

CONSENSUS ON ECONOMIC ISSUES:
A SURVEY OF REPUBLICANS, DEMOCRATS
AND ECONOMISTS

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INTRODUCTION

As the pundits would have it, “tax and spend, bleeding heart liberal Democrats” and anti-government conservative Republicans despise each other’s economic philosophy. Republicans, according to Democrats, advocate a perverse version of free trade rather than fair trade. Democrats, it seems, abhor the Republicans’ willingness to ignore the needs of the working-class poor in order to serve the interests of the idle rich. Such characterizations, of course, are ludicrous, but continue to hold sway in part because they have some grain of truth behind them¹.

Although Republicans, Democrats, and American economists all pay homage to the concept of free markets and the entrepreneurial spirit, the devil is often in the detail. Our economic system is shaped by our political institutions as well as individual motivations. Hence the economic attitudes of the two major political parties in the U.S. arguably have as much, if not more, influence on the U.S. economic system as do the conclusions of U.S. economists. The distribution of opinion within and between our political parties impacts both the likelihood and direction of significant legislative changes to our current economic institutions.

The purpose of this paper is (1) to explore the economic views of the Republican and Democratic parties, (2) to trace changes in the economic views of both political parties and (3) to contrast these views to those of professional economists by surveying all three groups on a number of economic propositions. Our most interesting finding is that Republicans and Democrats are much more likely to agree with each other than with economists. We also find evidence that in contrast to the views of economists, political support for free trade has fallen during the 1990's.² In addition, our results suggest both political parties as well as economists exhibit lower degrees of agreement in the area of macroeconomic policy over time.

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The survey results shed some light on the dynamics of economic opinion over the last decade as well as the economic literacy and philosophy of the two major political parties. In addition, these results suggest the extent to which economic theory and research has become disconnected from political reality.

SURVEY, SAMPLE, AND MEASURES OF CONSENSUS

The initial survey was sent to a random sample of 1,250 delegates each from the 1992 Republican and Democratic national conventions.³ That survey consisted of 39 economic propositions and respondents were asked whether they agreed, agreed with provisos, or disagreed with each proposition. The results of that survey, which were matched with a separate survey of 464 professional economists conducted in 1990 by Alston, Kearn and Vaughan [1992] are reported in Fuller, Alston, and Vaughan [1995].

In 2000, we developed a similar survey instrument that contained 26 of the original 39 propositions reported in Fuller et al. [1995] and 18 new propositions.⁴ This second instrument was sent in September to a random sample of 1,000 economists obtained from the membership roster of the American Economic Association (AEA).⁵ In October 2000, the identical survey was mailed to two random samples of 1,000 national delegates of the Democratic and Republican national conventions.⁶ Response rates were 30.8 percent for members of the AEA, 17.5 percent for Democratic delegates and 15.8 percent for Republican delegates.

In this paper we construct a measure of consensus, the relative entropy index ε , based on the methodology first introduced by Kearn et al. [1979] and later used by Alston et al. [1992] and Fuller, et al. [1995]. Entropy is a concept that measures how the frequency of responses is distributed. Maximum entropy ensues when the frequency of responses is identical for all possible response outcomes (agree, agree with proviso, disagree and no response). Relative entropy, ε , is the observed entropy value divided by the maximum possible entropy. This index, derived from information theory, ranges from 0 (perfect consensus) to 1 (no consensus). The index does not indicate the direction of consensus, but merely the degree of consensus⁷. Furthermore, as pointed out in Fuller et al. [1995] since "... the relative entropy index is nonlinear and, as a consequence, large changes in the distribution of responses result in small changes in entropy", interpreting the index is a matter of judgment. We include 'no response' as one possible outcome in the calculation of the entropy index in order to make our results directly comparable to Alston et al. [1992] and Fuller et al. [1995].⁸ Based on hypothetical distributions of responses, we chose a relative entropy value of less than or equal to 0.8 as indicative of a consensus (i.e., a substantial majority selecting the same response). With four alternative responses, the maximum possible entropy would result from a frequency of 25 percent in each response category. Thus, in the case of no consensus, ε will be 1. If 90 percent generally agree with a proposition, 5 percent agree with provisos, 4 percent disagree, and 1 percent does not respond, the relative entropy index is calculated as 0.30. A response pattern of 70-15-10-5 (in percent) will generate a relative entropy index of 0.66 and a response pattern of 60-20-15-5 generates an index of 0.77.

To test whether the distribution of responses differs between Republicans, Democrats and economists in the 2000 survey, we conducted a chi-square test of independence. To test whether there has been a change in the distribution of responses over time within each of the three groups, we again use the chi-square test of independence.

