

Online Appendix

Fiscality, Regulation, and Policy Choice

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Appendix 1. Document Examples

Example 1: November 16 1995 – Private Finance Initiative

In this case, the Lord President of the Council (Leader of the House of Commons) presents the conclusions of a ministerial subcommittee regarding Treasury proposals for increasing the use of “private finance initiatives” (PFI), that is situations in which the private sector funds public projects, and the government pays for the use of those projects on an ongoing basis. The actors arguing in favor of PFI are the Lord President, the discussion (e.g. all points in the discussion), and the Prime Minister. The opposition that is considered is on the part of the general public (“a better public understanding of PFI”, “to raise public awareness”). The motivations offered in favor of PFI are first, the *fiscal* advantages (“central to the strategy the strategy the Cabinet had pursued in its decisions on public expenditure [...]”, “shift away from distributing capital provision as a free good”), as well as the increase in *efficiency of the public sector* (“a substantial change of behaviour in government departments”, “the majority of whose staff would be secondees from the private sector”, “the PFI brought wider economic benefits by transferring risk to the private sector and improving efficiency”). The arguments against, offered by the skeptics in the public, relate to the reduced or lower quality provision of *public service*. (“allaying any fears that it foreshadowed the privatisation of clinical services”, “otherwise the charge that the government had simply cut capital programmes would be more credible”),\.

Private Finance
Initiative

Previous
Reference:
CM(95)29.1

THE LORD PRESIDENT OF THE COUNCIL said that at a meeting earlier that morning of the Ministerial Committee on the Co-ordination and Presentation of Government Policy (EDCP) the Committee had received a briefing from the Financial Secretary, Treasury on the Private Finance Initiative (PFI), from which it was clear that encouraging progress was being made in changing Departments' approach to the deployment of private finance. The Initiative was central to the strategy which the Cabinet had pursued in its decisions on public expenditure, and to the Chancellor of the Exchequer's forthcoming Budget. The Financial Secretary and other colleagues had done much to raise public awareness of the PFI, but there remained some scepticism, not least on the part of the Confederation of British Industry and in the construction industry. In EDCP's view it would be essential, in advance of the Budget Statement and in briefing at the time of the Budget, for there to be a concerted effort by members of the Cabinet to communicate the benefits of the PFI in the clearest terms. It would be particularly important to counter criticism of the reduction of capital provision in 1996-97 by pointing to concrete examples of the offsetting contribution which could be expected from private finance. Almost all members of the Cabinet had PFI projects underway. He hoped that they would make the most of them in their presentation of the Departmental implications of the Budget, and that - through contacts with industry and otherwise - they would seek to get across the general message about the value of the PFI, in support of Treasury colleagues.

In discussion, the following points were made:

- a. in the National Health Service, the challenge would be to explain the substantial contribution being made by private finance while allaying any fears that it foreshadowed privatisation of clinical services. The Secretary of State for Health would aim to strike that balance in a presentation which he would give to the Royal College of Physicians on 21 November;
- b. the planned reductions in capital provision for further and higher education would require careful presentation, but there was positive evidence of progress with PFI projects in both sectors. An expert unit had been established in the Department for Education and Employment to support activity on the PFI;
- c. there were also notable successes in local authorities, to which attention should be drawn in presenting the local government settlement. PFI projects had been mounted by councils controlled by the Government's political opponents, including local education authorities in Birmingham and Norfolk and the Housing Department of Hackney Borough Council where officials were enthusiastic;
- d. the majority of current PFI projects were in the transport field. It should be possible, by bringing forward a number of privately financed roads projects, broadly to match the planned reduction in capital provision. The Secretary of State for Transport hoped to sign the first Design-Build-Finance-Operate contracts for road-building schemes on 20 November. There might be an opportunity for this to be given prominence through an announcement by the Prime Minister;
- e. the shift away from distributing capital provision as a free good and towards managing risk through contracts required a substantial change of behaviour in Government Departments. The Office of Public Service had set up a new unit, the majority of whose staff would be secondees from the private sector, to support the development of PFI projects to provide information technology (IT). The use of the PFI to provide improved IT in the County Court had led to threats of industrial action in the Court Service Agency;

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f. particularly in 1996-97, it would be essential actually to deliver PFI projects on time, since otherwise the charge that the Government had simply cut capital programmes would be more credible. There was an impressive list of planned projects, including several extremely large ones such as the Channel Tunnel Rail Link, and it would be important to avoid slippage;

g. EDCP had suggested that the Chancellor of the Exchequer might consider including among the press releases at the time of his Budget Statement a comprehensive account of planned PFI projects. Otherwise, however successful individual members of the Cabinet might be in presenting their Departments' projects, the overall scale of the activity might be lost. The Chancellor of the Exchequer was attracted by this suggestion. To obtain maximum coverage, it might be preferable for such a release to be made on the day after the Budget. There was a second audience of specialist economic and other commentators whose interest should not be overlooked, who would need to be persuaded that the PFI brought wider economic benefits by transferring risk to the private sector and improving efficiency, and was not simply a device to reduce expenditure in the short term.

