How do Room-to-Manoeuvre Constraints on the Economy affect Performance Voting? A Comparative Analysis of the EU Member States

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Abstract: National governments are increasingly constrained in terms of their leeway in economic choices because of external processes such as multilevel governance and economic globalization. These new constraints for governments have been empirically translated into a clear decrease in economic voting in more open economies (Hellwig and Samuels 2007) and in places where multi-level governance is most prominent (Anderson 2006). Drawing on Hellwig (2008), I expect voters who deem their government to be constrained in the economy to give less weight to economic considerations in their voting calculus. Conversely, they should be more prone to vote on other issues and/or make place for partisan attachments. Empirical findings in economic-voting support this claim: governmental constraints in the economic field reduce the importance assigned to evaluations of economic performance and to party positions on economic issues in Britain and in France (Hellwig, 2008). The objective of this paper is to further investigate these findings in a comparative perspective in the EU framework. To analyze performance voting in the National parliamentary elections, I use the 2009 & 2014 European Election Studies (EES). They include vote intentions at the occasion of national parliamentary elections, retrospective evaluations of both policy performance and the responsibility attributions in 3 policy areas (economy, standards of health care and climate change) in all the EU member states. Empirical results confirm that voters who believe that national governments are constrained over the economy tend to vote punish and reward less their incumbents for the state of the economy (Hellwig 2008). Yet, the effect of perceptions of constraints is less clear cut on performance voting in non-economic records. Indeed, results show that voters who think that their national governments are barely responsible for the economy tend to punish and reward more the latter for their record on health care, but no significant results are found regarding environment.

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Introduction

Many observers argue that national governments are increasingly constrained by external processes such as economic globalization and multilevel governance in their abilities to pursue efficiently some of their policy objectives. First, economies have become more and more opened since the seventies: the percentage of exports and imports of goods and services in national GDP grew from 50 per cent in 1975 to 80 per cent in 2012 (Bourguignon 2012). The growing integration of world markets has diminished national governments’ abilities to control economic outcomes, notably because their integration into the international economy demands national governments to focus on the competitiveness of their domestic economies and thus restrict their policy choices on the economy. In a nutshell, economic globalization reduces national governments’ abilities to choose economic policies and thus diminish their influence on economic outcomes. In the meantime, members of the European Community have deliberately decided to lose part of their sovereignty in certain policy areas, and increasingly so over time. Thus, European institutions have gained more and more policy competences: the EU institutional triangle now has exclusive competences over commercial policy (Common Commercial Policy), external trade, customs, competition rules and the conservation of marine biological resources (Common Fisheries Policy), while the European Central Bank controls monetary policies in Eurozone countries. In these policy areas, only the European Union can legislate and adopt legally binding acts, while member states need the European Union’s approval to do so. Hence, the available evidence seems to show a situation where the capacity of the states to control policy outcomes is hindered by economic globalization and European integration, especially in the economic area.

Building on these results, a couple of studies have looked more closely at the repercussions of these processes on voting behaviour (Hellwig 2001, 2008, Anderson 2006, Duch and Stevenson 2010, Steiner 2010, 2016). In the literature, it is first argued that real or perceived room to manoeuvre constraints (hereafter RMCs) affect electoral participation by reducing the importance of elections as mechanisms to determine policy outcomes. The assumption is that alternative elected officials do not substantially influence policy outcomes because of external constraints. Consequently, rational voters are expected to view elections as less useful and should thus be less likely to take part in elections. Empirical works support these claims at both the micro- and macro-level: high economic integration decreases the level of electoral turnout (Steiner 2010), while perceptions of constraints decrease the individual propensity to cast a ballot (Steiner 2016). Besides, many studies argue that national governments’
constraints on the economy diminish performance- and issue-voting on the economy. Two rationales are fostered to explain these negative relationships. First, the “clarity of responsibility” argument contends that voters have difficulties to determine the actual responsibilities of national governments in the domestic economic situation because of the multiplication of private and public actors influencing the economy. In turn, these confused voters are less likely to punish or reward their governments on an issue if they are not able to pinpoint responsibility. An alternative line of argument explains the reduction of the importance of economic policies in the voting calculus by the mechanic adaptation of rational voters to the loss of economic competences of national governments. In this model, voters are supposedly aware of the reduction of economic competences of national governments and are thus less likely to punish or reward incumbents for their past economic records, neither are they likely to choose political parties on the basis of their proximity on economic issues. A major implication of this model is that voters who perceive increasing room to manoeuvre constraints are likely to favour non-economic issues in their voting calculus in response to the loss of economic competences of national governments. Empirical findings indeed corroborate these hypotheses: economic voting is lower in more open economies (Hellwig 2001, Hellwig and Samuels 2007) and in less centralized institutional political systems (Anderson 2006). At the individual level, evidence is scarcer mainly because of the lack of available data. But, a study on French and British general elections demonstrates that voters tend to punish or reward less the incumbent government for economic conditions when they feel that their national governments face pressures on the economy. This study also shows that those who believe that their national government is constrained on the economy tend to vote less on economic issues and more on non-economic issues (Hellwig 2008). This study contributes to the literature on the relationship between perceptions of national governments’ constraints and voting behaviour by looking more extensively at the effect of perceptions of constraints on performance voting on the individual level. More precisely, I extend the argument that citizens adapt their behaviour to the loss of national governments’ economic competences by decreasing the weight of economic performance in their voting calculus and by taking non-economic issues more into account when voting (Hellwig 2008). Specifically, I expect instrumental voters who believe their national government to be pressured on the economy to be more likely to punish or reward incumbents on the basis of non-economic records. Interestingly, this study constitutes the first attempt to explore this implication on the individual level. Furthermore, contrary to past studies which relied mostly on case studies, this study utilizes a large cross-country dataset which permits to control for
specific individual effects. The results provided here thus provide more robust confirmation of the causal mechanism.

