Honeymoon in the crisis

A comparative analysis of austerity policies and government popularity in three countries during the financial and economic crisis

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“This is not the kind of thing that you can do half-way through your mandate or at the end. You have to do it at the beginning when you hope and you can expect that you will be able to overcome the negative fallout.”

Honeymoon in the crisis

1 Introduction

During recent years, many governments of Western European countries have enacted harsh austerity programs in the face of the acute economic and debt crisis. The implementation of these programs was often followed by a loud public outcry, strikes, demonstrations and a substantial fall of popularity of the governing parties indicating that most citizens opposed spending cuts, tax hikes and a retrenchment of public services. Following the public policy literature on unpopular reforms (Pierson 1996; Vis/Van Kersbergen 2007), one would therefore expect governments to widely use political strategies in order to reduce the negative fallout of these reforms in terms of votes at the next election. This contribution looks at one specific political strategy, namely strategic timing, and examines the pattern of strategic timing and its impact on government popularity.

Strategic timing is a specific form of strategic organization (Wenzelburger 2011: 1156) and occurs when governments implement the overwhelming majority of unpopular reforms during

1 Paul Martin, former Prime Minister and Minister of Finance of Canada, on the Canadian fiscal adjustment program during the 1990s in an interview with one of the authors.
2 Empirical studies on the electoral consequences of unpopular reforms have questioned the basic claim that unpopular policies systematically lead to electoral punishment using economic voting models and micro-level data (Armingeon/Giger 2008; Giger 2011; Giger/Nelson 2011). However, as these studies do not control for the effective use of blame avoidance strategies, this result could well indicate that blame avoidance strategies indeed work as suggested (Wenzelburger 2014). We therefore need to know more on the impact of blame avoidance strategies – a shortcoming which this paper tries to address.
3 It has to be noted, though, that the question if the timing of an unpopular policy really is strategic cannot really be answered from the mere observation of a certain timing pattern as the term strategic refers to the intentional action by a policy-maker. Hence, only interviews with the actors can clarify this question. However, evidence from interviews with such actors point to the fact, that politicians indeed think about these questions and time unpopular policies on purpose in a certain way (see for instance: Wenzelburger 2011).
the first year(s) of their mandates and hope to reap electoral gains during the last years, thereby minimizing electoral harm. Recent studies have shown that this strategy is widely used by political decision-makers (Tepe/Vanhuysse 2010; Wenzelburger 2011; Zohlnhöfer 2007) – and the citation of the former Canadian Prime Minister and Minister of Finance Paul Martin above shows that policy-makers are very aware of this possibility.

However, the state of the art is unsatisfying in several respects. *First*, existing studies on strategic timing often content themselves with the mere identification of unpopular measures in the beginning of the mandate and conclude that strategic timing has occurred. However, what is missing from the literature is a more in-depth analysis of the timing pattern covering different unpopular reforms and an examination and explanation of the cross-national variance of strategic timing. Our contribution addresses this shortcoming by looking at different austerity measures implemented in different segments of the welfare state (unemployment reforms, pension reforms, health care reforms, etc.) and by comparing the timing pattern for governments in three countries, namely Ireland, Spain and the UK, which differ in respect of one central variable – the clarity of responsibility attribution (see below). *Second*, the existing studies on strategic timing have hardly ever looked at strategic timing as an independent variable and analyzed if the expected impact really materializes – namely that strategic timing prevents the popularity of the government from being negatively affected. Using polling data, we present case-study evidence that indeed suggests such a negative effect. However, we also observe a so-called “honeymoon-effect”: The popularity of a newly elected government seems to be immune during the first months of the mandate even if it enacts very harsh austerity measures.

The remainder of this paper is structured as follows. Drawing on the literature on political strategies used in the context of unpopular reforms and the work on political budget cycles (PBCs) and electioneering (section 2.1 and 2.2), we discuss theoretically why strategic timing should matter and derive several theoretical expectations which guide our empirical analysis (2.3). In section three, we then describe the case selection and explain the data and the methods we use. The forth section presents three case studies analyzing the unpopular reform measures implemented during the economic crises in Spain, UK and Ireland and compares the results for these countries. The final section concludes and discusses avenues for future research.

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4 More on the case selection, see below.
2 Theory and state of the art

If one aims at investigating the strategic timing of austerity policies, two strands of literature are most relevant: The studies dealing with political strategies in the context of unpopular reforms on the one hand and the literature on PBCs and electoral engineering on the other. The two approaches look at the same phenomenon, namely at the timing of policies within a mandate of a government. However, they look at it from different angles. Whereas the first perspective focuses on the question of how unpopular policies can be implemented without harming re-election chances (Bonoli 2012; König/Wenzelburger 2014; Vis 2009; Vis/Van Kersbergen 2007; Weaver 1986; Wenzelburger 2011; Zohlnhöfer 2007), the second perspective is rooted in the economic literature and argues that incumbents increase public expenditures right before elections in order to “buy” votes and win the elections (Blais/Nadeau 1992; Tufte 1978; Wehner 2013). From a general point of view, both approaches can be seen as two sides of the same coin because they both focus on the expected effects of unpopular (negative) or popular policies (positive) on re-election chances. Therefore, both strands of the literature are often lumped together. However, in order to develop a more nuanced understanding, the following section first presents the main arguments from the two bodies of literature separately beginning with the PBC. From these arguments will then derive some expectations which will guide the analyses of the case studies.

2.1 Political budget cycles

In a nutshell, the PBC literature\(^5\) investigates if governments engineer their budgets in order to win the next election. Although the classic PBC studies (Blais/Nadeau 1992; Frey 1978; Frey/Schneider 1979) were inspired by Nordhaus (1975), who modelled electoral cycles originally for monetary policy and the Philipps curve, as well as by Tufte’s work on more general political business cycles (including budgetary ones) (Tufte 1978), they focused more closely on fiscal aggregates such as public expenditure or budget deficits. Theoretically, different models have been put forward explaining a governmental behavior which creates a PBC because public spending is higher right before elections. The “fiscal illusion” approach argues that incumbent governments may increase public spending and provide more public goods trying to “buy” the votes of non-rational and backward-looking citizens (suffering from the fiscal illusion that these

\(^5\) We focus on work on political budget cycles and not the much broader literature on political business cycles which also include inflation, economic growth etc. in their models. Whereas Nordhaus’ original model and many other subsequent studies mainly looked at economic variables, the evidence for such a relationship is rather weak (Franzese 2002: 378).
spending increases will last) (Buchanan/Wagner 1977). Studies emphasizing information asymmetries have shown that PBCs can also be expected if the assumption of naïve voters is relaxed (Rogoff 1990; Shi/Svensson 2006). On the empirical side, many economic studies have tested the evidence for such cycles quantitatively by looking for an association between fiscal aggregates and the electoral cycle. Overall, the evidence for such a relationship is supportive, but depends not only on the country sample – the results are stronger and more robust for less developed countries (Brender/Drazen 2005) – but also on a wider range of conditional variables, such as institutional features of the political system, the level of democracy, the degree of political polarization or the electoral competition (Efthyvoulou 2012; Klomp/De Haan 2011; Mink/de Haan 2006; Shi/Svensson 2006). Hence, the empirical evidence suggests that PBCs do exist – but that their existence and strength varies according to the underlying characteristics of the countries under study.

