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Does politics matter at all? The determinants of redistributive policies in the Brazilian states

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Abstract

Since the 1990s, has experienced an inclusionary turn that expanded social policies in a democratization context. In this sense, questions are still unrevealed, such as: Does political mandate, meaning a governor winning a landslide election and holding the majority coalition in the legislative, help explain the different levels of social policy investments? Are left-wing governments more prone to expand redistributive policies than right-wing ones? Do macroeconomic circumstances determine social spending variance? To address these questions, the paper aims to analyze the effects of the party system, electoral dynamics, and Executive-Legislative relations on policy outcomes in Brazilian state governments. The inquiry employs a mixed-methods approach. First, the quantitative analysis is grounded in electoral, partisan, socioeconomic, and fiscal data collected from all Brazilian states and the Federal District. Then, the paper employed longitudinal multivariate regression to test the hypotheses of political effects on annual variance on state-level social expenditures (1991-2020), the dependent variable. The qualitative approach offers comparative case studies that deepen the hypotheses analysis by focusing on two states governed by left-wing (Bahia) and right-wing parties (Alagoas) from 2006 to 2020. The empirical results indicate that political dynamics have not been an effective predictor of progressive redistributive policies at the Brazilian state level. In the same direction, the case studies also reinforce these findings, since substantial differences were not detected between left and right-wing governors in social policymaking. This leads to a conclusion that politics is still important but not determinant for redistributive policy, considering other institutional and economic constraints.

Keywords: political mandate; redistributive policies; democracy; state governments; Brazil.

Introduction

Since the 1990s, has experienced an inclusionary turn that expanded social policies in a democratization context. In this sense, questions are still unrevealed, such as: Does political mandate, meaning a governor winning a landslide election and holding the majority coalition in the legislative, help explain the different levels of social policy investments? Are left-wing governments more prone to expand redistributive policies than the right-wing's? Do macroeconomic circumstances determine social spending variance? To address these questions, the paper aims to analyze the effects of the party system, electoral dynamics, and Executive-Legislative relations on policy outcomes in Brazilian state governments.

The paper is theoretically grounded in three different but complementary debates: inclusionary turn and pink tide (Levitsky & Roberts, 2011; Kapiszewski, Levitsky, & Yashar, 2021); political dynamics and policy outputs (Biglaiser, 2016; Biglaiser & McGauvran, 2018; Altman & Castiglioni, 2020) and; the determinants of social spending in Brazilian subnational Governments (Sátyro, 2013; Santos, Batista & Dutt-Ross, 2018). Based on this, the inquiry tests four hypotheses related to the effects of political mandate, ideology, partisan alignment and experience in the office on social expenditures.

The inquiry employs a mixed-methods approach. First, the quantitative analysis is grounded in electoral, partisan, socioeconomic, and fiscal data collected from all Brazilian states and the Federal District. Then, the paper employed longitudinal multivariate regression to test the hypotheses of political effects on annual variance on state-level social expenditures (1991-2020), the dependent variable. The qualitative approach offers comparative case studies that deepen the hypotheses analysis by focusing on two states governed by left-wing (Bahia) and right-wing parties (Alagoas) from 2007 to 2019.

Besides this introduction, the paper has three other sections. The next is dedicated to presenting the theoretical discussion and the hypotheses. The methods and the regression model are described in the empirical part, followed by the analysis of the empirical findings and the case studies' insights. The last section outlines the final remarks and future research agenda.

Theoretical Debate

This section introduces the theoretical debates in which the research questions are embedded. To do so, first, we discuss critical changes in Latin America that caused the field of study's recent interest in understanding how political dynamics affect economic and social policy outputs. Then, the Brazilian literature on this relationship is discussed, followed by the paper's hypotheses.

Inclusionary Turn and Pink Tide

Over the last three decades, Latin American nations have experienced an *Inclusionary Turn*, in other words, a comprehensive process in which governments across the region created institutions and policies aimed at including previously excluded groups and expanding the boundaries of citizenship (Kapiszewski, Levitsky, & Yashar, 2021). This movement toward more inclusion, in terms of civic, political, and socioeconomic membership in a polity, has occurred in three complementary but different forms: i) unparalleled recognition of indigenous peoples, Afro-Latin communities, and multicultural and plurinational societies; ii) new channels to participate in policymaking and created or broadened participatory governance institutions and; iii) investment in redistributive social policies to historically excluded sectors (women, the unemployed, and the rural and informal poor).