Table 1 lists all propositions from the year 2000 survey and reports the relative frequencies of respondents who disagreed (D), agreed with provisos (A/P), or agreed (A) in columns 3 - 5 for the 2000 survey and the 1990/92 surveys when available, with the respective entropy index ϵ reported immediately below.⁹ For example, in 2000, 41.1 percent of all Republican respondents disagreed with proposition #1, compared to 13.9 percent in 1992. In column 6 we list the p-values of a chi-square test of the null hypothesis of identical distributions of each pair of respondents to the 2000 survey. This p-value indicates the probability that we cannot reject the null hypothesis of an identical distribution. Thus, the larger the reported p-value, the likelier an identical response distribution between two groups in 2000. Finally, those cases in which a chi-square test of the null hypothesis that the 1990/2 and 2000 distribution of responses are identical within each group cannot be rejected at a 5 percent level of significance are identified by an asterisk in columns 3-5.

For Table 1, we rearranged the order in which the propositions were presented to the respondents, grouping the propositions by topic area. The first eight propositions deal with international economics. Propositions 9 - 25 deal with macroeconomic issues, propositions 26 - 34 address distributional issues, while propositions 35 - 44 address microeconomic and "New Economy" propositions.¹⁰ By arranging the propositions in topical order, we hope to present the reader with the opportunity to discover his/her own trends, interpretations, and/or opportunities for classroom discussion.

In the 1992 survey of delegates, the wording of several propositions was modified from that distributed to economists in an attempt to reduce some confusion that could be introduced by technical terms. Since this may have reduced the direct comparability of the responses, we decided to leave the wording unchanged in the 2000 surveys sent to economists and delegates. However, this also increased the amount of technical terms contained in the propositions. The higher incidence of technical language may explain, in part, the lower overall survey response rate and higher no response rates by delegates to some propositions in the 2000 survey. It may also be the case that some of the changes in the distribution of responses over time are due to changes in wording. Those propositions in which the wording differs slightly from the 1992 to the 2000 survey are identified in Table 1 with a "#" at the end the proposition in column 1.

RESULTS

It is conventional political wisdom that the appearance of unified opinion within a party significantly improves its chances at the polls. What does our survey indicate about the degree of consensus within each party and how has the level of consensus changed over time? For the 44 propositions contained in the 2000 survey, an entropy index of .8 or less, defined as consensus, is found for 21 propositions among Republicans and 20

TABLE 1
Distribution of Responses of National Delegates and Economists

Proposition		Econ.		Rep.		Dem.		Chi-square test results
		2000 R	1990 %	2000 %	1992 %	2000 %	1992 %	
International Propositions								
1. Tariffs and import quotas usually reduce the general welfare of society.#	D	5.8	4.8*	41.1	13.8	45.1	40.4*	E,R; 0.000
	A/P	20.8	17.3	26.6	20.7	25.1	28.6	E,D; 0.000
	A	71.8	76.7	31.0	62.4	24.6	25.7	R,D; 0.004
	ε	.58	.56	.82	.72	.87	.89	
2. Flexible and floating exchange rates offer an effective international monetary arrangement	D	5.2	5.0*	7.6	4.8*	10.9	13.6*	E,R; 0.199
	A/P	31.8	32.8	34.8	37.2	42.9	47.5	E,D; 0.000
	A	61.0	60.7	50.0	52.4	38.9	35.4	R,D; 0.097
	ε	.65	.64	.80	.73	.84	.80	
3. Large balance of trade deficits have adverse effects on the economy.	D	46.4	32.4	17.1	6.2	15.4	5.7	E,R; 0.000
	A/P	34.7	35.9	26.6	12.1	23.4	9.6	E,D; 0.000
	A	15.6	29.0	50.6	80.7	54.3	82.5	R,D; 0.715
	ε	.81	.86	.84	.47	.83	.45	
4. The U.S. trade deficit is primarily due to non-tariff trade barriers erected by other nations.	D	87.3		41.1		47.4		E,R; 0.000
	A/P	7.5		28.5		22.9		E,D; 0.000
	A	1.3		20.9		21.7		R,D; 0.412
	ε	.36		.92		.88		
5. Some restrictions on the free flow of financial capital are essential to ensure the stability and soundness of the international financial system.	D	40.6		37.3		11.4		E,R; 0.962
	A/P	34.4		33.5		40.6		E,D; 0.000
	A	21.4		20.9		42.3		R,D; 0.000
	ε	.85		.91		.82		
6. Increasing globalization of the economy, facilitated by the World Trade Organization, threatens national sovereignty in the areas of environmental and labor standards.	D	65.3		40.5		45.1		E,R; 0.000
	A/P	21.4		27.2		21.1		E,D; 0.000
	A	11.0		30.4		30.9		R,D; 0.430
	ε	.68		.84		.83		
7. The increasing inequality in the distribution of income in the U.S. is due primarily to the benefits and pressures of a global economy.	D	72.7		65.3		68.0		E,R; 0.428
	A/P	16.2		19.6		16.0		E,D; 0.322
	A	8.4		10.1		12.6		R,D; 0.577
	ε	.6		.7		.67		
8. The economic benefits of an expanding world population outweigh the economic costs.	D	60.4		50.0		61.1		E,R; 0.000
	A/P	23.1		17.1		24.0		E,D; 0.992
	A	10.7		27.2		10.9		R,D; 0.000
	ε	.76		.84		.73		
Macroeconomic Propositions								
9. An economy in short-run equilibrium at a real GDP below potential GDP has a self-correcting mechanism that will eventually return it to potential real GDP.#	D	36.0	40.7*	9.5	12.4	32.6	72.1	E,R; 0.000
	A/P	33.4	32.4	34.2	16.2	36.0	13.2	E,D; 0.000
	A	25.3	24.9	32.9	70.7	15.4	13.2	R,D; 0.000
	ε	.89	.83	.94	.60	.95	.60	

