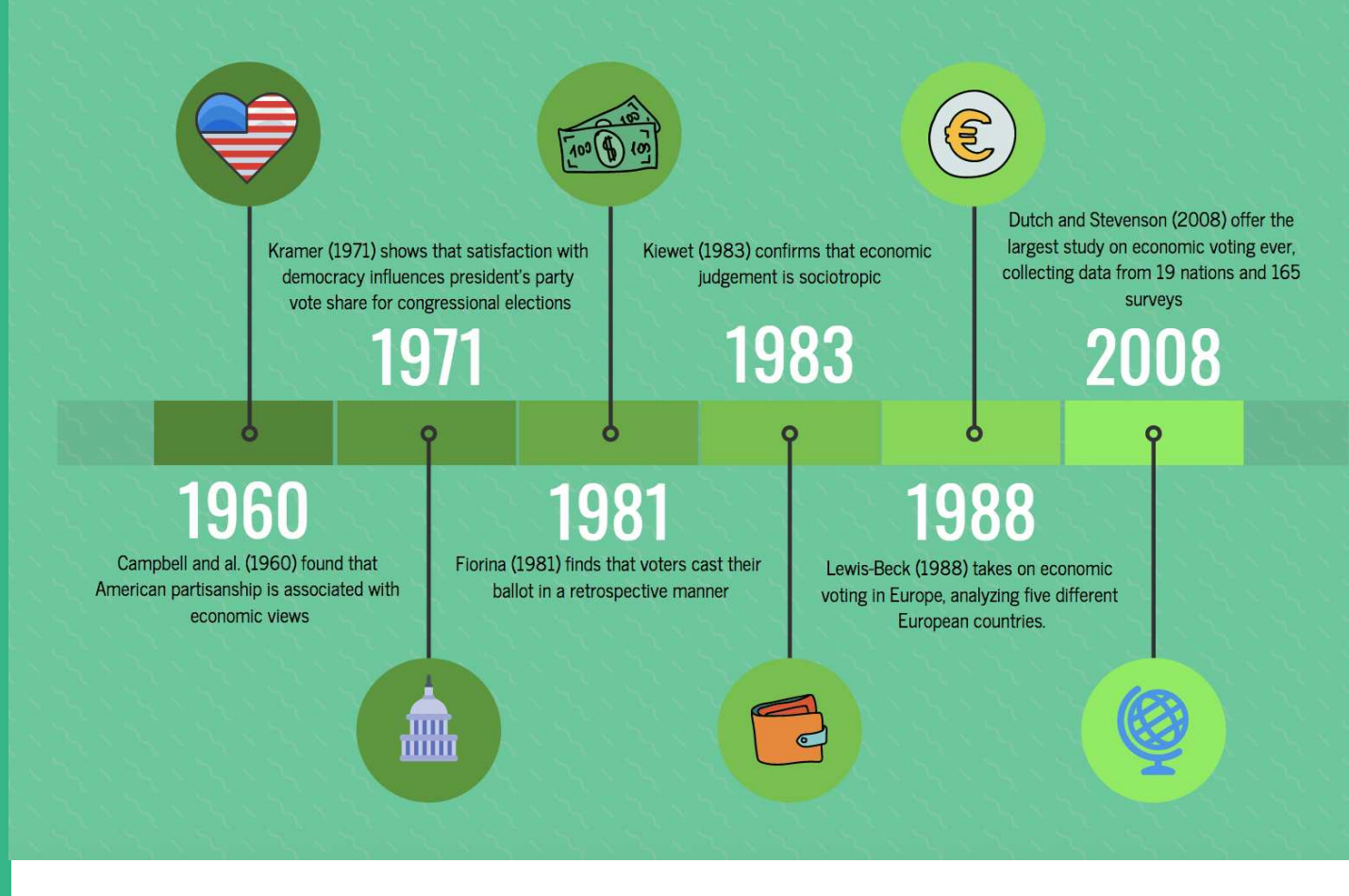




Economic Voting : How do Scholars Study it?

The theory of economic voting wants that when the economy thrives, the voters reward the government with their electoral support, but if the economy underperforms, they punish the government by offering support to the opposition (Lewis-Beck and Stegmaier 2015).

1 Timeline of Scientific Contributions



2 Methodology

What type of methodology can scholars use?

