Categories from 1 to 8 feature a commitment to give resources to domestic constituencies, while categories from 9 to 15 feature a commitment towards balancing the budget. Category 0 contains policy-justifications that give no indication on whether government is committing resources towards domestic constituencies or balancing the budget. For a more detailed description, see Chapter 2 in Karremans (2024).
resp_resp	Policy justification, variable p_zation grouped into three categories: 0= neutral; 1= responsive (commitment towards domestic constituencies); 2=responsible (commitment towards balancing the budget)
gov_name	Name of the government under which speech was given. Governments that were active in 2020 and in office since at least 2019 were given a different name. For example, the variable features 'Merkel IV' and 'Merkel IV (2020)'
timeperiod4	The time variable used in the OLS model in Chapter 4 of Karremans (2024). The speeches are grouped in to those delivered in 2007-2008, 2009-2013*, 2014-2016 and 2017-2019. *Includes one speech from January 2014 (Germany)
weights	The weights used in the OLS model in Chapter 4 of Karremans (2024). Policy justifications are assigned a value from 1 to 4, where 4 are the most *unequivocal* manifestations of responsiveness or responsibility, and 1 are the most *ambivalent* manifestations of responsiveness or responsibility.
surplus_lag	Budgetary balance during year preceding the speech. Source: Eurostat (2021)
scale17_creditrating	Credit rating during year preceding budget speech. Data retrieved from tradingeconomics.com and categorized following 17-point scale developed by Afonso, Gomes and Rother (2007)

Categorization of policy types

Code	Description
Tax increase	Justification refers to increase in taxation
Tax general	Justification refers to taxation, but no specification about increase or reduction
Tax reduction	Justification refers to a reduction in taxation
Exp increase	Justification refers to expenditure increase
Exp general	Justification refers to expenditure, but no specification about increase or reduction
Exp reduction	Justification refers to expenditure reduction
Budget	General budgetary policy (e.g. "this budget"); references to government action with no further specification about taxation or expenditure

Keynes	A combination of tax and expenditure increases
Neolib	A combination of tax and expenditure reduction
Consolidation	A combination of more tax and less spending
Generous	A combination of less tax and more spending
European policy	Justification refers to actions taken by the government at EU level, or to EU level policies that the government supports
Administrative reform	Justification refers to an administrative reform that has implications for the budget, but no inference can be made about whether it involves increases or reductions in taxation or expenditure
Other	None of the above

Categorization of justifications

Social	Address social issues related to: education; health; equality; family; unemployed; vulnerable groups; social inclusion; integration; redistribution, helping people into work; etc.
Environmental	Address environmental issues, e.g. climate change, pollution, etc.
Market	Promote private market: e.g. support free market, stimulate private entrepreneurship; promote private ownership (e.g. heritage); etc.
Macro-economic	Address country's macro-economic issues, such as: growth, competitiveness; inflation/deflation; industrial production, overall employment; etc.
Financial	Address public finances: public debt; public deficit; government balance sheet; long term sustainability of public finances; stability of public finances
International commitments	Refer to international commitments, e.g. EU/G20/IMF
State polity	Organization of finances across different state levels
Demography	Policy driven by demographic developments such as birth rates or ageing
Security	Policy is about providing law and order, police, military.
Sovereignty	Policy is about maintaining national sovereignty
Other	Various kinds of bureaucratic logics

Related publications

Karremans, J. (forthcoming) *Between voters and Eurocrats: How do governments justify their budgets?*, Oxford University Press (expected publication February 2024).

Karremans J. (2021) 'This time wasn't different: responsiveness and responsibility in the Eurozone between 2007 and 2019', *Journal of Common Market Studies*, 59(6): 1536-1554.

Karremans, J. (2021) 'Political alternatives under European economic governance: evidence from German budget speeches (2009–2019), *Journal of European Public Policy*, 28(4): 510-531.

Sources

Afonso, A., Gomes, P. and Rother, P. (2007) ' What "Hides" Behind Sovereign Debt Ratings?' *ECB Working Paper, No. 711, European Central Bank (ECB)*, Frankfurt a. M. http://hdl.handle.net/10419/153145 , last viewed on 1 June 2021.

Eurostat (2021) 'General government deficit/surplus'. Data retrieved from: https://ec.europa.eu/eurostat/databrowser/view/TEC00127/default/table , as of 1 June 2021.

Trading Economics (2021) 'Credit Rating'. Data retrieved from: https://tradingeconomics.com/country-list/rating , as of 1 June 2021.