Although widespread in Latin America, the inclusionary turns are not unilinear processes in time and among countries. The recognition initiative first started in 1990. In the early 2000s, an acceleration of overall reforms, with resource-related reforms focused on redistributive social policies surpassing the others and then slowly attenuated after 2012 with the end of the commodity boom.

This movement is usually associated with another crucial political phenomenon initiated in the late 1990s and the beginning of the 2000s, well known as the *Pink Tide*. According to Levitsky and Roberts (2011), it consisted of a political wave toward left-wing governments in Latin American democracies moving away from the neoliberal economic model, at least in their discourse. These parties won fourteen of eighteen democratic countries in the region during this period. The Pink Tide is explained by long-term structural dilemmas, such as stubborn inequality and unemployment rates, macroeconomic situations (commodity boom), and changing environmental conditions (democratic endurance and sustained electoral competition).

Nonetheless, they were no longer committed to the socialist economic model and do not oppose private property or market competition. On the other hand, most left-wing parties tended to reject the idea that unregulated market forces can be relied on to meet social needs and defended more progressive social policies and developmental economic guidelines. This electoral wave doesn't reflect the homogeneous type of ruling left-wing parties regarding their institutional framework, democratic governance, and vision of the Washington Consensus' orthodoxy (Levitsky & Roberts

(2011). The heterogeneity of the party system's features in Latin America has also called the attention of political economists because of the distinct economic and social policy strategies implemented, as some leftist leaders increased the state's role in the economy. In contrast, others continued and even intensified market reforms. In this new context, a productive research agenda about the effects of party ideology and electoral competition on economic and social policy in Latin America (Biglaiser, 2016; Biglaiser & McGauvran, 2018; Altman & Castiglioni, 2020).

Political Dynamics and Policy Outputs

To deepen the understanding of economic policy variations among leftist governments in Latin America, Biglaiser (2016) departs from adding a new approach to the main theories usually based on: i) political parties and institutionalization; ii) path dependency; iii) interest groups; and iv) natural resources. He also departs from the assumption that left-wing voters are more likely to oppose market reforms and leftist executives, thus, are expected to have a higher probability of returning from market policies.

First, the author employs a multivariate regression that may help explain whether a leftist government supports market reforms or moves away from the market, using party institutionalization/path dependency, labor density, and natural resources factors. The innovative variable is the political mandate, in other words, a combination of a president winning a landslide election and the president's party holding a majority of seats in the legislature. Biglaiser (2016) built a market reform index on the model's right side based on five variables - capital account, trade, tax liberalization, government regulation, and privatization.

As a result, the empirical evidence suggested that a mandate (high electoral margin and majority support in the Legislative) provided left-wing presidents greater flexibility to pursue more statist-oriented policies associated with traditional leftist goals. Conversely, competitive elections and/or the president's party without a majority of seats in the legislature can weaken efforts to undertake profound policy shifts. Biglaiser (2016) also employed two case studies to analyze the effects of political mandate in the Nestor and Cristina Kirchner's governments in Argentina and the Frente Amplo's administrations in Uruguay. Both cases reinforced that just where the president wins by a sizeable margin and the president's party holds a majority of legislative seats that are likely to see leftist leaders initiating policies.

By focusing on the other side of the ideological spectrum, Biglaiser and McGauvran (2018) aimed to analyze why some rightist governments in Latin America have followed a strict market orientation while others have shown less attachment to doctrinaire neoliberal policies since the mid-1990s. The theoretical expectation would be that rightists favor neoliberal economic policies, which was, in fact not a homogeneous behavior. The authors added a new intervenient variable clarity of responsibility that voters can observe shocks to the macroeconomy during periods of economic crises and assign blame. So, even when presidents hold mandates have greater discretion to implement their preferred policies; however, it is constrained when the economic policies are not popular with the general populace. Biglaiser and McGauvran (2018) test the hypothesis that rightist leaders tend to avoid the strictest market reforms in a country that has a negative opinion about these policies even when they have political mandates.

The statistical results are intriguing in many ways. First, initial rises in the margin of victory produce greater clarity of responsibility and, consequently, a decrease in the probability that rightist governments will promote the strictest market-oriented reforms; however, as the margin exceeds 25%, the likelihood of implementing these policies increases. In sum, the clarity of responsibility exerts an effect on unpopular orthodox policies insofar as presidents face electoral vulnerability, especially microeconomic measures. Still, this influence diminishes as they become more electorally secure.