The 2009 European Election Study dataset is utilized in this study to explore performance voting in different policy areas because it asks respondents about their vote intentions in national parliamentary elections and their assessments of the situation of the economy, the environment and the health care system. Thus, this dataset allows investigating both economic voting and performance voting in standards of health care and environment. Most importantly, the dataset also provides questions regarding perceptions of national governments’ responsibility in the above mentioned policy areas which allows to assess the impact of perceptions of constraints on performance voting. The 2014 European Election Study survey also adds questions on responsibility attributions and retrospective sociotropic assessments of the economy, but does not propose questions on non-economic issues. Through the use of these datasets, it is thus possible to analyse whether beliefs that governments are constrained in the economy moderate the extent to which voters punish or reward national incumbents on their record in both economic and non-economic areas. Besides, both datasets also allows testing these hypotheses in a large comparative setting because it gathers all the European Union member states.

The empirical findings establish that perceptions of national governments’ responsibility over the economy condition performance voting on the individual level. First, it corroborates studies which demonstrate that those who believe that national governments are constrained over the economy tend to punish and reward less their incumbents for the state of the economy (Hellwig 2008), but in a larger setting. Yet, the effect of perceptions of RMCs is less clear cut when looking at performance voting in non-economic issues. Indeed, results demonstrate that voters who think that their national governments are barely responsible for the economy tend to punish and reward more the latter for their record on health care, but no significant results are found regarding environment.

The study is organized as follows. The first section starts with a broad discussion on the mechanisms of accountability which are at the core of the concept of performance voting. The second section presents the literature on the effects of RMCs on voting behaviour and introduces the hypotheses regarding the effect of role of RMCs on performance voting before presenting the results in the empirical part. Finally, the conclusive part discusses the main results of this study.

**Electoral Accountability and Performance Voting**
This first section presents the model of performance voting which derives from the normative model of electoral accountability. I focus more particularly on the model of economic voting because it is the model that has received the most empirical validation. Most importantly, I present the different factors that condition the extent to which voters actually punish or reward their governments for their past records.

The normative model of electoral accountability stems from the principal-agent model of democratic representation whereby the principal (voter) delegates the power of decision-making to an agent (politician) for a given period of time (the mandate). It contends that the minimal requirement for a democracy to be efficient is that voters’ choices are based on the past record of the politician. In a perfect accountable system, voters will systematically renew the politician’s mandate if it succeeds to provide voters with good policy performance, while it will be punished, if policy performance is bad, by choosing the opposition party or by abstaining. The economy is usually the main issue under study in the model, but it can be extended to all issues. Students of economic voting motivate this choice by arguing that economy is the policy area where judgements over governments’ performance is the easiest to make, given citizens’ low abilities and low motivation to process complex information (Converse 1964) and their lack of coherence (Zaller 1992). Besides, the economy is generally the most salient issue in the political agenda of both political parties and the Media (Anderson 1995). In turn, democratic accountability has traditionally corresponded to the reward-punishment model of economic performance, whether sociotropic (Kinder and Kiewiet 1979, 1981, Anderson 2000) or egotropic (Paldam and Nannestad 1995). As Anderson puts it: “democratic elections are expected to ensure accountability via economic voting because they are held intermittently but regularly, and because they allow citizens to express broad and blunt approval or disapproval of the government’s record in an area of policy they can relate to and understand” (2007: 277).

Seminal works in economic voting confirmed the empirical relevance of the theory in the US and in the United-Kingdom (Key 1966, Kramer 1971, Fiorina 1978, 1981). Since then, the model has been largely tested in different types of elections (Nadeau and Lewis-Beck 2001, Brown 2010); in different regional settings (Rattinger 1991); at different periods of time (Paldam 1991); and in many countries with differing electoral systems (Lafay 1981, 1990, Lewis-Beck 1980, 1986, 1988, Hibbs 1982, Anderson 2000, Nadeau et al. 2002). Most of the studies corroborate the first results: a correlation exists between economic performance, i.e. unemployment, growth and inflation rates, and the support for the government at the voting
booth. These economic effects explain approximately one third of the variation in the vote for the government (Paldam and Nannestad 1994). These results have however been put into question, because of significant cross-country differences. Lewis-Beck (1988) first found that effects of economic performance on governments’ support on the individual level vary significantly between Great-Britain, Germany Spain France and Italy. In Great-Britain, economic effects display strong explanatory power, while the relationship is very weak in the Italian case. Paldam (1991) confirms Lewis-Beck’s findings in a large comparative study across 197 government elections in 17 countries covering four decades. In this aggregate-level study, Paldam finds little evidence for the existence of Vote functions in other countries than the U.K, Germany and the U.S.

Paldam and Nannestad (1994) explain this cross-country variance by “the instability dilemma.” Specifically, they find that stable governments, defined as governments which have parliamentary majorities and which rule during their entire mandate, are more likely to be punished or rewarded on the basis of their economic record. This finding is in line with Whitten and Powell’s (1993) “clarity of responsibility” hypothesis which starts from the assumption that performance voting is largely mediated by the institutional design of the political system, which can be understood as the division of powers between partisan and veto players. More precisely, the “clarity of responsibility” hypothesis states that the easier the decisions can be linked to the action of a governmental actor, the easier voters can reward and punish the latter for its past choices. According to Powell and Whitten, clarity of responsibility derives from institutional and partisan based features, i.e. party systems, electoral systems, in which politicians and voters are embedded in.

Anderson confirms the importance of political and institutional contexts on responsibility attributions (Anderson 2000). More precisely, he distinguishes two other political variables: governing party target size and clarity of available alternatives. Anderson argues that the economy vote relationship, “not only varies across countries because of differences in formal decision-making procedures that are unlikely to vary much over time, but that it also is variable within and across countries because of election outcomes and elite bargaining that periodically reshape the political landscape” (Anderson 2000: 154). Simply put, Anderson’s criticism towards the “clarity of responsibility” hypothesis is the following: it does not disambiguate between institutional and political factors dynamically. Thus, he proposes a couple of new hypotheses. First, the governing party target size hypothesis assumes that the amount of ballots, and hence the parliamentary seats’ share, received by governments in the last election matters in the process of attribution of responsibility: the more ballots a party
receives, the more it can be held responsible for economic performance in the next elections. In a nutshell, the party who has the most power in the government should receive more blame and credit.