Summing up the discussion, THE PRIME MINISTER said that EDCP had been right to draw attention to the importance of generating a better public understanding of the PFI. Colleagues should take opportunities as they arose to stress the initiative's benefits in their areas and more generally. The discussion had shown strong support for the idea of a special press release from the Treasury, either at the time of the Budget Statement or shortly afterwards.

The Cabinet -

4. Took note, with approval, of the Prime Minister's summing up, and invited colleagues to proceed as indicated in the discussion.

Example 2: Industrial Action in the NHS

In this case, the Social Services Secretary reports on an ongoing strike in the National Health Service. The government is not willing to accommodate the demands of the strikers. The motivation for rejecting is a *fiscal* one, and the motivation for the strikes is an *income* demand.

HOME AFFAIRS

Industrial
Action in
the National
Health Service

Previous

Reference:
CC(88) 3.2

2. THE SECRETARY OF STATE FOR SOCIAL SERVICES said that about 1,500 National Health Service (NHS) staff, of whom about three quarters were nurses, had mounted a strike the previous day. The only area outside London that had been significantly affected was Leeds. He was still collecting information about the effect of the strike on patient care, but about 400 non-urgent operations appeared to have been postponed. The demonstrations connected with the strike had attracted very considerable publicity and the trade unions involved were all attempting to manipulate the situation for their own purposes, with scant regard for truth. The Royal College of Nurses, in particular, had given what it must have known were distorted accounts of the Government's intentions towards the funding of pay increases for nurses and of the Government's evidence to the Nurses Pay Review Body.

In discussion the following main points were made -

- a. Staff costs represented about 75 per cent of health service costs, but the extraordinary fallacy seemed to be gaining credence in the media that staff pay was in some way separate from wider question of NHS funding. This confusion was also blurring public recognition of the fact that the Government had a very good record in honouring the full amounts that had been recommended by the Review Bodies.
- b. The Government's good record on ensuring proper pay for nurses and doctors meant that they had had to square up to issues about the funding of the NHS that had been avoided by the previous Government, which had been content to see the pay of these professions lag behind the rate of inflation.

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c. Presentational problems about funding the NHS partly arose from the fact that the public expenditure survey year and the planning years used by the health authorities were not in synchronisation with the cycle of Review Body recommendations on pay. Given the room for improvement in NHS management, and the scope for reducing waste, efficiency savings clearly had to be sought, but these could not be set far in advance of the year in question. These problems were compounded by the fact that health authorities had to conduct their planning processes in public, so that contingency planning could easily be misunderstood in the public mind.

d. The recruitment of nurses presented little problem over much of the country. Difficulties were concentrated in London and the South East, and the Government had sought to tackle this in its evidence to the Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine, in which the Review Body's recommendations were sought on geographical supplements to the pay of nurses including in London and the South East. The Review Body had no locus in relation to the determination of London weighting, since this was negotiated.

THE PRIME MINISTER, summing up the discussion, said that a number of points had been raised that were important to the handling of present concerns about the NHS. There was evidence of colossal waste in the Service. The Government's good record in meeting the Review Body's recommendations for the pay of doctors and nurses represented especially strong ground, and no opportunity for emphasising this point should be lost.