As the inclusionary turn has demonstrated, part of this movement occurred because of increased investment in redistributive social policies for historically excluded sectors in Latin America. Thus, the question that Altman and Castiglioni (2020) are prone to investigate is: What are the causes of the expansion of equitable social policy in Latin America? To do so, they used panel data from Latin American countries from 1990–2013 to test if the ideological color of governing parties, level of political competition, and strength of civil society or the nations' wealth are the driver of social policy changes in the region. To depict this dependent variable, a new index of equitable social policy combines the three components: "health equality," "education equality," and "means-tested vs. universalistic.". Surprisingly, the empirical inferences indicated that the index is not affected by the president's party ideology. However, the hypotheses that stronger civil society and a more competitive political system led to a more equitable social policy were confirmed. The countries' wealth is also not a determinant for increasing redistributive policies. They tend to be indifferent to the ideological color of politicians and political parties, which seem to be survivor machines in democratic scenarios.

Literature of Subnational Governments in Brazil

The research field on the relationship between politics and policies in Brazil has been very productive, especially in the last two decades. To analyze the literature findings, we employed a systematic bibliographic review of scientific journals in four databases: Scielo, Web of Science, Scopus and Spell. The review considered publications of different kinds (articles, thesis, and dissertations) from several areas, mainly the human and applied social sciences. After the initial search, the abstracts were read, and those considered relevant were filtered, narrowing the number of publications. In addition to excluding duplicates, those not in line with this paper were also ignored, leaving a total of fourteen articles related differently to the political dynamics and policy outcomes. We can organize this literature based on the primary influential factors of the country's socioeconomic policies at the subnational level: i) party's ideology effects, ii) electoral competition, and iii) other political factors.

Focused on the effects of the partisan color of state governors on fiscal performance from the beginning of the democratization process in 1986 to 2005, Arvarte *et al.* (2008) found that right-wing parties produced better fiscal behavior, mostly by increasing tax revenues. They also demonstrated that the debt restructuring process during the 1990s influenced left-wing governments to improve their financial performance, highlighting the Fiscal Responsibility Law. Gouveia and Girardi (2021) employ regression-discontinuity design research to test the role of partisanship in shaping local fiscal policy from 2004 to 2016 in Brazilian municipalities. They identified a small but stubborn positive correlation between left-wing mayors and the rise of social expenditures. This type of spending by left-wing governments was even more significant during years of higher economic growth (mid 2000s), for lame-duck mayors, and in cities receiving oil windfalls.

Electoral competition is also a recurrent emphasis of this literature. Cavalcante (2013), for instance, analyzed local government's determinants of performance, measured by effectiveness indicators regarding the areas of education, health, and welfare policies. Overall, the empirical findings suggest that the political dimension partly explains these indicators; nevertheless, electoral competition does not influence government effectiveness. Surprisingly, the absence of significant effect of the Labor Party (PT) mayors put in perspective the literature that supports the singularity regarding social policy agenda. Conversely, Arvate (2013) found that a higher effective number of candidates running for mayor, a usual indicator for electoral competition, increases the supply of local public goods, measured by the number of student enrollments, teachers, and free immunizations. The multivariate regression, however, did not show significance when testing the effects of second mandate mayors. Boulding and Brown (2013) also tested the assumption that electoral competition ensures accountability by using data on local elections, socioeconomic factors, and municipal budgets from more than 5,000 municipalities in Brazil for the years 1996, 2000, and 2004. The authors contradictorily showed that more competitive elections led to less social spending than municipalities with little political competition. Instead, the research indicated that the dynamics of social expenditures depend on the local government size to the extent that incumbent parties mobilize voters and win by large margins in larger municipalities.

Other inquiries present a different approach, such as Kemahlioglu (2015), who provided an apolitical explanation for the variation in current spending, focusing on intergovernmental political relationships. Based on data from 1996 to 2005, the author finds that expenditures decrease as the relative number of federal deputies from the state governor's party rises compared to the number of deputies from the president's governing coalition when the national agenda encourages federal pork distribution in the states. While Queiroz *et al.* (2019) tested the political business cycle's theory by evaluating the electoral mandate's influence on public spending by Brazilian state governments over three administrations (2003 to 2014). The empirical results show that opportunistic behavior in electoral periods is restricted to governors in their first term, and manipulation tends to be limited to investments.

