

Ideology and Retrospection in Electoral Responses to the Great Recession

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I examine the outcomes of 31 parliamentary elections in 26 OECD countries in the period just before, during, and after the Great Recession (from 2007 through early 2011). I attempt to account for the outcomes of these elections on the basis of three factors: (1) economic conditions, (2) the general ideology of the incumbent party or coalition, and (3) specific policy choices in response to the economic crisis. My analyses suggest that voters consistently punished incumbent governments for bad economic conditions, with little apparent regard for the ideology of the government or global economic conditions at the time of the election. I find no evidence of consistent ideological shifts in response to the crisis, either to the left or to the right, but some evidence of electoral responses to specific fiscal policy choices—most notably, a boost in incumbent governments' electoral support associated with spending on economic stimulus programs. These general patterns are illustrated with brief case studies of elections in Spain and Portugal, Germany, and the United States. In general, my results underline the significance of *retrospective voting* even in periods of severe economic and political stress.

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Ideology and Retrospection in Electoral Responses to the Great Recession ¹

The global economic crisis triggered by the financial meltdown of 2008 provides a dramatic setting in which to explore perennial questions of democratic accountability. Dozens of incumbent governments around the world faced their voters under conditions of significant economic distress. How did voters respond to these opportunities to help steer the ship of state through the squall? Did electorates evaluate the performance of their elected leaders on the basis of sober-minded assessments of the economic situation? Did they compare the ideological stances of “ins” and “outs” and communicate meaningful preferences regarding the future course of public policy? Was there a global shift of ideological views to the left or to the right in response to a broadly shared understanding of the nature of the crisis and appropriate governmental responses? Or did voters simply and uncritically punish incumbents wherever and whenever times were hard?

In hopes of shedding some light on these questions, I provide a broad comparative analysis of 31 elections in 26 OECD countries in the period just before, during, and after the Great Recession (from 2007 through early 2011). By focusing on common patterns across these diverse electoral settings, I of course ignore much important detail regarding economic conditions, policy choices, party strategies, and voting behavior in particular countries. My hope is that this necessarily superficial

¹ The work reported here was supported by the Princeton Institute for International and Regional Studies’ research cluster on “The Politics of Economic Crisis.” I am grateful to Christopher Achen, Christopher Anderson, Nancy Bermeo, Mark Kayser, Johannes Lindvall, Markus Prior, Steven Rogers, and participants in the Oxford conference on “Popular Reactions to the Great Recession” for helpful discussions and comments; however, I emphatically absolve them of any responsibility for my analyses and conclusions.

comparative analysis will provide a useful starting point for more detailed studies of specific elections, which may in turn suggest modifications and elaborations of the empirical generalizations proposed here. In the meantime, I offer a few very brief case studies; they are intended not as evidence in their own right, but as illustrations of the empirical generalizations—and of some of the additional complexities shaping specific election outcomes.

Ideology or Retrospection?

In the past half-century, political scientists have developed two distinct models of electoral accountability. In the first of these models, voters are supposed to weigh the ideological commitments and policy platforms of competing parties or candidates and vote so as to further their own policy preferences (for example, see Downs 1957; Enelow and Hinich 1984; for a critique, Stokes 1963). The notion that elections provide meaningful judgments on the ideologies and policies of democratic governments is an enduring—and, for many citizens and political observers, reassuring—tenet of democratic faith. Thus, analysts called upon to explain or interpret specific election outcomes often do so in ideological terms. The fall of a left-wing government is taken to imply that the electorate has shifted to the right; conversely, its reelection is interpreted as evidence of a continued attachment of the masses to the principles and policies of socialism.

While this way of thinking about electoral politics is common among sophisticated political observers in modern democracies, it may be less compelling than it seems. As Converse (1964, 219) put it in a classic essay challenging the empirical veracity of the model, “While it may be taken for granted among well educated and politically involved people that a shift from a Democratic preference to a Republican one

probably represents a change in option from liberal to conservative, the assumption cannot be extended very far into the electorate as a whole.”

An alternative model of electoral accountability dispenses with the arguably unrealistic assumption that voters are attentive to ideological commitments and policy promises; instead, they are merely expected to assess the general performance of the incumbent government, decide whether it is satisfactory or unsatisfactory, and vote accordingly to retain or replace the incumbents (for example, see Key 1966; Fiorina 1981; for a critique, Achen and Bartels 2009). This so-called *retrospective voting* model is generally less prominent in sophisticated political discourse than the *ideological* model; however, it has come to play an increasingly prominent role in scholarly analyses of electoral politics. For example, in a recent paper on the latest election in Germany, Rohrschneider, Schmitt-Beck, and Jung (2010, 18) wrote that voters in competitive party systems “have been socialized to change governments when they are unhappy with the economic performance of a party because they (rightly or wrongly) have come to believe that this will in due course help to improve the economy under a new set of governing parties.”

These two alternative models of electoral accountability have both received substantial scholarly attention, but they have less often been considered in juxtaposition. If voters are both ideologically-oriented and retrospectively-oriented, it may be easy for observers to mistake one sort of electoral response for the other. Thus, for example, Achen and Bartels (2005) suggested that the American electorate’s response to the Great Depression in the 1930s was much less ideological than is often supposed. Employing state-level data on income growth, they showed that Franklin Roosevelt’s historic landslide in 1936—the pivotal electoral event in what came to be called the New Deal era—was heavily concentrated in areas where incomes happened

to be growing in the year of the election. If the recession of 1938 had occurred two years earlier, they suggested, Roosevelt would probably have been a one-term president and the “New Deal era” would have amounted to a brief interlude in American political history.

In support of this interpretation, Achen and Bartels (2005, 2) noted “the impressive consistency with which electorates around the world deposed incumbent governments during the worst days of the Depression, regardless of their ideologies.” They argued that “what looks to the American eye like a triumph of both democratic responsiveness and Democratic ideology may instead be an illusion produced by a specific configuration of election dates, partisan alterations, and economic vicissitudes in a world where policies are, in fact, largely irrelevant and voters are blindly and myopically retrospective.”

Murillo, Oliveros, and Vaishnav (2010) applied a similar lens to the rise of the left in Latin America in the first decade of the new millennium. They argued (2010, 87-88) that the “rising tide of leftist political movements across Central and South America” discerned by “journalists, policy makers, and academics” was primarily due not to “structural conditions, such as poverty and inequality,” “globalization and disenchantment with neoliberal market reforms,” or a “crisis of representation,” but to “the disenchantment of voters with underperforming right-wing governments.” Analyzing the outcomes of 106 elections in 18 countries over a period of three decades (1978-2008), they found that voters routinely punished incumbents of both the right and the left for high levels of price inflation. Moreover, the estimated sensitivity of voters to economic performance was fairly symmetric; a ten-fold increase in prices in the year before the election was associated with a decline of about eight percentage

points in the expected vote share of left-wing governments and with a decline of about five percentage points in the expected vote share of right-wing governments.

The impact of economic conditions on election outcomes has been a prime focus of investigation by scholars of retrospective voting, first in the United States (Kramer 1971; Tufte 1978) and more recently in a wide variety of other countries (Lewis-Beck 1988; Anderson 1995; Duch and Stevenson 2008). Economic conditions have the virtue of being (relatively) easy to measure, and their impact has proved to be sufficiently large and consistent to provide powerful leverage for explaining and predicting election outcomes (Rosenstone 1983; Hibbs 2006).

While the general importance of economic voting is widely recognized by scholars of electoral politics and public opinion, the precise nature and normative significance of the phenomenon are matters of debate. At one extreme, theorists have developed elaborate models of economic voting in which voters make sophisticated calculations regarding the implications of observed economic performance for their future utility streams (Hibbs 2006). For example, Duch and Stevenson (2008, 339) posited that “Voters observe shocks to the macro-economy but cannot observe the mix of exogenous and competence components that comprise these shocks. Voters do, however, know the variances of the distributions of these different kinds of shocks and so are able to solve a well-defined signal-extraction problem that produces a competence signal.” At the opposite extreme, scholars have suggested that retrospective voting is often short-sighted (Achen and Bartels 2004; Bartels 2008, chapter 4) and that voters routinely punish incumbents for such uncontrollable “failures” as droughts, shark attacks, and lost football games (Achen and Bartels 2009; Healy, Malhotra, and Mo 2010). Analyses like these raise the question of whether

elections provide meaningful retrospective accountability, much less ideological or policy “mandates.”

The Impact of Economic Conditions

Figure 1 charts the basic course of the Great Recession in OECD countries. Quarterly growth in real GDP (denoted by the bars in the figure) declined steadily through 2008, reaching its nadir of -2.4% in the first quarter of 2009; the cumulative decline in real GDP through four quarters of negative growth was more than 5% .² Positive growth resumed rather abruptly in the spring of 2009, but at a modest pace. By the end of 2010 the OECD economies had not yet regained the level of real economic output they enjoyed three years earlier.

***** Figure 1 *****

Surveys of consumer confidence tracked a roughly parallel decline and rebound (denoted by the solid line in Figure 1).³ However, the revival of consumer confidence lagged well behind the corresponding rebound in real economic growth. Even after several quarters of fairly steady growth, consumers at the end of 2010 remained considerably less confident about the state of the economy than they had been in 2007.

Table 1 lists 31 parliamentary elections conducted in OECD countries between 2007 and early 2011. For each election, the table records the ideological profile of the incumbent party, total real GDP growth in the four quarters leading up to the election,

² “Quarterly National Accounts: Quarterly Growth Rates of real GDP, change over previous quarter,” OECD (<http://stats.oecd.org>).

³ “Composite Leading Indicators (MEI): OECD Standardized Consumer Confidence Indicator (CCI), Amplitude adjusted (Long term average = 100),” OECD (<http://stats.oecd.org>). I have averaged the monthly data for each quarter.

and the increase or decrease in the incumbent party's vote share by comparison with the previous election.⁴ In most cases the "incumbent party" is the largest party in the government; however, in seven cases where coalition governments included two roughly equal partners I have totaled the vote gains or losses for both major incumbent parties.⁵ (Parallel analyses focusing solely on vote gains or losses for the prime minister's party produce results generally similar to those reported below.)

***** Table 1 *****

The elections in Table 1 provide the primary data for my analysis. The basic relationship between economic growth and the outcomes of these elections is displayed in Figure 2. For each election, the figure shows how changes in the incumbent party or coalition's electoral support from the previous election varied with the rate of GDP growth in the year leading up to the election.

***** Figure 2 *****

⁴ Election results are for the lower house of each country's national parliament. I exclude elections in Belgium in 2007 and 2010 (a prolonged constitutional crisis produced a series of caretaker governments), the Czech Republic in 2010 (an interim government of experts nominated by both major parties had replaced the previous incumbent government 14 months before the election), Korea in 2008 (partisan turnover in a presidential election four months earlier blurred responsibility), the United States in 2008 (divided government—a Republican president but a Democratic majority in the House), and Switzerland in 2007 (all major parties formed a grand coalition). Election data are from NSD European Election Database, supplemented with various national sources for non-European countries.

⁵ Coalition governments include Estonia in 2007 (the Centre Party received 25.4% of the vote in the preceding election, while the Reform Party received 17.7% but included the incumbent prime minister), Finland in 2007 (Centre Party with 24.7% and Social Democrats with 24.5%), Austria in 2008 (Social Democratic Party with 35.3% and People's Party with 34.3%), Israel in 2009 (Kadima with 22.0% and Labor with 15.1%), Germany in 2009 (CDU/CSU with 35.2% and SPD with 34.2%), Netherlands in 2010 (Christian Democrats with 26.5% and Labour with 21.2%), and Finland in 2011 (Centre Party with 23.1% and National Coalition Party with 22.3%).

