

Economic voting in Europe: Did the crisis matter?

Liisa Talving

Institute of Government and Politics, University of Tartu

Lossi 36, 51003 Tartu, Estonia

Ph. +372 53 225 171

e-mail: liisa.talving@ut.ee

Paper prepared for presentation at the 3rd European Conference on Comparative Electoral Research, 25-27 April 2014, Thessaloniki, Greece.

Note: This is a work still in progress.

Abstract

During the global financial and economic crisis in 2007-2009, most European countries faced economic meltdown and growing unemployment. This would lead us to expect a strong economic effect on vote choice. Yet, recent academic work suggests that diminishing clarity of responsibility makes it difficult for voters to attribute blame for economic outcomes, consequently leading to less punishment. Has the economic vote then increased or decreased? Analyzing European Election Studies data from 40 surveys this paper finds support for neither: the economic vote appears remarkably stable over the years. This is not to conclude, however, that the crisis did not matter. The popular discontent rocketed and incumbents were certainly punished. Yet, the *strength* of the statistical relationship between political support and economic assessments remained the same.

Keywords: Economic voting; incumbent support; economic crisis; Europe.

1. Introduction

It is commonly acknowledged that there is a robust relationship between economic conditions and political support. When the economy performs poorly, voters tend to punish the governing parties by not voting for them. Recent global economic and financial crisis has left the academic world concerned with its consequences and highlighted the need to reassess the mechanisms of democratic accountability. The question often asked is whether in the rapidly changing socioeconomic environment voters behave the same way as they have before. This paper addresses the issue by exploring what happened to economic voting in Europe in times of crisis.

The most severe economic shock of our time gives us, on the one hand, a reason to expect that in many countries incumbents are held responsible and are punished for poor outcomes. Previous findings indicate that economic impact on government support may be stronger when the times are tough than when the economy is performing well (Mueller 1973). On the other hand, there is evidence that in the increasingly interwoven world economic voting is rather getting less pronounced. The punishing mechanism is stronger when the clarity of responsibility is high (Powell & Whitten 1993) but the consequences of globalization, multilevel governance as well as complexity and the global nature of the crisis may leave the voters struggling with assigning responsibility (see Hellwig 2001; Duch & Stevenson 2010; Costa Lobo & Lewis-Beck 2012).

A number of studies have examined the aftermath of the crisis in separate European countries or regions (see Marsh & Mikhaylov 2012; Nezi 2012; Bellucci 2012, 2014; Fraile & Lewis-Beck 2012) but have arrived at contradictory outcomes. Some find confirmation for retrospective economic voting, some do not and some conclude that the effect is mediated by other variables (see Tillman 2011; Torcal 2014; Bellucci 2014). Alas, large-scale comparative analyses are yet to be published and to date there is no certainty to whether the crisis has changed the economic vote and how.

This paper contributes to existing knowledge by observing the economic effect under the crisis in greatly diverse political systems, enabling to draw generalized conclusions independent of country context. I will first review the economic voting literature and summarize the results of recent studies. I will then move on to testing the economic voting model before and after the recession and will employ different robustness checks to challenge the results. Using European Election Studies data from 1989, 1994, 2004 and 2009 for 10 countries and more than 45,000 respondents, I demonstrate that personal reaction to economic hardship was neither less nor more intense in 2009 than it was prior to the recession. It is important to note, however, that this does not imply that in terms of economic accountability the crisis did not matter. Dissatisfaction with the economy increased enormously and governments were certainly held responsible but the punishing mechanism itself is surprisingly stable over the years.

2. Economic voting in times of crisis

The central claim of economic voting theory is that under poor economic circumstances voters tend to punish the incumbents by not voting for them (see Campbell et al. 1960; Key 1966; Kramer 1971; Fiorina 1981; Lewis-Beck 1988). The positive relationship between economic performance and incumbent support holds both at the individual and aggregate level of analysis. Macroeconomic indicators, in particular GDP growth, unemployment and inflation rate correlate with incumbent support (Goodhart & Bhansali 1970; Mueller 1973; Jacobson 1990). On the individual level, subjective perceptions of how the economy is doing affect the support for governing parties. The existing literature suggests that when evaluating incumbent performance, voters give more weight to country’s overall economic situation rather than their own personal financial situation (Kinder & Kiewiet 1981; Lewis-Beck 1988) and are more influenced by retrospective evaluations than by prospective ones (Key 1966; Fiorina 1981).

Figure 1. Macroeconomic changes in EA17 from 1996 to 2011



Source: Eurostat data for Euro area 17 countries. GDP growth rate marked as a change on previous year (%), unemployment as an annual average (%) and inflation rate as an annual average rate of change (%).

During the global economic and financial crisis, the economy could easily be expected to be a crucial factor in explaining incumbent support. The trigger point of economic downturn occurred in September 2008 with the largest bankruptcy in US history, the crash of the global financial giant Lehman Brothers, which was an alarm signal to public opinion and an impulse for further crises across the world (Colomer & Magalhaes 2012). The recession reached its peak in the first half of 2009 when the Western world faced a severe drop in GDP growth and increasing unemployment (see Fig. 1). Previous evidence shows that economic voting can be asymmetric: it may be more prevalent

during difficult times and less pronounced when the economy is doing well (see Mueller 1973; Anderson 1995). Against the backdrop of recent substantial macroeconomic changes, a strong negative economic vote should then be expected.