Performance voting is thus conditional upon institutional and partisan designs (Powell and Whitten 1993, Anderson 2000), and, more largely, upon political contexts (Duch and Stevenson 2008). For example, effects of policy records on the success of the incumbent are higher in the US or in the UK than in Netherlands or in Belgium. In a multi-party system where coalition governments are the rule, it is harder to single out a unique actor to blame (or reward) for the worsening (improvement) of the state of the economy than in a two-party system with a single-party-incumbent. As Duch and Stevenson (2008) argue, it is because administrative powers, i.e. distribution of cabinet membership, distribution of cabinet portfolios, distribution of ministries, distribution of legislative seats, are more concentrated in the former political systems than in the latter ones. In turn, it is easier for citizens in political settings where clarity of responsibility is high to perceive who has the actual power on which policies and reward or punish incumbents accordingly.

Thus, these studies demonstrate that perception of responsibility is a major moderating factor of performance voting: before punishing or rewarding a government on its policy record, individuals must believe that it is either the government’s job to remedy it or simply that it has produced it. Yet, two processes are increasingly reducing national governments’ responsibilities in the policy-making process, notably in the economic area: European integration and economic globalization. In the next section, I argue that these processes are likely to change how voters punish or reward their incumbents.

**Room to Manoeuvre Constraints and Voting Behaviour**

In this section, I first present the state of the literature which explores the link between perceptions of national governments’ constraints and voting behaviour. So far, studies on this matter have mainly focused on the effects of economic globalization and multilevel governance on the extent of economic voting and electoral participation using data on the aggregate level. But, some studies also test the link on the individual level.

Since the eighties, the increasing integration into the international economy has put some more pressure on national governments of European established democracies. Indeed, economic globalization commands national governments to focus on the improvement of the competitiveness of their economies. Focusing mainly on competitiveness can alter national governments’ capacity to choose the level of taxation because of increasing tax competition
between countries. Ultimately, this focus might limit national governments’ capacities to redistribute because of lower tax revenues. Furthermore, economic globalization decreases the efficiency of traditional instruments used by national governments to boost their domestic economy on the short-run (Kayser 2007). Indeed, the more an economy is dependent toward international trade and transnational flows, the less it will be able to control prices in its domestic economy (Katzenstein 1985). Hence, countries which are more exposed to international trade and which are more open toward transnational flows have less leeway to choose the economic path they want, notably on the short-run.

Meanwhile, national governments’ abilities to influence policy outcomes in most of established democracies shrunk. Indeed, governance is now characterized by increased cooperation between governmental levels (local, sub-national, regional, national and supranational) as well as between public and non-public actors. The former describes a horizontal process of cooperation between public actors, such as politicians, and non-public actors, such as interest groups and civil society, where these actors work together to implement policies. The latter is a vertical hierarchy involving decentralization and supranational processes of integration and is most commonly known as a multi-level system of governance (Hooghe and Marks, 2001). In this new institutional framework, states experience a loss of their control over a number of policies and national governments are increasingly constrained in their leeway of manoeuvre in policy choices. This is particularly salient in the context of the European Community: since the Single European Act, the European Community gained several policy competences, most notably in the economic area. Nowadays, the European Union, via the European Commission, controls and limits national budgets and deficits, which eventually affects national governments’ capacity to redistribute. In addition, the European Central Bank plays a major role in the monitoring of inflation via tools such as Quantitative easing or Interest rates. The EU also has exclusive competence to legislate on Customs union and competition rules within the internal market. Besides, the EU also has the upper hand on other policy areas such as Conservation of marine biological resources, while national also share competences in Environment, Energy or Consumer protection. Thus, national governments belonging to the Eurozone cannot unilaterally choose levels of interest rates or devaluate their money, while national governments belonging to the EU do not have the opportunity to bail out companies due to competition rules and are also constrained when choosing their levels of debts and deficits. In turn, many observers agree on the fact that, both multi-level governance and economic globalization, limit national governments’ abilities to pursue some of their economic objectives.
Departing from the postulate that economic globalization reduces national governments’ margins of manoeuvre on the economy, Steiner argues that it should have negative consequences on electoral turnout (Steiner 2010). The rationale is the following: if voters are exposed to the idea that meaningful differences in economic policy outcomes cannot be achieved by any government because of external constraints, then this should change how citizens perceive elections. Consequently, rational voters should be less inclined to go participate in national first-order contests if they believe that their electoral choices will not influence economic policy outcomes. The premise of the model is that voters behave rationally. The rational choice based “calculus of voting” model of electoral turnout states that the participation in a democratic election is a matter of perceived costs and benefits (Downs 1957, Riker and Ordeshook 1968). Hence, voters’ participation in an election is determined mainly by their expectations that their choices will be reflected in policy outcomes.

The first noticeable empirical study which investigates the relationship between economic globalization and electoral turnout is Steiner’s (2010). The hypothesis that integration into world markets decreases electoral participation is tested on the aggregate level and the dataset covers more than four decades and gathers 23 OECD countries including the 15 EU member states. Results strongly support the idea that electoral turnout is hindered by the level of economic globalization. Indeed, all the indicators measuring economic integration display statically significant negative effect on electoral turnout, should it be measured as the ratio of votes cast to the number of officially registered eligible voters or as the voting age population.