The relationship between economic conditions and election outcomes evident in Figure 2 is represented statistically in the first column of Table 2, which reports the results of a bivariate linear regression of changes in incumbent party vote shares on real GDP growth in the four quarters leading up to the election; the corresponding regression line is plotted in Figure 2. These results imply that each additional percentage point of real GDP growth was associated with an increase of about 1.1% in the incumbent party's expected vote share.

***** Table 2 *****

The second column of Table 2 reports the results of a regression model including two distinct economic variables—real GDP growth in the year leading up to the election and real GDP growth in the year before that (cumulating growth in quarters five through eight before the quarter in which the election occurred). This model does a better job of accounting for election outcomes, reducing the standard error of the regression by almost ten percent. The results suggest that voters attached significant weight to economic performance over a two-year horizon—albeit significantly discounting earlier economic growth in favor of growth in the quarters immediately preceding the election (Achen and Bartels 2004; Bartels 2008, chapter 4). This relationship is presented graphically in Figure 3.⁶

***** Figure 3 *****

⁶ “Weighted GDP growth” in Figure 3 combines growth in quarters 1-4 before the election and growth in quarters 5-8 before the election, each weighted by the associated parameter estimate in the second column of Table 2: $(1.05 \times (\Delta \text{GDP}(1-4\text{Q})) + .53 \times (\Delta \text{GDP}(5-8\text{Q}))) / (1.05 + .53)$.

The third and fourth columns of Table 2 present the results of additional regression analyses probing the impact on election outcomes of *relative* economic growth rates. I calculated *relative* GDP growth by subtracting from each country's growth rate in each quarter the OECD-average growth rate in the same quarter. This would be a more appropriate measure of economic conditions if voters in each country were comparing their own economy's performance against that of other OECD economies—in effect, making rough allowance for the impact of global economic forces on national performance (Kayser and Peress 2011). However, the statistical results provide little evidence that voters did use the global economic climate as a benchmark in assessing the performance of their own governments. The regression analysis reported in the third column of Table 2, employing relative GDP growth rates, accounts for election outcomes rather less well than the analysis in the second column employing unadjusted growth rates. Even the analysis reported in the fourth column, which includes both relative and absolute growth rates, does not improve upon the fit of the simpler model employing only absolute growth rates. While the parameter estimates for the more complex specification are too imprecise to rule out the possibility that relative economic performance had some independent impact on election outcomes, the weight of the evidence—such as it is—clearly suggests that absolute growth rather than relative growth is what mattered to voters.⁷

⁷ I also looked for effects of relative economic performance within the narrower confines of the Euro area (using the average growth of Euro area economies over the same period as the relevant benchmark) and among the “old OECD” economies (excluding the United States) studied by Kayser and Peress (2011). In both cases, election results were much more strongly related to absolute economic performance than to relative economic performance. (For Euro area economies the adjusted R-squared statistic fell from .37 for absolute growth to .27 for relative growth; in the case of “old OECD” economies it fell from .17 to .04).

The analysis presented in the fifth column of Table 2 adds another measure of economic performance, the unemployment rate at the time of the election.⁸ The estimated effect of unemployment on the incumbent party's vote share is negative, but quite modest, and incorporating it does nothing to improve the statistical fit of the model. Additional analyses (not shown) failed to uncover any significant effect of unemployment even among the 14 cases with left-of-center governments (which might be more likely than right-of-center governments to be punished for high unemployment).⁹ Nor did *changes* in unemployment in the year leading up to each election have any significant electoral impact, once GDP growth was taken into account.¹⁰ Finally, for 23 of the 31 cases included in my analysis the OECD provides monthly survey data on consumer confidence—the same data presented in aggregate form in Figure 1. However, neither the current *level* of consumer confidence in each country nor the *change* in confidence in the year leading up to the election had any significant effect on election outcomes beyond what is accounted for by recent GDP growth.¹¹

The sixth column of Table 2 reports regression results for the same model as in the second column, but excluding the two biggest outliers in Figures 2 and 3—the elections in Hungary in 2010 and Ireland in 2011. In these cases the effects of poor economic performance were compounded by draconian austerity programs and by political scandals, producing disastrous electoral losses for the incumbent parties—the

⁸ “Labour Force Statistics (MEI): Harmonized Unemployment Rates and Levels (HURs),” quarterly data seasonally adjusted, OECD (<http://stats.oecd.org>).

⁹ The estimated effect of unemployment was $-.61$ (with a standard error of $.90$).

¹⁰ The estimated effect of the *change* in unemployment was $-.63$ (with a standard error of $.90$).

¹¹ Adding the *level* of consumer confidence to the regression model presented in the second column of Table 2 produces a coefficient of $.64$ (with a standard error of $.52$). Adding the *change* in consumer confidence produces a coefficient of $.09$ (with a standard error of $.37$).

Socialist Party (MSZP) in Hungary (−23.9%) and Fianna Fail in Ireland (−24.1%). Excluding these two cases from the analysis reduces the estimated impact of GDP growth in the year before the election by 10 percent, while the estimated impact of GDP growth in the preceding year is cut in half; nevertheless, it is clear from these results that the apparent impact of economic conditions on election outcomes is not simply an artifact of rare conjunctions of economic and political crises.¹²

Taken as a whole, the regression analyses in Table 2 provide empirical support for a rather simple model of retrospective voting. Citizens in OECD countries tended to reward their governments when their economies grew robustly and to punish their governments when economic growth slowed.¹³ The magnitude of these rewards and punishments was substantial, with differences in expected vote shares of almost 23 percentage points over the observed range of GDP growth.¹⁴

¹² Omitting these two outliers from the analysis of relative growth reported in the third column of Table 2 reinforces the conclusion that *relative* growth matters less than *absolute* growth. The adjusted R² statistic falls from .30 to .13, whereas the comparable statistic for the analysis of absolute growth only falls from .35 (in the second column of Table 2) to .32 (in the sixth column). The absolute growth model clearly fits these data better than the relative growth model.

¹³ The parameter estimates in Table 2 imply that real GDP growth of about 4% per year would be required for an incumbent government to maintain its vote share. The average real GDP growth rate in OECD countries before the onset of the Great Recession (in 2005, 2006, and 2007) was a bit less than 3%. This discrepancy suggests that, even in normal economic times, incumbent governments are likely to experience a gradual erosion of electoral support.

¹⁴ As a further check on the robustness of the results presented in Table 2, I repeated the analyses reported there using only data from the 21 elections conducted after mid-2008, when the Great Recession reached critical proportions in most OECD countries. The resulting parameter estimates were generally similar to those reported in Table 2. (For example, the estimated effects of real GDP growth corresponding to those reported in the second column of Table 2 were 1% smaller and 19% smaller, respectively.) However, these parameter estimates were considerably less precise, and the standard errors of the regressions were noticeably larger, due to the truncation in the variance of real GDP growth resulting from the exclusion of pre-crisis elections.

Not surprisingly, these statistical relationships between economic growth and election outcomes leave a great deal of electoral politics unaccounted for. Much of this residual variation presumably reflects the impact of a wide array of other considerations voters brought to the polls—social concerns, wars and international crises, evaluations of the competence and charisma of party leaders, stirring speeches, scandals, and on and on. In addition, the impact of economic conditions themselves may have varied significantly from one election to another due to variation in “the extent of political (or electoral) control of the economy; the concentration and distribution of policy-making responsibility over parties; and the pattern of contention among the parties for future policy-making responsibility” (Duch and Stevenson 2008, 338), among other factors. Those variations are beyond the scope of the rudimentary analysis presented here. Nevertheless, it is clear even from rudimentary analysis that elections in the wake of the Great Recession were significantly influenced by voters’ consistent inclination to reward or punish incumbent governments based on economic growth rates in the months leading up to an election.

Accidents of Timing: Spain and Portugal

One important implication of the results presented in Table 2 is that incumbent governments are, to a significant degree, at the mercy of the electoral calendar. A reelection campaign in the midst of an economic boom may provide a convenient opportunity for an incumbent government to renew its popular mandate; conversely, facing the voters in the midst of an economic downturn is likely to be hazardous to an incumbent government’s survival, even if the downturn is global in scope.

The political significance of electoral timing may be illustrated by comparing the likely fate of a government presiding over typical (OECD-average) economic conditions

in early 2007, before the onset of the Great Recession, with the likely fate of an otherwise similar government presiding over typical economic conditions at the bottom of the recession, in the spring of 2009. Applying the regression parameter estimates in the second column of Table 2 to the average OECD growth rates in the first case (3.1% in 2006 and 3.0% in 2005) suggests that a typical incumbent OECD government facing the voters in early 2007 might have expected its vote share to decline by a modest 1.7 percentage points. (Whether by luck or clever policy, the eight incumbent governments that actually did face the voters at some point in 2007 enjoyed higher average growth rates than the OECD as a whole, implying an expected vote share *increase* of 1.6 percentage points.) In contrast, an incumbent government facing the voters with an OECD-average growth trajectory in the spring of 2009 could expect its vote share to decline by a disastrous 11.2 percentage points. (The seven countries with elections in 2009 grew slightly faster than the OECD as a whole, with an average growth trajectory implying a vote loss of 9.0 percentage points, given the statistical relationship reported in the second column of Table 2.)

The contrasting electoral fates of the Socialist governments of Spain and Portugal during the period covered by my analysis provide a more concrete contrast between lucky and unlucky election timing. The Spanish government led by Socialist Workers' Party (PSOE) prime minister José Luis Rodríguez Zapatero faced the voters in March 2008, just before slowing economic growth in Spain (and in the OECD as a whole) slid into full-blown recession. The Portuguese Socialist government of José Sócrates was less fortunate; its four-year mandate expired in September 2009, just months after the Great Recession reached its nadir in Portugal (and in the OECD as a whole). The result in Spain was a slight *increase* in the governing party's vote share, while the Portuguese Socialists suffered a substantial loss—and the loss of their parliamentary majority.

In Spain, the governing PSOE began the three-month campaign period leading up to the March 2008 election with a small—but dwindling—lead in the polls over the conservative People’s Party. According to a report in *The Times* of London, “The economy expanded rapidly during Mr Zapatero's four-year term in office, extending an uninterrupted, 15-year growth spurt. But dark clouds are forming on the horizon, something the Opposition is doing its best to exploit. Inflation is picking up, hurting household budgets; house prices are also starting to slip after a decade-long boom.”¹⁵

Fortunately for Zapatero, the dark clouds on the horizon were not enough to derail the Socialist government. The opposition People’s Party gained 1.1% of the vote, but with an erosion of support for minor parties, the PSOE also gained slightly (0.6%), producing a 4.5% popular vote margin. The PSOE gained five seats in the 350-seat Congress of Deputies, maintaining a narrow plurality that allowed Zapatero to continue as prime minister for up to four more years. Nevertheless, the shadow hanging over the Socialists’ reelection was evident in a morning-after report in *The Economist*, which noted that Zapatero “must turn his attention to the mounting economic problems facing Spain. ... Inflation is running at 4.3%, a housing boom has bust, unemployment is growing and once robust growth is slowing rapidly. ... And with global financial turmoil adding to Spain’s woes, the difficult bit is just starting.”¹⁶

For the Zapatero government, the “difficult bit” was indeed “just starting.” Spain’s economy was stagnant in the first quarter following the election, then experienced six consecutive quarters of declining real GDP and steadily escalating unemployment. (The

¹⁵ Thomas Catan, “Spain Gets March Election as Zapatero Struggles to Stay in Office,” *The Sunday Times*, January 15, 2008 (<http://www.timesonline.co.uk/tol/news/world/europe/article3187271.ece>).

