Negative economic campaigning? A principal agent-approach to the study of strategic election campaign behaviour

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Abstract:
Economic voting is a well-established term in political science – but is there such a thing as economic campaigning? Until today, there are neither systematic-theoretical nor empirical analyses of economic context factors influencing campaign styles at elections. This paper will elaborate on two principal agent models of political representation, a sanctioning and a selection one, and transfer their assumptions onto negative campaigning. Empirically, over 2000 campaign posters of 264 German state election campaigns from 1998 to 2013 will be subjected to a multi-level analysis. This bulk of content analytical data allows for an enormous natural variation in election settings and advanced statistical methods. Using MLA, party characteristics on the individual level and contextual election factors on the aggregate level can be identified as incentives for the use of different campaign strategies.

Keywords: Campaigns, Political Parties, Economic Voting, Elections, Attacks

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Introduction

Election campaigns are becoming more and more important with increased impact on voters (West 2005). At least two underlying developments are being discussed among political and communication scholars. One is campaign professionalization (see Gibson/Römmele 2001, 2009; Kavanagh 1996; Tenscher 2013). Campaign managers, better skilled and equipped, conduct evidence-based campaigns relying on focus groups, poll data and economic indicators in order to optimally target their communication efforts at voters. Put differently, campaign managers become more and more context-sensitive. Instead of running campaigns intuitively with some experienced rule of thumb in mind, they adapt their strategies rationally to situational constraints given in the specific election context. This can be seen as a change on the supply side of campaigning.

This change is accompanied by developments on the demand side of voters, namely increasing party dealignment and electoral volatility. Voting behaviour being less and less (pre)determined by party identification, both issue and candidate voting increase (see Dalton et al. 2000; Swanson/Mancini 1996). That is, voters become more susceptible to campaign messages dealing with those issues and traits (Popkin 1994: 12). Whereas blindly obliged party voting is quite static – however badly government has performed during the term, for example, supporters of parties in office will not vote against their favourites – issue and candidate voting is responsive¹, depending on situational election characteristics – and the campaigner’s communication.

Research efforts have not yet systematically accounted for this growing relevance of context-sensitivity in campaign strategies. This is the first shortcoming addressed in this paper. The second shortcoming is the lack of a coherent theoretical model to explain attack strategies in particular – those types of campaigning that are said to have the most harmful effects on democratic culture. As we expect campaigning efforts to be more powerful, so must their unintended consequences increase in power. Explaining the most disputed strategy of “negative campaigning”, that is attacking one’s opponent instead of promoting oneself, should be of central interest to democratic theorists.

Negative campaigning is said to alienate voters, foster political cynicism (Leshner/Thorson 2000), to contribute to declining trust in candidates and the democratic system (Stevens 2002) and to lower voter turnout (aka the demobilisation hypothesis, see e.g. Ansolabehere/Iyengar 1995; Ansolabehere/Iyengar/Simon 1999). Opposing trends were shown, amongst others, by Pinkleton et al. (2002) concerning voter cynicism and apathy, or Lau/Pomper (2001) on mobilization². All of these reported aggregate effects are unintended ones, derivatives of a single party’s or candidate’s decision to attack. This decision in itself has neither yet been examined with the help of one comprehensive theoretical approach, nor has its potential for democratic accountability been fully mapped.

In this paper I argue that the principal-agent framework yields innovative insights into campaigning strategy, especially into negative or attack advertising. Once its assumptions are transferred from voting behaviour to campaigning behaviour, we will better understand how contextual factors, mainly economic ones, impact on the individual party’s decision to “go negative” on competitors; and why this communication can be seen as a helpful tool for two very relevant electoral functions: to sanction defecting agents; and to prevent so called bad agents from gaining office. In short, negative messages can be designed to trigger

¹ Thereby fostering democratic accountability, one might argue from a retrospective model of representation.
² For an overview of effects, see the meta-analysis of Lau and colleagues. In sum, the authors conclude that there is no “reliable evidence that negative campaigning depresses voter turnout, though it does slightly lower feelings of political efficacy, trust in government, and possibly overall public mood.” (Lau et al. 2007: 1176)
voters’ punishment of government’s underperformance or to cast doubt on the ability of candidates to be good agents. This will be worked out in detail in the following section, after which hypotheses will be established. Next, case selection, coding procedure and method of analysis will be explicated. Finally, findings on individual and aggregate incentives for the use of negative campaigning will be reported. The article ends with an evaluation of its three innovative elements, namely (1) the use of the principal agent framework’s sanction and selection perspectives on campaign strategies; (2) negative campaigning decisions being based on the incentive structure the electoral setting provides, especially with economic conditions prompting attacks; and (3) effects being separated into the number of parties using attacks and the intensity or amount of attacks used within each party’s campaign.

