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# Macroeconomy and macropartisanship: Economic conditions and party identification

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## Abstract

“It's the economy stupid”—is the phrase that captures the ubiquity of economics in determining election outcomes. Nevertheless, while several studies support the premise of economic voting, a constant critique of valence economic models is that partisan bias contaminates voters' economic perceptions, thus invalidating any independent effect of economic opinions on the vote. Here, we test whether partisanship may itself be endogenous to the macroeconomy. Aggregating data from the Comparative Study of Electoral Systems (CSES), supplemented with European Social Survey (ESS) data to bolster the time analysis, we focus on macropartisanship and find a drop-off of party identifiers for governing parties in tandem with the economic downturn, specifically from rising unemployment. More generally, macropartisanship responds to economic conditions, suggesting that the endogeneity concern between party attachment and valence economic conditions is not unidirectional. That is, while economic perceptions may be influenced by party identification, party identification can be influenced by economic conditions.

## KEYWORDS

bailout, economic perceptions, economic voting theory, economics/economic policy, elections/electoral system/electoral policy, endogeneity of partisanship, Europe, macroeconomy, macropolity, partisanship, political parties, public opinion, valence economics

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The question of the economic vote has spawned hundreds of investigations, yielding a considerable expansion of our knowledge about the links between the economy and elections (Duch & Stevenson, 2008; Lewis-Beck, 1988, 2006; Lewis-Beck & Stegmaier, 2013; Lewis-Beck & Whitten, 2013; Stegmaier et al., 2017). In a recent contribution, Dassonneville and Lewis-Beck (2019, pp. 10–14) investigate leading Western European national election studies over 40 years. They show that "these European voters are economic voters; the economic vote acts as a stable force in the electorate, a force that, though short-term, continues to be statistically and substantively significant." At the micro level, the authors are precise, expecting "the probability of an incumbent vote to increase by about 23 percentage points when the citizen's economic evaluation changes" from "worse" to "better" (Dassonneville & Lewis-Beck, 2019, p. 15). Nevertheless, they acknowledge the limits of an analysis that "exclusively relies on survey-based measures" and renders only "the respondent's subjective perception of the economy," which some claim (e.g., Evans & Andersen, 2006; Evans & Pickup, 2010; Wlezien et al., 1997) to be susceptible to influence from partisan bias: i.e., voters see the economy as good when their party holds power and bad otherwise. Of course, if such endogeneity pervades, valence economics have a little independent effect on their own, leaving instead partisanship as the key explanatory feature.

Due to the estimation difficulties stemming from subjective valence economic measures in individual-level surveys, Dassonneville and Lewis-Beck (2019, pp. 5–6) complement their microanalysis with a macro investigation of how the incumbent vote responds to the objective economy. We take a similar track here, focusing on objective, aggregate measures of the polity and the economy—but with a twist. Our attention lies with the possible endogeneity of partisanship, rather than the economy. In essence, to what extent does party identification move up and down in line with economic circumstances, thereby exhibiting its own potential endogeneity problem? To answer this question, we relate the macroeconomy to macropolity (Erikson et al., 2002; MacKuen et al., 1989). As the pioneers of the macropolity idea have observed: "Macropartisanship is the accumulation of the same political and economic shocks that affect presidential approval" (Erikson et al., 2008, p. 1). While this idea has been pursued most extensively in the United States, there exists macropolity work in European nations too (Green

& Jennings, 2017; Soroka & Wlezien, 2010). A core idea holding these investigations together concerns the utility of tracking change in a critical aggregate variable—in our case, repeated national-level measures of party identification.

We argue that the macropolity, so measured, responds systematically to economic change, challenging the conventional wisdom that endogeneity is unidirectional. We first tease this out using data from the Comparative Study of Electoral Systems (CSES)—a comparative collection of large-scale cross-sectional election studies encompassing 150 contests between 1996 and 2019—in order to form a general understanding of the association between macroeconomic conditions and partisanship with incumbent parties. Second, we explore the impact of seismic economic change, such as the economic shocks administered by bailouts during the Global Financial Crisis (GFC) in 2008, which devastated several European economies. To do this, we supplement the CSES data with macropartisanship measures from the European Social Survey (ESS). These serious financial manipulations allow a vivid test of the effects of serious economic shocks on macropolity, as they rippled through so-called GFC bailout countries—Cyprus, Greece, Hungary, Ireland, Italy, Latvia, Portugal, Romania, and Spain—so illustrating the real-world potential of the relationship.

Our study contributes to the hotly contested literature on the intensity of the valence economic vote, but with a fresh perspective focused on the macropolity. We present evidence suggesting macropartisanship responds to changing economic conditions, particularly unemployment. We show that this relationship is especially prevalent in times of profound economic crisis, as evidenced by our analysis of states that received bailouts during the GFC. The results imply the relationship between partisanship and the economy which, after all, appears to be a two-way street and not unidirectional as the prevailing narrative continually assumes. Specifically, although economic perception may be subject to distortion from party identification, partisanship itself may be subject to change because of economic conditions. Further, this relationship is general and not limited to simple two-party systems, existing in more complex, multi-party settings.

Our article advances as follows: We highlight the relevant literature on partisanship, macropolity, and the heated debate around endogeneity and valence of economic voting. Next, we detail our research strategy, followed by our empirical analysis. We conclude with a summary of our findings and the implications for the literature.

## THEORY

### Partisanship and its relationship with the economic vote

Partisanship holds that individuals are psychologically attached to a particular party. This concept emanates from the influential work in *The American Voter* (Campbell et al., 1960),<sup>1</sup> which also argues that this attachment is conventionally acquired early in life. It further manifests itself in the individual voter, filtering out negative information on the party in question, lining up with the party's policy stances—and notably from a voting behavior perspective—repeatedly voting for the said party in elections instead of making their minds up afresh at each election. Repeatedly voting for the party across time solidifies the partisanship, typically rendering it more stable as the voter ages. One implication flowing from this perspective is that parties should be somewhat insulated from adverse electoral conditions, with their partisan supporters staying with them through thick and thin. Moreover, a central ramification of partisanship is that high levels among the electorate will foster electoral stability.

