

Ideological Profiles of Portfolios

Franchino, F. (2009) 'Experience and the Distribution of Portfolio Payoffs in the European Commission', *European Journal of Political Research* 48 (1): 1–30.

In this document I discuss in detail the assignment of Budge *et al*'s (2001) substantive categories and left-right ideological profiles to each portfolio, as illustrated in Table 1 of the article. The substantive categories are allocated to each portfolio following the description of the categories of Budge *et al* (2001), the aggregate categories developed by these scholars and several factor analyses to detect patterns of correlation and underlying dimensions.

Portfolios Appealing to Right of Center Parties

Agriculture, Fisheries

The objectives of the agricultural policy have been to promote modernization and to ensure a fair standard of living for farmers. The first measures of the fisheries policy date back to the early 1970s, after the first enlargement, but the portfolio was recognized as important only at the end of the 1970s. Fisheries is based on the same premises of the agricultural policy.

Notwithstanding their protectionism, these policies have been designed for the benefit of key constituencies of both christian democratic and, in countries such as France, Greece and Spain, conservative parties. Naturally, the portfolios are also appealing to agrarian parties in Scandinavia. Despite their environmental effects, one could also see these policies as promoting social harmony and protecting the traditional way of life, values close to right of center parties.

Substantive Category: Agriculture and Farmers (703)

Commercial Policy, External Relations

Despite some undeniably protectionist features, the primary objective of the commercial policy has been the progressive abolition of restrictions and barriers to international trade. This portfolio should therefore appeal to conservative and right-liberal parties. External relations is more complicated. Until the early 1990s, this portfolio has been frequently coupled with commercial policy. It focused mostly on association agreements with international organizations and third countries (mostly former colonies). These agreements had both trade creation and diversion effects. The portfolio has then broadened considerably its coverage with the emergence of a

foreign and security policy, the consolidation of a development policy and, recently, a new title on cooperation with third countries of the Nice Treaty. External relations is about projecting EU power in the world stage and, although with the aim of promoting democracy, human rights and the rule of law, it has probably ‘imperialist’ connotations that sit more comfortably with right-wing political values.

Substantive Category for Commercial Policy: Protectionism and Market-Planned Economy [Free Enterprise (401) + Protectionism:Negative-Positive (407-406) + Economic Orthodoxy (414) - Market Regulation (403) - Economic Planning (404) - Controlled Economy (412)]

Substantive Category for External Relations: External Relations [Foreign Special Relationships: Positive+Negative (101+102) – Anti-Imperialism (103) + Military:Positive-Negative (104-105) + Internationalism:Negative-Positive (109-107)]

Competition, Customs Union, Financial Services and Institutions, Information Society, Internal Market, Taxation

The first four are core policies for the establishment of the internal market and the freedom of movement, predominantly pursuing deregulation, economic liberalization and elimination of market distortions, anti-competitive behavior and trade obstacles. Taxation has a secondary, slightly more interventionist, objective of fighting harmful tax competition, but this includes fiscal state aid. The financial services portfolio was first created at the beginning of the 1970s with the first insurance and banking directives, while the information society portfolio was established in the mid 1980s to cover information technology and telecommunications. These policies have predominantly pursued the abolition of restrictions to the freedom of establishment and to provide services (with some emphasis on research and the development of trans-European networks in case of telecommunications). These portfolios appeal especially to conservative and right-liberal parties and to the liberal-economic factions of christian democratic parties.

Substantive Category: Market-Planned Economy [Free Enterprise (401) + Economic Orthodoxy (414) - Market Regulation (403) - Economic Planning (404) - Controlled Economy (412)]

Substantive Category for Information Society: Industry and Market-Planned Economy

Economic and Monetary Affairs

The policy originally dealt with macroeconomic issues, including growth, balance of payments, inflation and monetary matters. The establishment of the economic and monetary union beefed up this portfolio substantially with regard to economic surveillance, monitoring of national public finances, and economic policy coordination. The policy is strongly orientated toward price

stability, prudent fiscal policies and, generally, economic orthodoxy. These objectives are generally supported by conservative, right-liberal, and christian democratic parties.