Theoretical framework: A principal-agent-approach to the study of campaigning behaviour

How we conceptualize election campaigning essentially depends on the way we perceive elections themselves. This paper relies on the assumption that, in short, “elections are inherently about selecting good candidates for public office and sanctioning incumbents for past performance” (Hobolt/Hoyland 2011: 477). These two core electoral functions should be briefly discussed. The latter is known as the sanction approach, widely used in the economic voting literature: As Key pointed out early, the “only really effective weapon of popular control in a democratic regime is the capacity of the electorate to throw a party from power” (Key 1966: 76f). From that point of view, elections serve as "simple referenda of the incumbent’s performance" (Fraile 2002: 286). At the ballot box voters judge retrospectively and reward or punish government for last term’s political output. Critics argue that voters lack the ability and motivation to monitor incumbents in order to fulfil their sanctioning role adequately (Manin/Przeworski/Stokes 1999: 30; Duch/Stevenson 2005: 389). Without permanent control the threat of sanctioning the government at the next election is an empty one. According to the selection model, the best way to have the public’s interest represented is to select good delegates right from the beginning. That is to vote those candidates or parties into office of whom they can expect competence and trustworthiness (Mansbridge 2009: 370; Fearon 1999: 59). Elections then serve as a selection tool, an instance where voters can appoint the best political personnel to office.

Until today, the sanction and selection models have been discussed either in representation theory or in studies on election behaviour. Their consequences for campaigning behaviour have not yet been spelled out. This paper takes a look at the components relevant for communication within this principal-agent-framework. Why is that potentially fruitful? The short answer to this is: The central challenges in a principal-to-agent relation (or voter-to-representative-relation), are caused by (asymmetric) information – and campaigning is the tool for parties to directly target voters’ information environment. This needs further elaboration.

Within political science, principal agent theory is applied where delegation occurs between at least two actors or institutions. We can investigate one such delegation link between voters, acting as the “ultimate principal” (Mitchell 2000: 336), and parties in government as their agents. Inherent in all delegation relationships are problems of “agency losses” (Kiewiet/McCubbins 1991: 24), that is the agent not acting in the interest of his principle, once in office. There are two types of agency losses, adverse selection and moral hazard, but one underlying mechanism that causes both: the information asymmetry working in the agent’s favour. It is the central axiom in principal agent theory – and arguably the most
interesting one for communication and campaigning purposes. The agent has an advantage in knowledge about his skills, his past record, his future plans and his general intentions. As a consequence, voters face an information problem that is twofold. Ex ante, before delegation to office, voters do not know whether the agent/party they are about to elect is the right one, matching their issue interests and being both competent and trustworthy. So they might just pick the wrong candidate (adverse selection). The second informational problem occurs ex post, after delegation to office. To prevent agents from shirking, that is pursuing not their principals’ but their own interests (e.g. rent-seeking) once in office, voters must constantly monitor legislative actions. As critics of the sanction model pointed out, voters lack the resources to do so. So what we deal with in terms of democratic accountability then is essentially an informational problem. Voters are the “least informed and clearly face an uphill task in holding legislators to account” (Mitchell 2000: 336).

Campaigning as a matter of fact is no less than a communication effort conveying information to voters. So for campaign managers, executing this task for agents or potential agents (that is, parties not in office, but competing for parliament) it would be irrational not to capitalise on the information asymmetry in the agent’s favour. Campaign managers will have to anticipate voters’ sanction and selection calculus and ask themselves: Which arguments can trigger the idea of punishing incumbents or of promoting your own qualities as a “good” agent? In a sanctioning model of campaigning, central parameters are past deeds, political records and the state of the economy. In a selection campaigning model, the main mechanism is trust. So parameters to address are prospective issue promises as well as the agent’s character, emphasizing that he is trustworthy and competent to pursue voters’ interests. It is easy to apply this logic to negative or attack strategies. This is done in the following section where hypotheses are presented.

Summing up, we arrive at the following axioms for a concept of economic campaigning:

I. (Potential) agents, specifically their campaign managers, rationally aim their communication efforts at gaining (or remaining in) office.

II. Taking advantage of the information asymmetry they try to manipulate the voters’ / principal’s uncertain information environment by means of (unfiltered) paid media messages.

III. In those paid media messages they anticipate and appeal to voters’ sanction and selection calculus.

IV. This campaigning strategy decision is context-sensitive: Preferences towards campaigning styles are altered with regard to the incentive structure the electoral setting provides.

The term “economic campaigning” then does not only refer to financial or business issues affecting campaign messages. It equally emphasizes campaign managers’ rationality, and specifically their ability to alter strategic preferences in accordance to electoral settings. Economic campaigning subdivides into sanction and selection campaigning. Their attack version is called negative economic campaigning.

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3 John Geer (2006) outlined some first thoughts on the relationship between negative campaigning and democratic accountability. His focus is a slightly different one, as he asks how informative negative appeals are for the electorate – not why parties or candidates choose to use them.
Hypotheses: negative campaign messages as arguments for sanctioning and preventing potential agents from gaining office

How can research on negative campaigning profit from this economic campaigning perspective? And why is there a need to? Until today, there is only one consistent approach trying to explain the use of attack ads with regard to context-specific factors: Walter and colleagues have elaborated on a negative campaigning explanation based on a party’s coalition potential. They argue convincingly that in multiparty systems campaign attacks on potential partners raise coalition bargaining costs (Walter et al. 2013: 5; see also Elmelund-Praestekær 2010: 139; Hansen/Pedersen 2008: 423). In addition to party characteristics such as government experience and ideological distance to the political median, they include contextual factors influencing campaign tone for the first time. For instance, the willingness to continue coalition or closeness forecasted by pre-election polls enter the negative campaigning calculus. Empirically, none of these contextual effects could be validated in their analysis of British, Dutch and German national party election broadcasts and televised election debates from 1980 to 2006 (Walter et al 2013: 15). Furthermore, a campaign theory based on coalition potential might be fruitful for certain European political systems. But it cannot serve as a holistic approach to the use of negative campaigning.

