CONTEMPORARY ECONOMIC POLICY



VOTER PREFERENCES, INSTITUTIONS, AND ECONOMIC FREEDOM

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The enormous impact that economic freedom can have on economic outcomes makes an understanding of the factors or forces affecting its level paramount. To what extent do citizen preferences regarding the role of government in the economy drive the level of or changes in economic freedom? We explore this question using a new index of voting in the U.S. Congress constructed consistent with the Fraser Institute indices of economic freedom. We use voting on national legislation to examine state-level economic freedom to clearly separate the measurement of preferences from policies that at least partly reflect these preferences. We find that Congressional votes, both from the House and Senate, are related to increases in state economic freedom, and that the result is generally statistically and economically significant, and robust to inclusion of a variety of socioeconomic control variables. (JEL D72, H10, H50)

I. INTRODUCTION

Economists since Adam Smith have examined the possible link between nations' institutions (in particular their reliance on market economies rather than government planning) and wealth and prosperity. To that end, the last 20 years have witnessed the compilation of several metrics of economic freedom across nations, to measure these outcomes in a consistent and systematic fashion. These metrics, which include the Fraser Institute's Economic Freedom of the World (EFW) (Gwartney, Lawson, and Hall 2014) and its subnational corollary Economic Freedom of North America (EFNA) have enabled a new generation of empirical studies providing important new evidence on the effects of markets. Overall, researchers have reported that nations with more economic freedom tend to have higher standards of living, faster economic growth, less poverty and extreme poverty, longer life expectancy, and more health and happiness (see Berggren 2003; Hall and Lawson 2014 for relevant literature reviews on these topics).

The potentially enormous impact that economic freedom can have makes an understanding of the factors or forces affecting its level in a nation paramount. These potential effects have led to a significant body of research that has attempted to pinpoint the determinants of economic freedom. However, it is interesting to note that the role that voter and legislative ideology plays in promoting or hindering economic freedom through policy has received somewhat less attention, with empirical studies of ideology's impact on economic freedom being only relatively more recent to the literature.

However, this has been an extremely important issue within economics going back to Downs' (1957) assessment of the effect that the median voter may have on policy outcomes. In general, it will be the median voter's preferences that are tied to the actual policy outcomes that emerge. It is also possible for this to be counteracted through special interest effects which can play a powerful role in shaping policy outcomes, and potential political inefficiencies

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ABBREVIATIONS

EFNA: Economic Freedom of North America

EFS: Economic Freedom Score

EFW: Economic Freedom of the World

GDP: Gross Domestic Product

OECD: Organization for Economic Co-operation and Development

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such as gerrymandering that might lead to the preferences of a minority of voters being implemented. Therefore, an analysis of how ideology may translate into actual policy outcomes is an important line of research worth considering.

This current article attempts to add to this literature by incorporating a newly constructed and novel dataset of U.S. Congressional voting records as a way to exogenously measure statelevel political ideology and thereby examine the impact that ideology may have on economic freedom across states. Specifically, we use a newly constructed vote index for the U.S. Congress tied to the components of the Fraser Institute's EFW index as a control for citizen preferences in an analysis of state-level economic freedom using the EFNA index. Controlling for citizen preferences for freedom allows us to shed new light on the role of political or ideological persuasion in social change—the old question of whether everyone must become a libertarian for libertarian policies to prevail. Importantly, and novel to the literature, our measure of preferences is based on a state's U.S. Congressional economic freedom vote score, and thus derived independently of the policies directly measured in state economic freedom—an important feature increasing its usefulness in empirical analysis.

This index should provide expanded opportunities for future researchers to evaluate the impact that ideology may play in both the level of and change in economic freedom across states, as just one possible example. Along with a detailed discussion of the construction of the index, this article empirically analyzes the impact that ideology plays in economic freedom. Our results show that state economic freedom is robustly and positively correlated with Congressional voting. The strongest results are obtained for overall state economic freedom, where our Congressional vote score attains both statistical and economic significance; a one standard deviation improvement in a state delegation's economic freedom vote score increases state economic freedom by up to 0.40 points, depending on the specification. The results are robust to the inclusion of a range of socioeconomic controls and to the use of a 5- or 10-year average of a state's economic freedom score. We also explore the relationship between Congressional voting on the various components of economic freedom as well. Overall, we find that Congressional voting always correlates positively with state economic freedom, though statistical significance depends

on the specific category of economic freedom under analysis.

This article proceeds as follows. Section II reviews some of the relevant literature examining changes in economic freedom and how ideology may influence these outcomes. Section III provides a rationale for and discussion of the economic freedom vote index for Congress. Section IV presents an analysis of state-level economic freedom using a state's Congressional delegation's economic freedom vote. Section V offers a brief conclusion and directions for future research.

II. LITERATURE REVIEW

Economic freedom has far more often been used as a right-hand-side variable in regression analysis than as a dependent variable. Nonetheless, the endogeneity of market institutions has emerged in a number of research areas. Analysis of the determinants of economic freedom to date has focused on the national level, which is perhaps natural given the much wider variation in reliance on markets across nations relative to across states in the United States.¹

Further, a number of papers have examined causality between freedom and growth (Carlsson and Lundstrom 2002; Dawson 2003; De Haan and Sturm 2000, 2003; Faria and Montesinos 2009; Heckelman 2000; Heckelman and Stroup 2000; Heckelman and Knack 2009; Justesen 2008). Causality tests consequently allow the potential endogeneity of economic freedom, and specifically that growth could contribute to freedom, which offers an insight into institutional change. Dawson (2003), for instance, finds that the level of economic freedom in a nation and the use of markets and property rights components of the Fraser index, Granger cause economic growth, with no reverse causality. Farr, Lord, and Wolfenbarger (1998) find that the level of economic freedom Granger causes the level of gross domestic product (GDP) per capita, while Heckelman (2000) also finds that economic freedom and its components Granger cause growth.

Related to the current article, a number of studies have also addressed the impact that

1. For important literature reviews of these issues see De Haan, Lundstrom, and Sturm (2006), Berggren (2003), and Hall and Lawson (2014). Additional work found in this journal include the impact of internet access on institutional quality (Sheehan and Young 2014), economic freedom in Fiji (Gounder 2002), and economic growth in Latin America and East Asia (Comeau 2003).

voter preferences and ideology may have on economic freedom and growth. For instance, Pitlik (2007) empirically found that relatively more market-oriented governments tended to promote economic liberalization in Organization for Economic Co-operation and Development (OECD) countries. Additional cross-country studies also suggest that government ideology influences market liberalization and economic freedom. Specifically, research on transition and post-socialist countries in Eastern Europe indicates that right-wing governments promoted greater privatization (Bjornskov and Potrafke 2011). Additionally, Potrafke (2010) found that relatively more pro-market governments were associated with deregulation of key industries across the OECD including energy, transportation, and communication. However, Belloc and Nicita (2011) contradict this finding, showing that in a panel of OECD countries relatively more left-wing governments are more active in advancing market liberalization.

Crampton (2002) examines a panel of 25 OECD nations and uses a measure of the median voter derived from the Manifesto Research Group analysis of party platforms. Changes in freedom preferences—measured by manifesto positions on policy matters like regulation, free enterprise, and the welfare state—significantly and positively affect changes in economic freedom. The result is robust to inclusion of variables controlling for legal or political institutions. Crampton's method of measuring voter preferences, however, draws on the same policies included in measures of economic freedom. For instance, Margaret Thatcher's election would shift the calculated position of the median voter in Britain and result in policy changes reflected in an increase in economic freedom, thus limiting the ability to identify a pure preference effect. In our analysis we use voting on federal issues as a measure of voter preferences in a state, ensuring that the policy actions through which we measure preferences are not part of state-level economic freedom. Additionally, we distinguish our work from this analysis by looking at the actual roll-call votes of individual legislators in the U.S. Congress, which is far more representative of revealed preference, compared to Crampton's (2002) analysis which calculates political ideology based on political party platform positions for various OECD countries. Additionally, we consider each member of Congress and not just political parties.