On the other hand, there are also reasons to believe that the economic vote after the crisis may be weaker than before. While we know that voters are more eager to punish incumbents in systems with higher clarity of responsibility (Powell & Whitten 1993), current economic developments are sending signals to the citizens that government performance is constrained when it comes to economic decisions. Globalization, growing economic integration, openness and interdependence blur economic accountability and consequently reduce economic effect on vote (Hellwig 2001; Fernández-Albertos 2006; Hellwig & Samuels 2007; Kayser 2007; Duch & Stevenson 2010). Costa Lobo & Lewis-Beck (2012) argue that the national economic vote is also lessened in the system of multilevel governance where the EU is perceived responsible for the economy. Recent literature therefore discusses the possibility that the global and complex essence of the crisis may have led to economic voting being less pronounced.

Studies on change in the economic vote in times of crisis have hitherto come to very different conclusions. Analyzing German parliamentary elections of 2009, Anderson and Hecht (2012) find no evidence of retrospective economic voting whereas Rattinger and Steinbrecher (2011), albeit stating that economic effects are not 'dominant', do. Tillman (2011) argues that in the British general elections in 2010 blame attribution is exercised by more knowledgeable voters. Clearer signs of retrospective economic vote are detected in the 'European periphery' which was hit hard by the crisis: in Ireland, Greece, Italy, Spain and Portugal (Marsh & Mikhaylov 2012; Nezi 2012; Bellucci 2012; Fraile & Lewis-Beck 2012; Freire & Pereira 2012). Torcal's (2014) results confirm that the incumbent was punished in Spain in 2011 but indicate that punishment is mediated by deep ideological divisions among the electorate. Bellucci (2014) finds some support for retrospective economic voting in Italy in 2013 but concludes that the effect is conditioned by the extent to which the EU is blamed for the crisis.

Hence, up till now there is no explicit understanding if and how the economic crisis has shaped economic voting. Single-country or regional studies provide some insight to the issue but the lack of extensive comparative studies prohibits drawing broader conclusions. This study therefore takes on an empirical test on data from 40 different surveys (4 years, 10 countries) in order to identify whether the punishing mechanism has changed after the crisis, and if so whether the economic vote is less or more apparent than prior to the shock.

3. Data, measurement and methods

3.1. Data and case selection

To test the empirical validity of the theoretical expectations, quantitative data analysis is used. The focus is on the individual-level data which are obtained from the European Election Studies (EES) Voter study that has been carried out every four years since 1989. Within four weeks after the European Parliament elections, face-to-face or telephone interviews are typically conducted with a nationally representative sample of voters from every country that is included in the survey wave¹. Each of the studies has been designed in a similar manner and the questionnaires contain a large number of identical questions, including those of primary interest in the present analysis. The high-quality datasets thereby offer large temporal and spatial variance, a necessary condition to answer the research question at hand.

For the analysis, I include respondents from 10 European countries and surveys from 1989, 1994, 2004 and 2009 with a total sample of more than 45,000 respondents (n≈1000 interviews per survey per country, see Table 1). The first wave of the EES Voter study, in 1979, is not included due to data missing on one of the main variables of interest, retrospective economic evaluations. For the same reason, data from 1984 are not included. The EES Voter study of 1999 has also been excluded from the analysis due to retrospective economic evaluations having been measured differently than in other years. The country selection, too, largely issues from the availability of the data. Although the number of countries included in the EES Voter study originally ranges from 12 in 1989 to 27 in 2009, the 10 countries involved in all four survey waves from 1989 to 2009 are Denmark, France, Germany², Greece, Ireland, Italy, Netherlands, Portugal, Spain and United Kingdom³. Luxemburg has been excluded from the present analysis due to a small number of respondents in some of the survey waves (only 300 respondents in 1989 and 500 respondents in 1994). Belgium was excluded because the data on vote intention was not collected in 2004.

¹ The fieldwork in 1989 was carried out before the EP elections. Pre-electoral survey was selected for the present analysis due to the availability of the variables needed for the comparison. In 1989 and 1994 the EES Voter Study was carried out as a part of the regular Eurobarometer. Depending on the availability of the variables needed for the comparative analysis, the 1st wave of the 1989 survey (EB30) and the 4th wave of the 1994 survey (EB42) were selected.

² In 1989 only West Germany was included in the EES Voter study. In 1994 the fieldwork was conducted separately in West and East Germany but because by 1994 Germany was officially reunited and the federal as well as the EP elections in 1994 were held unitarily in the whole country, the two datasets have been combined.

³ In 1989, 1994 and 2004 the fieldwork was carried out separately in Great Britain and Northern Ireland. For the purpose of comparability with 2009, the data for Great Britain and Northern Ireland have been combined and United Kingdom has been treated as a unitary item throughout the analysis.

Table 1. Number of respondents in the EES Voter study per country per year

	1989	1994	2004	2009	Total
Denmark	1,006	1,001	1,317	1,000	4,324
France	1,001	1,007	1,406	1,000	4,414
Germany	1,051	2,052	596	1,004	4,703
Greece	1,000	1,002	500	1,000	3,502
Ireland	1,012	626 ⁴	1,154	1,001	3,793
Italy	1,058	1,055	1,553	1,000	4,666
Netherlands	1,006	1,047	1,586	1,005	4,644
Portugal	1,000	997	1,000	1,000	3,997
Spain	1,013	1,006	1,208	1,000	4,227
United Kingdom	1,323	1,351	3,082	1,000	6,756
Total	10,470	11,144	13,402	10,010	45,026

In order to capture variation in economic and political conditions over time and across space and consequently more accurately estimate the economic effect, the data for 4 survey waves and 10 countries have been pooled into one dataset. The original EES Voter study datasets also include a socio-demographic weight variable but because there is no clarity in survey documentation about how the weights were constructed for every country for every year, raw data are used throughout the analysis here.