Thus, a big research gap prevails. What do we actually know about the use of negative campaigning in Europe? Undeniably, the most robust finding, validated in Europe (Walter/van der Brug 2013: 380; Walter et al. 2013: 14; Elmelund-Praestekær 2010: 150; Hansen/ Pedersen 2008: 420) as well as in the U.S. (Lau/Pomper 2001: 78; Benoit et al. 2000: 68; Hale et al. 1996: 336; Tinkham/Weaver-Lariscy 1995: 299), is that opposition or challenger status boosts the use of attack messages. One might even argue that it is the only consistent finding across negative campaigning studies conducted in Europe. It seems as if we have not yet found the right formula to capture the logic of attack strategies. Additional innovative hypotheses are needed. Economic campaigning, as is argued here, holds this potential. First, hypotheses will be derived from the sanction perspective of negative economic campaigning. Secondly, selection-based hypotheses will complete the picture of rational agents taking advantage of the information asymmetry. But before we get to this, another innovative but very basic point has to be made.

For each hypothesis we can distinguish between the party’s chance of using negative campaigning at all and the amount being used within negative campaigns. This is not only due to data requirements later in the analysis. With the help of a prominent example, I will show why this distinction is advantageous in a quite explorative manner. Take the well-known claim that negative campaigning – along with other U.S. campaigning elements – is on the rise in European elections (aka modernization or americanization hypothesis, see Scammel 1998: 266; Negrine/Papathanassopoulos 1996). Despite its popularity, European scholars have empirically identified inconsistently varying (Elmelund-Praestekær/Svensson 2014: 237; van Heerde-Hudson 2011: 52) or even declining levels of negativism (Walter 2014: 52). These findings could be accurate, but could as well be delusive. That is because until today we have assumed that a given factor (such as time) will influence the dependent variable, namely the use of negative campaigning, disregarding the possibility of affecting only its frequency, or only its magnitude or both. It could well be the case that parties do not opt for negative campaigning more often, saying that there are not more campaigns, not more parties using negative campaigning in one election. But amongst those parties that do

4 There are scholars in the U.S. who have proposed and empirically tested contextual effects on attack strategies such as competitiveness or closeness of the electoral race (Hale et al. 1996), size or number of delegates of the contested state (Haynes/Rhine 1998; Hale et al. 1996) or proximity to election day (Damore 2002). But these are single detached explanations. None of them offered a comprehensive theoretical framework.
use negative campaigning, there could be an increase in volume, in the amount of negative messages within their campaign. Ignoring this distinction between the number of parties using negativity and its volume within each party’s campaign, we could only observe one misleading regression coefficient, suggesting for example a small decreasing trend for the use of negative campaigning since the 1990s. Whereas with the newly proposed differentiation in the dependent variable, allowing to account for a counteracting influence of a given factor (such as time), we could actually get a negative or insignificant coefficient for the number of parties attacking, yet a positive one measuring more extensive negativity employed within campaigns.

With regard to the above mentioned European findings, hypothesis number one, the trend hypothesis states:

H1a: The number of campaigns using negative campaigning at all has declined between 1998 and 2013.

H1b: The amount of negative campaigning within each (negative) party’s campaign has declined between 1998 and 2013.

Analogously, each hypothesis will be divided into two versions. So from the outlined negative economic campaigning perspective, who do we expect to make use of attacks and when is its level suspected to rise? Let’s start with the well-established opposition party hypothesis. In light of the sanction approach, this common hypothesis develops a new appeal: It is the opposition parties that can call upon the voter, i.e., the principal, to hold the governing agents to account for their policy outputs. So from a communication perspective, the opposition parties’ prime interest is to put forward arguments shedding light on the agents’ failure. From the economic voting literature we know that the main sanction calculus is an economic one. Voters rely on the “big two” (Nannestad/Paldam 1994: 216), which are GDP growth or unemployment rates and inflation rates, to punish or reward the ones in office at the ballot box. Trying to anticipate and appeal to this sanction mechanism, campaigners will be more inclined to use attack strategies when economic times are hard. Speaking from a principal-agent perspective, the incentive structure is favourable both to opposition and governing parties to employ negative campaigning when government is economically underperforming. In such a setting, negative appeals by opposition parties find favour with voters. At the same time, incumbents have less policy issues left for self-promotional purposes, so attacks on the opposition become increasingly attractive. Three central hypotheses follow from that:

H2a: Opposition parties are more inclined to use negative campaigning at all compared to governing parties.

H2b: Opposition parties use a greater amount of negative campaigning within their offensive campaigns compared to governing parties.

H3a: The lower the GDP growth, the more inclined parties are to use negative campaigning at all.6

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5 Here the phrase „economic“ is explicitly used as meaning economic policy (not as rational, although that applies too).
6 It follows that the number of parties using negative campaigning rises.
H3b: The lower the GDP growth, the greater the amount of negative campaigning used within each party’s offensive campaign.

H4a: The more the unemployment rate increases, the more inclined parties are to use negative campaigning at all.

H4b: The more the unemployment rate increases, the greater the amount of negative campaigning within each party’s offensive campaign.

