INFORMATION TO USERS

This manuscript has been reproduced from the microfilm master. UMI films the text directly from the original or copy submitted. Thus, some thesis and dissertation copies are in typewriter face, while others may be from any type of computer printer.

The quality of this reproduction is dependent upon the quality of the copy submitted. Broken or indistinct print, colored or poor quality illustrations and photographs, print bleedthrough, substandard margins, and improper alignment can adversely affect reproduction.

In the unlikely event that the author did not send UMI a complete manuscript and there are missing pages, these will be noted. Also, if unauthorized copyright material had to be removed, a note will indicate the deletion.

Oversize materials (e.g., maps, drawings, charts) are reproduced by sectioning the original, beginning at the upper left-hand corner and continuing from left to right in equal sections with small overlaps.

Photographs included in the original manuscript have been reproduced xerographically in this copy. Higher quality 6" x 9" black and white photographic prints are available for any photographs or illustrations appearing in this copy for an additional charge. Contact UMI directly to order.

Bell & Howell Information and Learning
300 North Zeeb Road, Ann Arbor, MI 48106-1346 USA

UMI®
800-521-0600
NOTE TO USERS

This reproduction is the best copy available.

UMI
"Dialogue de sourds": Economic Voting in Canadian Federal Elections

by.

André Turcotte

A thesis submitted in conformity with the requirements for the degree of Ph.D
Graduate Department of Political Science
University of Toronto

© Copyright by André Turcotte (1998)
The author has granted a non-exclusive licence allowing the National Library of Canada to reproduce, loan, distribute or sell copies of this thesis in microform, paper or electronic formats.

The author retains ownership of the copyright in this thesis. Neither the thesis nor substantial extracts from it may be printed or otherwise reproduced without the author's permission.

0612-41523-6
"Dialogue de sourds":
Economic Voting in Canadian Federal Elections
by:
André Turcotte

Political Science Department
Doctoral Dissertation - University of Toronto (1998)

Abstract

For the average citizen, voting is a way to select those individuals who will rule over them, and to cast periodic judgements on these same individuals once they have achieved power. It is the general aim of this study to investigate empirically the way Canadian voters chose their elected officials. More specifically, this analysis concentrates on the economic dimension of voting behaviour in the 1988 and 1993 Canadian federal elections. Accordingly, this study falls within the specific analytical field of politico-economic interactions, as well as within the confines of the study of voting behaviour in Canada. The results of our analysis lead to the rejection of the economic voting hypothesis in the 1988 and 1993 elections. This is not to say that there is no link between economic evaluations and vote choice. However, while perceptions of the economic health of the nation exerted a statistically significant impact on vote choice in the 1988 and 1993 elections, this impact was weak. The theoretical consequences of our findings suggest that politico-economic studies abstract a great deal of actual behaviour, in particular the voters’ willingness to accept the economic rhetoric of campaigning politicians.
To arouse the people we cannot simply wave the banner of purely abstract questions. There must be something more substantial. We must touch the sensitive spot: the purse. As long as a question of this nature is not raised, agitation cannot be constant and lasting.

- Louis-Hippolyte Lafontaine (1837)
"Dialogue de sourds":
Economic Voting in Canadian Federal Elections

Table of Contents

Chapter 1 - Introduction ........................................................................................................ p. 1

Part i - Politico-Economic Interactions

Chapter 2 - Theoretical and Research Parameters ..................................................... p. 17
Chapter 3 - Linking Economics and Voting ................................................................. p. 38
Chapter 4 - Politico-Economic Links from the Voters' Perspective ..... p. 86

Part II - Economic Evaluations and Voting Behaviour in Canada

Chapter 5 - Linking Economics and Voting: The Canadian Case ..... p.123
Chapter 6 - Studying Elections in Canada ................................................................. p.145
Chapter 7 - The 1988 Canadian Federal Election ................................................... p.192
Chapter 8 - The 1993 Canadian Federal Election ................................................... p.228
Chapter 9 - Conclusion: Towards 2001 ................................................................. p.281

Bibliography ..................................................................................................................... p.298
A "dialogue de sourds" is an old French expression which refers to a situation where two or more interlocutors are engaged in a parallel discussion that has no substantive commonality. To an unsuspecting observer, the encounter has all the appearance of a conversation, but the discussants are neither listening to each other nor are they necessarily talking about the exact same topic. In fact, the interlocutors themselves are often oblivious to the irrelevance and absurdity of the conversation. In many ways, this expression seems to describe but too well the electoral discourse in recent Canadian federal elections.

Every four years or so, Canadian voters and politicians partake in a "dialogue" which results in the electorate choosing those individuals who will rule over them until the next election. However, it is debatable whether voters actually render their decision based on the substantive arguments presented to them by those seeking their support.

It is the general aim of this study to investigate empirically the way Canadian voters choose their elected officials. More specifically, this analysis will concentrate on the economic dimension of voting behaviour in the 1988 and 1993 Canadian federal elections. Accordingly, this study falls within the specific analytical field of politico-economic interactions (this term will be defined in the next chapter), as well as within the confines of the study of voting behaviour in Canada.
The decision to focus on the economic dimension of vote choice is motivated by six specific factors. First, economic arguments have undeniably occupied, at least at a rhetorical level, a prominent place in Canadian elections. However, whereas historical belief and conventional wisdom may hold the existence of a relationship between macroeconomics and political behaviour as self-evident, it will be argued that contemporary analyses of this relationship suggest that such a link may not be as obvious, important nor as determining as it was once believed. But such doubts have eluded most politicians who continue to believe that their electoral fortunes are closely tied to the state of the economy, or to what they say about the economy. One only has to remember Brian Mulroney’s “jobs, jobs, jobs” or Jean Chrétien’s “6-billion dollar job creation program” to recall the substance of most recent electoral platforms. Given the prominence of economic arguments in electoral rhetoric, it is fair to assert that a failure to isolate strong relationships between economics and vote choice would - and should - raise questions about the nature and issue content of the electoral discourse, and should also raise doubts about the nature of electoral mandates attributed through the electoral process.

It is important to understand that it is not suggested that the intuitive appeal of the politico-economic interactions model, and partial confirmation of it by various statistical tests, is to be ignored. The basic logic of the model is in accord with what
Introduction

Ordinary insight might suggest about the behaviour of politicians and voters. However, these studies disregard a great deal of the richness of actual behaviour, in particular the capacities of government to know how to deal with both inflation and unemployment as well as their authority and power to enact appropriate measures. The model also simplifies - to a large degree - the voters' willingness to accept the economic rhetoric of campaigning politicians, especially in light of past experiences with broken promises.

Accordingly, the present study questions the prominence given to economic arguments in explaining voting behaviour, almost to the exclusion of other important variables. It is this author's assertion that the economic rhetoric presented during election campaigns has been more successful at convincing pundits and scholars than the electorate, who have responded with scepticism to politicians' economic promises. Hence, this study questions directly the prominence of a set of variables around which electoral campaigns have been fought, and presumably won. In the same vein, this reliance on economic arguments may have crowded out other non-economic variables in analyses of voting behaviour - factors that may shed more light on the voting behaviour of Canadians.

Second, the last few years have given way to a new economic reality that has little in common with the economy of the past. Global unemployment has now reached its highest level since the great depression of the 1930s. More than 800 million human beings are now unemployed or underemployed in the world. Every week more
employees learn they are being let go. In offices and factories around the world, people wait, in fear, hoping to be spared one more day. Moreover, after years of wishful forecasts and false starts, computers and communications technologies are finally making their long-anticipated impact on the workplace and the economy, throwing the world community into the grip of a third great industrial revolution. While jobs are still being created, they are in the low-paying sector and generally temporary employment.

While there is no strong evidence that Canada and other industrial economies are no longer capable of creating full-time employment, there is increasing insecurity about job prospects. Work, the primary means by which people create and share wealth, simply is not available to everyone. Economists, who used to talk about a 3-percent jobless rate being structurally acceptable, now push a figure about three times that. In the 1950s, a 3.3 percent unemployment rate was seen as troublesome, nowadays, a 10 percent unemployment rate is part of the new Canadian economic reality.

Accordingly, what we may have known about the importance of economic considerations as determinants of vote choice may not apply anymore. Although we should not ignore the accumulated learning from previous studies - in fact, the present study will draw heavily on previous analyses - it is important to examine the economic dimension of vote choice within the context of these new economic realities in order to understand the nature of the current relationship between voters and elected officials.
Introduction

Third, while there is no denying the importance of the economic transformations of the last few years, it is questionable to what extent politicians have understood and adapted to the changes. The mid-1960s marked the end of stable economic growth in Canada. The period between 1966 and 1982 were difficult times for government: inflation (1967-73) was followed by stagflation (1974-81), and that period was succeeded by the worst recession (1981-82) since the Great Depression. The 1980s closed with a period of sustained economic growth, and since then (1990-91), Canada has experienced a sputtering economy unable to reach previous highs, nor plunging to previous lows. During that economic upheaval, Canadians have gone beyond worrying and into a kind of acquiescence, brought about by years of economic anxiety. The sources of the anxiety are well known: years of recession followed by a jobless recovery, deep government cutbacks, an economy subject to the whims of foreign currency traders, chronic homelessness in the cities, and increasing child poverty.7 Faced with this economic situation, politicians still attempt to lure voters with “quick-fix” economic stimulus programs. In the months leading up to the 1997 election, the federal Liberals tried to capitalize on Finance Minister Paul Martin’s good-news budget which focussed more on creating new economic stimulus programs than scrapping existing ones.9 They behave as if convinced that they could reap the electoral benefits of a electorally-motivated economic boost.9 The present analysis questions the pertinence
of such convictions by measuring to what extent Canadian voters judge their federal politicians on strictly economic considerations.

Fourth, when one turns his or her attention to the literature on politico-economic interactions, one is struck both by the abundance of studies and by the dearth of analysis of the Canadian context. Of the 109 analyses reviewed in this study, nine looked directly at politico-economic interactions in Canada. Moreover, of these nine studies, only three examined the demand-side of politico-economic interactions, and none from the perspective adopted in the present analysis. In light of these scarce findings, it is fair to assert that we so far know very little about such interactions in Canada. Moreover, since most studies have been conducted in the context of U.S. elections, there is a tendency to borrow from the American findings and apply them to Canada. As we will see, Canadian scholars have once before made the mistake of importing American models of electoral behaviour with detrimental consequences. It is important not to repeat past mistakes.

As we will see, the lack of analytical interest in the Canadian case is to some extent surprising since the Canadian parliamentary system, with a disciplined party system and its executive-sponsored economic policies, could offer rich opportunities for theoretical insights. It will be suggested that Canadian voters behave in a political environment that is, at least theoretically, conducive to having an electoral system dominated by the vagaries of politico-economic interactions.
Introduction

Furthermore, the present study relies on a model that has been used to evaluate the importance of economic assessment in determining vote choice in several European countries. Hence, our results will allow for a comparative evaluation between Canadian and European voters. This will contextualize the Canadian results, and put the importance of economic evaluations as determinants of vote choice in Canada into a more global perspective.

Fifth, one of the reasons for the lack of analytical interest in politico-economic interactions in Canada may be that the field of voting behaviour research has just reached a point where a study of such interactions fits with the general framework of the study of voting behaviour in Canada. In chapter six, it will be shown that the evolution of our comprehension of the determinants of voting behaviour can be seen as a progression away from the reluctant adoption of imported hypotheses, towards the development of an indigenous model of voting behaviour. Thus, voting research in Canada has now evolved to a point where questions of economic voting are just starting to arise naturally.

Sixth, from a methodological perspective, the 1988 and 1993 Canadian federal elections provide a fascinating contrast. The 1988 election took place during a period of economic growth, while the 1993 election occurred in the aftermath of an economic recession. Thus, in the present study, politico-economic interactions are analyzed within two different economic contexts, and should therefore yield a more refined
understanding of the particular economic circumstances within which economic voting is, or is not likely to occur.

Therefore, the rationale for the present analysis lies in addressing the six factors outlined above:

(1) the possible undue prominence of economic arguments in the electoral discourse;

(2) the new economic reality;

(3) the behaviour of current Canadian politicians who appear to assume the electoral importance of politico-economic interactions;

(4) the general neglect of Canada as a case study despite evidence pointing to interesting theoretical insights;

(5) the current state of the discipline of Canadian voting behaviour; and

(6) the potential methodological and analytical contributions provided by the 1988 and 1993 Canadian federal elections as contrasting case studies.

Addressing these factors will lead to a better comprehension of the importance of economic evaluations as voting determinants, as well as to a refined understanding of the factors that influence voting behaviour in Canada. The next section outlines the approach that will be followed to meet the objectives of this study.
Introduction

I - The Structure of the Study

The present study is divided into two parts. The first part entitled "Politico-Economic Interactions" reviews the comparative literature on politico-economic interactions with a view to learning from the experience of other scholars. Specifically, chapter 2 entitled "Theoretical and Research Parameters" presents the terminology of the study of politico-economic interactions and reviews the basic concepts and arguments related to this field of study. This will facilitate the review of the evidence on the economic dimension of vote choice.

"Linking Economics and Voting" presents the works published up to the early 1980s. During that period, scholars slowly investigated possible links between economics and politics. They proceeded in an ad hoc and unsystematic manner, confusing and combining the different sub-dimensions of the field. Nevertheless, these studies established a statistically significant link between economics and voting. It became clear however that a more complete understanding of the nature and strength of that statistically significant link would not be achieved without a more systematic and rigorous research approach.

There are two broad reasons behind reviewing the literature from the inception of this field of research. First, there is a general, but false, understanding that the origins of the study of politico-economic interactions coincides with the analysis conducted by Gerald Kramer in 1971, while in fact the origins of this field dates back to the 1920s.
Dialogue de sourds

Hence, the present study will rectify and update the literature on politico-economic interactions.

Second, and more importantly, there are several lessons to be learned from the earlier studies - lessons that a review of the literature starting with Kramer would ignore. In fact, the present study will use a key assumption first developed by Clark Tibbitts in 1931, and will learn from the methodological errors committed by Pearson and Meyers (1948), and Wilkinson and Hart (1950).

The early 1980s marked a new direction in the study of politico-economic interactions, both in the substance and sophistication of the research approaches, and in the abundance of studies. As we will see, several studies, but particularly the works by Lewis-Beck (1980)\(^\text{10}\) and Fiorina (1981)\(^\text{11}\), elevated the approach to studying politico-economic interactions. Moreover, since that time, this research field has grown exponentially with each of the different sub-dimensions - as explained in chapter 2 - receiving considerable attention. Accordingly, the fourth chapter entitled "Politico-Economic Links from the Voters' Perspective" acknowledges this evolution, and concentrates explicitly on the published works which focus on the same sub-dimension than the present study - the vote function.

The second part of the present study - "Economic Evaluations and Voting Behaviour in Canada" concentrates on the Canadian case. We examine if and how Canadian voters assess whether the incumbent party has had a successful term in
office or not, and what kind of economic evidence people weigh in their political appraisals. \(^{12}\) This is achieved in three related steps.

In the first instance, we suggest that Canadian voters behave in a political environment that is - in theory - conducive to an electoral system dominated by the vagaries of politico-economic interactions from institutional, structural, theoretical, and economic perspectives.

Second, we present the development of the study of Canadian federal elections with a view to understanding the dynamics of vote choice in this country. In order to comprehend the present analysis, and to position our findings within the evolutionary context of the study of voting behaviour in Canada, it is imperative to grasp the current state of the discipline as well as the process leading to this state. We will see that, despite analytical neglect, voting research in Canada has evolved to a point where questions of economic voting and politico-economic interactions are just starting to arise naturally.

What this study does not do is to address all the issues and controversies surrounding the analysis of voting behaviour in Canada. Therefore, issues related to the impact of class - subjective and/or objective - on voting behaviour and works by Mildred Schwartz\(^ {13}\), John Meisel\(^ {14}\), and subsequently by Janine Brodie and Jane Jenson\(^ {15}\), are excluded. Similarly, the literature on the impact of the media and television in federal elections, especially the works by Fletcher\(^ {16}\), or specific issue-related analyses are also
excluded. Moreover, the present study does not aim at explaining vote choice, \textit{per se}, in the 1988 and 1993 elections - others have and will conduct such analyses. This study purports to explain the importance of economic considerations in explaining the vote in those elections, and to put Canadian results in a comparative context. While the decision to ignore some of these issues can be criticized, it is this author's belief that such debates are at the periphery of the objectives of the present study. Accordingly, the main works - those directly associated with the Canadian National Election Studies - are deemed sufficient to establish the evolution and current state of the discipline.

Third, the analysis concentrates on the behaviour of Canadian voters in the 1988 and 1993 federal elections. There are several ways of studying politico-economic interactions, but the most direct and valid way of understanding why people vote as they do is to ask them. However, as was pointed out by Schneider and Frey\textsuperscript{17}, even though the incentives to engage in political business cycles, or to attempt to reap the electoral rewards of positive economic evaluations may be quite substantial, we would not expect governments to attempt to pursue such a pattern systematically at each election, since an alerted electorate will eventually fail to react to cynical and blatant economic manipulation. Thus, in the present study, politico-economic interactions are analyzed within two different political and economic contexts, and should therefore yield a better comprehension of the particular circumstances within which economic voting is, or is not likely to occur.
Introduction

Finally, the study concludes with an assessment of the evidence presented and deals specifically with the underlying question in this study; how compelling is an economic explanation of the Canadian vote choice? It also addresses the implications of the findings.
Dialogue de sourds

Notes


2. Ibid., 4.

3. Ibid., xv.

4. Ibid., 4.


8. Ibid., 21.

9. With their reduced majority, one could question the pertinence of their approach. On the other hand, the Chretien Liberals were the first to win back-to-back majorities since Louis St.Laurent.


Introduction


PART I - POLITICO-ECONOMIC INTERACTIONS
Chapter 2 - Theoretical and Research Parameters

For the average citizen, voting is a way to select those individuals who will rule over them, and to cast periodic judgements on these same individuals once they have achieved power. Thus, elections provide peaceful means for political change. But if they allow groups to resolve their conflicting needs peacefully\(^1\), what are the elements that coalesce to influence the voters’ decisions?