<sup>1</sup>Although the brainchild for the theory can arguably be traced back further (Oscarsson & Holmberg, 2020).



Since the seminal contributions of Campbell and others (1960), the theoretical framework of partisanship, its measurement, and its consequences have been the subject of considerable scholarly exchange. Several strands of discussion exist. A first strand concerns the motivations underlying partisanship. A so-called “revisionist” account in the rational choice tradition emerged from Fiorina (1981), where central to this reconsideration concerns the stability of partisanship. Fiorina (1981) contends that rather than being an ingrained social identity that persists throughout the life cycle, party attachment reflects expected payoffs from parties, subject to change based on the voters' collective experiences of political actors from their time in government or opposition (i.e., the so-called “running tally” model). Relatedly, research has explored whether partisanship—conceived in the United States' two-party system—can be understood in the same way in European multi-party democracies (e.g., Holmberg, 1994; Thomassen & Rosema, 2009). After all, the European conception of party attachment relates to the social bases of party systems (Lipset & Rokkan, 1967), and thus, to group interests rather than a pure psychological attachment. This makes party attachment in the European context a much wider concept. Elsewhere, a recent study has contended that to fully account for the influence of partisanship it should not be assumed that partisanship is limited to one party or that it is simply limited to closeness to the party (Guntermann, 2020). As well, there has been a greater focus on the idea of party attachment being shaped by negativity. In the terminology of party attachment studies, negative partisanship is when voters have a deep-seated negative feeling toward a political party. It manifests itself in a long-lasting aversion to this party in terms of policy and the potential of supporting it in elections (e.g., Abramowitz & Webster, 2016; Mayer, 2017; Medeiros & Noël, 2014).

The second strand of research concerns the measurement of party attachment and classification of partisans (e.g., Bartle, 2003; Blais et al., 2001; Heath & Pierce, 1992; Petrocik, 2009; Rosema & Mayer, 2020; Sinnott, 1998). Moreover, a third research strand receiving considerable attention deals with the implications of partisanship. Still other studies have looked at the implications for democracy, arguing partisanship has positive impacts (e.g., Anduiza & Pannico, 2020), while others have reached a more skeptical conclusion (e.g., Achen & Bartels, 2017). Yet another research path has emerged, and herein lies our principal contribution, namely whether partisanship distorts voters' perceptions, i.e., acts as a perceptual screen whereby citizens see things in a more or less favorable light according to their partisan orientation (Campbell et al., 1960, p. 133). At one point, Bartels (2002, p. 135) summed up the issue, “partisans see the world in a manner that is consistent with their political views” and consequently, “partisan loyalties have pervasive effects on perceptions of the political world” (p. 138). Such partisan contagion can result in citizens engaging in partisan-motivated reasoning, using emotional premises driven by their partisanship to form opinions, rather than taking an objective look at reality.

With respect to economic perceptions, one narrative holds that they generally reflect economic situations well and do influence vote choice, be it the traditional valence of economic measures at the individual or aggregate level (e.g., Dassonneville & Lewis-Beck, 2019; Lewis-Beck, 1988; Lewis-Beck & Stegmaier, 2013; Stegmaier et al., 2017) or broader positional (Lewis-Beck et al., 2013; Quinlan & Okolikj, 2020) or patrimonial (e.g., Okolikj & Quinlan, 2021; Quinlan & Okolikj, 2022) conceptualizations. Nonetheless, when it comes to valence economic measures, critics maintain that partisan bias heavily distorts these perceptions. Take the following hypothetical election example where an Irish voter identifies with Fianna Fáil and that party opposes the ruling party, say Fine Gael—as a voter she has an attachment to Fianna Fáil, so it is assumed she will judge economic performance through that prism, adjudicating that the economy is doing badly merely because her party is not in power. Such concern has led some scholars to conclude that partisan contagion means that attitudes toward the economy have no independent effect on the vote (e.g., Anderson, 2007; Bailey, 2019; Evans & Andersen, 2006; Pickup & Evans, 2013; Van der Brug et al., 2007). That is, partisan-motivated

reasoning leads partisans to judge the economic situation in accordance with their party attachment (Lebo & Cassino, 2007), merely assigning credit or blame in accordance with their partisanship (Bisgaard, 2015, 2019), regardless of the objective situation.

However, more optimistic evidence stands against the idea that partisans are incapable of accurately assessing the state of the economy. De Vries and others (2018) conclude that while party attachment is linked to citizen levels of economic confidence, voters do respond to the economic context they face and adjust their perceptions accordingly. Okolikj and Hooghe (2020) come to a similar conclusion from a large-scale cross-sectional cross-time analysis. Moreover, it has been demonstrated, using statistically powerful research designs with comparative panel data and with instrumental variables, that the apparent impact of partisanship can be fully teased out, leaving credible evidence showing that economics has a direct effect on voting (e.g., Fraile & Lewis-Beck, 2014; Lewis-Beck et al., 2008).

Much ink has already been spilled in describing the microdynamics of this relationship. In this contribution, we choose to stand on a platform that, while in common use, has not been enlisted to help answer this question. That is, we explore the macro-to-macro level, i.e., the macroeconomy and how it shapes *macropartisanship*—“the national aggregation of partisanship” (Erikson et al., 2002, p. 112). With this approach, our effort is in the tradition of Erikson and others (2002) in that the unit of analysis is the electorate collectively, and not an individual voter. The utility of looking at the macroeconomy would seem to speak for itself—that is to say, how national economic conditions shape the national partisan balance in the electorate.