A related question concerns the actual effectiveness of PBCs in terms of electoral outcomes – a question which has been overlooked for many years and is closely linked to the economic voting literature (Duch/Stevenson 2008; Lewis-Beck/Paldam 2000; Lewis-Beck/Stegmaier 2007; Van der Brug et al. 2007). Although the two aspects – the existence of PBCs and their impact on electoral outcomes – are sometimes lumped together, they relate to two distinct causal mechanisms: Whereas the PBC-literature simply expects opportunistic political actors to increase public spending and investigates empirically if we can observe such a pattern over time, it does only seldom test if voters actually behave as they model it (but: Brender/Drazen 2008; Klomp/de Haan 2013). Theoretically (and reflecting the discussion on the occurrence of PBCs above), different reasons are thinkable why expanding expenditures could lead to more favorable electoral outcomes for the incumbent government (Brender/Drazen 2008: 2203-2204): Increasing public expenditures could, for instance, stimulate economic growth – which should be honored by the voters according to the economic voting studies. Higher expenditure and more public goods could also simply please the backward-looking and uninformed voters leading to a higher utility and hence a more positive assessment of the government. Finally, a government could increase expenditures in order to target specific groups of citizens whose votes may swing the election outcome in favor of the incumbents.

However, in sharp contrast to the findings on the mere existence of PBCs, the empirical evidence for the expected relationship between fiscal policies on electoral outcomes is rather weak – at least at the national level. Whereas Klomp and de Haan (2013) find that expansionary fiscal policies increase the electoral gains significantly (but only rather modestly), Brender and Drazen (2008) report diverging results: According to their study, deficit spending and tax cuts
in an election year are even punished at the polls. One reason for this disagreement might be that Brender and Drazen focus on the reelection of chief executive whereas Klomp and de Haan analyze the vote shares of political parties – which should be a much more fine-grained (and therefore better) indicator for electoral outcomes. A second reason is probably that the specific conditions in which voters and governments operate have not been analyzed systematically, yet.

Like for the occurrence of PBCs, political institutions should play a major role with regard to the enactment of fiscal policies, too. This becomes even more plausible in face of a significant body of literature on economic voting theory that finds that the “clarity of responsibility” (Anderson 1995: 173-174; 2000; Lewis-Beck 1986; Powell/Whitten 1993; Van der Brug et al. 2007) impacts on the extent to which economic voting occurs. The mechanism behind this conditional effect lies in institutional features affecting the degree to which voters (are able to) associate the responsibility for a policy with the government and therefore to attribute the blame or the credit for a certain outcome.

Summing up, it seems safe to conclude that there is a fair amount of evidence that such PBCs exist although it is not clear if they actually work as intended in terms of the impact on electoral outcomes or government popularity. In addition, the results also indicate that institutional characteristics and especially the question of responsibility attribution condition the occurrence as well as the impact of PBCs. We will come back to this second point later.

2.2 Strategic timing of unpopular policies

As mentioned above, the literature on the strategic timing of unpopular policies mirrors in a certain sense the logic of the research on PBCs. This is not only true for the basic argument on the electioneering of popular or, in this case, unpopular policies, but also for the state of the art. As for PBCs, there is a substantial amount of evidence that governments indeed use strategic timing when unpopular reforms are decided. Zohlnhöfer shows that this is the case for fiscal adjustments in Germany and UK (Zohlnhöfer 2007), Wenzelburger (2011) provides qualitative evidence of strategic timing during the unpopular budget consolidations in Sweden, Belgium and Canada in the 1990s, and Fernández (2012) finds in his quantitative analysis for a sample of 19 OECD countries and the period 1981-2004 that the likelihood of a pension retrenchment is highest in post-election years. However, it remains rather unclear what such timing strategies mean for the government’s public endorsement. Whereas at least some evidence has been provided for the PBCs (see above), we know almost nothing about the impact of strategic timing of unpopular reforms on electoral outcomes.
One reason for this lack of evidence might be that a real test of this relationship is much more intricate than for PBCs. Whereas the studies on PBCs assume a direct and positive link between a popular policy (more public goods, higher spending) and a very proximate election outcome (which can be tested easily), the studies on unpopular policies expect the absence of a relationship between unpopular policies and very distant elections – a link which is much more difficult to establish, as many confounding factors may also affect an election outcome and which could in turn also be related to austerity measures. Moreover, as the strategic timing hypothesis presumes governments to implement harsh measures in the beginning of the mandate, it is rather unclear if citizens really remember these measures when the next elections approach.

What is possible to examine, however, is the development of government popularity as reflected in polling data.6 Hence, if strategic timing really makes a difference, a so-called “honeymoon effect” should be visible which expects that “reformers are likely to enjoy greater political leeway immediately after they take office, when difficult decisions can be blamed as the legacy of the outgoing government” (Williamson/Haggard 1994: 571). Here, the link between an unpopular policy and the public opinion is deemed to be suspended for a certain period because the citizens will assign the blame for the harsh measures to the predecessor government. This window of opportunity can then be used by strategically acting political actors who implement the unpopular measures.

This argument can be linked up nicely with the literature on the conditions under which PBCs occur and under which economic voting is likely because the honeymoon-effect-argument in its core touches upon the question of responsibility attribution. What Williamson and Haggard argue, in a nutshell, is that the clarity of responsibility is troubled in the first year of a government’s mandate: Voters do not know if they can really hold the newly elected government responsible for the unpopular measures or if the new government just cleans up the mess which the predecessors have left them. Again, the clarity of responsibility proves to be a central variable in the question about whom to blame for unpopular measures (for a similar point, see: König/Wenzelburger 2014).