Answers to this question have been varied. According to one textbook image, elections serve several functions in a democracy.\(^2\) Not only do they allow citizens to choose their government, but they also restrain political leaders who must behave in a way that maximizes their chances of reelection. Elections are thus one means of linking public attitudes with governmental policy. Along with this view of elections is a corresponding view of voters as choosing intelligently among the candidates.

An opposite view holds that elections are just symbolic in character. Accordingly, elections are a secular ritual of democracy, and voting makes citizens consider themselves participants in the nation’s governance, even if the election outcome is not really going to alter the future of public policy. Correspondingly, voters do not make intelligent, informed decisions; few know anything about the candidates and what they do know is often irrelevant to governance.\(^3\)
Regardless of which view one subscribes to, the reality remains that it is the act of voting itself which pre-determines who will be in a position to define and shape public policy. The impact of politics in general, and specifically electoral politics, on the expansion of the government has generated considerable academic controversy among economists and political scientists. Moreover, the restrictive nature of today's electoral mandates has led many to question the capacity of elected officials to adopt popular public policies. Thus, it is such controversial and unresolved issues which point to the importance of studying voting behaviour. Fortuitously, understanding the dynamics of voting behaviour is an empirical endeavour. The origins of this field of research can be traced back to the 17-year period between 1944 and 1960. The works by Lazarsfeld et al. (1944), Berelson et al. (1954), Campbell et al. (1954), Katz and Lazarsfeld (1955), and Campbell et al. (1960) are generally considered as the main influences which led to the development of the parameters within which voting behaviour is analyzed. One must also include the British works by Milne and Mackenzie (1954), Benny et al. (1956), and Milne and Mackenzie (1958) as important initial influences on the development of this field of research.

While these researchers laid out the empirical foundation, academic interest in the study of voting behaviour was spurred further by the publication of Anthony Downs' *Economic Theory of Democracy* (1957), whose analysis led to a larger theoretical reflection on the determinants and consequences of vote choice in liberal democracies.
Theoretical and Research Parameters

Downs' effort is important since it aimed to account for what political parties and voters do. For him, although government is of crucial importance in every economy, economic theory had failed to produce a satisfactory behaviour rule. Accordingly, his model was based on the assumption that every government seeks to maximize political support, while every voter seeks to maximize his or her own utility according to a rational evaluation of future performances he or she expects from competing parties. The logical conclusion of Downs' findings pointed to a thorough examination of vote choice as it occurs within the broader social context. It also led to an assessment of the repercussions of self-maximizing politics on the development of the public economy.

While it is the general aim of the present study to investigate empirically the determinants of vote choice - with special attention given to the economic dimension of voting behaviour in Canada - a brief examination of the background elements pertaining to the topic will allow for a clearer understanding of the research parameters within which this analysis will be conducted. Specifically, in order to comprehend the development of the field of research spurred by Downs' analysis - and by the same token delineating the theoretical boundaries of the present analysis - it is essential to grasp the distinct but sometimes muddled terminology associated with studying politico-economic interactions. Secondly, to review the evidence of an economic dimension of vote choice, it is important to understand the basic arguments related to this field of study. These two dimensions will be explored in turn, in this chapter. We will then focus
our attention, in the next chapter, to the first analyses of politico-economic interactions.

I - The Terminology

There are several interrelated dimensions to what we broadly refer to as politico-economic interactions. While political business cycles, voting functions, economic voting, popularity functions, and economic theories of voting have sometimes been used interchangeably, each of these topics has developed into independent subfields of analysis. Specifically, it is in the 1980s that the concepts related to politico-economic interactions evolved into separate and distinct subfields of analysis, and the organizational structure of this study will reflect this evolution. As mentioned in the introductory chapter, clear methodological demarcation can be made between the works published up to 1980 (reviewed in the next chapter), and those published after 1980 (reviewed in chapter 4). While a few pre-1980s studies attempted to expand the scope of the study of politico-economic interactions, notably Goodhart and Bhansali (1970)\textsuperscript{16} or to some extent Campbell et al. (1960)\textsuperscript{17}, it is in the 1980s and 1990s that politico-economic interactions were studied from different perspectives. But in order to understand this progression, it is important to understand the distinctions.

In the present study, it is argued that the term "politico-economic interactions" should be understood as the generic term encompassing every related sub-dimension of the field of research linking politics and economics. In doing so, we can establish a clearer division between these related sub-dimensions.
Theoretical and Research Parameters

Accordingly, the analysis of politico-economic interaction centres on two broad dimensions. The supply-side component focuses on the efforts of the government to manipulate the economy, while the demand-side component focuses on the response of the electorate to the economic circumstances within which elections are held.¹⁸ Hence, the modelling of politico-economic interactions can be grouped into studies of the supply of such an electoral phenomenon (by government), and the studies of the demand for electoral variations (by voters).¹⁹

The studies of the supply side of the politico-economic interactions can be divided into two separate sub-dimensions. First, political business cycles can be defined both in a broad and narrow sense. In this study, we disagree with Patricia Dillon and Thomas Willett's assertion concerning the usefulness of interpreting political business cycles in a broad sense. According to these authors, political business cycles refer to the range of political considerations which influence public policy making.²⁰ As mentioned above, such a definition is closer to this study's definition of politico-economic interactions. It is this author's opinion that it is detrimental to the understanding of the evidence of politico-economic interactions to use these two terms - political business cycles and politico-economic interactions - interchangeably.

It could be argued that the fact that political business cycles have once been understood to refer to the generic research field of politico-economic interactions is, at least partly, responsible for the general state of confusion within this field. When this
Dialogue de sourds

area of study was underdeveloped, it made little difference to extend the meaning of political business cycles to encompass all the related subdimensions of the issue - as suggested by Dillon and Willett. However, as the field progressed, it became clear that "political business cycles" per se are to be understood - and studied - within the confines of the supply side of the argument where the electorate has only a secondary role. In contrast, the term "politico-economic interactions" suggests the meeting of the supply and demand sides of the argument. Hence, in this study, political business cycles are defined in a narrow sense.

The basic idea behind political business cycle literature is that typically, adjustments in the inflation rate due to changes in macroeconomic policy, lag behind adjustments in the unemployment rate. Therefore, a carefully engineered economic expansion can give incumbent politicians the advantage of a booming economy just before an election, while most of the associated inflationary costs do not follow until the election is safely over. With less than full information and a short attention span on the part of the public, political incentives exist to destabilize the economy, and in the process generate an inflationary bias.
Table 2.1 - Concepts related to Politico-Economic Interactions

<table>
<thead>
<tr>
<th>Politico-Economic Interactions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demand-side</strong></td>
</tr>
<tr>
<td>(Electorate's response to economic circumstances)</td>
</tr>
<tr>
<td>a) voting function</td>
</tr>
<tr>
<td>b) popularity functions</td>
</tr>
</tbody>
</table>

Political business cycle theory alerts us to the possibility that a political money supply regime poses not only the danger of secular inflation but also the danger of destabilization of real output and employment in pursuit of reelection. Early versions of the theory developed scenarios in which a government artfully slides the economy along long-run and short-run Phillips curves in order to attain for a fleeting pre-election moment the combination of unemployment and inflation rates most favourable by voters. These models assume that voters myopically focus on the recent macroeconomic past when choosing between incumbents and challengers.

The other sub-dimension of the supply-side component of politico-economic interactions is similar in focus, but concentrates directly on the behaviour of elected officials. Thus, analyses of the efforts of incumbents to respond to changes in their support involve the construction of models called reaction functions. Edward Tufte's *Political Control of the Economy* (1978) and his analysis of the political behaviour of the
Dialogue de sourds

Nixon administration, is generally considered the best treatment within this sub-dimension. However, unlike Tufte’s, most analyses in this area of study tend to rely heavily on subjective assessment of the behaviour of incumbent politicians - about which little data are available. Therefore, analysts have tended to shy away from this subfield and have concentrated on the other more methodologically rigorous subdimensions.

The demand side is divided into two methodologically distinct sub-dimensions. Unlike the supply-side sub-dimensions which have separate, albeit similar, research foci, the demand-side sub-dimensions only differ in their period of analysis. Each sub-dimension analyzes the interactions between economics and vote choice at different points in the electoral cycle. At election times, one can examine relationships between economic performance and political support using voting data, and models of such relationships are known as vote functions. Between elections, when feelings about parties and party leaders are measured using data from public opinion polls, such models are known as popularity functions. The effects of variables in vote function models can be estimated using aggregate-level data on economic conditions and parties’ vote or seat shares in national elections or, as it will be the case in this study, by using individual-level survey data on voting behaviour or voting intentions and voters’ assessment of national and personal economic performance. Popularity function models are generally analyzed using aggregate time series data.
Theoretical and Research Parameters

The first studies consisted almost exclusively of political business cycle analyses, reactions, and popularity functions, while recent studies have concentrated on vote functions using individual-level data. This evolution did not lead to a consensus about the impact of economics on vote choice, but the field now rests on a set of well-defined basic concepts which guide most studies.

II - Basic Concepts

As noted above, early studies dealt almost exclusively with the supply-side of the equation, while the demand-side components have received considerable attention since the early 1980s. Although they have evolved into separate fields of study, the origins of the concept of politico-economic interactions are rooted in economic theory.

Michael Kalecki, a comparatively unknown although significant figure in the social sciences, coined the term "political business cycle" in 1943. In the article "Political Aspects of Full Employment" (1943), Kalecki was concerned with exploring the political implications of full employment, which followed from the Keynesian revolution in economic policy-making.

Writing within the Marxian framework, Kalecki pointed out that regardless of the fact that full employment benefited both workers and capitalists - the former because it provided a regular income and the latter because it boosted profits - big business had consistently opposed government intervention in the economy for the purpose of maintaining full employment. For him, this opposition had to be understood as a product
Dialogue de sourds

of antagonistic class relationships in capitalism. Accordingly, Kalecki predicted a political business cycle where governments would undertake ameliorating policies in a slump but pressure from big business would induce cuts in government expenditures in the new employment conditions. The cuts would reproduce the slump conditions necessitating the reintroduction of public expenditure, and so generating a business cycle where the cause is primarily political. Such an interpretation stood in contrast with the more traditional axioms of economic theory.

Traditional economic theorists, like Keynes or Galbraith for examples, assumes that the government could act in the interest of general welfare. Stabilization policies in particular are based on the premise that the government is indeed willing to reduce economic fluctuations. However, political scientists and pundits have long since realized that the opposite is also true: the government actively creates business cycles in its quest to stay in power. In a democracy with active competition between parties, government is compelled to steer the economy in order to win future elections, and such actions may induce cycles. It is important to reiterate that the analysis of government-created business cycles represents but one dimension of the study of politico-economic interactions. Whereas this dimension preoccupied early theorists, we shall see that the other actors - especially the voters - have received comparatively more attention in the latter part of the 1980s and early 1990s.
Theoretical and Research Parameters

Anthony Downs' *An Economic Theory of Democracy* provoked the debate about people's decision to vote in democratic societies. The general conception of democracy with which Downs begins is that it is a mechanism whereby political parties, which are engaged in what Schumpeter labelled as a "competitive struggle for the people's vote"\(^{29}\), are obliged to take account of the preferences of electors for one policy rather than another. Accordingly, there is no need to assume that political parties are motivated by a direct desire to give the voters the policies they want to have. Rather the parties are led to do this as a means of furthering their primary aim, which is to maximize votes.

From the perspective of the electorate, voting is a choice between alternative candidates, and people make a choice by estimating what their expected utility\(^{30}\) might be with each of the possible candidates.

In line with Downs' treatment of the question, a body of research - falling within the theoretical limits of economic theories of voting - conceptually explores the nature of the interactions between economics and politics, and the repercussions of such interactions on the democratic process. Although the present analysis is concerned about the empirical dimension of economic voting, a precis of the theoretical arguments linking economics and voting will assist in our understanding of the issue.

One of Downs' key assertions is that a rational voter will devote very little effort to becoming well informed before voting. Downs argued that in the real world, uncertainty
and the lack of information prevent even the most intelligent and well-informed voter from behaving rationally, therefore he or she will base his or her judgement upon those few areas of government activity where the difference between parties is great enough to impress them.\textsuperscript{31} A voter will also focus on the areas that affect him or her most directly - with the economy being one, if not the most important area. It is this argument which points to the importance of economic evaluations as determinants of vote choice.

As Lindbeck suggested, macroeconomic fluctuations can be seen in the context of complicated interactions between market forces and government behaviour or as an interplay between the economic and the political systems.\textsuperscript{32} Hence, the analysis of economic policy remains incomplete if the goals of policymakers are inferred without considering the interaction between the economy and the objectives of both the incumbent party and the electorate.\textsuperscript{33}

This type of analysis focuses on the way in which voters' and politicians' preferences are fulfilled in the political process. Furthermore, while the emphasis is put on the interdependence between the economic and political sectors, the analysis concentrates on a very narrow understanding of the political sector. Accordingly, the competition between the parties is of little importance; the incumbent is at the centre of political action since only it is able to influence the economic sector through its control of instruments of economic policy, especially fiscal and monetary policies. In choosing
Theoretical and Research Parameters

economic policies, the incumbent assumes that there is a negative relationship
between the level of unemployment and inflation. Specifically, it follows that there is,
in the long run, a stable trade-off between unemployment and inflation, but in the short
run the relation shifts because inflationary expectations change. Despite the short-term
fluctuations, voters constantly evaluate unemployment and inflation negatively.
Furthermore, voters hold the government responsible for both unemployment and
inflation.

A vote-maximizing incumbent party will therefore choose a policy within the
voters' set of utility preferences. In fact, failure to do so will cause this party to lose the
next election. Once elected, the party will implement economic policies designed to
counterbalance the long-term negative economic effects of those policies adopted
under the influence of the election period. It will be able to implement those policies
until the beginning of the next election period. In specific terms, the model predicts that
the incumbent party will usually cut back aggregate demand after the election in order
to bring down the rate of inflation by squeezing out inflationary expectations, as well as
to reduce the deficits well before the next election, so that new expansionary actions
can be undertaken again before that next election. Such policy actions are not without
consequences.

Assar Lindbeck (1976) asserted that one can be tempted to suggest that the
most severe difficulties of economic policy may be embedded in the political rather than
Dialogue de sourds

in the economic system and that the main obstacle to a successful stabilization policy is
the government itself. For his part, Bruno Frey (1974) offered a less pessimistic
description of the consequences of politically-induced business cycles. Through a
series of simulation models designed to examine heuristically the interaction between
the political and economic sectors - with special attention given to the disequilibrium
dynamics of the cycles generated - Frey argued that no easy conclusions can be
drawn. For him, the relationship between economic and political stability is unclear.
Sometimes, political instability contributes to economic stability, and sometimes it
strongly accentuates economic instability.

It is beyond the realm of this analysis to examine the theoretical causes,
ramifications, and consequences of those electoral cycles. However, most studies
suggest that the existence of election cycles is contingent upon the extent to which the
following assumptions reflect the actual reality of electoral behaviour:

- First, voters have a restricted time-horizon. They evaluate the
government's performance according to economic conditions of the few
months prior to the election, and do not account for the economic
repercussions brought about by government policy, nor do they pay
attention to the government policies implemented upon taking office.

- Secondly, governments also have a restricted time-horizon. In fact,
election cycles can be seen as the result of government behaviour which
aims at maximizing its vote share in the next election.

- Thirdly, governments actively use the dynamics of economic policy-
making. In fact, it is advantageous to the government to make an
investment at the beginning of an election period by pursuing a restrictive
policy, and thus creating higher unemployment, in order to dampen voters'
Theoretical and Research Parameters

inflationary expectations and to attain a more favourable trade-off between unemployment and inflation at the end of the election period.

Although they are intrinsically linked to the more general economic theories of voting, politico-economic interaction theories are based on their own set of assumptions, and have evolved independently from other economic approaches to politics. Specifically, the study of politico-economic interactions is an empirical extension of the aforementioned theoretical notion that democratic governments attempt to remain in office by pumping up their economies in the period just prior to elections, and making the necessary retrenchments immediately after the campaign, hence the cycle. Moreover, aside from their economic consequences, politico-economic interactions point to a number of specific political implications:

- First, economic conditions affect election outcomes. Otherwise, government would not gain electorally from manipulating the economy. These models frequently assume that a high level of economic activity, whether measured by low unemployment or fast real growth, increases the popularity of government. Consequently, the guiding hypothesis in the research on economics and elections is simple; when economic conditions appear better (worse), a voter is more (less) likely to favour the incumbent.

- Secondly, governments in democracies can and do influence their reelection prospects by altering the state of the economy. The fundamental question surrounding this perspective is basically: "Do governments influence policy outcomes with the aim of achieving short-term electoral benefits?" The production of such a cycle originates with a theory held by politicians and their economic advisers who believe the electorate rewards short-run prosperity and punishes recession.
Thus, the model rests on the idea that the voter's evaluation of government performance, and therefore a government's chance of staying in power, depends substantially on economic conditions, and that the government in turn, seeks to manipulate the economy in order to stay in power and to maximize its own utility. By the same token, it assumes that the government actually has the capacity to manipulate the economy to the extent suggested in the theory.

- Thirdly, within the theoretical parameters of most politico-economic interactions models, voters have little use for party affiliations as they assess the party system through an incumbent-opposition dichotomy.

Politico-economic interactions have an important impact on our understanding of the role of political parties in the electoral process. Economic evaluations are essentially short-term determinants of voting behaviour, and as other short-term determinants, their impact shifts the focus of voters away from socio-structural long-term and stable affiliations with parties towards more immediate and volatile electoral factors.

In short, all models focussing on politico-economic interactions rest on a common set of assumptions:

1. The overriding aim of incumbents is to win elections. In order to win elections, they attempt to maximize votes.
2. Among economic outcomes, electors have preferences that are reflected in their voting behaviour.
3. Governments can manipulate the economy to improve their chances of reelection. They can boost employment, output, and growth to levels not sustainable in the long run by monetary and fiscal stimulation.
The inflationary consequences of these manipulations appear only after politically meaningful lags.