## Economic conditions and aggregate partisanship: A multidirectional relationship?

While a voluminous literature probing the impact of partisanship on valence economic conditions exists—principally at the individual level, but also at the aggregate level (Enns & McAvoy, 2012; Page & Shapiro, 1992)—little analysis of a potential reversal in the relationship has taken place. Here, we challenge this perspective and instead wish to explore whether macroeconomic conditions move in tandem with aggregate partisanship. Our inspiration comes from the original macropartisanship studies of Erikson, MacKeun, and Stimson, who focused on the United States (Erikson et al., 2002, 2008; MacKuen et al., 1989). Contrary to the traditional conception of partisanship envisaged by Campbell and others (1960)—that any change in partisanship will be limited and slow—these research endeavors showed aggregate levels of partisanship moved markedly over short periods and correlated with objective economic indicators. We assume a similar pattern will be visible cross-nationally. The observable implication will be that when aggregate economic conditions deteriorate, we will observe a decline in the proportion of voters identifying with the incumbent governing parties. If this were borne out, it would suggest that the relationship between the two is bidirectional—and not unidirectional as most studies have implicitly assumed.

But which aggregate measures might we expect to matter? We note the so-called “big two” measures that have been regularly used in the economic voting literature; i.e., unemployment and inflation (Nannestad & Paldam, 1994). However, the use and relevance of inflation have declined since the 1990s, allowing unemployment to take the central stage (Lewis-Beck & Paldam, 2000). Our choice is influenced by research illustrating that “Unemployment is both an official/legal concept and something very real” (Lewis-Beck & Paldam, 2000, p. 117). In contrast, inflation can be more challenging for voters to grasp conceptually. More important, research shows that the public's micro-observations of unemployment accord well with the macro-facts; i.e., people are good at judging real unemployment conditions (Aidt, 2000).

Our theoretical expectation is that unemployment will be associated with changes in macropartisanship; i.e., that incumbent parties will lose partisans when unemployment increases



and will gain partisans when it decreases. This expectation comports with the following hypothesis:

**Hypothesis 1** *As unemployment increases, the extent of macropartisanship with the incumbent government will fall.*

## **Economic crisis and aggregate partisanship: A multidirectional relationship?**

Our preceding supposition tests the general relationship between macropartisanship and economic conditions. We expect that a more pronounced influence of economic conditions on macropartisanship will occur in times of profound economic dislocation. The GFC is a prime example. The GFC took root in the United States, in part driven by a dramatic rise in mortgage foreclosures, but culminated in the U.S. bank collapse of Lehman Brothers in September 2008, which sent shockwaves through the global financial system. Stock markets fell sharply, resulting in an international credit market freeze as banks became fearful of lending money to one another, which in turn led to the sudden drop of foreign capital into countries. Governments were forced to intervene with substantial bailouts of financial institutions, which put significant pressure on state finances and debt levels, with lenders increasingly demanding higher interest rates. By 2012, Greece, Portugal, Ireland, and other EU member states like Hungary and Romania had received financial rescue packages with governments required to implement severe austere policies in the form of public sector cuts and reductions in spending in return for the bailout. While other countries, such as Italy and Spain, technically avoided the formal bailout sanction, they also soon underwent a noteworthy economic downturn and harsh government austerity programs.

As Lewis-Beck and Lobo (2017, p. 610) observed, “[t]his external constraint placed politicians across all countries considered in a very difficult position: namely, they had to impose austerity policies to fulfill external commitments upon an electorate that naturally was suffering the pains of such policies.” It was little surprise, then, that the incumbent governments of Greece, Italy, Ireland, Portugal, and Spain all fell in 2011. For some of these parties (e.g., Fianna Fáil in Ireland, PASOK in Greece, and the Socialists in Spain), the defeats were among their worst on record. We might conclude that economic voting was working classically: punishing “incumbents that failed to deliver on their promises” (Lewis-Beck & Lobo, 2017, p. 610). For the most part, academic analyses bear this out in Ireland (Marsh & Mikhaylov, 2012; Quinlan & Okolikj, 2017), Spain (Torcal, 2014), Greece (Nezi, 2012), Italy (Bellucci, 2014, p. 244), and comparatively (Okolikj & Quinlan, 2016). Further, despite the statistical problem of restricted variance on key independent variables (see Lewis-Beck & Lobo, 2017, p. 616), usual reward-punishment mechanisms could be detected in Portugal (Magalhães, 2014, pp. 191–194), Italy (Bellucci, 2014), and the second Greek election in 2012 (Nezi & Katsanidou, 2014).

As a review of these leading examples suggests, the GFC provoked a marked negative electoral response causing substantial, sometimes devastating, losses for the ruling parties. We assume that parties governing during times of economic difficulty, in particular times of economic crisis, will tend to lose supporters. Put another way, the increasing economic hardships faced by the citizenry will result in the decline of aggregate government party identification, as observed in a downward shift of its macropartisanship. In sum, with respect to prospects for the GFC, as Lewis-Beck and Lobo (2017, p. 621) remark, “It seems timely, then, to firmly establish the macro-links between the economy and the electorate.” Thus, we offer the following hypothesis.

**Hypothesis 2** *The impact of adverse economic conditions will be especially strong in the bailout countries.*

## RESEARCH STRATEGY

### Data

Our data come predominantly from the CSES project, a cross-sectional comparative study. The CSES includes a consistent measurement of individual-level partisanship. Its micro–macro design has the boon that it also contains aggregate-level economic measures in the years leading up to the elections. We use the CSES Integrated Module Dataset (CSES, 2020) and the third advance release of CSES Module 5 (CSES, 2021) as our starting point. We aggregate these two data sources so that instead of individual respondents, our unit of analysis is each election. Our analysis is restricted to countries meeting at least minimal democratic conditions. This yielded a sample of 159 national election observations between 1996 and 2019.

For the analysis focused specifically on the economic crisis, as CSES only conducts surveys in election years (on average every 3–4 years), we supplement the CSES data with data from the ESS (2002–2016), which provides us with measures of partisanship every 2 years, which we also aggregate, validating our findings over two cross-national representative surveys.<sup>2</sup> The additional value of the ESS data is that it provides more observations, allowing us to take into account time variation. Specifically, we have more observations by country over a span of time (rather than treating the models purely cross-sectionally). Finally, the data for our independent macroeconomic variable, the unemployment rate, come from the CSES, which collects this data from the World Bank.<sup>3</sup>

### Modeling approach and variable operationalization

We devise a series of ordinary least squares (OLS) and fixed effects models to test our propositions. Our dependent variable measures macropartisanship with the incumbent party/parties, following Erikson and others (2002); i.e., the proportion of self-declared partisans who identify with the incumbent government in the election (or the sitting government at the time in an off-election year when using ESS data).