From the economic voting literature we know that in multiparty and multi-level-systems the attribution of responsibility becomes difficult (see Anderson 2006; Nadeau/Niemi/Yoshinaka 2002; Powell/Whitten 1993). Blame for economic downturns can be avoided by accusing other political actors. I will try to account for this twofold. As for the multi-level diffusion of responsibility, Kayser and Peress (2012) recently introduced the following innovative consideration to the study of economic voting. They state that voters engage in some kind of benchmarking: Voters compare their country’s performance with the performance of peer countries. So only when their government underperforms relatively, taking into account the international situation, then it is upon them to punish the incumbent. This line of reasoning seems especially fruitful for economic campaigning purposes: Common slogans such as “bring up the rear in Europe” can be explained. The opposite case of outperformance can be used for positive messages like “the fastest growing economy in Europe”. Thus, two alternative hypotheses postulate:

H3c: The lower a state’s GDP growth compared to peer countries, indicating relative underperformance, the more inclined parties are to use negative campaigning at all.

H3d: The lower a state’s GDP growth compared to peer countries, indicating relative underperformance, the greater the amount of negative campaigning used within each party’s offensive campaign.

H4c: The more a state’s unemployment rate increases, indicating relative underperformance, the more inclined parties are to use negative campaigning at all.

H4d: The more a state’s unemployment rate increases, indicating relative underperformance, the greater the amount of negative campaigning used within each party’s offensive campaign.

Dealing with the multi-party option of blame avoidance, the number of coalition parties in government plays a role in the sanction calculus. Where there is one agent to target responsibility at, negative messages will be more credible. Whereas in contexts with two or

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7 In German state elections, the comparative argument of lagging behind seems particularly prominent, for example concerning levels of public debt and unemployment levels
three coalition members, or settings even with a minority government being dependent on varying partners, attacks lose grip – who is responsible for the underperformance?  

H5a: The more governmental power is concentrated on few parties, the more parties are inclined to use negative campaigning at all.

H5b: The less parties form a government coalition, the greater the amount of negative campaigning used within each party’s campaign.

Turning to the selection perspective, campaign managers will try to make their candidate or their party appear to be the best agent – or in terms of negative selection campaigning, to discredit the opponent as a bad agent. As outlined above, ex-ante trust (as opposed to ex-post control) plays a central role in the selection process. Attack messages then must cause mistrust, especially towards the two key agent traits: integrity and competency.

The first selection hypothesis deals with integrity or trustworthiness. If, during an election term, scandals such as corruption in party finances or personal misconduct emerged, there would be a factual basis for criticism, an opportune incentive to attack the damaged candidate or party. Although a straightforward motive, scandalousness has not yet been accounted for in previous models of negative campaigning! It is difficult but feasible to measure, for example via media coverage. Even though data is only available up to the year 2004 for the cases under consideration, the following hypothesis is developed as it is of great theoretical relevance in a selection based negative economic campaigning framework:

H6a: Where scandals are reported during an election term, parties are more inclined to use negative campaigning at all.

H6b: Where scandals are reported during an election term, the amount of negative campaigning used within each party’s offensive campaign increases.

Integrity is an important trait for voters to select the best agent for office. But it has to be accompanied by the ability to actually implement policy issues. For voters to assess an agent’s skills and competency, they can rely on his prior political experience (Hobolt/Hoyland 2011: 479). So the second hypothesis deals with the role of competency, respectively the lack of competency. The latter is a handy negative argument against parties that have not yet been in office or have little government experience. They are easy to attack, as more experienced parties can cast doubt or even spread fear by warning the electorate of having the country run by dilettantes. Experienced parties will therefore attack opponents on this trait, whereas the unexperienced cannot convincingly claim the opposite, a total lack of competence of the experienced parties.

H7a: The more government experience a party possesses, the more inclined it is to use negative campaigning at all.

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8 Additionally, the need for positive claim making increases when there are several coalition members. Each has to point out its contribution so that voters can attribute responsibility for policy outcomes to them.

9 Of course, one might argue, experienced agents can build upon their resource and use competence for self-promotional purposes. Unexperienced parties, on the other hand, must make up for the impression of not being competent, so that they will stress competence positively as well. In sum, experienced parties have a positive and a negative option, whereas unexperienced parties only have positive options, so that the former will relatively make more use of attacks than the latter.
H7b: The more government experience a party possesses, the greater the amount of negative campaigning used within its campaign.

Finally, a third variable can be deduced from the axiom that attack messages are designed to trigger voters’ mistrust against competency and integrity of potential agents: It is an incumbent’s image as the country’s father figure, i.e. a popular head of state who acts above party lines. To be more precise, it is the existence of a father figure running for re-election that is expected to lower overall levels of negativity in electoral races. This effect is caused by considerations within each camp. The incumbent party itself will campaign around its popular head of government in self-promotional manner (see Tinkham/Weaver-Lariscy 1995: 299; Campbell 1983: 442), stressing both his trustworthiness and his skills. The opposing contestants will not want to attack such a father figure on these traits. This would not resonate with voters’ perceptions. Additionally, the potential boomerang or backlash effect (see Fridkin/Kenney 2004: 590; Pinkleton 1997: 27; Johnson-Cartee/Copeland 1991: 8; Roddy/Garramone 1988: 418) would be enormous. With the popular head of state ideally personifying competency and integrity, the final hypothesis reads:

H8a: In electoral settings where a popular head of state with the image of the country’s father figure runs for re-election, parties are less inclined to use negative campaigning at all compared to electoral races without such a candidate.