TABLE 1 (continued)
Distribution of Responses of National Delegates and Economists

Proposition		Econ.		Rep.		Dem.		Chi-square test results
		2000	1990	2000	1992	2000	1992	
		R	%	%	%	%	%	
10. There is a natural rate of unemployment to which the economy tends in the long run.	D	31.8	22.0	13.9	4.2	36.6	21.7	E,R; 0.000
	A/P	40.6	34.5	36.1	13.5	26.3	29.3	E,D; 0.019
	A	26.6	40.3	46.8	80.7	31.4	43.2	R,D; 0.000
	ε	.81	.85	.80	.47	.90	.81	
11. Rational expectations on the part of market participants play an important role in preventing significant swings in real aggregate output.	D	39.9	38.0*	7.6		18.9		E,R; 0.000
	A/P	35.4	37.1	36.7		40.0		E,D; 0.000
	A	20.5	21.4	36.7		30.3		R,D; 0.014
	ε	.86	.85	.9		.93		
12. In the short run, a reduction in unemployment causes the rate of inflation to increase.#	D	48.4	41.1	47.5	12.1	49.7	40.0	E,R; 0.053
	A/P	37.3	39.6	28.5	27.6	30.3	35.7	E,D; 0.280
	A	11.0	17.9	17.7	58.3	14.3	23.2	R,D; 0.673
	ε	.78	.79	.86	.73	.83	.81	
13. Changes in aggregate demand affect real GDP in the short run but not in the long run.#	D	36.0	41.7*	26.0	16.6	29.1	21.7	E,R; 0.023
	A/P	30.5	32.6	37.3	36.9	35.4	52.1	E,D; 0.057
	A	28.9	21.4	18.4	39.7	18.3	20.7	R,D; 0.829
	ε	.89	.86	.97	.88	.97	.83	
14. Inflation is caused primarily by too much growth in the money supply.	D	17.9	25.2*	32.9	26.6	36.6	30.0*	E,R; 0.001
	A/P	32.1	31.1	27.9	23.5	33.1	42.9	E,D; 0.000
	A	47.7	42.3	34.8	47.9	24.0	25.0	R,D; 0.112
	ε	.80	.82	.89	.81	.90	.83	
15. The Federal Reserve has the capacity to achieve a constant rate of growth in the money supply if it so desired.#	D	32.1	31.7*	23.4	20.7*	25.7	15.4	E,R; 0.007
	A/P	40.3	38.7	34.8	32.1	33.1	37.1	E,D; 0.027
	A	22.1	27.4	34.8	45.9	32.0	43.9	R,D; 0.819
	ε	.88	.84	.91	.80	.94	.82	
16. Management of the business cycle should be left to the Federal Reserve; activist fiscal policy should be avoided.	D	28.6		15.8	32.4	36.6	60.0	E,R; 0.001
	A/P	35.7		31.7	31.0	29.7	26.8	E,D; 0.044
	A	34.7		50.0	34.5	25.1	10.7	R,D; 0.000
	ε	.82		.79	.85	.93	.71	
17. The Federal Reserve should focus on a low rate of inflation rather than other possible goals such as employment, or economic growth.	D	29.2		22.2		54.9		E,R; 0.294
	A/P	28.9		31.7		26.9		E,D; 0.000
	A	39.9		43.0		16.0		R,D; 0.000
	ε	.84		.84		.77		
18. Fiscal policy can have a significant stimulative impact on a less than fully employed economy.#	D	13.3	9.0	8.9	10.7	22.3	18.2	E,R; 0.058
	A/P	44.5	32.0	38.6	16.8	33.7	16.8	E,D; 0.013
	A	39.3	57.9	50.6	70.3	37.7	64.3	R,D; 0.002
	ε	.79	.68	.72	.63	.90	.67	
19. A large federal budget deficit has an adverse effect on the economy.	D	19.8	13.9*	12.0	3.1	9.1	7.1	E,R; 0.000
	A/P	40.3	45.9	22.2	5.9	17.1	5.4	E,D; 0.000
	A	39.6	39.0	65.8	89.3	72.6	86.1	R,D; 0.324
	ε	.77	.76	.62	.32	.58	.39	

TABLE 1 (continued)
Distribution of Responses of National Delegates and Economists

