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HOW MUCH IS TOO MUCH?
AN OVERVIEW OF FISCAL ATTITUDES IN
WESTERN EUROPE

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Introduction*

Taxation may be conceived as the main economic input for government action. The growth of the scope of government after World War II has also meant an important increase in the over-all tax burden, although there are significant differences between Western European countries, both in terms of the amount of the tax burden and the structure of their fiscal regimes.

In fact, one of the main challenges to “big government” in the last twenty years has been the tax issue. In situations as different as those of California, Denmark, France, Sweden, Great Britain or Italy, a sizeable number of citizens have assessed their fiscal burden as being too high and reacted with forms of mass protest, anti-tax parties, fiscal referenda and so on. On the other hand, conservative parties have been successful during the eighties in gaining popular support with proposals to reduce the extent of government regulation and intervention and taxation levels.

Current attacks against the Welfare State, or against some specific welfare policies, as well as the suggested existence of a general “Welfare backlash” (Wilensky, 1976) may have been specially sensitive to reactions against high taxes. The new economic situation prevailing after the oil crises in the seventies gave birth to the idea that strong and steady rates of economic growth, allowing continuous increases in government income (and expenditure) and in private citizens’ income, would disappear from advanced industrial countries. It was therefore thought that it would be necessary to reshape the balance between economic growth and welfare expansion, one of the possible solutions being the reduction of both the fiscal burden and

* This paper is the first, partial presentation of some of the results of ongoing research on fiscal attitudes in Europe being carried out jointly with Prof. Maria A. Confalonieri (University of Pavia, Italy). This project forms part of a wider one on “Beliefs in Government” directed by Prof. K. Newton of the University of Essex and Prof. Max Kaase of the University of Mannheim. It is based on data published in the general literature, as well on that collated by Eurobarometer, the International Social Survey Program and by the series of studies of “Cultural change” undertaken in Holland. The author would like to express his thanks to the directors of these studies for kindly allowing him to use these results, although the paper and its conclusions are naturally the exclusive responsibility of the author. Given the preliminary and incomplete character of the material presented here, this should not be cited.

government services. Therefore, fiscal issues are central to the discussion of the scope of government.

How were fiscal systems perceived by public opinion? Has there been a general movement of protest against tax regimes in these countries? What, if any, are the contents and the dimensions of this protest reaction?

In spite of the importance of taxation (and, therefore, of fiscal attitudes held by citizens), the amount of public opinion data available is very limited, discontinuous in time and geographically scattered. The reason for this is possibly that research on fiscal opinions faces serious problems of respondents' confidence and reliability (Lewis 1982, 39 ff.). In this paper we shall first examine the main features of European fiscal systems, and in the second part some general data on public opinion in Europe will be discussed.

The public sector and fiscal systems

Although taxation is likely to be unpopular in all societies, the criticisms of West European fiscal systems in the recent years have taken specific forms. Three main lines of attack have been used:

1. A protest against the volume of the tax burden and, more broadly speaking, the extent and scope of government action. It is argued that these have become too large in West European societies, thus reducing productivity and individuals' entrepreneurship.
2. A criticism against the inefficiencies of government supplied services, often perceived as bureaucratic and biased in favour of organized special interests groups. Thus the trade-off between taxes and government services is perceived as negative by many citizens.
3. A call for greater fiscal "fairness" based, on the one hand, on the redistributive policies assumed by the Welfare State and, on the other, the perception that the relative contribution made by the various social categories was not equitable.

Size, trade-off between taxes and services, and fairness may thus be the three most important issues in an analysis of attitudes to taxation. However, this paper shows as well that fiscal attitudes may also be closely related to attitudes towards the volume, the extent and the efficiency of government expenditure.

To what extent may these three tax-related issues be relevant for cross-national comparative analysis? In fact, there are great variations in the extent of government intervention in different countries in terms of both taxation and expenditure. It is tempting, therefore, to expect the “size issue” to be more present in countries with high tax pressure (broadly speaking, Northern Europe), while the “fairness issue” might be more visible in those countries where low government income and expenditure do not allow a significant level of redistributive policies (which could be the case of some, or most, Mediterranean countries).