On the aggregate level, evidence thus suggests that economic integration plays a huge role in the decline of electoral turnout over the last five decades. On the individual level, one recent study examines whether individual perceptions of national governments’ RMCs directly affect the individual inclination to go cast a ballot (Steiner 2016). This study focuses on the case of the 2001 British general elections which provides a good case study since the electoral campaign was particularly centred on the issue of economic globalization as an exogenous factor that constrains the actions of national governments. In this study, Steiner strongly supports the hypothesis that those who believe that national governments have more room to manoeuvre are more likely to report to have voted in the last elections. In addition, Steiner finds that perceptions of RMCs predict a higher likelihood to think that elections bear less importance.

Other studies have started investigating the impact of both economic globalization and multilevel governance on performance voting via economic voting (Hellwig 2001, 2008, Anderson 2006, Kayser 2007, Duch and Stevenson 2010). The seminal empirical work
confirming the impact of multi-level governance systems on economic voting is Anderson’s cross-national study on 16 advanced industrial democracies (Anderson 2006). In his comparative study, he focuses on the effects of multi-level governance on economic voting at the national parliamentary elections. To measure the degree to which a political system spreads political authority at different levels, Anderson develops seven indicators: the existence of a federal constitution; the presence of elections to regional levels of government; the extent of territorial autonomy; and he operationalizes four types of fiscal decentralization measures. Anderson’s results indicate that economic effects in the parliamentary elections of the 16 countries under study are indeed decreased by the mere presence of multi-level governance characteristics. Specifically, Anderson shows that in political systems where subnational units have more power regarding tax generation, economic effects on the vote at the national level decreases.

These results are consistent with other studies focusing on the impact of economic globalization on economic voting on the aggregate level (Hellwig 2001, Hellwig and Samuels 2007, Duch and Stevenson 2008). These studies argue that economic voting is moderated by the level of economic openness of a country: the more (conversely, the less) a national economy is globalized, or to say it otherwise opened towards transitional flows and international trade, the less (conversely, the more) voters will be inclined to reward or punish incumbent governments on the basis of their past economic performances. The seminal study showing that economic globalization decreases economic voting is Hellwig’s (2001). In this study, Hellwig investigates whether the importance of international trade within a country’s growth domestic product (hereafter, GDP) moderates the extent to which the perceptions of national governments’ economic performance affect incumbents’ fortunes at the ballot box in nine industrialized countries, some belonging to the EU, i.e. Spain, Germany and the Netherlands. His conclusion supports the idea that the level of openness conditions the individual ability to hold incumbents to account for their past economic performance. More precisely, voters in countries where trade is an important component of GDP are less likely to punish or reward their national governments based on their perception of the retrospective performance of the national economy. This first result is further corroborated by Hellwig and Samuels (2007) in a larger comparative analysis gathering seventy five countries over twenty seven years. They find compelling evidence that exposure to the world economy weakens the link between economic performance and incumbents’ fortunes at the occasion of first order elections, i.e. legislative and executive elections. Contrary to Hellwig (2001), they do not only focus on the role of international trade within a country’s GDP, but also include the exposure
towards transnational flows. In their analysis, they find that voters in economies where the GDP depends more on transnational flows and international trend are consistently less inclined to punish or reward the incumbents for economic outcomes. At the aggregate level, evidence shows that the past record of a national government on the economy thus matters more in a closed economy in an opened one when voters go to the ballot box. Although rather compelling, these studies do not permit to conclude that the loss of economic policy competences of national governments directly leads voters to reward or punish their governments less on their economic record. To strengthen this causal link, these findings on the aggregate level need to be supplemented by studies using individual level data. So far, only one study does so in a study focusing on the 2001 British and 1997 French general elections (Hellwig 2008). Building on the rational choice based “calculus of voting” model of electoral choice, Hellwig argues that rational voters should adapt to the loss of economic competences of national governments by reducing the weight of economic issues in their voting calculus: if voters perceive that their national governments have no leeway to influence the state of the economy under economic globalization and multilevel governance, then they should not choose their representatives based on economic preferences and they should not sanction or reward national governments in an area where they enjoy no power. The results show that voters who perceive their national governments to be constrained on the economy are less inclined to punish or reward their incumbents for economic performance both in France and in Britain. These results are in line with studies which contend that multilevel governance and economic globalization can blur attribution of responsibility for policy outcomes and eventually weaken economic-voting: when multiple economic and political actors influence policy outcomes, it is argued that it becomes more costly for citizens to gather accurate information and correctly pinpoint responsibility. Yet, being able to hold incumbents to account for policy decisions is a prerequisite for voters to punish or reward their national governments as noted above (Rudolph 2006). Empirical studies have supported this claim: the level of clarity of responsibility of a political system conditions the extent to which voters punish or reward incumbents (Powell and Whitten 1993), while it is more difficult for citizens to attribute responsibility when policy competences are not clearly divided in multilevel governance settings (Leon 2011). Indeed, Leon (2011) shows that, in regions where dispersion of power on fiscal competences is intertwined, citizens face problems to correctly assign responsibility. On the contrary, in regions with low or high levels of decentralization, i.e. where the region has low or high autonomy over revenues and expenditures, citizens have fewer problems to attribute responsibility. Both rational choice
theory and clarity of responsibility hypotheses however claim that perceived or real economic constraints on national governments should decrease the inclination of voters to punish or reward the incumbent on its economic record. This results in the following hypothesis:

H1: The more a citizen thinks her national government to have responsibility on the economic policy outcomes, the more prone she will be to reward or punish on the economy.