Proposition	R	Econ.		Rep.		Dem.		Chi-square test results
		2000	1990	2000	1992	2000	1992	
		%	%	%	%	%	%	
20. If the federal budget is to be balanced, it should be done over the course of the business cycle rather than yearly.	D	9.7	17.4	46.8	36.9	45.7	23.2	E,R; 0.000
	A/P	27.6	23.9	31.0	27.6	26.3	40.7	E,D; 0.000
	A	60.1	57.1	19.0	33.8	18.3	34.3	R,D; 0.855
	ϵ	.71	.74	.83	.84	.90	.83	
21. The level of government spending relative to GDP should be reduced (disregarding expenditures for stabilization).#	D	51.0	38.2	6.3	3.8	44.0	22.5	E,R; 0.000
	A/P	17.9	19.0	27.9	13.1	30.9	29.3	E,D; 0.000
	A	28.9	41.7	62.0	80.3	17.1	45.0	R,D; 0.000
	ϵ	.79	.79	.69	.48	.87	.84	
22. Surpluses in the federal budget should be used to retire the national debt.	D	16.9		12.0		8.0		E,R; 0.384
	A/P	44.8		48.1		28.0		E,D; 0.000
	A	36.7		38.0		64.0		R,D; 0.000
	ϵ	.79		.76		.59		
23. Appropriately designed fiscal policy can increase the long run rate of capital formation.	D	14.3		4.4		1.7		E,R; 0.001
	A/P	39.6		32.9		37.7		E,D; 0.000
	A	43.8		55.1		49.1		R,D; 0.223
	ϵ	.79		.74		.75		
24. Reducing the tax rate on income from capital gains would encourage investment and promote economic growth.	D	37.3	43.7*	1.3	0.7	49.7	53.9*	E,R; 0.000
	A/P	32.5	30.6	15.2	3.1	21.1	20.7	E,D; 0.008
	A	28.3	24.6	81.7	95.2	24.6	24.6	R,D; 0.000
	ϵ	.84	.81	.42	.17	.84	.75	
25. Lower marginal income tax rates reduce leisure and increase work effort.	D	31.8	39.9	59.5	35.2	65.1	63.9*	E,R; 0.000
	A/P	41.6	33.5	17.7	29.3	14.9	25.0	E,D; 0.000
	A	24.0	25.6	18.4	33.5	11.4	9.6	R,D; 0.183
	ϵ	.84	.80	.77	.85	.74	.60	
Distribution Propositions								
26. Tax policy has a significant impact on the likelihood a family unit will remain intact.	D	74.4		43.7	42.1*	75.4	54.6	E,R; 0.000
	A/P	17.2		20.3	24.1	13.7	25.7	E,D; 0.193
	A	6.2		35.4	33.1	10.3	18.6	R,D; 0.000
	ϵ	.56		.78	.80	.54	.75	
27. Minimum wages increase unemployment among young and unskilled workers.	D	26.6	17.5	27.2	20.7	82.3	73.2*	E,R; 0.873
	A/P	28.6	19.5	26.0	13.1	8.0	10.7	E,D; 0.000
	A	44.8	62.4	45.6	64.5	8.0	14.6	R,D; 0.000
	ϵ	.77	.68	.81	.68	.46	.58	
28. The persistence of poverty is due more to a breakdown of the family unit than to a general lack of economic opportunity.	D	46.1		13.3	15.5*	64.6	80.7	E,R; 0.000
	A/P	27.0		24.1	15.9	16.0	9.6	E,D; 0.001
	A	24.0		62.0	67.6	17.7	8.6	R,D; 0.000
	ϵ	.83		.68	.64	.69	.47	
29. Welfare reforms which place time limits on public assistance have increased the general well-being of society.	D	24.0		5.1		37.1		E,R; 0.000
	A/P	41.9		17.1		40.6		E,D; 0.004
	A	32.1		77.9		21.7		R,D; 0.000
	ϵ	.83		.47		.79		

TABLE 1 (continued)
Distribution of Responses of National Delegates and Economists