These theoretical assumptions influenced the pioneering empirical works of Kramer (1971), Nordhaus (1975) and Tufte (1978) whose contributions, which will be presented in detail in the next chapter, continue to guide the research on politico-economic interactions. They are also the assumptions within which the present analysis will be conducted.
Notes


Theoretical and Research Parameters


15. Ibid., 39.


17. Angus Campbell et al. *The American Voter*, (Chicago: The University of Chicago Press, 1960). It should be noted that the objective of this study is much broader than politico-economic interactions and, unlike the other studies reviewed in the present analysis, does not aim at isolating an economic argument of vote choice. Accordingly, this author believes that this study, although seminal in the field of voting research, is at the margins of the study of politico-economic interactions.


20. Ibid., 4.

21. Ibid., 312.


27. Ibid., 63.
Dialogue de sourds


31. Ibid., 46.


33. In this context, the theory does not make a distinction between the party in power, the policymakers, and the government.

34. See, for example, Joseph E. Stiglitz, *Economics of the Public Sector*, (New York; W.W. Norton & Company, 1986).


39. Ibid., 247.


Theoretical and Research Parameters


Chapter 3 - Linking Economics and Voting

While we can trace back the origins of the study of political-economic interactions to the 1920s, the analysis conducted by Gerald Kramer (1971) is generally viewed as the seminal study in this field of research. Specifically, Kramer's "Short-Term Fluctuations in U.S. Voting Behaviour, 1896-1964" is recognized as the first attempt to examine systematically this question based on strict theoretical assumptions and within well-defined methodological guidelines. Kramer was to set the terms within which studies on politico-economic interactions will subsequently be conducted. However, Kramer's contribution was more methodological than theoretical. It rested specifically in his applications of econometric principles to the study of political business cycles.

The theoretical implications of this field of study were developed by William Nordhaus (1975) and Edward Tufte (1975). We will discuss the empirical results of these studies in greater detail but, at this point, it is important to understand their theoretical contribution.

Based on the postulates guiding economic theories of voting, Nordhaus hypothesized a political business cycle which would follow this pattern:

Immediately after an election the victor will raise unemployment to some relatively high level in order to combat inflation. As elections approach, the unemployment rate will be lowered until, on election eve, the unemployment rate will be lowered to the purely myopic point.1
Linking Economics and Voting

Edward Tufte spelled out the purpose for such a manipulation. He argued that the existence of an electoral-economic cycle is based on the obvious assumption that incumbent politicians desire re-election and have come to believe that a booming pre-election economy will help achieve it. Consequently, Tufte's research objectives were:

1. to assess the extent to which politicians use governing instruments to influence the policy-making process, with the goal of achieving short-term electoral benefits, and

2. to assess whether, and to what extent, voters behaved as the politicians assumed they would.

His research also investigated empirically the extent to which economic conditions determine government behaviour and electoral outcomes. He sought to answer whether voters' evaluation of government performance, and therefore a government's chance of staying in power, depended upon their assessment of the prevailing economic situation. Moreover, he questioned whether or not evaluations were based on personal economic well-being, or on the state of the economy as a whole.

Such questions have received considerable attention from students of voting behaviour, and yet, no clear consensus has emerged. Much of this controversy has centred upon two clearly-defined issues: how consistently the political business cycle game has been played, and how successfully the public's process of rational learning
will limit the political gain derived from playing the game.\textsuperscript{3} Hence, as discussed in the introductory chapter, while most studies have looked at the controversy from the former rather than from the latter perspective, the controversy is clearly two-sided.

Albeit precise, the questions surrounding politico-economic interactions remain largely unresolved. Furthermore, while there is a growing - but relatively inconclusive (where substantive findings are concerned) - literature on this issue, the hypothesis about the existence of pre-election booms and their direct effects on voting behaviour has remained largely unchallenged by party strategists and political commentators as a central part of electoral strategy and analyses.

In specific terms, the study of politico-economic interactions centres on two broad points. The supply-side component focuses on the efforts of the government to manipulate the economy, while the demand-side component focuses on the response of the electorate to the economic activities of politicians.\textsuperscript{4} Early studies dealt almost exclusively with the supply-side of the question, while the demand-side component has received considerable attention since the early 1980s. This division in approaches mirrors developments in research methodology, and more specifically, in the availability of data. The great tool of quantitative research in the early part of the twentieth century was aggregate data analysis. As was pointed out by Achen and Shiveley (1995), the general tendency was then, to use aggregated data to address questions of individuals' behaviour.\textsuperscript{5} It was not until the decade following the Second World War that survey
Linking Economics and Voting

methodology swept the social sciences. However, it took about 20 to 30 years before the pool of available data became sufficiently large to assert the dominance of survey methods. Consequently, the review of the literature presented in this analysis will be divided along these lines. This chapter will present the relevant works covering the period to the 1980s, while subsequent studies will be reviewed in the next chapter. The Canadian case will receive special attention, and will be treated independently in the fifth and sixth chapters.

I - Initial Efforts

Most early works on politico-economic interactions have been described as "impressionistic", and concentrated mainly on describing general feelings about how people voted when times were bad. Throughout the 1920s and 1930s, most analyses were based on simple correlations and tabulations or compared data series listing the number of votes with ill-specified indexes of well-being or of general business activity. Furthermore, there was little concern with theory - a situation that would not be corrected until Kramer's study.

John Barnhart (1925) was the first scholar to attempt to link economics and vote choice. In his study published in 1925, he compared maps of population, drought, and agricultural conditions in Nebraska between 1880 and 1900 to determine the effect of economic hardship resulting from drought on the decline of the Republican party and the rise of the Populist party. He concluded that while generally weak, the drought
worsened agricultural conditions which in turn negatively impacted on Republican vote support to the benefit of the Populists.\textsuperscript{9} Thus, he argued that the economy had a significant - although not specifically quantified - impact on vote choice.

A few years later, Clark Tibbitts (1931) conducted a cross-sectional analysis of voting in 94 congressional districts in the Northeast in 1882 and 1884 to determine whether the popularity of political parties was related to economic conditions at the time of the election. By using the 1882 and 1884 elections, Tibbitts made an interesting methodological choice. He used the 1882 election as an example of economic prosperity and contrasted it with the 1884 election as an example of economic depression. As indicated previously, the present analysis will follow a similar methodological approach.

Tibbitts found that party voting followed business conditions - operationalized on the basis of the Harvard curve of business activity. For him, the incumbent has a significant advantage in elections occurring during or just after periods of expansion, while elections during a depression will result in loss of votes for the incumbent.\textsuperscript{10}

In a study published in 1940, Gosnell and Coleman investigated the relationship between changes in the Democratic vote and changes in economic conditions - operationalized by a personal income index\textsuperscript{11} - in sixty-five Pennsylvania counties for the period 1928-1936. These scholars concluded, as many other scholars would in subsequent years, that economic fluctuations affect the incumbent president's vote,
Linking Economics and Voting

though the correlations are small and account for only 6% of the variance in voting behaviour.\textsuperscript{12}

Later the same year, W.F. Ogburn and Lolagene Coombs (1940) examined changes in the Roosevelt vote from 1932 to 1936 through the average wage in manufacturing and wholesale trade, and the average value of farm per person employed in farming, weighted by the proportion of the population living on farms and in towns. Ogburn and Coombs found a substantially positive relationship between the economy and changes in Roosevelt's vote in three states, and substantially negative relationships in two states. Accordingly, they concluded there was no apparent relationship between prosperity and the change in Roosevelt's vote.\textsuperscript{13}

W.A. Kerr (1944) looked at the correlations of various economic indices with the Republican presidential vote over the period 1897-1940. In general terms, he found that both the index of per capita realized national income - adjusted by the cost of living - and the cost of living were weakly correlated with the Republican presidential vote, while there was a moderate relationship between the wholesale price index and the Republican presidential vote. Consequently, Kerr concluded that his findings lent only modest support to the hypothetical link between economics and elections.\textsuperscript{14}

The first comparative study of politico-economic interactions was published in 1947. Johan Akerman was puzzled by the apparently close relationship between the cycles of prosperity and depression on the one hand, and the duration of the different
Akerman conducted a four-country analysis covering the period between 1855 and 1945. Specifically, he looked at England (1855-1945), the United States (1865-1945), Germany (1871-1945), and Sweden (1866-1945). The author examined the cyclical relationship between election results and a quarterly index of industrial shares, combining actual industrial profits (based on the degree of utilization of actual production capacity) and anticipation of future profits.

The results of the analysis suggested that all general economic depressions in England, with the exception of the short period of unemployment after the crisis of 1907, led to cabinet crises and a change of the party of power. In the United States, the presidential elections, as a rule, involved a change of party control when the election is held during a depression, and maintenance of the party in office when the votes are cast during periods of prosperity. In Germany, there is a much less pronounced, yet noticeable connection between business cycles and the tenure of chancellorship, while in Sweden, only one third of the cabinet crises caused by majority changes can be accounted for by economic factors. Unfortunately, Akerman failed to offer any theoretical explanations for his observations.

For their part, Pearson and Meyers (1948) argued that the public tends to vote for the continuation of the incumbent administration during prosperous times, and to vote against the incumbent government when both recession and election coincide.
The authors found that, for the period 1828 to 1924, the incumbent party was defeated in 11 of the 13 presidential elections which coincided with a decline or low prices, while it was victorious in 16 of the 18 elections held when prices were rising or high.\textsuperscript{19}

In contrast, Thomas Wilkinson and Hornell Hart (1950) argued that for the period 1844-1948, changes in the index of general business activity was completely uncorrelated with the percent of popular presidential vote for the party in power, and with changes in the House membership of the party in power. The authors concluded that the alleged relationship between prosperity and political victory was not supported by the facts.\textsuperscript{20}

The latter two studies are interesting to the extent that they highlight the nature of subsequent contradictory conclusions on the issue of politico-economic interactions. Both Pearson and Meyers and Wilkinson and Hart examined a comparable period of time and looked at presidential support in the U.S., only to arrive at different results. The divergent conclusions can be explained, at least partly, by the methodological choices of the authors. While Pearson and Meyers operationalized the economic component of the analysis as variations in prices, Wilkinson and Hart chose to operationalize the economic component through an index of general business activity. Measurement issues such as these continue to blur our understanding of politico-economic interactions.
Dialogue de sourds

For their part, Rees, Kaufman, Eldersveld and Freidel (1962) assessed the relationship between Republican congressional vote share and changes in economic indicators for the period 1946 to 1958. The authors found some modest association between unemployment and congressional vote.21

Up to that point, studies were published in an ad hoc and sporadic manner, and they generally failed to generate any clear directions or conclusions. This situation changed in the early 1970s with the publication of a series of studies - with Kramer's at the forefront. While their results were often contradictory, these analyses nevertheless established the study of politico-economic interactions as a legitimate research field.

The first analysis in this series actually predated Kramer's, and was published by two British scholars. Specifically, this British study was published a year prior to "Short-Term Fluctuations in U.S. Voting Behaviour, 1896-1964", but for unclear reasons failed to generate substantial attention. In their analysis, Goodhart and Bhansali (1970) sought to examine, with the aid of statistical techniques, the factors causing movements in the recorded observations in the polls of the popularity of the political parties and the party leaders in Great Britain, for the period 1947-1968.22 The basic question asked was to what extent swings in political popularity are affected by economic circumstances.23 Using survey data from the National Opinion Poll and The Gallup Organization, these authors found a statistically significant and strong correlation between unemployment rates, inflation rates and fluctuations in support for the
Linking Economics and Voting

incumbent British government. According to Goodhart and Bhansali, the fit between those variables was not as good for the early post-war years, when political popularity was apparently less sensitive to domestic economic conditions. However, for the years after 1959, their basic equation succeeded in achieving a remarkably good fit.\textsuperscript{24}

For Goodhart and Bhansali, their statistical tests suggested that a political party in Great Britain, seeking to maximize its electoral support at any given moment, would, when in power, choose a position on the Phillips curve (showing economically feasible combinations of unemployment and inflation) that would result in a fairly low rate of unemployment, but a fairly high rate of inflation. Once people came to expect this rate of inflation, the Phillips curve would shift outwards. Implicit in this assertion is the possibility that there could be a danger of political pressure in the system leading to a situation of steadily increasing inflation combined with a growing dislike by the public for the economic conditions which could be obtained.\textsuperscript{25}

This study is important, and its neglect in the literature led to theoretical shortcomings in the subsequent development of this field of research. Specifically, unlike all previous and several subsequent analyses, the authors' conclusions are presented with a view to identifying the possible repercussions of utility-maximizing governments. Unlike the Akerman study for instance, their findings are clearly set within the larger theoretical context of politico-economic interactions, and they point to both the policy and political implications of the existence of political business cycles.
Dialogue de sourds

According to Goodhart and Bhansali, suboptimal economic performance could, in the long-run, potentially lead to public discontent, and to an erosion in the government’s ability to control the economy. It is this author’s assertion that those repercussions have yet to be fully understood.

Beyond these initial attempts at quantifying the impact of the economy on vote choice, we have seen that it is Kramer’s analysis (1971) of the results of Congressional elections in the United States for the period between 1896 and 1964 which is considered the first systematic attempt at quantifying the vote function, and bears directly on the substantive question of the relationship between economic conditions and U.S. national elections. Kramer explicitly sought to distance his analysis from previous ones by pointing out the weaknesses of preceding theoretical frameworks, and their lack of methodological rigour. Consequently, he designed his study with direct theoretical reference to Anthony Downs' rational voter model, and conducted his analysis with scrupulous attention to econometric principles.

One basic finding that emerged from Kramer’s study was that election outcomes are substantially responsive to objective changes occurring under the incumbent party; they are not "irrational", or random, or solely the product of past loyalties and habits, or of campaign rhetoric and merchandising.

Accordingly, economic fluctuations are important influences on congressional elections with periods of economic growth helping the congressional candidates of the
Linking Economics and Voting

incumbent party, and periods of economic decline benefiting the opposition. However, Kramer asserted that presidential elections were substantially less responsive to economic conditions.\textsuperscript{28}

The most important contribution made by Gerald Kramer was to set the framework within which the link between economics and voting was to be studied. Following Kramer's lead, most subsequent studies have concentrated on a few interrelated hypotheses. Accordingly, it is assumed that voting response to economic concerns is:

(1) incumbency-oriented, therefore, party affiliations are understood as having little behavioural consequence; and

(2) based upon the results of economic policies, and not upon the actual policies themselves.

Kramer's results were severely criticized by Stigler (1973).\textsuperscript{29} His critique aimed at demonstrating the inherent volatility of Kramer's results. In modifying marginally the period under study, Stigler reached substantially different conclusions. He further suggested that the voter was not evaluating the incumbent's economic performance in absolute terms, as suggested by Kramer, but rather in retrospective terms. Moreover, Stigler pointed to the relatively low coefficients of determination as further evidence of the weakness of Kramer's arguments. For Stigler, both the Republican and the Democratic parties have become twins in terms of economic policy since the "New
Dialogue de sourds

Deal." He argued that political and partisan cleavages would likely reveal more about the American voting behaviour than economic considerations.

Arthur Okun (1973) directly challenged Stigler's assertions, especially with regard to alleged diminished importance of economics in American voting behaviour. Okun supported Kramer's thesis which he perceived as:

A simple satisfying model of behaviour in the Herbert Simon tradition. People stick with the status quo if it satisfies them, disregarding the possibility that they could do better by changing, on the other hand, they tend to make changes when they are dissatisfied even if the existing situation is the least of all evils.

While Stigler was attacking Kramer's findings, Bruno S. Frey and Hermann Garbers (1971) were disputing the results of Goodhart and Bhansali. For Frey and Garbers, the latter neglected to take into account the existence of simultaneous reactions between the effect of economic conditions on popularity and the effects of government actions on the economy due to changes in popularity. Hence, Frey and Garbers sought to demonstrate that unlike Goodhart and Bhansali's assertions, economic variables (unemployment rate, growth rate of prices, and real growth of income) did not have any permanent effect on the popularity lead of the government in Britain for the period 1947-68. These authors argued that the existence of a correlation between unemployment and popularity does not indicate which variable causes the other. They concluded that economic conditions did affect political popularity, only together with other factors in the form of unconnected random shocks.
Linking Economics and Voting

As a direct response to the Goodhart and Bhansali study and the subsequent argument put forth by Frey and Garbers, Miller and Mackie (1973) re-examined the theory of economic influences on British government popularity. The aim of their study was to update Goodhart and Bhansali's work. They concentrated on measures of unemployment, job vacancies, wage and price inflation, the balance of trade, bank rate, and the rate of house building as economic variables. Using Gallup data, government popularity was operationalized in four different ways:

1) the absolute support for the government
2) the absolute support for the opposition
3) the government lead over the main opposition party (as used by Goodhart and Bhansali)
4) the support for the two-party system

The results of Miller and Mackie's analysis were in general accordance with those of Goodhart and Bhansali in that they showed unemployment to be the best predictor of the government lead, but not of the opposition's share. These results indicated that a basic asymmetry between government and opposition shares of voting intentions in public opinion polls. It should be noted that the existence of the asymmetrical relationship is generally thought to have been first proposed by Miller and Mackie, while in fact, it was previously suggested by Pearson and Meyers in 1948.

Miller and Mackie also pointed out the shortcomings of the methodological approaches used in studying the impact of economics on voting up to that point. For them, the next methodological step was to distinguish socio-economic reality as
understood by statisticians from the elector's perceptions of the state of the economy. Aggregate-level economic indicators only give a partial reflection of the economy. For them, it was only through the operationalization of economic variables at the individual level that it becomes possible to understand the link between economic conditions, as felt by individual voters, and their vote choice. This approach to studying economic voting was not fully developed until the mid-1980s.

Three lesser known studies also made interesting contributions to the debate. The first two analyses - the Averch et al. study and the analysis conducted by Yoram Ben-Porath - are interesting mainly because they examined politico-economic interactions outside of the American context, and in so doing, explored the generalizability of the then emerging arguments in the American literature on this topic. For her part, Susan Lepper sought to include non-economic variables as a way to compare economic and non-economic influences on government support.