Finally, it is worth mentioning two articles that align with this paper's goals, in terms of the independent and dependent variables used to explore how the political system may explain policy outputs. In this sense, Sátyro (2013)'s approach encompasses five Brazilian state administrations (1987-2006). It focuses on the effects of political competition, political parties, party ideology, political legacy, and economic and institutional constraints on changes in social spending (education, culture, health, and sewage). She did not find any significant and consistent effects of partisan color on expenditures, having PT as a reference. The political competition only impacted the health and sewage sectors, whereas the Legislative coalition size seemed relevant in education and cultural policies. However, the effects are counterintuitive, i.e., spending tends to decrease when the winning coalition controls most seats. Besides the positive impact of policy legacy and the negative of state government debt level, the most interesting finding is that economic and institutional constraints, such as the Fiscal Responsibility Law, reduced the effects of political dynamics on governors' capacity to increase social expenditures.

Santos, Batista, and Dutt-Ross (2018) also advanced on analyzing health and education spending determinants in the Brazilian states between 2002 and 2013 by testing hypotheses of the level of development and political-institutional ideology and legislative support to the governor in the Legislative Assemblies. The authors used these sectors' expenditures per capita, which had a mandatory basis imposed by the Federal Constitution of 1988. As a result, the hypothesis that left-wing governors with a legislative majority tended to spend more in the social area than others is confirmed. Urbanization had a positive impact on education, but opportunistic behavior during electoral years did not. While in health policy, the expenditure is lower in states with a higher urbanization rate, the elderly population level does not matter; nonetheless, the spending rises in election years.

Based on the theoretical debate and findings, this paper aims to advance this analysis with more updated variables after 30 years of democratization in Brazil and departs from the assumption that left-wing leaders are more willing to expand social expenditures. So, the inquiry tests four hypotheses:

H1: The political mandate, i.e., a combination of a governor winning a landslide election and the alignment of the legislative chair with the governor, affects the increase of social spending.

H2: Left-wing governors tend to invest more in social policy sectors.

H3: Governors tend to increase social spending in the second half of the term.

H4: Governors from parties aligned to the Presidential coalition lead to more significant social expenditures.

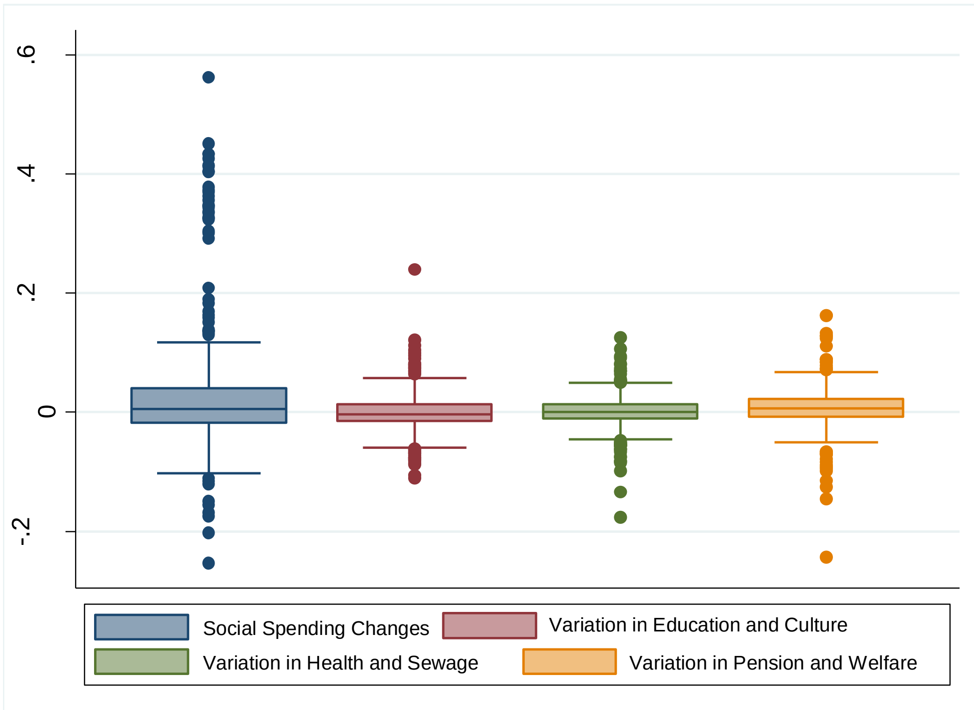
The Determinants of Redistributive Policies

This section addresses the paper's empirical analysis to test these hypotheses and advance the knowledge on how the political dynamics affect policy outputs. First, the regression model is presented, and the dependent and independent variables are explained and described. Then, the inquiry discusses the empirical results. Comparative case studies of two states – Alagoas and Bahia- are also debated to qualitatively test the hypotheses.