Proposition		Econ.		Rep.		Dem.		Chi-square test results	
		2000	1990	2000	1992	2000	1992		
		R	%	%	%	%	%		
30. The Earned Income Tax Credit program should be expanded.	D	18.2		42.4		10.3		E,R; 0.000	
	A/P	32.5		22.8		25.1		E,D; 0.002	
	A	43.2		30.4		59.4		R,D; 0.000	
	ε	.87		.87		.75			
31. The distribution of income and wealth in the U.S. has little if any impact on the overall rate of economic growth and stability.	D	52.3		39.2		75.4		E,R; 0.000	
	A/P	30.2		26.0		15.4		E,D; 0.000	
	A	14.6		31.7		6.3		R,D; 0.000	
	ε	.78		.86		.56			
32. The distribution of income in the U.S. should be more equal.	D	30.8	31.6*	82.3	69.7	6.3	8.9	E,R; 0.000	
	A/P	27.6	27.1	10.8	19.7	30.9	13.6	E,D; 0.000	
	A	39.6	40.9	6.3	10.0	62.9	76.4	R,D; 0.000	
	ε	.84	.80	.44	.60	.60	.53		
33. The redistribution of income within the U.S. is a legitimate role for government.	D	22.1	25.2*	91.1	86.6*	22.3	25.4	E,R; 0.000	
	A/P	29.6	31.1	5.7	7.9	36.0	17.5	E,D; 0.243	
	A	47.4	42.3	1.9	3.8	40.0	55.4	R,D; 0.000	
	ε	.79	.82	.27	.38	.82	.76		
34. There are relatively few compensation and promotion differentials between men and women that cannot be explained by differences in productivity and/or career choices.	D	39.9		36.1	40.0*	78.3	84.3*	E,R; 0.305	
	A/P	28.3		24.7	25.5	9.7	7.5	E,D; 0.000	
	A	30.5		37.3	33.5	10.9	5.7	R,D; 0.000	
	ε	.82		.83	.81	.51	.43		
Microeconomic and New Economy Propositions									
35. Reducing the regulatory power of the Environmental Protection Agency (EPA) would improve the economic efficiency of the U.S. economy.	D	58.1	59.0*	20.3	19.7*	80.0	83.6*	E,R; 0.000	
	A/P	21.1	27.1	27.9	23.5	12.0	8.9	E,D; 0.000	
	A	15.9	12.4	51.3	56.2	4.6	6.1	R,D; 0.000	
	ε	.78	.71	.76	.73	.50	.43		
36. Pollution taxes or marketable pollution permits are a more economically efficient approach to pollution control than emission standards.#	D	6.2	17.0	44.9	27.9	62.9	47.9	E,R; 0.000	
	A/P	29.9	24.1	24.1	37.2	19.4	23.9	E,D; 0.000	
	A	62.7	57.7	27.2	32.4	14.9	24.6	R,D; 0.003	
	ε	.64	.73	.85	.85	.72	.84		
37. Economic evidence suggests there are too many resources in American agriculture.	D	25.7	20.6	63.3	38.3	56.6	41.4	E,R; 0.000	
	A/P	31.8	22.9	16.5	39.3	16.6	39.6	E,D; 0.000	
	A	33.8	50.6	13.9	19.3	17.7	15.0	R,D; 0.521	
	ε	.93	.85	.75	.84	.83	.82		
38. Compared to traditional fee-for-service health care, managed care has increased the general welfare of society.	D	42.9		60.1		65.1		E,R; 0.002	
	A/P	37.3		23.4		21.1		E,D; 0.000	
	A	13.0		15.2		12.0		R,D; 0.563	
	ε	.85		.71		.67			
39. The competitive model is generally more useful for understanding the U.S. economy than are models of imperfect competition and other game theoretic models.	D	40.6	32.7	5.1		20.0		E,R; 0.000	
	A/P	31.8	34.8	26.0		30.3		E,D; 0.000	
	A	21.8	29.0	54.4		29.7		R,D; 0.000	
	ε	.89	.87	.80		.99			

TABLE 1 (continued)
Distribution of Responses of National Delegates and Economists

Proposition	R	Econ.		Rep.		Dem.		Chi-square test results
		2000	1990	2000	1992	2000	1992	
		%	%	%	%	%	%	
40. Antitrust laws should be enforced vigorously to reduce monopoly power from its current level.	D	26.6	29.8*	41.1	23.5	10.3	6.1	E,R; 0.007
	A/P	41.9	35.9	36.1	40.0	30.3	17.1	E,D; 0.000
	A	28.9	33.4	21.5	34.5	58.3	75.7	R,D; 0.000
	ϵ	.84	.82	.81	.83	.69	.53	
41. Industry specific Internet based business exchanges and other emerging information technologies are likely to increase collusive behavior among firms.	D	62.3		46.2		20.0		E,R; 0.011
	A/P	22.7		24.7		34.9		E,D; 0.000
	A	11.4		19.0		37.1		R,D; 0.000
	ϵ	.72		.90		.89		
42. The U.S. has entered a new industrial revolution in which higher rates of economic growth can be maintained without inflationary pressures.	D	35.1		20.3		25.1		E,R; 0.000
	A/P	44.8		34.1		38.9		E,D; 0.004
	A	16.2		41.1		27.4		R,D; 0.055
	ϵ	.83		.86		.92		
43. Managerial, information and other technological advances have significantly lessened the severity of or fundamentally eliminated the business cycle.	D	58.4		41.8		43.4		E,R; 0.002
	A/P	27.6		32.9		29.7		E,D; 0.011
	A	8.8		17.1		15.4		R,D; 0.831
	ϵ	.75		.89		.91		
44. Internet delivery and distance education will significantly reduce the demand for academic professionals in the not-too-distant future	D	78.6		67.0		76.6		E,R; 0.017
	A/P	13.3		20.3		13.7		E,D; 0.575
	A	6.5		11.4		9.1		R,D; 0.169
	ϵ	.51		.65		.52		

D = Generally disagree, A/P = Agree with provisos, A = Mainly agree.