One could also expect to find variations within countries. The “size issue” will possibly be more significant for the right side of the political continuum and for socially dominant groups; conversely, the “fairness issue” seems more likely to be linked with left-wing positions, and with those groups demanding redistributive policies.

Finally, we should also expect to find changes over time, as fiscal attitudes may reflect changes in the perception of the economic situation, of the appropriate size of government action, and in reactions to the terms of political debate in each country.

Fiscal attitudes are, primarily, reactions to the specific properties and functioning of each fiscal system; thus, some general, structural considerations have to be taken into account.

Although all countries under examination show formal similarities, an important number of differences can be observed in relation to the levels of pressure, but also to the specific ways of financing public services.

A first relevant variable in the analysis of tax incomes is the size of the public sector, measured by the ratio of government incomes to the Gross Domestic Product. Although size is obviously significant, it has been suggested that a strong increase may be just as important in producing negative reactions, even if actual levels are not higher than in other countries. For instance, in their study of the Californian “Proposition 13”, Sears and Citrin conclude that “(...

grass-roots tax protests (...) occur when visible taxes rise rapidly and overall taxes are high” (Sears and Citrin 1982, 227).

In fact, two periods can be distinguished in the recent history of West European countries. In the second half of the 60’s, the weight of the public sector grew in a spectacular way in Northern and Central European countries: between 1960 and 1970, the percentage of the GDP collected in tax revenues rose went from 25.4 to 40.4 in Denmark, from 27.2 to 40.2% in Sweden, from 31.2 to 39.2% in Norway, and from 28.5 to 37.3% in Great Britain.

These movements were not followed in Southern Europe because of the political and economic conditions prevailing in that area in those years. Only in the second half of the 70’s and in the 80’s would Southern European countries experience an important increase in the size of the public sector.

However, this increase did not bring about a complete convergence with Northern European countries. In the years that followed the size of the public sector would increase still further in Central and Northern Europe, as the calls for reducing government size did not yield negative trends, even if countries such as Finland or the Netherlands registered very limited increases in the 1975-1985 period. On the other hand, Southern European countries (Portugal, Spain, Greece and Italy) experienced quite strong increases in the size of their public sectors. In fact, if these countries are not included, there would be a fairly high correlation between the size of the public sector in 1975, in 1985 and its growth in the period 1975-85. Table 1 summarizes this information.

Table 1. Levels and trends in public sector size: general government revenue, 1985, and growth between 1975 and 1985 (as percentage of GDP).

	Government revenue, 1985	Increase 1975-85
Sweden	59.4	8.7
Denmark	57.0	10.8
Norway	56.1	6.5
Netherlands	54.4	1.2
France	48.5	8.2
Austria	47.7	4.8
Belgium	46.5	6.1
West Germany	45.4	2.7
Ireland	44.3	9.1
Britain	43.7	2.9
Finland	40.5	1.7
Italy	37.5	6.3
Greece	34.9	7.5
Switzerland	34.4	2.3
Spain	33.2	7.8
Portugal	31.5	6.7

SOURCE: OECD, various years.

On the other hand, each country uses a specific combination of direct, indirect taxes and social security contributions. Several authors have analyzed the "tax mix" of Western European countries (for instance, Alt 1983; Peters 1991), the main conclusion being that fiscal systems relying mainly on direct, income taxes are more likely to suffer some kind of "tax revolt", than those with a broad-based set of revenues which combine direct and indirect taxes, as well as social security contributions. Table 2 shows, for instance, the different weight of tax revenues and social security contributions for a number of European countries; Denmark may be taken as an example of a country where taxes are almost the sole source of government revenue and should be compared with France or the Netherlands, where social security contributions are almost as important as the actual tax burden. The issue would then be the "visibility" of the tax system, a late tribute to A. Puviani and his theory of "fiscal illusion" (Puviani 1903). Hibbs and Madsen (1981) draw a similar conclusion.