Model and Variables

To better describe redistributive policies, we use as the dependent variable of the multivariate regression model the percentage of social spending on the total state government's budget expenditures compared to a previous couple of years. The variables encompass three functions: education and culture, health and sewage, welfare and pension system, as well as their sum in the total of the state budget's expenditures. So, the assumption is that the higher the increase of the % of social spending, the greater the prioritization given by the governor to the redistributive policy agenda. Graph 1 portrays how these social spending variations have been evolving from 1989 to 2019:

Graph 1 – Social Spending variation among state level's governments (1991-2019)



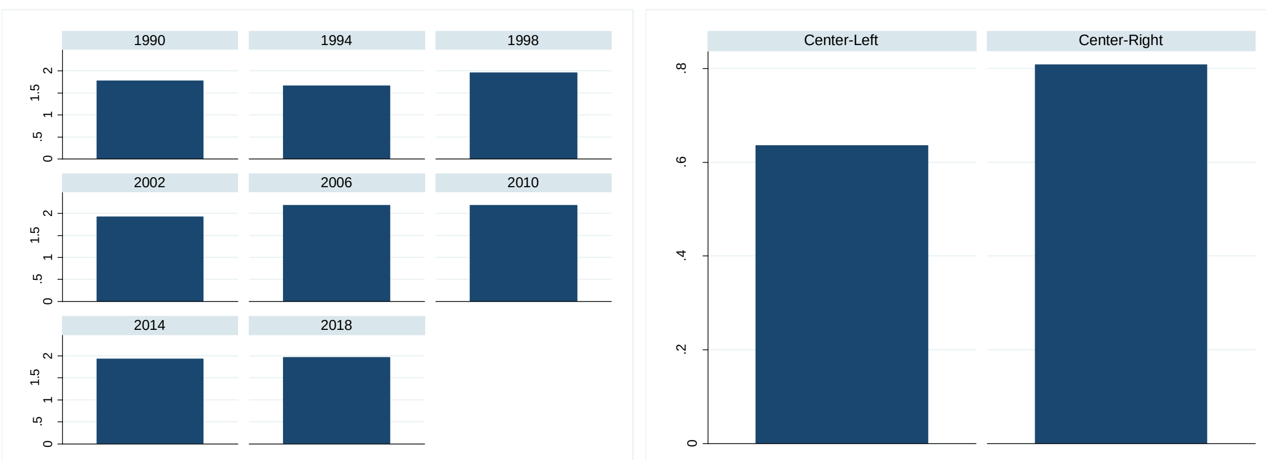
Source: Ipeadata.

The box plots demonstrate that, in general, the changes are not so expressive during the last three decades, with few exceptions from the outliers. In fact, on average, in all four variables, it is possible to note that they kept a similar pattern during this period in the state budget. This is reasonable as the significant increase in social spending has come from the federal level and is mainly executed by the local governments in Brazil. Nonetheless, the participation of social expenditures in the state budget is not irrelevant, considering that the total funding dedicated to all sectors represents about annually 40% of the governors' spending.

Drawing from the theoretical discussion and the hypotheses of the previous section, the paper now presents the four variables to be considered as explanatory factors of social expenditures variation: i) *political mandate*; ii) *ideology*; iii) *presidential alignment*; iv) *governor term's second half*. These variables have different and complex measures that table 1 details.

The first is the *political mandate*, calculated based on the governor's margin of victory and the alignment of the legislative chair with the governor. Varying from 0 (reduced margin and non-alliance between branches’ heads) to 1 (winning landslide election and complete alignment), it is expected that a more favorable situation for the governor would provide certain leverage for them to prioritize the social policy agenda. The graphs below display the two dimensions used to build the indicator of political mandate. The first presents the means for the margin of victory’s index by governor’s election, calculated by the difference between a first and second place in the first round: 1) second sound election; 2) between 0% to 19.99%; 3) above 20%. In short, the data indicates that the level of competition for this position has lately decreased compared to the beginning of the 1990s. The second graph shows the difference in the legislative support for center-left and center-right governors. Historically, 75% of the state assemblies’ leaders are aligned with the Executive branch. However, the average is lower in leftist mandates (63%) compared to over 80% in rightist administrations.

Graphs 2 – Governors’ Margin of Victory (by-election) and Legislative Support (by party ideology, 1991-2019



Source: TSE.

Ideology, on the other hand, is measured by the estimates of the governor's *party ideology* (Zucco & Power, 2019), which oscillates from -1 (leftist parties) to 1 (rightist parties). Grounded in the literature (Levitsky & Roberts, 2011; Biglaiser, 2016), the expectation is that left-wing governors would focus more on social policy sectors.