¹⁶ “Spain’s Election: Back for More,” *The Economist*, March 10, 2008 (<http://www.economist.com/node/10833787>).

unemployment rate doubled in the 18 months following the election, from 9.4% to 18.9%, and has since edged up still further, to 20.7% in March 2011.) Had an election been held in the fall of 2009, the statistical analysis reported in the second column of Table 2 suggests that the deterioration in economic conditions since early 2008 would have cost the PSOE an additional 9.6% of the vote—more than enough to doom the Socialist government.

The narrow window of political survival for the Spanish Socialists is evident in opinion surveys conducted by the Centro de Investigaciones Sociológicas (CIS) in Madrid. In July 2008—just four months after the election—CIS’s “vote estimate” showed the PSOE and the People’s Party in a dead heat. By October 2009 the People’s Party held a slim (3.3%) lead. By early 2011 that lead had swelled to ten percentage points.¹⁷ In April, with Zapatero’s popularity having “plummeted close to historic lows for a Spanish head of government,” the prime minister attempted to “bolster his party’s chances to retain power” by announcing that he would step down upon completion of his term.¹⁸ Zapatero’s announcement did not forestall a disastrous loss for the PSOE in local and regional elections in May.¹⁹ Two months later the prime minister acceded to mounting pressure to call an early election “to project economic and political certainty,” as Zapatero put it, despite the likelihood that the People’s

¹⁷ Centro de Investigaciones Sociológicas, “Indicadores Electorales” (http://www.cis.es/cis/opencms/EN/11_barometros/Indicadores_PI/electorales.html); “Estimación de Voto” (http://www.cis.es/cis/opencms/-Archivos/Indicadores/documentos_html/sB606050020.html).

¹⁸ Raphael Minder, “Spanish Premier Says He Won’t Seek a New Term,” *New York Times*, April 4, 2011, page A11.

¹⁹ The PSOE did not carry a single major city, and trailed the People’s Party by nearly 10 percentage points nationwide—a margin almost exactly matching CIS’s “vote estimate” for the 2012 general election in surveys conducted in January and April 2011.

Party would win a parliamentary majority.²⁰ Still, the Socialist government will have had 44 months of its original 48-month term in which to attempt to engineer an economic rebound before facing the verdict of the electorate.

The electoral calendar was less kind to the Socialist government of Portugal, which had to face the voters in September 2009, just as the Portuguese economy was emerging from a year-long recession in which real GDP contracted by 4%. Economic conditions in Portugal were no worse—indeed, they were somewhat less bad—than elsewhere at this point in the global economic downturn.²¹ Thus, voters assessing the incumbent government's performance in comparative context should, if anything, have been inclined to reward the Socialists for preventing a worse downturn. But that is not what happened. The Socialist Party's vote share declined by 8.5% from 2005 to 2009, producing a loss of 24 seats—and majority status—in the 230-seat Assembly.

Most of the votes lost by the Socialists did not go to the opposition Social Democrats, but to two smaller parties—the Left Bloc and the People's Party, a conservative Christian democratic party. These results suggest that there was no consistent ideological basis for the turn against the Socialists, but a general disaffection with the party in power when the economy plunged.

Only the Socialists' substantial cushion of electoral support (reflected in a 16% vote margin over the Social Democrats in the 2005 parliamentary election) allowed Sócrates to carry on as prime minister for another 18 months, albeit without a majority in the

²⁰ Raphael Minder, "Spanish Premier, Under Pressure, Calls Election for November," *New York Times*, July 30, 2011, page A5.

²¹ Portugal's real GDP grew by 0.8% in the second quarter of 2009, while the rest of the Euro area was still contracting. The cumulative decline in real GDP over the two years leading up to the election amounted to 2.3% in Portugal, 3.8% in the Euro area, and 3.5% in the OECD as a whole. Portuguese unemployment stood at 11.1% at the time of the election—higher than the Euro area average of 10%, but far below the 18.9% level in neighboring Spain.

Assembly. In March 2011, when none of the five opposition parties proved willing to support the austerity program demanded by the European Union in exchange for a bailout to relieve Portugal's burgeoning debt crisis—the last in a year-long series of austerity measures—Sócrates was forced to resign and an early election was scheduled for June 2011.

The Socialists' 8.5% loss in the 2009 Portuguese election nearly matches the expected loss of 9.7% implied by the statistical results presented in the second column of Table 2. However, the same statistical results suggest that if the Socialist government had faced the voters in early 2008, as the Zapatero government did in Spain, its losses would have been much more modest—perhaps 1.5 or 2%—and its absolute majority in the Assembly would have been comfortably preserved for another four years—long enough to adopt prime minister Sócrates's austerity program and, perhaps, begin to see its effects before the next election.

Instead, Portuguese voters went to the polls once again on 5 June 2011 with their economy stagnant, unemployment rising, and a steady diet of painful austerity measures on the horizon. The Socialists garnered only about 28% of the vote—another 8.6% loss on top of the 8.5% loss they had suffered in 2009. Sócrates conceded defeat halfway through the vote-counting, and the Social Democratic leader, Pedro Passos Coelho, prepared to lead a new center-right coalition government including the conservative People's Party. One voter, a social worker quoted by the *New York Times*, "said that he continued to feel 'ideologically on the left,' but had voted for the first time for the Social Democrats on Sunday. 'When you have hit the wall like our economy

has, you have to accept that it's time to gamble on a change of direction and give somebody new a chance,' he said.”²²

Ideology: A Turn to the Right?

A variety of political observers have seemed to find “something surprising about the failure of center-left parties to benefit from the crisis of financial capitalism” that triggered the Great Recession (Lindvall 2011, 1). For example, *The Economist* observed that in elections to the European Parliament in June 2009, at the bottom of the economic downturn, parties of the left had “failed to capitalise on an economic crisis tailor-made for critics of the free market.”²³ Two years (and more than a dozen national elections) later, prominent American political consultant Stanley Greenberg wrote that “During this period of economic crisis and uncertainty, voters are generally turning to conservative and right-wing political parties, most notably in Europe and Canada. It's perplexing. When unemployment is high, and the rich are getting richer, you would think that voters of average means would flock to progressives, who are supposed to have their interests in mind—and who historically have delivered for them.” Instead, he suggested, “many voters in the developed world are turning away from Democrats, Socialists, liberals and progressives.”²⁴

Greenberg's perplexity is understandable if one supposes that voters are animated by the same ideological understandings that are commonplace among political elites, including most journalists, political scientists, and activists. However, if average voters

²² Raphael Minder, “Social Democrats Claim a Strong Victory in Portugal,” *New York Times*, June 6, 2011, page A9.

²³ “The European Elections: Swing Low, Swing Right.” *The Economist*, June 11, 2009 (quoted by Lindvall 2011).

²⁴ Stanley B. Greenberg, “Why Voters Tune Out Democrats,” *New York Times*, July 31, 2011, page SR1.

are mostly inattentive to the manifestos of “critics of the free market” and skeptical of assertions about which parties “historically have delivered for them,” it may not be so surprising to find them behaving in ways that confound conventional ideological expectations.

One virtue of systematic comparative electoral analysis is that it can help to suggest alternative explanations for observed election outcomes. For example, voters in Portugal clearly turned away from Socialists in 2009 and again in 2011. However, my comparison of Portugal with Spain—where a rather similar Socialist government was comfortably reelected just a few months before the Great Recession took hold in both countries—suggests that the electoral fate of Portugal’s Socialist government should be interpreted as simple punishment of the “ins” in a period of prolonged economic distress, rather than as a rejection of socialism as an ideology or as an economic policy prescription.

Table 3 reports the results of a variety of statistical analyses intended to test more generally whether voters in OECD countries in the midst of the Great Recession displayed any consistent preference for left-wing or right-wing governments. I classify the incumbent government in each country as Left (+1), Right (−1), or (in a few cases of coalition governments) Center/Left (+.5), Center (0), or Center/Right (−.5). This simple classification is not intended to reflect the absolute ideological position of each government, but to characterize its relative position in the political context of its own country.

***** Table 3 *****

The results presented in the first column of Table 3 indicate that left-wing governments did do less well at the polls than right-wing governments did over the

period covered by my analysis, with average vote losses of 6.8% and 2.2%, respectively. However, this average difference is rather imprecisely estimated, underlining the substantial heterogeneity in the performance of governments across the ideological spectrum. Adding the GDP growth variables from Table 2 to the analysis (in the second column of Table 3) produces an even smaller ideological difference, suggesting that part of the apparent effect of ideology in the simpler regression analysis reflected worse economic conditions at election time under left-wing governments than under right-wing governments. On the other hand, the apparent effects of GDP growth are quite similar to those reported in Table 2; these results imply that retrospective voting was a much stronger and more consistent factor than ideology in accounting for election outcomes in OECD countries during the period covered by my analysis.

The regression analyses reported in the third and fourth columns of Table 3 parallel those reported in the first and second columns except that they are confined to the 22 elections that occurred after mid-2008, when the Great Recession was well underway in most OECD countries. Limiting the analysis in this way has little effect on the results, except that the differences in support for left-wing and right-wing governments are even more imprecisely estimated. Taking the estimates at face value suggests that left-wing governments in the crisis period may have lost 3 or 4% more of the vote than right-wing governments did; but the standard errors of the parameter estimates are too large to attach much significance to this difference.

Finally, the analyses reported in the fifth and sixth columns of Table 3 test two alternative specifications of possible ideological shifts in response to the crisis. The interaction between the *Government ideology* variable and the timing of each election (measured in years elapsed since the beginning of 2007) allows for the possibility that voters' ideological preferences gradually shifted in favor of left-wing (or right-wing)

governments as the economic crisis evolved. The interaction between the *Government ideology* variable and consumer confidence (in the 23 countries for which OECD consumer confidence data are available) allows for the possibility that voters' enthusiasm for left-wing governments varied with the economic outlook in their own countries. Neither of these specifications provides any real evidence that voters made meaningful ideological distinctions between left-wing and right-wing governments, while both specifications provide additional evidence of the consistent impact of GDP growth on the electoral fortunes of governments across the ideological spectrum.²⁵

On the whole, the statistical results reported in Table 3 provide remarkably little evidence of any systematic electoral shift in favor of left-wing or right-wing parties in response to the Great Recession. Of course, that does not imply that voters did not bring ideological values to bear in assessing their incumbent governments. For one thing, the distribution of durable ideological commitments in each country's electorate was presumably already reflected in the previous vote share of the incumbent party or parties, which serves as a baseline for my analysis of *shifts* in vote shares from one election to the next. Moreover, cross-national analysis of the sort presented here can only detect a *consistent* shift in ideological predilections across the diverse set of countries included in my analysis. If some electorates shifted to the left in response to the crisis while others shifted to the right, there may be no clear ideological pattern in the cross-national data—as there *is* no clear ideological pattern in the statistical results

²⁵ I also looked for differences in the *impact* of economic conditions on support for left-wing and right-wing governments. The estimated effects of both election-year GDP growth and prior-year GDP growth were larger in elections with left-wing incumbents than in elections with right-wing or centrist incumbents, but only the difference for prior-year GDP growth was large enough to be potentially meaningful (with a *t*-statistic of 1.6).

reported in Table 3. More detailed analysis of specific elections in specific countries might nevertheless provide evidence of consequential ideological shifts.