Harvey A. Averch, John E. Koehler, and Frank H. Deuton (1973) examined the link between economic conditions and the election cycle in the Philippines for the period 1957 to 1966. They concluded that the Filipino economy moved with the electoral cycle during that period. Accordingly, the reported rate of growth of real GNP alternately rose and fell in a two-year cycle. For them, the instability in the growth of the GNP is the direct result of Filipino policymakers whose policy interventions created such cycles. The Averch et al. study is important to the extent that, unlike previous studies, it looked
at the relationship between economics and elections in cyclical terms, and concentrated on deliberate political manipulation of the economy. James Stimson elaborated on the cyclical dimension of political-economic interactions, while the manipulation dimension of the issue will later reappear in the 1978 study by Tufte.

Furthermore, Yoram Ben-Porath (1975) looked at the relationship between the timing of parliamentary elections in Israel and the rate of annual growth in per capita consumption and the average annual increase in per capita GNP for the period between 1952 and 1973. For him, there is a relationship between those variables, with the cyclical fluctuations in the rate of annual growth in per capita consumption and the average annual increase in per capita GNP designed to generate a feeling of well being before elections.

Susan J. Lepper (1974) sought to extend Kramer's work. Lepper examined the relationship between real income, inflation, unemployment, and voting statistics for the period 1926 and 1966, but also included social and political variables. She showed that the relationship between economic indicators and the vote is not statistically significant. Furthermore, she suggested that social indicators such as contemporary urbanization, income, or regional susceptibility to cyclical unemployment, as well as the long-term political dynamics of party identification are better predictors of voting behaviour.
The controversy surrounding the impact of economic conditions on voting behaviour deepened with the publication of a study by Edward Tufte (1975) supporting Kramer's assertions. The analysis examined the Presidential party's vote loss during Congressional off-year elections for the period 1938-1970. Tufte suggested that the Presidential party will likely suffer lesser Congressional off-year elections vote loss if, at the time of the election, the President's popularity is high and the economy is growing.45

As a way to both broaden the discussion and provide some insights into what was becoming a contentious research issue, the next methodological step was to test further the generalizability of the results in comparative terms. Consequently, William D. Nordhaus, in The Political Business Cycle (1975), examined the evidence of politico-economic interactions in nine countries; Australia, Canada, France, Germany, Japan, New Zealand, Sweden, United Kingdom and the United States. He found that, for the period from 1947 to 1972:46

(1) a political business cycle seems implausible as a description for Australia, Canada, Japan and the United Kingdom:

(2) some modest indications appear for France and Sweden:

(3) for three countries - Germany, New Zealand and the United States - the coincidence of business and political cycles is very marked.

Nordhaus concentrated on one specific dimension of politico-economic interactions. He focused on the government's attempts to manipulate the economy for electoral benefits, while disregarding, or more specifically treating as constant, voters'
reactions to these manipulations. In this sense, Nordhaus' study was built around assumptions similar to the Averch et al. study.

Nordhaus was interested in finding out the extent to which government manipulates, or is able to manipulate, unemployment and inflation levels as an attempt to reap the assumed electoral benefits associated with low unemployment. Hence, the Nordhaus model constitutes a clear example of the tack followed by scholars in the earlier studies of economic voting, and stands in sharp contrast with the approach that will be followed in the present analysis. In those earlier studies, as suggested by Miller and Mackie, no effort was made to incorporate voters' perceptions and attitudes towards the economy. The models were biased towards the government side of the equation, and assumed that voters reacted to the incumbent's economic manoeuvres. Even Goodhart and Bhansali's, as well as Mackie and Miller's usage of individual-level data, failed to go beyond the general assessment of government performance since these data were restricted to the dependent side of the equation.

Nevertheless, the Nordhaus model made an important contribution by broadening the debate, and providing further evidence of the existence of a politico-economic interaction in at least three Western democracies. Nordhaus also touched upon some of the issues previously raised by Goodhart and Bhansali. He addressed the important questions related to the policy impact of the political business cycle. For him, two general conclusions could be drawn:
economic interaction in at least three Western democracies. Nordhaus also touched upon some of the issues previously raised by Goodhart and Bhansali. He addressed the important questions related to the policy impact of the political business cycle. For him, two general conclusions could be drawn:

(1) under conditions where voting is an appropriate mechanism for social choice, democratic systems will choose a policy on the long-run trade-off (between unemployment and inflation) that has lower unemployment and higher inflation than optimal: and

(2) right after an election, the victor will raise unemployment to some relatively high level in order to combat inflation. As elections approach, the unemployment rate will be lowered.

Nordhaus' assumption concerning the unemployment-inflation trade-off was disputed by Bruno S. Frey and Hans-Jurgen Ramser (1976). Their research note intended to show that Nordhaus' results were not an attribute of a democratic government as such, but rather depended upon a set of assumptions regarding economic conditions. For them, their models show results similar to those of Nordhaus, but with a higher unemployment rate and lower inflation than was suggested by Nordhaus. Nevertheless, William Nordhaus was concerned that by creating a political business cycle, governments were generating permanent sub-optimal economic conditions. Following his study, other analyses confirmed the contribution of economic variables as a determinant of electoral behaviour, albeit with varying magnitude and impact.
Linking Economics and Voting

contention. The first concerns the question of measurement. It is clear that voting behaviour and party popularity in-between election periods are different. When a person responds to a poll question that asks who they intend to vote for, when they do not have to vote until some future date, their answer may in fact be a response to an entirely different set of issues and concerns than vote choice. Another dimension of the problem of measurement focuses on whether voters and government react to actual rates of economic variables at time t, or to changes in rates from time t (t-1 or t-x).

The second area of methodological controversy focuses on model specification. One aspect of this debate concerns what econometricians call the "omitted variable" problem. Variables affecting political support often are intercorrelated, and statistical estimates of the impact of one set of variables are bound to be misleading if the model being analysed does not contain other influential variables as well. However, to overcome the problem of model specification in the study of politico-economic interactions, scholars tend to include non-economic variables and in doing so, obfuscate the understanding of the specific impact of economic factors on vote choice. The first example of this approach is Susan Lepper's work outlined above. It is important to reiterate that the present study will concentrate solely on the economic dimension of vote decision in a deliberate attempt to avoid further blurring the issue by mixing economic and non-economic variables in a model that purports to be economic in focus.
A third concern in specifying models is the question of lagged effects. The diffusion of economic information acquired through sources such as the mass media, the market and interpersonal communication networks is not instantaneous and, once acquired, such information is perishable. It may be replaced by additional incoming information, discounted, or simply forgotten. However, the duration of the dissemination of this information is unclear. Thus, although the existence of lagged effects is a reasonable assumption, measuring the length of such lags is both debatable and subjective. It is this author’s opinion that little is gained in trying to increase marginally the explained variance through data manipulation, to the detriment of the implications of the findings. Although methodologically stimulating, the fact that relatively few studies have found strong links between economics and vote choice should have sparked a debate over the unwarranted prominence of economic factors in the electoral discourse. As suggested by Tufte:

The hypothesis of an electoral-economic cycle is integrated in the folklore of capitalist democracies: political motives are regularly attributed to economic policies in election years... [but] as is often the case with folklore and with economic theory, however, little empirical evidence bearing on the question is available.49

Hence, the important research question should centre upon the roots and consequences of the asymmetrical relationship between the prominence given to the economy in the electoral discourse and the actual importance of economic
Linking Economics and Voting

considerations as determinants of voting behaviour. However, as we will see, the literature on economic voting took a different turn.

The methodological debate raged on in 1975 with the publication of three studies in the same issue of the American Political Science Review. Arcelus and Meltzer broadened Kramer's methodological framework in focusing on the calculus of voting which dictates political participation. For them, economic factors are weak determinants of voting behaviour in the U.S., with the exception of inflation which has a statistically significant, but weak, impact on support for the Democrats when they form the government. Moreover, economic factors have a weak impact on determining whether people vote or abstain on election day.50

The Arcelus-Meltzer model was severely criticized by both Bloom and Price and Goodman and Kramer. The crux of the criticism centred upon the methodological choices made by the authors.

Without going into the details of the methodological argument put forth by both Bloom and Price and Goodman and Kramer - and thus engaging in the type of debate this review purports to decry - it was generally argued that Arcelus and Meltzer erred in substituting for the real disposable income variable, generally used in previous studies, the hourly wage rate of non-agricultural sector employees. Furthermore, the number of dependent variables (11) in relation to the number of observations (37) was bound to lead to a weakening of the central relationship.
Dialogue de sourds

This debate is indicative of the focus of political business cycle studies at this stage. Although important, methodological concerns should not have been taking precedence over the need to isolate the importance, or lack thereof, of economic concerns in the democratic process. In this sense, the Arcelus-Meltzer model constituted merely an interesting methodological exercise, which contributed very little to the understanding of economic voting. Even the casual observer could see that the hourly wage rate of non-agricultural sector employees is a poor indicator of national disposable income or aggregate economic conditions, since it ignores the agricultural sector and non-workers. It appears that in many studies, the choice of variables seemed to be determined by an attempt to isolate a statistically significant relationship, with little regard for the theoretical and practical relevance of those variables. Unfortunately, as we shall see further below, several authors would eventually decide to engage in similar methodological exercises.

Answering Arcelus and Meltzer, Goodman and Kramer reproduced their analysis, while redressing what they saw as methodological errors, and found a statistically significant but moderate relationship between economic variables and vote choice.  

For their part, Bloom and Price aimed at isolating an asymmetrical relationship between economic variables and electoral results. For them, in bad times, the economy becomes a salient issue, whereas in good times, it diminishes in importance relative to
other determinants of voter behaviour. Incidentally, the present analysis will be based on a similar assumption.

The Bloom-Price model showed that during a recession, it is the economy that is the most important factor in influencing voter decision, while during an economic boom, party identification is the most important determinant. This analysis was seen as marking a departure in the approach to studying economic voting, but in fact, Bloom and Price expanded on the long-forgotten ideas introduced by Pearson and Meyers in the late 1940s.

The methodological controversy continued with Bruno Frey and Hans-Jürgen Ramser (1976) queries about Nordhaus' conceptualization of politico-economic interactions. Although these authors did not empirically challenge Nordhaus' findings, they questioned what they called Nordhaus' "fundamental long-run result" for democratic governments. For them, Nordhaus' results follow from his specific choice of the government's objective function - that democratic systems will choose a policy on the long-run trade-off that has lower unemployment and higher inflation than optimal. Through a series of equations, the details of which are beyond the focus of this study, Frey and Ramser argued that, in fact, the opposite approach may be followed by governments in democracies. Accordingly, a purely myopic policy may not be a general characteristic of democratic governments. Unfortunately, Frey and Ramser did not attempt to quantify their assumptions.
James Stimson (1976) adopted a novel approach to examine the issue and his greatest contribution lies in his insightful description of the long-term dynamics of political-economic interactions. For Stimson, the approval rating accorded to Presidents by the American public, between 1948 and 1972, is found to follow a cyclical pattern over time. All Presidents begin their terms with great popularity, experience declines, steadily lose popular support for about three years, and then recover some at the ends of their terms.

These distinctive cycles, it is argued, reflect regular expectation/disillusionment cycles among the less well-informed segments of the public, and are tied to the four-year election calendar. For Stimson, the level of approval may be almost wholly independent of the President's behaviour in office, a function largely of inevitable forces associated with time. Furthermore, the cycle will occur regardless of fluctuations in economic conditions.

Stimson argued that most of what we know about public response to Presidents and presidential candidates is from the beginning and the end of the four-year election cycles, from citizen attitudes and behaviour slightly before, during, and slightly after presidential election periods. But a number of the findings of the mass of election studies can be extrapolated into the presidential term to aid in the explanation of approval cycles. Among the most important of these extrapolations is a series of related assertions pertaining to the lack of political involvement of a large number of potential
Linking Economics and Voting

voters, and the lack of personal salience and relevance of the world of politics and policy. Thirdly, voters lack interest, information, and stable partisan preferences. Their attitudes toward the political world are related, if at all, only very loosely. They vote, if at all, for the man, not the party, and having done so, abdicate policy leadership to government.

Lack of information about and interest in public policy does not prevent the ill-informed individual from evaluating the result of vote choice. No measurable attention to public affairs is required to know whether the economy is good or bad. Similarly, to understand promised results requires no attention to policy debates. The common thread of the campaign pledge is the utter simplicity that permits mass appeal. 56

For Stimson, this juxtaposition of mass expectations of results with mass inattention to policy bodes ill for new Presidents. It gives them popular mandates to achieve their promised ends (the result of public policy), but no commitment to the means (the policy itself). If the public as a whole is naive - and presidential candidates sometime seem to make a generous contribution to that state of affairs - about what can be achieved by Presidents and governments, the noninvolved are likely to be more so.

All these factors contribute to produce unrealistic early expectations and ensure the inevitability of later disillusionment. Because the public, and particularly its ill-informed segments, expects more than can possibly be achieved under the best of
circumstances, it is always prone to great disappointment over what is actually achieved by Presidents acting under less than ideal conditions. Early naive expectations lead to later cynicism.

Those more sophisticated elements of the electorate who listen more to proposed policies than to hoped-for results are less likely to turn against an incumbent President, because Presidents usually keep their promises about the policies they will pursue. If the policies do not work as well as advertised, the more sophisticated supporter may be disappointed, but will not likely feel lied to or betrayed. Not so for those who lack interest in or commitment to politics.

The President, in this theory, is largely a passive observer of his sliding popularity. Its causes lie more in the misperceptions of the electorate than in the President's actions. The economy has a role in contextualizing the decrease in presidential popularity, but the decline and subsequent increase would occur no matter what the President did. Hence, Stimson claimed that in the long-run (i.e. a four-year term) the American presidents' popularity was not determined by the state of the economy but rather simply followed regular cycles over time.\(^57\) Despite its appeal, the cyclical dimension of Presidential popularity as it pertains to political-economic interactions has not been developed in subsequent studies. Furthermore, this cyclical dimension of popularity is an American interpretation, and its relevance to other countries remains largely unexplored, even though there seems to be no evidence that
Linking Economics and Voting

this problem exists only in the United States.

An influential study was published by Fair (1978) which looked at U.S. presidential elections between 1916 and 1976. In his model, Fair divided the electorate into segments. Accordingly, there was a stable partisan segment, another segment which was historically favourable to the Democratic Party, a segment which always tended to support the incumbent, as well as a voting segment which was responsive to economic factors.

Among those voters who respond to economic conditions, an increase of 1% in real national income was translated into slightly more than one percentage point increase in support for the incumbent Democratic candidate. However, Fair argued that real income appeared to have a lesser impact on vote choice than previously argued.56

If the analysis by Gerald Kramer is generally considered as the seminal work in the study of economic voting, Edward Tufte’s Political Control of the Economy (1978) is probably the best known. To a large extent, Tufte’s study is well known because of the broad scope of its research design, the simplicity and clarity of his statistical methods, as well as the prescriptive dimension of the author’s approach. Tufte sought to show how certain political variables determine macroeconomic outcomes in a systematic and predictable way. In particular, he provided evidence demonstrating the role of elections and political parties in deciding who gets what, when, and how in the economic arena.59

The study can be divided in three distinct, but related components.
Dialogue de sourds

Tufte's first concern was to show that electoral-cycles actually do exist. For him, if an incumbent government seeks a pre-election economic stimulation, it seems likely that the economic policy instruments involved must be easy to start up quickly and must yield clear and immediate economic benefits to a large number of voters - or at least to some specific large groups of voters if the benefits are targeted as well as timed. The incumbent government would likely use increased transfer payments, tax cuts, and postponements in tax increases - all of which have a widespread impact and can be legislated and implemented quickly - to achieve its objectives. Accordingly, the yearly acceleration-deceleration in real disposable income per capita was compared with the timing of elections in 27 democracies - Australia, Austria, Belgium, Canada, Chile, Costa Rica, Denmark, Finland, France, Germany, Iceland, India, Ireland, Israel, Italy, Jamaica, Japan, Luxembourg, Netherlands, New Zealand, Norway, Philippines, Sweden, Switzerland, United Kingdom, United States, and Uruguay - for the period 1961-1972. Evidence of an electoral-economic cycle was found in 19 of the 27 countries - all except Austria, Denmark, Germany, Iceland, Italy, Netherlands, Philippines, and Uruguay.

Secondly, Tufte investigated the link between economics and national elections from 1946 to 1976, in U.S. presidential as well as on-year and midterm congressional elections, and tested whether short-run changes in economic conditions affected the aggregate electoral support won by the candidates of the incumbent party. According
tions of the vote cast in midterm congressional elections is a referendum on the performance of the president and his administration's management of the economy; (2) an election-year change of 1.0 percent in real disposable income has typically produced a change of 1.1 percent in the national vote for congressional candidates of the incumbent party; and (3) a 1.0 percent improvement in real disposable income per capita benefits the incumbent presidential candidate by 1.3 percent of the national vote.63 Thus, Tufte suggested that short-run changes in real disposable income per capita have had a strong effect on the fortunes of the presidential party in midterm congressional elections, on-year congressional elections, and presidential elections since 1948. The effect is a strong and persistent one. statistically secure and politically significant.64

Thirdly, Tufte expanded the scope of the study of economic voting by examining the attitudinal dimension of the link between economics and vote choice. He concentrated on retrospective evaluations of personal and household incomes and examined the relationship between how people saw their financial affairs and their vote for president in 1968, 1972, and 1976. He operationalized the variables in the following ways.65

- 1968 and 1972 presidential elections

"Would you say that you and your family are better off or worse off financially than you were a year ago?"
Dialogue de sourds

- 1976 presidential election

"Compared to a year ago, would you say that your family is financially better off today, about the same, worse off today, or not sure?"

The discrepancy between the 1968, 1972, and 1976 operationalization of the variable was the result of the lack of consistent data rather than a choice by the author.

In 1968, as the candidate of the out-party, Nixon won his greatest support from those who saw their personal financial conditions in decline. In 1972, however, as the incumbent, he ran worst among voters who saw their personal financial conditions in decline: same candidate, same party, but different incumbency status. In 1976, those who felt they had become better off were more likely to support the candidate of the incumbent party (Ford), while those who felt they had become worse off favoured the challenger (Carter). Accordingly, Tufte showed that a statistically significant and strong relationship existed between evaluations of personal and household financial conditions and presidential vote choice in 1968, 1972, 1976. As we will see, Tufte's study will have an important influence on subsequent analyses relying on independent economic variables measured with individual-level data.