Besides, Hellwig (2008) argues that citizens who consider that their national governments are less responsible on the economy should also be less inclined to choose parties on economic issues. More precisely, he shows that the importance of the congruence between party stances and individual opinion on the economy diminishes among those who think that their government has low influence on economic outcomes. Most importantly, Hellwig argues that voters should react to the loss of economic policy competences of national governments by voting more on non-economic issues. As noted above, one of the consequences of increasing RMCs on voting behaviour is that voters simply avoid participating in elections because the expected outcomes of their votes on policy choices is weakened by external processes (Steiner 2010, 2016). Yet, if they go to the voting booth, they should prefer issues on which alternative governments can bring meaningful differences at the end of their mandate. Indeed, rational choice based “calculus of voting” model of electoral choice asserts that voters “choose candidates on the basis of some expectation that their choice will affect the future actions of government” (Stein 1990: 30). Results on the individual level confirm that voters who believe that national governments are constrained in their economic choices tend to take non-economic issues more into account in their voting calculus than voters who do not (Hellwig 2008). In this article, I extend this argument to performance voting on non-economic records. If voters perceive that their government cannot influence economic outcomes because of external processes such as economic globalization or multilevel governance, then instrumental voters who participate in an election should punish or reward on policies where they have some control. This results in the following hypothesis:

H2: The more a citizen thinks her national government to have influence on the economic policy outcomes, the less prone she will be to reward or punish the incumbents on their record in other issues than the economy.
Next section first presents the individual level dataset used in the empirical analysis. The effects of perceptions of RMCs on economic voting and performance voting are tested in a large-n study, thus providing generalizable results. The empirical analysis is presented afterwards.

**Data and Empirical Strategy**

To investigate performance voting in the next general elections, I take advantage of two individual-level datasets: EES 2009 and 2014. These surveys are cross-country datasets which permit a broad comparison of voting behaviour in all the EU member states. They all include vote intention in the next general elections; evaluations of policy performance and, most importantly, these are the only surveys which include items measuring responsibility attributions. EES 2009 gathers around 1,000 respondents in each country (28,000 in total), while EES 2014 also includes Croatia and gathers 30,000 respondents. The two surveys do not systematically provide similar information on assessments of issue performance and government responsibility however. EES 2009 and EES 2014 feature information concerning perceptions of the economy, but EES 2009 include questions on health care standards and climate change. These datasets also include traditional socio-demographic individual questions, political information on partisanship and left-right positioning.

The goal of this study is to assess whether performance voting in general elections is moderated by perceptions of national governments’ constraints on the economy. As noted in the first section, models of performance voting start from a simple assumption: incumbents are punished or rewarded on the basis of their past policy performances, most notably in the economy. Consequently, the dependent variable is the vote intention for incumbents. In this case, this is simply a dichotomous variable where 1 gathers all the respondents who report that they will vote for the incumbents in the next general elections and where 0 gathers the vote intentions for all the other parties.

To investigate performance voting, studies usually rely on retrospective and sociotropic perceptions of policy performance (Paldam and Nannestad 1994, Lewis-Beck and Stegmaier 2013). The pocketbook vs. sociotropic debate dates from the beginning of the economic-voting literature (Kramer 1971, 1983) and poses the problem of the micro-foundations of economic-voting. The question has been whether people think about their own financial situation when voting rather than about the situation of the country. Most studies on this matter have ruled out the pocketbook explanation (Kinder and Kiewiet 1979, 1981, Fiorina 1981, Lewis-Beck and Stegmaier 2000). In addition, the retrospective approach makes sense...
when focusing on performance voting since it the core of the theoretical assumption of the model, even though Downs (1957) argues that voters can also be forward-looking. Key (1966) and Fiorina (1978, 1981) first demonstrated empirically that the electorate use elections as referenda on the incumbents’ performances. This has been largely tested and is now the most used measure within performance voting models. Thus, I use sociotropic retrospective variables as the main independent variables to see whether incumbents are rewarded or punished on the basis of past performances.

I investigate performance voting in different policy areas: the economy, standards of health care and the environment. Note that EES 2009 also includes questions on the situation of interest rates and immigration. However, I decided not to include them in the empirical analysis because of the wording of the questions which do not allow for a systematic comparison and reduce significantly the number of respondents. More precisely, the questions are worded as follows: “What do you think about the economy? Compared to 12 months ago, do you think that the general economic situation in Britain is 1- a lot better / 5- a lot worse” The questions are recoded on a 1 to 5 scale where 5 means that the situation has improved a lot in the last 12 months and where 1 means that the respondent thinks the situation on a given issue has worsened a lot in 12 months to ease readability.

Climate change and standards of health care constitute two good case-studies when looking at margins of manoeuvres of national governments. The latter is an exclusive competence of national governments, since health care management rests upon national organizations such as the National Health Service (NHS) in the U.K. or La Sécurité Sociale in France (see Article 6 Treaty establishing the European Economic Community). The EU only has prerogatives on health care because of its powers concerning the management of freedom of circulation within the EU market. The 1998 Kohll and Decker judgements notably state that reimbursements from national agencies should also cover any treatment prescribed in an EU member-state. In addition, the directive 2011/24/UE made official the right for an EU citizen to receive an equal treatment in any EU member-state. However, national governments have large leeway to influence standards of health care. On the other hand, national governments have fewer abilities to control outcomes on climate change since this is a problem that is not purely national but global. Hence, voters should be more likely to punish or reward governments on the basis of their assessments of the situation in health care than climate change.

Most importantly, these datasets are the only two available large-n cross-country surveys in which respondents were asked to assess the degree to which they believe that their national governments are responsible for the management of the economy. More precisely, the
question is worded as follows: “First, thinking about the economy, how responsible is the British government for economic conditions in Britain?” The question does not ask specifically about the extent to which respondents believe that national governments are constrained by external processes such as economic globalization or European integration, nor does it exactly refer to the influence national governments have on the economy as the British Election Panel Study 1997-2001. Only one problem arises with this question: contrary to the British Election Panel Study 1997-2001 which asks respondents about national governments in general, the question of the European Election Study does not add the plural to the national government. Consequently, the question might be understood by respondents as the particular responsibility of the current government, rather than responsibilities of the national governments in general. Nevertheless, it is arguably a good question to measure perceptions of national governments’ abilities to control the economy at the domestic level, notably because it incorporates the country name in the question and because the concept of responsibility is close to the concept of influence.