In order to avoid the problems associated with controlling for unobservable differences across countries, a number of studies have attempted to evaluate how ideology influences economic outcomes within a given country or region. These studies have looked at ideology's impact on economic freedom in Canadian Provinces (Bjornskov and Potrafke 2012), with the results indicating that pro-market governments liberalized the labor market, though parliamentary ideology had no effect. Bjornskov and Potrafke (2013) additionally evaluate the effect of ideology across U.S. states, finding that ideologically influenced effects on the size and scope of government was buffeted when state governments were divided. Potrafke (2013) examined German states and found that right-wing governments in former West Germany promoted economic freedom, left-wing government constrained it, while no effect was seen in the former East.

The current article adds to this line of research by analyzing how ideology influences economic freedom within the U.S. states. As noted, we employ a new and unique index of political ideology for U.S. Representatives and Senators (to be discussed in greater detail below) and use this measure to evaluate its influence on state-level economic freedom.

III. CONGRESSIONAL ECONOMIC FREEDOM VOTE INDEX METHODOLOGY

Many Congressional vote indices exist, raising the question of the marginal value of any new index. While indices have been compiled by groups generally supportive of limited government and freer markets, no index to date attempts to track votes on economic freedom directly and comprehensively. Existing indices either contain votes dealing with ideological or social issues unrelated to economic freedom, like the American Conservative Union or Americans for Democratic Action, or are focused only on one aspect of economic freedom, like the National Taxpayers Union. Consequently existing indices do not systematically identify votes from the perspective of economic freedom. An example from the U.S. Chamber of Commerce's How They Voted index in 2012 illustrates the potential inconsistencies. The Chamber's 2012 vote index for the U.S. Senate includes roll-call vote #95, to reauthorize the Export-Import Bank, which has been identified by fiscal conservatives as a "protectionist agency that provides political privileges to wellconnected firms at the expense of all other citizens" (de Rugy and Castillo 2014, 4).

The index which is most similar to ours is constructed by Freedom Works. Freedom Works compiles a list of roll-call votes for both houses of each Congress every legislative session that they feel most represents votes that impact economic freedom. Based on these votes each member of Congress is then given an overall score which is the percentage of positive relative to negative votes on the issues. Thus, each member of Congress scores between 0% and 100%, with 0% meaning no alignment toward economic freedom and 100% perfect alignment. As will be discussed in greater detail below, our measure of Congressional ideology differs on a number of significant margins relative to this Freedom Works score.

We construct an index scoring each member of each house of the 112th U.S. Congress (2011–2012) based on votes affecting economic freedom in the United States. Our index is based on selected (as discussed below) roll-call vote data for years 2011 and 2012. Roll-call votes are scored as either improving or worsening economic freedom, with a 1 indicating a vote in favor of freedom and a -1 a vote against. The average across all included votes is the overall score for a senator or representative, and also ranges from -1 to 1.

We define economic freedom based on the Fraser Institute's EFW and EFNA indices. The indices endeavor to measure the degree to which economic decision-making is left to markets as opposed to subject to government control. We consider legislation to expand the role of government as adversely affecting economic freedom, while legislation to either expand market organization or curtail the role of the state as increasing economic freedom. Examples of economic-freedom-enhancing legislation include tax code simplification or deregulation, while legislation to expand regulatory power or limit international trade would decrease economic freedom.

We examined each individual roll-call vote and determined those which most directly impacted economic freedom in the United States. We proceeded as follows. Purely procedural votes (such as those which approve the Journal, determine a quorum, or express a "sense" of Congress) were excluded. Of the remaining non-procedural votes, those not pertaining to actual legislation (e.g., confirmations of government officials or the naming of government buildings) were dropped. Similarly, we excluded votes on legislation not clearly related to economic freedom (such as a spending bill including a multitude of provisions or the Violence Against

TABLE 1
Summary of Roll-Call Votes Included

	Ye	ear
Chamber	2011	2012
House Senate	92/949, 9.7% 32/235, 13.6%	72/659, 10.9% 57/251, 22.7%

Women Act).² We excluded remaining votes on relevant issues which did not themselves affect economic freedom (for instance to recommit legislation, or to invoke cloture and end debate) or did so in an insignificant way (such as requiring the Environmental Protection Agency conduct a study). Finally, we excluded votes on legislation with an ambiguous or multiple but conflicting effect on economic freedom. We sought to include only votes either on passage of final legislation or on approval of amendments with a clear and direct effect on economic freedom. An example of a Congressional vote scored as improving economic freedom would be the 2012 vote in the House on HR 4078, legislation which restricted Federal Agencies from taking significant regulatory action until a certain level of unemployment was reached. In contrast, a vote in 2011 in the Senate in favor of Amendment 879, which would have required appropriations only be used on projects using exclusively U.S.produced steel, iron, and manufactured products (a clear protectionist policy) is scored as having a negative impact on economic freedom.

As summarized in Table 1, our index includes over 160 House votes and nearly 90 Senate votes, roughly 12% of all roll-call votes in the 112th Congress.³ Although our index does correlate with the Freedom Works Index (House .960 and

- 2. Votes on legislation which affected only spending levels (such as appropriations bills) were excluded. Most of these bills include so many specific spending programs that it is quite difficult to assess the overall impact on economic freedom. While it may seem that all spending should adversely affect economic freedom, this is naïve for at least two reasons. First, spending on services such as law enforcement likely improves the legal environment (a component of economic freedom) at least to some extent. Secondly, while economic freedom indices include a size of government component, it is unclear to what extent a given vote (which likely increases spending on some programs and cuts spending on others) will change the relative size of government; for example a hypothetical vote which simply renewed all spending programs at current levels would not affect a change in the size of government and so would have no impact on economic freedom.
- 3. While care was taken to include all votes affecting economic freedom, the assignment is necessarily subjective to some extent. We chose to err in classification by excluding ambiguous votes. A complete list of all votes included, as well as how we chose to score the votes is available upon request.

Senate .885), given the nature and construction of any of these indices, and not just Freedom Works, we would expect a relatively high correlation. Further, the number of votes we include is significantly larger than those included by Freedom Works, which is usually around a dozen votes, and almost never exceeds 20 votes for any given year or legislative session. This should provide us with a relatively more robust score over the sample.

For each included vote, we gathered the roll-call data from the official House and Senate websites. Votes for legislation (or amendments to pending legislation) increasing economic freedom and votes against legislation adversely affecting economic freedom were scored as 1. A score of -1 was assigned to yea votes adversely affecting economic freedom or votes against legislation improving economic freedom.4 Abstentions were excluded from the dataset.5 Each member of Congress was then assigned a score calculated as an average of their vote scores, with all votes weighted equally. A hypothetical Senator or Representative who voted for legislation that improved economic freedom 100% of the time would score a 1, while the hypothetical member of Congress consistently voting in favor of decreasing economic freedom would score a -1.

Our index identifies Mike Lee (R-UT) and Rand Paul (R-KY), with scores of 0.67 and 0.66, respectively, as the Senators most consistently voting in favor of greater economic freedom in the 112th Congress. The Senators voting most consistently against economic freedom were Bernie Sanders (a self-described socialist of VT) and a tie between Jack Reed and Sheldon Whitehouse (both D-RI), with scores of -0.60 and -0.58, respectively. In the House, Jeff Reed (R-AZ) and Tom Graves (R-GA) voted most consistently in favor of economic freedom (0.75 and 0.748, respectively), while Ed Markey (D-MA) and Brad Miller (D-NC) voted most consistently against economic freedom (with scores of -0.67

- 4. We chose to equally weight "yea" votes on freedomimproving legislation and "nay" votes against freedomreducing legislation; likewise for "yea" votes on freedomreducing legislation and "nay" votes for freedom-improving legislation.
- 5. Abstentions amounted to roughly 2% of observations in our Senate data and 4% of observations in the House data. We experimented with including these non-votes and coding abstentions as "0," effectively scoring them as the same as a vote for *and* against economic freedom. As expected given the small number of abstentions relative to our total observations, including these votes returned qualitatively similar results with nearly identical statistical significance.

and -0.66). The overall average scores are -0.04 for the Senate and 0.19 for the House.