The Cabinet -

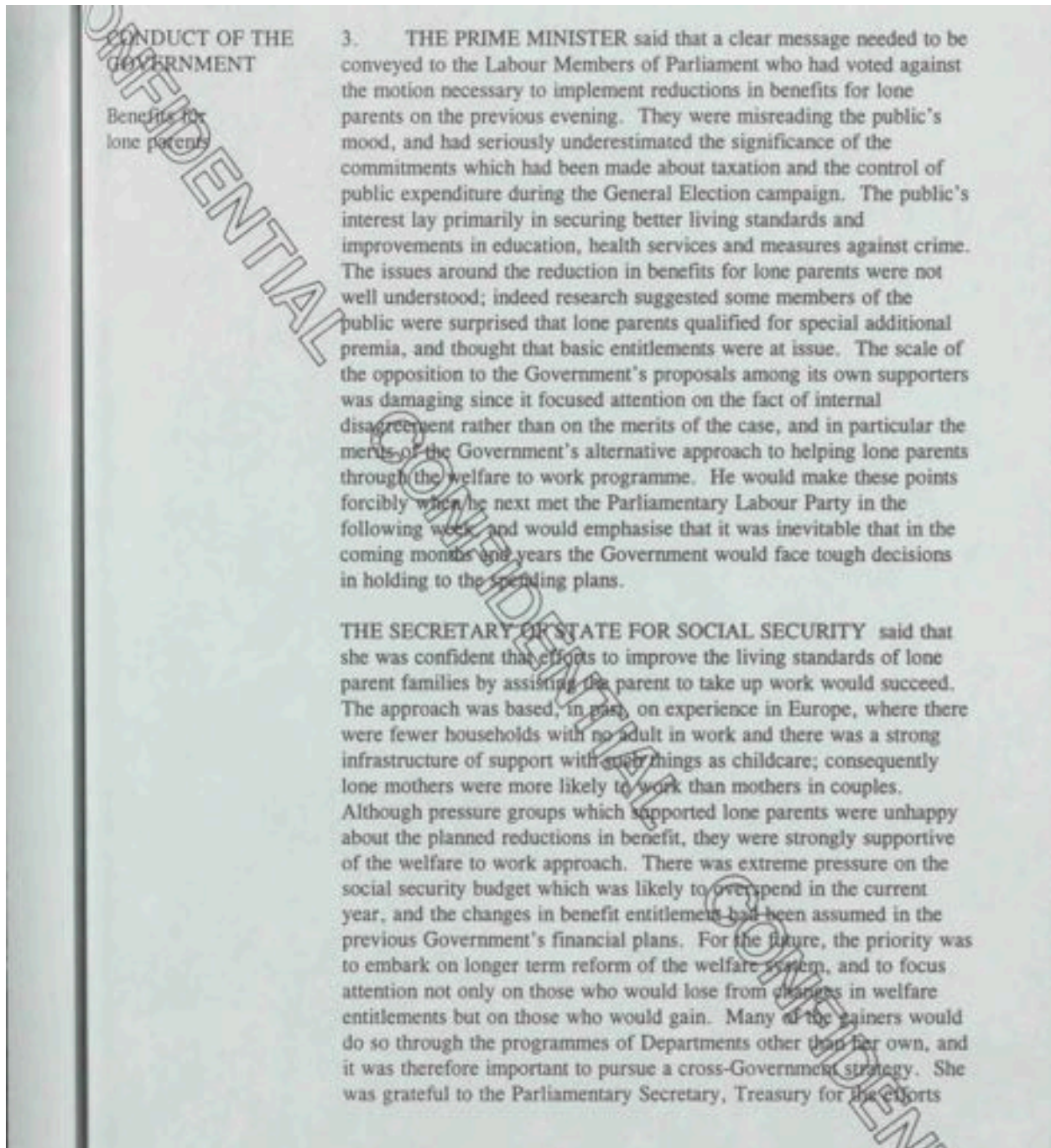
1. Took note.

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Example 3: Benefits for Lone Parents

In this example, from the Blair government, the government deals with opposition to its proposals for removing welfare benefits for single parents. The actors arguing in favor of the reforms are the Social Security Secretary, the discussion, and the Prime Minister. The actors identified as being opposed are Labour backbenchers and “pressure groups which supported lone parents”. The motivations for the opposing the reforms consist of *income* demands. The motivations offered for the reforms deal chiefly with *fiscal* constraints (“commitments which have been made about taxation and the control of public expenditure”, “extreme pressure on the social security budget”,

“reducing the borrowing requirement”), but also with stimulating *employment*. (“welfare to work”, “assisting the parent to take up work”).



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which the Whips had made to persuade Labour members to vote with the Government on the previous evening. Many of the 47 who had not done so were acting in accordance with views which they had held since before the Election, and it was notable that only 11 were newly elected members. The equivalent debate in the House of Lords would require careful handling.