The empirical strategy proceeds in two steps. First, I need to see whether perceptions of the situation in the economy, standards of health care and climate change in the last twelve months affect the fortunes of the incumbents in the next general elections. Hence, I run probit models including incumbent vote choices in the next general elections and my main explanatory variables of interests: retrospective sociotropic assessments of policy performance. I also include socio-demographic and political variables explaining voting behaviour such as partisanship to control for the effect of other variables. The data is non-random because voters are nested in countries. To control for this non-random effect, I include country fixed effects in the regressions. Second, I include interactions terms to see how perceptions of RMCs on the economy condition performance assessments on incumbents’ fortunes in general elections. I follow Hobolt and Tilley’s operationalization (2014) and dichotomize between low and high responsibility where the former starts at 0 and ends at 6, while the matter comprises 7 to 10 on the 0-10 scale in EES 2009 and 2014.

Empirical Results

Table 1 presents the results from regressions models for performance voting on the economy, standards of health care and climate change. The models are built in a stepwise fashion to control for the robustness of the association among model specifications. According to the performance voting model of behaviour, I expect individual assessments of the situation in the
different policy performance to have a positive effect on the vote intentions for the political parties in office.

### Table 1
Performance-Voting in the next general elections, with fixed effects (probit regressions)

<table>
<thead>
<tr>
<th>Vote for Incumbent Parties</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Conditions</td>
<td>0.12002***</td>
<td>0.16688***</td>
<td>0.04097***</td>
<td>0.09145***</td>
</tr>
<tr>
<td>Health Care Conditions</td>
<td></td>
<td></td>
<td>0.15053***</td>
<td></td>
</tr>
<tr>
<td>Climate Conditions</td>
<td></td>
<td></td>
<td></td>
<td>0.02424*</td>
</tr>
<tr>
<td>Party Identification</td>
<td>2.09281***</td>
<td>2.09292***</td>
<td>2.10694***</td>
<td>2.07338***</td>
</tr>
<tr>
<td>Male</td>
<td>-0.01128</td>
<td>-0.03026</td>
<td>-0.01292</td>
<td>-0.03617</td>
</tr>
<tr>
<td>Left-Right</td>
<td>0.00898**</td>
<td>0.00639</td>
<td>0.00927**</td>
<td>0.00796*</td>
</tr>
<tr>
<td>Religiosity</td>
<td>0.01311</td>
<td>0.01163</td>
<td>0.01435*</td>
<td>0.01039</td>
</tr>
<tr>
<td>Union</td>
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<td>-0.06380**</td>
<td>-0.07772***</td>
<td>-0.06727**</td>
</tr>
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<td>Class</td>
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<td>-0.04567***</td>
<td>-0.05020***</td>
<td>-0.04499***</td>
</tr>
<tr>
<td>Age</td>
<td>-0.04276***</td>
<td>-0.04450***</td>
<td>-0.04813***</td>
<td>-0.04463***</td>
</tr>
<tr>
<td>Education</td>
<td>-0.01554</td>
<td>-0.01777</td>
<td>-0.02049</td>
<td>-0.01524</td>
</tr>
<tr>
<td>Constant</td>
<td>-1.27950***</td>
<td>-1.52047***</td>
<td>-1.17467***</td>
<td>-1.72224***</td>
</tr>
<tr>
<td>Pseudo-R²</td>
<td>0.42</td>
<td>0.43</td>
<td>0.42</td>
<td>0.43</td>
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<tr>
<td>Observations</td>
<td>22,065</td>
<td>21,410</td>
<td>21,119</td>
<td>20,341</td>
</tr>
</tbody>
</table>

*Statistically significant at .1, two-tail.  
**Statistically significant at .05, two-tail.  
***Statistically significant at .01 two-tail.  
Source: European Election Study 2009

Model 1, including only the perceptions of the domestic economic situation, confirms previous findings of the literature on economic voting (Lewis-Beck and Stegmaier 2013). Indeed, voters who think that the national economic situation has improved in the last twelve months tend to be more prone to declare that they will vote for a political party which was in the governmental coalition with the effect being strongly statistically significant. Model 2 includes only the perceptions of the domestic situation in standards of health care with control variables and socio-demographic controls. The model also corroborates the performance voting hypothesis in this policy area: the more voters believe that the situation in standards of health care have improved in the last 12 months, the more prone they will be to reward incumbents. Model 3 also confirms the results found for the economy and health care standards. Indeed, the effect of the assessment of the climate change situation on the fortunes of incumbent political parties is positive and statistically significant. However, note that the effect of evaluation of the climate change situation on incumbents’ success is substantially less important than the effects of the evaluation of the situation in standards of health care and on the economy. More precisely, the effect of the perception of the situation in standards of health care on vote intentions for incumbents is four times more important than the effect of
climate change situation, while it is three times more important for the economy compared to the perceptions of the climate change situation. In fact, the issue that has the stronger effect on the vote intentions for incumbents is health care. Model 4, which includes all the retrospective sociotropic evaluations of policy situation, confirms this result: voters tend to reward incumbents more on their records on standards of health care than on their records on the economy. Indeed, the effects of the former on vote intentions for incumbents are around 0.6 points higher. Also note that the p-value of the assessment of climate change situation decreases significantly when economic and health care conditions are added in the regression. Why is that? Indeed, these results are puzzling given the importance of the economy in the voting calculus of voters.

Figure 1 gives some hints that allow solving this puzzle. More precisely, it presents the extent to which citizens believe that their national governments are responsible for dealing with the economy, health care standards and climate change. The scale is a 0-10 one where 0 means that citizens think that their national government has no responsibility and where 10 means that they think that their national government has total responsibility. The graph shows the mean distribution on each position in all the European Union member states.