6 However, polling data does not enable us to answer the question about the final outcome of austerity packages in terms of electoral results. Consequently, we can only speculate about the question if the sheer timing of austerity policies in the beginning of a mandate does not lead to electoral punishment because citizens forget about these measures when the new elections approach or because new issues are on the table. Clearly, strategic timing could also mean that political actors just “wait and hope”: They implement harsh cuts in the beginning of a legislature and hope that the electorate forgets that the economy improves or that other issues are more salient when the election approaches.
2.3 Building theoretical expectations for the research on strategic timing

Three main insights can be drawn from the review of the literature on PBCs and strategic timing of unpopular reforms: First, whereas the occurrence of a certain electoral cycle – be it for unpopular or popular policies – is empirically well researched, we know very little about the actual electoral consequences of a strategically induced increase of public expenditures, and almost nothing about the effects of strategic timing of austerity policies on government popularity. Second, whereas recent economic studies have addressed this shortcoming in the literature, the impact of strategic timing on government popularity has not been examined more closely, i.e. more in detail. Third, the studies on PBCs and on economic voting have shown that context variables – and especially institutional features affecting the clarity of responsibility of a government – condition to what extent strategic timing occurs: When the responsibility attribution is very clear, strategic timing should be more important and electoral effects more visible than otherwise. These insights lead us to the following three expectations that will guide our empirical analysis:

E1: We expect that governments have used strategic timing when implementing unpopular reform measures.

E2: We expect strategic timing of unpopular reforms to be more likely and visible in countries where responsibility attribution is easier for the citizens.

E3: We expect that governments are not punished, i.e. do not lose popularity, for unpopular measures that are implemented in the first months of the mandate ("honey-moon effect"), but will be affected negatively afterwards.

It is important to note that the three expectations differ in terms of the effects they investigate: The first two expectations treat the strategic timing of austerity policies as dependent variable, examine its occurrence (E1) and ask if the observed timing pattern is linked to the clarity of responsibility in a certain political system (E2). In contrast, the third expectation treats the strategic timing of austerity policies as an independent variable and links it to government popularity looking into the question if austerity policies are always followed by a downturn in governmental approval rates or if this relationship is different in the beginning of a mandate.
A final point has to be added. It concerns the definition of our main variable of interest – austerity policies. Most studies on the strategic timing of such policies do not differentiate between the type of policy which is analyzed. They just expect them to be unpopular. However, our approach using case study evidence enables us to look at the policies in more details and to sort out if some austerity measures are consistently implemented earlier or later in the mandate of a government. We will come back to this point when analyzing the case studies.

3 Case selection, data and method

Investigating the theoretical expectations formulated above requires a level of abstraction that allows for comparisons between governments but also a close tracing of developments in a country. The analysis thus uses a small-N comparative design studying the Irish government of Fine Gael and Labour with Enda Kenny as Prime Minister, the British coalition government of David Cameron (Conservatives and Liberal Democrats), and the Conservative government of Mariano Rajoy in Spain. This case selection keeps the important circumstances under which governments acted similar while it allows for some variation for the theoretically interesting variable of clarity of responsibility: All three are governments took office during the financial and economic crisis and followed long-lasting governments of the main competitor – which could can thus be blamed by their successors; the broad economic context was comparable in all three countries as they were all seriously hit by the crisis; and all three cases are similar in that they are governments from West-European parliamentary democracies, led by center-right/conservative parties, and that they all introduced ambitious as well as harsh reform policies. Given the intensified policy activity of the three governments, these cases provide ample empirical material to study even during a shorter period.

With regard to the presumably strategically important dimension of clarity of responsibility, the three cases exhibit graded differences. While Mariano Rajoy led a single party government based on a clear majority in parliament and in a strongly majoritarian political system the other two cases were coalition governments. The Cameron administration shared responsibility, albeit still in a context of an archetypically majoritarian system marked by a strongly adversarial style, with the markedly smaller Liberal Democrats. Finally, the Irish government under Kenny was a coalition between the two largest parties with Labour for the first time being the second largest party in parliament. Furthermore, the Irish political system is not a clear-cut majoritarian system (see Lijphart 2012: 244) with its electoral system operating on the principle of proportional representation, its multiparty system, a decade long history of coalition governments, and a degree of cooperation with social partners that is exceptionally strong for a liberal
market economy with Anglo-Liberal roots (Hamann und Kelly 2007:981–984; McLaughlin 2001). In light of these features, Hemerijk (2013: 157) even describes the style of politics in Ireland as comparably consensual. Thus, the three selected cases do offer substantial variance in terms of the “clarity of responsibility”.

The period of observation lasts from the beginning of each government’s term until the end of 2013. This way, the analysis stops before the start of campaigning for the upcoming European Parliament elections in 2014, which is important as strategic timing (for instance putting reforms on hold for a couple of months) could have occurred with regard to the European Parliament elections as well. At the same time, the three governments start from different points in time (UK: May 2010; IE: March 2011; ES: December 2011) while all three countries showed signs of sustained economic improvement over the course of 2013. This constellation should allow us to discern whether trends in popularity run parallel and are dependent on time and larger economic developments or whether they are the result of unpopular policies.

The austerity policies analyzed in the three cases are identified via a close reading of government documents and newspaper articles. Generally, reforms will be counted in the analysis if they clearly negatively affect large segments of society, such as simple budget cuts, welfare state cutbacks or pension reforms lowering benefits or increasing the pension age. Measuring the impact of such reforms on the popularity of governments undoubtedly is a methodological challenge as it is difficult to ascertain the causal influence of unpopular reforms on government popularity. This would require isolating their effect while neutralizing the impact of all other possible factors affecting government’s approval – a task which is practically unfeasible on the level of day-to-day real world politics. We therefore deal with this challenge by tracing policy actors’ popularity alongside the occurrence of unpopular reforms. As the occurrence of such reforms, we take the dates when the policies were adopted by the government.

Although our study does not allow to link individual vote intentions to policy measures, the described approach should at least allow for finding patterns and consistencies over all three cases. As we virtually do not know anything about the relationships between austerity policies, strategic timing and government popularity, we believe that our approach is justified in order to get a first insight into the relationships at work. Hence, our analysis traces the major policy

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7 We draw on data from official polling institutes and aim to use as few different sources as possible while trying to get coverage for every month in the observation period: You-Gov for UK (approval of government record to date), Red-C and Millward Brown for Ireland (vote intention for governing party), and Simple Lógica and Metroscopia for Spain (vote intention for governing party). While these measures are not uniform between countries, they all at least offer monthly information (where there are two polls for one month, the values are averaged) on the popularity policy actors and can be compared over time within each case, which is of primary importance with regard to the theoretical expectations.
activity of the three governments over time, carves out major steps in reform activity guided analytically by the theoretical expectations, and relates them to the popularity of the government.

4 Case studies

4.1 Unpopular reforms in the United Kingdom 2010-2013

During the financial crisis, the United Kingdom was strongly affected by the aftermath of the sub-prime crisis in the USA. Following the collapse of the British bank Northern Rock in 2007, the British banking system was in turmoil and the government stepped in with huge sums. Moreover, the London stock market crashed in January 2008 and the Bank of England reduced interest rates to a historic low of 0.5 percent in the following month. In the same year, the country entered into its strongest recession since WWII, unemployment rates went up from less than six percent in 2007 to over eight percent in the third quarter of 2009, and debt doubled from early 2007 to 2011 rising to 80 percent of GDP. The Brown government, in office until early 2010, undertook several austerity measures (Hemerijk 2013: 356-357) which were not negligible but modest – at least in comparison to the packages of their successors.