H8b: In electoral settings where a popular head of state with the image of the country’s father figure runs for re-election, the amount of negative campaigning within each party’s campaign is smaller compared to electoral races without such a candidate.

Summing up, for each negative economic campaigning perspective, the sanction and the selection one, we have one micro hypothesis (opposition party; government experience) and two aggregate hypotheses (GDP and employment rate development; scandalousness and image as the country’s father figure). Adding the trend variable “time”, the model reflects the study’s focus on context-sensitivity.

**Case selection, data, coding procedure**

Case selection was mainly driven by this study’s interest in how contexts affect campaign strategies. Testing context-specific hypotheses requires a natural variation in election settings. With requirements for multi-level analysis in mind – “the sample size at the highest level is usually the most restrictive element in the design” (Snijders/Bosker 1999: 140) – we need at least thirty level-two-units. One can easily find these in the international context. But collecting data in thirty European countries seems impracticable. Plus there is lack of comparability given in international studies due to differences in political culture and communication systems.

Therefore, this study implements a large-N design via an intra-German State comparison: Looking at all campaigns of the five established German party families, CDU/CSU, SPD, FDP, Bündnis90/die Grünen and die Linke, conducted in every State election in between 1998 and January 2013, we have 264 campaigns nested in 58 election settings to analyse.
This “sampling” decision yields a second advantage compared to common (international) studies, namely that within such a total population survey, no statistical inferences are required\textsuperscript{10}, reducing sampling errors. Findings will consequently be reported without confidence intervals as the usual sampling logic is not applicable here. 

Data were coded via quantitative\textsuperscript{11} content analysis (1) of the most important paid media channels (2), namely campaign posters (3). These three decision steps shall be justified briefly: First of all, the content analytical method was mainly chosen as it is state of the art in European research on negative campaigning and hence facilitates the comparability of findings across studies. Alternative methods such as interviews with campaign managers or expert judgements on campaign strategies run the risk of being rationalized ex post. Content analysis as the number one non-reactive method avoids these shortcomings. Secondly, it is crucial to examine paid media when you want to know about parties’ or campaign managers’ rationale (Walter 2012: 21; Geer 2006: 21; Vavreck 2001: 510). In contrast to free media, no external influences such as media selection biases interfere directly\textsuperscript{12}. We can thus be sure that an attack on the opposing party conveyed via an election poster or a positive claim about the own party leader aired in a paid TV spot are the result of the campaign managers’ strategic decision making. Thirdly, election posters were considered because – at least in Germany – among all paid media options they function as the main campaign vehicles even in so-called digital times. Schmitt-Beck and Wolsing (2010: 52) state for the national election year 2009 that campaign posters reached 77% of the German voters, followed by TV spots with 57% of voter awareness. Even of more interest is the fact that especially election posters play a crucial role in the overall campaign. They are arguably able to best reflect the underlying strategy, i.e. campaign content and tone.

With this said, two potential threats to data quality remain to be dispelled practically: one is data collection, the other data coding. Data were collected as systematically and extensively as possible. National and regional archives, especially those of party foundations were searched for material. Each of the 80 regional party organizations was contacted at least three times in order to acquire their copies of their posters. Additionally, campaign managers and advertising and communication agencies were asked for their campaign material. The total number of election posters subjected to the content analysis is 2075, forming probably the most comprehensive paid media analysis in Germany.

The coding procedure follows Geer’s (2006: 35) proposition that is emerging as a standard these days. As he argues, coding an entire medium, e.g. a complete TV spot as one unitary case with a single attribute – that is the whole spot being either positive or negative – we do not adequately measure its tone. Most of the time, a TV spot or any other paid media channel will include both positive and negative appeals. Coding should therefore be applied to each statement, “delimited by a change of meaning of the text or speech” (Elmelund-
This can be a sentence, a claim within a sentence or – when the speaker elaborates further on one subject without altering either the reference object or the issue or character trait concerned – a couple of phrases.

As well as his coding procedure, Geer's definition of what a negative statement constitutes is used, namely that "negativity is any criticism leveled by one candidate against another during a campaign" (Geer 2006: 23). In a European party system context, targets can also include competing parties and coalitions. In line with Walter, negative campaigning then is regarded "as all criticism towards the opponent" (Walter 2012: 16). To be clear, this definition rules out evaluative conceptions of negative campaigning such as uncivilized (Brooks/Geer 2007; Mutz/Reeves 2005; Fridkin/Kenney 2004; Kahn/Kenney 1999), personal or trait attacks (Roddy/Garramone 1988), or "unfair campaigning" (Lau/Pomper 2002: 48), i.e. using false allegations. Instead, the term "negative" bears a directional meaning. Put simply, what we deal with here is neither the correctness of a statement nor its distastefulness, but a campaigner's basic decision to talk about the opponents' issues and traits instead of his own party's. Data was coded by a trained student. In order to test reliability, ten percent of the data was randomly drawn and coded by the researcher herself. Intercoder reliability proved to be very good concerning campaign tone, with a Holsti coefficient of .99 (or Krippendorf's alpha of .95). For determining the unit of analysis, over 2735 appeals in total, the Holsti coefficient was .98.