Table 2. Sources of government revenue as a percentage of GDP, 1985.

	Tax revenues	Social security contributions
Denmark	47.1	1.6
Norway	37.9	11.1
Sweden	37.5	13.4
Ireland	32.8	5.7
Britain	31.4	7.0
Finland	30.9	3.5
Austria	30.7	13.6
Belgium	30.7	15.3
West Germany	25.0	14.0
France	24.4	18.9
Netherlands	23.7	19.3
Italy	22.3	12.4
Switzerland	21.2	10.3
Greece	20.9	12.0
Portugal	20.8 *	9.1
Spain	17.3	11.9

* in 1980

SOURCE: OECD, various years.

It is perhaps of interest to note that our initial hypotheses about the possible dimensions, or issues, embedded in the fiscal debate can receive, at this very general level, some support. As levels and trends can be measured in several different ways and for different time-points, factor analysis seems to be a useful tool in order to see whether there are any clear patterns. The analysis includes variables related to what can be expected to be the most relevant conceptual chapters for explaining the volume of taxation: government consumption (an indicator of which is the percentage of the total workforce employed by government); welfare provisions (for which the unemployment rate and the percentage of retired people may be relevant indicators); and the degree of inequality in the distribution of wealth (often linked to the weight of direct taxes within the total tax revenue; an estimate of the degree of inequality is the share of income going to the richest twenty percent of the population. The main results are presented in Table 3. The results are encouraging, as the first three extracted factors explain 81 % of the variance, and the first factor alone explains more than 54 % of the

variance. Secondly, and even more importantly, the resulting factors can receive reasonable interpretations.

Table 3. Factor analysis of variables related to size and dynamics of the public sector: factor matrix.

Variables	Factor 1	Factor 2	Factor 3
Govt. expenditure 1965	.92	-.12	-.09
Govt. expenditure 1975	.94	-.08	.13
Govt. expenditure 1985	.82	.23	.25
Govt. income, 1965	.89	-.26	.07
Govt. income, 1975	.84	-.34	.30
Govt. income, 1985	.80	-.10	.25
Govt. employment, 1975	.50	-.07	.50
Govt. employment, 1985	.47	-.02	.54
Unemployment, 1970	-.05	.75	-.19
Unemployment, 1980	-.23	.89	-.16
Unemployment, 1985	-.04	.85	-.21
Older than 65, 1970	.50	-.24	-.08
Older than 65, 1985	.24	-.51	.20
Direct taxes of total, 1970	.15	-.46	.80
Direct taxes of total, 1985	-.04	-.16	.89
Share of income of top 20%	-.36	.30	-.71
Percentage of variance	54.3%	17.3%	9.4%

Factor 1, which explains 54.3 % of the variance gives the highest loadings for variables of government income, government expenditure and percent of public employees on the whole workforce. Therefore, I shall suggest that it accurately encompasses a "size of government" dimension.

Factor 2 (17.3% of variance) is linked particularly to levels of unemployment, and (in a negative way) to the number of retired people. It seems to be specially sensitive, therefore, to the necessity for welfare services provision.

Factor 3, finally, explaining 9.4 % of variance, is strongly associated with the weight of direct taxes in the total tax income. It also and has a strong negative correlation with the share of income going to the top 20% of the population in each country (which can be taken as a rough measure of social and economic inequality).

Thus these results support the hypothesis previously put forward, namely the possibility of splitting the "tax question" in three different issues: size of government, welfare policies and egalitarian, redistributive policies.

Variations between countries in attitudes towards taxation

When analyzing survey data, the first question to be addressed is the perception of the over-all level of taxation: how many citizens consider it too high? As Table 4 shows, the majority of respondents tend to think that levels of taxation are too high, or much too high. However, it is interesting to note the existence of quite wide variations both across countries and over time for each country (at least for those countries for which we have more than one time-point).

Table 4. Percentage of respondents agreeing with the statement "the level of taxation is too high/much too high".