In discussion, the following points were made:

- a. it was essential that the Government should stand firm, and not be discouraged by dissent among its own ranks. On the central issue, there was a growing appreciation of the thinking behind the welfare to work reforms, but the sheer scale of the welfare to work programme, and the extent to which it redistributed resources, were still not fully understood, even among many of the Government's own supporters. In speeches and other public statements, Ministers should take opportunities to put the immediate issue of benefits for lone parents in this wider context;
- b. there were signs that unhappiness among Labour backbenchers about the specific proposals to reduce lone parent benefits extended beyond those who had voted against the necessary motion. Although Ministers should take a strong line in defending the position, they should not appear insensitive to these concerns. There was particular anxiety about action on disability benefits. Greater effort should be made by Ministers to spend time with backbenchers, and to explain the strategy which the Government was pursuing. Otherwise there was a risk that resentment would build up, with potentially damaging consequences;
- c. in the welfare field, the Government faced dilemmas which were common to most developed countries. Simply attempting to contain expenditure at the previous Government had done was unlikely to succeed, and more far-reaching reform was necessary;

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d. regular briefing material on the progress and achievements of the Government was being prepared for members of the Parliamentary Labour Party, which would highlight achievements as well as respects in which priorities differed from those of the previous administration.

Summing up the discussion, THE PRIME MINISTER said that an effort was needed, in which all Ministers had a part to play, to convey the longer-term political strategy to the members of the Parliamentary Labour Party. The progress which had been made in reducing the borrowing requirement and in taking the heat out of the economy offered the prospect of a steady rise in living standards which was more important to that strategy than unpopular individual decisions. But the damage which was done by the impression of division within the Labour Party needed to be avoided.

The Cabinet -

Took note, with approval, of the Prime Minister's summing up of their discussion.

Appendix 2. Variable Coding and Descriptions

Variable	Mean (Count)	Description/example
Adopted	.61	799 decisions with arguments 0 and 1 mentioned; 469 with only 1
Motivations		
<i>Economic</i>		
Competitiveness	.003 (6)	Explicit references to UK business competitiveness compared to foreign business. Ex: White paper on proposed education reforms in 1996.
Consumer protection	.001 (2)	Explicit references to the need for consumer protection. Ex: Discussion on reform of real estate conveyancing system in 1985.
Education provision	.001 (2)	Ex: Bill for further education colleges in 1991.

Public sector efficiency	.066 (138)	Arguments about improving the efficiency of the public sector. Ex: Publishing hospital performance metrics in 1995; new pay scale system for civil service in 1996.
Employment	.015 (32)	Arguments about increasing the employment level. (Not demands for job protection from third parties). Ex: Allowing Sunday trading in Dec 1985.
Pound exchange rate	.002 (4)	Arguments about targeting a certain exchange rate. Ex: Interest rate reductions by the Chancellor in April 1987.
Foreign direct investment	.000 (1)	Arguments about encouraging foreign direct investment. Ex: Efforts to promote FDI in April 1994.
Fiscal	.165 (345)	Arguments about fiscal discipline. While the objective of controlling inflation may be deduced from this, inflation is not coded unless explicitly referred to. Ex: Closing down more mines in Oct 93; decommissioning of the royal yacht in June 1994; Post office strike in June 1996.
Economic growth	.026 (55)	Arguments about output growth, economic growth, gross domestic product.)The term economic growth is rarely used explicitly). Ex: Reduction in interest rates in June 1982; approval of nuclear power station in March 1987; “Big bang” financial reforms in Oct 1986.
Housing provision	.000 (1)	Explicit arguments about quantity of housing. Ex: Deregulation of private rental market in Feb 1985.
Industrial strategy	.020 (19)	Explicit arguments about industrial strategy. Concentrated in early 80s. Ex: Support for ICL to avoid bankruptcy in March 1981.
Inflation	.025 (47)	Arguments about inflation control. Only explicit references to controlling the consumer price index or inflation recorded. General fiscal restrained coded as “fiscal” above. Ex: New system for budgetary allocation among departments in July 1992.
Infrastructure	.001 (1)	Arguments about infrastructure construction. Ex: Approve transport expenditures in Oct 1993.
Liberalization	.096 (203)	Arguments in favour of deregulation and/or privatisation. Ex: Abolition of dock labour scheme in April 1989; privatization of BT in July 1993; Blair requests to avoid interventionism in July 1997.
Regulation	.002 (4)	Arguments in favour of regulation. Ex: Agreement on teacher duties in Nov 1986.
Stability	.002 (4)	Arguments for economic stability, avoiding “boom and bust”. Ex: Longer run budget planning in July 1997.
Tax cuts	.001 (2)	Arguments for cutting particular taxes. Ex: Opposition to tax increases in March 1993.
Trade	.003 (7)	Arguments for improving the trade balance, exports. Ex: Buy British or American missiles in July 1983.