SURVEY DATA

- Measuring the population's economic perceptions (subjective)
- American National Elections Study (ANES)
- British Election Study



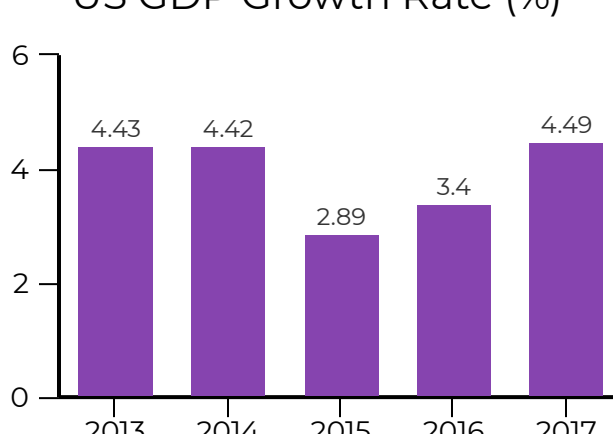
Source: CNBC. Survey conducted in June 2018

VS

ECONOMIC INDICATORS

- Measuring national economic data (objective)
- GDP growth, unemployment rate, etc.

US GDP Growth Rate (%)



Source: U.S. Bureau of Economic Analysis

3 Range of Economic Perceptions

How do voters view the economy?
From a societal or individual standpoint?

SOCIOTROPIC

- A *sociotropic* elector is one who makes his judgement based on national economic conditions
- This behaviour has been found in the United-States (Alvarez and Nagler 1995) and in Europe (Anderson 2000)



VS

EGOTROPIC

- Also called pocketbook, the *egotropic* perception is held when a voter judges the economy based on his own earnings counterpointed with previous personal status
- Egotropic* behaviour seems to be present in developing countries, notably in Africa (Carslon and Fidalgo 2016)

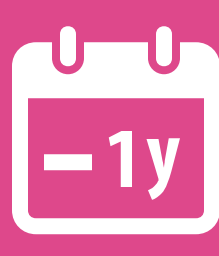


4 Time Reference

Do voters base their judgement on past economic conditions (retrospective) or electoral promises during campaign (prospective)?

RETROSPECTIVE

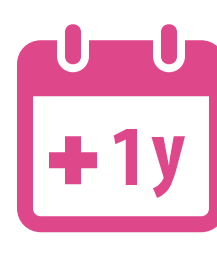
- Voters judge on "one comparatively hard bit of data: ... what life has been like during the incumbent's administration" (Fiorina 1981, 5)
- Let's not forget that voters are myopic, thus having a short-term memory (Heary and Lenz 2014)



VS

PROSPECTIVE

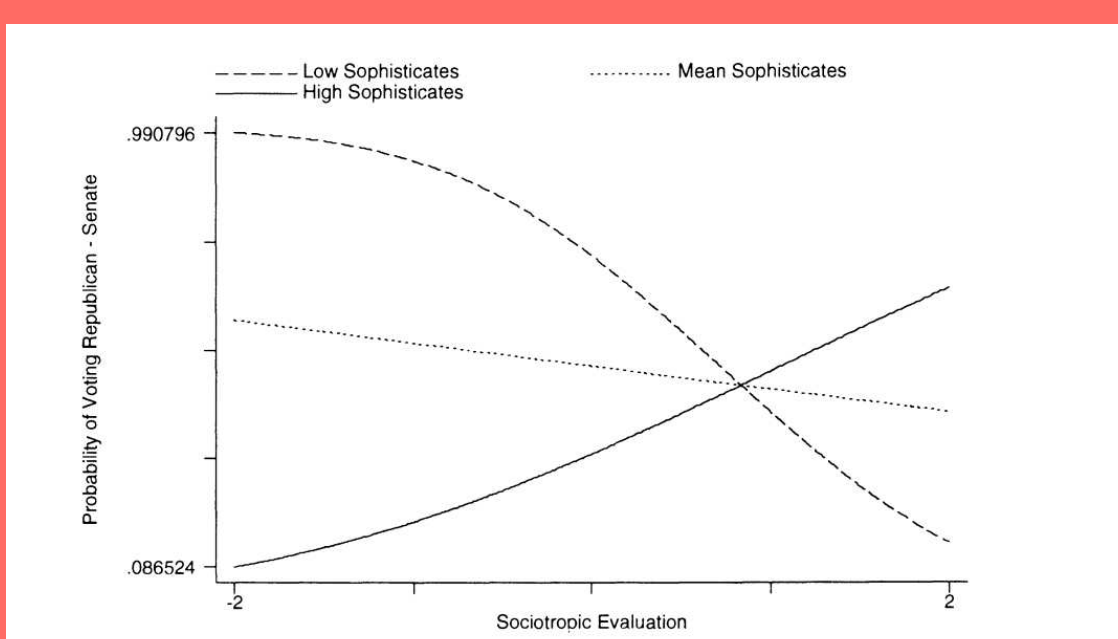
- Voters judge by comparing electoral promises by parties during election time
- This approach is particularly relevant when incumbents are in the first mandate, for the electorate have little to judge about their performance (Carey and Lebo 2006; Singer and Carlin 2013)