Germany: Diffusion of Responsibility

Germany held a federal election on 27 September 2009—the same day as Portugal. As in Portugal, the timing looked inauspicious for the incumbent government, a “grand coalition” pairing chancellor Angela Merkel’s Christian Democratic Union (and its Bavarian sister party, the Christian Social Union) with its largest competitor, the Social Democratic Party (SPD). Economic conditions in Germany at the time of the election were in some respects even worse than in Portugal; real GDP had declined by a disastrous 5.6% over the previous year, and the OECD consumer confidence index stood at 95.7, well below the European and OECD averages at the time.

At first glance, the German election outcome was exactly what might have been expected given these dire economic conditions. The governing parties lost a combined 12.6% of the popular vote, putting the outcome right on the regression lines in Figures 2 and 3. However, the two coalition partners did not share equally in this electoral rout. The SPD’s vote share declined by 11.2% (from 34.2% in 2005 to 23.0%), while the CDU/CSU vote share declined by only 1.4% (from 35.2% to 33.8%). Chancellor Merkel jettisoned her chastened left-wing partner in favor of a new governing coalition with the smaller, center-right Free Democratic Party (FDP)—precisely the result she had angled for during the campaign.

This result seems puzzling from either of the perspectives considered here. If Germans were simply engaging in retrospective voting, as the close fit with the overall patterns in Figures 2 and 3 suggests, why did they choose to punish the SPD but not the CDU/CSU for the country’s economic distress? On the other hand, if they were

voting for an ideological shift to the right, spurning the SPD and endorsing the FDP as a new coalition partner, what basis did they have for thinking that the new coalition's economic policies would be any more successful than the old coalition's policies had been?

The puzzle is reinforced by survey data suggesting that Germans were less in the mood to punish their leaders than might have been expected given the dire economic situation. In a cross-national opinion survey conducted by WorldPublicOpinion.org in May—just four months before the election—only 27% of Germans said that their own country's economic policies contributed “a lot” to the economic downturn.²⁶ (Of the 22 countries included in the survey, only five—Poland, China, Indonesia, Macau, and Hong Kong, all of which were largely insulated from the recession—had fewer people attributing substantial responsibility to their own government.) Germans were also less likely than citizens in any other country except China and India to say that their own government's efforts to address the crisis did not go far enough. This relative satisfaction with the government's handling of the crisis is striking in light of the fact that Germany's GDP had declined by 6.8% in the preceding year.

Responses to some other questions in the same survey shed some additional light on this seemingly anomalous German popular response to the crisis. While only 27% of Germans said that Germany's economic policies contributed “a lot” to the economic downturn, 68% (more than in any country other than South Korea) said that the economic policies of the United States contributed a lot; 78% blamed their own country's bankers taking excessive risks; and 88% (more than in any other country in the survey) blamed international bankers taking excessive risks. These results suggest

²⁶ “Public Opinion on the Global Economic Crisis,” July 21, 2009 (http://www.worldpublicopinion.org/pipa/pdf/jul09/WPO_FinCrisis_Jul09_quaire.pdf).

that citizens in Germany, perhaps more than anyplace else in the developed world, interpreted the economic downturn as symptomatic of an external financial shock rather than a domestic political failure.²⁷

The concrete impact of the crisis on citizens was ameliorated by the existing German welfare state, and also by a variety of extraordinary measures intended “to ease workers’ pain ahead of the election. The government launched a \$116 billion stimulus package, subsidized the wages of workers on short hours, boosted welfare payments, and instituted a popular cash-for-clunkers program to spur auto production and purchases. Employers privately admit to business publications that they’ve held off on mass layoffs prior to the election.”²⁸ Thus, while the proportion of Germans who said that national economic conditions were “bad” peaked at almost 50% in March 2009, the proportion who said that *their own* economic circumstances were bad “fluctuated between 10 and 15 percent ... through the ups and downs of the greatest economic crisis since the Great Depression” (Anderson and Hecht 2011, 5).

For his part, the leader of the SPD, foreign minister Frank-Walter Steinmeier, launched his party’s election campaign by promising new policies to address the crisis,

²⁷ Another cross-national survey conducted for the BBC World Service in July 2009, just two months before the German election, posed different questions but generated broadly similar responses. When asked how satisfied or dissatisfied they were with what the leaders of their country were doing to address the current financial crisis, 62% of Germans said they were dissatisfied. However, much larger proportions expressed dissatisfaction with the efforts of bank executives (89%) and executives of international companies (79%). Moreover, majorities opposed most of the major policy initiatives proposed to address the crisis, including “increasing government spending to stimulate the economy” (53%), “giving international institutions more power to regulate the global economy” (54%), “financial support to troubled major industries and companies” (54%), and “financial support to troubled banks” (74%). “Global Poll Shows Support for Increased Government Spending and Regulation,” September 13, 2009 (http://www.worldpublicopinion.org/pipa/pdf/sep09/BBC_Econ_Sep09_rpt_final.pdf).

²⁸ Folko Mueller and Lee Sustar, “The Left in the German Elections,” SocialistWorker.org, September 25, 2009 (<http://socialistworker.org/2009/09/25/left-german-elections>).

including raising the top tax rate, bolstering the minimum wage, and supporting the struggling German carmaker Opel. However, the dissonance between this platform and the policies the SPD had been supporting as part of the grand coalition generated swift simultaneous attacks from the right and from the left. The general secretary of the CDU “dubbed Steinmeier ‘Wobbly Walter’ and said that the SPD ‘shift to the left is now a done deal.’” The SPD’s prospective coalition partner on the left, the Greens, responded equally critically: “What the SPD is proposing today is the opposite of what they did during four years in the grand coalition. So we have to ask them: ‘Are you really serious?’”²⁹ Perhaps as a result, while only 40% of respondents in a pre-election survey trusted Merkel to handle the continuing economic crisis, even fewer—a mere 9%—expressed similar confidence in Steinmeier.³⁰

While the “awkward yoking” of “historically bitter rivals” in the grand coalition clearly created a strategic dilemma for the SPD, it also seems to have made for a campaign devoid of drama.³¹ According to one press report, the CDU and SPD “tended to defend their government’s record rather than challenge one another. A televised debate September 13 found Merkel and Steinmeier agreeing more often than not.”³² “Despite the difficult issues and choices that lie ahead,” another said, “the race has largely steered clear of substantive discussion and debate.” Chancellor Merkel’s high approval ratings “have encouraged her to play it safe and sedate in the campaign”

²⁹ “Steinmeier Determined to Topple Merkel in German Elections,” *Deutsche Welle*, 19 April, 2009 (<http://www.dw-world.de/dw/article/0,,4190864,00.html>).

³⁰ Nicholas Kulish, “Before Election, Not a Voter Was Stirring,” *New York Times*, August 20, 2009, page A6.

³¹ Henry Chu, “German Election a Yawner for Voters,” *Los Angeles Times*, September 27, 2009 (<http://articles.latimes.com/2009/sep/27/world/fg-germany-election27>).

³² Folko Mueller and Lee Sustar, “The Left in the German Elections,” *SocialistWorker.org*, September 25, 2009 (<http://socialistworker.org/2009/09/25/left-german-elections>).

while hoping that the pro-business Free Democratic Party would gain enough support to emerge as a feasible coalition partner.³³ The *New York Times* reported that many voters “complain that after nearly four years of governing in a coalition together, it is hard to tell the Christian Democrats and the Social Democrats apart, not to mention harder for them to attack each other when they have supported the same programs.”³⁴

The reality of German coalition politics produced yet another barrier to electoral accountability. A voter disinclined to support either of the current governing parties would be forced to choose among a variety of minor parties, the largest of which (FDP, The Left, and the Greens) had each received less than 10% of the vote in the last election. But, as Anderson and Hecht (2011, 7) noted, “whichever of the smaller parties such a voter chose would inevitably be forced into a coalition with one of the existing governing parties, given the necessity to achieve a majority in parliament to form a government.” Thus, one or the other of the partners in the grand coalition—Merkel or Steinmeier—would be the next chancellor regardless of what German voters thought of the coalition’s performance over the previous four years.

In short, as Anderson and Hecht (2011, 1) put it, “several factors mitigated against strong economic voting effects: voters did not experience much personal economic hardship, the problems produced by the crisis were not homemade, and the alternatives to the incumbent government [were] muddled.” Nevertheless, their detailed analysis of voting behavior based on data from the German Longitudinal Election Study (GLES) found that voters’ assessments of how their own economic circumstances had changed over the past two years did have a significant impact on

³³ Henry Chu, “German Election a Yawner for Voters,” *Los Angeles Times*, September 27, 2009 (<http://articles.latimes.com/2009/sep/27/world/fg-germany-election27>).

³⁴ Nicholas Kulish, “Before Election, Not a Voter Was Stirring,” *New York Times*, August 20, 2009, page A6.

which party they supported—though not on which of the *governing* parties they supported. Voters who said they had fared badly during the recession were slightly more likely to choose the SPD over the CDU; but they were much more likely to choose the FDP or (especially) the Left Party over *either* of the coalition partners (Anderson and Hecht 2011, 9).³⁵ As the authors put it (2011, 12), “voters who personally had suffered during the crisis deserted the two governing parties in almost equal measure.”

The fact that voters directly affected by the Great Recession seem to have punished both governing parties similarly at the polls—and defected to smaller parties on both the left and the right—suggests that retrospective voting in this instance was, to a good approximation, ideologically neutral. However, the fact remains that the SPD’s vote share fell much more precipitously than the CDU/CSU’s. Anderson and Hecht’s analysis leaves that striking asymmetry unaccounted for. Perhaps it reflects a preference among German voters for the tax cuts and labor market reforms promised by the CDU/CSU (and FDP) over the conventional leftist policies proposed by the SPD?

Another analysis of the GLES survey data sheds additional light on the relative electoral fortunes of the two partners in Germany’s grand coalition. Rohrschneider, Schmitt-Beck, and Jung (2010, 23, 22) argued that because the coalition between the two largest parties “precluded a campaign that offered clear choices” on policy grounds, voters were “particularly prone to rely on simple shortcuts such as candidate personality to arrive at decisions”—and that these simple shortcuts strongly favored Merkel over Steinmeier. The authors’ statistical analysis (Rohrschneider, Schmitt-Beck,

³⁵ The multinomial logit coefficients for (positive) retrospective assessments were $-.037$ for the choice of SPD versus CDU, $-.143$ and $-.180$ for FDP versus SPD and CDU, respectively, and $-.257$ and $-.294$ for the Left Party versus SPD and CDU, respectively.

and Jung 2010, Table 1) provided support for their interpretation. Voters' choices were most strongly influenced by their preferences for Merkel or Steinmeier as chancellor, and somewhat less affected by evaluations of the CDU/CSU and SPD. Once these personal and party evaluations were taken into account, vote choices were virtually unaffected by ideological self-placements, specific policy positions, or other political values.

This analysis suggests that the “muddle” of accountability produced by Germany’s grand coalition resulted in a personal victory for Chancellor Merkel rather than an ideological mandate. In the days after the election, *The Economist* suggested hopefully that the outcome would allow Merkel to “escape from the cage of the ‘grand coalition’” and pursue “many of the reforms that Germany needs, including to its tax and welfare systems, and to health care and the labour market.”³⁶ However, the *New York Times* was a good deal more cautious, noting that “the celebration will be muted by the knowledge that rising budget deficits as a result of the economic crisis have drastically limited the kind of tax cuts on which the would-be coalition partners campaigned,” and concluding that German voters had “shown little appetite for drastic change in the midst of the economic crisis.”³⁷

The Electoral Impact of Policy Choices

The statistical analyses reported in Table 3 provide little evidence of any consistent ideological impulse in election outcomes in the wake of the Great Recession. However, the broad ideological classification of incumbent governments employed in

³⁶ “Merkel’s Moment,” *The Economist*, October 1, 2009 (<http://www.economist.com/node/14548863>).