	Public health	.015 (24)	Arguments based on public health considerations. Ex: Public concern on BSE in May 1990.
	Public services	.036 (76)	Arguments in favour of increasing public service provision, demands for public services. Ex: Opposition agreement with BT for free internet in Oct 1995.
<i>Noneconomic</i>			
	UK intl. interests	.015 (32)	UK foreign policy and strategic interests. Ex: Block Scandinavian Airlines from taking over British airline in Dec 1987.
	Defense	.025 (53)	National defense, military preparedness. Ex: Procurement of Tomahawk missiles in July 1995.
	Internal defense	.016 (35)	Defense against terrorism, often related to Northern Ireland. (Most discussions of NI conflict do not contain policy options). Ex: Agreement with the Republic of Ireland in Feb 1986.
	Civil rights	.016 (34)	Arguments based on constitutional, legal, civil rights. Ex: Knives control measures in Oct 1996; legislation for press invasion of privacy in July 1993.
	Corruption	.005 (10)	Arguments against corruption and improper practices in government. Ex: New govt standards after cash for questions scandal in Nov 1995.
	Crime	.032 (68)	Arguments for controlling crime. Ex: Firearms ban in Oct 1996.
	Environment	.006 (14)	Arguments for protecting the environment. Ex: Fossil fuel levy introduction in February 1990.
	Fairness	.071 (149)	Arguments based explicitly on fairness of policies. Ex: Compensation for buyers of defective PRC houses in April 1983; Queen demands to make tax payments in Nov 1992.
	Morality	.018 (38)	Arguments based on moral standards, other than general fairness. Ex: Abolition of death penalty for treason in Dec 1990; divorce reforms in Feb 1996.
	Pacifism	.001 (2)	Arguments against war. Ex: Demands for no Reagan speech in Parliament in March 1982.
	Racial justice	.001 (3)	Arguments for racial justice. Ex: Riots in London in Oct 1985.
	Health and safety	.004 (10)	Arguments based on public safety. Ex: Ban of pit bull dogs in May 1991.
	Transparency	.002 (6)	Arguments for government transparency. Ex: Open government white paper in July 1993.
	Accountability	.010 (21)	More public accountability of government officials and employees. Ex: Debate on officially acknowledging the existence of MI6 in May 1992.
<i>Electoral, party considerations</i>			
	Electoral	.031 (66)	References to electoral pressures, need for votes, winning elections. Ex: Uncontroversial legislative programme in March 1995; rural post offices threatened by direct debit in May 1993.

	Party	.013 (29)	References to the interests of the Conservative/Labour party. Ex: Resignation of Thatcher in Nov 1990; commission on voting reform in Nov 1997.
	Presentation	.091 (190)	Arguments for how to best present government policies; exhortations toward disciplined messaging. Ex: Refrain from speculating about the poll tax in May 1990; Clear messaging at Labour conference in Sep 1997.
	MP pay	.006 (14)	Arguments for need to increase MP and minister pay. Ex: Periodic reviews by Top Salaries Review Body – as in July 1995.
<i>Limited group interests</i>			
	Income	.086 (161)	Arguments for higher income for a private or public sector group. Ex: Strike in the NHS in Feb 1988; prison officers opposition to privatisation in Nov 1993; support for beef farmers in Dec 1997.
	Jobs	.006 (13)	Arguments for avoiding job losses, when made explicitly. General arguments against economic reform coded under “welfare”. Ex: Rail strike in June 1994.
	Strikes	.015 (32)	Argument based on threat of strikes, when made explicitly by speaker. Ex: Teacher strike in Scotland in 1986;
	Taxes	.002 (5)	Argument based on demand by certain group for lower taxes. General drive towards lower taxes coded under “tax cuts”. Ex: Lower increase in fuel duties in April 1981.
	Welfare	.043 (84)	Arguments by groups based on economic welfare – no explicit references to income or jobs. Ex: Opposition to testing in schools in April 1993; Opposition by British Medical Association to health reforms in April 1989.
<i>Institutional</i>			
	Bureaucracy reduction	.003 (7)	Avoidance or reduction of government bureaucracy. Ex: Debate on new promotion system in the civil service in Jan 1981.
	Credibility	.020 (43)	Maintaining the credibility of government commitments. Ex: Govt non-intervention in privatisation of Westland in Jan 1986.
	Feasibility	.037 (79)	Feasibility of course of action. Ex: replacement of poll tax with council tax in Apr 1991.
	Floor time	.010 (21)	Constraints given by time for debate in Commons. Ex: Debate housing bill instead of party financial support in June 1988.
	Government interests*	.010 (22)	Coded when only reason given is that action is government’s best interest. Ex: Blair promoting closer cooperation with the Liberal Democrats in May 1997.