We rely on CSES and the Parliament and Government database (Döring & Manow, 2019) to classify incumbent parties. Our primary independent variable is the aggregate unemployment rate, classified as the share of the labor force available for or seeking employment—but currently without work. For robustness, we also include the GDP growth rate, which measures the annual growth when the survey was conducted, calculated in constant U.S. dollars. As a step toward the further investigation of the GFC effect on macropartisanship, we control for IMF conditionality. Our models also control for country fixed effects, year fixed effects, and years under Global Financial Crisis.

For the GFC analysis, our case selection focuses on nine states in total—Cyprus, Greece, Hungary, Ireland, Italy, Latvia, Portugal, Romania, and Spain. Except for Italy, all these states sought so-called “bailouts” between 2008 and 2013 from the International Monetary Fund (IMF) and the EU. While not formally receiving a “bailout,” Italy did receive essential indirect assistance. Thus, we manage to incorporate all member states judged to be in financial peril during the GFC. We focus on elections held in these states between 1996 and 2016,

<sup>2</sup>We recognize that ESS is not a survey dedicated to elections. Moreover, we acknowledge that as the ESS is conducted every 2 years this can lead to more substantial gaps between the time of the interview and the respondent's behavior, which might increase misreporting. The use of CSES circumvents this problem.

<sup>3</sup>Appendix A provides information on the countries included in each analysis.



including well before and well after the bailout, thereby allowing sufficient variation in our X. Put another way, we measure the impact of economic conditions on partisanship during times of economic crisis, but also noncrisis, as scores on the independent variable are spread out in time and space. We also used lagged dependent variables on the right side of the equation, so allowing for a more dynamic specification, as well as providing a control for autocorrelation within the models (Beck & Katz, 1995). The addition of time observations with the ESS data allows us to do this. For this sample (as with the general sample), we use country and time dummies (fixed effects) to take into consideration the clustering of the observations.

EMPIRICAL ANALYSIS

Economic conditions and aggregate partisanship: Global analysis

We begin our empirical analysis by taking stock of the relationship between aggregate level identification with an incumbent party and unemployment, under various regression specifications, as estimated in Table 1. In Model 1, as a baseline, we test the simple bivariate relationship between macropartisanship and macroeconomy. We see that the coefficient of unemployment (−.796) is in the expected direction and statistically significant ( $p < .001$ ). This implies that a 1 percentage point increase in the unemployment rate generates nearly the same percentage point decline in macropartisanship, thus approaching unit elasticity. Moreover, as shall be seen, it falls quite close to the theoretically more preferred specifications developed up through Model 5.

At a glance, following the unemployment coefficient across the table, through the various specifications, we observe a persistent, not to say increasing, impact of the unemployment rate. In Model 2, we include GDP growth as a control variable to reflect the change in growth between

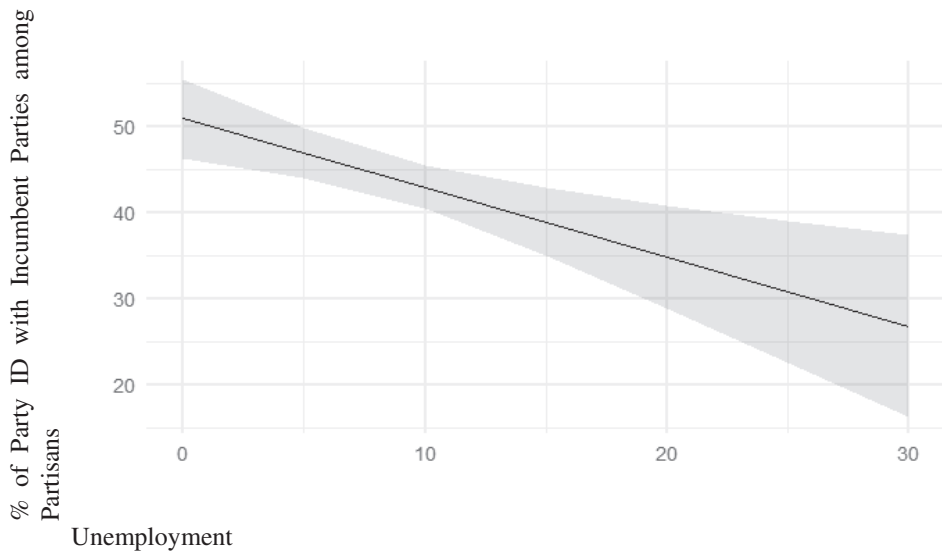
TABLE 1 OLS model testing the impact of aggregate economic conditions and their relationship with macropartisanship in national elections between 1996 and 2019

	Dependent variable: Aggregate level partisanship with the incumbent government				
	Model 1	Model 2	Model 3	Model 4	Model 5
Intercept	51.030*** (2.264)	50.988*** (2.356)	44.765*** (5.820)	48.056*** (2.411)	54.420*** (13.602)
Unemployment	−.796*** (.234)	−.804*** (.241)	−.555* (.263)	−.684** (.247)	−.937* (.460)
Growth change		.278 (.394)	.346 (.536)	.385 (.383)	.260 (.356)
IMF conditionality			−10.955* (4.331)	−8.086* (3.995)	−6.145 (5.063)
Year (fixed effects)			✓		
GFC (fixed effects)				✓	
Country (fixed effects)					✓
N	159	153	153	153	153
R <sup>2</sup> (adjusted)	.06	.06	.17	.12	.449

Source of Data: CSES (2020, 2021).

Note: Standard error in parentheses.