Substantive Category: Market-Planned Economy

Enlargement

According to customs union theory, enlargement generates both trade creation and trade diversion, but the latter component is preponderant in the case of Europe (e.g. Mayes, 1989). By eliminating market distortions between EU and accession countries, enlargement increases intra-European trade and competition and has therefore mostly a deregulatory and liberalizing effect. This portfolio too should appeal to conservative and right-liberal parties.

Substantive Category: Protectionism and Market-Planned Economy

Industrial Affairs and Innovation

Although allocated since the late 1960s, this portfolio lacked a treaty based until the Maastricht Treaty's title on industry. The policy has very strong pro-business features, even though, historically, it did not eschew interventionist traits. It is designed to foster innovation and structural adjustment, to enhance competitiveness and market efficiency. It also encourages business-friendly measures that lower barriers to entrepreneurship. These are values that sit comfortably with conservative, right-liberal and christian democratic parties.

Substantive Category: Industry and Market-Planned Economy [Free Enterprise (401) + Productivity (410) + Technology and Infrastructure (411) + Economic Orthodoxy (414) - Market Regulation (403) - Economic Planning (404) - Controlled Economy (412)]

Justice and Home Affairs

The policy, mostly introduced with the Maastricht and Amsterdam Treaties, covers police and judicial cooperation and policies related to the free movement of persons, such as visa, immigration and asylum policy. The liberal values of the policy are enshrined in the freedom of movement, but there is also a strong emphasis on law and order, which are domains dear to conservative and christian democratic parties.

Substantive Category: Law and Order (605)

Small and Medium Enterprises, Tourism

These portfolios emerged in the 1980s and have been intermittently allocated since. They belong to the broader industry portfolio, but thirty percent of the times they were deemed important

enough to be separated from it. They emphasize the promotion of entrepreneurship, the elimination of red tape and the need to improve the access to markets and the growth potential of SMEs. In case of tourism, the priority is to ensure that the interest of the sector are taken into account. The pro-business features of these portfolios appeal to right of center parties but, additionally, they serve also the interests of the petty bourgeoisie, a key constituency of conservative and christian democratic parties.

Substantive Category: Middle Class and Market-Planned Economy [Middle Class and Professional Groups (704) + Free Enterprise (401) + Economic Orthodoxy (414) - Market Regulation (403) - Economic Planning (404) - Controlled Economy (412)]

Transport

Traditionally, transport has been treated differently from other sectors, most likely because it is a network industry with, purportedly, public service features and considerable government intervention. It had *ad hoc* competition and state aids rules. Nevertheless, the policy has mostly pursued the elimination of discriminatory conditions, the freedom of establishment and service provision and, since the 1980s, it has driven the liberalization of air and maritime transport services. Although market regulation (e.g. safety) and development (e.g. trans-European networks) should not be underestimated, it is plausible to consider this portfolio as mostly pursuing market-creation objectives supported by conservative and right-liberal parties.

Substantive Category: Industry and Market-Planned Economy

Portfolios Appealing to Left of Center Parties

Culture

First allocated in the early 1980s, this portfolio has not been based on a specific legal base until the Maastricht Treaty. The policy aims at encouraging cultural cooperation among member states and consists of initiatives supporting cultural exchanges and dissemination and conservation of cultural heritage. The policy embodies center-left values of positive internationalism and expansion of, broadly conceived, education provision.

Substantive Category: Culture (502)

Credit and Investment (ECSC)

This portfolio dealt with investment and financial aid under the ECSC Treaty. The primary objective was the coordination and financing of investment programmes, with the aim of increasing productivity and production in the coal and steel industries. Although there were anti-discrimination and anti-subsidy clauses, this policy had a strongly interventionist flair and valued

the principles underlying a planned and controlled economy which appealed to social democratic parties. The policy has been disbanded with the expiration of the ECSC Treaty in 2002.

Substantive Category: Industry and Market-Planned Economy

Development

Initially dealing with overseas countries and territories, this policy has come to encompass cooperation and aid, with the primary objectives of promoting sustainable economy and social development and eradicating poverty in developing countries. It is close to left of center values of positive internationalism, which emphasizes the need for international cooperation, aid to developing countries and world planning of resources.