Institutional constraints	.046 (93)	Legal, constitutional, constraints on course of action. Ex: Equalization of age of retirement following court ruling in July 1992.
Parliamentary vote	.012 (25)	Constrained by results or likely results of a vote in Parliament. Ex: Vote in Commons to reverse some mine closures in October 1992.
<i>Other</i>		
Devolution	.001 (3)	Arguments for devolution. Ex: Devolution referendums in July 1997.
Euroskepticism	.000 (2)	Arguments against the EU, not included in the European Affairs section. Ex: European Court of Justice decision in Oct 1995.
Immigration control	.007 (15)	Arguments for immigration control. Ex: Visa regime for refugees from Yugoslavia in Nov 1992.
Interests of monarchy	.000 (1)	Arguments based on the interests of the Royal Palace. Ex: Queen tax payments in Feb 1993.
Science	.001 (4)	Arguments based on scientific evidence. Ex: Public concern on BSE in May 1990.
Alternative coding for motivations		
Coherence	.072 (276)	Joins bureaucracy, feasibility, credibility, floor time, government interests, institutional constraints, parliamentary vote.
Good society	.088 (317)	Joins civil rights, corruption, crime, environment, fairness, morality, pacifism, race relations, health and safety, transparency, accountability.
Defense	.038 (110)	Joins UK interests, defense, internal defense.
Good economy	.037 (135)	Joins competitiveness, employment, exchange rate, foreign direct investment, growth, housing provision, industrial strategy, infrastructure, regulation, stability, tax cuts, trade.
Public services	.073 (255)	Joins consumer protection, education, efficiency of public sector, housing, public health, public services, health and safety, science.
Electoral	.032 (108)	Joins electoral, government, party.
<i>Others:</i>		The other motivations are coded same as above: fiscal, inflation, Liberalization, income, jobs, presentation, welfare, and the “other” variables from above.
Other variables		
Agent supporting	52 cats.	Top categories are: Prime Minister, “In discussion...”, Home Secretary, Chancellor, Backbenchers, Opposition, Lord President (Leader of House of Commons), Environment Secretary, Transport Secretary, External report, Health Secretary...

Private sector firm	Mean=.04	Coded if the limited group interest is of a private sector firm, versus various public sector or private sector employee groups.
Discussion	Mean=2.37, 0 to 30	Standard formulation is “In discussion the following points were made:”, and the points are numbered.
Paper	Mean = .33	If a paper on the topic was circulated.
Secrecy	Mean = .14	If the topic is included in a “limited circulation annex” or in a “most confidential annex”

Appendix 3. Permutation Tests

Variable	Still present in lasso selection (turn to 0)	Still present in lasso selection (permutation)
Fiscal	.50	.30
Liberalize	.30	.20
Income	.75	.55
Presentation	.60	.55
Welfare	.55	.30

Table A3.1: Permutation tests

Note: Column 1 refers to tests in which:

1. For each of the variables, a percentage of its positive mentions (1s) in the sample, randomly drawn, have been recoded into 0. Percentages have been considered in increments of 5%.
2. For each step in point 1, the lasso model from table 1, column 1, has been re-estimated.
3. The highest percentage at which the variable is still included in the lasso model has been recorded.

Note: Column 2 refers to tests in which

1. For each of the variables, a percentage of the mentions have been randomly permuted. Percentages have been considered in increments of 5%.
2. For each step in point 1, the lasso model from table 1, column 1, has been re-estimated.
3. The highest percentage at which the variable is still included in the lasso model has been recorded.

The results show that, for example, up to 50% of the mentions of the fiscal argument could be removed from the dataset, and the variable would still be included among the ones selected by the lasso model. Alternatively, up to 30% of the cases could have their value for the fiscal motivation permuted between 0 and 1, and the variable would still be included among the ones selected by the lasso model.

Appendix 4. Topic Modelling

The following presents the results of a topic model estimated on the texts used to construct the dataset. This version uses K=20 topics, but very similar conclusions arise from K=15 and K=25. Texts have been processed using the standard procedures: stopwords (common words) have been eliminated, single and two-letter words, have been eliminated, and words that appear in less than 1% of documents have been eliminated. A document in the context of the topic model is a policy topic (not an entire cabinet meeting).

A topic model with 20 topics, 1084 documents and a 2442 word dictionary.