\*\*\* $p < .001$ ; \*\* $p < .01$ ; \* $p < .05$ .



**FIGURE 1** Predicted probabilities of unemployment (Model 2, Table 1)

the time of the election and the year before. Models 3 to 5 include an IMF dummy variable signaling if the country has been under conditional regulations the year before the election. A GFC period dummy is also included in Model 4. Fixed effects are included for the year (in Model 3) and country (in Model 5). The results from all model specifications lead to the same conclusion: a rising unemployment rate is negatively associated with the proportion of partisans identifying with an incumbent party. Further, as a check, we replicated Table 1 controlling for the relative sample size of partisan identifiers, and found that this proportionality variable was not statistically significant, and neither did it alter the substantive conclusions otherwise (see Table D1).

In the most complete specification, offered in Model 5—with its respectable adjusted R-squared of .449—the effect of a unit change in unemployment falls quite close to 1.00, suggesting that for each percentage point increase in unemployment, the incumbent government loses about 1% of their party identifiers. That effect seems noteworthy considering the traditional conceptualization of partisans as stable supporters of political parties (Campbell et al., 1960). For example, the predicted value for incumbent party identifiers when unemployment is at its lowest level (when the unemployment rate is zero) is 50.93%, while at the highest predicted level of unemployment (when the unemployment rate is 30%) our model predicts only 26.8% partisan identifiers with incumbent party, a large 24.13% difference. The predicted probabilities for each value of unemployment—from Model 2, Table 1—are presented in Figure 1.

We also find that being under IMF conditionality the year before the elections is very hurtful for the incumbent parties, who lose between 6% and 11% on average of their partisans. A very substantial amount of those partisans were undoubtedly considered to be a stable component of electoral support, but when push came to shove, they were not. We pursue this important finding further in the second part of our analysis below, attending more specifically to these effects.

## Economic conditions and aggregate partisanship: Crisis analysis

In Table 2, we examine the partisan impact of the macroeconomic change that the so-called bailout countries underwent, moving toward the global financial crisis and moving away from it. The substantive implications of our empirical findings reveal how strongly such economic shocks can depress macropartisanship. With the economy in deep recession, showing high

TABLE 2 Bailout focus with time component

	Dependent variable: Incumbent party ID among partisans				
	Model 1	Model 2	Model 3	Model 4	Model 5
Intercept	50.925*** (2.911)	25.679*** (6.213)	23.147*** (6.444)	31.303* (13.139)	31.900** (11.128)
Unemployment	−.964*** (.250)	−.755** (.247)	−.634* (.261)	−.954** (.346)	−.794* (.300)
Growth			.515 (.382)	.401 (.632)	.419 (.413)
Lagged dependent variable		.547*** (.116)	.566*** (.116)	.578*** (.126)	.455** (.144)
Year (fixed effects)				Yes	
Country (fixed effects)					Yes
N	63	54	54	54	54
R <sup>2</sup> (adjusted)	.183	.451	.460	.453	.493

Notes: Standard error in parentheses. Data ESS and CSES.  
\*\*\**p* < .001; \*\**p* < .01; \**p* < .05.

rates of unemployment, the incumbent governing parties almost invariably reported a low percentage of party identifiers. The most extreme examples are the unemployment values found in Greece (2012 and 2015) and Spain (2012 and 2014) and the consequent low level of partisanship identification with incumbents. But we also observe profound, economically induced, partisan change in other elections in this region, across the entire period.

In Table 2, we use a similar stepwise approach to data presentation as in Table 1. Model 1, again as a baseline, reports the simple relationship between the two variables, macropartisanship, and macroeconomy. We observe, remarkably, that the unemployment coefficient is almost identical to the fully specified unemployment coefficient in Table 1 (i.e., −.964~−.937). This implies that our more focused sample, though ostensibly different from our general sample, still reflects the fundamental underlying political-economic processes we are exploring. With these more granular results, the essential goal comes down to challenging the macroeconomic effects reported earlier. With that in mind, we first introduce a lagged dependent variable (incumbent partisanship with the governing party at time *t* − 1), see Models 2 to 5. This dynamic inclusion helps to account for autocorrelation. Furthermore, it offers a near pervasive control on relevant omitted variables. With more available observations over time, we can implement this strategy thanks to the ESS combination with CSES.

In Model 3, we include growth simultaneously in the same equation, and as a control variable in Models 4 and 5. Although the expected sign, GDP growth consistently falls far short of significance. At first blush, this result may appear surprising, given the increasing presence of the variable in economic voter models (Lewis-Beck & Stegmaier, 2013, p. 376). However, the finding seems to be a manifestation of Okun's Law; i.e., the solid negative connection between unemployment and growth (Okun, 1970). Indeed, here that correlation of −.55 is high enough to present itself as part of a collinearity explanation for the consistent lack of significance of the GDP coefficient (see Table B1 for the independent effect of growth on macropartisanship). We finally include the country (Model 5) and time (Model 4) dummy variables to account for between country and time variation (Table 2).

For the other model specifications, several comments are merited. First, the additional inclusions improved model fit (topping out at Model 5, with the adjusted R-squared = .493). Second, unemployment always registers conventional statistical significance and has a slightly

higher effect on the dependent variable, ranging between  $-.634$  and  $-.964$  (compared to Table 1). The effect sizes of Models 1 to 5 are plotted in Figure 2. We find that the coefficients appear relatively stable, showing a clear pattern of rising unemployment and its negative impact on incumbent party identification.

Considering the sample sizes (between 53 and 64 observations), these stable, sharp, findings seem to offer further evidence of the importance of this political-economic connection. In sum, we find consistent evidence that on the macro level, the economy predicts partisanship identification, suggesting a causal chain that begins with the macroeconomy, passes through macropartisanship, and ends at the ballot box, with the national election result.