In addition to this overall measure, we also categorized the roll-call votes by the "area" of economic freedom for both the EFW and EFNA subcomponents most directly affected. Several freedom index components had only a very small number of Congressional votes, so we focus in our regression analysis on the Size of Government, Takings and Discriminatory Taxation, and Labor Market Freedom EFNA components. The subcomponent scores were constructed following the method described above.⁶

IV. DATA AND MODEL SPECIFICATION

A. Empirical Specification and Description of the Data

We estimate a number of regression models to evaluate the impact, if any, of the Congressional economic freedom scores on state-level economic freedom. The baseline model takes the following form:

(1) State EFS_i =
$$\alpha_i + \beta_1$$
 Congressional EFS_i
+ $Z'_i\beta_2 + \varepsilon_i$

where State EFS_i is the economic freedom score in state i for 2011.⁷ Congressional EFS_i is the average economic freedom score for each state's Congressional delegation to the U.S. Congress (details below), while Z'_i is a vector of socioeconomic control variables described below.

The state economic freedom scores come from the EFNA index, compiled annually by the Fraser Institute.⁸ This index provides an overall score for each state's level of economic freedom on a scale of 10, with "0" being the least economically free and "10" being the most economically free. This overall score is derived from a number of subscores in various categories, which include measures on the "Size of Government," "Takings and Discriminatory Taxation," "Labor Market Freedom," "Regulation of Credit Markets," "Business Regulations," "Legal System and Property Rights," and "Sound Money."

- 6. For a full list of each state delegation's scores as well as the subcomponent scores used in this paper see the Appendix. A complete list of scores for all components and each state legislator is available upon request.
- 7. 2011 was chosen as the baseline year of analysis as, at the time of this writing, it is the most recent year in which state economic freedom scores are available.
- 8. Data with detailed descriptions on the construction of the index are available at www.freetheworld.com.

The first three subscores are specific to each state, while the latter scores are taken from the EFW Index (which follows a similar methodology). Therefore, along with the overall state economic freedom score, we also employ the "Size of Government," "Takings and Discriminatory Taxation," and "Labor Market Freedom" subscores as separate dependent variables. We use three different tallies of Congressional votes: the average scores for the state's House and Senate delegations, and the average for the state's entire Congressional delegations, with scores for the three corresponding subcomponents listed above calculated similarly. Thus, for each of the EFNA scores, we estimate six regressions using each of the main independent variables of interest both with and without controls. Finally, along with looking at just the EFNA scores for 2011, we also consider 5- and 10-year averages of the EFNA scores as dependent variables. Overall, this provides a total of 18 separate regressions for each category under analysis.

We include a number of socioeconomic control variables identified in the literature as possible determinants of state economic freedom. These include the state population (in 10,000s), population density, the median age in each state, the percent of the population that is male, the percent of the population that is white, the unemployment rate in each state, per capita gross state product, and the percent of each state's population with a bachelor's degree or higher. Finally, we also include a set of dummy variables based on U.S. Census regions to help mitigate any omitted variable bias resulting from the inability of cross-sectional regression analysis to detect unobserved differences across states. Table 2 provides the summary statistics for each of the variables discussed above.

B. Results

Overall some interesting results emerge from the regression analysis. Table 3 considers the overall economic freedom scores for each state with the overall Congressional economic freedom score included as the main independent variable of interest.

9. State population, population density, median age, percent male, percent white, and educational attainment were all taken from U.S. Census data. These data are freely available at www.census.gov. The unemployment rate and gross state product data were taken from the Bureau of Labor Statistics, with data freely available at www.bls.gov. Each of these variables is from 2011, except educational attainment which is from 2009, the most recent year available.

All of our tables of regression results are organized similarly. The first six columns present regressions against the state's House, Senate, and overall Congressional delegation economic freedom scores, both with and without controls. Columns 7 through 12 display the results with a 5-year average EFNA score as the dependent variable, while columns 13 through 18 employ a 10-year average of the overall EFNA score. The state House, Senate, and average Congressional economic freedom vote scores are associated with higher state economic freedom in each specification in Table 3, and the effects are statistically and economically significant.¹⁰ A one standard deviation increase in a state's delegation score increases a state's EFNA score by 0.36 points in column 6, which amounts to 15% of the observed range in state EFNA scores in 2011. The difference between the state delegations voting most and least consistently with economic freedom (1.22) would increase the expected EFNA score by 1.17 points in this specification, half of the observed range in state economic freedom.

Next, Table 4 regresses the "Size of Government" EFNA subscore against each of the overall Congressional economic freedom vote scores.

The results are similar but appear less robust than those found in Table 3. Of note, the Congressional economic freedom vote score has the expected positive sign in each case, and attains statistical significance in 14 of 18 specifications. However, the House delegation is never significant with the inclusion of controls, while both the Senate and state average results are significant in all specifications. ¹¹

10. An alternative interpretation of these results could be that they illustrate only a consistency of the political process between state-level policy (as measured by economic freedom) and the national-level elections (as measured by our index of Congressional voting) along the margin of economic freedom. Such consistency, which we interpret as evidence of voter preferences translating into state-level policy, could instead be a result of inefficiencies in the political market caused by tactics such as gerrymandering designed to promote a specific ideology which could presumably influence both state-level policy as well as Federal elections. However, such a gerrymandering explanation would likely not explain the outcomes of the state-wide election of U.S. Senators. As our results are at least as strong when only the vote scores for U.S. Senators are used, we find our explanation based on voter ideology to be more compelling.

11. As discussed earlier, this may indicate the potential for inefficiencies within the political process. Here such a result may be driven by the potential for House districts to be gerrymandered, meaning minority preferences could be driving the decisions made by representatives. Although a full analysis of this potential is beyond the scope of the current paper, it would be worthy of future research.

TABLE 2Summary Statistics

Variables	Observations	Mean	SD	Minimum	Maximum
EFNA Overall Score 2011	50	6.59	0.66	5.4	7.8
EFNA Overall Score 5-year average	50	6.7	0.62	5.5	7.8
EFNA Overall Score 10-year average	50	6.81	0.61	5.7	8
EFNA "Size of Government" Score 2011	50	6.18	0.96	4.4	8
EFNA "Size of Government" Score 5-year average	50	6.56	0.87	4.8	8.1
EFNA "Size of Government" Score 10-year average	50	6.81	0.87	4.8	8.3
EFNA "Taxation" Score 2011	50	6.66	0.88	4.7	8.6
EFNA "Taxation" Score 5-year average	50	6.58	0.86	4.6	8.7
EFNA "Taxation" Score 10-year average	50	6.59	0.83	4.8	8.7
EFNA "Labor Market Freedom" Score 2011	50	6.94	0.64	6	8.7
EFNA "Labor Market Freedom" Score 5-year average	50	6.94	0.63	6	8.7
EFNA "Labor Market Freedom" Score 10-year average	50	7	0.64	6	8.6
House Overall Economic Freedom Score	50	0.19	0.42	-0.63	0.72
Senate Overall Economic Freedom Score	50	-0.04	0.38	-0.58	0.64
Average Delegation Overall Economic Freedom Score	50	0.08	0.37	-0.59	0.63
House "Size of Government" Economic Freedom Score	50	0.14	0.41	-0.68	0.67
Senate "Size of Government" Economic Freedom Score	50	-0.06	0.39	-0.63	0.7
Average Delegation "Size of Government" Economic Freedom Score	50	0.04	0.36	-0.65	0.52
House "Taxation" Economic Freedom Score	50	0.28	0.35	-0.5	1
Senate "Taxation" Economic Freedom Score	50	-0.04	0.2	-0.47	0.3
Average Delegation "Taxation" Economic Freedom	50	0.12	0.21	-0.35	0.6
Score					
House "Labor Market Freedom" Economic Freedom Score	50	0.12	0.37	-0.55	0.71
Senate "Labor Market Freedom" Economic Freedom Score	50	-0.18	0.76	-1	1
Average Delegation "Labor Market Freedom" Economic Freedom Score	50	-0.03	0.52	-0.78	0.83
Population (in 10,000s)	50	621.94	693.13	56.74	3768.39
Population density	50	196.28	262.31	1.269	1201.36
Median age	50	37.75	2.32	29.6	43.2
% Male	50	49.05	2.38	33.35	51.92
% White	50	80.45	12.38	25.74	95.49
Unemployment	50	8.08	1.89	3.53	13.23
Per capita GDP	50	48469.48	9244.7	33435	72356
% Bachelor's degree	50	27.2	4.73	17.3	38.2
Northeast	50	0.2	0.4	0	1
Midwest	50	0.24	0.431	0	1
West	50	0.28	0.45	0	1
South	50	0.28	0.45	0	1

Table 5 displays regression of the EFNA "Size of Government" subcategory against the "Size of Government" subcategory from the Congressional economic freedom scores.