³⁷ Nicholas Kulish, “Merkel’s Party Claims Victory in Germany,” *New York Times*, September 27, 2009 (<http://www.nytimes.com/2009/09/28/world/europe/28germany.html>).

those analyses may not be indicative of the specific policies governments adopted in response to the economic crisis. If left-of-center governments generally did not pursue conventional left-of-center policies, such as Keynesian fiscal stimulus measures and generous welfare program—or if centrist and right-of-center governments *also* pursued those policies, as seems to have been the case in Germany—then voters would have little reason to be swayed by conventional ideological labels. The statistical analyses reported in Table 4 shed some light on the relationship between broad ideologies and specific policy choices in response to the Great Recession. In general that relationship seems to be fairly modest, and in some respects it seems to be counter-intuitive.

***** Table 4 *****

The regression analysis reported in the first column of Table 4 focuses on government debt.³⁸ The cumulative growth in central government debt from 2007 to 2010 exceeded 40% of GDP in Ireland, Greece, the United Kingdom, and Iceland (58.1%). Portugal, Spain, Japan, and the United States saw increases in debt ranging from 20% to 26% of GDP. The level of debt increased by 10% to 15% of GDP in most other OECD countries, with the exception of Switzerland, Sweden, and Israel, which slightly *reduced* their outstanding debt. The parameter estimates in Table 4 indicate that left-wing governments were more sensitive to economic conditions than their right-wing counterparts in accumulating debt during and immediately following the Great Recession. In a typical country with a 5% decline in real GDP during the worst year of the downturn, the regression results suggest that right-wing governments and left-

³⁸ “Central Government Debt: Total central government debt (% GDP),” OECD (<http://stats.oecd.org>). I have tabulated the growth in outstanding debt from 2007 to 2010 (extrapolating Japan in 2010).

wing governments would be expected to accumulate similar levels of incremental debt, amounting to 17% of GDP and 19% of GDP, respectively. However, left-wing governments in less hard-hit countries accumulated *less* debt than their right-wing counterparts, while left-wing governments in countries experiencing especially deep recessions accumulated substantially more debt than right-wing governments in similar circumstances.³⁹

The regression analyses reported in the remaining columns of Table 4 focus on three aspects of governments' fiscal policies at the height of the crisis, in 2009: (1) cyclical deficits resulting from declines in tax revenues and increased spending on "automatic stabilizers" such as unemployment insurance; (2) discretionary stimulus spending; and (3) other discretionary spending such as bailouts and nationalizations.⁴⁰

Cyclical deficits were substantial in every OECD country, ranging from 3% of GDP in the United States to 8.7% in Sweden. Some of this variation no doubt reflects differences in the structure of welfare states resulting from durable ideological differences among countries (as the examples of the U.S. and Sweden suggest). However, the ideological complexion of the current incumbent government in each country seems to have had little bearing on the magnitude of the cyclical deficit it incurred in 2009. Rather, the magnitude of each country's cyclical deficit mostly seems to reflect the severity of its recession—just as we should expect if this spending was an *automatic* response to the downturn rather than a fiscal policy *choice*.

³⁹ The magnitudes of these ideological differences are quite sensitive to the handful of cases with very large accumulations of debt; however, a smaller but qualitatively similar difference between left-wing and right-wing governments in responses to economic conditions appears even when those cases are excluded from the analysis.

⁴⁰ Projected spending data from OECD June 2009 Economic Outlook tabulated by Ansell (2010, Table 2).

Discretionary stimulus programs were smaller in magnitude, ranging from less than 1% of GDP in Italy, Switzerland, France, and Portugal to 4.5% in Japan. In Hungary, Iceland, and Ireland, draconian austerity programs produced substantial *declines* in discretionary spending (ranging from 6.5% to 7.7% of GDP) in 2009. Here, the results in Table 4 clearly suggest that the ideological complexion of each country's government had a significant impact on its fiscal policy—but also that that impact varied considerably with economic conditions. In countries with very shallow recessions, left-wing governments adopted significant stimulus programs while right-wing government did not. However, in countries with recessions of typical magnitude there was, on average, little discretionary fiscal response from governments of either ideological stripe. And in countries with unusually deep recessions, left-wing governments were more likely to make significant *cuts* in discretionary spending. The magnitudes of these differences reflect the impact on the statistical results of huge fiscal contractions in Hungary and Ireland, both of which had left-wing governments. However, even when cases of significant fiscal contraction are set aside, there is a clear negative relationship between GDP growth and discretionary stimulus spending in countries with right-wing governments, but an equally clear *positive* relationship between GDP growth and discretionary stimulus spending in countries with left-wing governments.

Other discretionary spending also varied substantially across OECD countries, with major bailouts in all of the English-speaking democracies (ranging from 4.5% of GDP in the United States to 8.8% in the United Kingdom). However, the magnitudes of these programs do not seem to have depended in any consistent way on the ideological complexion of the government (though there is some indication that left-wing governments may have been more prone to bailouts than right-wing governments were) or to the depth of the recession each country experienced.

The regression analyses reported in Table 5 explore the impact of these policy choices by incumbent governments on their electoral fortunes. My aim is to discern whether voters rewarded or punished their political leaders for engaging in Keynesian fiscal policies in response to the Great Recession. Since the OECD spending data employed here are projections for 2009, the analyses are limited to elections from 2009 through early 2011.

***** Table 5 *****

The regression analyses reported in the first three columns of Table 5 focus on the electoral impact of government debt. The simple bivariate regression of incumbent electoral performance on incremental debt, presented in the first column of the table, suggests that each additional percentage point of debt accumulated by a government over the three years of the crisis (2008, 2009, and 2010) reduced the incumbents' vote share by one-fifth of a percentage point. This is a fairly strong relationship, suggesting, for example, that the ballooning debts of Greece, Ireland, and the United Kingdom depressed electoral support for their incumbent governments by as much as 8%. However, part of that relationship is spurious, reflecting the fact that governments in worse economic circumstances were more likely to resort to substantial increases in debt. When real GDP growth rates in the two years leading up to each election are added to the analysis (in the second column of Table 5) the apparent effect of incremental government debt is cut in half. This estimate implies that the debt crises in Greece, Ireland, and the United Kingdom probably cost their incumbent governments about 4% of the vote, while a typical accumulation of debt—about 12% of GDP—would have cost an incumbent government only a little more than 1% of the vote. This smaller effect of debt on election outcomes seems to apply equally in

countries with left-wing governments and those with right-wing governments; at least, an analysis allowing for the possibility of ideologically differentiated effects (in the third column of Table 5) provides no suggestion that left-wing governments were any more or less likely than right-wing governments to be punished at the polls for increasing debt.

The regression analyses reported in the last three columns of Table 5 focus specifically on governments' fiscal policies at the height of the recession, in 2009. The analyses in the fourth and fifth columns relate each incumbent party's vote share (in the 13 countries with elections after 2008 for which the relevant data are available) to the total deficit incurred in 2009—the sum of the cyclical deficit, discretionary stimulus spending, and bailouts and nationalizations. Even allowing for the electoral impact of overall GDP growth, the results suggest that deficit spending had a significant positive effect on governments' electoral fortunes. Running a deficit amounting to 12% of GDP (a level reached or exceeded in Britain, the Netherlands, Sweden, Finland, and Australia) would boost an incumbent government's vote share by more than nine percentage points.⁴¹ As with the impact of debt, this effect seems to have been quite similar in magnitude for left-wing governments and right-wing governments.

The regression analysis reported in the sixth column of Table 5 disaggregates the impact of fiscal policy on electoral support into three components representing the distinct effects of cyclical deficits, discretionary stimulus spending, and bailouts and

⁴¹ Conversely, these results suggest that Iceland's stringent austerity program, which produced a *surplus* amounting to more than 10% of GDP, reduced the incumbent government's vote share by about eight percentage points. Excluding Iceland from the regression analysis produces an even larger estimate of the electoral impact of deficit spending: 1.26 (with a standard error of .51).

nationalizations. Although these separate estimates are not very precise, they suggest that cyclical deficits and discretionary stimulus spending probably had greater electoral payoffs than bailouts and nationalizations. The parameter estimate for discretionary spending suggests that robust stimulus programs in Sweden, Australia, Germany, and Finland (amounting to 3.2% or 3.3% of GDP) may have netted the governing parties almost 4% of the vote, whereas severe retrenchments in Ireland, Iceland, and Hungary (ranging from 6.5% to 7.7% of GDP) may have cost the incumbent governments in those countries eight or nine percentage points when they stood for reelection.

The apparent impact of discretionary stimulus spending on incumbents' vote shares in Table 6 provides the strongest evidence I have found of a consistent electoral response to governments' fiscal policy choices during the Great Recession. However, even this evidence is unavoidably fragile, given the limitations of the data on which it is based. The basic relationship between incumbents' vote shares and discretionary stimulus spending is displayed in Figure 4. While the relationship is clearly positive (and the slope of the bivariate regression matches the corresponding parameter estimate in the sixth column of Table 5 almost exactly), the disparity in policies between the ten countries with modest stimulus programs and the three with severe austerity programs provides rather little statistical leverage for assessing the electoral effects of more modest policy differences.

***** Figure 4 *****

The United States: A Rejection, But of What?

Barack Obama's historic victory in the 2008 U.S. presidential election was portrayed by enthusiastic pundits as a "rebirth of American liberalism," "the culmination of a Democratic realignment that began in the 1990s," and the advent of a "transformative" progressive presidency. The atmosphere of crisis in which Obama took office reinforced expectations of swift action on an ambitious and, presumably, popular progressive legislative agenda. One prominent political observer argued not only that "liberal views have re-emerged ... with a vengeance," but also that those views "can be expected to shift further leftward—especially on economic questions—in the face of coming recession." Comparisons with Franklin Roosevelt and the famous first 100 days of the New Deal era abounded.⁴²

However, as with many new political orders proclaimed by pundits, America's "New Liberal Order" (as *Time* magazine dubbed it) proved to be remarkably short-lived.⁴³ A slow rebound of economic growth, high unemployment, and partisan rancor drove Obama's popularity steadily lower through most of his first two years in office. When his Democratic allies in Congress faced the voters in November 2010 they suffered a substantial defeat, losing 8.4% of the popular vote and 63 seats in the 435-seat House of Representatives—an even worse showing than might have been expected

⁴² Peter Beinart, "The New Liberal Order," *Time*, November 13, 2008. John B. Judis, "America the Liberal," *The New Republic*, November 19, 2008. Robert Kuttner, *Obama's Challenge: America's Economic Crisis and the Power of a Transformative Presidency* (Chelsea Green, 2008), 1. Quotations are from Beinart, Judis, Kuttner, and Judis, respectively. The cover of the post-election issue of *Time* magazine in which Beinart's story appeared featured a portrait of Obama as FDR, complete with fedora and cigarette holder, and a title proclaiming "The *New New Deal*."