Substantive Category: External Relations

Education and Training

Although first allocated in the early 1970s, this policy has been given a treaty base only in 1993 with the Maastricht Treaty. It finances several actions and programmes primarily aimed at encouraging mobility of students and teachers and facilitating access to vocational training. With the primary effect of expanding the provision of educational services, this policy is close to the values of social democratic and left of center parties.

Substantive Category: Education Expansion – Limitation (506 – 507)

Employment and Social Affairs

Covering movement, protection, representation and consultation of workers, working conditions, social security and the social fund, this portfolio deals with issues that are traditionally attractive to left of center and social democratic parties.

Substantive Category: Welfare and Labor [Market Regulation (403) + Social Justice (503) + Welfare State Expansion – Limitation (504 – 505) + Labour Groups: Positive – Negative (701-702)]

Environment, Consumer Protection

Environmental policy started in the 1970s and was recognized as policy area with the Single European Act. Its emergence mirrors the raise of new left and green parties in Europe. Although also recognized in the early 1970s, consumer protection has been part of the general chapter on approximation of laws until the Maastricht Treaty which then introduced a specific title. Most environmental and consumer protection measures, the latter with the primary objective of protecting the health and safety of consumers and of promoting their right to information, have a

strong market regulatory component. Therefore, these portfolios are particularly appealing to political parties on the left.

Substantive Category for Environment: Environmental Protection (501)

Substantive Category for Consumer Protection: Market-Planned Economy

Regional Policy

With the probable exception of the 2002 solidarity fund, this policy has historically been an instrument supporting major deals and policy developments, such the several enlargements, the internal market programme and the economic and monetary union. Its primary objective has been the reduction of disparities in regional development and it has financed projects on the environmental field, on trans-European transport networks and for the modernization of accession countries. Regardless of the realpolitik underpinning these programmes, this policy has an interventionist character and appeals to values of cohesion, equality and justice that are close to social democratic and left-wing parties.

Substantive Category: Market-Planned Economy and Social Justice [Free Enterprise (401) + Economic Orthodoxy (414) - Market Regulation (403) - Economic Planning (404) - Controlled Economy (412) – Social Justice (503)]

Research

Research was initially only covered by the Euratom treaty and was therefore concentrated on nuclear research under the Joint Nuclear Research Centre. The Single European Act introduced a new title to promote research cooperation and the mobility of researchers. It also established a multiannual framework programme to finance research activities. The positioning of this portfolio in the left-right spectrum is not straightforward, but the emphasis put on training, technological development and public financing can be related to centre-left views on the positive role of the state and the need to expand training opportunities.

Substantive Category: Technology and Education [Technology and Infrastructure (411) + Education Expansion – Limitation (506 – 507)]

Portfolio with Changing Profile

Energy

Initially, the energy portfolio dealt with the setting of production and prices of coal and steel, as part of the European Coal and Steel Community, and with the supply agency of the Euratom Treaty, which set prices and financed stocks. It also regulated energy safety, safeguards and controls. Since the 1990s, major developments consisted in the opening up of electricity and gas

markets and the development and interoperability of trans-European networks. Initially, the policy was strongly interventionist, based on principles underlying a planned and controlled economy. Although these values were not alien to conservative and christian-democratic parties, they should be more appealing to left of center parties. The policy had however a definite liberal turn from the late 1980s, where the predominant issue was the freedom of establishment and to provide services. Moreover, the ECSC Treaty expired in 2002. The portfolio is coded as appealing to the right from 1989 onwards.

Substantive Category: Industry and Market-Planned Economy

References

- Budge, Ian, Hans-Dieter Klingemann, Andrea Volkens, Judith Bara, and Eric Tanenbaum, eds. 2001. *Mapping Policy Preferences: Estimates for Parties, Electors, and Governments 1945-1998*. Oxford: Oxford University Press.
- Mayes, David. 1989. "The Effects of Economic Integration on Trade." In A. Jacquemin and A. Sapir, eds. *The European Internal Market*. Oxford: Oxford University Press.