Year:	Sweden	Netherlands	Great Britain	West Germany	Austria	Italy	Spain
1975		58					
1979		45					
1980		48					
1981	83	45					
1983		49					
1985		52	66	65	71	74	
1986		46				70	
1987		54					
1988						90	63

However, these opinions do not necessarily imply support for reductionist proposals. When asked about cuts in the fiscal burden, the number of respondents agreeing is visibly lower, as shown in Table 5.

Table 5. Support for tax-cuts.

Year	Sweden	Germany	Netherlands	Austria	Italy
1968	63				
1975			63		
1979			46		
1981	54		48	63	
1985			59		72
1987		84	64		

When the issue is presented in terms of the balance between taxes and government services, the percentage of respondents supporting reductions both in taxation levels and in government services is drastically reduced. Some research about fiscal attitudes has found a paradoxical contrast between attitudes towards taxes and attitudes towards government expenditure. The "more for less' paradox", or the "something for nothing" attitude (see Hadenius 1985; Welch 1985; Sears and Citrin 1982) show what seems to be a quite common pattern: while citizens perceive the tax burden as being too high and therefore support reductions in fiscal pressure, they also support the existence of welfare policies, and are not ready to accept significant cuts in government services (or at least in those services they receive).

Thus, citizens do not perceive taxes as the "price" they have to pay in order to receive government services. In their perception, taxes are often inefficiently managed by governments, bureaucrats tend to support special interest groups, and many, or at least some, of the government services benefit people or groups who do not deserve them.

However, it would be a mistake to consider that citizens have such narrowly self-interested attitudes. American research, for instance, has found stable and strong support for public welfare services, quite weak support for programs oriented towards drastic cuts in taxes, and even very strong opposition to budget deficits as a possible way of financing government services with a low level of fiscal pressure (Modigliani and Modigliani 1987; Shapiro and Young 1989; Smith 1987; Ladd *et al.* 1979).

This pattern of attitudes also seems to hold true for European public opinion. Support for the welfare state is quite strong and does not seem to decrease, except perhaps for those labelled the "undeserving poor" (Rose 1985; Taylor-Gooby 1986; however Golding and Middleton 1982). It has been discussed, however, whether welfare policies and, more generally, the growth of the public sector, have been guided by citizens' preferences or, on the contrary, it has been the public sector which has taken the lead and then won public support (Cameron 1978; Kristensen 1982; Kristensen 1984).

Other data also seem to suggest such a picture for European public opinion. As Table 6 shows, the proportion of those supporting reductions both in taxes and in government services is lower than could be expected given the perceptions of levels of taxation presented above.

Table 6. Percentage of respondents agreeing with the reduction of taxes, even at the cost of reducing services.

Year:	Denmark	Norway	Sweden	Great Britain	West Germany	Netherlands	France	Italy	Spain
1963				51*			66		
1967			63						
1968			54						
1969				69*					
1971						45			
1973		24							
1974					15				
1975	37*			38*	29*		25*		
1979				25*					
1980						26			
1981			54						
1983				16					
1985		19		31		20		33	
1986				5		17		37*	
1988				5				27	14
1989		30		3					

* The response option "No change" was not offered.

SOURCES: Hadenius 1985; Hibbs and Madsen 1981; CIS survey 1988; Coughlin 1980; Eurobarometer (all 1975).

The country for which we have the longest time series, the Netherlands, offers a good example of these general trends. The percentage people supporting tax reduction is quite significant; the percentage of people agreeing with the statement "the level of taxation

is too high", although important, is lower than the previous one; and finally, the percentages supporting cuts in taxes and services are significantly lower. Therefore, there seems to be an interesting mixture of self-interested and pro-welfare attitudes (Table 7).

Table 7. Consistency of public opinion about taxes and services: the case of the Netherlands.

Year	% favouring tax-cuts	% agreeing with "level of taxation too high"	% favouring cuts in taxes and services
1975	63	58	
1979	46	45	
1980	48	48	26
1985	59	52	20
1987	64	54	15

What explanations can account for cross-national variations in support for-or reactions against-fiscal regimes? Two broad types of explanations have been suggested: economic, structural factors, and political factors.