When the coalition government of Conservatives and Liberal Democrats under David Cameron took over in May 2010, the British economy had overcome the most acute turmoil. But it was still in a crisis as unemployment remained high and public debt was still rising. After its election, the government immediately went for tough austerity measures, which the newly appointed Prime Minister Cameron announced in May 2010. The concrete measures, which were unveiled in the emergency budget of June 2010, aimed at savings of 40 billion GBP (32 GBP spending cuts, 8 billion tax increases), and included a VAT increase of 2.5 percent, an increase of the capital gains tax, the introduction of a bank levy, a freeze of the child benefit for three years as well as of public service pay. These cuts made up a substantial part of the planned overall savings of 83 billion GBP (later adjusted to 81 billion) over four years to eliminate the structural deficit by 2015. The remaining cuts were laid out in a spending review presented by Finance Minister Osborne in late October 2010. The spending review included reductions of departmental budgets (excluding health and overseas aid) by an average of 19 percent over four years and additional net welfare savings of 7 billion GBP a year. Osborne and Cameron both overtly blamed the predecessor government and associated the banking sector for the necessity of the tough austerity measures and the malaise the country found itself in – which allegedly “could have been avoided” (Osborne).
The first half year also saw a quick succession of white papers for reforms in the public service, the National Health System (NHS), education, police, welfare, and public service pensions, all soon to be adopted by the government. It acted at a fast pace and tried to push through a number of ambitious reforms within the first year: Radical changes in the NHS (replacing primary trusts and strategic health authorities, giving more competences to general practitioners) and in the school system were adopted in January 2011. The public sector reform bill (“Open Public Services”) was adopted in July 2011 and aimed at making the public service more decentralized, accountable and transparent.

The Welfare Reform Bill adopted in February 2011 can be seen as the government’s flagship reform that was also substantially and ideationally strongly linked to idea of the “Big Society”, which emphasized voluntarism, individual initiative and social responsibility. The Welfare Bill combined a reform of labor market policies, the social security system, and taxation rules (introduction of an universal credit scheme replacing a number of means-tested benefits, tightening of eligibility criteria and sanctioning rules, simplification and modification of marginal tax rates in order to ensure that “work always pays“, especially for lower incomes (OECD 2013a: 26; DWP 2010: 6)). These measures were complemented with a benefit cap on the largest part of the welfare benefits, by linking the housing benefit to size and use of space (strongly criticized by some as the “bedroom tax”), and a reform of the “Disability Allowance” which was also combined with stricter eligibility criteria and a monitoring of abuse by private sector firms.

Plans for reforming the public service pension surfaced in June 2011 although the trajectory had de facto been delineated after the emergency budget. The process of working out the details was delegated to a committee lead by former Labour pension minister Lord Hutton while the government claimed to be open for dialogue with the trade unions. Due to this process, the pension reform was negotiated rather inconspicuously and Cameron himself lost only few words on it. The so-called Pensions Bill 2013-14 was finally passed 14th May 2014.

The next reform step in spring 2012 consisted of the budget for 2012 which introduced a series of smaller saving measures and was less harsh than the budget 2011. More importantly, the “health and social care act”, including the contested NHS reform, also passed the last hurdle in Parliament in the end of the following March – and led to several substantial protests during this month.

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8 Both reforms were met with societal as well as political resistance. But whereas the school reform was pushed through, the NHS reform proved to remain more contentious so that the government announced a “listening exercise” in April 2011, in which it wanted to take time to pause, reflect and include more opinions. Anyway, the government presented its proposal in February 2012, the bill finally went into law 27th March 2012.
After the harsh cuts in 2010 to 2012, the government put the economy at the top of the policy agenda in 2013 (besides further immigration reform). In terms of policy, this mainly meant supporting the private sector in creating more jobs. Both kinds of policies can hardly be called unpopular policies. Likewise, provisions for banking and financial services (financial services bill from February 2013) and changes in crime prevention and police did not constitute inherently unpopular measures. The focus on growth was also reflected in the budget approved in March 2013 which combined measures to stimulate growth with the announcement that not meeting the deficit and debt targets would require further savings in Whitehall expenditures of 11.5 Billion GBP in the first year of the new parliament (2015-2016) through another spending review.

Overall, the government’s unpopular policies mainly fell into the period of the first one to two years. Equally tough and far reaching reforms or consolidation measures did not occur in the later stages. Altogether, a declining trend can be observed in the budgets: Those following the emergency budget from 2010 still aimed for deficit reduction and budget consolidation but the cutbacks were less harsh compared to those implemented with the first austerity budget. A good example is the spending review subsequent to the budget for 2013, which Finance minister Osborne declared to lead “from rescue to recovery”. Although he planned to cut department expenditures, the savings left spending on schools, health, and international aid untouched and the budget also included investments, a lowering of the corporate tax and bringing forward the planned increase of the personal allowance (the income level up to which an employee is exempted from income taxes). Thus, overall, the policy action of the Cameron government corresponds to the idea of strategic timing: The most unpopular policies – essentially harsh consolidation measures, welfare cutbacks and far-reaching reforms – were particularly dense during the first year (austerity program, welfare reform bill, NHS reform) and got less harsh in the subsequent years.

How do the described policies relate to the government’s popularity? Public support rose in the polls after taking office and still after the emergency budget of June 2010. A persistent declining trend then commenced after the presentation of the spending review and the second austerity program in October 2010. Only after the adoption of the Welfare Reform Bill and Cameron’s Welfare speech in February 2011 was this downward trend halted and slightly reversed. The upward tendency even continued through April 2011 when the government announced taking a step back and reflecting upon the NHS reform, only to be turned around again in May. It is thinkable that this was due to the NHS reform debate becoming very heated in this month and because the government introduced its final proposal in Parliament in June 2011.
Also, when the reform went into law in March 2012 a last wave of public protests occurred, a substantial loss of government popularity ensued. To some extent this could also be attributed to the Budget for 2012 presented that month, although it was not as tough as the austerity measures from the first years. Notably, the subsequent (even less tough) budget for 2013 and the next spending review, which both still aimed for budget consolidation, did not lead to another decline of government popularity. This could be explained by the fact that the promise of recovery associated with these policies of 2013 was more credible at that time in light of some first signs of economic recovery.