Transforming the binary coding of positive vs. negative appeal tone into an aggregate measure of a party campaign's negativity, I partly follow Walter and van der Brug (2013: 376): The – preliminary – dependent variable is calculated by the number of negative appeals as a percentage of the total number of appeals on all election posters of each party in each election. But this ratio of negative versus positive statements is heavily positively skewed – about half of all 264 campaigns show no attacks (0%) at all. A Poisson or negative binomial hierarchical model could have been applied, if this skewed dependent variable wasn't continuous. More importantly, the fact that about half of all 264 campaigns (or level one cases) do not show any negative campaigning implies that there might be some sort of threshold or basic hurdle to the use of attacks in paid media. The strategic decision to go negative in the first place seems to be a different one than the subsequent decision of how negative a party gets, once it has consciously overcome this threshold.

This theoretical argument leads us to separate the original ratio into a binary and a linear part. That is, separating those cases with 0% of negativity from those cases that employed negative messages in their campaigns. We end up with a binary outcome variable (is there any negative campaigning or not) which is analysed via logistic hierarchical regression; and a continuous outcome variable with no zero-percent-cases left (n=138), now approximating a normal Gaussian distribution which is analysed via linear hierarchical regression. In the end, these two outcome measures enable us to answer the two versions of each hypothesis elaborated in the previous paragraph. The former, the logistic regression corresponds to types a, and the latter, the linear regression to types b.

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13 This is what attribution theorists would call auto- vs. heteroattribution.
14 Alternatively, a tweedie compound poisson regression could be applied, but the standard software packages do not include this type of regression in their hierarchical model options. This holds true for hurdle regression models, too.
Operationalization of independent variables

As the proposed hypotheses are highly innovative, there is no established measurement upon which the operationalization of independent variables could be based. Therefore, the coding decisions should be discussed a little more in detail than it is usually the case. Specifically, we can distinguish between ideal operationalizations and those that were possible given the cases’ and project’s constraints. That is to say, I highly encourage researchers to try and test those alternative theoretical proposals – especially the subjective, perception based economic indicators – that will be outlined here but were practically beyond the scope of this study.

When we study negative campaigning behaviour via non-daily paid media, we have to get the time point of decision making right. Walter argues that European elections are quite short in manner, so that (e.g. poll) data available four weeks prior to election date would be appropriate to use (Walter 2012: 21). This claim is questionable. Especially for the election posters under consideration, the very production takes at least six weeks. On top of that, most campaign outputs like TV spots have an airing time of a couple of weeks in order to be effective. Studying parties’ campaigning calculus, it is important to capture their information environment at the time of their decision making. This is especially noteworthy, as we run the risk of being tautologic: Poll data in the immediate run-up to election date (that is one to four weeks prior) should ideally be influenced by campaigning efforts – if we assume that campaigns are actually influential at all. So this (poll) data is at least to some extent the outcome of campaign strategy, and chronologically not their cause.

Consequently, data used for the analysis must have been available to campaign managers six to four months prior to the election date. This prerequisite makes it difficult to obtain all theoretically relevant data, as polls are most systematically conducted the week prior to the election day. This difficulty does not trouble our first independent variable, opposition vs. governmental status. It is measured as a simple dichotomous variable for each party, indicating its role at the end of the election term. But it is especially true for the operationalization of economic hypotheses: Ideally, we would not only want to measure economy’s objective performance, but also test for subjective perceptions of economic wellbeing. With respect to the economic voting literature (see Lewis-Beck/Stegmaier 2000; Kinder/Kiewiet 1981 and 1979), we can distinguish between voters’ egocentric or pocketbook perspective, that is their own economic well-being, and their sociotropic view on how the country’s economy does. Campaign managers could further look at these perception-capturing poll data in terms of retrospective vs. present and prospective judgements. Does a majority of voters think that their, respectively the country’s situation, has improved during the present term – if not, they would face a great opportunity structure for attacking the acting government. Unfortunately, poll data on egocentric and sociotropic perceptions were not available on German state level four to six months prior to the election day. Future studies should nevertheless try to obtain this data, which will be easier on a national level.

So for this analysis, we still have to make a decision as to whether the present state of the economy or its recent development is crucial for campaign managers and if the latter were the case, which period of performance we should consider. Based on findings of retrospective economic voting, Kiewiet concludes that people react “more to changes in income, unemployment, and inflation than to the actual levels of these indicators” (Kiewiet 2000: 428). Campaign strategists can easily capitalize on voters fear of deterioration, building upon the “grievance asymmetry” (see Lewis-Beck/Paldam 2000: 114; Nannestad/Paldam 2002: 31); that is voters tendency to punish downturn more strongly than they reward economic boom – a strong incentive for the use of negative campaigning. So
opting for the dynamic measure, which period does the rational voter rely on in his judgement, on which period does the rational campaign manager build his argumentation? Many authors state that voters are „naively retrospective, evaluating election-year economic growth“ (Lewis-Beck/Stegmaier 2000: 191), and that their sanctioning behaviour reflects “a function of economic performance in the year or so running up to the election” (Kiewiet 2000: 428). From the campaigning perspective, of course, campaign strategists could nevertheless take stock of the whole election term. But in a situation where one year prior to election, the economy is on a downturn, a positive campaign approach will not resonate with voters perceptions. Thus, the independent variables will measure change in GDP, or respectively change in unemployment rates in the pre-election year. The same applies for the benchmarking hypotheses where change in GDP or changes in unemployment rates on the state level are subtracted from the respective change on the state level in the pre-election year. Positive values then indicate a state’s relative underperformance. Data on unemployment rates was drawn from the German Federal Employment Agency (Statistik der Bundesagentur für Arbeit 2014) and data on economic growth from the Working Group on National accounts of German States (Arbeitskreis Volkswirtschaftliche Gesamtrechnung der Länder 2014). As for responsibility within a state government, the number of coalition parties is coded metrically. The first selection campaigning-based variable is scandalousness. It is a dichotomous variable indicating whether there had been major newspaper reports on scandals during the election term or not. The data was derived from the German Longitudinal Election Study’s event dataset (GLES Ereignisdatensatz, see Schnapp 2008). Only those scandals were considered which were publicly reported 18 weeks prior to election date as later scandals could not have influenced the general campaign strategy with regard to election posters. The event dataset also provided information on whether a popular, above-party line father figure was mentioned among the top candidates or not. A dichotomous variable was constructed to capture this phenomenon. Finally, government experience is operationalized as the percentage of years a party spent in government during the last three terms (the current one, where campaigning takes place, included). Including all years of incumbency since the first state elections in the 1940s would not capture the time horizons relevant to voters in assessing recent competency.