In their review article published in 1988, Frey and Schneider presented the results of three studies not readily available to North American academics. Kirchgässner (1976) examined the link between economic conditions and vote choice in West Germany for the period 1951 to 1976. Kirchgässner found a statistically significant and strong link between economics and elections for that period, in West Germany.
Linking Economics and Voting

Schneider (1978) looked at the same issue for presidential vote in the United States for the period 1961 to 1976 and corroborated previous studies by suggesting that a statistically significant and strong link can be isolated between economic conditions and presidential vote in the United States for this period.\textsuperscript{68} Furthermore, Jonung and Wadensjoe (1979) argued that a statistically significant and strong relationship existed between economic conditions and support for the incumbent party in Sweden for the period 1967-1979.\textsuperscript{69}

Henrik J. Madsen (1980) studied the link between economic conditions and electoral behaviour in Denmark, Norway, and Sweden. Madsen concentrated on five key economic indicators:\textsuperscript{70}

- % increase in real GDP per capita;
- level of unemployment;
- net change in level of unemployment;
- inflation; and
- % increase in tax revenue.

He looked at fluctuations in popular vote and economic conditions, as defined by the previous variables. Madsen concluded that for the period 1920-1975, the Swedish electorate responded strongly to changing economic conditions. In contrast, the Danish and the Norwegian electorates, the latter in particular, showed little or no systematic
response to change in economic conditions as measured by the aforementioned indicators.\textsuperscript{71}

Frey and Schneider (1980) looked at the link between economics and politics in the U.S. and Germany for the period 1950-1977. The hypothesis they put forth suggested that the electorate grows accustomed to the past level of economic variables, and evaluates the government's performance relative to this benchmark. They concluded that macro-economic variables describing the general state of the economy exerted a strong and systematic influence upon popularity in both countries and all time periods dealt with in their analysis.\textsuperscript{72}

Paul Whiteley (1980) examined the situation in Great Britain for the period 1900-1974. Whiteley is a strong critic of the emerging traditional approach to quantifying the link between economics and elections. For him, the existing studies examined the issue from a very narrow perspective, and alternative explanations of the relationship between economic and political variables were needed. For Whiteley, the studies which have investigated the relationship between economic conditions and voting behaviour had serious statistical deficiencies, mainly the lack of consideration for the impact of auto-correlation on results. Once those deficiencies were corrected, there seemed to be no regular political cycles in public opinion in Great Britain that had any substantive interpretation.\textsuperscript{73}
Linking Economics and Voting

While Whiteley was looking at Great Britain, Jean-Jacques Rosa (1980) and Takashi Inoguchi (1980) shed light upon the relationship between economics and elections in two countries that had not been studied thoroughly at that point - France and Japan. In France, Rosa found that for the period between 1920-1973, the rate of inflation, per capita income, and the level of unemployment were significantly, and positively related to the percentage of votes given to left-wing parties. Furthermore, per capita income was significantly and negatively related to the percentage of left-wing votes.\(^74\) Rosa concluded that the evidence for France seemed to indicate an even closer link between economic conditions and the orientation of voters than is true of the United States.\(^75\) In Japan, Inoguchi suggested that for the period 1960-76, economic conditions significantly affected mass political support for the incumbent party. In fact, Inoguchi argued that one-party dominance and weak party identification, as found in Japan, seemed to make economic conditions more salient than otherwise.\(^76\) A few more studies were published around the same period. Michael Lewis-Beck (1980) isolated a statistically significant and strong relationship between economic conditions and support for the President in France for the period between 1960-1978.\(^77\) Similarly, Schneider and Pommerehne (1980) found identical results for Australia between 1960 and 1977.\(^78\) Christopher Pissarides (1980) found a statistically significant and moderate relations between economic conditions and support for the Prime Minister in Great Britain for the period between 1955 and 1977.\(^79\) By the end of the 1970s and the
beginning of the 1980s, the study of politico-economic interactions had become an established field of study. More importantly, it stood at the brink of a period of expansion, both in the number of analysis as well as in terms of the level of analytical sophistication of the studies.
Linking Economics and Voting

III - Review of the Evidence - 1925-1980

A total of thirty-seven empirical studies (37) on political-economic interactions were published between 1925 and 1980. A total of seventy-seven analyses of countries (77) were conducted, with the United States being the country which was studied most often (24). In fifty-seven (57) of the seventy-seven analyses (74%), the authors found a statistically significant relationship between economic conditions and voting. Slightly more than seven-in-ten statistically significant relationships (72% - 41 studies), but 53% of all analyses (41 out of 77), were strongly associated. Some 18% (10 analyses) of those statistically significant relationships were weak, while a further 10% (6 studies) were moderate. In chapter six, the literature on politico-economic interactions within the Canadian context will be reviewed. Nevertheless, it is important to note at this point that during the period between 1925 and 1980, Canadian politico-economic interactions were analysed twice in comparative terms. In both instances, the supply-side of the interactions was studied - with different economic variables. At that point in time, there was no consensus about the existence - or lack thereof - of a link between economic conditions and vote choice in Canada, since Nordhaus suggested that there was no evidence of the existence of such a link in Canada, while Tufte found the exact opposite.
Table 3.1 - Review of the Evidence (1925-1980)\textsuperscript{32}

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Period</th>
<th>Type of Data</th>
<th>Country</th>
<th>Conclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnhart (1925)</td>
<td>1880-1900</td>
<td>aggregate</td>
<td>USA</td>
<td>significant but weak</td>
</tr>
<tr>
<td>Tibbitts (1931)</td>
<td>1882-1884</td>
<td>aggregate</td>
<td>USA</td>
<td>significant and moderate</td>
</tr>
<tr>
<td>Gosnell and Coleman (1940)</td>
<td>1928-1936</td>
<td>aggregate</td>
<td>USA</td>
<td>significant but weak</td>
</tr>
<tr>
<td>Ogburn and Coombs (1940)</td>
<td>1932-1936</td>
<td>aggregate</td>
<td>USA</td>
<td>no evidence</td>
</tr>
<tr>
<td>Kerr (1944)</td>
<td>1897-1940</td>
<td>aggregate</td>
<td>USA</td>
<td>significant but weak</td>
</tr>
<tr>
<td>Akerman (1947)</td>
<td>1855-1945</td>
<td>aggregate</td>
<td>four</td>
<td>significant but weak</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>countries</td>
<td>Germany</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>significant</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>and strong</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>UK</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>USA</td>
</tr>
<tr>
<td>Pearson and Meyers (1948)</td>
<td>1828-1924</td>
<td>aggregate</td>
<td>USA</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Wilkinson and Hart (1950)</td>
<td>1844-1948</td>
<td>aggregate</td>
<td>USA</td>
<td>no evidence</td>
</tr>
<tr>
<td>Rees et al. (1962)</td>
<td>1946-1958</td>
<td>aggregate</td>
<td>USA</td>
<td>significant and moderate</td>
</tr>
<tr>
<td>Goodhart and Bhansali (1970)</td>
<td>1947-1968</td>
<td>aggregate</td>
<td>UK</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Kramer (1971)</td>
<td>1896-1964</td>
<td>aggregate</td>
<td>USA</td>
<td>significant and strong</td>
</tr>
</tbody>
</table>
## Linking Economics and Voting

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Period</th>
<th>Type of Data</th>
<th>Country</th>
<th>Conclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frey and Garbers (1971)</td>
<td>1947-1968</td>
<td>aggregate</td>
<td>UK</td>
<td>no evidence</td>
</tr>
<tr>
<td>Stigler (1973)</td>
<td>1896-1964</td>
<td>aggregate</td>
<td>USA</td>
<td>significant but weak</td>
</tr>
<tr>
<td>Okun (1973)</td>
<td>1896-1964</td>
<td>aggregate</td>
<td>USA</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Miller and Mackie (1973)</td>
<td>1947-1972</td>
<td>aggregate</td>
<td>UK</td>
<td>significant and moderate</td>
</tr>
<tr>
<td>Averch et al. (1973)</td>
<td>1957-1966</td>
<td>aggregate</td>
<td>Phil.</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Lepper (1974)</td>
<td>1926-1966</td>
<td>aggregate</td>
<td>USA</td>
<td>no evidence</td>
</tr>
<tr>
<td>Ben-Porath (1975)</td>
<td>1952-1973</td>
<td>aggregate</td>
<td>Israel</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Tufte (1975)</td>
<td>1938-1970</td>
<td>aggregate</td>
<td>USA</td>
<td>significant but weak</td>
</tr>
<tr>
<td>Nordhaus (1975)</td>
<td>1947-1972</td>
<td>aggregate</td>
<td>nine countries</td>
<td>no evidence Australia Canada Japan - UK significant but weak France Sweden significant and strong Germany NZ - USA</td>
</tr>
<tr>
<td>Arcelus and Meltzer (1975)</td>
<td>1896-1970</td>
<td>aggregate</td>
<td>USA</td>
<td>significant but weak</td>
</tr>
<tr>
<td>Author(s)</td>
<td>Period</td>
<td>Type of Data</td>
<td>Country</td>
<td>Conclusions</td>
</tr>
<tr>
<td>------------------------</td>
<td>--------------</td>
<td>--------------</td>
<td>-------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Goodman and Kramer (1975)</td>
<td>1896-1970</td>
<td>aggregate</td>
<td>USA</td>
<td>significant and moderate</td>
</tr>
<tr>
<td>Bloom and Price (1975)</td>
<td>1896-1970</td>
<td>aggregate</td>
<td>USA</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Stimson (1976)</td>
<td>1948-1972</td>
<td>aggregate</td>
<td>USA</td>
<td>no evidence</td>
</tr>
<tr>
<td>Fair (1978)</td>
<td>1916-1976</td>
<td>aggregate</td>
<td>USA</td>
<td>significant and moderate</td>
</tr>
<tr>
<td>Kirchgässner (1976)</td>
<td>1951-1976</td>
<td>aggregate</td>
<td>Germany</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Tufte (1978)</td>
<td>1961-1972</td>
<td>aggregate</td>
<td>27 countries</td>
<td>no evidence</td>
</tr>
</tbody>
</table>

- Austria
- Denmark
- Germany
- Iceland
- Netherlands
- Philippines
- Uruguay
- significant and strong
- Australia
- Belgium
- Canada/Chile
- Costa Rica
- Finland
- France/India
- Ireland
- Israel
- Jamaica
- Japan
- Luxembourg
- NZ - UK -
- USA/Norway
- Sweden
- Switzerland
## Linking Economics and Voting

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Period</th>
<th>Type of Data</th>
<th>Country</th>
<th>Conclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tufte (1978)</td>
<td>1946-1976</td>
<td>aggregate</td>
<td>USA</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Tufte (1978)</td>
<td>1968-1976</td>
<td>individual</td>
<td>USA</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Schneider (1978)</td>
<td>1961-1976</td>
<td>aggregate</td>
<td>USA</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Jonung and Wadensjoe (1979)</td>
<td>1967-1979</td>
<td>aggregate</td>
<td>Sweden</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Madsen (1980)</td>
<td>1920-1975</td>
<td>aggregate</td>
<td>Denmark, Norway</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Frey and Schneider (1980)</td>
<td>1950-1977</td>
<td>aggregate</td>
<td>USA, Germany</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Whiteley (1980)</td>
<td>1900-1974</td>
<td>aggregate</td>
<td>UK</td>
<td>no evidence</td>
</tr>
<tr>
<td>Rosa (1980)</td>
<td>1920-1973</td>
<td>aggregate</td>
<td>France</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Inoguchi (1980)</td>
<td>1960-1976</td>
<td>aggregate</td>
<td>Japan</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Lewis-Beck (1980)</td>
<td>1960-1978</td>
<td>aggregate</td>
<td>France</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Schneider and Pommerehne (1980)</td>
<td>1960-1977</td>
<td>aggregate</td>
<td>Australia</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Pissarides (1980)</td>
<td>1955-1977</td>
<td>aggregate</td>
<td>UK</td>
<td>significant and moderate</td>
</tr>
</tbody>
</table>
The difference between Nordhaus' and Tufte's results lie in the methodological choices guiding their research. Whereas Nordhaus looked at variations in unemployment and inflation levels, Tufte concentrated on the yearly acceleration-deceleration in real disposable income. Hence, at this point, we can only suggest that while the Canadian government appears unlikely to manipulate - or to be able to manipulate - unemployment and inflation rates for electoral purposes, it seems more successful in manipulating real disposable income. Moreover, this distinction points to an important dimension which later emerged in the literature over the notion of responsibility and accountability. Briefly stated, some studies suggested that politico-economic interactions were behaviorally relevant to the extent that the government indeed had the capacity to manipulate the economy, and that voters attributed responsibility to the government for economic conditions. Hence, it stems that the study of politico-economic interactions in Canada should focus on the economic variables the Canadian government can more easily control. We will return to this point in a later chapter.

From a broader perspective, we can draw three conclusions from the body of literature for the period up to the 1980s:

1. First, several studies isolated statistically significant economic determinants of vote choice, henceforth validating the central hypothesis
Linking Economics and Voting

guiding the study of economic voting.

Secondly, those economic determinants which have been singled out as having statistically significant effects on vote choice are real personal income, inflation, and unemployment. Specifically, real personal income seems to be the key determinant of electoral success in the United States, while inflation also has a significant impact in most studies. However, it is fair to say that the effect of unemployment on electoral fortunes remained unclear at this stage. Scholars were reluctant to spurn the effect of unemployment on electoral fortunes of incumbent parties although the statistical evidence seems to suggest that it was the case. To some extent, this ambivalence towards the effect of unemployment on vote choice can be explained by the counterintuitive nature of a rejection of this variable as a determinant of voting behaviour.

Thirdly, the studies point to the methodological limitations of relying solely on aggregate-level data as independent variables. The electorate's subjective evaluation of economic conditions and their effect on their vote choice was largely ignored up to that point, and aggregate-level data do not allow for the study of voting behaviour at the individual level. Consequently, scholars were to turn increasingly towards government popularity data and survey research to study economic voting.
Notes


6. Ibid., 7.


11. Specifically, the index was derived from the amount of wages and salaries paid in manufacturing enterprises and the value of principal crops, weighted by the relative importance of agriculture and industry.


Linking Economics and Voting


16. Ibid., 109.

17. Ibid.

18. Ibid., 108.


23. Ibid., 45.

24. Ibid., 86.

25. Ibid.


27. Ibid., 140.

28. Ibid., 141.


31. Ibid.

33. Ibid., 320.


35. Ibid., 265.

36. It should be noted that by examining the incumbent-opposition dichotomy, Miller and Mackie overlooked the effect of the Liberal vote in a three-party system in England.

37. Ibid., 270.

38. Ibid., 279.

39. It should be noted that Campbell et al. in The American Voter (1960) looked at economic variables at the individual level. However, their efforts were within the context of a study that was much larger in scope. Accordingly, we do not believe that this study falls within the confines of the present analysis.


41. Yoram Ben-Porath, "The Years of Plenty and the Years of Famine - A Political Business Cycle?", Kyklos, 28(1975), 401-402.

42. Ibid., 400.


44. Ibid., 77.


Linking Economics and Voting

Review of Economic Studies, 43(1976), 553.

48. This point was made by both Harold Clarke et al., in Controversy in Political Economy, and by Richard Johnston et al., in Letting the People Decide.


54. Ibid.


56. Ibid., 9.

57. Ibid., 17.


60. Ibid., 9-10.

61. Ibid., 11-13.

62. Ibid., 105-106.

63. Ibid., 119-121.

64. Ibid., 136.
Dialogue de sourds

65. Ibid, 128.

66. Ibid., 129.


71. Ibid.


75. Ibid.


77. See Martin S. Lewis-Beck, "Economic Conditions and Executive Popularity: The French
Linking Economics and Voting


80. It is important to note that while older studies clearly stated the strength of the relationships, earlier studies were not as specific. In the absence of an exact coefficient of correlation, the words of the author were taken at face-value. In such circumstances, if a scholar claimed a strong relationship, it was reported as such.

81. The results of the Canadian studies will be presented in another section.

82. Table 3.1 is to be understood as follows. The first column indicates the author(s) of the study and the year of publication. The second column indicates the period under study. The third column indicates the type of data used. Since the dependent variable is generally measured at the individual level, we report the operationalization of the independent variables (economic variables). Examples of aggregate-level data are unemployment level, inflation level, business activity indices, while examples of individual-level economic data are economic assessment using survey methods. The fourth column indicates the country or countries studied. The last column reports the results, as indicated by the author(s).
Chapter 4 - Politico-Economic Links from the Voters' Perspective

What we have learned from the studies reviewed up to this point, is that the electoral fortunes of the incumbent party, as well as its approval ratings, are influenced by fluctuations in employment, prices, and real output. We have a rough understanding of the magnitude of effects of real income fluctuations on voting in presidential elections in the United States - the country which has received the most attention by scholars.

We can only speculate as to the reasons behind the relative overabundance of American studies. The greater number of American political scientists is one obvious explanation. The greater availability of data, and longer government popularity time series required to make statistically significant analyses, are also important factors. Another explanation can be the tendency, by American and non-American scholars alike, to replicate American models. We will see in later chapters how this "American academic expansionism" has affected the study of voting behaviour in Canada. The same may be true for the study of politico-economic interactions.

However, we do lack any clear understanding of how two important aspects of economic performance - unemployment and inflation - contribute to electoral outcomes, and how they may interact with each other. The findings presented so far, offer conflicting evidence on these questions. Some find unemployment, others inflation, some both, others neither, as significant determinants of election outcomes.
and popular support for political leaders. In the same vein, for more specific hypotheses on the linking mechanisms, the time series work is not much help. Irrespective of the country, there is no agreement across time series studies on which economic variables - income, unemployment, inflation - are operating. Furthermore, agreement is lacking as to how these variables should be measured, i.e. levels versus rates of change. Moreover, these studies differ over the lag structure of the responses - t-1, t-2, or a distributed lag, there is also no consensus on the period of aggregation - monthly, quarterly, yearly. Finally, it appears that public attitudes on unemployment and inflation appear to shift over time, and there is little hope of resolving these issues with aggregate-level data. Despite such challenges, interest in the issue of politico-economic interactions did not subside.