An important body of literature (Puviani 1903; Wilensky 1976; Hibbs and Madsen 1981; Rose 1989; Peters 1991) has outlined how several features of fiscal systems may foster significant levels of protest. Drawing upon this literature, one could expect:

- (a) Higher levels of protest the higher the over-all tax burden.
- (b) Higher levels of protest the higher the incidence of more visible taxes (direct, non-programmatic taxes).
- (c) Higher levels of protest the higher the amount of taxes which has to be paid directly by citizens (not being withheld at source, specially for income taxes).
- (d) Higher levels of protest where the combined effects of inflation and insufficient adjustments for the fiscal drag have produced a reduction in after-tax, real earnings for large masses of citizens.

On the other hand, some political explanations have been suggested.

(a) The first concerns the type of socially prevailing socio-political consensus. The relative weight of Socialist, Christian-Democrat and Conservative traditions in Western Europe has been suggested (Esping-Andersen 1990; Castles and Mitchell 1992) as a relevant indicator for differentiating types of Welfare States, a distinction which could also be relevant for fiscal structures (Peters 1991).

(b) Tax revolt may often be the expression of challenges to the legitimacy of the political regime or its authorities. Therefore we can expect a higher degree of discontent about taxation the lower the political support.

(c) Finally, tax protest may be a response to a higher salience of fiscal issues, resulting from politicization by specific anti-tax movements or by populist parties mobilizing fiscal protest, or from its inclusion in the political debate as a result of proposals for reform.

Adequate testing of these sets of hypotheses at the aggregate level would require more complete comparative evidence than is available. Yet some evaluation is possible.

In the first place, structural properties of fiscal systems seem to matter when considering cross-national differences, although no single feature seems to account for national variations.

Aggregate tax-burden is a poor predictor of cross-national differences in fiscal discontent. If there are high levels of dissatisfaction in some high taxation countries (as in Denmark in the seventies), and considerable levels of satisfaction in countries with low taxation (such as Switzerland), there are some significant deviant cases: while Sweden or the Netherlands had comparatively high tax rates in the eighties, the public in these two countries had a more favourable attitude than their counterparts in Italy or Spain, with significantly lower levels of fiscal pressure.

The hypothesis linking high incidence of direct taxes with higher levels of fiscal discontent fits a few cases, but again some important deviant cases emerge. Sweden shows the highest tax visibility but (comparatively) high levels of fiscal consensus in the early seventies and eighties, while Austria, where tax visibility is rather low, has the most widespread perception of taxes being too high.

The same can be said about the role of programmatic taxes: the countries which rely most heavily on non-fiscal social security contributions are France, the Netherlands, Germany and Austria, which show quite different levels of discontent. Nor is there an apparent relation between the incidence of central versus local or regional levels of government in collecting taxes and discontent about taxation: the highly centralized fiscal system in the Netherlands finds less discontent than the federal Austrian system.

If we turn from individual features of the fiscal systems to their global structure, the capacity of fiscal regimes to foster fiscal consensus or fiscal dissent seems to be clearer. Slightly modifying a typology proposed by Peters (Peters 1991: 59 ff), and leaving aside the Swiss case because of its deviant very low levels of tax pressure and progressiveness, we could propose four main types of fiscal regime:

1. Broad-based fiscal systems, which distribute the sources of income among a large set of activities. This means, more precisely, social contributions above the average and taxation under average for other types of sources. This type would include the Netherlands, Germany, Austria, Spain and, in spite of some recent changes, Italy.

2. Unbalanced systems, which rely very strongly on social contributions and are clearly under average in their reliance on income taxes. France would be the best example of this type of system, with Greece and Portugal approaching this type of structure at lower levels of aggregate tax burden.

3. Unbalanced systems, relying heavily on income taxes and with very low social contributions. Sweden and the United Kingdom until the end of the seventies or Denmark can be included in this type.