As can be seen, the Congressional vote score has a positive and economically significant impact in each case, but only 6 of 18 results attain statistical significance. Part of this may be attributable to the relatively low number of votes that are included, especially for the House where only 12 votes were used for the "Size of Government" component. Though the coefficients are all positive, indicating that more economically free representatives lead to increases in the economic freedom subcomponent of "Size of Government," the statistical

insignificance could indicate that it is a relatively less salient issue for voters. Government growth in many instances may be difficult for voters to monitor or even perceive, especially if the growth is a result of fiscal illusion.

Tables 6 and 7 show regressions of the EFNA "Taxation" subcategory against the overall Congressional economic freedom score and "Taxation" Congressional economic freedom subscore, respectively.

Table 6 shows that 9 of the 18 results are statistically significant, with all results economically significant and positive. However, all of the significant results occur only without the control variables. Table 7 presents the results for the "Taxation" Congressional economic freedom

TABLE 3
Overall State EFNA Economic Freedom Score

(1) (2) (. One One O Variables Year Year Ye	5.583*** (1.705) 0.572**	(0.211) (0.246) Senate (0.74		Population (in -0.000250** 10.000s)			Median age	(0.0330) Male 0.0295		% White0.00240	(0.00535) Unemployment 0.0499	,		% Bachelor's 0.0453**	degree (0.0210)	Northeast -0.469	(0.362) Midwest —0.532**		-0.903° (0.193)	
(3) (4) One One Year Year	6.619*** 3.721 (0.0832) (2.240)	0.744*** 0.790**** (0.212) (0.240)		-0.000211***	-0.000578	(0.000461)	-0.0197	(0.0422)	(0.0262)	-0.00136	(0.00496)	(0.0477)	(1.30e-05	0.0452**	(0.0189)	-0.771*	(0.382)	(0.202)	-0.753^{22}	50 50 0.189 0.627
(5) One Year	6.522*** (0.0876)		0.881*** (0.230)		- oc	_														50 0.243
(6) One Year	4.179** (1.721)		0.965*** (0.274)	-0.000222**	-0.000600	(0.000448)	-0.0235	(0.0358)	(0.0217)	-0.00370	(0.00452)	(0.0415)	(1.32e-05)	0.0511**	(0.0198)	-0.589*	(0.326) -0.463**	(0.206)	-0.746"" (0.199)	50 0.632
(7) Five Year	6.568*** (0.0974) 0.675***	(0.207)		1	· I	Ŭ				'		,	, _							50 0.210
 (8) Five Year	4.856*** 6 (1.646) (0.486**			-0.000228**	-0.000856**	(0.000410)	-0.0689**	(0.0302)	(0.0209)	-4.78e-05	(0.00218)	(0.0357)	1.25e-05)	0.0467**	(0.0195)	-0.408	(0.350)	(0.202)	-0.855*** (0.185)	50 0.585
(9) Five Year	6.725*** (0.0777)	0.698***		Υ &	ė I	9)		_			_		;				,		ı	50 0.188
(10) Five Year	3.143 (2.103)	0.714***		-0.000192***	-0.000640	0.000435)	-0.0245	(0.0394) 0.0440*	(0.0251)	0.000673	0.00507) 0.0194	(0.0420)	.25e-05)	0.0474**	(0.0178)	-0.673*	(0.372) -0.493***	(0.183)	-0.712*** (0.180)	50 0.626
 (11) Five Year	6.635*** (0.0838)		0.817*** (0.223)	1	۱ کا	=						,	; =	. •					1	50 0.237
(12) Five Year	3.601** (1.635)		0.850*** (0.264)	-0.000203**	-0.000667	0.000413)	-0.0297	(0.0332)	(0.0217)	-0.00132	0.00449)	(0.0370)	1.27e-05)	0.0523***	(0.0184)	-0.510	(0.320) -0.480**	(0.188)	-0.712^{***} (0.187)	50 0.626
(13) Ten Year	6.692*** (0.0992) 0.610***	(0.212)		7 5	٤ ١	9													1	50 0.173
(14) Ten Year	5.501*** (1.766) (0.612**			-0.000216*	-0.000752	0.000465)	-0.0624*	(0.0356)	(0.0233)	-0.00255	0.00559)	(0.0397)	4e-05)	0.0545**	(0.0229)	-0.306	(0.388)	(0.207)	-0.795"" (0.196)	50 0.493
(15) Ten Year	6.838*** (0.0760)	0.729***		7 5) I	9)	'			1 \	_	_ ~	; =						ı	50 0.208
(16) Ten Year	3.250 (2.326)	0.929***		-0.000169*	-0.000465	0.000484)	-0.00353	(0.0427)	(0.0286)	-0.00176	0.0360	(0.0471)	1.40e-05)	0.0558***	(0.0203)	-0.646	(0.397) -0.346*	(0.187)	-0.604"" (0.195)	50 0.567
(17) Ten Year	6.749*** (0.0846)		0.791*** (0.224)	1 -	> I	_					_	,	10	. •					•	50 0.225
(18) Ten Year	3.877** (1.712)		1.091*** (0.317)	-0.000184*	-0.000507	0.000451)	-0.0114	(0.0361)	(0.0240)	-0.00426	(0.00463) 0.0672	(0.0403)	1.45e-05)).0619***	(0.0214)	-0.434	(0.341) -0.332^*	(0.190)	-0.608""" (0.201)	50 0.565

Notes: Dependent Variable = One, Five, and Ten Year Average Score. House, Senate, and State Average Scores = Overall Congressional Economic Freedom. Robust standard errors in parentheses. $^{***}p < .01$; $^{***}p < .05$; $^{**}p < .05$.