Figure 1: Unpopular reforms and development of the British government’s popularity

4.2 Unpopular reforms in Ireland 2011-2013

Ireland experienced a credit boom before the crisis and its financial system increasingly relied on short-term international loans. When access to these loans became difficult, the Irish banking system collapsed and the government, which had guaranteed Irish banks support, stepped in. As public debt surged in times of steeply rising unemployment and economic recession and as the financial markets lost faith in the government’s ability to rescue its banking sector, the Cowen government (Fianna Fáil, Green Party) requested a bailout from the EU and IMF in November 2010. The terms were agreed with the Troika (EU, IMF, ECB) and meant the surrender of budget sovereignty and a close monitoring by the Troika as well as structural reforms in return for a bailout payment of 67.5 billion Euros. As a reaction to the aggravation of the crisis, the Cowen government introduced tax increases and spending cuts, including in childcare, unemployment benefits, and tightened eligibility criteria in social security (Hemerijk 2013: 355-356). When the smaller coalition partner, the Green Party, became increasingly uneasy supporting the government’s policies (and left the coalition in January 2011) the government scheduled early elections in 2011. In these national elections from February 2011, the
Fianna Fáil suffered massive losses and a coalition between Fine Gael and Labour under Enda Kenny took over in a situation of still precarious financial and economic conditions.

Right after its election, the new government presented a “Programme for National Recovery”, and adopted a number financial and political reform measures: A radical restructuring of the Irish banking sector (the so-called stress test showed a need for 24 billion Euros more of capital reserves); a first (largely symbolic) saving initiative through, among other things, reducing the number of representatives; and – most importantly – the “Jobs Initiative”, which addressed the government’s core concern: employment. This initiative combined rather popular with some unpopular measures and was designed to foster employment and growth mainly via tax reductions in tourism and air travel, investments in infrastructure and the introduction of a „finder’s fee“ for job creation. The “initiative” also involved the halving of employers’ PRSI (Pay Related Social Insurance) contributions for low paid workers while taking back the previous government’s reduction by one Euro of the minimum income level. It however caught public attention mostly because of the introduction of a levy on private pensions (0.6 percent) for four years, aiming at savings of 470 million Euros.

Pensions were also on the reform agenda of the government. In September 2011, the government took up the challenge of adjusting public service pensions. Pension age was to be adapted to the private sector and rise to 68 years; indexation was tied to consumer prices and the average income during the career and no longer to the final salary. Previous salary cuts for officials (10%) were applied for all new employees. Pension contributions for high-ranking officials were introduced (in the case of the head of government) or increased. The reform was prepared during the second half of 2011 and the first half of 2012 in dialogue with trade unions. It finally went into law in July 2012.

While the public service pension reform was negotiated, the government also introduced a broader public service reform, which was adopted by the government in November 2011. It aimed mainly at a more slender and efficient administration as well as a higher quality in service provision. Although it did not have such far-reaching unpopular consequences, it included some saving measures like a cut of public service worker numbers by 23,500 until 2015 (in addition to the reduction from the previous budget), stricter rules on leave arrangements and the abandonment of decentralization projects.

The first budget of the Kenny government, presented in December 2011 in a long TV-speech, contained very tough measures intended to save 3.8 Billion Euros (the larger part of 2.2 Billion

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9 Contributions into the national Social Insurance Fund, paid as a share of an employees monthly earnings.
Euros stemming from spending cuts). The government aimed at consolidating the budget by, among other things, increasing VAT by two percent, other tax increases as well as the introduction of a “household charge”. Spending cuts fell mainly upon health, education and social services, besides savings in the public sector.

The following year (2012) was marked by further reforms that aimed at creating new jobs but also included “activation” measures. The government introduced “Pathways to Work”, a program which reformed the relation between unemployed and the state: In order to be eligible for benefits, job seekers were obliged to enter a contract with the state which entailed rights and responsibilities accompanied by stricter eligibility and sanctioning rules and which was designed to increase work incentives and flexibility – hence measures of a rather restrictive kind, which had even been announced as a radical shake-up in welfare. This program was complemented by an Action Plan for Jobs that consisted of 270 separate measures to be realized within 2012 which were designed to increase investment and to support key industries and start-ups, with a special concern for small businesses. The Action Plan was continued in the following years with further measures for job creation. Likewise, the Pathways for Work program was continued in July 2013 with a focus on the long-term unemployed. Again, the main emphasis of the program was on work incentives and sanctions.

Besides the emphasis on the labor market, the government tried to achieve savings by two means: a second austerity budget with harsh spending cuts and a major restructuring of local government. Whereas the local government reform was claimed to save taxpayers costs of 420 million Euros over four years via “a better, stronger, more efficient, more responsive and more accountable system of local government” (Phil Hogan, Minister for Local Government), the budget for 2013 presented in December 2012 aimed at overall savings of 3.5 Billion Euros. In terms of unpopularity, the budget stands out compared to the local government reform. It contained a series of straight benefits cutbacks: a lowering of child benefits, a reduction of three months of the duration of Jobseeker's Benefit payments, the removal of the reduced Universal Social Charge for people over 70 years, cutbacks in the Respite Care Grant (annual payment to carers) and changes in PRSI payments that effectively meant reduced incomes for many workers as the PRSI free allowance for those earning under 352 Euros a week was abolished. Education was not spared either because grants for universities were reduced and student fees increased considerably. Finally, on the revenue side, the budget introduced the very contentious Local Property Tax. In sum, although the budget also comprised marginal spending increases in health, it was arguably the most unpopular policy of that year.
The year 2013 was marked by first signs of economic recovery: The situation on the labor market improved, the debt-to-GDP-ratio was stabilized, competitiveness increased, and lower borrowing costs from financial markets relieved the budget (OECD 2013b: 10). The government further focused on job creation, especially with the measures mentioned above and it introduced its key reform to abolish the Senate and to save the taxpayers 20 million Euros per annum. The proposal was presented in June 2013 but the referendum from October 2013 forced Prime Minister Enda Kenny to bow to the verdict to keep the chamber.

The most unpopular policy of 2013 was again the budget for 2014, which was presented in October 2013 and still involved some harsh austerity measures. However, with total savings of 2.5 billion Euros it did not quite reach the dimension of the two previous years. For the government, this budget was a turning point as it also marked the exit from the EU-IMF-Program and the regaining national and economic sovereignty. Moreover, the government decided to set aside the introduction of a universal health insurance to a later stage.

Overall, looking at the succession of unpopular measures and the budgets in particular, they clearly decreased with respect to their harshness – the vice head of government Eamon Gilmore called the budget for 2014 “the last of the difficult budgets”. Notably, they were all combined with a strong blaming of the predecessor by the minister of finances Noonan and prime minister Kenny. The Irish government did not spread the cuts equally and wait if the situation improved but rather put the tougher austerity measures first. This, again, clearly supports our expectation that strategic timing can be observed. However, what is surprising in the Irish case is the lack of harsh measures in the first months of the term of the new government. The first clearly unpopular reform was the public service pension reform announced in September 2011 – six months after the government took office. Moreover, the first large cutback bill was the budget for 2012 announced in December 2011. This is at odds with the idea that governments would use the first months of a mandate to push harsh measures through Parliament when they still can blame these policies to the legacy of the predecessor.