Last, but not least, we want to indicate that these effects are more than just statistically significant. They have serious substantive significance, in terms of how much party identification support an incumbent party can win, or lose, according to the winds of economic fortune. In this dataset, because of its crisis status, we are able to observe a considerable range of movement on the key macroeconomic variables under study. Put another way, the real fluctuation of the independent variables can appear quite forceful, across a wide spread of observed values. For example, Model 3, Table 2, predicts macropartisanship is at 45.82% when the unemployment rate is at a minimum of 3%. However, the proportion of incumbent party identifiers falls to 29.21% when the unemployment rate is at the highest value of 25% (see Figure 3), making for a 16.61% difference between the two conditions.

Thus, a good economic year versus a bad economic year can make a noteworthy difference in how many partisan identifiers the government party can count on. Take, as a further

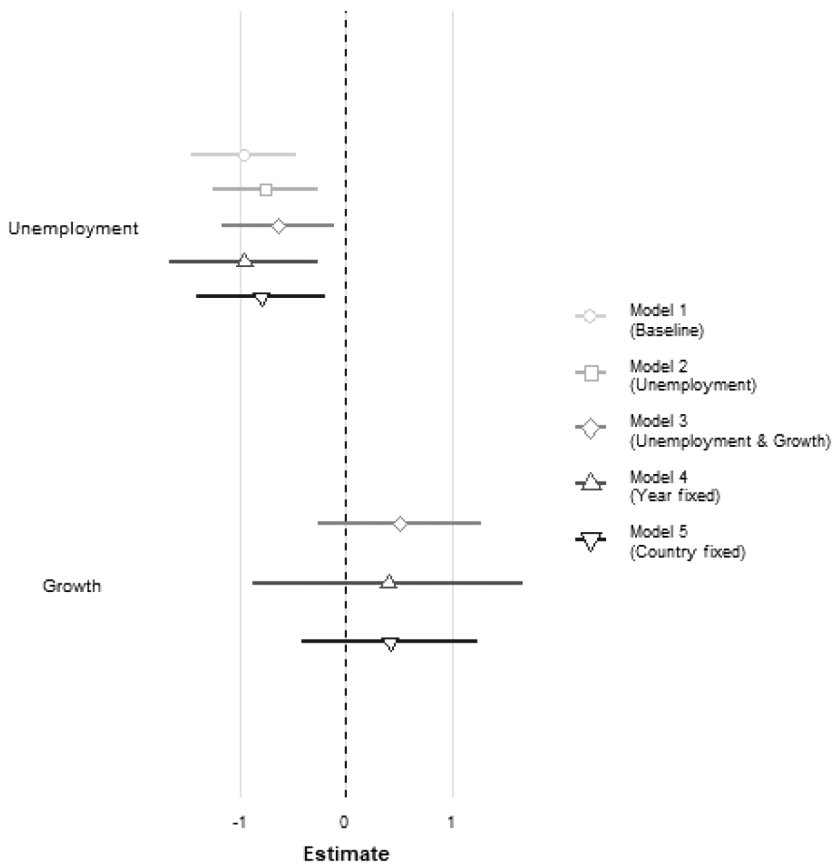
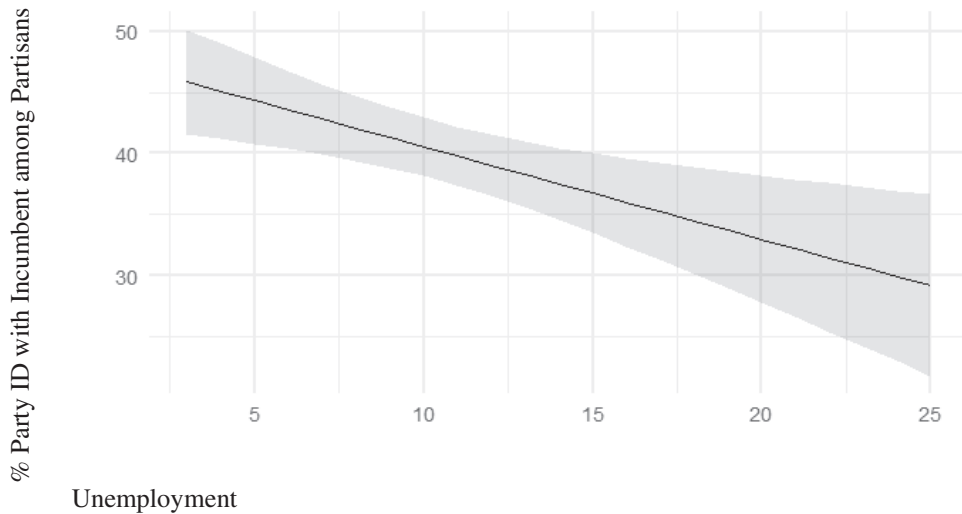


FIGURE 2 Macroeconomy and macropartisanship: The bailout sample



**FIGURE 3** Predicted probabilities of unemployment (Model 2, Table 2)

example, a “typical” important change in the unemployment rate—i.e., an increase of one standard deviation (5.38) below the mean—then, the incumbent party can expect to lose a 3.78% share of its party identifiers. As we see, especially under bailout conditions, effects on party identification with the incumbent are far from trivial (please see Tables E1 and E2 for additional robustness tests).

## CONCLUSION

Economic voting represents a prominent theory of voting behavior in comparative elections, especially accounting for the short-term dynamics of the citizen's policy response. However, the valence model at the individual level has been subject to claims of partisan contamination: i.e., endogeneity. The premise is that voters' perceptions of the economy are colored by their partisanship, implying that party identification comes first in the causal chain. Disputes over whether valence economic models suffer from endogeneity have erupted in the literature.

In our contribution, we bring a novel twist to the discussion; we posit that partisanship is endogenous to economic conditions. We test this with an aggregate analysis using a fusion of cross-national datasets. Our study demonstrates that economic performance matters to those who identify with a political party, primarily when it governs and its policies can be blamed for the economic outcomes. Our findings imply that governments that fail to produce economic progress face party supporters willing to defect. At the level of the macropolity, these notable endogenous shifts help bring down governments, a phenomenon especially made clear under the GFC and its bailout programs, but also common in general terms across countries even in the absence of a “crisis.” These aggregate changes are of prime importance because such changes ultimately lead to turnovers in power and hence changes in governance.