TABLE 4
"Size of Government" EFNA Subcomponent Score

Variables	(1) One Year	(2) One Year	(3) One Year	(4) One Year	(5) One Year	(6) One Year	(7) Five Year	(8) Five Year	(9) Five Year	(10) Five Year	(11) Five Year	(12) Five Year	(13) Ten Year	(14) Ten Year	(15) Ten Year	(16) Ten Year	(17) Ten Year	(18) Ten Year
Constant	6.052***	4.419* (2.543)	6.206*** (0.133)	1.813 (2.847)	6.119*** (0.133)	2.807 (2.524)	6.463*** (0.134)	3.122 (2.530)	6.583***	0.883 (2.794)	6.513***	1.768 (2.485)	6.723***		5.832***	1.576 (5.763*** (0.124)	2.523 (2.617)
House	0.663^{**} (0.319)	0.421					0.514^* (0.302)	0.328 (0.430)					0.450 (0.305)	0.467				
Senate	·		0.662^{**} (0.321)	0.980**			·		0.544* (0.291)	0.831*					0.579**	0.993**		
State average					0.789**	0.991**					0.628^* (0.322)	0.819*					0.606*	1.032**
Population (in 10,000s)		-0.000262	. •	-0.000209		0.000231	. •	-0.000182		0.000137		0.000156	19	0.000180	18	0.000127		0.000148
Population density		-0.00133**		0.000963		-0.00107^*		-0.00102		-0.000710		0.000806	. 18	0.000929	18	0.000573) I E	0.000667
Median age		-0.0960		-0.0212		-0.0421		-0.0845		-0.0195		-0.0388		0.0827	'	-0.00916		0.0281
% Male		0.0596*		0.0495		0.0427		0.0761**		0.0664**		0.0613**		0.0539		0.0454		0.0375
% White		-0.00276 (0.0115)		-0.00360		-0.00532		0.00240		0.00147		0.000131		0.000401	1 -	0.000155		-0.00206
Unemployment		0.0181		-0.0612		-0.0291		0.0133		-0.0222		0.00491	-	0.0510		0.00581		0.0385
Per capita GDP		2.70e-05 (2.58e-05))	3.73e-05		3.34e-05 2.56e-05)		2.33e-05		3.21e-05 2.42e-05)		2.86e-05	1	.61e-05	., 6	2.64e-05	(10)	2.26e-05
% Bachelor's degree		0.0843**		0.0907**		0.0940**		0.0770**		0.0831**	•	0.0855**		0.0883**	-	0.0939**		0.0978**
Northeast		-0.288		-0.591		-0.370		-0.263		-0.513		-0.326		-0.145		-0.463		-0.238
Midwest		-0.296 -0.346)		-0.191 -0.327)		-0.201		-0.330 -0.330		(0.483) -0.237		-0.248 -0.248		-0.193		(0.303) -0.0923		-0.0980 -0.0980
West		-1.074^{***}		-0.815***		-0.870***		-0.877		-0.650***		(0.322) -0.703*	1	-0.850** -0.343)		-0.599* -0.310)		-0.645*
Observations R-squared	50 0.083	50 0.456	50 0.070	50 0.505	50 0.091	50 0.488	50 0.061	50 0.368	50 0.058	50 0.412	50 0.071	50 0.396	50 0.046	50 0.305	50 0.064	50 50 0.363	50 0.065	50 50 0.346

Notes: Dependent Variable = One, Five, and Ten Year Average Score; House, Senate, and State Average Scores = Overall Congressional Economic Freedom. Robust standard errors in parentheses. p < .01, *** p < .05, ** p < .05

TABLE 5 "Size of Government" EFNA Subcomponent Score

	(1) One	(2) One	(3) One	(4) One	(5) One	(6) One	(7) Five	(8) Five	(9) Five	(10) Five	(11) Five	(12) Five	(13) Ten	(14) Ten	(15) Ten	(16) Ten	(17) Ten	(18) Ten
Variables	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
Constant	6.086***	4.785* (2.370)	6.208*** (0.135)	3.373 (2.735)	6.152*** (0.133)	3.928 (2.391)	6.489***	3.407 (2.427)	6.585*** (0.124)	2.292 (2.725)	6.540*** (0.121)	2.736 (2.422)	6.747***	4.584* (2.610)	6.836*** (0.123)	3.173 6 (2.996)	6.789*** (0.122)	3.710 (2.577)
House	0.658^{**} (0.320)	0.450 (0.420)					0.510 (0.306)	0.347					0.439	0.474 (0.448)				
Senate			0.448 (0.315)	0.722^* (0.398)					0.364 (0.291)	0.570 (0.372)					0.413 (0.278)	0.723^* (0.379)		
State average					0.692^{*} (0.348)	0.840*					0.547 (0.331)	0.657 (0.459)				_	0.528 (0.327)	0.858*
Population (in 10,000s)	(s	-0.000264		-0.000214		0.000232		-0.000184		0.000144		0.000159		0.000183	1 3			0.000151
Population density		-0.00134^{**} (0.000614)		-0.00105		-0.00112^*		-0.00103		-0.000808		-0.000863		0.000947	/ I G	0.000804)	1 8	0.000729
Median age		-0.102*		-0.0562		-0.0665		-0.0894^* (0.0523)		-0.0528	•	-0.0613		-0.0905		-0.0453		0.0582)
% Male		0.0580*		0.0499		0.0436		0.0750**		0.0683***		0.0635*		0.0532		0.0461		0.0391
% White		-0.00296		-0.00210		-0.00418		-0.00226		0.00289		0.00127		0.000358		0.00139	1	0.000781
Unemployment		-0.0186		-0.0671		-0.0389		0.0128		-0.0253		(0.102)		0.0496		0.000219		0.0283
Per capita GDP		2.55e-05 (2.54e-05)		3.53e-05 (2.54e-05)		3.13e-05		2.21e-05		2.98e-05		2.66e-05		1.45e-05		2.42e-05 2.82e-05)	(10)	.03e-05
% Bachelor's degree		0.0865**		0.0842**		0.0912**		0.0787**		0.0770**		0.0825***		0.0901**		0.0872**		0.0946**
Northeast		-0.263		-0.537		-0.356		-0.245		-0.459		-0.316		-0.125		0.406		-0.224
Midwest		-0.308		-0.230		-0.238 -0.238		-0.339		0.278		-0.284		-0.209		-0.134 -0.134		-0.139
West		-1.088^{***}		-0.930*** -0.930***		-0.948^{**}		-0.888** -0.340)		-0.762^{**}		-0.778^{**}		-0.871** -0.871**	•	(0.310) -0.718** (0.329)	,	(0.317) -0.731** (0.352)
Observations R-squared	50 0.081	50 0.459	50 0.033	0.481	50 0.068	50 0.479	50 0.059	50	50 0.027	50 0.387	50 0.052	50	50 0.043	50	50 0.034	(0.322) 50 0.332	50 0.048	50

Notes: Dependent Variable = One, Five, and Ten Year Average Score; House, Senate, and State Average Scores = "Size of Government" Congressional Economic Freedom. Robust standard errors in parentheses.

TABLE 6 "Taxation" EFNA Subcomponent Score

(18) Ten Year	0.987	0.799	0.000271**	-0.00103	-0.0180 -0.0180 (0.0602)	0.0426	0.00340	0.107*	6.24e-05*** (1.81e-05)	(0.0277)	-0.684	-0.505^{*} (0.255)	-0.683***	50 0.590
(17) Ten Year	6.524*** (0.121)	0.909**	- 1											50 0.160
(16) Ten Year	0.810 (3.634)	0.589 (0.413)	-0.000266**	-0.00104	-0.0214 (0.0671)	0.0537	0.00560	0.0862 (0.0575)	5.31e-05*** (1.92e-05)	(0.0264)	-0.821 (0.585)	-0.531^{**} (0.249)	-0.714**	50
(15) Ten Year	6.620***	0.675**	*											50 0.096
(14) Ten Year	2.083 (2.811) 0.538 (0.430)		0.000293	*0.00119*	-0.0504 -0.0478)	0.0480	0.00399	0.123**	(1.55e–05)	(0.0293)	-0.569	-0.553*** (0.261)	-0.797***	50 0.576
(13) Ten Year	6.432*** (0.142) 0.838** (0.332)								 					50 0.176
(12) Five Year	0.323	0.571	-0.000288**	-0.00108	-0.0298 -0.0624)	0.0709	0.00883	0.0885	5.84e-05**** (1.90e-05)	(0.0268)	-0.796	-0.649** (0.257)	-0.768***	50
(11) Five Year	6.507**** (0.124)	0.992***	(00000)											50 0.180
(10) Five Year	0.273	0.397	*0.000286	-0.00110 -0.00110	-0.0346	0.0795*	0.0105	0.0746	(2.00e–05) (2.00e–05)	(0.0261)	-0.890	-0.672^{**} (0.253)	-0.799**	50 0.594
(9) Five Year	6.611*** (0.112)	0.710** (0.290)	*						4 ,					50 0.101
(8) Five Year	1.083 (2.879) 0.409		0.000303**	-0.00119	-0.0515	0.0738*	0.00907	0.101*	5.54e-05*** (1.66e-05)	(0.0281)	-0.708	-0.679** (0.260)	-0.843***	50,000
(7) Five Year	6.403*** (0.147) 0.936***													50 0.208
(6) One Year	1.440 (3.373)	0.734	0.000291**	-0.000658	-0.0264 (0.0665)	0.0499	0.0101	0.0845	5.89e-05*** (1.81e-05)	(0.0279)	-0.978*	-0.678** (0.280)	-0.743***	50 0.595
(5) One Year	6.571*** (0.122)	1.123****	(ctc.o)											50 0.220
(4) One Year	1.553 (3.847)	0.453 (0.412)	*-0.000291*	-0.000713	-0.0384 (0.0721)	0.0626	0.0125	0.0684	5.85e-05*** (1.89e-05)	(0.0275)	-1.086^{*}	-0.717^{**} (0.282)	-0.804**	50
(3) One Year	6.689***	0.809****												50 0.124
(2) One Year	2.358 (3.082) 0.581 (0.424)		-0.000309**	0.0000779	-0.0512	0.0514	0.00998	0.103**	5.53e-05*** (1.57e-05)	(0.0297)	-0.850	-0.709** (0.282)	-0.825***	50
(1) One Year	6.454*** (0.142) 1.056*** (0.319)		1		-				ν. ·					50 0.252
Variables	Constant House	Senate State average	Population (in 10,000s)	Population density	Median age	% Male	% White	Unemployment	Per capita GDP	degree	Northeast	Midwest	West	Observations R-squared