Presidential alignment aims to capture possible benefits to the governors in terms of budget leverage for being part of a party that support the federal administration. In this sense, it is a dummy variable with 0 for opposition and 1 for governors from parties in the presidential coalition. The last independent variable is a dummy, 0 for the first two years of the mandate and 1 for the governor term’s second half. It is expected that office experience would favor better budgeting management practices.

Finally, we added a control variable, *GDP variation*, to capture the effects of the changes in state wealth on redistributive policies.

Table 1 – Models' Independent Variables

Variables	Description	Source	Mean	Standard Deviation	Expectation
Margin of Victory	Difference between first and second place in the first round: 3 - Above 20%; 2 - Between 0% to 19.99%; 1 - Second Round Election	TSE	1.94	.97	-
Legislative Support	President of the Legislative Assembly allied with the Governor (0 or 1)	TSE and Media	.75	.43	+
Political Mandate	.00 = Margin 1 + Support (0) .20 = Margin 1 + Support (1) .40 = Margin 2 + Support (0) .60 = Margin 2 + Support (1) .80 = Margin 3 + Support (0) 1.0 = Margin 3 + Support (1)	TSE	.52	.40	+
Ideology	Estimates of party ideology	Zucco and Power (2019); and The genealogy and profile of Brazilian parties (Nexo)	.75	.48	-
Presidential Alignment	Governor's Party in the Presidential Cabinet	Atlas do Estado Brasileiro/Ipea	.66	.47	+
Governor Term's Second Half	Two final years of the governor's mandate	TSE	.46	.5	+
GDP Variation	State GDP growth compared to the previous year	IpeaData	.06	.08	+

Source: Authors' Elaboration.

In order to analyze if the political system dynamics affect the redistributive policies at the state level, we empirically tested these correlations using multivariate models for all federation units from 1991 to 2019. On the left side, the dependent variable is the *variation of social spending* described above, and on the right side are the political system's factors. Therefore, the equation for the fixed effects model is defined as follows[1]:

$$\textit{Variation of social spending } (Y)_{it} = \beta(X)_1 \textit{ Political Mandate}_i + \beta(X)_2 \textit{ Ideology}_i + \beta(X)_3 \textit{ Presidential alignment}_i + \beta(X)_4 \textit{ Governor Term's Second Half}_i + \beta(X)_5 \textit{ State GDP variation}_i + u_i$$

Where,

– α_i (i=1….*n*) is the unknown intercept for each entity (*n* entity-specific intercepts);

– Y_{it} is the dependent variable (DV) where i = entity and t = time;

– X_{it} represents the independent variable (IV);

– β_1 is the coefficient for that IV, u_{it} is the error term.

Results and Analysis

The number of observations includes all federation units in balanced panel data. The models of fixed effect in time (year) with longitudinal data demonstrate that the models show different patterns of estimates varying according to the type of social spending. Considering the sample, T-test and F-test are valid asymptotically. Although not all variables are statistically significant, the regressions' significance is generally confirmed (Wooldridge, 2006). After the regression, a check for multicollinearity was carried out, and the results proved that the degree of collinearity among the independent variables is not worrisome.

Table 2 presents the estimated coefficients, standard errors in parentheses, and the models' coefficients of determination (R^2). To begin with, the R^2 (overall) that measures how much of the variation in the dependent variable is captured by the regression, in general, indicates that political systems variables barely explain the changes in social expenditures of the state governments. For each dependent variable, we ran two regressions, one with a margin of victory and Legislative support and another with political mandate index.

[1] After running a Hausman test, which tests whether the unique errors (u_i) are correlated with the regressors, the results in all models show that the random effects technique is more appropriate than fixed.

Table 2 – Determinants of Redistributive Policies

	Social Spending Variation		Spending Variation in Education and Culture		Spending Variation in Health and Sewage		Spending Variation in Pensions and Welfare	
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**
Margin of Victory	-.00		-.003*		-.001		.001	
	(.005)		(.02)		(.001)		(.002)	
Legislative Support	-.00		.00		-.001		.001	
	(.01)		(.002)		(.003)		(.004)	
Political Mandate		-.01		-.007*		-.003		.002
		(.01)		(.005)		(.003)		(.004)
Ideology	.02**	.02**	-.00	-.00	-.00	-.00	-.002	-.002
	(.01)	(.01)	(.003)	(.003)	(.003)	(.003)	(.003)	(.004)
Second Term	-.06***	-.06***	-.01***	-.01***	.006**	.006**	-.002**	-.008**
	(.01)	(.01)	(.003)	(.003)	(.003)	(.003)	(.003)	(.003)
Presidential Alignment	-.02*	-.02*	-.003	-.003	-.002	-.002	-.008*	.007*
	(.01)	(.01)	(.003)	(.003)	(.003)	(.003)	(.003)	(.03)
GDP Variation	-.08	-.08	-.01	-.01	-.01	-.01	-.05**	-.05**
	(.06)	(.06)	(.02)	(.02)	(.02)	(.02)	(.02)	(.02)
Constant	.08***	.08***	.01**	.01***	.004	.002	.006	.007
	(.01)	(.01)	(.005)	(.004)	(.005)	(.004)	(.006)	(.004)
N	405	405	405	405	405	405	405	405
R^2 Overall	.105	.105	.05	.05	.01	.01	.03	.03