ϵ = Relative entropy index.

Changes in wording from the 1992 and 2000 survey of delegates.

* Chi-square test of equal distributions cannot be rejected at 5 percent level.

propositions among Democrats. The average value of the entropy index for all propositions is .77 for the Republican as well as for the Democratic delegates. Based on these results, the 2000 Republican and Democratic delegations appear to exhibit similar degrees of consensus. Over time, however, the level of consensus within each party for the comparable 26 propositions has declined. The average value of the entropy index increased from 0.67 in 1992 to 0.76 in 2000 within the Republican delegation and similarly increased from .68 in 1992 to .78 in 2000 within the Democratic delegation. In both cases, we can reject the hypothesis of equal averages over time at a 5 percent level of significance. Also, looking at individual propositions, Republicans exhibit identical response patterns over time for 7 propositions and Democrats for 8 propositions (at the 5 percent level of significance).

By contrast, economists exhibit more stable response patterns over time. The average entropy index among economists for the comparable 24 propositions increased from .78 in 1990 to .80 in 2000, not different at a 5 percent level of significance and economists show identical response patterns for 13 propositions (at the 5 percent level of significance also).

Is either political party more in agreement with the views of economists? For the 2000 survey we conduct a pair-wise comparison of responses among all three

groups to test for identical response patterns using a chi-square test. Table 2 lists the propositions for which we could not reject the null hypothesis at a 5 percent level of significance.

TABLE 2
Propositions with Identical Response Patterns

Economists - Republicans	Economists-Democrats	Republicans-Democrats
#2, #5, #7, #12, #17, #18, #22, #27, #34	#7, #8, #12, #26, #33, #44	#2, #3, #4, #6, #7, #12, #13, #14, #15, #19, #20, #23, #25, #37, #38, #42, #43, #44

It is interesting to note that Republicans and Democrats agree much more frequently with each other than with economists.

International Economics

In contrast to economists, consensus is rare among either delegation for the international economics propositions (#'s 1 - 8). For example, proposition #2, that tariffs and import quotas usually reduce the general welfare of society, is a fundamental conclusion of basic trade models and one with which economists show agreement over time.¹¹ While the 1992 Republican delegation indicated agreement with this proposition, the 2000 delegation shows a significant drop in the proportion of those who agree, no longer exhibiting consensus.¹² While Democrats continue to skew towards disagreement with this fundamental proposition of trade, they too show an increase in the proportion of those who disagree.

What might explain this apparent drop in support for free trade among the political delegations? Although both delegations skew towards agreement with the proposition that large balance of trade deficits have adverse effects on the economy (#3), each shows a significant decrease over time in the proportion of those who agree. Both 2000 delegations skew towards disagreement with the proposition that increasing globalization threatens national sovereignty in environmental and labor standards (#6). In addition, both 2000 delegations exhibit disagreement with the proposition that links globalization to increasing inequality in the distribution of income in the U.S. (#7). These results suggest that the source of political ambivalence towards free trade might be more linked to chronic balance of trade deficits and their perceived impacts on domestic employment and less to other domestic issues such as wages and autonomy. And while Republicans are more likely to have similar distributions of opinion as economists than are Democrats within this set of international economic propositions, it is apparent that economists are more comfortable with the process of globalization, the net benefits of free trade, and market based adjustment mechanisms than either political delegation.

Macroeconomics

One basic philosophical question in macroeconomics is whether or not the government should have an active role in managing the business cycle. Do the political

parties accept a stabilization role for government? In the 2000 survey, no consensus within either delegation (nor economists) is found for the proposition of a self-correcting economy (#9). This is a significant change from the 1992 survey in which the Republican delegation showed agreement and the Democrat delegation showed disagreement with this proposition.¹³ These results suggest some convergence in opinion between the parties. However, this convergence of opinion between the two parties goes along with an increased uncertainty about the economy's inherent stability in the long-run.

Do the political parties express a preference for fiscal or monetary policy? The Republican delegation shows agreement with the proposition that management of the business cycle should be left to the Federal Reserve; activist fiscal policy should be avoided (#16). While the Democratic delegation skews towards disagreement with proposition #16, both delegations show a significant increase in the proportion of those in agreement with this proposition. Despite this increase in preference for monetary policy, the Democratic delegation shows disagreement with the proposition that the Federal Reserve should focus on a low rate of inflation rather than other possible goals such as employment or economic growth (#17), a proposition that finds no consensus among the Republican delegation.