Preliminary Results
The 264 election poster campaigns under study show an overall level of 13.1% negativity. This is slightly lower than the average amount of attacks in public election broadcasts (16.4%) which were coded for one third of the elections as control for possible media biases. The levels are comparable to the findings by Walter (2014: 52) for party election broadcasts in national German elections. Thus, second order campaigns do not differ in the sheer amount of attacks.

15 Of the big two, inflation rates will not be considered in this case, as on the subnational level, they are hardly of any interest to voters or campaign managers respectively.

16 That is for a campaign in 2012 the change in GDP between 2010 and 2011. Data for election year itself will not be at hand for campaign managers. An alternative operationalization has also been tested, namely the change from the beginning till end of the term. The results are highly similar to those reported here.

17 One party government was coded one, a coalition of two was coded two and so forth; with the exception of minority governments coded four, as the maximum number of coalition parties during the time under investigation is three (in Saarland). Minority governments are the least responsible for policy outcomes (see Powell/Whitten 1993: 401).
In general, one might argue that – with only one in seven messages attacking the opponent – negative campaigning is not a mass phenomenon worth much consideration. But this average value is somewhat misleading. Take this striking finding for example: Looking at party differences in relation to governmental status, 41% of the German conservative parties’ campaigning is negative. Almost every time the biggest German party family (CDU/CSU) is in opposition, it adopts a distinct attack strategy and thus coins public perception about campaigning. Considering the focus of this study, this provides a first impression of context-sensitivity, plus an indication for campaigners’ sanction calculus – although less than one third of all negative messages are retrospective in nature.

The role of context becomes even more evident as the one-way ANOVA (eta² of .30) reveals unusually high levels of between-group variance\(^{18}\); that is, levels of negativity varying extremely from election to election. In some settings, there was not a single attack conveyed via election posters, whereas in other electoral races all parties studied made use of negative campaigning. Thus, we have good reason to examine context effects in order to answer this puzzle: Why is there so much fluctuation in negativity and what are its driving forces?

Table two gives an overview of effects as identified by the different regression models. Turning to the first pair of hypotheses, trends in time, we do not find any evidence that between 1998 and 2013, negativity in Germany was on the rise. The differentiation of linear and logistic models draws an even more detailed picture: We see that the number of parties using attacks remains surprisingly stable (H1a being rejected then); but parties that did opt for negative campaigning have lowered the amount of attacks within their paid media efforts since the end of the nineteen nineties (H1b holds true).

The biggest effect in all models by far stems from the incumbency status: Opposition parties are indeed more inclined to make use of negative campaigning compared to governing parties (H2a verified); and among all negative campaigns those of opposition parties bear a greater amount of attacks than the incumbents’ offensive strategies (H2b verified). If this was to be interpreted in favour of a sanction calculus, one has to be cautious about the economic foundation of the argument: The economic indicators tested yield mixed results.

\(^{18}\) Due to computational problems Intraclass Correlation Coefficients via multi-level-null-models couldn’t be calculated for this paper version. They will be handed in later. Multilevel partitioning of the variance components therefore is not possible. In order to estimate the explained variance at least at the single level, the following values are provided here: Nagelkerkes r² for models Ia and IIa = 0.06; adjusted r² for model Ib = 0.03, for model IIb = 0.04. Small values for explained variance do not come as a surprise in models dominated by context predictors.
Unemployment rates, a big issue in German political debates, seem to have a small but positive effect on the decision to attack. With unemployment rates rising in the pre-election year, we observe a rise in the amount of negativity used within offensive campaigns (H4b holds true), though not in the number of parties attacking (H4b rejected). Both number of parties attacking as well as intensity per campaign increase when the state’s labor market underperforms, that is its unemployment levels rising faster than the country’s average (H4c and H4d verified). Relative GDP underperformance, on the other hand, does not show the expected effects (H3c and H3d rejected). When GDP falls in the pre-election year, campaigners seem to react with less intensive negativity within their campaigns (H3b rejected). This could alternatively be explained by the voters’ desire for positive claims full of confidence and propositions for ways out of economic crisis when times are difficult (Brettschneider/Bachl 2009: 48). But parties are nevertheless more inclined to include some criticism under those circumstances (H3a holds true). What theoretically should ease the attribution of blame and thus boost the use of attacks seems to have little to no effect – the clarity of responsibility in one-party or two-party governments does not echo in campaign strategy (H5a and H5b rejected). Summing up: This first empirical evidence is not conclusive enough to confidently speak of economic sanction campaigning.