3.2 Variables and analysis method

Building on the notion that vote choice is the generally preferred dependent variable in electoral behavior studies (Lewis-Beck 2006), the outcome variable here is vote intention. Even though the EES Vote study also contains data on actual vote choice in European Parliament elections, vote intention is chosen for the present analysis instead due to European Parliament elections often being considered second-order elections (see e.g Reif & Schmitt 1980) where the accountability mechanisms behave differently than in national elections. To measure vote intention, the respondents in the EES Voter study were shown a list of parties and asked to name the party they would vote for if the general elections were held tomorrow. The answers are recoded as 1 if the preferred party was incumbent Prime Ministerial (PM) party at the time of the fieldwork and 0 if any other party was preferred. Don't knows, refusals, respondents who said they would not vote, would spoil the vote or vote blank, and missing answers have been excluded.

⁴ In Ireland an incumbent change took place half way through the EES Voter study fieldwork period in 1994. Fianna Fáil held the PM portfolio until the 14th of Dec 1994 and Fine Gael, previously an opposition party, took the position on the 15th of Dec 1994. The EES Voter study fieldwork in Ireland in 1994 lasted from the 30th of Nov until the 23rd of Dec. In present analysis, Fianna Fáil has been selected as an incumbent PM party. All respondents interviewed later than on the 14th of Dec 1994 have been excluded from the dataset. Decision reviewed with Prof. Michael Marsh (Trinity College Dublin) in personal communication on 11th of Nov, 2013.

Due to dichotomous nature of the dependent variable, binary logistic regression is applied as the method of analysis.

Variable operationalization in economic voting studies is extremely diverse. In their ample overview of literature on economic effects in 1981-2007, Bellucci and Lewis-Beck (2011) demonstrate at least 8 different ways of operationalizing the dependent variable. This indicates that there is no common and widely approved way to measure incumbent support. Previous individual-level studies have often defined choice between government and opposition as their outcome variable but van der Brug et al. (2007, p.9) emphasize that this set-up fails to take into account that parties may be differently affected by the economy. In diverse coalition governments parties share dissimilar responsibilities and may consequently suffer or gain from economic changes in a different manner. Baring these concerns in mind, incumbent support is here measured as vote intention for PM party in national elections. Although the role of PM party can vary in political systems depending on, for example, its dominance, size, strength and whether the government is formed by multiple participants, in multiparty systems PM parties are still typically held more accountable for economic performance than others (see Duch & Stevenson 2008; Fisher & Hobolt 2010).

Another methodological matter often raised is whether the vote intention indicated in surveys reflects actual aggregate-level electoral outcomes. Final vote choice may be a consequence of several factors such as partisanship, attitudes toward a party and its leader, campaign influence, or strategic and protest voting (see van der Eijk et al. 2006) which may not appear in responses given in survey interviews. The EES Voter study pooled data look trustworthy: average vote intention for PM party in the survey is 30.3% whereas PM parties' actual average vote share in next national elections following the survey was 32.3% (Pearson's $r=0.5$). Although it is necessary to retain caution when comparing individual-level and aggregate-level data, the results do indicate congruence between survey data and the 'real' world.

Even more emphasis has been put on what is on the right side of an equation, specifically on how to measure economy. A large part of individual-level economic voting studies rely on measures of economic perceptions rather than of actual economic conditions but it has been disputed how much people really know about the economy (see van der Brug et al. 2007; van der Eijk & Franklin 2009). With regard to these considerations, I measure individual-level 'subjective' economy against 'real' economy using the EES Voter study data. Results show a strong correlation between mean score of retrospective economic evaluations, calculated for each country per year, and one of the main measures of actual economy, GDP growth rate ($r=0.8$). Hence, the individual-level survey data are doing a good job in reflecting the reality. Several studies have arrived at similar conclusions (see Nadeau & Lewis-Beck 2001; Bélanger & Lewis-Beck

2004), stating that voters' beliefs about their national economies 'are grounded in economic reality' (Duch & Stevenson 2010, p. 113).

The main independent variable of interest in the present analysis is thus citizens' retrospective economic evaluations. Respondents were asked to assess on a 5-point scale whether they think that compared to 12 months ago the general economic situation in the country has got a lot better, a little better, stayed the same, got a little worse or a lot worse. Fraile and Lewis-Beck (2012) draw attention to the restricted variance problem pointing out that the lack of variance in economic opinion under the crisis makes it difficult to estimate the real effect of the economy. Indeed, the pooled data of the EES Voter study from 1989, 1994, 2004 and 2009 indicate that only 2.3% of people consider the economic situation in their country a lot better than a year ago (in 2009 only 0.9%). In order to address this concern, the variable has been recoded into a 3-point scale where 1=worse (45.1%), 2=stayed the same (28.5%) and 3=better (24.1%). Prospective economic evaluations, also often used in economic voting studies albeit showing considerably weaker effects than the retrospective ones, are not included due to the question not having been asked in the 1989 survey wave.

The socio-demographic controls added in the models are variables typically known to influence voters' political preferences. The key socio-psychological factor influencing electoral choice in the American political system is party identification (see Campbell et al. 1960), with the majority of people having a sense of attachment with one of the two main parties. In Europe where the party landscape is more fragmented ideological identification is rather emphasized (see Inglehart & Klingemann 1976). Therefore, left-right self-placement is also chosen as an anchoring variable in this study. Additionally, classic indicators of social group membership (see Lewis-Beck 1988) such as age, gender, education, religion and social class are included in the models.