4. Balanced systems, where no single tax source accounts for more than 40% of the total tax revenue. Sweden in the eighties and Norway belong to this group, along with the United Kingdom in the eighties (although at a lower taxing level, only slightly above the OECD average level).

Considering this typology and the data we have presented, one could conclude that fiscal regimes of our type 3 face fiscal protest more frequently than others, specially those of type 4. On the other hand, and although French data are missing, one must bear in mind that France has experienced several anti-tax movements (such as Poujadism in the fifties or “Nicoudism” in

the late sixties), and is often quoted as an example of citizens' resistance to taxation.

Finally, our evidence for countries with fiscal regimes of the first type shows different situations, from the quite good acceptance of the Dutch tax system to the strong criticism visible in Italy or Austria.

One final comment about the dynamics of fiscal systems. The growth of tax revenues, in itself, is a very bad predictor of the level of dissatisfaction. In the late sixties and early seventies, Denmark and Sweden experienced fast increases in their aggregate fiscal burden, but the same is true for the Netherlands, and tax revenues did not change in Great Britain. However the combined effects of taxation, inflation and policies of adjustment for the fiscal drag prove to be a quite good predictor of differences in the amount of tax protest. Post-tax real earnings declined in the period immediately preceding the electoral success of M. Glistrup's party in 1973, and similar reductions were experienced in Sweden and Great Britain. The differences in the estimated effectiveness of measures intended to counter the fiscal drag between 1975 and 1983 (OECD 1986) are consistent with the available evidence of variations in the level of dissatisfaction with tax levels. Sweden, the Netherlands, Norway and Great Britain seem to have succeeded in countering the fiscal drag (at least at the aggregate level), while the opposite holds true for Belgium, Spain and Italy. Thus, at least for this period, higher levels of tax protest seem to be associated with increases in the average individual fiscal burden, while higher levels of tax compliance are associated with stable, or even lowered, average tax-rates at the individual level.

Political explanations do not seem to add much to structural explanations in order to understand differences between nations. Our initial hypothesis was that levels of fiscal consensus would differ significantly according to prevailing political traditions which, for the sake of simplicity, we have classified in three categories:

1. Countries with a dominant Socialist party, such as Sweden or Norway until the mid-seventies.

2. Countries with competing Socialist and Conservative, "bourgeois" type, traditions (which could include the United Kingdom, Norway and Sweden since the mid-seventies, and Denmark since the mid-sixties).

3. Countries with competing Socialist and Christian-Democratic traditions (such as Italy, the Netherlands, Germany or Austria, and, more doubtfully, France and Spain could also be included in this group).

We could expect higher levels of fiscal consensus in the first and third group, and more widespread discontent in the second one. Additionally, divisions along party lines could also be more visible in the second group of nations.

A full discussion of this hypothesis, however, is not possible, as these countries also have different fiscal systems. Evidence from Eurobarometers (1975) seems to counter our hypothesis, as the French respondents show slightly less consensus about the reduction of taxes and benefits than the Germans. Evidence from the International Social Survey Program (ISSP) 1985 also shows a higher level of discontent in Austria and in Italy than in Great Britain, which again seems to run against the influence of political traditions.

In a similar way, the degree of support for the political system does not seem to be associated with levels of tax protest. However, this point is discussed by Listhaug and Miller (1985). If we take "satisfaction with democracy" (see Table 8) as an indicator of the level of system support, we find several cases of deviant relations, such as Denmark (scoring high in satisfaction with democracy but also in fiscal protest) or the Netherlands (relatively low on both scales).

Table 8. Dissatisfaction with the working of democracy in each country.

	1979	1984
France	40.1	52.7
The Netherlands	29.6	42.3
West Germany	14.8	21.6
Italy	82.0	76.0
Denmark	31.3	26.3
Great Britain	41.2	33.9

SOURCE: Eurobarometer, respective years.