Notes: Dependent Variable = One, Five, and Ten Year Average Score; House, Senate, and State Average Scores = Overall Congressional Economic Freedom. Robust standard errors in parentheses. p < .01, *** p < .05, ** p < .05, ** p < .05, ** p < .05, **

TABLE 7 "Taxation" EFNA Subcomponent Score

(1) (1) One C	(2) One	(3) One Vear	(4) One Vear	(5) One Vear	(6) One Vear	(7) Five	(8) Five	(9) Five	(10) Five Vear	(11) Five Vear	(12) Five Vear	(13) Ten Vear	(14) Ten Vear	(15) Ten Vear	(16) Ten Vear	(17) Ten Vear	(18) Ten Vear
9	1 8			6.427***	2.538	*** 692 9	1.240	6.604***	1.373	6.377***	1.149	6.313***	2.347	6.614***		6.405***	2.198
			(3.420)	(0.138)	(3.046)	(0.167) $1.119***$	(2.791) 0.652	(0.124)	(3.135)	(0.140)	(2.819)	(0.159) 1.000^{***}	(2.761) $0.719*$	(0.121)	(3.117)	(0.134)	(2.732)
(0.403) 0.626 (0.610)	29.		0.372			(0.360)	(0.398)	0.527	0.349			(0.352)	(0.414)	0.548	0.654		
				1.895***	1.072*					1.693***	0.908					1.548***	1.125^* (0.617)
-0.000335**		9	.000326**	` '	0.000341**	Ī	0.000324**		-0.000317**	, I	0.000328***	Τ.	0.000317**	1	0.000315**	- 1	0.000325**
(0.000131)		9 T	0.000128)		(0.000125)	<u> </u>	0.000124)		(0.000121) -0.00126^*		(0.000120) -0.00122*	<u> </u>	(0.000137) -0.00129*	<u> </u>	0.000132)	⊝ 1	(0.000132) -0.00124^*
(0.000694)		9	(000732)		0.000681)		0.000687)		(0.000716)		0.000672)	٣	0.000659)		0.000701))	0.000634)
-0.0488		. 1 9	-0.0841		-0.0602		-0.0454		-0.0747		-0.0545		-0.0485		-0.0810*		-0.0558
0.0381			0.0322 0.0810^*		0.0583*		0.0598		0.0960**		0.0762**		0.0362		0.0803*		0.0523
(0.0367)		$\overline{}$	0.0425)		(0.0344)		(0.0388)		(0.0405)		(0.0354)		(0.0388)		(0.0422)		(0.0351)
0.00974		$\overline{}$	0.0123		0.00825 (0.00874)		0.00832 (0.00805)		0.0102 (0.0105)		0.00699 (0.00914)	J	0.00382 (0.00781)		0.00441 (0.0107)		0.00164 0.00893
0.107**			0.0761		0.0918*		0.107**		0.0811		0.0949*		0.127**		0.0940		0.114**
5-38e-05***		5.1	6e-05***	4,	.17e-05***	4,	.45e-05***		.26e-05***	Ψ,	.27e-05***	5.	.67e-05***	4,	.36e-05***	5.	45e-05***
(1.48e - 05)		_ '	.50e-05)		1.48e-05)		1.57e-05)		(1.59e - 05)		(1.57e-05) 0.0276	<u> </u>	1.45e-05)		1.45e-05)	⋾	1.44e-05) 0.0378
(0.0302)		_	0.0290)		(0.0302)		(0.0281)		(0.0271)		(0.0280)		(0.0296)		(0.0275)		(0.0292)
-1.025**			-0.957		-0.962*		-0.835*		-0.774		-0.782		-0.730		-0.637		-0.668
(0.485)			(0.580)		(0.503)		(0.482)		(0.554)		(0.493)		(0.504)		(0.584)		(0.508)
-0.796*** (0.272)		, ,	-0.680"" (0.331)		_0.632** (0.290)		-0.741*** (0.247)		-0.632 ^{**} (0.303)		-0.601 ⁷⁷ (0.267)		-0.633** (0.248)		-0.431 (0.316)		-0.460° (0.268)
-0.845***		I	.0.974***		-0.887***		-0.841***		-0.948***		-0.875***	•	-0.817***		-0.936***	1	-0.844***
(0.253) 50 50 0.607 0.021	50.	_	(0.249) 50 0.570	50 0.213	(0.246) 50 0.600	50 0.203	(0.240) 50 0.612	50 0.016	(0.240) 50 0.586	50 0.179	(0.232) 50 0.607	50 0.171	(0.235) 50 0.590	50 0.018	(0.235) 50 0.565	50 0.158	(0.223) 50 0.593

Notes: Dependent Variable = One, Five, and Ten Year Average Score; House, Senate, and State Average Scores = "Taxation" Congressional Economic Freedom Subindex. Robust standard errors in parentheses.

TABLE 8

"Labor Market Freedom" EFNA Subcomponent Score

Variables	(1) One Year	(2) One Year	(3) One Year	(4) One Year	(5) One Year	(6) One Year	(7) Five Year	(8) Five Year	(9) Five Year	(10) Five Year	(11) Five Year	(12) Five Year	(13) Ten Year	(14) Ten Year	(15) Ten Year	(16) Ten Year	(17) Ten Year	(18) Ten Year
Constant House	6.846*** (0.0800) 0.476***	10.68*** (2.486) 0.679***	6.968*** (0.0851)	8.573*** (2.613)	6.882*** (0.0795)	9.061***	6.833*** (0.0774) 0.542***	10.46*** (2.491) 0.714***	6.971*** (0.0800)	8.297*** (2.606)	6.875*** (0.0762)	8.783*** (2.390)	6.893**** (0.0790) 0.596****	9.915*** (2.421) 0.842***	7.045***	7.276*** (2.562)	6.938*** (0.0759)	7.896***
Senate	(1,1,0)	(1+1:0)	0.772*** (0.233)	0.905*** (0.258)			(601.0)	(162.6)	0.842*** (0.222)	0.935*** (0.249)					0.949*** (0.214)	1.131*** (0.246)		
State average					0.728***	1.122**** (0.284)					0.809*** (0.205)	1.168*** (0.272)					0.902*** (0.206)	1.397*** (0.287)
Population (in 10,000s)	· (s	-0.000221^{**}	, -	-0.000177* $(9.83e-05)$	1 -	-0.000189^*		-0.000230**	15	-0.000185*	10	0.000197*	7 %	-0.000197^{**}	1 %	-0.000141		0.000157*
Population density		-0.000197		6.11e-05 (0.000317)		4.24e-05 (0.000356)		-0.000332	/ I C	-6.90e - 05) I S	-8.49e - 05 0.000366)) I C	0.000435)) (2	5.24e-05 (0.000334)	, (4)	2.73e-05 (0.000401)
Median age		-0.0693***		-0.0166		-0.0196		-0.0773** (0.0327)		-0.0235		-0.0259		-0.0602	, - •	0.00606		0.00192
% Male		-0.0157		(0.0221)		-0.0265		-0.0157		-0.0125		-0.0267		-0.0202		-0.0172		-0.0338
% White		-0.0157^* (0.00872)		(0.0101)		-0.0171^* (0.00845)		-0.0129 (0.00855)		-0.0114		-0.0143* 0.00832)	_	0.00816)		-0.00955		0.00130
Unemployment		0.0578		0.00710		0.0377		0.0776		0.0248		0.0565		0.0895*		0.0264		0.0646
Per capita GDP		-3.98e - 06		4.37e-06 1.14e-05)		2.40e-06 1.27e-05)		-3.87e-06	7 0	4.70e-06 1.12e-05)		2.74e-06 1.25e-05)	10	-8.39e - 06	. 6. 5	06e-06 .12e-05)		4.38e-07
% Bachelor's degree		0.0401		0.0395		0.0466*		0.0460*		0.0450*	,	0.0525**		0.0491**	,	0.0230)		0.0572**
Northeast		-0.204		-0.556*		-0.348		-0.196		-0.563*		-0.347		-0.182		-0.620*		-0.360
Midwest		-0.585**		-0.531**		-0.507** (0.235)		-0.563** (0.249)		-0.508** (0.233)		-0.483*** (0.223)		-0.536** (0.243)		-0.467* (0.231)		-0.438** (0.214)
West		-0.839***		-0.675**		-0.660**		-0.858**** (0.275)		-0.691***		-0.674***		-0.774*** (0.277)		-0.566***		-0.549***
Observations R-squared	50 0.095	50 0.496	50 0.210	50 0.545	50 0.172	500	50 0.129	50 50 0.518	50 0.262	50 0.570	50 0.222	50 0.584	50 0.150	50 0.500	50 0.320	50 0.577	50 0.265	50