To assure the correct model specification, respondents' left-right ideology, social class and attendance of religious services have been adjusted to match the ideology of a PM party in power at the time of fieldwork (see Nadeau et al. 2013). For example, the ideology scores remained the same (1=left, 10=right) if the incumbent PM party was right-wing⁵ but were reversed (1=right, 10=left) if the incumbent PM party was left-wing. This enables to take into account that citizens are more likely to vote for a party with similar ideological views to their own, and that people from higher social class and with more religious views have a tendency to support right-wing parties. Because incumbent PM parties in different countries at different time points do not have ideologically identical views, adjusting explanatory variables accordingly helps to get rid of the contradictions within these variables (e.g. in some surveys positive regression

⁵ PM parties in different countries at different time points were divided into left and right category depending which side of the midpoint of a typical left-right scale they fall on. In categorizing the parties, internet resources and country experts were consulted.

coefficient implies higher support for left-wing PM party and in other surveys for right-wing PM party) and thereby decreases the ambiguity of the results.

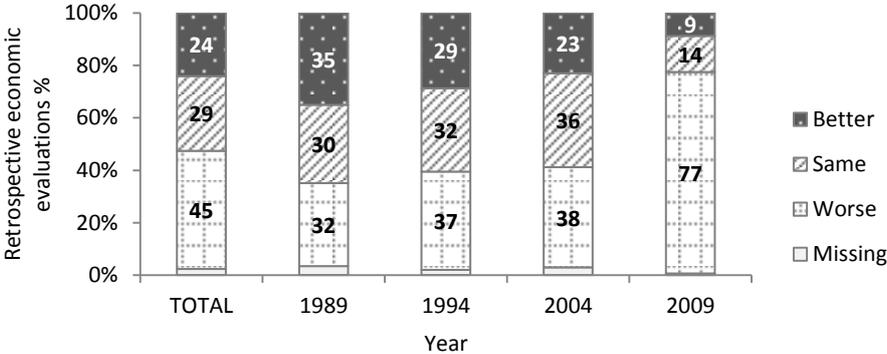
Finally, in order to account for possible effects of the electoral cycle, the distance from elections is controlled for. The variable is measured as a number of months from the last national elections to the starting date of the survey fieldwork. Calculations are based on information available in the EES Voter study methodological reports and the European Election Database. Due to being measured on different scales, all control variables are recoded on a scale from 0 to 1 in order to enable the comparison of effects.

4. Empirical results

4.1 Descriptive statistics

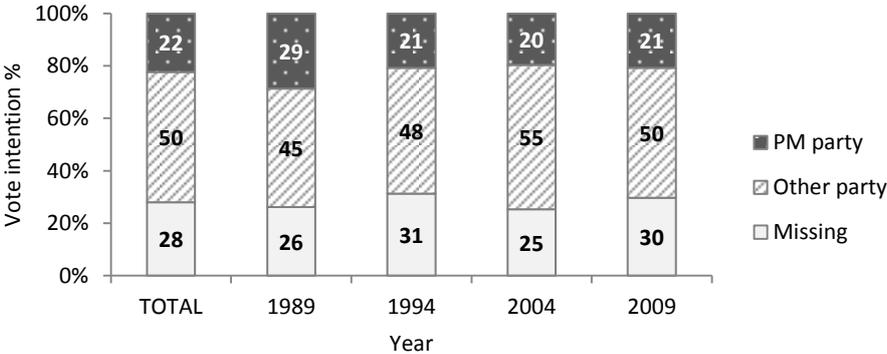
To illustrate the basic features of data, this section first presents the description of main variables in the total sample of the pooled dataset (n=45,026, 10 countries and years 1989, 1994, 2004 and 2009). It was previously demonstrated that by the time the crisis reached its peak in 2009, macroeconomic circumstances had worsened sharply. Let us now have a look at what happened to subjective economy. Retrospective economic evaluations, originally measured on a 5-point scale in the EES Voter study, were recoded to a 3-point scale with 1 referring to “worse”, 2 to “same” and 3 to “better”. In all surveys combined, on average 24.1% of respondents say that the general economic situation in their country is now better than 12 months ago and according to 45.1% it has worsened (see Fig. 2). There is, however, great variation over time. In 1989 only a third (31.7%) of respondents said that the economy has become worse within past year whereas in 2009 this opinion was shared by 76.8%. Thus, the survey data are by and large consistent with macroeconomic trends as both indicate severe economic deterioration by 2009.

Figure 2. Economic evaluations (%) by survey year, 10 countries combined



Despite the sharp decline both in economic context as well as people’s economic assessments, there is no vast difference in incumbent support before and after the crisis. Figure 3 reflects the frequency distribution of the dependent variable, incumbent support, coded as 1 if the intended vote choice was the governing PM party and 0 otherwise. The results show that in all surveys combined, 22.3% of respondents indicate their support for the PM party (see Fig. 3). The figures for 2009 do not differ much: 20.7% were willing to vote for the incumbent PM party and 49.5% for some other party. The proportion of people with vote intention missing has not increased notably by 2009 either. 7.6% indicate that they would not vote at all and 14% do not know who they would vote for. Less than 2% say that they would spoil the ballot or vote blank. These figures differ from the ones in previous years only by a few percentage points.

Figure 3. Vote intention (%) by survey year, 10 countries combined



The correlation between PM party’s support and economic evaluations in all surveys combined is $r=0.21$ which indicates weak but positive relationship between economy and incumbent support. The ANOVA test points to a statistically significant difference in mean vote intention across economic evaluation groups. Support for the incumbent PM party is 34.4% among people who think that the economy has become better, 15.4% among those who think it has got worse and 23.2% among people according to whom the economic situation has remained the same. Next, these results are tested with directional analysis.