⁴³ Within days of Obama's victory, scholars of American voting behavior were pointing out that, from an electoral standpoint, nothing very unusual had happened. The outcome could be well accounted for by the usual "fundamentals" emphasized in scholarly analyses of election outcomes—most notably, the dire state of the economy. See, for example, John Sides, "Truths and Myths about the 2008 Election," *The Monkey Cage*, November 5-6, 2008 (<http://www.themonkeycage.org/2008/11/>), and Larry M. Bartels, "Election Debriefing," CSDP Election 2008, November 6, 2008 (<http://blogs.princeton.edu/election2008/2008/11/election-debriefing.html>).

given the state of the U.S. economy at the time.⁴⁴ With the Republican opposition back in control of the House, Americans faced a return to “divided government” and legislative gridlock.

Unlike the 2009 federal election in Germany, the 2010 midterm election in the U.S. was widely interpreted as an adverse judgment by voters on the policies of the incumbent government. In the *New York Daily News*, for example, the election result was presented as “a stinging rebuke to President Obama.”⁴⁵ In his election night victory speech, new Speaker of the House John Boehner argued that the American people had sent an “unmistakable message” to the president, “and that message is: ‘change course.’ We hope President Obama will now respect the will of the people, change course, and commit to making the changes they are demanding.” According to Boehner, voters had rejected “the spending sprees, the bailouts, the backroom deals, the takeovers and all the nonsense” in favor of cutting spending, reducing the size of government, and “helping small businesses get people back to work.”⁴⁶

In his own first post-election press conference, Obama faced a succession of questions about the meaning of the election outcome. “Are you willing to concede at

⁴⁴ In July 2011 the Bureau of Economic Analysis in the U.S. Department of Commerce released revised estimates of GDP and other economic statistics for 2003-2011 (<http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm>). The revised estimates portray a greater contraction of U.S. real GDP during the Great Recession (at an annual rate of 3.5% rather than 2.8% from 2007:Q2 through 2009:Q2) and a slightly slower rebound (at an annual rate of 2.6% rather than 2.8% from 2009:Q2 through 2011:Q1). However, given the quarter-by-quarter pattern of downward and upward revisions, substituting the revised BEA data for the OECD data employed in my analysis increases the Democratic Party’s expected vote loss in the 2010 election only slightly, from 5.1% to 5.2%.

⁴⁵ Thomas M. DeFrank, “Midterm Election Results Show Voters Unhappy with President Obama’s Leadership,” *New York Daily News*, November 3, 2010.

⁴⁶ “Midterms 2010: John Boehner’s Victory Speech in Full.” *The Telegraph*, November 3, 2010 (<http://www.telegraph.co.uk/news/worldnews/us-politics/8106711/Midterms-2010-John-Boehners-victory-speech-in-full.html>).

all that what happened last night was not just an expression of frustration about the economy, but a fundamental rejection of your agenda? ... If you're not reflecting on your policy agenda, is it possible voters can conclude you're still not getting it? ... Would you still resist the notion that voters rejected the policy choices you made?"

Obama did resist the notion that voters had rejected his policies, preferring to interpret the outcome as merely a reflection of economic frustration. "Well," the president replied,

what I think is absolutely true is voters are not satisfied with the outcomes. If right now we had 5 percent unemployment instead of 9.6 percent unemployment, then people would have more confidence in those policy choices. The fact is, is that for most folks, proof of whether they work or not is has the economy gotten back to where it needs to be. And it hasn't. ... And ultimately, I'll be judged as President as to the bottom line, results.⁴⁷

In a television interview the next day, Obama was pressed once again regarding the meaning of the election: "At your news conference yesterday, you seemed unwilling to accept the idea that this was a rejection in any way of your agenda and your policies. Is this a defeat, a reflection on your leadership?" The president responded by ticking off a variety of popular policy initiatives, then added a grudging concession that voters may have misinterpreted his administration's responses to the economic crisis as reflecting an ideological agenda. "I think that what happened over the course of two years," he said,

was that we had to take a series of big, emergency steps quickly. And most of them in the first six months of my administration. Each of them had a big price tag. You got intervention in the banks. You've got the auto bailout. You've got a stimulus package. Each one with a lot of zeroes behind it. And

⁴⁷ "Press Conference by the President, November 03, 2010" (<http://www.whitehouse.gov/the-press-office/2010/11/03/press-conference-president>).

people looked at that and they said, ‘Boy, this feels as if there’s a huge expansion of government.’⁴⁸

A national survey of voters leaving their polling places seemed to bolster the notion that the election outcome was shaped not only by adverse economic conditions, but also by adverse assessments of the policies and priorities of the Obama administration. For example, 56% of the exit poll respondents said that the government was “doing too much,” and they supported Republican candidates by a margin of almost four to one; on the other hand, 38% said that the government “should do more,” and they supported Democratic candidates by about the same margin. Similarly, 58% said that the “highest priority” for the next Congress should be reducing the deficit (40%) or cutting taxes (18%); they voted Republican by a 67-30 margin, while the 37% who said the highest priority should be “spending to create jobs” supported Democratic candidates by a 68-30 margin.⁴⁹

Results like these suggested that voters on both sides were animated by policy concerns related to the government’s response to the economic crisis—and that many more of them were animated to *oppose* the policies of the president and the Democratic majority in Congress than to *support* those policies. However, it is worth bearing in mind that voters’ expressed policy preferences are often more plausibly interpreted as *rationalizations* of vote choices than as *reasons* for those choices (Achen and Bartels 2006; Lenz 2009). Thus, it is hard to gauge from survey data

⁴⁸ “Transcript: President Barack Obama, Part 1. ‘60 Minutes’ Correspondent Steve Kroft Interviewed The President Nov. 4, 2010” (<http://www.cbsnews.com/stories/2010/11/07/60minutes/main7032276.shtml?tag=contentMain;contentBody>).

⁴⁹ “U.S. House: National Exit Poll, 17,504 Respondents” (<http://www.cnn.com/ELECTION/2010/results/polls/#val=USH00p1>).

whether “doing too much” or “spending to create jobs” were in fact at the heart of the Democrats’ political problems.

A different—and perhaps more reliable—way to assess the political significance of specific policy choices in the American setting is to estimate the electoral impact of major roll call votes on the electoral fortunes of individual members of Congress (Jacobson 1996). In this spirit, McGhee, Nyhan and Sides estimated the impact of four controversial votes on Democratic incumbents’ performance in the 2010 election—the 2008 vote on the Troubled Assets Relief Program (TARP), the \$787 billion stimulus package passed a few weeks after President Obama took office, a cap-and-trade energy bill which later died in the Senate, and the Affordable Care Act that reformed the American health care system. They simply counted how many of these four bills each Democratic incumbent supported, and related that support (controlling for a variety of other factors) to 2010 election outcomes. They found that a typical Democratic incumbent “lost about two-thirds of a percentage point for every yes vote. Democrats in the least Democratic districts, such as Chet Edwards of Texas or Gene Taylor of Mississippi, lost about 4 percent for every yes vote.” These estimates imply that “if every losing Democratic incumbent had not supported any of these bills ... the Democrats would have gained back 32 seats, enough to retain control of the House.”⁵⁰

A subsequent analysis along similar lines by McGhee included separate estimates of the electoral cost to Democrats of supporting each of these four bills.⁵¹ His estimates suggest that the cost of supporting TARP was “small and insignificant,” while the cost of supporting the stimulus package was 2.8%, cap-and-trade 2.1%, and

⁵⁰ Eric McGhee, Brendan Nyhan, and John Sides, “Midterm Postmortem,” *Boston Review*, November 11, 2010 (<http://bostonreview.net/BR35.6/sides.php>).

⁵¹ Eric McGhee, “Which Roll Call Votes Hurt the Democrats?,” *The Monkey Cage*, November 9, 2010 (http://themonkeycage.org/blog/2010/11/09/which_roll_call_votes_hurt_the/).

health care reform 4.5%. The cap-and-trade and health care votes seem to have been more ideologically charged, with Democratic supporters punished much more in more Republican districts, while support for the stimulus “seems to [have] hurt everyone.” A simulation based on these estimates suggested that, if every vulnerable Democrat had refrained from supporting the cap-and-trade and health care bills, the party would have lost 24 fewer seats, bringing the election outcome into close agreement with forecasts based primarily on the state of the economy.⁵²

McGhee’s estimates of the effects of Democratic support for cap-and-trade (2.1%) and health care reform (4.5%) are just large enough (bearing in mind that only about half the districts in the country had Democratic incumbents who supported those bills running for reelection) to account for the discrepancy between the Democrats’ aggregate vote loss (8.4%) and their expected vote loss based on the statistical relationship in Figure 3 (5.2%). While the exactness of this correspondence is no doubt coincidental, it does suggest that the Democrats’ apparent under-performance in the 2010 election may have been attributable to policy choices largely unrelated to the economic crisis.

While individual Democrats in Congress seem to have been punished for supporting health care reform and cap-and-trade legislation, their support for legislative initiatives more directly related to the economic crisis probably bolstered their electoral support. Even if we accept McGhee’s estimate that supporting the Obama stimulus package cost Democratic incumbents 2.8% of the vote, this electoral penalty was almost certainly more than offset by the political benefit of improved

⁵² A similar analysis by Brady, Fiorina and Wilkins (2011) only focused on the cap-and-trade and health care votes; their results implied that by opposing these bills Democrats could have saved somewhere between 22 and 40 seats, “strongly suggesting that the votes in question cost the Democrats their majority” (Brady, Fiorina and Wilkins (2011, 249).

economic conditions resulting from the implementation of the stimulus program. As McGhee, Nyhan and Sides noted,

Our simulations only estimate the effect of different voting records—the actual counterfactuals are more complex. For example, a lack of Democratic support on TARP or the stimulus could have killed those measures, potentially leaving the economy in worse shape and hurting the Democratic Party's chances in 2010 even more than these measures' passage. We are not claiming that the Democrats shouldn't have voted for these bills, only that Democrats took some tough votes and paid an electoral cost for them, especially in marginal districts.

Economists Alan Blinder and Mark Zandi (2010) estimated the economic effects of the “stunning range of initiatives” undertaken by Congress, the Federal Reserve, and the Bush and Obama administrations in response to the Great Recession, including TARP, the Federal Reserve's aggressive program of “quantitative easing,” and other financial-market supports; the bailouts of AIG, General Motors, and Chrysler; and the spending increases and tax cuts incorporated in the Obama administration's \$787 billion stimulus package. Blinder and Zandi concluded that these policies, taken as a whole, were “highly effective” in shoring up the U.S. financial system and pulling the economy out of what might otherwise have become “Depression 2.0” (Blinder and Zandi 2010, 2, 7). They estimated that the entire portfolio of policy responses boosted real GDP by 4.9% in 2009 and 6.6% in 2010 (Table 4), while the stimulus package alone added 1.3% to real GDP in 2009 and 1.9% in 2010 (Table 9). Combining the latter estimates with my own estimates of the electoral effects of GDP growth suggests that the economic benefit of the stimulus package probably reduced the Democrats'

national vote loss by somewhere between 2.8% and 6.2%—more than enough to offset the direct electoral cost to Democratic incumbents who voted for the stimulus bill.⁵³

Thus, while many observers seemed to believe that the 2010 election constituted a rejection by American voters of the president’s response to the economic crisis, the truth of the matter is that that response almost certainly staved off an even worse electoral debacle—because it staved off an even worse economic debacle. If Obama and his party overreached, it was in other areas—most notably, by forcing through Congress an historic overhaul of health care reform and by trying but failing to pass a major energy bill. By rebuking Democrats for what may have felt like “a huge expansion of government” in these areas, voters also *seemed* to be rejecting the huge expansion of government that forestalled a much longer and deeper Great Recession. The ironic result, as one observer noted, was that “the electorate has now restored to power in the House the same crowd they repudiated only two years ago—and whose policies, by any honest reckoning, wrecked the economy.”⁵⁴

Conclusion

Interpreting election outcomes is not merely a scholarly pursuit. Specific understandings of what voters had in mind, individually and collectively, in casting their ballots can shape practical political thought, discourse, and action for better or worse (Grossback, Peterson, and Stimson 2006). American political culture in the 20th

⁵³ Based on the parameter estimates reported in the second column of Table 2, the combined effect of an additional 1.9% real GDP growth in 2010 and an additional 1.3% growth in 2009 would be to increase the Democratic vote share in the 2010 election by 2.8%. Based on the parameter estimates reported in the sixth column of Table 5, the direct effect of a stimulus amounting to \$309 billion (approximately 2.2% of GDP) in 2009 would be to increase the Democratic vote share by about 2.6%, while the additional impact of greater overall GDP growth would increase the Democratic vote share by another 3.6%.