Topic 1

Highest Prob: bill, house, government, commons, opposition, lords, debate

FREX: amendments, amendment, house, debate, motion, opposition, commons

Topic 2 (Fiscal, Income)

Highest Prob: pay, increase, ministers, mps, per, cent, government

FREX: mps, salaries, increase, salary, ministers, allowances, tsrb

Topic 3

Highest Prob: state, defence, secretary, statement, cabinet, decision, trade

FREX: defence, trade, statement, decision, december, transfer, industry

Topic 4

Highest Prob: cabinet, prime, minister, ministers, discussion, committee, secretary

FREX: brief, select, prime, press, material, ministers, colleagues

Topic 5 Top Words: (Fiscal, Income)

Highest Prob: pay, per, cent, review, service, groups, increases

FREX: groups, body, pay, nhs, nurses, review, armed

Topic 6 (Fiscal, Income)

Highest Prob: expenditure, public, year, programmes, secretary, treasury, spending

FREX: programmes, survey, expenditure, spending, savings, treasury, billion

Topic 7

Highest Prob: chancellor, interest, confidential, united, exchequer, position, bank

FREX: bank, europe, trading, interest, mortgage, exchange, funds

Topic 8 (Liberalize, Welfare)

Highest Prob: paper, white, government, education, scotland, proposals, state

FREX: white, paper, teachers, education, schools, scotland, charter

Topic 9 (Fiscal, Income)

Highest Prob: social, security, state, scheme, benefit, secretary, support

FREX: benefit, social, scheme, security, pension, income, child

- Topic 10 (Liberalize, Welfare)
 Highest Prob: industry, secretary, companies, state, electricity, government, company
 FREX: electricity, companies, company, project, water, nuclear, price
- Topic 11 (Fiscal)
 Highest Prob: per, cent, economic, public, budget, tax, unemployment
 FREX: unemployment, growth, economy, budget, inflation, psbr, economic
- Topic 12
 Highest Prob: ireland, northern, united, government, agreement, british, secretary
 FREX: irish, islands, ireland, northern, unionist, military, republic
- Topic 13
 Highest Prob: european, united, government, kingdom, food, minister, confidential
 FREX: food, european, agriculture, fisheries, bse, ban, countries
- Topic 14 (Liberalize, Income, Welfare)
 Highest Prob: coal, police, action, secretary, prison, confidential, strike
 FREX: num, coal, prison, police, miners, ncb, pits
- Topic 15
 Highest Prob: report, national, reference, government, crown, health, cab
 FREX: crown, archives, cab, copyright, report, lconfidentiali, reference
- Topic 16
 Highest Prob: bill, programme, legislation, bills, session, cabinet, proposed
 FREX: bills, session, programme, legislation, legislative, bill, provisions
- Topic 17 (Fiscal)
 Highest Prob: local, authorities, government, environment, state, charge, authority
 FREX: authorities, charge, local, environment, grant, authority, community
- Topic 18 (Fiscal, Income)
 Highest Prob: service, civil, public, government, cabinet, pay, chancellor
 FREX: civil, cash, service, staff, limits, servants, nationalised
- Topic 19
 Highest Prob: home, secretary, law, act, case, court, might
 FREX: justice, court, appeal, criminal, law, act, home
- Topic 20 (Fiscal, Liberalize, Income, Welfare)
 Highest Prob: action, unions, pay, industrial, dispute, union, transport
 FREX: dispute, unions, industrial, workers, transport, rail, union

Note: Topics highlighted in red (11/20) are directly connected to the motivations identified in the lasso models in the body of the paper. For each topic, the motivations that may connect to it are listed in parenthesis.

Of the nine other topics, topic 7 is also economic in nature but not clearly connected to fiscalty and regulation. Three other topics are related to non-economic policy areas (Northern

Ireland, the EU, and crime). The other six topics refer to procedural language that carries little policy content.

Appendix 5. Additional Results

	Model 1 Lasso CV/plugin		Model 2 Lasso CV/plugin		Model 3 Lasso CV/plugin	
Selected categories	Presentation	.84	Liberalization	.25	Fiscal	.31
	Fiscal	.59	Presentation	.28	Liberalization	.22
	Defense	.08	Fiscal	.03	Presentation	.00
	Liberalization	.08				
	Income	-.81	Welfare	-.87	Fairness	-.01
			Income	-1.11	Income	-.95
	Cons.	.13	Cons.	.40	Cons.	.40
Agent		No		No		No
Subsample	Thatcher	81-83	Thatcher	83-87	Thatcher	87-90
Covariates		32		32		31
N		453		546		336
Dev. ratio		.08		.08		.06

Note: Table presents logit coefficients for variables selected in the various models. Selected variables are ranked by size of coefficients. Models present results using the lambda parameter leading to the same number of coefficients as in model 1, table 1. Variables in bold type in all models are also selected by the plugin method.