4.2 Basic model of economic voting

To examine the effect of economy on incumbent support I first estimate a bivariate logistic regression model where the only explanatory variable is retrospective economic perception. The independent variable is defined as categorical (1=worse, 2=same, 3=better) which allows us to see the effect on incumbent support of all three groups of

economic evaluations. In order to account for the possibility that responses are nested within countries and years, a robust clustered standard errors approach has been used throughout. The analysis tells us that the overall effect of economic perceptions on incumbent support is statistically significantly different from 0 ($p < 0.01$). To better interpret the outcome, logistic regression coefficients estimated as log odds are transformed into average marginal effects. Model 1 in Table 2 in Appendix A shows that compared to people who say the economy has become worse over the past year, the probability of voting for the incumbent PM party is 11 percentage points higher if the economic situation is considered to have stayed the same and 22 percentage points higher if the economy is considered to have improved. Translated into predicted probabilities, the results imply that the likelihood of voting for the governing PM party is 22% for people who think the economy has deteriorated, 33% for people who think it has stayed the same and 44% for people who say the economy has become better over the year.

As pointed out earlier, there are various socio-demographic indicators that have traditionally been found to affect vote choice and can be argued to correlate with the economic evaluations; these are now taken into account as controls for economic effect. Comparing the pseudo R-squared of the multivariate model (0.17) to the one with only one explanatory variable (0.03), we see some improvement in model fit. In line with previous findings, primarily respondents' ideological views show strong influence with citizens being more likely to vote for incumbent PM party with ideological views close to their own (Model 2 in Table 2 in Appendix A). More importantly, we see that the effect of economic perceptions does not change remarkably when control variables are added: retrospective economic evaluations are one of the main predictors of PM party's support in the model. The effect is still highly significant even when challenged by controlling for past vote choice, a proxy for possible omitted variables. This increases the pseudo R-squared to 0.57 but despite conservative over-controlling, the economic effect remains firm (average marginal effect 0.03 for category 'same' and 0.06 for category 'worse').

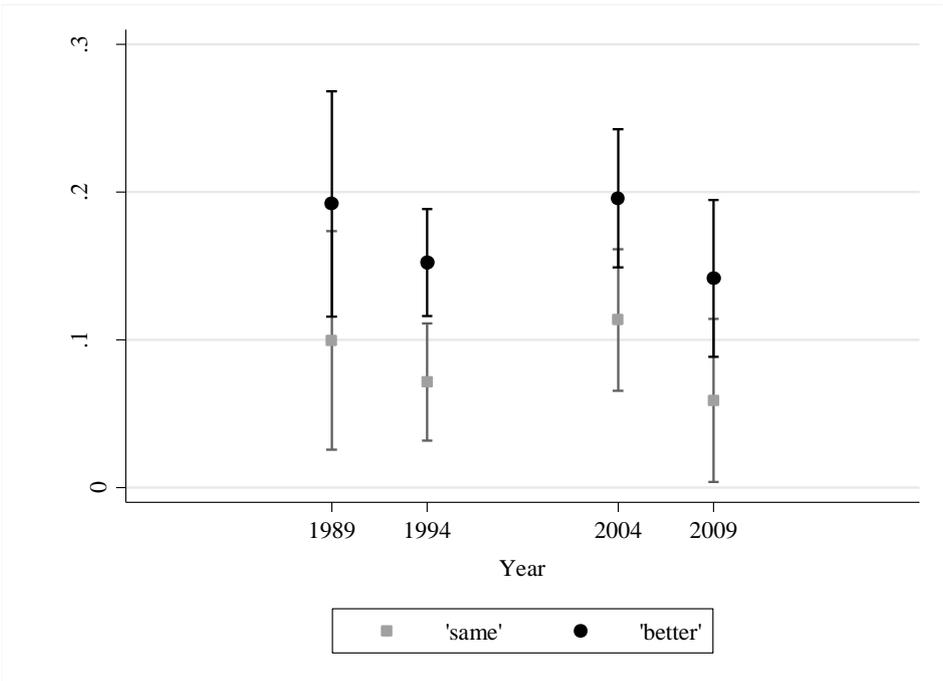
4.3 Impact of the crisis

With the basic economic voting model set, a similar analysis could be now conducted for each survey year. Comparing separate models across years has one restriction, however: it does not enable to properly estimate the effect of time because in each of those models time is constant (see van der Eijk et al. 2006, Lewis-Beck & Nadeau 2012). For that reason, pooled dataset with data from 40 surveys (4 years, 10 countries) is used. To account for the unobserved heterogeneity across time, a dummy variable for each survey year is added. 2009, the main time point of interest, is defined as a reference category. In a model like this, the economic main effect can be interpreted as average

effect of economy on incumbent support across all years included. We observe that there is no remarkable change in economic perceptions' coefficient: even when the temporal diversity is taken into account, subjective economy continues to have a strong effect on political support (see Model 3 in Table 2 in Appendix A). We can also see that the only year dummy showing some significant effect on incumbent support compared to 2009 is 2004 when the support for PM party appears to be somewhat lower.

Determined to find out whether the effect of economy varies together with time, economic evaluations are next interacted with the year variable. Model 4 in Table 2 in Appendix A demonstrates that the main effect of economic perceptions is still there and just as strong. Significant interaction effects tell us that that in all four years, people are clearly more inclined to vote for incumbent if their economic assessments fall into categories 'same' or 'better'. But does the economic effect differ over time? The answer to that is graphically displayed on Figure 4, which for space considerations only focuses on the effect of the economic perceptions variable. The outcomes show that change in economic evaluations from 'worse' to 'better' raises the probability of voting for incumbent by 19 percentage points in 1989, by 15 points in 1994, by 20 points in 2004 and by 14 points in 2009. Relatively stable results over the years also appear in average marginal effects for the category 'same'. We can then witness that the economic effect is somewhat lower in 2009 than before but the horizontal overlapping of confidence intervals indicates that the difference is not significant.