Finally, unlike with microsurvey data, our analysis's causal direction (or the association) is much clearer. It would be difficult to claim that macropartisanship influences changes in the macroeconomy. It is hoped that future studies of the endogeneity question in economic voting will turn the spotlight again on the question of the economic endogeneity of party identification itself.

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## APPENDIX A

## COUNTRIES INCLUDED IN THE GENERAL THEORY MODELS

Albania (AL) 2005; Argentina (AR) 2015; Australia (AU) 1996; Australia (AU) 2004; Australia (AU) 2007; Australia (AU) 2013; Australia (AU) 2019; Austria (AT) 2008; Austria (AT) 2013; Austria (AT) 2017; Belgium (BE) 2003; Belgium (BE) 2019; Bulgaria (BG) 2001; Bulgaria (BG) 2014; Brazil (BR) 2002; Brazil (BR) 2006; Brazil (BR) 2010; Brazil (BR) 2014; Brazil (BR) 2018; Canada (CA) 1997; Canada (CA) 2004; Canada (CA) 2008; Canada (CA) 2011; Canada (CA) 2015; Canada (CA) 2019; Switzerland (CH) 1999; Switzerland (CH) 2003; Switzerland (CH) 2007; Switzerland (CH) 2011; Switzerland (CH) 2019; Chile (CL) 1999; Chile (CL) 2005; Chile (CL) 2009; Chile (CL) 2017; Costa Rica (CR) 2018; Czechia (CZ) 1996; Czechia (CZ) 2002; Czechia (CZ) 2006; Czechia (CZ) 2010; Czechia (CZ) 2013; Germany (DE) 1998; Germany (DE) 2005; Germany (DE) 2009; Germany (DE) 2013; Germany (DE) 2017; Germany (DE) 2002; Germany (DE) 2002; Denmark (DK) 1998; Denmark (DK) 2001; Denmark (DK) 2007; Spain (ES) 1996; Spain (ES) 2000; Spain (ES) 2004; Spain (ES) 2008; Estonia (EE) 2011; Finland (FI) 2003; Finland (FI) 2007; Finland (FI) 2011; Finland (FI) 2015; Finland (FI) 2019; France (FR) 2002; France (FR) 2007; France (FR) 2012; France (FR) 2017; Great Brit~ (GB) 1997; Great Britain (GB) 2005; Great Britain (GB) 2015; Great Brit~ (GB) 2017; Greece (GR) 2009; Greece (GR) 2012; Greece (GR) 2015; Greece (GR) 2015; Croatia (HR) 2007; Hungary (HU) 1998; Hungary (HU) 2002; Hungary (HU) 2018; Ireland (IE) 2002; Ireland (IE) 2007; Ireland (IE) 2011; Ireland (IE) 2016; Iceland (IL) 1999;

Iceland (IL) 2003; Iceland (IL) 2007; Iceland (IL) 2009; Iceland (IL) 2013; Iceland (IL) 2016; Iceland (IL) 2017; Israel (IS) 1996; Israel (IS) 2003; Israel (IS) 2006; Israel (IS) 2013; Italy (IT) 2006; Italy (IT) 2018; Japan (JP) 1996; Japan (JP) 2007; Japan (JP) 2013; Kenya (KE) 2013; Republic of Korea (KR) 2004; Republic of Korea (KR) 2008; Republic of Korea (KR) 2012; Republic of Korea (KR) 2016; Lithuania (LT) 1997; Lithuania (LT) 2016; Latvia (LV) 2010; Latvia (LV) 2011; Latvia (LV) 2014; Mexico (MX) 1997; Mexico (MX) 2000; Mexico (MX) 2003; Mexico (MX) 2006; Mexico (MX) 2009; Mexico (MX) 2012; Mexico (MX) 2015; Montenegro (ME) 2012; Montenegro (ME) 2016; Netherlands (NL) 1998; Netherlands (NL) 2002; Netherlands (NL) 2006; Netherlands (NL) 2010; Norway (NO) 1997; Norway (NO) 2001; Norway (NO) 2005; Norway (NO) 2009; Norway (NO) 2013; Norway (NO) 2017; New Zealand (NZ) 1996; New Zealand (NZ) 2002; New Zealand (NZ) 2008; New Zealand (NZ) 2011; New Zealand (NZ) 2014; New Zealand (NZ) 2017; Poland (PL) 1997; Poland (PL) 2001; Poland (PL) 2005; Poland (PL) 2007; Poland (PL) 2011; Portugal (PT) 2002; Portugal (PT) 2005; Portugal (PT) 2009; Portugal (PT) 2015; Portugal (PT) 2019; Romania (RO) 1996; Romania (RO) 2004; Romania (RO) 2009; Romania (RO) 2012; Romania (RO) 2014; Serbia (RS) 2012; Slovakia (SK) 2010; Slovakia (SK) 2016; Slovenia (SI) 2004; Slovenia (SI) 2008; Sweden (SE) 1998; Sweden (SE) 2002; Sweden (SE) 2006; Sweden (SE) 2014; Sweden (SE) 2018; Turkey (TR) 2011; Turkey (TR) 2015; Turkey (TR) 2018.

### Countries included in the bailout countries models

Country	Survey/election year
Cyprus	2006, 2008, 2010, 2012
Greece	2002, 2004, 2008, <i>2009</i> , 2010, <i>2012</i> , <i>2015</i>
Hungary	<i>1998</i> , <i>2002</i> , 2002, 2004, 2006, 2008, 2010, 2012, 2014
Ireland	2002, 2002, 2004, 2006, <i>2007</i> , 2008, 2010, <i>2011</i> , 2012, 2014, 2016
Italy	2002, 2004, <i>2006</i> , 2012
Latvia	<i>2010</i> , <i>2014</i>
Portugal	2002, <i>2002</i> , 2004, 2005, 2006, 2008, <i>2009</i> , 2010, 2012, 2014, <i>2015</i>
Romania	<i>1996</i> , <i>2004</i> , <i>2009</i> , <i>2012</i> , <i>2014</i>
Spain	<i>1996</i> , <i>2000</i> , 2002, 2004, 2004, 2006, <i>2008</i> , 2008, 2010, 2012, 2014

*Note:* Italics denote the use of CSES data.