How do the described policy actions align with the development of the government’s popularity? According to the polling data, government approval seems to have grown in the first three months and even after the Jobs Initiative from May 2011. After June 2011, the popularity of the government clearly follows an overall downward trend. There are only two instances where the overall decreasing trend seems to be halted or even slightly reversed: with the adoption of the labor market measures in February 2012 those of July 2013, at least to some degree. Apart from the decline after the adoption of the public service pension reform, no negative development in the popularity can be pinned down to any specific unpopular policy. The first
decrease occurs well after the first – and certainly not strongly unpopular (especially compared to the first two budgets) – measure after the third month. At that point, the popularity is however still not markedly below that of the beginning. A drop-off below this level only occurs after September 2011, the month when the public sector reform including the pension scheme was introduced by the government. From October 2011 onwards, the popularity only declines incrementally. A steeper sustained decline again occurs after a relatively stable period until October 2012. While the data used in Figure 2 only allow for extrapolating a lower score for November 2012 compared to the previous month at least a poll by Behaviour & Attitudes in the Sunday Times suggests that another downward trend had already begun in that month. It is probable that this decline was due to the surfacing of news (in July) that there would be (another tough austerity budget, which had also already led to major protests in Dublin in November before the actual presentation of the budget in December. Thus, the case of Ireland is a paradox in a certain sense: Looking at the popularity scores of the government, we can clearly identify a honeymoon period that lasted around four months. However, the government does not seem to have used this period to implement harsh reforms but started with the cutbacks somewhat later in the term adhering to the regular budgeting cycle. Hence, we cannot really tell from our data if the high approval rates of the Kenny-government during the first four months are really due to the non-occurrence of unpopular policies or if this honeymoon of four months had also been observable in case of severe cutbacks.

Figure 2: Unpopular reforms and development of the Irish government’s popularity

Annotations: The data points for the graph with the dashed line are extrapolated.
4.3 Unpopular reforms in Spain 2011-2013

Like Ireland, Spain was hit very hard by the financial and economic crisis, especially due to debt accumulation in the housing and construction sector. With the credit-crunch unfolding, this sector suffered massively, the country experienced a deep recession with declining revenues from taxes and rising unemployment leading to a steep increase in public deficits and debt. The government of Mariano Rajoy’s predecessor, José Luis Zapatero, had already introduced some tough measures that included tax raises, spending cuts, activation policies in the labor market, and an increase in the pension age by two years (Hemerijk 2013: 353-354). Partly due to these cutbacks, the incumbent socialists (PSOE) suffered massive losses in the general election which took place in the middle of the crisis in November 2011 (down from 44 to almost 25 percent) whereas the conservative Partido Popular under Mariano Rajoy gained a plurality of 42 percent, ending more than seven years of socialist government.

The economic situation that the new government inherited was dramatic: In 2011, unemployment increased over 20%, the state bond yields became increasingly unsustainable, and the Spanish economy was in danger of entering into another recession. Having to face huge challenges right from the start including a deficit running at 8% of GDP and a still pending budget for 2012, the Rajoy government already enacted its first austerity package within the first ten days in office. The measures aimed at total savings of 15 billion Euros, based mainly on tax hikes (mainly income and capital gains) and reduced spending in all departments (especially a payment freeze in the public sector and an increase of work time, a freeze of the minimum wage, cuts of the subsidies for parties and unions).

After these emergency measures, the first major unpopular reform policy enacted by the Rajoy government was directed at the labor market. It consisted of four main pillars: a relative strengthening of employers, a loosening of employment protection, a new indefinite contract for businesses with less than 50 employees and freelancers, and, finally, measures to improve employability through training and apprenticeship. As the government did not succeed in building a consensus with the social partners on the reform, it acted unilaterally, passed the legislation in parliament and blamed the opposition for not cooperating. Although the labor market reform was an important measure, which aimed at reducing unemployment and meant an attack on the comparatively strong Spanish employment rights and labor market rigidity, the short-term savings were minor. That is why, in March and April 2012, the government enacted several very harsh cutbacks that were partly included in the budget bill (introduced in the end of March 2012). The budget was said to be the toughest in the history of post-Franco Spain with planned savings of 27 Billion Euros. Just a couple of days after the budget, the government slashed
spending in health and education by a further 10 Billion Euros, a step that was received as another highly unpopular policy in the public.

These already very severe cuts were followed by another savings plan enacted in July 2012. This time, however, timing was hardly at the government’s discretion as the austerity measures adopted were a direct result of rapidly mounting financial and economic pressures which lead the Spanish government to request a loan from the EU in June to stabilize its banking sector. Spain’s hard austerity path then continued with another tough austerity budget (for 2013) presented in September 2012, which aimed at savings of 40 Billion Euros. It included 12% across the board cuts in ministerial spending, a further pay freeze in the public sector and the creation of an independent authority to monitor government finances.

The government announced further laws to be enacted in the following six months directed at employment creation in the energy and communications sector, and acknowledged the necessity of a pension reform – which was also demanded by the European Commission. Yet, from the end of 2012, the pace of the unpopular policies gradually decreased. It was clear however that the government still had to tackle one major issue: In a speech at the end of 2012, Prime Minister Rajoy announced the adoption of measures in the pension regime in the following year. Before this major step, however, the government enacted some growth-oriented measures first (in January and February 2013): an employment program and reforms in support of SMEs (Reino de España 2013: 7-9). The pension reform was finally initiated in March 2013 with a decree that received comparatively little political and public attention. This can be explained by the fact that the reform delegated the most contentious issue – the question of the future calculation (and possible cuts) of pension benefits – to an allegedly cross-party expert body and enacted only some minor adjustments directly: it tightened the criteria for early retirement, sought greater compatibility of work with retirement, and promoted the employment of people aged 50 years and older. The recommendations of the expert body were published in June and largely adopted by the government: Indexation would no longer be linked per se to inflation and the calculation basis would include life expectancy as well as the net revenue of the pension system. The expected savings amounted to 33 Billion Euro in the period from 2014 to 2022. While the government appealed for a broad consensus and support for the reform, the PSOE and the trade unions rejected the committee report and the government proposal adopted in September 2013. The government nevertheless followed through with it. Throughout 2013, the signs of economic improvement showed up and the Rajoy and de Guindos (Minister of the Economy) claimed credit for this positive development. Consequently, the Budget for the year
2014 introduced at the end of September 2013 was no longer directed at mere austerity: Although it safeguarded fiscal discipline with a cutting of departmental budgets by about 4.7 percent, it did not contain any major spending cuts or tax increases.