Figure 4. Average marginal effects of economic evaluations on incumbent support by year (with 95% confidence intervals; 10 countries combined; ref. category 'worse')



5. Conclusions and discussion

This paper started off asking if and how recent financial and economic crisis has affected economic voting. EES Voter study data from 1989, 1994, 2004 and 2009 for 10 Western democracies indicates that individual dissatisfaction with the economy escalated by 2009, with as much as 77% of respondents expressing their discontent with the state of national economy. At the same time, there is no evident decline in incumbent support: similarly to previous years, approximately every 5th citizen was willing to vote for the PM party in power.

Recent academic work has proposed that during the crisis, economic voting mechanism may have changed. The asymmetry hypothesis, according to which economic voting is more pronounced during difficult times, allows us to expect a strong negative economic effect as a result of the Great Recession. On the other hand, arguments of lower clarity of responsibility have emerged stating that globalization of economy has led to governments having less control and the economic effect consequently being weaker. This study, analyzing large-scale data covering various political and economic contexts, finds support for neither: taking 10 Western democracies together, the effect of economy on incumbent support does not change significantly with time. In terms of retrospective economic assessments, the crisis placed more people into 'worse' category but did not change the strength of the punishing mechanism itself.

Comparing four survey years during two decades of time, it is rather 2004 than any other year that stands out. The economic effect appears somewhat stronger and the attitudes towards incumbent are noticeably negative. More precisely, micro effects seem to be more powerful than macro effects in 2004 whereas in 2009 the tendency appears to be the opposite. To explain the divergent results of 2004 will have to be a task of another paper. With macroeconomic conditions being relatively stable that year, we for now can only speculate whether the strong protest against government was due to general lack of trust in politics, the EU enlargement and increasing euroscepticism, domestic political and security issues or something else.

Having demonstrated that on average, there is no empirical evidence of economic voting being less or more intense after the crisis that it was before, it must be acknowledged that part of the puzzle still remains. If the economic voting mechanism hasn't changed, why did high discontent with economy not lead to more punishing? While this paper has shed some light on the much-debated topic of consequences of the economic shock, it does contain a number of limitations which may hinder answering this question. Firstly, it doesn't focus on possible heterogeneity in economic effect across countries. While the general trends may seem stable, it is likely that the punishing mechanism is not homogenous for instance in Southern Europe, which suffered a great deal from the crisis, compared to Germany, which despite also facing remarkable economic loss during

the crisis remains the biggest and most stable economy in Europe. Additionally, it should perhaps be considered in the context of the crisis that before assessing the state of economy, voters may compare their own national circumstances to the ones abroad (see Keyser and Peress 2012).

Another major debate in the economic voting literature concerns the matter of endogeneity. The critics claim that citizens' economic perceptions are biased by their political orientation, i.e. incumbent supporters see the economy more positively and thus the economic effect is overestimated (see Kramer 1983; Wlezien et al. 1997; Evans & Andersen 2006; van der Eijk et al. 2007). The firmness of economic effect despite using strong controls like past vote and left-right ideology lends some support to subjective economy being a valid predictor of incumbent support. Nevertheless, to really overcome the problem, a complex technique of variable exogenisation through use of instrumental variables would be needed (see Lewis-Beck et al. 2008; Fraile & Lewis-Beck 2012; Nadeau et al. 2013). This is often complicated due to the lack of proper instruments.

Last but not least, I have to consider the possibility that 2009 may not be the best measure of post-crisis period. Although the macro economy had started showing signs of recovery, the aftermath of the crisis still went on for some time. In the middle of 2009, some governments in Europe were only beginning to work on developing post-recession policies. Different approaches in tackling the crisis led to belt-tightening austerity measures in some places and generous stimulus packages in others, sometimes ending up with political distrust and public protests even many years later. In future work, possibly using newer data, public reaction to economic policies should certainly receive attention.

Appendix A

Table 2. Logistic regression for incumbent PM party's support in 10 European countries

	(1) Bivariate model	(2) Basic model	(3) Year dummies	(4) Interactions
Worse	<i>ref. category</i>	<i>ref. category</i>	<i>ref. category</i>	<i>ref. category</i>
Same	0.11*** (0.03)	0.07*** (0.02)	0.09*** (0.01)	0.09*** (0.01)
Better	0.22*** (0.02)	0.16*** (0.02)	0.17*** (0.02)	0.17*** (0.02)
LR placement	-	0.66*** (0.05)	0.66*** (0.05)	0.66*** (0.05)
Class	-	0.05 (0.03)	0.06** (0.03)	0.06** (0.03)
Religiosity	-	0.10*** (0.03)	0.10*** (0.03)	0.10*** (0.03)
Age	-	0.15*** (0.02)	0.15*** (0.02)	0.15*** (0.02)
Gender	-	0.02** (0.01)	0.01** (0.01)	0.01** (0.01)
Education	-	-0.08 (0.05)	-0.04 (0.05)	-0.04 (0.05)
Months from elections	-	-0.01 (0.05)	-0.01 (0.06)	-0.01 (0.06)
1989	-	-	0.00 (0.03)	0.01 (0.03)
1994	-	-	-0.03 (0.03)	-0.02 (0.03)
2004	-	-	-0.09** (0.03)	-0.08** (0.03)
Same X 1989	-	-	-	0.10** (0.04)
Same X 1994	-	-	-	0.07*** (0.02)
Same X 2004	-	-	-	0.11*** (0.02)
Same X 2009	-	-	-	0.06** (0.03)
Better X 1989	-	-	-	0.19*** (0.04)
Better X 1994	-	-	-	0.15*** (0.02)
Better X 2004	-	-	-	0.20*** (0.02)
Better X 2009	-	-	-	0.14*** (0.03)
McFadden's R2	0.03	0.17	0.18	0.18
N	31,875	24,418	24,418	24,418