Turning to the selection-based hypotheses, is there a story to tell? First of all, is the lack of competency a trait the opponent can capitalize on? Parties that have accumulated more government experience over the last three terms are equally inclined to opt for an attack strategy as the less experienced (H7a not verified). But once they opt for negative campaigning, they include a greater amount of attacks in their paid media efforts (H7b holds true). So it seems as if competency is less a resource for self-promotional purposes as it is for offensive strategies. In addition to experience, a second key characteristic of a “good agent” can provide incentives to attack one’s opponents: Integrity, respectively the lack of integrity as indicated by scandals and misconduct. The data show that in almost 40% of the cases, media did report on scandals in the run-up to elections.\footnote{Hypotheses 6 and 8 are each tested bivariately, as data are only available up to the year 2004 (N=116 for logistic and N=57 for linear regression) and thus an inclusion would unduly reduce scope and robustness of the multivariate models.} Thus, there would be factual cause for attack strategies. Surprisingly, results show no effects at all. Scandals do not influence the number of parties attacking, nor do they increase (or reduce) the amount of negative campaigning within each campaign\footnote{Pearson correlation of -0.005 and -0.004.} (H6a and H6b rejected). Finally, a popular head of state personifies both of the characteristics central to the image of a “good agent”, competency and integrity. Is the risk of boomerang effects too high in races including such a
popular candidate? The results again indicate that there is neither a relation between the number of parties attacking nor the intensity of attack strategies and the existence of such a candidate.\(^{21}\)

**Conclusion and discussion**

This paper tried to advance our knowledge on the use of campaign strategies introducing three innovations: First of all, it comes up with new theoretical propositions derived from the principal agent approach. The line of reasoning is based on the information asymmetry working in the agent’s favour – an interesting yet neglected axiom for communication and campaigning purposes. In their paid media messages, party strategists will try to capitalize on voters’ sanction and selection calculi. Under a reward-punishment or sanction perspective, campaigners have to provide arguments concerning the incumbent’s performance. Negative campaigning then helps to fulfil an important electoral function: “If the public wants to have accountability, someone has to do the accounting and that accounting is not done through positive, feel-good appeals, but through harsh political attack where voters are made aware of the problems of the incumbent” (Geer 2006: 110). According to a selection-based approach, campaigners will try to convince voters to select the best agent, relying on the two key characteristics competency and integrity. Negative campaigning thus is a tool that can help to prevent bad agents from entering office.

Secondly, with regard to campaigners’ rationality, the idea of economic campaigning states that paid media strategy is sensitive to context. Economic campaigners look out for incentives the electoral setting provides when they decide between self-promotion and criticism towards the opponent. A number of hypotheses were proposed to capture these macro conditions: Sanction campaigning will rely on economic indicators. Attacks should be facilitated when economy performs badly. Empirically, this holds true for unemployment rates rising; evidence concerning GDP growth was weak for the German state election poster campaigns under study. Due to data restrictions, the selection-based macro effects could not be tested via multivariate analysis. Preliminary bivariate results did neither show any relation between negativity and scandals, nor between negativity and a popular head of state contesting. I highly encourage future researchers to include those variables, though difficult to obtain, in their empirical analysis.

What the analysis does show is that the differentiation of the dependent variable, innovation number three, is worth further consideration. Interestingly, a couple of oppositional effects were found when separating the probability of attack vs. self-promotion, i.e. the number of parties attacking at all, from the intensity of attacks within each offensive campaign. The trend hypothesis is the best example. Analysis revealed that the decline in negative campaigning is due decreasing intensity of those parties attacking, whereas the sheer number of parties that make use of attacks remains stable. This finding supports the ones of Walter, Elmelund-Præstekær and van Heerde-Hudson – thus, the urban myth, negative campaigning and mud-sliding was on the rise, should finally be abandoned.

There are several conclusions we can draw for future research: As the complex design shows, there is enormous contextual variation in the use of attacks – which cannot be due to differing political and communication cultures. This should encourage further investigation in context effects even if the ones proposed were not fully confirmed for this dataset. First of all, the economic campaigning framework should be worth following in majority systems where responsibility for (economic) outcomes is more easily attributed to government. The

\(^{21}\) Pearson correlation of 0.033 and 0.022.
proposed hypotheses therefore yield potential not only in classical European context, but are highly interesting for researchers in the U.S. and the UK, too. Effects should be clearer in first order elections where economic issues are more prominent than in German state elections. Secondly, campaign posters might not be the best (but accessible) paid medium to test such retrospective arguments as required by the sanction perspective. Existing analysis of television ads could be reconsidered and amended with little cost by adding economic indicators. For that matter, it would be interesting to additionally test poll data that measure egocentric and sociotropic economic perceptions. Methodologically different, but promising, we might have to interview campaign managers in order to see whether and how they incorporate sanction and selection calculi in strategic decisions. All in all it is too early to decide whether this or any other approach will comprehensively capture the logic of attacking; whether we will come up with explanations better than the common opposition status hypothesis (having the strongest effect in this analysis, too). But surely, if we want to better understand the use of attacks, the core decision in strategy making, we will have to account for context incentives.

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