

Main determinants	Evidence
<ul style="list-style-type: none"> • political instability (chance of replacement of government) • polarization (ideological distance between subsequent governments) 	originally relatively clear, but challenged lately
<ul style="list-style-type: none"> • number of parties in coalition • ideological distance between coalition members (lack of cohesion) • government form due to constitution (majority vote system versus proportional representation) • composition of parliament 	relatively clear (contrasting evidence by Alesina and Roubini, 1992)
<ul style="list-style-type: none"> • left-wing governments are more prone to government spending and accept budget deficits 	mixed
<ul style="list-style-type: none"> • commitment to budgetary rules • position of spending ministers versus the finance minister • amendment power of parliament • budgetary process: top down versus bottom up; centralization versus decentralization • budget transparency • direct versus indirect democracy 	institutions are clearly important; direct democracy leads to lower debts
<ul style="list-style-type: none"> • decentralized spending and transfers out of a central budget 	relatively clear