Entries are average marginal effects, standard errors in parentheses. The dependent variable is 1 if respondents intend to vote for the incumbent PM party in next general elections and 0 otherwise. Don't knows, refusals, respondents who said they would not vote, would spoil vote or vote blank, and missing answers have been excluded. LR, class and church attendance are adjusted to PM party's ideology. All control variables have been recoded on a 0 to 1 scale. Country dummies are not shown. In all models, robust clustered standard errors technique has been used. *** p<0.01 ** p<0.05 * p<0.1

Appendix B

Question wordings and frequency distributions (10 countries and 4 years combined)

If there was a general election tomorrow, which party would you vote for?	22.27% PM party 49.73% Other party 28.01% Missing
What do you think about the economy? Compared to 12 months ago, do you think that the general economic situation in [country] is...	18.09% A lot worse 27.03% A little worse 28.50% Stayed the same 21.85% A little better 2.26% A lot better 2.27% Missing
In political matters people talk of “the left” and “the right”. What is your position? Please indicate your views using any number on a scale from 0 to 10, where 0 means “left” and 10 means “right”. Which number best describes your position?	1.78% 0 4.38% 1 4.05% 2 9.59% 3 9.75% 4 24.53% 5 9.95% 6 8.90% 7 8.26% 8 2.57% 9 5.18% 10 11.05% Missing
If you were asked to choose one of these five names for your social class, which would you say you belong to?	26.38% Working class 13.79% Lower middle class 44.41% Middle class 8.69% Upper middle class 1.36% Upper class 5.36% Missing
Apart from special occasions such as weddings and funerals, how often do you attend religious services nowadays?	4.33% Several times a week 19.41% Once a week 32.89% Few times a year 10.33% Once a year or less 17.72% Never 15.32% Missing (incl. not applicable in 1989, 1994)
What year were you born? <i>Recorded in to age in full years.</i>	Mean 45.71 Std. deviation 17.44 0.61% Missing
Are you ...	48.06% Male 51.79% Female 0.15% Missing
How old were you when you stopped full-time education?	Mean 16.83 Std. deviation 7.12 1.89% Missing

Acknowledgements: I thank Prof. Michael S. Lewis-Beck, Piret Ehin, Kristjan Vassil, Mihkel Solvak and Thomas Biegert for comments. Part of the research was supported by Estonian national scholarship program Kristjan Jaak, which is funded and managed by Archimedes Foundation in collaboration with the Ministry of Education and Research.

References

- Anderson, Christopher J. 1995. "Blaming the Government: Citizens and the Economy in Five European Democracies." Sharpe, Armonk, NY.
- Anderson, Christopher J. and Jason D. Hecht. 2012. "Voting when the economy goes bad, everyone is in charge, and no one is to blame: The case of the 2009 German election." *Electoral Studies* Vol. 31: 5–19.
- Bélanger, Erik and Michael S. Lewis-Beck. 2004. "National economic voting in France: objective versus subjective measures." In *The French Voter: Before and After the 2002 Elections* Ed. Michael S. Lewis-Beck, 231-242, Palgrave, NY.
- Bellucci, Paolo and Michael S. Lewis-Beck. 2011. "A stable popularity function? Cross-national analysis." *European Journal of Political Research* Vol. 50: 190–211.
- Bellucci, Paolo. 2012. "Government accountability and voting choice in Italy, 1990–2008." *Electoral Studies* 31: 491–497.
- Bellucci, Paolo. 2014. "The Political Consequences of Blame Attribution for the Economic Crisis in the 2013 Italian National Election." *Journal of Elections, Public Opinion and Parties* 24(2): 243-263.
- Campbell, Angus, Philip E. Converse, Warren E. Miller and Donald E. Stokes. 1960. "The American Voter." Wiley, NY.
- Colomer, Josep M. and Pedro Magalhaes. 2012. "Firing the Coach: How Governments Are Losing Elections in Europe." Prepared for the conference Political Consequences of the Economic Crisis: Voting and Protesting in Europe, April 17-18, 2012, Georgetown University, Washington, DC.
- Costa Lobo, Marina and Michael S. Lewis-Beck. 2012. "The integration hypothesis: How the European Union shapes economic voting." *Electoral Studies* 31: 522–528.
- Duch, Raymond M. and Randolph T. Stevenson. 2008. "The economic vote: How political and economic institutions condition election results." Cambridge University Press.

Duch, Raymond M. and Randy Stevenson. 2010. "The Global Economy, Competency, and the Economic Vote." *The Journal of Politics* Vol. 72, No. 1 (January): 105–123.

Evans, Geoffrey and Robert Andersen. 2006. "The Political Conditioning of Economic Perceptions." *The Journal of Politics* Vol. 68, No. 1: 194–207.

Fernández-Albertos, José. 2006. "Does internationalisation blur responsibility? Economic voting and economic openness in 15 European countries." *West European Politics* Vol. 29, No. 1: 28-46.

Fiorina, Morris. 1981. "Retrospective Voting in American National Elections." Yale University Press, New Haven, CT.

Fisher, Stephen D. and Sara B. Hobolt. 2010. "Coalition government and electoral accountability." *Electoral Studies* Vol. 29: 358-369.

Fraile, Marta and Michael S. Lewis-Beck. 2012. "Economic and elections in Spain (1982–2008): Cross-measures, cross-time." *Electoral Studies* 31: 485–490.

Freire, André and José Santana-Pereira. 2012. "Economic voting in Portugal, 2002–2009." *Electoral Studies* Vol. 31: 506–512.

Goodhart, Charles A. E. and R. J. Bhansali. 1970. "Political Economy". *Political Studies* Vol. 18: 43–106.

Hellwig, Timothy T. 2001. "Interdependence, Government Constraints, and Economic Voting." *The Journal of Politics* Vol. 63, No. 4 (November): 1141-1162.