Has there been a shift in opinion concerning the efficacy and the tools of fiscal policy? Interestingly, only Republicans continue to show agreement over time with the proposition that fiscal policy can have a significant stimulative impact on a less than fully employed economy (#18). Both delegations still show agreement with the proposition that large federal deficits have an adverse effect on the economy (# 19), although the proportion of each delegation in agreement shows a significant decline over time. In addition, both delegations show a significant decrease in the proportion who agree with the proposition that the federal budget should be balanced over the course of the business cycle rather than yearly (#20), a proposition for which economists exhibit agreement. While both delegations reach agreement with the proposition that appropriately designed fiscal policy can increase the long run rate of capital formation (#23), only the Republican delegation shows agreement with the proposition that reducing the tax on income from capital gains would encourage investment and promote economic growth (#24). Somewhat surprisingly, Democrats and Republicans both indicate disagreement with the proposition that lower marginal income tax rates reduce leisure and increase work effort (#25).

Our results suggest an increase in political preferences for monetary policy, perhaps driven by a reluctance within either delegation to resort to budgetary deficits as a stabilization tool. Whether this reflects the political experience of the 1990's or a shift in fundamental economic viewpoint cannot be answered here. Our results also suggest that both demand and supply-side propositions can be equally embraced by both parties and a simple distinction between supply-side Republicans and Keynesian Democrats is not warranted. We leave it to the reader to draw his/her own conclusions as to whether these results indicate a convergence of opinion between the two parties or whether there is simply more uncertainty over appropriate macroeconomic policy. We note in conclusion that, like the political delegations, the level of consensus among economists for comparable macroeconomic propositions has declined between 1992 and 2000.

Distributional Issues

Distributional issues are most overtly addressed in proposition #'s 26 - 34, a set of propositions for which the hypothesis of an identical response distribution of Republicans and Democrats in the 2000 survey is rejected at the 1 percent level of significance in every case.

Within the Republican delegation, there has been an increase in disagreement with the normative proposition that the distribution of income in the U.S. should be more equal (#32), a proposition that finds continued agreement among the Democratic delegation. The Republicans continue their disagreement with the proposition that the redistribution of income is a legitimate role for government (#33), a proposition for which economists reach agreement over time. Interestingly, both Democrats and Republicans show a consensus with the proposition that recent welfare reforms have increased the general well being of society (#29), although Democrats agree with provisos while Republicans agree.

Apart from issues of equity, is there a reason to be concerned with the distribution of income? Both the Democratic delegation and economists reach disagreement with the proposition that the distribution of income has little if any impact on economic growth and stability (#25), a proposition with which Republicans skew towards agreement.

Our results show that issues of distribution continue to strongly delineate Democrats from Republicans. Over time, the views of Republicans appear to have marginally solidified while those of Democrats are not quite as unified. Nevertheless, differences in political opinion over society's approach to its distribution problem appear distinctive and persistent.

Microeconomics and New Economy

The remaining propositions address microeconomic and New Economy concepts. While the opinions of Republicans and Democrats tend to diverge on many of these propositions, the Democratic delegation shows a higher degree of consensus than Republicans. Among Democrats disagreement emerges for the proposition that reducing the power of the Environmental Protection Agency would improve economic efficiency (#35), while agreement emerges for the proposition that antitrust laws should be vigorously enforced (#40). In contrast, Republicans take the opposite side of the fence, reaching agreement with proposition #35, but only skew towards disagreement with proposition #40.

Two of the more recent efforts to introduce market forces into areas traditionally regulated by government include marketable pollution permits and managed care. Somewhat surprisingly, both delegations disagree with the proposition that marketable pollution permits and taxes are more economically efficient than standards (#36). Economists are alone in their agreement with proposition #36. In addition, both delegations show disagreement with the proposition that managed care has increased the general welfare of society (#38), a proposition for which economists skew towards disagreement.

Finally, we note a general lack of consensus for the two New Economy propositions of a new industrial revolution (#42) and that advances in managerial and information technologies will mitigate the business cycle (#43).

CONCLUSION

How do the delegations compare on their economic views? Although the Republican party is perhaps stronger in their support for a global economy, the two parties have increasingly similar views on open economy issues over time. While enthusiasm for the principles of free trade continue to lag within the Democratic delegation, there is a marked drop away from a consensus of support for free trade among the Republican delegation. Concerning macroeconomics, both delegations are now expressing what might be characterized as doubt about the inherent stability of the economy. Our results also suggest that neither party can be regarded as 'owning' the supply-side philosophy or shunning demand-side possibilities although the enthusiasm for deficit spending appears on the wane. It is clear, however, that issues with strong distributional implications continue to strongly delineate one party from the other and that perhaps these distributional issues extend into fiscal policy as well. This split of opinion between the two parties appears to extend to issues of regulatory efficacy as well.

Over time, the economic opinions found within both political parties seem more fluid than the distribution of opinions exhibited by economists. For the set of propositions common to both the 1992 and 2000 surveys, economists show an identical distribution for 54 percent of the propositions while Republicans and Democrats only show an identical distribution for 27 percent and 31 percent, respectively.