Whereas scholars slowly and painstakingly plodded through the intricacies of politico-economic interactions prior to 1980, the literature exploring such interactions has, since then, grown at a staggering pace. Furthermore, as noted in the introductory chapter of this study, there is a clear analytical and methodological demarcation that can be drawn between the works published up to 1980 (as reviewed in the previous chapter), and those published after that period.

First, since the early 1980s, analysts have employed a greater variety of different types of data, statistical techniques, and model specifications to uncover evidence of the electoral importance of economic conditions.
Secondly, and perhaps more importantly, one has been able to witness an increased reliance on individual-level data in the operationalization of the economic variables, instead of relying on economic indicators such as unemployment and inflation rates. This methodological change stemmed from the general dissatisfaction with the literature's broad and rather crude findings up to that point. As it was presented in the previous chapter, 47% of all analyses published up to 1980 have failed to identify a strong link between economics and political behaviour, despite the prominence of economic arguments in the political discourse and electoral rhetoric.

In this chapter, we will direct our attention toward one specific dimension of the debate - voting functions. The abundance of studies published since 1980 renders it neither possible, nor particularly useful, to present the results of all existing analyses on every dimension of politico-economic interactions. The preceding chapter exhaustively reviewed the origins and the development of the study of politico-economic interactions. It was deemed important to understand the development of this field of study in order to comprehend the different measurement and interpretive problems associated with the field. This requirement was the primary goal behind the decision to review every study conducted between 1925 and 1980. Since the beginning of the 1980s, our understanding of the dynamics of those interactions has been spurred by analyses conducted with individual-level data. The present analysis of economic voting in Canadian federal elections falls within this tradition.
Politico-Economic Links from the Voters' Perspective

Accordingly, the focus will be placed on studies directly related to the scope of study, namely the relationship between economic conditions and individual vote choice. In this sense, analyses of the popularity and reaction functions will only be addressed to the extent that they bring specific new insights into the present study.

As was the case with the review of earlier studies, it is important to have first a thorough understanding of the theoretical concepts and empirical foundations of the studies that will be presented. If the initial efforts owed much to the theoretical assumptions developed by Anthony Downs, and the empirical postulates presented by Gerald Kramer (1971), William Nordhaus (1975), and Edward Tufte (1978), the more recent studies were built around the works of V.O. Key (1966), Morris P. Fiorina (1981), and Michael Lewis-Beck (1986).

In broad terms, V.O. Key provided the theoretical framework which guides the research on politico-economic interactions at the individual level, while Fiorina applied Key's main arguments to analyse and identify the different dimensions of individual vote choice. For his part, Lewis-Beck built upon Fiorina's work, and developed a methodologically rigorous empirical model of economic voting. We will examine the contributions of those authors in turn, before exploring further the evidence linking economics and vote choice.
I - Main Contributions

A - V.O. Key's Responsible Electorate

Whereas Anthony Downs examined the assumed rationality behind people's decision to vote in democratic societies, V.O. Key explained the rationality leading up to people's vote decision. In doing so, he provided a powerful theoretical direction for much of the economic voting research. Key outlined the concepts that would be used to move the study of politico-economic interactions from the aggregate to the individual level.

In The Responsible Electorate, Key (1966) put forth the "unorthodox" argument that voters are not fools. For him, while it could be argued that many individual voters act in odd ways, in general the electorate behaves about as rationally and responsibly as we should expect, given the clarity of the alternatives presented to it and the character of the information made available.

To demonstrate his argument and uncover what he perceived as the true nature of American voting behaviour and the functions that the electorate and elections perform in the system as a whole, Key studied a series of presidential elections between 1936 and 1960. The results of his analyses led him to make three important points that would set the framework within which the study of politico-economic interactions at the individual level would later be conducted. More directly, his work was
Politico-Economic Links from the Voters' Perspective

particularly influential in the development of Fiorina's retrospective model, and in Lewis-Beck's economic voting model.

Key's main argument addressed the issue surrounding vote choice. His study suggested that the electorate judges the incumbent government retrospectively. Voters respond most clearly to those events that they have experienced and observed; proposals for the future, being hazy and uncertain, neither engage the voter nor govern his or her actions in the same degree. For Key:

The patterns of flow of the major streams of shifting voters graphically reflect the electorate in its great, and perhaps principal, role as an appraiser of past events, past performance, and past actions. It judges retrospectively. Voters may reject what they have known; or they may approve what they have known. They are not likely to be attracted in great numbers by promises.\(^{10}\)

This point deserves emphasis. Voters make judgements, and appraise government behaviour in office according to a reward-punishment model. They make those judgements based on "past events, past performances, and past actions." On the basis of these retrospective judgements, they vote to "reject" or "approve." Thus, voters do not blindly follow sociological forces, nor are they reacting to party identification.\(^{11}\)

Secondly, voters do not approach each election as an isolated event occurring at fixed intervals. They do not disregard the actions of the incumbent government, nor are they waiting to be filled with campaign promises. Rather, voters weigh how things have been and act accordingly. In Key's words:
The data make it appear sensible to regard the voter as a person who is concerned with what governments have done or not done and what they propose to do rather than one guided, perhaps unaware, by the imperatives of economic status or the tricks of Madison Avenue.\textsuperscript{12}

In light of those assertions, theories of how voters behave acquire importance not only because of their effects on voters, who may proceed blithely unaware of them. They gain significance because of their effects, both potentially and in reality, on candidates and other political leaders. If leaders believe the route to victory is by projection of images and cultivation of styles rather than advocacy of policies to cope with the problems of the country, they will project images and cultivate styles to the neglect of the substance of politics. In doing so, they will abdicate their prime function in a democratic system.\textsuperscript{13} This third point is in line with Downs' description of politicians as vote-maximizing individuals.

Consequently, the voter emerges from Key's work as an individual who appraises the actions of government, who has policy preferences, and who relates his or her vote to those personal appraisals and preferences. All these patterns of behaviour are consistent with the supposition that voters, or at least a large number of them, are moved by their perceptions and appraisals of policy and performance. In short, they like or do not like the performance of the incumbent government,\textsuperscript{14} and behave accordingly.
Politico-Economic Links from the Voters' Perspective

The essence of Key's argument was quickly applied to politico-economic interactions. Butler and Stokes (1969), in *Political Change in Britain*, established the following connections between economic performance and the voters' evaluation of the performance of the incumbent government:

The electorate's response to the economy is one under which voters reward the government for the conditions they welcome and punish the government for the conditions they dislike. In the simplest of all such models the electorate pays attention only to the party in power and only to conditions during its current tenure in office.\(^\text{15}\)

Within those confines of the theories of economic voting, Michael Lewis-Beck expanded on Key's work and Butler and Stokes' interpretation, and put forth the proposition that best represents traditional economic voting theory:

- when voters approve (disapprove) of past economic conditions, they vote for (against) the governing party.\(^\text{16}\)

Lewis-Beck's theoretical and empirical contribution to the debate was not only influenced by Key and Butler and Stokes, but also took into consideration the arguments previously developed by Morris Fiorina, to whom we now turn our attention.

**B - Fiorina's Retrospective Voting**

While his work is, to some extent, peripheral to the more recent and methodologically rigorous research on economic voting, Morris Fiorina's *Retrospective Voting in American National Elections* (1981) is nevertheless important since it
Dialogue de sourds

articulated the relevance of the different dimensions of voting at the individual level.

Fiorina questioned the accepted wisdom of the 1950s and 1960s which suggested that the typical American citizen was not the embodiment of the classical political man. Those studies suggested that the citizen was nonideological to the point of intellectual disorganization\textsuperscript{17}, uninformed about government policies and the parties' positions vis-à-vis important policies\textsuperscript{18}, and unable to comprehend, or hostile toward, basic democratic freedoms.\textsuperscript{19} In contrast, Fiorina sought to demonstrate that, in fact, the voter might actually be closer to the classical political man than has been suggested.

For Fiorina, as was the case for Key, citizens behave more rationally than they have been given credit for\textsuperscript{20}, and the apparent inconsistencies in individual voting behaviour might be the results of repeated acts of deception by politicians. As Fiorina suggested, it is no wonder that voters do not listen to campaign promises any longer, having often observed political equivocation, if not outright lying. He questioned whether it is rational to expect voters to pay close attention to policy debates after having heard the economic, educational, sociological, defence, and foreign policy expert advisors disagree on both the effects of past policies and the prospects of future ones.\textsuperscript{21}

Accordingly, Fiorina examined, both at the theoretical and empirical level, the extent to which voters use past performance as a predictor of the future, and to what extent they indulge in simple reward-punishment reactions to past performance. While
Politico-Economic Links from the Voters' Perspective

retrospective voting can occur on noneconomic issues, Fiorina decided to focus on economic performance.

More specifically, Fiorina sought to develop a model of party choice in which reactions to personal experiences, societal conditions, and party performance play a fundamental role. In order to meet his research objectives, he studied U.S. elections, using individual-level data, for the period between 1956 and 1976.

Without going into the details of the operationalization of his variables, and of the problems pertaining to lack of availability of data, it is important to note that a statistically significant but weak relationship was isolated between economic evaluations and presidential voting intentions in 1976, and a statistically significant and moderate relationship between economic evaluations and presidential voting intentions in 1972. Moreover, Fiorina argued that the worsening financial-situation item had significant effects in the presidential vote equations for 1956 and 1968 and the congressional vote equations for 1956, 1960, 1968, and 1976. He suggested that those experiencing unemployment turn against the incumbent administration - but only if that administration is Republican. When the incumbent administration is Democratic, those experiencing unemployment have an increased tendency to vote Democratic. Moreover, the personal-financial-situation item bears an inconsistent relationship to the vote.
Hence, for Fiorina, if the citizen has prospered under the incumbent, he or she enters the voting booth predisposed toward the incumbent, ceteris paribus. If the citizen has suffered, the challenger might capture his or her vote even with an inferior campaign platform. In broader terms, the results of his analysis led Fiorina to suggest that retrospective voting may not be a primitive form of behaviour at all. Campaign rhetoric may be so notoriously unreliable, and the future so inherently uncertain, that nearly all voters prefer to interpret the future in light of the past, à la Downs, or to engage in "referendum voting" à la Key. The simple retrospective evaluations we have been examining may look more credible than promises about future policies, even to the highly educated, interested, and informed.

Fiorina acknowledged that the dearth and poor quality of the data available at the time he conducted his research was such that his results had to be interpreted with caution. Because of the problems with the data, he was reluctant to reach definite conclusions. Moreover, because of this reluctance - and the fact that retrospective voting goes beyond economic evaluations, Fiorina's work has to be considered peripheral to the study of economic voting. He had to conduct secondary analyses on data sets that were not designed for the specific purpose of examining the relevance of an economic argument to voting behaviour.

Michael Lewis-Beck took it upon himself to rectify this situation, and addressed directly the data lacuna pointed out by Fiorina. Lewis-Beck examined thoroughly and
Politico-Economic Links from the Voters’ Perspective

with methodological rigour the link between individual economic evaluations and vote choice, and we will examine his results.

C - Michael Lewis-Beck's Economic Voting Model

Recent studies owe much to the empirical contribution of Michael Lewis-Beck. It was Lewis-Beck who made the most convincing argument for the need to shift the level of analysis from the aggregate to the individual level survey research to complement the systematic study of economics and elections.

In "Comparative Economic Voting; Britain, France, Germany, Italy" (1986), and subsequently in Economics and Elections: The Major Western Democracies (1988), Lewis-Beck set out to move away from the emphasis on aggregate-level data and concentrate on the individual voter. For him, what gives meaning to statistical associations between economics and elections is the underlying belief that individual citizens react systematically to economic stimuli at the ballot box. Henceforth, the focus shifts toward the impact of economic evaluations on individual vote choice rather than economic conditions themselves.

In these two studies, Lewis-Beck looked at the basic questions about economic conditions and the individual voter in a comparative context. His guiding hypothesis on economics and elections suggests that when economic conditions appear better (worse), a voter is more (less) likely to favour the incumbent. He tested this hypothesis for Britain, Italy, France, and Germany. In Elections & Economics, Lewis-
Beck also examined the Spanish case. He also attempted to look at the United States. but to do so, he had to rely on consumer surveys, and was unable to replicate the rigorous model he applied for Britain, Italy, France, Germany, and Spain. Because of this threat to validity, his results for the American case will be disregarded in this review.

Lewis-Beck sought to concentrate on perceptions about the economy rather than variations in economic indicators. To do so, he expanded on Fiorina's different dimensions of voting, and distinguished between four dimensions of economic items:

1. personal versus collective;
2. retrospective versus prospective;
3. simple versus mediated; and
4. cognitive versus affective.

However, Lewis-Beck went beyond previous individual-level analyses of politico-economic interactions and modelled the relationship in the following manner:

\[ \text{Vote} = b(0) + b_1(\text{household financial situation}) + b_2(\text{national economic situation}) + b_3(\text{government effect on the household financial situation}) + b_4(\text{government effect on national economy}) + b_5(\text{future government effect on national economy}) + b_6(\text{anger over government economic policies}) \]

Accordingly, Michael Lewis-Beck's contribution to the debate is manifold. First, his findings support the general notion that, based on 1984 survey data and illustrated by the coefficients of determination (r-square)- based on separate regression analyses - reproduced in Table 4.1, citizens of Britain, France, Spain, Germany and Italy are economic voters. Deteriorating economic conditions appeared to have pushed these
Politico-Economic Links from the Voters' Perspective

voters to the opposition. However, household financial situation fails to produce statistically significant results for all countries. Personal simple retrospective economic evaluations have a negligible direct influence on vote choice among Western European electorates. They are more likely to have an impact when personal economic circumstances are assessed in conjunction with government's impact on it. Thus, economic conditions make up a significant and moderate part of the explanation for vote choice in Western Europe, sometimes an even more important part than the traditional explanations from social cleavages and partisan identification.

Table 4.1 - Summary Findings of Lewis-Beck's Study

<table>
<thead>
<tr>
<th>Item</th>
<th>Britain</th>
<th>France</th>
<th>Germany</th>
<th>Italy</th>
<th>Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prospective</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R-square</td>
<td>.46</td>
<td>.36</td>
<td>.52</td>
<td>.23</td>
<td>.35</td>
</tr>
<tr>
<td>Retrospective</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R-square</td>
<td>.51</td>
<td>.38</td>
<td>.48</td>
<td>.36</td>
<td>.38</td>
</tr>
</tbody>
</table>

Lewis-Beck also draws more general conclusions explaining the nature of the relationship between economic evaluations and vote choice. As was pointed out previously, the relative importance of the different economic variables in aggregate time series models has been continuously debated. For Lewis-Beck, individual-level survey-based models suggest voters respond more to global evaluations of economic performance than to specific components. That is, they do not decide solely on the
basis of inflation, unemployment, trade, interest rates, or the national debt. Instead they make an overall judgment about government economic performance, then vote accordingly.\textsuperscript{37}

Furthermore, Lewis-Beck departs from Key's and Fiorina's conclusions and suggests that a voter, in evaluating parties and candidates, weighs what they say they will do, as well as what they have done.\textsuperscript{38} Hence, prospective collective evaluations are as important as retrospective collective evaluations. In fact, Lewis-Beck suggests that the individual impact of the components of economic evaluations vary over time.

His results imply that voters give varying weights to specific economic conditions as they move from one election to the next. In certain election years, they are more sensitive to inflation when arriving at an overall economic judgment; in other years, it may be unemployment.\textsuperscript{39}

Accordingly, economic voters are harder for government to exploit at election time than previously suggested. In this sense, Lewis-Beck's evaluation of the rationality of individual voting behaviour is in line with Key's and Fiorina's. However, Lewis-Beck goes one step further and suggests that voters have a hypertrophic\textsuperscript{40} side. They weigh what economic benefits they expect to receive after the election, as well as what economic benefits they have received going into the election. They are likely to balance the benefits of a preelection boom with the costs of a postelection bust.\textsuperscript{41} Thus, when the voter enters the voting booth, he or she is immune from election-induced
Politico-Economic Links from the Voters' Perspective

manipulations since they are taking a longer view than was previously suspected.

Michael Lewis-Beck's analysis represents an important contribution to the field. Many subsequent analyses centred upon expanding on his assumptions and findings. In fact, the present analysis is built around Lewis-Beck's model, and borrows from his analytical framework in order to examine the link between economic conditions and the Canadian voter, and how the different dimensions of economic items relate to electoral choice in Canada. Using Lewis-Beck's model makes it possible to position Canadian voters within a comparative context. Before turning our attention to the Canadian case, the remainder of this chapter will review the more recent analyses of politico-economic interactions - particularly those conducted with individual-level data.

II - Recent Studies and Approaches

As previously noted, we have witnessed an explosion of studies on politico-economic interactions in the 1980s. Moreover, whereas the three dimensions of those interactions - popularity function, vote function and reaction function - had been previously studied concurrently, the three analytical frameworks separated distinctively after 1980. In this chapter, we focus on the contributions which relate most closely to the dimension of the present analysis - the vote function.

It took a few years for scholars in the field to absorb the impact of Fiorina's assertions, and to circumvent the lack of adequate survey data. Hence, with a few notable exceptions, most studies prior to those by Michael Lewis-Beck, continued to
Dialogue de sourds

rely on aggregate-level data. However, in the early 1980s, more comparative studies were published and contributed to expand the debate outside the confines of American voting behaviour. The results of these comparative studies raised questions about the generalizability of the American findings, and in doing so, helped to clarify our understanding of politico-economic interactions.


For his part, Lecaillon, in a series of articles examining shorter time periods than the previous three scholars, argued that there were no significant relationships between the three traditional economic variables (inflation, unemployment, and income growth) and presidential popularity in France for the period between 1960 to 1980. Similarly, Kernell (1980) argued that there was a statistically significant but weak relationship between economic conditions and Presidential popularity in France between 1959 and 1979. This series of studies led to the conclusion that politico-economic interactions were more likely to be isolated on longer rather than shorter time periods. We will see
Politico-Economic Links from the Voters' Perspective

that this conclusion, although interesting, does not sustain close scrutiny.