![Figure 1](image)

**Figure 1**: Distribution of individual perceptions of the responsibilities of national Governments regarding the economy, health care standards and climate change in the 27 EU member States in 2009. These are added means in the EU 27. Source: EES 2009 voter survey

Figure 1 shows that citizens in the European Union perceive that their national governments are, respectively, more in charge for standards of health care than for the economy and for climate change. Indeed, citizens who place themselves below the median point are,
respectively, 39.36 per cent when looking at climate change, 27.21 per cent for the economy and 19.59 per cent for standards of health care. These descriptive results seem to show that responsibility attribution is a mediating factor for performance voting. Indeed, there is a correlation between the level of responsibility attribution in a given issue and the extent to which voters punish and reward incumbents on this issue. In this scenario, H1 receives some support because economic voting is lower than performance voting on standards of health care. Hence, results suggest that national governments are evaluated fairly: that is, voters punish or reward their incumbents less in areas where they perceive that incumbents have less control over policy outcomes. Yet, this not evidence that perceptions of RMCs on the economy decrease economic voting directly since it is based only on descriptive statistics rather than robust statistical analysis.

If H1 is correct, voters who believe that national governments are constrained in their leeway to influence the state of the domestic economy should be less prone to reward incumbents in the next general elections. To test this relationship, I include a dichotomous interaction term measuring responsibility attribution in regressions that assess the importance of economic conditions on the vote for incumbents. Table 2 presents the results of models linking perceptions of the government's influence on the economy and vote intentions for political parties in office. The dataset is appended to include both 2009 and 2014 since data are available.
### Table 2

Economic Voting in the next general elections including interaction terms with responsibility attributions, with fixed effects (probit regressions)

<table>
<thead>
<tr>
<th>Vote for Incumbent Parties</th>
<th>Model 5</th>
<th>Model 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibility on the economy</td>
<td>-0.28442***</td>
<td>-0.21338***</td>
</tr>
<tr>
<td>Economic Conditions</td>
<td>0.20413***</td>
<td>0.11755***</td>
</tr>
<tr>
<td>Resp. Govt * Economic Conditions</td>
<td>0.06995***</td>
<td>0.06258***</td>
</tr>
<tr>
<td>Party Identification</td>
<td>2.15135***</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>-0.04917***</td>
<td>0.02043***</td>
</tr>
<tr>
<td>Left-Right</td>
<td></td>
<td>0.00501</td>
</tr>
<tr>
<td>Religiosity</td>
<td>-0.03993**</td>
<td></td>
</tr>
<tr>
<td>Class</td>
<td>-0.04455***</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>-0.02037**</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>0.00114</td>
<td></td>
</tr>
<tr>
<td>Wave</td>
<td>-0.28776***</td>
<td>-0.35273***</td>
</tr>
<tr>
<td>Constant</td>
<td>-0.65111***</td>
<td>-1.14299***</td>
</tr>
<tr>
<td>Pseudo-R²</td>
<td>0.06</td>
<td>0.42</td>
</tr>
<tr>
<td>Observations</td>
<td>53,876</td>
<td>43,313</td>
</tr>
</tbody>
</table>

*Statistically significant at .1, two-tail.
**Statistically significant at .05, two-tail.
*** Statistically significant at .01 two-tail.

Source: European Election Study 2009 & 2014

The model 5 includes perceptions of the domestic economic situation, a dummy variable measuring perceptions of high responsibility of national governments for the economy and an interaction term on attribution of responsibility for the economy, but does not add control variables. The results confirm H1 since the interaction term on responsibility attribution is positive and significant. Therefore, it means that voters who believe that national governments have strong margins of manoeuvre to influence the economy tend to be more prone to vote for political parties in office. Model 6 adds all political and socio-demographic control variables and further corroborates H1. Indeed, added control variables decrease by more than 0.8 points the effect of perceptions of the domestic economic situation on the vote intentions for incumbents, but do not decrease significantly the effect of the interaction. Indeed, it only lose 0.07 points after the addition of control variables. Thus, the moderating effect of attribution of responsibility remains stable whatever the model specification.

The second objective of this study is to test the compensation hypothesis which argues that voters who believe that governments have low margins of manoeuvres in the economy will be more likely to vote on non-economic issues. To test this hypothesis, I apply the same methodological strategy that I use for models 5 and 6, that is I add an interaction term of attribution of responsibility for the economy to models of performance voting. Table 3
presents the results from regressions models for performance voting on standards of health care and climate change with the interaction term.

Table 3
Performance Voting in health care and climate change in the next general elections including interaction terms with responsibility attributions, with fixed effects (probit regresions)

<table>
<thead>
<tr>
<th>Vote for Incumbent Parties</th>
<th>Model 7</th>
<th>Model 8</th>
<th>Model 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Responsibility</td>
<td>0.05665</td>
<td>-0.07956</td>
<td>0.13305</td>
</tr>
<tr>
<td>Health Care Conditions</td>
<td>0.19968***</td>
<td>0.20224***</td>
<td></td>
</tr>
<tr>
<td>HC Conditions*Eco. Resp</td>
<td>-0.06600***</td>
<td>-0.06802***</td>
<td></td>
</tr>
<tr>
<td>Climate Conditions</td>
<td></td>
<td></td>
<td>0.04297***</td>
</tr>
<tr>
<td>Climate Conditions*Eco. Resp</td>
<td>0.05076***</td>
<td>-0.02563</td>
<td></td>
</tr>
<tr>
<td>Party Identification</td>
<td>2.08824***</td>
<td>2.0999***</td>
<td>2.08084***</td>
</tr>
<tr>
<td>Male</td>
<td>-0.03548</td>
<td>-0.01630</td>
<td>-0.03974*</td>
</tr>
<tr>
<td>Left-Right</td>
<td>0.00710</td>
<td>0.01024**</td>
<td>0.00830*</td>
</tr>
<tr>
<td>Religiosity</td>
<td>0.01277</td>
<td>0.01414*</td>
<td>0.01120</td>
</tr>
<tr>
<td>Union</td>
<td>-0.05869**</td>
<td>-0.07403***</td>
<td>-0.06845**</td>
</tr>
<tr>
<td>Class</td>
<td>-0.04502***</td>
<td>-0.04846***</td>
<td>-0.04526***</td>
</tr>
<tr>
<td>Age</td>
<td>-0.04708***</td>
<td>-0.04996***</td>
<td>-0.04853***</td>
</tr>
<tr>
<td>Education</td>
<td>-0.01918</td>
<td>-0.02502</td>
<td>-0.02177</td>
</tr>
<tr>
<td>Constant</td>
<td>-1.55328***</td>
<td>-1.14134***</td>
<td>-1.69138***</td>
</tr>
<tr>
<td>Pseudo-R²</td>
<td>0.42</td>
<td>0.33</td>
<td>0.43</td>
</tr>
<tr>
<td>Observations</td>
<td>21,044</td>
<td>20,798</td>
<td>20,137</td>
</tr>
</tbody>
</table>