5 Voters' Knowledge About the Economy

Political sophistication as an interaction variable

- The voters' level of knowledge reveals how they can rightfully judge the economy
- The following figure presents a graphical demonstration of the interaction between political sophistication and economic assessment on Senate vote choice (Gomez and Wilson 2003)



- The low sophisticated voters' support for the republican candidate (incumbent) diminishes mildly as economic assessment improves ("Sociotropic Evaluation").
- Contrarily, the high sophisticated voter's support for the incumbent augments with the rise of economic assessments



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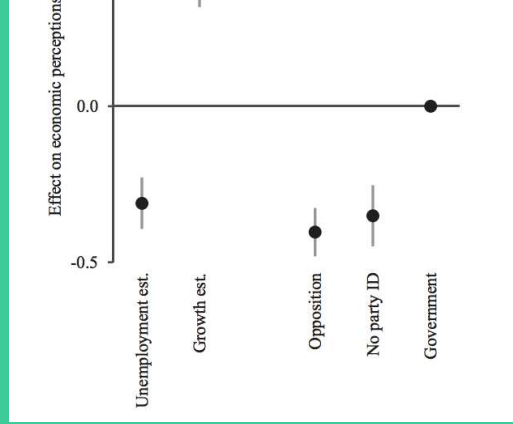
6

Partisan bias

Is the electorate's economic assessment biased by partisanship?

Partisanship as an interaction variable

- Some research has shown that economic perceptions are influenced by partisanship
- " Voter partisanship may introduce a conceptual lens into the economic evaluation, rendering more favorable judgments of the economy when their party is in power, and less favorable judgments when they are out of power " (Lewis-Beck & Steigmaier 2015, 28)



- This figure illustrates the predicted impact of independent variables on economic perceptions (De Vries, Hobolt, and Tiley 2018, 120)
- We can see that, compared to having a government party ID, one with an opposition party ID or no party ID estimate the economy almost half as bad.

7

Clarity of Responsibility

Proving nuance to economic voting : institutions, sophistication, foreign trade and electoral systems

- In a presidential system, like the United-States, the president is commonly held as responsible for the economy (Peffley and Williams 2015)
- In the case of an economic recession, like the 2008 crisis, blame is attributed to the previous administration, acknowledging that the current president inherited from past bad management (E.g. : Obama in 2008) (D'Elia and Norpoth 2014)
- Sophisticated voters can distinguish the respective responsibility of different institutions and actors in the system, like central banks or private investors, depending on the situation (Hellwig and Coffey 2011)
- We observe less economic voting in nations with higher international trade, because of foreign markets accessing local economies (Fernandez-Albertos 2006)
- Economic vote is attenuated with coalition governments because they are more complex (Powell and Whitten 1993)

8

Cross-national analysis

- Some scholars argue that cross-national analyses offer a higher external validity
- Their results are from data of multiple countries; they therefore cannot be due to contextual differences
- The reference for this type of study is from **Duch and Stevenson (2008)** who observed economic voting through **163 surveys** coming from **19 different nations**, thus making it the largest academic work on the subject.
- Time-series analysis: the comparative work also gives insight on the evolution of economic through the decades
- The authors find robust results that support the **sociotropic** and **retrospective** hypotheses.



9

Campaign-based analysis

- The campaign-based analysis offers a different theoretical layout than the conventional cross-national studies
- The theory argues that political candidates have a determining influence over when and to what extent economic voting occurs: all depends on how the intensity of the campaign conditions an electoral discourse based on the economy or not
- Austin Hart's book, *Economic Voting: A Campaign-Centered Theory* (2016), takes for example the 2000 U.S. Presidential elections.
- Why didn't Al Gore win given that the democrats (Clinton) were responsible for economic prosperity? Simply because Gore didn't use a financial vernacular that would trigger economic voting



10

Conclusion

So how do scholars study economic voting?

- Methodologically, academics either use survey data, based on individual perceptions, or objective economic indicators
- It has been shown that individuals' perceptions aren't always equal to economic indicators, depending on interaction variables like sophistication, partisanship, foreign trade and institutions
- Although most studies show *retrospective* and *sociotropic* voting, *prospective* and *egotropic* shouldn't be taken out of the picture
- The study of economic voting can also differ on two spatial dimensions: cross-national and campaign-centered. Both offers their own advantage, the latter offers a high external validity, while the former takes into account contextual factors that condition the vote





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