Furthermore, a quantitatively strong and significant influence of the economic situation on the vote share of parties in the four Reichstag elections of the Weimar Republic between 1930 and 1933 was found by Frey and Weck (1983)\(^4\)\(^9\), while Paolo Belluci in "Economic Concerns in Italian Electoral Behaviour: Toward a Rational Electorate?" (1985) showed that the assumed irrelevance of economic conditions in past electoral behaviour of Italian voters is not absolute, since it has been possible to detect a statistically significant but moderate correlation between electoral outcomes and the state of the Italian national economy for the period 1976-1979.\(^5\)\(^0\)

Building on Fiorina's analysis, Kinder and Kiewiet (1981) found that in the case of the United States, voters' sociotropic assessment\(^6\)\(^1\) of national economic conditions were moderately linked to their support for presidential candidates.\(^5\)\(^2\) In contrast, these authors argued that personal discontents were only marginally linked to voting in the 1976 presidential election.\(^5\)\(^3\) The results of the study by Kinder and Kiewiet suggests that voters might not "vote their pocketbook", but might actually give more consideration to national economic interests than was previously believed.

An early study of U.S. congressional elections pointed to a statistically insignificant relationship between economic evaluations and U.S. congressional vote choice between 1948 and 1978, and the authors' conclusion introduced another dimension into the debate. Specifically, Hibbing and Alford (1981) argued that the
absence of a significant relationship between economic evaluations and vote choice in congressional elections is due to the fact that most Americans do not associate congressional candidates with presidential candidates who they hold personally responsible for declining economic conditions. However, congressional candidates in mid-term elections may, at times, bear the brunt of the electorate's negative evaluation of presidential economic performance - although the chain of responsibility is, at best, murky.

Subsequent research by Stanley Feldman (1982) expanded on this notion of responsibility. He demonstrated that the failure of personal grievances to influence vote choice between 1978 and 1982 rested on such a question of responsibility. In his analysis, Feldman found that most Americans tend to attribute their economic misfortunes to personal decisions rather than to systemic forces like government actions or the state of the national economy. Hence, for Feldman, personal economic evaluations are weakly linked to vote decision.

The studies by Hibbing and Alford, as well as Feldman's, are important since they spelled out the theoretical foundation of the vote function. Accordingly, vote functions rest on the responsibility hypothesis, or the idea that people hold the government responsible for economic conditions.

Crewe and Särlvik (1983) expanded the debate to Great Britain and argued that a statistically significant but moderate relationship can be found between perceived
economic performance pertaining to inflation and unemployment - measured at the individual level - and voting behaviour in the 1979 British election.\(^57\)

Michael Lewis-Beck began developing his framework in a study published in 1983.\(^58\) Using the same methodological approach he used in his subsequent more elaborate analyses, he reported finding a statistically significant but moderate correlation between personal economic conditions and the vote in the French parliamentary elections of 1973 and 1978.\(^59\) For their part, Arthur H. Miller and Ola Listhaug (1985) examined the economic effects on the vote in Norway in four elections between 1969 and 1981 (1969/73/77/81). They argued that contrary to the earlier macrolevel studies, there was a strong and systematic impact of economic concerns on political behaviour in Norway.\(^60\)

As noted in the previous chapter, Paul Whiteley was to become a harsh critic of the political business cycle literature as a whole, but his first study using individual-level data pointed to the existence of links between economics and voting. In "Perceptions of Economic Performance and Voting Behaviour in the 1983 General Election in Britain" (1985), Whiteley sought to develop and test a model of the effects of voters' perceptions of economic performance on electoral behaviour in the 1983 general election.\(^61\) All the economic variables tested in the model referred to voters' perceptions of economic performance rather than to any objective measure of performance such as changes in real incomes.\(^62\) Whiteley concluded that economic performance issues
played a significant and strong role in influencing the outcome of the general election of 1983.\textsuperscript{63} A year later, Whiteley was to reassess his argument by taking a broader approach to the issue.

Whiteley (1986) argued that for a voting function to exist, there needed to be a possibility for government to attempt intentionally to reap electoral benefits from those alleged politico-economic interactions. For Whiteley, although it has been suggested that governments attempt to manipulate the economy for electoral reasons, and thus creating a political business cycle, his analysis showed that such a cycle does not exist as a conscious product of government action, and this, for two reasons:

- First, it is difficult if not impossible for governments to "fine-tune" their economies to produce a given level of unemployment and inflation at a given point of time.
- Secondly, economic performance does influence government popularity in the short run, but such influences are rather weak and unstable over time, making economic manipulation for political profit difficult, if not impossible.\textsuperscript{64}

It is important to point out that Whiteley's argument does not suggest that politically-induced business cycles do not exist, but that incumbent governments have little control over them.

While Whiteley was questioning the relative importance of economic considerations as determinants of vote choice, Michael Lewis-Beck's \textit{Economics & Elections} (whose results were discussed above) was published and further fuelled the debate over the link between economic evaluations - measured at the individual-level -
and vote choice. And as is usually the case in academic debates, dissent was soon to arise.

John Hibbing (1987) specifically examined the situation in Great Britain and concluded that perceptions of the economic health of the nation, whether retrospective or prospective, appear to exert a clear and statistically significant, if not overly large, impact on vote choice, or at least they did in 1979. However, Hibbing concluded that the relationship between economics and elections in Great Britain may be spurious. For him, the relatively poor showings by the incumbent parties in recent elections in Great Britain may be due less to surging unemployment and inflation and more to the revival of the Liberal party.

Douglas Hibbs (1987) was to make a similar argument for the United States for the period between 1964 and 1980. Hibbs' contention was reminiscent of the assertions made by both Whiteley and Hibbing in the context of British elections. For him, the thesis that economic cycles often are influenced by the election calendar rests on a rather fragile empirical foundation. Hibbs suggested that politico-economic interactions have not been a consistent feature of the postwar American political economy.

In contrast, Miller et al. (1990) suggested that in the 1987 British election, economic performance played a vital role in the electoral success of the Conservative Party. These authors pushed the economic dimension in suggesting that Margaret Thatcher's reelection can be attributed in part to the ability of the Conservatives to
create the perception, in the minds of the voters, that economic conditions were improving even if the actual economic indicators were telling a different story. Belluci (1991) examined the evidence of economic voting in the 1983 election in Italy. He used the same variables as those employed by Lewis-Beck, and for him, economic evaluations had a statistically significant but weak effect on vote choice in the 1983 Italian election.

In a three-country comparative analysis, Harold D. Clarke, Euel W. Elliot, William Mishler, Marianne C. Stewart, Paul F. Whiteley, and Gary Zuk (1992) sought to examine the importance of public assessments of national economic conditions and personal economic circumstances on support for governing and opposition political parties and their leaders. While this edited work is multi-faceted and covers many dimensions of political economy, the analysis of the vote function in the United States, Great Britain, and in Canada provides some important insights into the debate. We look at the findings for the United States and Great Britain in this section, and examine the analysis of the Canadian context in the next chapter.

First, it is suggested that the structural realities of the "first-past-the post" electoral system were more important than economic evaluations in explaining the Thatcher electoral victories and party support between 1979 and 1987. Moreover, in the context of the 1988 American Presidential election, the study argues that the dynamic of modern campaign realities were impediments to rational electoral
Politico-Economic Links from the Voters' Perspective

behaviour. Accordingly, citizens' responses to the failure to provide useful information about issues during a campaign fosters the reliance on a variety of cues that compensate for this lacuna. Such cues may consist of previously established attitudes such as party identification that may be grounded in both "rational-action" element and social-psychological referents. Hence, for those scholars, election campaigns are most important because they affect the quality of voters' choices and the quality of information that those choices impart to elected officials.73 Accordingly, a vacuous campaign such as the one which occurred in the United States in 1988 provides voters with little real opportunity for either the exercise of informed reward-punishment decision, as defined by Key, or policy voting. Such campaigns thereby inhibit the ability of both the electorate and the government to act responsibly. The electorate is hindered because information needed to make rational choices based on the past and likely future performance of rival candidates and their rival parties is in short supply.

For its part, a newly elected government is given precious little information about voters' policy preferences and, as a result, policy mandates cannot be enacted because they are necessarily absent. In contrast, a campaign of sophisticated dialogue, rather than sophist debate, would provide a context that would enhance the role of elections as institutions of governance in a representative democracy.74 The results of Clarke et al.'s study are indicative of the upcoming analysis of the reality of recent Canadian elections. They point to the fact that although the electorate has proven that it has the
capacity to make informed economic reward-punishment evaluations, it is rarely given the opportunity to do so. In line with Clarke et al's general arguments, Anders Widfeldt (1992) argued that the dynamics of the election campaign and its rhetoric was a more significant influence on the outcome of the 1991 Swedish election, than economic evaluations or any particular economic issue. Finally, Christopher Kenny and Michael McBurnett (1994) suggested that a study of U.S. House elections in 1994 leads to the conclusion that economic evaluations, per se, do not have an impact on vote choice. According to those scholars, economic evaluations represent persuasive communications to the electorate, and that only certain voters are susceptible to economic arguments. For them, susceptibility to economic evaluations is contingent upon the voter's education, interest in campaign, and the strength with which attitudes are held. Thus, Kenny and McBurnett found that individuals with higher education, those with greater interest in campaigns, and those with strongly held convictions are not responsive to economic conditions, whereas voters lacking each of these attributes are greatly influenced by such conditions.

III - Review of the Evidence - 1980 and beyond

Over the last fifteen years, we have witnessed an important increase in the number of studies looking at politico-economic interactions, and with this increase came a refinement in our understanding of this field of study.
While a total of thirty-seven (37) studies were published on this question between 1925 and 1980, we have reviewed twenty-seven (27) studies in this section for the 15-year period between 1980 and 1995. These twenty-seven (27) studies focused on a narrow aspect of politico-economic interactions - the vote function (see chapter 2 - Table 2.1). Nevertheless, the findings allow us to improve our understanding of the impact of economic evaluations on vote choice.

Thus, a total of twenty-seven empirical studies (27) were reviewed in this section. A total of thirty-two countries (32) were investigated. During this period, the focus has shifted away from the United States as the main case study, with Europe - particularly France - receiving increasing attention. In twenty-one (21) of the thirty-two (32) analyses (66%), the scholars found a statistically significant relationship between economic conditions and vote choice. Only 29% of the statistically significant analyses (6 out of 21), and only 19% of all analyses (6 out of 32), were strongly associated. Some 52% (11 analyses) of those statistically significant relationships were moderate, while a further 19% (4 studies) were weak.
## Table 4.2 - Review of the Evidence (1980-1995)

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Period</th>
<th>Type of Data</th>
<th>Country</th>
<th>Conclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kernell (1980)</td>
<td>1959-1979</td>
<td>aggregate</td>
<td>France</td>
<td>significant but weak</td>
</tr>
<tr>
<td>Lewis-Beck (1980)</td>
<td>1960-1983</td>
<td>aggregate</td>
<td>France</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Fiorina (1981)</td>
<td>1956-1976</td>
<td>individual</td>
<td>USA</td>
<td>significant but weak</td>
</tr>
<tr>
<td>Kinder and Kiewiet (1981)</td>
<td>1976</td>
<td>individual</td>
<td>USA</td>
<td>significant and moderate</td>
</tr>
<tr>
<td>Kirchgassner (1981)</td>
<td>1896-1972</td>
<td>aggregate</td>
<td>USA</td>
<td>significant and moderate</td>
</tr>
<tr>
<td>Hibbs (1981)</td>
<td>1960-1983</td>
<td>aggregate</td>
<td>France</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Hibbing and Alford (1981)</td>
<td>1948-1978</td>
<td>individual</td>
<td>USA</td>
<td>no evidence</td>
</tr>
<tr>
<td>Hibbs (1982)</td>
<td>1960-1976</td>
<td>aggregate</td>
<td>USA</td>
<td>significant and moderate</td>
</tr>
<tr>
<td>Feldman (1982)</td>
<td>1978-1982</td>
<td>individual</td>
<td>USA</td>
<td>significant but weak</td>
</tr>
<tr>
<td>Frey and Weck (1983)</td>
<td>1930-1933</td>
<td>aggregate</td>
<td>Germany</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Author(s)</td>
<td>Period</td>
<td>Type of Data</td>
<td>Country</td>
<td>Conclusions</td>
</tr>
<tr>
<td>----------</td>
<td>-------------</td>
<td>--------------</td>
<td>---------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Crewe and Salvirk (1983)</td>
<td>1979</td>
<td>individual</td>
<td>G-B</td>
<td>significant and moderate</td>
</tr>
<tr>
<td>Lewis-Beck (1983)</td>
<td>1973-1978</td>
<td>individual</td>
<td>France</td>
<td>significant and moderate</td>
</tr>
<tr>
<td>Belluci (1985)</td>
<td>1975-1979</td>
<td>aggregate</td>
<td>Italy</td>
<td>significant and moderate</td>
</tr>
<tr>
<td>Miller and Listhaug (1985)</td>
<td>1969-1981</td>
<td>individual</td>
<td>Norway</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Whiteley (1985)</td>
<td>1983</td>
<td>individual</td>
<td>G-B</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Whiteley (1986)</td>
<td>1979-1984</td>
<td>individual</td>
<td>G-B</td>
<td>no evidence</td>
</tr>
<tr>
<td>Hibbing (1987)</td>
<td>1979</td>
<td>individual</td>
<td>G-B</td>
<td>no evidence</td>
</tr>
<tr>
<td>Hibbs (1987)</td>
<td>1964-1980</td>
<td>individual</td>
<td>USA</td>
<td>no evidence</td>
</tr>
<tr>
<td>Lewis-Beck (1988)</td>
<td>1984</td>
<td>individual</td>
<td>G-B</td>
<td>significant and moderate</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Italy</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>France</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Germany</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Spain</td>
<td></td>
</tr>
<tr>
<td>Miller et al. (1990)</td>
<td>1987</td>
<td>individual</td>
<td>G-B</td>
<td>significant and strong</td>
</tr>
<tr>
<td>Belluci (1991)</td>
<td>1983</td>
<td>individual</td>
<td>Italy</td>
<td>significant but weak</td>
</tr>
<tr>
<td>Clarke et al. (1992)</td>
<td>1979-1988</td>
<td>individual</td>
<td>USA</td>
<td>no evidence</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>G-B</td>
<td></td>
</tr>
<tr>
<td>Widfeldt (1992)</td>
<td>1991</td>
<td>individual</td>
<td>Sweden</td>
<td>no evidence</td>
</tr>
<tr>
<td>Kenny and McBurnett (1994)</td>
<td>1994</td>
<td>individual</td>
<td>USA</td>
<td>no evidence</td>
</tr>
</tbody>
</table>
Overall, the findings of one-hundred and nine analyses (109) have so far been presented in this study. In 72% of cases (78 out of 109), scholars found statistically significant relationships. Less than one-half (43%) of the analyses (47 out of 109) found strong politico-economic interactions, compared to 16% (17 out of 109) which found moderate relationships, and 13% weak relationships (14 out of 109). In 31 out of the 109 analyses (28%), scholars suggested that there was no evidence of politico-economic interactions.

More specifically, a total of twenty analyses (20) concentrated on the vote function with individual data. In 55% of the cases (11 out of 20), scholars have found statistically significant relationships. Only 20% found strong relationships (4 out of 20), while a further 20% point to moderate relationships, and 15% (3 out of 20) to statistically significant but weak relationships. Some 45% of studies (9 out of 20) found no statistically significant evidence of a vote function. This global picture is indicative of the current state of the literature on politico-economic interactions. The evidence is contradictory at best, and the contradiction lies in the respective importance given to statistical significance and strength of the relationships.

In general, it is fair to say that there is a statistically significant relationship between economic conditions and voting behaviour. A link can be found between aggregate economic conditions and the fate of incumbent governments. Moreover, it is also fair to assert that economic evaluations play a role in vote choice at the individual
level. In fact, analysts are proportionally more likely to isolate statistically significant relationships at the individual rather than at the aggregate level, but significant relationships at the individual level of analysis tend to be weaker. And there lies the dilemma.

While economic conditions and economic evaluations have a definite effect on electoral outcomes, a thorough review of the literature suggests that the economic dimension of vote choice has been given a level of prominence that is not sustained by the reality of the actual behaviour of the electorate. While we are not denying that economic conditions influence vote choice, we suggest that they play a lesser role than it generally believed. In the next chapter, we will examine whether or not these conclusions extend to the Canadian context.
Notes


2. Ibid., 213.


5. This author knows of more than 60 studies on this issue published between 1980 and 1995.


8. Ibid.

9. Ibid., xii.

10. Ibid., 61.


13. Ibid., 6.


Polito-Economic Links from the Voters’ Perspective

Arbor: The University of Michigan Press, 1990), 34.


21. Ibid.

22. Ibid., 16.

23. Ibid., 41.

24. Ibid.

25. Ibid., 48.

26. Ibid., 68.

27. Ibid., 56.


30. Ibid.


33. Ibid., 324-325.
Dialogue de sourds

34. Ibid., 344.

35. Ibid., 331.


37. Ibid., 92.

38. Ibid., 131.

39. Ibid., 93.

40. Ibid., 151.

41. Ibid.


43. Ibid.


48. Ibid.

Politico-Economic Links from the Voters' Perspective


51. Sociotropic assessment refers to a voter's evaluation of the societal conditions - or in this case of the societal economic conditions. In contrast, egocentric assessment refers to a voter's evaluation of his or her own personal conditions.


53. Ibid.


59. Ibid., 360.


Dialogue de sourds


62. Ibid., 66.

63. Ibid.


66. John R. Hibbing, "On the Issues surrounding Economic Voting; Looking to the British Case", Comparative Political Studies, 1987 (20), 12. Methodologically, it is noteworthy that Hibbing used the misery index (inflation rate + unemployment rate) as an economic indicators, departing from previous studies.


68. It should be pointed out that Paul Whiteley was one of the authors of this study. It is unclear if this analysis constitutes a new direction in Whiteley's thinking on the issue.