⁵⁴ Thomas M. DeFrank, “Midterm Election Results Show Voters Unhappy with President Obama’s Leadership.”

century was significantly shaped by the conventional belief that the 1936 election constituted a referendum on the New Deal and, more broadly, on the role of the federal government in the American economy and society. More recently, the notion that the outcome of the 2010 midterm election represented “a stinging rebuke to President Obama” and that the American people had sent an “unmistakable message” to “change course” has seemed to alter the political standing and strategies of both the president and his Republican opponents.⁵⁵

When understandings of this sort are mistaken, political trouble may ensue. For example, British Conservative Party leader David Cameron interpreted his party’s 2010 election victory as a mandate for “new economic management” and “the most radical decentralization of power this country has seen for generations.”⁵⁶ However, polls found solid majorities of Britons in favor of aiding troubled major industries and companies, significantly increasing government spending, and even providing financial support to troubled banks.⁵⁷ And a detailed study of British public opinion found that “public satisfaction with health and education improved dramatically” under the Labour government, “leaving the researchers asking why Labour did not fight the election on its social policy record—and warning that the [Conservative-led] coalition is

⁵⁵ Thomas M. DeFrank, “Midterm Election Results Show Voters Unhappy with President Obama’s Leadership.” “Midterms 2010: John Boehner’s Victory Speech in Full.”

⁵⁶ David Batty, “David Cameron Launches Election Campaign with Economy Pledge,” *The Guardian*, 2 January 2010 (<http://www.guardian.co.uk/politics/2010/jan/02/david-cameron-election-campaign-economy>).

⁵⁷ Britons favored “financial support to troubled major industries and companies” by a 73%-23% margin, “significantly increasing government spending” by a 60%-35% margin, and “financial support to troubled banks” by a 55%-42% margin. “Global Poll Shows Support for Increased Government Spending and Regulation,” September 13, 2009 (http://www.worldpublicopinion.org/pipa/pdf/sep09/BBCecon_Sep09_rpt_final.pdf).

now risking a significant backlash against its reforms and cuts to public services that people are happy with.”⁵⁸

Placing the outcome of any particular election in a broader comparative perspective may help to restrain the tendency of election observers—and especially of election winners—to over-interpret the ideological significance of the result. Americans in the Great Depression repudiated Herbert Hoover and then reelected Franklin Roosevelt in a landslide; but voters in other democracies in the same period repudiated left-wing governments when times were bad and reelected right-wing governments when economic conditions improved. By the same token, John Boehner and David Cameron led conservative opposition parties to significant victories at the polls in the wake of the Great Recession, but they—and we—might do well to bear in mind that at the same time, conservative governments in countries as diverse as Iceland and Japan were even more decisively repudiated after presiding over significant economic downturns.⁵⁹ In periods of economic crisis, as in more normal times, voters have a strong tendency to support any policies that seem to work, and to punish leaders regardless of their ideology when economic growth is slow.

⁵⁸ Polly Curtis, “Britain ‘More Thatcherite Now than in the 80s’ Says Survey,” *The Guardian*, 13 December 2010 (<http://www.guardian.co.uk/education/2010/dec/13/social-survey-thatcherite-britain>).

⁵⁹ Iceland and Japan experienced declines in real GDP of 6.1% and 7.0%, respectively, in the run-ups to their 2009 elections; their right-of-center governments suffered vote losses of 12.9% and 9.1%.

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Table 1: Elections in OECD Countries, 2007-2011

Country	Election Date	Incumbent Party	Ideology	GDP Growth	Vote Gain/Loss
Estonia	4/3/07	Reform/Centre	Center/Right	9.7	+10.81
Finland	18/3/07	Centre/Social Dem	Center/Left	5.0	-4.61
Iceland	12/5/07	Independence (SSF)	Right	2.3	+2.96
Ireland	24/5/07	Fianna Fail	Left	7.5	+0.08
France	17/6/07	UMP	Right	2.5	+0.91
Greece	16/9/07	New Democracy	Right	4.2	-3.52
Poland	21/10/07	Law and Justice	Right	6.2	+5.1
Denmark	13/11/07	Liberal (Venstre)	Right	1.5	-2.77
Spain	9/3/08	Socialist (PSOE)	Left	3.1	+0.60
Italy	13-14/4/08	Democratic (PD)	Left	0.3	+1.90
Slovenia	21/9/08	Slov Dem (SDS)	Right	5.2	+0.18
Austria	28/9/08	Soc Dem/People's	Center	3.3	-14.43
Canada	14/10/08	Conservative	Right	0.4	+1.38
New Zealand	8/11/08	Labour	Left	-0.6	-7.11
Israel	10/2/09	Kadima/Labor	Center/Left	2.1	-4.68
Iceland	25/4/09	Independence (SSF)	Right	-6.1	-12.94
Japan	30/8/09	Liberal Dem	Right	-7.0	-9.09
Norway	14/9/09	Labour (DNA)	Left	-2.2	+2.68
Germany	27/9/09	CDU/SPD	Center	-5.6	-12.59
Portugal	27/9/09	Socialist PS	Left	-3.0	-8.47
Greece	4/10/09	New Democracy	Right	-2.1	-8.36
United Kingdom	6/5/10	Labour	Left	-0.4	-6.19
Hungary	25/5/10	Socialist (MSZP)	Left	-0.6	-23.91
Netherlands	9/6/10	Chr Dem/Labour	Center	0.4	-14.46
Slovak Republic	12/6/10	Direction-Soc Dem	Left	4.4	+5.66
Australia	21/8/10	Labor	Left	3.1	-2.58
Sweden	19/9/10	Moderate	Right	4.4	+3.83
United States	2/11/10	Democratic	Left	3.1	-8.37
Ireland	25/2/11	Fianna Fail	Left	-0.4	-24.11

Estonia	6/3/11	Reform	Right	6.6	+0.74
Finland	17/4/11	Centre/Nat Cltn	Center	5.0	-9.23

Table 2: Economic Performance and Election Outcomes in OECD Countries, 2007-2011

Ordinary least squares regression parameter estimates (with standard errors in parentheses).

	1	2	3	4	5	6
Δ GDP(1-4Q)	1.12 (.32)	1.05 (.30)	---	.75 (.41)	1.06 (.31)	.93 (.25)
Δ GDP(5-8Q)	---	.53 (.24)	---	.35 (.42)	.45 (.31)	.21 (.21)
Relative Δ GDP(1-4Q)	---	---	1.76 (.53)	.83 (.72)	---	---
Relative Δ GDP(5-8Q)	---	---	.34 (.41)	.04 (.61)	---	---
Unemployment	---	---	---	---	-.19 (.48)	---
Intercept	-6.42 (1.37)	-6.88 (1.30)	-6.17 (1.30)	-6.87 (1.32)	-5.40 (3.97)	-5.24 (1.15)
Adjusted R ²	.27	.35	.30	.34	.33	.32
Std error of reg	6.99	6.58	6.84	6.66	6.68	5.39
N	31	31	31	31	31	29 ^a

^a Excluding Hungary (2010) and Ireland (2011).

Table 3: Ideology and Election Outcomes in OECD Countries, 2007-2011

Ordinary least squares regression parameter estimates (with standard errors in parentheses).

	1	2	3	4	5	6
Government ideology	-2.27 (1.62)	-1.40 (1.36)	-2.03 (2.06)	-1.79 (1.96)	.40 (2.79)	-1.15 (1.62)
Government ideology × year	---	---	---	---	-.81 (1.09)	---
Government ideology × confidence	---	---	---	---	---	-.27 (.48)
ΔGDP(1-4Q)	---	1.04 (.30)	---	1.03 (.47)	1.03 (.31)	.84 (.41)
ΔGDP(5-8Q)	---	.46 (.25)	---	.36 (.38)	.48 (.25)	.40 (.35)
Intercept	-4.50 (1.45)	-6.78 (1.31)	-7.00 (1.81)	-7.27 (1.71)	-6.54 (1.36)	-6.62 (1.51)
Adjusted R ²	.03	.35	-.00	.13	.34	.19
Std error of reg	8.06	6.58	8.22	7.68	6.63	6.54
N	31	31	21 ^a	21 ^a	31	23 ^b

^a Including only elections after mid-2008.

^b Including only countries with OECD consumer confidence data.

Table 4: Ideology, Economic Conditions, and Policy Responses to the Economic Crisis

Ordinary least squares regression parameter estimates (with standard errors in parentheses).

	Incremental debt (2008-10)	Cyclical deficit (2009)	Discretionary stimulus (2009)	Bailouts and nationalizations (2009)
Government ideology	-8.27 (5.33)	-.63 (.57)	2.51 (1.48)	2.32 (1.79)
Government ideology × ΔGDP(2008/9)	-1.95 (.94)	-.07 (.11)	.74 (.28)	.04 (.34)
ΔGDP(2008/9)	-.86 (.92)	-.36 (.11)	.35 (.28)	.04 (.34)
Intercept	13.80 (5.10)	3.69 (.57)	2.50 (1.48)	2.53 (1.79)
Adjusted R ²	.05	.34	.26	.11
Std error of reg	14.21	1.19	3.10	3.75
N	26 ^a	20 ^b	20 ^b	20 ^b

^a Including only countries with OECD debt data.

^b Including only countries with OECD spending data.

Table 5: Policies and Election Outcomes in OECD Countries, 2009-2011

Ordinary least squares regression parameter estimates (with standard errors in parentheses).

	1	2	3	4	5	6
Incremental government debt (% GDP, 2008-10)	-.20 (.11)	-.11 (.13)	-.12 (.13)	---	---	---
Debt × government ideology	---	---	-.04 (.09)	---	---	---
Total deficit (% GDP, 2009)	---	---	---	.73 (.36)	.68 (.35)	---
Deficit × government ideology	---	---	---	---	-.30 (.23)	---
Cyclical deficit (% GDP, 2009)	---	---	---	---	---	.62 (1.99)
Discretionary stimulus (% GDP, 2009)	---	---	---	---	---	1.26 (.43)
Bailouts and nationalizations (% GDP, 2009)	---	---	---	---	---	-.23 (.88)
ΔGDP(1-4Q)	---	1.15 (.67)	1.15 (.69)	1.05 (.63)	1.28 (.63)	.91 (.59)
ΔGDP(5-8Q)	---	.72 (.52)	.63 (.59)	1.52 (.65)	1.75 (.65)	.72 (1.09)
Intercept	-3.88 (2.91)	-4.38 (3.16)	-4.37 (3.27)	-12.96 (3.48)	-10.84 (3.70)	-11.85 (11.42)
Adjusted R ²	.12	.19	.13	.34	.40	.46
Std error of reg	7.99	7.69	7.96	6.42	6.14	5.84
N	17 ^a	17 ^a	17 ^a	12 ^b	12 ^b	12 ^b

^a Including only countries with OECD debt data and elections after 2008.^b Including only countries with OECD spending data and elections after 2008.