From a bird’s eye view, the pattern of austerity measures in Spain therefore clearly supports the expectation of strategic timing. The government indeed implemented the most drastic cuts in the first months of its term reducing the density and extent of harsh and unpopular measures after 20 months in office. This may have been partly because of the economic improvement which materialized during the year 2013 and which the government could have tried to capitalize upon. However, a certain slow-down on the austerity path however had already begun in 2012.

Turning to the impact of austerity packages on the government’s approval rates, the development of Mariano Rajoy’s popularity in

Figure 3 shows that there is indeed evidence that suggests a link between the unpopularity of the reforms and the popularity of the vote intention for the governing party. To be more precise, the pattern supports the expectation of a honeymoon effect (E3) as support for Mariano Rajoy was growing after taking office, even after the introduction of the first harsh budget cuts and the large labor market reform. Only after the introduction of the cuts in health and education in April 2012 did his public endorsement decline – but then very rapidly. It further declined after the Spanish government experienced unsustainable borrowing costs and felt itself forced to accept a bailout (June 2012) for its struggling banking sector. This downward trend persisted over the introduction of subsequent emergency measures in July 2012 and the presentation of another tough austerity budget in September.

Figure 3: Timeline for the vote support of the governing party
The decline after January 2013 could also be due to the Bárcenas affair which predominated in Spanish political discourse at that time. In early 2013, the former PP treasurer Bárcenas, was alleged to have paid out bonuses to high-ranking PP politicians with dirty money. Although we cannot rule out that this affair has something to do with the popularity fall after January 2013, it is clear that the biggest part of the popularity loss began before the affair got public and was therefore most probably due to the unpopular cutbacks. Interestingly, no notable changes in Rajoy’s popularity can be registered after the second and more contentious step in the reform of the pension regime (neither in June 2013 nor in September when the government went along with its final proposal). This could be explained by the use of a delegation strategy in combination with this reform or probably even more so (given the clarity of the trend) by the fact that the reform fell into a period that was marked by an upward trend of the economy – not unlike the British case in the second half of 2013.

4.4 Comparison and Discussion

In the last three sections, we have analyzed the unpopular policies that have been implemented in UK, Ireland in Spain between 2010 and 2013 as a response to the financial and economic crisis. It has become clear that, overall, the pattern of unpopular policies in all three countries is in many parts consistent with the idea of strategic timing. In all three cases, there is clear evidence that the most severe cutbacks were implemented in the first year of the government’s mandate. After one year, the density of the enactment of unpopular policies as well as the sheer extent of cutbacks decreases in all three cases. Admittedly, some unpopular measures were also enacted in the second year of a government’s mandate, but if one sticks to the overall picture, the front-loading of the measures is clearly visible. These findings are very much in line with our first expectation (E1) formulated above and add to the already substantial evidence that strategic timing as a subtype of strategic organization is widely used when unpopular policies are to be implemented.

Another conjecture related to the strategic timing argument was our expectation that strategic timing would be used more heavily in political systems with a stronger concentration of power as governments in these circumstances cannot credibly diffuse responsibility to other actors and as citizens can attribute responsibility more easily once the honeymoon is over (E2). The cases were selected in order to yield some variance with regard to this factor, with the Spanish (clear responsibility) and the Irish (more diffuse responsibility) case at the extremes and the coalition government in the UK in the middle. Empirically it seems that indeed the Irish government used the timing less than the Cameron-Clegg-government in the UK and especially than the
Rajoy government in Spain. The Kenny cabinet started with a relatively “soft” reform package mainly directed at job creation and implemented the harsher measures at a later stage. In contrast, the British and the Spanish governments started right away with sharp cutbacks and austerity. This could be an indication that, indeed, responsibility attribution played a role here: The Irish government had the opportunity to wait some time with the harsher measures as it knew that they could (or had to) share responsibility for these unpopular measures. This was not an equally tenable option for Rajoy (or Cameron): With the responsibility for policies being transparent, diffusing the blame for harsh measures was only possible in the first weeks of the mandate when unpopular measures could be blamed on the heritage of the predecessor government.

It should be noted though that the one unpopular reform with regard to which the Irish government could have shared the most blame (also with trade unions), the public sector pension reform, was adopted at a rather early stage. At the same time, this makes for an argument that speaks against the government type having to do with timing. In contrast to the other two cases, the Kenny government was a coalition of two large parties (with together more than 60 percent seat shares in the Dáil) and with different party ideologies. While these circumstances might have made rapid action by the coalition more difficult, the comparatively early public pension reform hardly supports this notion.

As the Irish government did not introduce very tough measures during an observable honeymoon period we cannot tell if the sustained high approval rates in the first months of the Kenny government was due to the non-introduction of harsh measures or if this situation would also have occurred in case of a tough adjustment program. However, the cases of UK and Spain, where very severe cutbacks were enacted right in the beginning of the mandate without visible repercussions on government’s approval rates, clearly confirm our third expectation (E3): For the Rajoy government and the coalition in the UK, the popularity rates seem to have been immune to the introduction of unpopular measures during the first months in office: In Spain, popularity fell only after four months, when many harsh measures had already been adopted. And in the United Kingdom, the substantial decline in approval rates for the coalition only began after five months and the adoption of the second austerity program in October 2010. These findings strongly suggest that the link between unpopular policies and the voter’s attribution of responsibility for the cutbacks seems to be blurred during the first 150 days of a government or so. The citizens do not seem to punish a government if it takes harsh measures in the beginning – a situation which newly elected politicians clearly use in their communication as they overtly blame the predecessor. In sum, these findings support our expectation of a “honeymoon effect” as formulated in E3 above.
After the end of the honeymoon period, governments are generally punished for unpopular policies in the opinion polls. However, differences emerge with respect to the type of policy: Whereas a decline of governments’ approval rates was directly followed by pure benefit cutting (see for instance the austerity budgets in UK and partly in Ireland, the education and health cuts in Spain) labor market reforms do not seem to lead to a loss in popularity – even if they contain a tightening of eligibility criteria or a stronger focus on activation. Neither in Ireland nor in the UK where labor market measures in the Welfare Reform Bill were introduced comparatively late and could thus not be shielded by a honeymoon effect is there an observable decline – quite the opposite: the popularity follows a short upward trend in all three cases. Altogether, the results for the austerity programs and health reforms are a clear indication that, overall and apart from labor market reforms, welfare state cutbacks are indeed unpopular\textsuperscript{10}.

The overall picture can also be glanced from Figure 4. During the first couple of months, the governments in Spain and the UK seem to have been able to introduce even harsh cuts without any visible political fallout in the polls – at first (“honeymoon period”). But their public appeal was dwindling after adopting roughly equally unpopular measures later on. In Ireland there is also a honeymoon period at the beginning although the government may have missed this possible window of opportunity for deep cuts.

\textbf{Figure 4: Comparative timelines for the development of the three governments' popularity}

![Graph showing comparative timelines for the development of the three governments' popularity.](image)

\textit{Annotations:} The contoured/thickened line marks the identified “honeymoon periods”.