Notes: Dependent Variable = One, Five, and Ten Year Average Score; House, Senate, and State Average Scores = Overall Congressional Economic Freedom. Robust standard errors in parentheses. ** p <.01, *** p <.05, ** p < .05, ** p < .10.

TABLE 9 "Labor Market Freedom" EFNA Subcomponent Score

	(1) One	(2) One	(3) One	One	(5) One	(6) One	(7) Five	(8) Five	(9) Five	(10) Five	(11) Five	(12) Five	(13) Ten	(14) Ten	(15) Ten	(16) Ten	(17) Ten	(18) Ten
Variables	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
Constant	6.848*** (0.0771)	9.960*** (2.321)	7.010*** (0.0892)	8.584*** (2.525)	6.957*** (0.0816)	8.161*** (2.247)	6.840*** (0.0738)	9.736*** (2.305)	7.016*** (0.0830)	8.311*** (2.538)	6.958*** (0.0763)	7.878*** (2.241)			7.092*** 7	7.541*** 7. (2.675)	7.030*** 7 (0.0755)	7.036*** (2.315)
House	0.749***	1.057***					0.819***	1.087****					0.882***	1.239*** (0.236)				
Senate			0.402***	0.405***					0.434***	0.418***					0.469*** (0.109)	0.470***		
State average			,		0.623^{***} (0.165)	0.780^{***} (0.166)			,		0.675****	0.805*** (0.156)				_	0.729*** 0 (0.152) (0.909*** (0.176)
Population (in 10,000s)		-0.000200**		-0.000172*	,	-0.000162*		-0.000209**	,	-0.000180*	. 1 3	-0.000170*	75	-0.000173**	T S	-0.000140		0.000129
Population density		-5.01e-05		1.38e-05	, v	0.000120	- • •	-0.000185	۱۱ ز	-0.000118	~ I `	-9.39e-06	۱۱ د	-0.000112	219	-4.15e-05	<u>o</u> ∞ ∈	8.35e-05
Median age		(0.000380) -0.0415	_	(0.000345) -0.0226	<u> </u>	-0.000323	-	(0.000385) -0.0495*		-0.0236	<u> </u>	0.000321)	≝ ').000408) -0.0302	9 1	0.000397)	9	0.000374)
		(0.0272)		(0.0361)		(0.0292)		(0.0259)		(0.0363)		(0.0293)	-	(0.0304)	<u> </u>	0.0434)	· •	0.0379)
% Male		-0.0269 (0.0277)		-0.00708 (0.0227)		-0.0208 (0.0221)		-0.0267 (0.0272)		-0.00634 (0.0224)		-0.0205 (0.0217)	. •	-0.0315 0.0250)	1 0	0.00799 0.0243)	1 &	0.0241 0.0223)
% White		-0.0158**		-0.0123		-0.0141		-0.0129*		0.00931		-0.0112	- 5	-0.0110*	, 1 -	0.00688	T S	0.00902
Unemployment		0.0671		0.00486		0.0187		0.0867*		0.0225		0.0368	,	0.0987**		0.0260		0.0420
Per capita GDP		(0.0524) -7.27e-07		(0.0520) 3.25e-06		(0.0490) 5.08e-06		(0.0463) -5.85e-07		(0.0484) 3.53e-06		(0.0445) 5.42e-06	į	(0.0450) 4.76e–06) i	0.0504) 2.31e-07	≥ .i	0.0452) 95e-06
% Bachelor's degree		(1.18e - 05) 0.0377^*	_	9.99e-06) 0.0360		(9.75e-06) 0.0404*		$(1.14e - 05)$ 0.0431^{**}	_	9.79e-06) 0.0414*	<u> </u>	(9.64e-06) 0.0459**	Ξ,	$(1.16e-05)$ 0.0452^{**}	Ξ,	.03e-05) 0.0431*	T. 0, 2	(1.08e-05) 0.0482**
Northeast		(0.0213) -0.241		(0.0247) -0.596* (0.334)		(0.0230) -0.540* (0.203)		(0.0198) -0.238		-0.604 -0.604		(0.0210) -0.546* (0.286)	-	-0.237		0.0241) -0.650* 0.364)	219	0.586*
Midwest		-0.574^{**}		-0.560***		-0.524^{**}		-0.554***		-0.538**		-0.501***	'	-0.530**	1	0.514**	1	0.472**
West		(0.225)		(0.254)		(0.235) -0.627**		(0.218)		(0.243)		(0.220)	,	(0.209)		(0.242) -0.652***	<u> </u>	(0.215) -0.539*
Observations <i>R</i> -squared	50 0.184	(0.247) 50 0.579	50 0.223	(0.285) 50 0.535	50 0.249	(0.265) 50 0.585	50 0.230	(0.243) 50 0.606	50 0.272	(0.284) 50 0.558	50 0.306	(0.265) 50 0.614	50 0.257	(0.241) 50 0.603	50 0.305	(0.287) 50 0.539	50 0.343	0.269) 50 0.609

Notes: Dependent Variable = One, Five, and Ten Year Average Score; House, Senate, and State Average Scores = "Labor Market Freedom" Congressional Economic Freedom Subindex. Robust standard errors in parentheses. "p < .05, "p < .05, "p < .05, "p < .1.

score subindex. Here again statistical significance is found in 10 of the 18 specifications, though again the majority of those without controls. Across the board, however, the Congressional vote score has a positive and economically significant coefficient. Further, the insignificance may be due to the relatively low number of votes included in this subcategory, with only four votes used for the House scores and five scores used for the Senate scores.

Finally, Tables 8 and 9 present regressions of the EFNA "Labor Market Freedom" score against overall Congressional economic freedom score and Congressional "Labor Market Freedom" subscores, respectively.

The results for the Labor Market Freedom component are quite strong. The Congressional vote score variable attains statistical significance in each specification in Tables 8 and 9. Across the House, Senate, and state average economic freedom vote scores the effects are generally highly significant in an economic sense as well. Across both tables, the coefficient estimates for the overall state average, for instance, range from roughly 0.6 to 1, indicating that the difference between a state Congressional delegation consistently voting for economic freedom (a score of 1 in our index) as opposed to consistently voting against economic freedom (a score of -1in our index) is associated with anywhere from 1.2 to 2 point change in a state's labor market freedom score.