Table A5.1: Thatcher cabinets

	Model 1 Lasso CV/plugin		Model 2 Lasso CV/plugin		Model 3 Lasso CV/plugin	
Selected categories	Fiscal	.05	Fiscal	.11	Presentation	.96
			Public sector eff	.00		
	Moral	-.22	Welfare	-.31	Income	-1.33
	Public services	-.60	Civil rights	-.34		
	Income	-.92	Income	-.71		
	Welfare	-1.47				
	Cons.	.86	Cons.	.82	Cons.	.1.29

Agent	No	No	No
Subsample	Major 90-92	Major 92-97	Blair 97
Covariates	20	38	11
N	126	555	51
Dev. ratio	.06	.08	.00

Note: Table presents logit coefficients for variables selected in the various models. Selected variables are ranked by size of coefficients. Models present results using the lambda parameter leading to the same number of coefficients as in model 1, table 1. Variables in bold type in all models are also selected by the plugin method.

Table A5.2: Major and Blair cabinets

	Model 1 Lasso plugin		Model 2 Lasso plugin	
Selected categories	Presentation	.57	Presentation	.55
	Liberalization	.38	Fiscal	.33
	Fiscal	.35	Liberalization*	.17
	Welfare	-.45	Civil rights	-.01
	Income	-1.17	Welfare	-.47
			Income	-1.19
	Cons	.45	Cons	.48
Agent		No		No
Subsample		All		All
Covariates		18		61
N		2,067		2,067

Note: Table presents logit coefficients for variables selected in the model. Selected variables are ranked by size of coefficients. The indicator Liberalization* excludes liberalization motivations that are related to privatization.

Table A5.3: Alternative coding of motivation variable

	Model 1 Lasso plugin		Model 2 Lasso CV/plugin		Model 3 Lasso CV	
Selected categories	Fiscal	.64	Fiscal	.77	Inflation	.36
	Presentation	.48	Liberalization	.34	Presentation	.31
	Liberalization	.45	Inflation	.18	Fiscal	.09
	Inflation	.43			Welfare	.08
	Electoral	.03				

	Public services	-.13	Public services	-.07	
	Welfare	-.18	Income	-.44	
	Income	-.74			
	Cons.	.13	Cons.	.03	Cons.
					-.21
Weights	Discussion		No		No
Subsample	All		With paper only		Minister supports losing
Covariates	57		36		32
N	2,067		616		382
Dev. ratio	.10		.04		.02

Note: Table presents logit coefficients for variables selected in the model. Selected variables are ranked by size of coefficients. Model 2 presents results using the lambda parameter leading to the same number of coefficients as in model 1, table 1. Variables in bold type in all models are also selected by the plugin method. Model 3 presents results on a sample in which a minister supported the losing option. No variables are selected by the plugin method in model 3, and the top variables selected with crossvalidation are presented.

Table A5.4: Further robustness tests

Model 1		
Lasso plugin		
Selected	Discussion	.50
actors	Chancellor	.25
	Home Sec	.23
	Backbenchers	-.11
	Opposition	-.75
	Outside nonecon	-.92
	Outside econ	-.99
	Cons.	.54
Subsample		Full
Covariates		50
N		2067

Note: The dependent variable is adoption. The table presents logit coefficients for variables selected using the lasso plugin method. Selected variables are ranked by size of coefficients.

Table A5.5: Actors and outcomes

Model 1		
Lasso plugin		
	No of agents	.63
Selected	Presentation	.52
categories	Liberalization	.31

Fiscal	.13
Fairness	-.11
Welfare	-.39
Income	-1.27
Cons.	-.43

Agent	No
Subsample	Full
Covariates	58
N	2067

Note: The dependent variable is adoption. The table presents logit coefficients for variables selected through the lasso plugin method. Selected variables are ranked by size of coefficients. Model includes a control for the number of agents supporting the alternative (0 to 8).

Table A5.6: Controlling for number of agents supporting alternative

	Model 1 Lasso plugin		Model 2 Lasso plugin	
Selected categories	Inflation	.08	Presentation	.08
	Presentation	.07	Income	.01
	Public sect eff	.07		
	Fiscal	.02		
	Welfare	-.38	Welfare	-.07
	Income	-.75	Income	-.60
	Cons.	.40	Cons.	.36
Weights	No		No	
Subsample	Other motiv present I		Other motiv present II	
Covariates	57		57	
N	1573		1416	
Dev. ratio	.03		.02	

Note: Model 1 is estimated on a sample of discussion items in which at least one motivation other than the main five (fiscal, liberalization, income, welfare, presentation) is present. Model 2 is estimated on a sample of discussion items in which at least one motivation other than the main five plus inflation and public sector efficiency is present.

Table A5.7: Lasso models on samples in which motivations other than main five are present