Source: Elaborated by the authors.
Note: Standard errors in parentheses * p < .05, ** p < .01, *** p < .001.

In the first models (a, c, e and g), both political variables (margin of victory and Legislative support) do not seem to affect redistributive policy behavior. Although the margin of victory coefficient has statistical significance and negative signs in educational and cultural expenditures, the substantial effect is irrelevant, as expected. The situation in which the governor has an ally leading the Legislative branch also demonstrates the same pattern, i.e., it doesn't affect how the social budget is conducted at the state level. When adding the political mandate, the other four models (b, d, f, and h) follow the same non-impact. Therefore, the empirical evidence refutes the first hypothesis - a combination of a governor winning a landslide election and the alignment of the legislative chair with the governor does not affect the increase in social spending.

Ideology is assumed to be important as an influential factor in social policymaking since theoretically left-wing parties would prioritize this agenda whenever they are in power (Levitsky & Roberts, 2011). In the sectoral spending models (c to h), this variable's estimates are not statistically significant. Only in the total social spending (model a and b) that, a partisan's color present effects. However, the results are surprising as the positive coefficients indicate that right-wing governors tend to invest more in social policy sectors. It is the exact opposite of this paper's second hypothesis.

The only political factor showing significant estimates and stubborn effects is the governor's second term. It indicates that these leaders tend to increase social spending because they have more experience after a period of running the government and/or may be concerned about their reelection. Nonetheless, the empirical results are controversial, because this assumption is only confirmed for health and sewage budgets (models e and f). The coefficients for the rest show negative signs, indicating that the governors tend to reduce social spending in the second of their mandates.

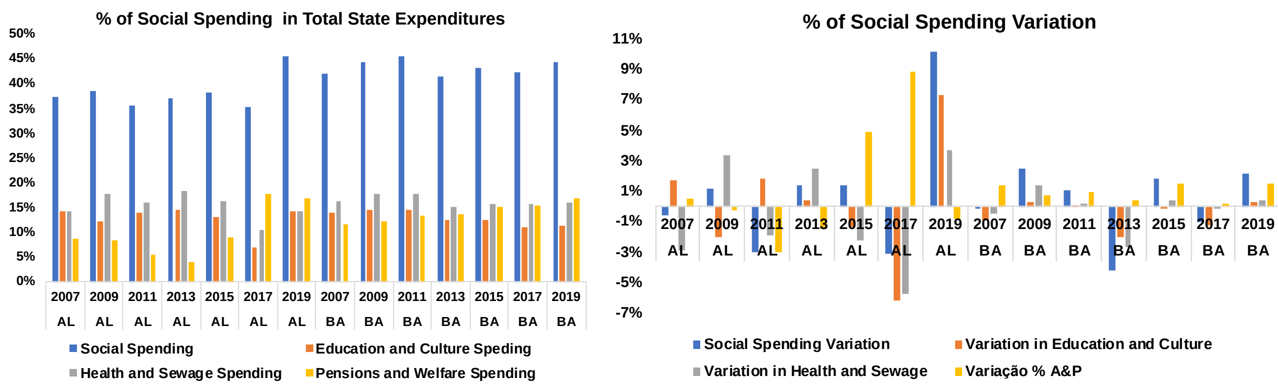
The last variable from politics, presidential alignment, also demonstrates a contradictory finding since it would be expected that being part of the federal coalition favored governors to spend more on redistributive policies. Seven of the models indicate the contrary; in other words, governors from the opposition tend to invest more in the social area. However, the only substantive impact is found on the first two models regarding the variation in the total social expenditures. Lastly, the control variable – state GDP variation- only affects spending on pensions and welfare negatively. One possible explanation may be that when the state economy grows, unemployment rates drop, and the government can reduce social benefits in this dimension.