Is the distribution of opinion within either political delegation more in line with that of the economics profession? Within the 2000 survey, we find Republicans and Democrats are less likely to exhibit similar distributions of opinion with economists than they exhibit with each other. Republicans and Democrats show identical distributions of responses for 18 propositions (41 percent) while economists and Democrats show identical distributions for 7 propositions (16 percent) and economists and Republicans share identical response distributions for 9 propositions (20 percent). These results suggest a gap between the economic views of the political parties and economists' views. Similar survey results were found by Blendon et al., [1997] who compares the views on the economy between the public in general and economists. Caplan [2002] shows that this opinion gap between the public and economists tends to be very persistent and cannot be explained by a self-serving or ideological bias on part of the economists and that the public's economic beliefs tend to be systematically biased. Our results are also in line with Walstad's [2002] conclusion that there are mixed effects of political party affiliation on economic knowledge, meaning that there is no systematic relationship between party affiliation and the level of economic knowledge. What is clearly evident, is that despite the continual encouragement of economists to "think like an economist", there remains a considerable gap between the preacher and the choir.

NOTES

We would like to thank Richard Alston for helpful comments.

1. For example, on the role of government, the preamble of the 2000 Republican Platform declares “Since the election of 1860, the Republican Party has had a special calling - to advance the founding principles of freedom and limited government and the dignity and worth of every people.” In contrast, The Charter and By-Laws of the Democratic Party of the United States declares that Democrats seek “Individual freedom in the framework of a just society,...[p.1]. We recognize the capacity of government is limited but we regard democratic government as a force for good and a source of hope [p.8].”
2. This finding may explain why the Economist [July 25th, 2002] laments that president George W. Bush’s “trade policy - notably his steel tariffs and farm subsidies - has been discouraging” since Bush is seen by the news magazine as an “advocate of free trade” who “claims to believe in: the fundamental importance of free trade” [Feb. 28th, 2002]. A Cato Study [2003] by Daniel Griswold confirms that the voting behavior of the 107th Congress displays a lack of commitment in practice to free trade that is in marked contrast to the free trade philosophy often espoused by members of Congress.
3. Democrats returned 263 surveys, a response rate of 21 percent while Republicans returned 323 surveys, a response rate of 26 percent.
4. For economists, there are only 24 common propositions for which we can report data from 1990 and 2000 since Alston et al. [1992] and Fuller et al. [1992] use a slightly different set of proposition.
5. A detailed discussion of consensus among economists is reported by Fuller and Geide-Stevenson [2003]. In a more recent study Colander [2005] surveys and interviews graduate students at seven top-ranked graduate economics programs on the importance of various economic assumptions and differences in political orientation among schools.
6. In the 1992 survey, both samples were obtained from the official delegate lists provided by the Republican and Democratic National Committees. Delegates were randomly drawn in proportion to the size of the state delegation at each convention. The 2000 sample of Democratic delegates was similarly composed from the official delegate list furnished by the Democratic National Committee. However, the Republican National Committee declined to provide a master list of names and addresses of convention delegates, but pointed us to the individual state Republican party committees. A total of seven state committees declined to provide delegate lists. The 2000 random sample of Republican delegates was drawn in proportion to the delegate lists provided.
7. Entropy is the sum of the probability of a particular outcome multiplied by the \log_2 of the probability, i.e., $(-\sum p_i \log_2 p_i)$.
8. When “no response” is included as a fourth category, complete entropy requires a uniform distribution of responses where 25 percent must choose each response. Since the percentage of no responses is comparatively low for each proposition, including no response imparts a downward bias to the entropy index suggesting a higher degree of consensus than may actually exist. Also, since the percentage of no responses is lower among economists than delegates, including no response suggests a comparatively higher degree of consensus among economists when in fact, economists may just be better suited to form an opinion due to their training.
9. The 1990 data for economists is reported as in Fuller/Geide-Stevenson (2003) where the original data was adjusted to reflect the same proportion of academic versus non-academic economists as in the 2000 sample.
10. See Jorgenson and Stiroh [2000] and Vatter and Walker [2001] for a discussion of the “New Economy”.
11. Agreement is defined as consensus. i.e. $\epsilon \leq 0.8$, with responses clustered in the Agree category. Conversely, disagree is consensus because of responses clustered in the Disagree category
12. In the 1992 survey of delegates, the term “welfare” was changed to “well being”. Given the politicization of the term “welfare”, it is possible that some of the observed differences in the distribution of opinion among Republicans and Democrats can be attributed to negative reactions to this term.
13. We note that both 2000 political delegations show a comparatively large frequency of no-response to propositions #9 and #10. This may be due to the wording of the proposition. Specifically, in the 1992 political survey, the phrase “an economy in short-run equilibrium at a real GDP below potential GDP” was replaced by “an economy in recession” in proposition #9. In addition, while the meaning of rational expectations is generally understood by economists, the same may not hold for the political delegates.

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