APPENDIX B

GDP GROWTH AND BAILOUT MODEL

TABLE B1 Bailout with time component

	Dependent variable: Incumbent party ID among partisans			
	Model 1	Model 3	Model 4	Model 5
Intercept	40.013 <sup>***</sup> (1.534)	12.284 <sup>***</sup> (4.861)	9.581 (11.640)	18.825 <sup>+</sup> (10.648)
Growth	.824 <sup>+</sup> (.447)	.836 <sup>*</sup> (.376)	1.028 (.637)	.712 (.425)
Lagged dependent variable		.662 <sup>***</sup> (.114)	.682 <sup>***</sup> (.130)	.578 <sup>***</sup> (.145)
Year (fixed effects)			Yes	
Country (fixed effects)				Yes
<i>N</i>	63	54	54	54
<i>R</i> <sup>2</sup> (adjusted)	.037	.408	.361	.422

Notes: Standard error in parentheses. Data ESS and CSES.

\*\*\**p* < .001; \*\**p* < .05;

<sup>+</sup>*p* < .1.

APPENDIX C

BAILOUT MODELS USING ROBUST STANDARD ERRORS CLUSTERED BY COUNTRY

	Dependent variable: Incumbent party ID among partisans			
	General theory		Bailout sample	
	Model 1	Model 2	Model 3	Model 4
Intercept	51.030 <sup>***</sup> (2.547)	50.988 <sup>***</sup> (2.754)	25.679 <sup>***</sup> (5.537)	23.147 <sup>***</sup> (5.195)
Unemployment	−.796 <sup>**</sup> (.286)	−.804 <sup>*</sup> (.310)	−.755 <sup>**</sup> (.274)	−.634 <sup>*</sup> (.272)
Growth		.278 (.407)		.515 (.345)
Lagged dependent variable			.547 <sup>***</sup> (.102)	.566 <sup>***</sup> (.091)
<i>N</i>	159	153	54	54
<i>R</i> <sup>2</sup> (adjusted)	.063	.057	.451	.460

Notes: Robust standard error in parentheses. Clustered by country. Data CSES for Model 1 and 2; CSES and ESS for Model 3 and 4.

\*\*\**p* < .001; \*\**p* < .01; \**p* < .05.

# APPENDIX D

**TABLE D1** General theory of macroeconomy and macropartisanship controlling for the sample size of partisan identifiers

	Dependent variable: Incumbent party ID among partisans				
	Model 1	Model 2	Model 3	Model 4	Model 5
Intercept	50.297 <sup>***</sup> (3.592)	51.727 <sup>***</sup> (3.799)	43.052 <sup>***</sup> (6.623)	49.077 <sup>***</sup> (3.762)	57.516 <sup>***</sup> (13.799)
Unemployment	-.779 <sup>**</sup> (.243)	-.820 <sup>**</sup> (.250)	-.524 <sup>+</sup> (.269)	-.702 <sup>**</sup> (.253)	-.948 <sup>*</sup> (.459)
Number of partisan identifiers	.001 (.002)	-.001 (.002)	.001 (.002)	-.001 (.002)	-.003 (.002)
Growth change		.277 (.395)	.358 (.538)	.382 (.384)	.254 (.355)
IMF conditionality			-10.669 <sup>*</sup> (4.375)	-8.264 <sup>*</sup> (4.038)	-6.682 (5.069)
Year (fixed effects)			Yes		
GFC (fixed effects)				Yes	
Country (fixed effects)					Yes
N	159	153	153	153	153
R <sup>2</sup> (adjusted)	.06	.05	.17	.12	.45

Notes: Standard error in parentheses. Data CSES Module 1–5.

\*\*\* $p < .001$ ; \*\* $p < .01$ ; \* $p < .05$ ; + $p < .1$ .

# APPENDIX E

**TABLE E1** General theory of macroeconomy and macropartisanship controlling for additional covariates

	Dependent variable: Incumbent party ID among partisans				
	Model 1	Model 2	Model 3	Model 4	Model 5
Intercept	54.093 <sup>***</sup> (2.657)	53.894 <sup>***</sup> (2.724)	49.815 <sup>***</sup> (3.201)	50.233 <sup>***</sup> (3.369)	53.121 <sup>***</sup> (3.621)
Unemployment	-.760 <sup>**</sup> (.234)	-.766 <sup>**</sup> (.240)	-.750 <sup>**</sup> (.250)	-.775 <sup>**</sup> (.259)	-.736 <sup>**</sup> (.258)
Gallagher index	-.530 <sup>*</sup> (.243)	-.510 <sup>*</sup> (.247)			-.511 <sup>*</sup> (.248)
Age regime			.016 (.030)	.010 (.32)	.010 (.032)
Growth change		.291 (.391)		.265 (.397)	.277 (.394)
N	157	152	159	153	152
R <sup>2</sup> (adjusted)	.09	.08	.06	.05	.07

Notes: Standard error in parentheses. Data CSES Module 1–5.

\*\*\* $p < .001$ ; \*\* $p < .01$ ; \* $p < .05$ .



**TABLE E2** Bailout theory of macroeconomy and macropartisanship controlling for additional covariates

	Dependent variable: Incumbent party ID among partisans	
	Bailout sample	
	Model 3	Model 4
Intercept	63.263*** (8.133)	61.953*** (8.444)
Unemployment	-1.067*** (.255)	-1.009*** (.272)
Electoral system	-4.966 (3.063)	-4.787 (3.092)
Growth		.270 (.435)
N	63	63
R <sup>2</sup> (adjusted)	.20	.20

Notes: Robust standard error in parentheses. Clustered by country. Data CSES and ESS.

\*\*\**p* < .001