Case Studies – Bahia and Alagoas

To complement the quantitative analysis, this subsection addresses two particular cases of states ruled by the left-wing party (Bahia) and right-wing parties (Alagoas) from 2007 to 2019. In this sense, the goal is to explore if political dynamics, such as ideology, electoral competition, and party alignment with the presidential coalition, have made any difference in how redistributive policies are conducted.

To begin with, graph three below depicts the variation in four social spending during these thirteen years or four mandates. In the total of these expenditures, Alagoas has reached Bahia with a similar pattern of around 45% in 2019; however, before that, the former average was only 37%. Regarding the variation, the standard deviation of Alagoas is much higher (4.5% against 2.4%). In education and culture, there is significant variation in expenditures between states. In the case of Alagoas, it is higher and more stable in Bahia from 2005 onwards. Similar behavior is observed in health and sewage as well as in pension and welfare spending.

Graph 3 – Social Spending in Alagoas and Bahia (2007-2019)



PT governments started in 2007 with Jacques Wagner's victory with a considerable margin, which also happened to Rui Costa in the next two elections (2014 and 2018). They introduced changes in the incrementalist logic, bringing innovations in social policies, particularly education, health and welfare. According to Batista (2017), from 2007, the official discourse incorporated inclusive and dynamic development guidance. Due to Jacques Wagner's (2006-2014) alignment with the federal government, it is possible to observe an approximation of the state to the policies of this level of government. In this sense, there is an expansion of social income transfer programs, such as Bolsa Família. The improvement in the social indicators is also a result of the consolidation of federal programs that focus specifically on education (Fundef) and health (PSF) (Batista, 2017).

The increase in education and cultural spending started in 1997. It coincided with the beginning of the “Educar para Vencer” project. At the same time, the decrease in pension and welfare expenditures may be related to changes in the state’s security system in the late 1990s. Since 2013, nonetheless, this budget has increased while the other two have decreased. Due to productive specialization, the state has limited economic autonomy, making it heavily dependent on federal resources and programs (Rodrigues, 2018). According to Carvalho (2014), the volume of income generated by federal programs in the state exceeds that caused by the tourism, livestock, sugar-alcohol, or chemical sectors. The Vilela Filho governments (2006-2014) presented projects related to reducing infant mortality and investments in physical structures (renovations and construction of schools and hospitals). The Renan Filho government benefits from the infrastructure improvement scenario of previous governments, managing to expand services and infrastructure in health and education, especially in his first term.

In short, during the last decade, in Bahia, although the left-wing governments had political mandates, the social sector's advances seemed more related to the positive economic environment and the federal policies. The same programs also helped Alagoas improve social spending and indicators, even though the governors were from right-wing parties and not aligned with the president's coalition for most of the period analyzed. Therefore, these cases suggest that the political dynamic, as measured in this paper, tends to be less relevant than the institutionalization process of social policy implementation in the context of multilevel governance in Brazil after the Federal Constitution of 1988.

Final Remarks

The paper had an ambitious goal of analyzing how political dynamics affect policy outcomes in Brazilian state governments. This approach seems relevant, considering the simultaneous processes of democratization and inclusion that the country has experienced during the last decades. The research presents some contributions to the field of study. First, by analyzing how parties’ ideology, political competition, and Executive-Legislative relations affect policy outcomes, the inquiry adds updating and qualified insights to the debate about how contemporary democracies actually operate. On the methodological side, the paper employed a mixed-method approach, combining longitudinal comparisons and case studies. Moreover, it provides original comparative analyses and findings focusing on the political system's subnational level in a field dominated mainly by cross-national studies.

The empirical results were less impressive than expected. The multivariate regression that tested the hypotheses of political effects on the variance on state-level social expenditures, in general, did not explain significant changes. The estimates showed controversial signs and, above all, indicated that political dynamics have not been an effective predictor of progressive redistributive policies at the Brazilian state level. In the same direction, the case studies also reinforce these findings since substantial differences were not detected between left and right-wing governors in social policymaking. This leads to a conclusion that politics is still important but not determinant for redistributive policy, considering other institutional and economic constraints.

The results, however, must be considered preliminary as the originality of the database and approaches also pose some limitations and challenges to the analysis. To advance this research, focused on understanding the relationships between politics and policy in a new democracy and emerging nation, such as Brazil, future studies must include other variables, for instance, the number of effective parties and level of state-government indebtedness. Besides, to deepen other possible explanations, future research agendas should employ different methodological approaches, such as qualitative comparative analysis (QCA) and in-depth case studies, which could complement the article's findings.

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