Trends in attitudes towards taxation

The limitations of available data are more serious for the analysis of variations over time than for cross-national comparison. A glance at our tables will show that for many Western European countries we only have a very limited number of time-points. We shall, therefore, present only some comments.

It does not seem possible to locate in time a breakdown (should it ever have existed) in fiscal consensus. Our evidence shows that in countries (such as Sweden and Great Britain) with high levels of taxation and unbalanced fiscal regimes, mainly relying on highly progressive income tax rates, dissatisfaction with taxation and demands for cuts in taxes and services were widespread even before the explosion of inflation rates due to the oil-prices shock. Large majorities in Great Britain, Sweden and France demanded cuts in taxes and social services (see Table 7) even in the sixties, when inflation rates were under 5%.

In the years of steady inflation that followed, although it may seem paradoxical, calls for reduction in taxes and services were clearly reduced, therefore suggesting that support for neoconservative policies was quite low. A further decline seems to be apparent for Great Britain and the Netherlands from 1985 onwards.

A very sharp reversal of the trend in Great Britain is already apparent in 1979 before the Thatcher governments, and in the late eighties the proportion of people calling for cuts in taxes and services is minuscule. This trend may seem surprising if electoral evolution is kept in mind, but it is supported by other survey sources such as those quoted by Crewe (1988). This suggests the conclusion that the attitudes of the previous period represented a reaction against exceptional fiscal pressure, rather than a rejection of welfare policies.

Nevertheless, it would not be correct to conclude that citizens support in the eighties policies of high taxation and spending again. First, the very ample majorities opposing cuts in taxes and services face today a fundamentally different fiscal regime. On the other hand, as Table 4 shows, perceptions that taxes are too high are still widespread.

Similar situations are to be found in the Netherlands and in Sweden. Comparing rates of dissatisfaction with taxation levels and demands for cuts in taxes and benefits in the

eighties, a growing proportion of citizens seem to be discontent with taxation but unwilling to accept cuts in benefits. This would suggest a certain potential for anti-tax platforms, opening the way for the politicization of the issue by political actors, old or new. In the Netherlands, the difference between the two percentages is 49 points in 1987, compared to 22 in 1980 (see Table 7).

The visible trend in Norway seems to diverge from these patterns, with actual increases in support for cuts in taxes and services between 1985 and 1989. This may be connected to the growing success of the Progress Party, whose share of vote grew from 3.4% in 1983 to 12.2% in 1987. (Harmel and Svasand 1990).

Dissatisfaction with taxes and support for cuts are widespread among Italians, as is dissatisfaction with the trade-off between taxes and services (Table 9), which is also a feature of Spanish public opinion. In both countries, reforms in their fiscal systems in the eighties and persistent failures in adjustment for inflationary fiscal drag have led to widespread feelings of protest. However, as the ISSP survey for 1985 showed, large majorities of Italians reject cuts in taxes and services and favor higher social spending (Confalonieri et al. 1989). In both countries, dissatisfaction with the taxes-services trade-off could be a criticism of the low quality of government services rather than a call for reductions in fiscal pressure.

Table 9. Percentage of respondents discontent with their personal trade-off between taxes and services

Year:	Sweden	Switzerland	Spain	Italy
1968	43			
1980			55	
1981	36			
1985				74
1986		43		
1988		40	51	79
1990		43		

Conclusion

Summarizing these results, one may conclude that economic explanations, focusing on the types of fiscal regimes, prove generally weaker for explaining variations over time than they do for comparing nations. Certainly, some exceptionally high levels of fiscal discontent, as in Sweden or Great Britain in the sixties, or in recent years in Italy or Spain, can be accounted for by the structural features of fiscal systems and their effects when combined with inflation. However economic explanations by themselves cannot explain the reversal of the trend in preferences which occurred in Great Britain during the seventies, nor the changes in Norwegian public opinion or the growing dissent visible in the Netherlands since the mid-eighties. These variations have to be explained by changes in the political debate, due to the politicization of the tax issue, either as a consequence of party mobilization or the inclusion of fiscal reforms in the political agenda.

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