\textsuperscript{10} Clearly, we do not say anything about certain groups of voters who are more or less open to welfare state cutbacks. Indeed, some studies showed that the acceptance of welfare state retrenchment depends on party identification or general ideological stances towards redistribution (Giger 2011; Schumacher et al. 2013). All we say is that – overall – the popularity of the government declined during these times of harsh cutbacks.
One important caveat concerning the relationship between governmental popularity and unpopular policies has to be added, tough. As we know from the literature on economic voting, the overall economic situation is also linked to the popularity of a government. Hence, a bad economic situation in the beginning and a brighter economic outlook in the end of the observation period may well influence the development of the approval rates in our three cases. However, although this relationship might explain a part of the decline of popularity, the economy does not seem to be the major explanation. Not only does the analysis above contain a number of substantial popularity losses that directly follow unpopular measures. Figure 4 also shows that the graphs do not run parallel in the three countries but rather that the developments of governments popularity follow roughly the same pattern but with different starting points. Throughout 2011 and 2012 when the financial and economic situation in all three countries persisted to be strained, the graphs follow different paths. The popularity of the UK government had stabilized well before that of the other two did. And the popularity of the Spanish government was in free fall during 2012 even before the bail-out and a further rising unemployment rate whereas the Irish government’s popularity experienced a sustained period of stability although unemployment there was remaining around 15 percent and GDP growth was barely above zero in 2012.

Finally, it is notable that with regard to the sequencing of the policies there is no coherent pattern over all three cases. This speaks against some one-size-fits-all-strategy in the timing of austerity policies. There is however evidence for tendencies that are in line with the idea of strategic action. Reforms in the Labor market and social security occurred relatively early, before – most clearly in Spain and Ireland. A possible explanation for this pattern could be that policy actors assume that labor market reforms are more likely to have positive effects on employment and that an implementation right in the beginning might yield positive results for which they could claim credit.

Pensions, on the contrary, were not touched upon at the beginning of the term by any of the three governments even though they should be very unpopular. The welfare state literature assumes that those parts of the welfare state directed at life-course-related risks, such as pensions or health care, are much more popular than those covering labor-market-related risks and therefore harder to cut than those parts (Jensen 2012; Zohlnhöfer et al. 2013). Yet, the governments in UK and even more so Spain enacted pension reforms at a comparatively late stage when the honeymoon period had long passed. One straightforward explanation could be that pension reforms simply take longer to prepare as they are usually hard to attain, require enduring solutions beyond the horizon of a single administration, and thus make a cooperative or even concerted
approach much more likely (Häusermann 2010; Schludi 2005; Hamann 2014). In our three cases, such attempts to find a broad consensus are clearly observable: Not only did all three governments seek dialogue and cooperation with trade unions in pension and partly also in labor market matters.

Moreover, in the two cases with the highest concentration of political power, Spain and UK, the governments also used agency strategies (Hood 2011) to delegate responsibility (e.g. to expert bodies) for the preparation of the (often disputed) details of the pension reforms. In addition, government portrayed these bodies as being above party lines. This struggle to find consensual solutions on pension reforms may also explain the absence of a discernible impact of pension reforms on the popularity of the governments. In other words, in the case of pensions, the blame avoidance strategies of “circling the wagons” (Weaver 1986; see also Hering 2008; Hood 2011) seem to be more important than the mere strategic timing. Governments seem to take the risk of introducing pension reforms later in a term because they will aim to seek broader support on these issues in this way. This is perhaps why we do not find strategic timing as expected for pension reforms – and why we also fail to see a notable punishment by the citizens for implementing such pension reforms.

5 Conclusion

This study set out to take a closer look at the idea of strategic timing of policies combining theoretical arguments from the literature on PBCs, unpopular welfare reforms, and research on economic voting. For this purpose, we compared austerity policies introduced by the Spanish, the British and the Irish governments following the financial crisis and examined their relationship with the development of approval rates for the respective governments using polling data. The results from the analysis of the three cases are overall consistent with the idea of strategic timing. Policies were generally more drastic in the beginning of a government’s mandate and they became less harsh and less frequent with the passing of time. In addition – and consistent with our theoretical expectations – this pattern of strategic timing was most pronounced in Spain and the UK where the responsibility of the government was very transparent and less so in Ireland, where the clarity of responsibility was more blurred. Our findings also present strong evidence for a honeymoon effect that shields governments even from highly unpopular austerity measures at the beginning of the time in office (in Spain and the UK). But this effect seems to be restricted to a short time as government popularity fell considerably well before half a year had passed.
Taking a closer look at the sequence of policies for the individual governments also made it possible to identify tendencies in their timing depending on the kind of policy. We find that (1) pension reforms are adopted at later stages (a little earlier, however, in Ireland) but in combination with strategic organization and a more consensual stance; and (2) labor market reforms are enacted relatively early in the term (in all three countries), which might be explained by the fact that governments hoped to see positive effects on employment in the short-term. Remarkably, these labor market reforms are the only policies which are consistently associated with a halt or reversal of negative trends in government popular.

These results add to the literature on blame avoidance and unpopular policies in several ways. First, we provide a much more nuanced picture of strategic timing compared to the rather simple findings in the existing studies pointing out the mere existence of strategic timing. Second, our study addresses a major shortcoming of the literature on strategic timing (and the blame avoidance literature in general), as we try to trace the relationship between unpopular policies, strategic timing and the development of government popularity. Although we know that our approach based on case study evidence does not allow the ruling out of alternative explanations and does not provide a measure for the causal influence, we contend that the overall evidence from the case studies strongly suggests that (1) unpopular policies (and especially benefits cuts in health care and education as well as large saving measures in the budget) do impact on governmental approval rates – a relationship which has been questioned in the recent literature — and that (2) strategic timing works if a government uses the window of opportunity provided by the honeymoon period during the first months of a new mandate.

Admittedly, these results should be seen as a first step on a way towards a more nuanced understanding of the relationships which are at work between unpopular policies on the one hand and electoral punishment on the other and blame avoidance strategies intervening in this association. Although experiments on the impact of blame avoidance might be one way forward (Vis 2013; Wenzelburger 2014), they do suffer from limited external validity. Therefore, we badly need more studies (and more comparable data) based on empirical instances of unpopular policies, blame avoidance and the reactions of the electorate. The unpopular policies implemented in the aftermath of the financial crisis provide an excellent framework as the extent and the density of unpopular policies enacted was extremely high. Therefore, a promising way forward could be to use real-world-examples of ambitious policy agendas with unpopular measures to investigate the said relationships.

11 To be more precise, recent economic voting studies only question the relationship between welfare cuts and actual electoral outcomes (or vote intentions), whereas we only test governmental approval rates.
Literature