Hellwig, Timothy T. and David Samuels. 2007. "Voting in Open Economies: The Electoral Consequences of Globalization." *Comparative Political Studies* Vol. 40, No.3: 283-306.

Inglehart, Ronald and Hans-Dieter Klingemann. 1976. "Party identification, ideological preference, and the left-right dimension among western mass publics." *Psychometrika* Vol. 29: 129.

Jacobson, Gary C. 1990. "Does the economy matter in mid-term elections?" *American Journal of Political Science* Vol. 34, No. 2: 400-404.

Kayser, Mark Andreas. 2007. "How domestic is domestic politics? Globalization and elections." *Annu. Rev. Polit. Sci.* Vol. 10: 341-362.

Kayser, Mark Andreas and Michael Peress. 2012. "Benchmarking across Borders: Electoral Accountability and the Necessity of Comparison." *American Political Science Review* Vol. 106, No. 03: pp 661-684.

Key, Valdimer O. 1966. "The Responsible Electorate: Rationality in Presidential Voting, 1936-1960." Belknap, Cambridge, MA.

Kinder, Donald R. and D. Roderick Kiewiet. 1981. "Sociotropic politics: the American case." *British Journal of Political Science* Vol. 11, No. 2: 129-161.

Kramer, Gerald H. 1971. "Short-term fluctuations in US voting behavior: 1896-1964." *American Political Science Review* Vol. 65, No.1: 131-143.

Kramer, Gerald H. 1983. "The ecological fallacy revisited: aggregate – versus individual-level findings on economics and elections, and sociotropic voting." *American Political Science Review* Vol. 77, No. 1, 92–111.

Lewis-Beck, Michael S. 1988. "Economics and Elections: The Major Western Democracies." University of Michigan Press, Ann Arbor, MI.

Lewis-Beck, Michael S. 2006. "Does Economics Still Matter? Econometrics and the Vote." *The Journal of Politics* Vol. 68, No. 1: 208–212.

Lewis-Beck, Michael S., Richard Nadeau and Angelo Elias. 2008. "Economics, Party, and the Vote: Causality Issues and Panel Data." *American Journal of Political Science* Vol. 52, No. 1: 84–95.

Lewis-Beck, Michael S. and Marina Costa Lobo. 2011. "Anchoring the Portuguese voter: Panel dynamics in a newer electorate." *Political Research Quarterly* Vol. 64, No.2: 293-308.

Lewis-Beck, Michael S. and Richard Nadeau. 2012. "PIGS or not? Economic voting in Southern Europe." *Electoral Studies* Vol. 31: 472–477.

Marsh, Michael and Slava Mikhaylov. 2012. "Economic voting in a crisis: The Irish election of 2011." *Electoral Studies* 31: 478–484.

Mueller, John E. 1973. "War, presidents and public opinion." Wiley, NY.

Nannestad, Peter and Martin Paldam. 1994. "The VP-function: A survey of the literature on vote and popularity functions after 25 years." *Public Choice* Vol. 79: 213-245.

Nadeau, Richard and Michael S. Lewis-Beck. 2001. "National economic voting in US presidential elections." *Journal of Politics* Vol. 63, No. 1: 159-181.

Nadeau, Richard, Michael S. Lewis-Beck and Éric Bélanger. 2013. "Economics and Elections Revisited." *Comparative Political Studies* Vol. 46, No. 5: 551-573.

Nezi, Roula. 2012. "Economic voting under the economic crisis: Evidence from Greece." *Electoral Studies* 31: 498–505.

Powell, G. Bingham, Jr. and Guy D. Whitten. 1993. "A Cross-National Analysis of Economic Voting: Taking Account of the Political Context." *American Journal of Political Science* Vol. 37, No. 2 (May): 391-414.

Rattinger, Hans and Markus Steinbrecher. 2011. "Economic Voting in Times of Economic Crisis" *German Politics* Vol. 20, No. 1: 128-145.

Singer, M. 2011. "When do voters actually think "It's the Economy"? Evidence from the 2008 presidential campaign." *Electoral Studies* Vol. 30: 621–632.

Tillman, Eric. 2011. "Political Knowledge, the Global Economic Crisis, and Voting Behavior in the 2010 British General Election." Paper prepared for the Conference on European Responses to the Economic Crisis, April 7-8, 2011, Indiana University, Bloomington, IN.

Torcal, Mariano. 2014. "The Incumbent Electoral Defeat in the 2011 Spanish National Elections: The Effect of the Economic Crisis in an Ideological Polarized Party System." *Journal of Elections, Public Opinion and Parties* 24(2): 203-221.

van der Brug, Wouter, Cees van der Eijk and Mark N. Franklin. 2007. "The economy and the vote: Economic conditions and elections in fifteen countries." Cambridge University Press.

van der Eijk, Cees, Wouter van der Brug, Martin Kroh and Mark Franklin. 2006. "Rethinking the dependent variable in voting behavior: On the measurement and analysis of electoral utilities." *Electoral Studies* Vol. 25: 424-447.

van der Eijk, Cees, Mark Franklin, Froukje Demant and Wouter van der Brug. 2007. "The Endogenous Economy: 'Real' Economic Conditions, Subjective Economic Evaluations and Government Support." *Acta Politica* Vol. 42: 1–22.

van der Eijk, Cees and Mark N. Franklin. 2009. "Elections and voters." Palgrave Macmillan.

Wlezien, Christopher, Mark Franklin and Daniel Twigg. 2007. "Economic Perceptions and Vote Choice: Disentangling the Endogeneity." *Political Behavior* Vol. 19, No. 1, The Economics of Politics in Comparative Perspective Revisited: 7-17.