*Statistically significant at .1, two-tail.
**Statistically significant at .05, two-tail.
*** Statistically significant at .01 two-tail.
Source: European Election Study 2009 & 2014

Model 7 includes the perceptions of the domestic situation in standards of health care in the last twelve months along socio-demographic and political variables. The results confirm H2: indeed, the interaction term on responsibility attribution diminishes (although slightly) the positive effect of performance voting on health care. To put it simply, those who think that national governments are not constrained on the economy are less likely to vote on health care standards than those who believe that their national government is constrained. There is thus evidence that the latter favour a non-economic issue in their voting calculus. Model 8 does not include standards of health care, but perceptions of the domestic situation in climate change with control variables. Contrary to expectations, the effect of the interaction term is not significant although voters still reward incumbent political parties when they think that the domestic situation in climate change has improved. Hence, H2 is not confirmed in the case of this environmental issue even though the sign of the interaction term is still in the good direction, that is negative. These findings are further confirmed when the two independent variables are put together in the regression: voters still reward their incumbents for good
performances, but the interaction term of perceptions of economic responsibility only impacts standards of health care. Thus, voters who believe that their national government is constrained in the economy are more likely to reward their incumbents on health care standards, but do not act similarly on the issue of climate change. H2 is thus partly confirmed: voters who perceive a loss of economic margins of manoeuvres do not systematically compensate by choosing non-economic issues when deciding to reward or punish incumbents. Again, figure 1 can help understand the differential impact of responsibility attribution on performance voting in these two non-economic issues. According to the figure 1, citizens deem their national government very responsible for the state of health care standards, but tend to believe that the responsibility of national governments in climate change is much less important. As noted above, this is rather coherent with the actual competences of national governments since health care is still very much in the hands of the EU member states, while climate change is rather a global issue. Therefore, this suggests that the compensation hypothesis first proposed by Hellwig (2008) seems to work only in areas where national governments have capacities to influence policy outcomes.

Conclusion

This study aims to supplement the literature on the impact of economic globalization and multilevel governance on voting behaviour on the individual level (Hellwig 2008, Lewis-Beck and Costa-Lobo 2012, Steiner 2016). More precisely, it investigates the link between perceptions of the reduction of national governments’ abilities to influence economic outcomes and performance voting. According to the theoretical model, economic records should be considered less important by citizens who think their government to be constrained by European integration and economic globalization when they decide to reward or punish incumbents at the voting booth. Meanwhile, a compensation effect should spur non-economic records in the reward-punishment model. Indeed, if instrumental voters decide to participate in elections under economic globalization and European integration, they should be more likely to punish or reward incumbents on non-economic records since national governments cannot be held accountable on the economy anymore.

Empirical results first confirm that incumbents’ fortunes depend on the perceptions of their past records as performance models of voting behaviour postulate (Manin et al. 1999). Yet, performance voting is different according to the issue under study. Indeed, the assessment of the domestic situation in standard of health care better explains the vote intentions for political parties in office than, respectively the situation of the national economy and the
situation of domestic climate change. This suggests that performance voting is strongly linked to the real or perceived capacity of the national government to influence policy outcomes. Most importantly, this study confirms previous results on the aggregate level linking economic globalization and multilevel governance and the decrease of economic voting (Hellwig 2001, Anderson 2006, Hellwig and Samuels 2007). Whatever the causal mechanism (lack of clarity of responsibility or instrumental adaptation to the loss of influence on the economy), voters who believe their governments to be highly responsible on the economy tend to reward or punish incumbents more on their records of the economy. These findings on the individual level thus strengthen the long causal chain linking loss of economic influence to the decrease of the vote on economic issues in general elections.

Empirical results are however more cumbersome when looking at Hellwig’s compensation hypothesis. Indeed, it only partially confirms the postulate that voters who think their national governments to have less leeway on the economic outcomes will systematically favour other non-economic issues when voting. By looking specifically at performance voting in standards of health care and climate change, I show that voters who believe their national governments to be constrained on the economy will only be keener to reward or punish incumbents on the basis of their records of health care, but not on climate change. Thus, the compensation hypothesis does not apply to every non-economic issue. On the contrary, results suggest that the moderation impact of perceptions of national governments’ inabilities to influence economic outcomes on performance voting only spurs non-economic policies on which the national government has influence on. This is as if voters were fair because they seem to punish or reward their governments on the basis of their abilities to have influenced the policy outcomes.

Yet, I do not claim that this study perfectly confirms both hypotheses notably because of the problem of the quality of the measurement of the main independent variable. Indeed, the wording of the question and its distribution may pose several problems to ensure that it grasps the actual individual perceptions of national governments, in general, to influence economic outcomes. Indeed, there might be the risk that respondents think that the question only entails the current national government and not national governments in general. In addition, the distribution of the variable shows that individuals tend to think that their national government is still very much in charge of the economy, which is contrary expectations that people see their executives to be increasingly constrained on the economy. However, this is, as far as I know, the only study on the individual level which proposes a large cross-country comparison. Thus, to further confirm these results, one would need data surveys to ask more
specifically and systematically respondents about their perceptions that their national
government loses influence on economic outcomes under economic globalization and
multilevel governance and/or European integration.

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