**Figure 1: The Course of the Great Recession
in OECD Countries, 2007-2010**

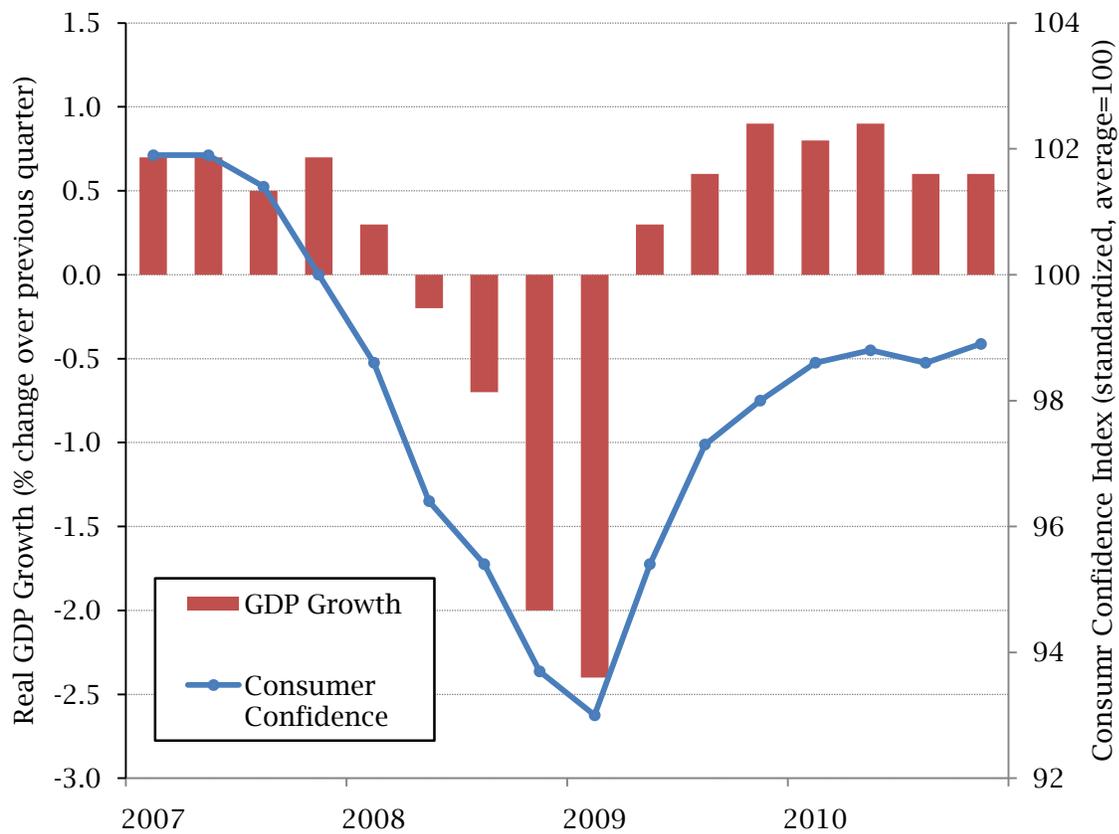


Figure 2: Election-Year GDP Growth and Incumbent Party Electoral Support, 2007-2011

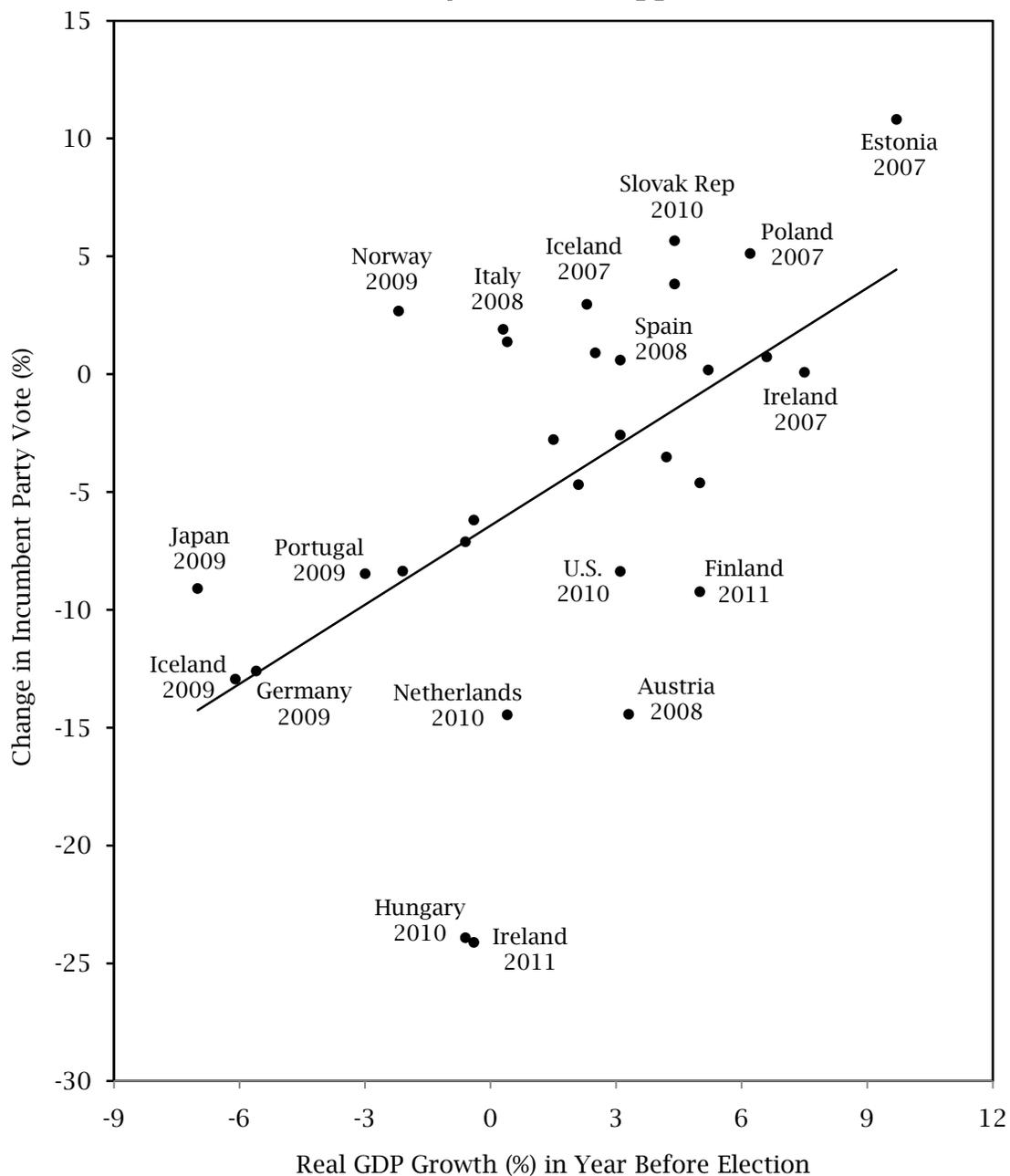


Figure 3: Cumulative GDP Growth and Incumbent Party Electoral Support, 2007-2011

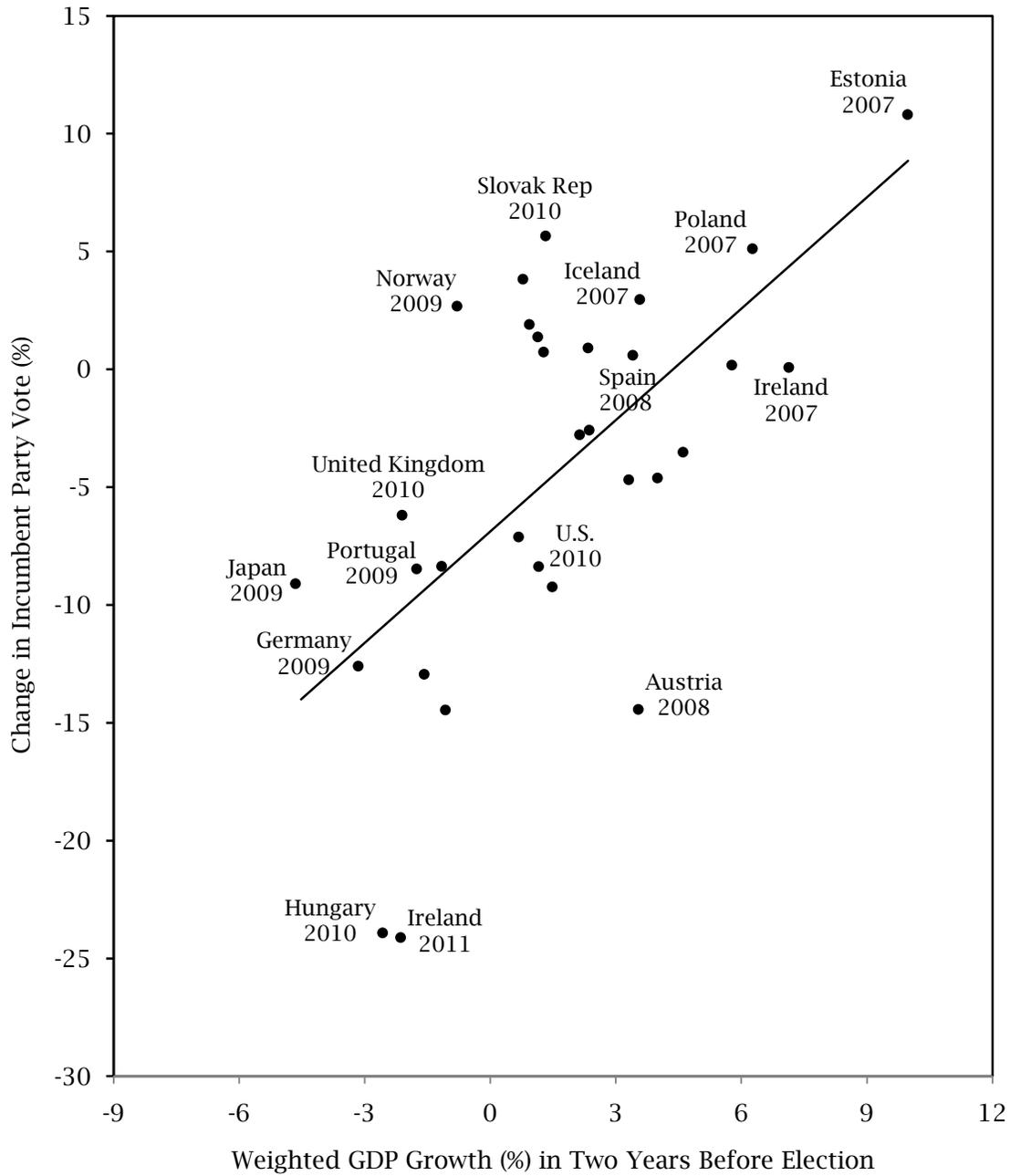


Figure 4: Discretionary Stimulus Spending and Incumbent Party Electoral Support, 2009-2011