Similar results to these are also corroborated by Bjornskov and Potrafke (2012), who find that government ideology had a major influence on labor market liberalization across Canadian provinces. Given the results found here, it may be that relative to other policy issues labor market liberalization is a relatively salient policy, especially in regard to unionization and other similar issues, which may also indicate an ideological divide. ¹²

V. CONCLUSION AND DIRECTIONS FOR FUTURE RESEARCH

Economic freedom generally correlates positively with a number of indicators of wellbeing, making an understanding of the factors affecting its expansion and recession an important task

12. Again, although a detailed analysis of the exact mechanisms behind this result are beyond the scope of the paper, they would be worthwhile to explore in the future.

for economists. We have employed a new index for members of the U.S. Congress based on economic freedom to control for voter preferences in an analysis of state-level economic freedom. The results are encouraging. Voting in Congress on matters related to economic freedom seems to correlate with state policies affecting the balance between markets and government. The results are robust to inclusion of socioeconomic control variables as well as regional dummy variables, and across a variety of specifications.

The alignment of state economic freedom and Congressional voting suggests the relative unimportance of state-specific economic interests. Public choice theory suggests that voters will vote their economic interests, which might differ in federal versus state policy decisions. For example, suppose that residents of an agricultural state have a strong preference for economic freedom, which is reflected in statelevel policies. Economic self-interest, however, might be expected to lead their Congressional delegation members to vote for federal crop price supports, reducing economic freedom. Our results suggest that at least on average preferences regarding markets and economic freedom are consistent between state and federal policy issues.¹³

The index of Congressional voting employed here could be used to examine additional research questions. The potential endogeneity of institutions renders inferences about the impact of limits on government or market rules problematic. Do laws strictly limiting government takings or the voter attitudes which allow adoption of such limits facilitate economic growth? The economic Congressional vote index could be used to explore such questions about state institutions. The economic freedom vote index has been constructed for just one session of Congress, necessitating a cross-sectional analysis. The robustness of the results obtained here suggests that extending the Congressional economic freedom vote index to prior years could yield a valuable tool for research on the determinants of economic freedom.

^{13.} Conceivably Representatives and Senators all vote their district's or state's economic interests against freedom when issues arise, but the opportunities to benefit from government interventions are equally distributed across states.

APPENDIX

TABLE A1

Economic Freedom Scores by Subcomponent and Legislative Chamber, State Delegations

-	Se	enate Scores				Но	use Scores		
State	Size of Government	Taxation	Labor Market	Senate EFS	Size of Government	Taxation	Labor Market	House EFS	Total State EFS
AK	0.000	0.200	-0.500	-0.047	0.667	1.000	0.250	0.650	0.302
AL	0.433	0.200	1.000	0.456	0.506	0.357	0.461	0.512	0.484
AR	-0.167	0.200	-0.3333	0.040	0.450	0.625	0.393	0.599	0.319
AZ	0.700	0.200	1.000	0.629	0.333	0.214	0.276	0.342	0.485
CA	-0.533	0.000	-1.000	-0.503	-0.196	0.094	-0.130	-0.131	-0.317
CO	-0.333	0.200	-1.000	-0.365	0.095	0.143	0.094	0.186	-0.089
CT	-0.560	-0.200	-1.000	-0.513	-0.600	-0.400	-0.520	-0.573	-0.543
DE	-0.500	0.000	-1.000	-0.424	-0.500	0.000	-0.375	-0.487	-0.455
FL	0.228	0.200	-0.333	0.162	0.338	0.467	0.282	0.358	0.260
GA	0.400	-0.400	0.833	0.294	0.187	0.256	0.244	0.319	0.307
HI	-0.533	-0.200	-1.000	-0.548	-0.667	-0.500	-0.550	-0.627	-0.587
IA	-0.159	-0.200	-0.333	-0.068	0.000	0.333	-0.050	0.015	-0.026
ID	0.467	0.200	1.000	0.571	0.561	0.750	0.667	0.690	0.631
IL	-0.233	-0.467	0.000	-0.050	0.054	0.342	-0.132	0.082	0.016
IN	0.100	-0.200	0.500	0.271	0.297	0.333	0.241	0.331	0.301
KS	0.223	-0.200	0.667	0.361	0.625	0.500	0.650	0.719	0.540
KY	0.600	0.200 0.000	0.833 0.000	0.575 0.047	0.322 0.472	0.286 0.429	0.222 0.427	0.354 0.523	0.464
LA MA	-0.067 -0.400	0.000	-0.500	-0.303	-0.683	-0.429 -0.400	-0.516	-0.634	0.285 -0.468
	-0.400 -0.567		-0.300 -1.000	-0.503 -0.541		-0.400 -0.063	-0.310 -0.230	-0.034 -0.290	
MD	0.033	-0.200	0.333		-0.354	-0.063 -0.250	-0.230 -0.438	-0.290 -0.579	-0.416
ME MI	-0.300	-0.200 0.000	-1.000	-0.029 -0.353	-0.667 0.107	0.367	0.094	0.167	-0.304 -0.093
MN	-0.367	-0.400	-1.000	-0.333 -0.412	0.107	0.307	-0.008	0.167	-0.093 -0.123
MO	0.267	-0.400 -0.200	-0.167	0.123	0.185	0.389	0.197	0.107	0.180
MS	0.233	-0.200	0.667	0.123	0.333	0.250	0.137	0.381	0.338
MT	-0.3333	0.200	-1.000	-0.376	0.667	0.500	0.250	0.646	0.135
NC	0.000	0.000	0.000	-0.022	0.007	0.218	0.000	0.047	0.013
ND	-0.300	-0.400	-0.333	-0.139	0.667	0.500	0.625	0.671	0.266
NE	-0.033	0.000	-0.167	0.094	0.667	0.667	0.639	0.651	0.372
NH	0.000	0.000	-0.333	0.024	0.500	0.750	0.607	0.580	0.302
NJ	-0.525	-0.200	-1.000	-0.518	-0.087	0.231	-0.196	-0.098	-0.308
NM	-0.459	-0.200	-1.000	-0.491	-0.212	-0.167	-0.205	-0.164	-0.328
NV	0.218	0.300	0.200	0.124	0.479	0.333	0.307	0.419	0.272
NY	-0.592	0.000	-1.000	-0.515	-0.275	0.078	-0.290	-0.263	-0.389
OH	0.033	-0.200	-0.167	-0.071	0.282	0.454	0.160	0.292	0.111
OK	0.433	0.000	0.833	0.446	0.561	0.900	0.517	0.668	0.557
OR	-0.467	0.000	-1.000	-0.452	-0.271	-0.100	-0.445	-0.282	-0.367
PA	0.133	0.000	0.000	0.106	0.231	0.588	0.017	0.245	0.176
RI	-0.533	-0.200	-1.000	-0.576	-0.667	0.000	-0.500	-0.610	-0.593
SC	0.567	0.200	1.000	0.490	0.306	0.389	0.476	0.495	0.492
SD	-0.078	-0.400	0.000	0.010	0.636	1.000	0.714	0.714	0.362
TN	0.533	0.200	0.667	0.519	0.407	0.278	0.397	0.454	0.486
TX	0.267	0.200	0.833	0.431	0.286	0.318	0.306	0.389	0.410
UT	0.619	0.100	1.000	0.635	0.333	0.500	0.400	0.568	0.601
VA	-0.433	-0.200	-1.000	-0.369	0.282	0.091	0.307	0.324	-0.022
VT	-0.633	0.200	-1.000	-0.511	-0.667	-0.500	-0.500	-0.561	-0.536
WA	-0.500	-0.200	-1.000	-0.471	-0.094	0.204	-0.082	-0.060	-0.265
WI	0.067	0.000	-0.167	0.082	0.233	0.375	0.132	0.233	0.158
WV	-0.433	0.000	-1.000	-0.429	0.278	0.333	-0.167	0.312	-0.059
WY	0.333	0.200	1.000	0.379	0.667	0.500	0.625	0.682	0.530

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