72. Ibid., 75-98.

73. See Ibid., chapters 2 and 8.

74. Ibid., 138-139.


77. Ibid., 699.
PART II - POLITICO-ECONOMIC INTERACTIONS IN CANADA
Chapter 5 - Linking Economics and Voting: The Canadian Case

Although the question of politico-economic interactions has received considerable attention, analysts have tended to overlook the Canadian experience. As noted in the third chapter, politico-economic interactions in Canada were analyzed twice in comparative terms in the late 1970s, and the two studies reached contradictory conclusions. In the first instance, Nordhaus suggested that there was no evidence of the existence of politico-economic interactions in Canada, while Tufte found the exact opposite. The difference between Nordhaus' and Tufte's results can be explained on methodological grounds.

Whereas Nordhaus looked at variations in unemployment and inflation levels, Tufte concentrated on the yearly acceleration-deceleration in real disposable income.' The findings of these two studies led us to conclude that although the Canadian government may be unlikely to manipulate - or be able to manipulate - unemployment and inflation rates for electoral purposes, it is more likely to believe it can reap electoral benefits by manipulating real disposable income - which tends to be easier to macro-manage.

Subsequent studies examined the same period - especially Nadeau (1987) and Nadeau and Blais (1993)² - and concluded that it was possible to account for election outcomes in Canada through a model incorporating the rate of unemployment.³ We will examine those findings below. At this point, and in light of these scarce findings, it is fair
to assert that we so far know very little about politico-economic interactions in Canada. Most importantly, since both the Nordhaus and Tufte studies examined the supply-side of the interactions, we have no indication, at this point, of the individual voters’ reactions to perceived economic fluctuations and government manipulations of the economy.

The lack of academic interest in the Canadian case is to some extent surprising since the Canadian parliamentary system, with a disciplined party system and its executive-sponsored economic policies, could offer rich opportunities for theoretical insights. In fact, we suggest that Canadian voters behave in a political environment that has several of the characteristics that would make it conducive, at least in theory, to having an electoral system responsive to the influence of politico-economic interactions.

We will examine this question from two different angles. First, in this chapter we will examine the Canadian politico-economic environment with a view to isolating the elements that would - theoretically - make the Canadian system susceptible to politico-economic interactions. In the next chapter we will review the development of the study of Canadian federal elections with a view to understanding the dynamics of vote choice in this country. We will see that, despite analytical neglect, voting research in Canada has evolved to a point where questions of economic voting and politico-economic interactions are just starting to arise naturally. These two chapters will serve as background to the in-depth quantitative analysis of politico-economic interactions in the 1988 and 1993 federal elections. Through the assessment of the state of voting
research in Canada and the analysis of the Canadian politico-economic environment, we will arrive at a better understanding of both the particularities of the Canadian case and the shortcomings of the previous Canadian studies that the present analysis purports to address.

1 - The Canadian Politico-Economic Environment

We can explore the Canadian politico-economic environment from a series of different angles. In broad terms, we can investigate our assumption that Canadian voters behave in a political environment that is theoretically conducive to an electoral system responsive to politico-economic interactions from institutional, structural, theoretical, and economic perspectives. Specifically, we have singled out four dimensions that would determine the relevance of politico-economic interactions in structuring Canadian voting behaviour. These dimensions are:

1) the level of party competition in Canada
2) the attribution of responsibility in the Canadian federal system
3) the structure of the Canadian political system
4) indigenous Canadian economic realities

We will discuss each dimension in turn.
A - The Level of Party Competition in Canada

According to the theory of politico-economic interactions, in a democracy with active competition between parties, the incumbent government feels compelled to steer the economy in order to win future elections. By extension, the model rests on the idea that the voters' evaluation of government performance, and therefore a government's chances of staying in power, depends substantially on favorable economic conditions. With this belief in mind, the incumbent government feels it is imperative to seek to manipulate the economy in order to curb the competition and stay in power. Hence, it is fair to suggest that the higher the level of competition within a country's political system, the stronger the imperatives for the incumbent government to reap the potential electoral benefits of politico-economic interactions.

If this is the case, incumbents in Canada have ample justifications to engage in the kind of manipulative behaviour just described, considering the high degree of volatility that has characterized the Canadian electorate in recent years. As pointed out by Lawrence LeDuc, if continuity in choice of the governing party is used as an indicator of electoral stability. Canadian politics in the 20th century was strikingly stable. The Liberal Party of Canada has formed the government for 65 of the 96 years. However, a paradox exists between aggregate stability and individual volatility especially if we concentrate on the last forty years constituting the modern political era.
Linking Economics and Voting: The Canadian Case

A total of fourteen general elections were held since 1957. During that period, eight of these elections have been won by the Liberals (1963, 1965, 1968, 1972, 1974, 1980, 1993, and 1997), and six by the Progressive Conservatives (1957, 1958, 1962, 1979, 1984 and 1988). Furthermore, six out of these fourteen elections resulted in minority governments (1957, 1962, 1963, 1965, 1972, 1979). Overall, the Liberal Party polled 39.0 per cent of the popular vote, but the results ranged from a low point of 28.0 per cent in 1984 to a high of 45.5 per cent in 1968.

Table 5.1 - Canadian Elections 1957-1993

- Breakdown of Election Victories

<table>
<thead>
<tr>
<th>Party</th>
<th>Victories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberal Victories</td>
<td>8</td>
</tr>
<tr>
<td>PCs Victories</td>
<td>6</td>
</tr>
</tbody>
</table>

- Breakdown of Election Results

<table>
<thead>
<tr>
<th>Government Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Majority Governments</td>
<td>8</td>
</tr>
<tr>
<td>Minority Governments</td>
<td>6</td>
</tr>
</tbody>
</table>

- Average Popular Vote Shares

<table>
<thead>
<tr>
<th>Party</th>
<th>Average Vote Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberal Party</td>
<td>39.0 per cent (low - 28.0 / high - 45.5)</td>
</tr>
<tr>
<td>PCs</td>
<td>36.5 per cent (low - 16.0 / high - 53.6)</td>
</tr>
</tbody>
</table>
As for the Progressive Conservative Party, it polled an average of 36.5 per cent for the period, ranging from a low of 16.0 per cent in 1993 to a high of 53.6 per cent in 1958. This volatile nature is accentuated if we consider the percentage of seats held by the respective parties within the same time span.

Since 1957, the Liberals held, on average, 42.2 per cent of the seats in the House of Commons, ranging from a low of 14.2 per cent in 1984 to a high of 60.0 per cent in 1993. For their part, the PCs held an average of 40.3 per cent of the seats in the House of Commons, ranging from a low point of 1.0 per cent in 1993 to a high point of 78.5 per cent in 1958. Finally, in every one of these fourteen elections, with the exception of 1958, third parties have polled at least 20 percent of the total vote, and have controlled between 3.0 per cent in 1958, and 39.3 per cent in 1993, of the seats in the House of Commons.  

Hence, it can be fairly argued that, in terms of popular vote, stability is far from being characteristic of the period between 1957 and 1997. To the extent it believes that the economy is an important determinant of individual voting behaviour, the incumbent party should feel compelled to steer the economy in a perceived electorally beneficial direction. Accordingly, incumbent politicians in Canada operate within a competitive political environment that appears conducive to the existence of politico-economic interactions.
Linking Economics and Voting: The Canadian Case

B - Attribution of responsibility in the Canadian federal system

The aspect of attribution of incumbent government responsibility for the country's economic performance has been discussed from different perspectives. Starting with Downs who asserted that a rational voter will devote very little effort to becoming well informed before voting, it is suggested that a utility-maximizing voter will focus solely on the areas that affect him or her the most directly - with the economy being one, if not the most important area. It is this argument which points to the importance of economic evaluations as determinants of vote choice.

However, for economic evaluations to be important determinants of the electoral future of the incumbent government, voters must hold these politicians responsible for their economic well-being. While this may sound obvious to some, this aspect has rarely been analyzed quantitatively.

As noted above, the politico-economic model predicts that the incumbent party will usually cut back aggregate demand after the election in order to bring down the rate of inflation in order to squeeze out inflationary expectations, as well as to reduce the deficits well before the next election, so that new expansionary actions can be undertaken again before that next election. Similarly, right after an election, the victor will raise unemployment to some relatively high level in order to combat inflation. As an election approaches, the unemployment rate is lowered. Such actions rest on the assumption that voters make judgements, and appraise government behaviour in office according to a reward-punishment model, rather than blindly following sociological
forces, or reacting to party identification. Moreover, it assumes that government has the capacity to change economic course at will, without considerations for internal and external factors. In light of the growing evidence that governments are only one actor, and an increasingly weak actor, in the economy, it is not surprising that this assumption has been put in question by some scholars.

Whiteley (1986) argued that for a vote function to exist, there needed to be a possibility for government to attempt deliberately to reap electoral benefits from those alleged politico-economic interactions. For him, although it has been suggested that governments attempt to manipulate the economy for electoral reasons, and thus create a political business cycle, his analysis shows that such a cycle does not exist as a conscious product of government action, and this, for two reasons.

First, it is difficult if not impossible for governments to “fine-tune” their economies to produce a given level of unemployment and inflation at a given point of time. Secondly, economic performance does influence government popularity in the short run, but such influences are rather weak and unstable over time, making economic manipulation for political profit difficult, if not impossible. In the Canadian context, Canada’s open economy, and its dependence on the U.S. economy renders manipulation even more improbable.

Similarly, Feldman demonstrated that the failure of personal grievances to influence vote choice between 1978 and 1982 rested on such a question of responsibility. In his analysis, Feldman found that most Americans tend to attribute their
economic misfortunes to personal decisions rather than to systemic forces like government actions or the state of the national economy.\textsuperscript{9} Hence, for Feldman, personal economic evaluations are weakly linked to vote decision.

It is important to reiterate that the studies by Hibbing and Alford, as well as Feldman's, are important since they spelled out the theoretical foundation of the vote function. Accordingly, vote functions rest on the responsibility hypothesis, or the idea that people hold the government responsible for economic conditions. Although the responsibility hypothesis arguably borrows from Downs' and Key's works, those authors first empirically linked theory and reality, and applied it at the individual level.

We have a very limited understanding of the dynamics of attribution in the Canadian context. As we will see below, none of the Canadian studies of politico-economic interactions explored this dimension. More importantly, there is no data available to test directly this hypothesis in Canada.\textsuperscript{10}

As an attempt to obtain some background information about this dimension, the author commissioned Gallup Canada - in 1995 - to ask the following Gallup question to 1,000 adult Canadians:

"Do you think the federal government is effectively handling the country's economic situation or not?"

This question does not ask directly whether the federal government is responsible for the existing economic situation, but among the limited questions available, it comes closest to providing a long pre- and in-writ trend government economic performance.
Dialogue de sourds

The answers to this question give a picture of an electorate which consistently doubt the Canadian government's ability to handle the economy.

At no point in time since this question was first put to Canadians in July 1973, did more than 35% of the electorate in this country believe that the government was handling the economy effectively (as reported in Table 5.2)

The proportion of Canadians who thought the government was handling the economy in an efficient manner range from a high of 35% in May 1995, to a low of 14% in June 1982. Furthermore, a cursory look at the data is sufficient to reveal that fluctuations in attitudes toward the federal government's capacity to handle the economy does not follow either economic or electoral cycles.

Specifically, attitudes toward the government's capacity to deal with the economy efficiently are not statistically higher or lower during election years. For instance, before the 1979 election, 27% percent believed the government handled the economy effectively and the Trudeau government was defeated. In June 1980, only four months after being re-elected, only 30% of Canadians felt the Trudeau government was handling the economy effectively. When Mulroney won his landslide victory in 1984, the percentage of Canadians who believed the government was handling the economy effectively (23% - May 1984) was not significantly different than during the previous (27% - May 1983) and subsequent (29% - Jan 1986) periods.
Table 5.2 - Attitudes towards Government Capacity to Handle the Economy

<table>
<thead>
<tr>
<th>Dates</th>
<th>% believe government handles the economy effectively</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 1995</td>
<td>35%</td>
</tr>
<tr>
<td>Nov. 1994</td>
<td>34%</td>
</tr>
<tr>
<td>July 1994</td>
<td>16%</td>
</tr>
<tr>
<td>May 1994</td>
<td>30%</td>
</tr>
<tr>
<td>Jan. 1988</td>
<td>33%</td>
</tr>
<tr>
<td>Jan. 1987</td>
<td>29%</td>
</tr>
<tr>
<td>Jan. 1986</td>
<td>29%</td>
</tr>
<tr>
<td>May 1984</td>
<td>23%</td>
</tr>
<tr>
<td>June 1983</td>
<td>27%</td>
</tr>
<tr>
<td>June 1982</td>
<td>14%</td>
</tr>
<tr>
<td>Nov. 1981</td>
<td>20%</td>
</tr>
<tr>
<td>June 1981</td>
<td>18%</td>
</tr>
<tr>
<td>Jan. 1981</td>
<td>25%</td>
</tr>
<tr>
<td>Jun. 1980</td>
<td>30%</td>
</tr>
<tr>
<td>Jan. 1979</td>
<td>27%</td>
</tr>
<tr>
<td>Jan. 1978</td>
<td>27%</td>
</tr>
<tr>
<td>Jan. 1977</td>
<td>28%</td>
</tr>
<tr>
<td>Jan. 1976</td>
<td>30%</td>
</tr>
<tr>
<td>July 1973</td>
<td>33%</td>
</tr>
</tbody>
</table>
It must be noted that the Gallup data are too irregular to bear academic scrutiny. Moreover, the wording of the question address only peripherally the question of responsibility. Hence, we will not extend our conclusions beyond the fact that there does not appear to be any cyclical pattern of retribution by the electorate for an incumbent government's inability to handle the economy effectively.

Despite the limitations of the data, it is fair to question whether or not the Canadian electorate holds an incumbent party directly responsible for the state of the economy, at any point in the electoral cycle. In fact, it would appear, based on the previous data, that for the last twenty years or so, Canadian voters have consistently been highly sceptical of the government's ability to deal with the economy. While this is only one dimension of politico-economic interactions, we should keep in mind this characteristic of the Canadian electorate when analyzing the importance of economic evaluations in explaining voting behaviour in Canada. We should also try to isolate certain structural and institutional elements that can provide insight into this lack of an attribution of responsibility.

C - The Structure of the Canadian Political System

According to our guiding assumption, it is suggested that the incumbent party is at the centre of political action, since only it is able to influence the economic sector through its control of the instruments of economic policy, especially fiscal and monetary policies. Accordingly, the executive, convinced of the electoral benefits of low
unemployment and high economic growth, is likely to try to use its power to create such a favorable economic environment at election time. Similarly, the electorate, because of its short-term time horizon, is thought to look favorably toward such an economic climate and is likely to reward the incumbent politicians for such policy directions. Consequently, the political clout of the executive is an important determinant in its ability to push through measures that are believed to be electorally appealing.

A parliamentary system of government - such as in Canada - bestows wide-ranging responsibilities and powers to the executive. In modern times, the executive have become synonymous with the organizational centre of the political system, with the traditional areas of executive action, such as foreign policy and defence, being augmented by the growing role of governments in managing the economy and social policy. This expansion has taken different forms depending upon each society's political, social, and economic evolution.

Accordingly, the core institutional terms used to depict an executive differ from country to country. Even which institutions and people are included in the term may prove contentious. In Canada, the executive normally refers to the Governor General, Prime Minister, Cabinet and senior bureaucrats, most of whom are career civil servants. However, the Prime Minister and his or her Cabinet are unquestionably the central political figures in today's Canadian politics.

This latter point is, to some extent, debatable. As any textbook on Canadian politics would suggest, it has been argued that senior civil servants have become
Dialogue de sourds

increasingly influential in the public policy-making process, sometime overshadowing the influence of elected officials. However, this debate lies outside the scope of this study. Regardless of their influence, one fact is undisputable - civil servants do not stand for election. This important distinction reinforces our assertion that the Prime Minister and the Cabinet are the most influential political figures in the Canadian political system.

As C.E.S. Franks and others have argued, the reality of Canadian politics is an executive-centred system.\textsuperscript{13} By extension, the central feature of any study of the Canadian political system must be the pervasive impact of the British model of parliamentary government. Though other aspects of Canadian life have been strongly influenced by the United States, the parliamentary form of government is firmly entrenched and has proven remarkably resistant to change.\textsuperscript{14} The Prime Minister's power as the political leader of the party, which gives him or her both control of the party machinery and a source of popular support - combined with his or her power to appoint not only members of cabinet but deputy ministers and the Governor of the Bank of Canada - has made him or her far more than first among equals in the cabinet. As long as the party is convinced that the Prime Minister has the ability to win elections, his or her power remains unchallenged.\textsuperscript{15} This latter point is reinforced by the importance of the appeal of leaders as a determinant of voting behaviour in Canada.

Thus, within the context just described, the clout of the Prime Minister, his or her Cabinet, and by extension the whole incumbent party makes it easier for them to try to
Linking Economics and Voting: The Canadian Case

reap - or believe it can reap - the benefits of positive economic conditions. Similarly, to the extent that responsibility for prevailing economic conditions can be traced back to the policy positions of the incumbent party, voters, if they wish to attribute responsibility, can easily assess the economic performance of the party in power during its tenure. Hence, the structure of the Canadian political system has the characteristics of an environment conducive to politico-economic interactions.

However, if we consider the British heritage of our political institutions within the context of politico-economic interactions, we will find that the theoretical assessment does not translate into practical realities. Despite the theoretical appeal of the British-type parliamentary system, scholars do not agree about the nature and extent of the links between the economy and vote choice in that country. As our retrospective in chapters 3 and 4 demonstrated, early studies of British voters (Ackerman (1947), Miller and Mackie (1973), Tufte (1978)) tend to show an electorate behaving according to a politico-economic model. To some extent, these findings stand in contrast with Butler and Stokes' (1975) seminal study and later economic voting studies by Whiteley (1980) and Hibbing (1987) who picture an electorate entrenched in a behavioural pattern determined by socio-demographic realities and short-term forces. Despite the fact that an executive-centred parliamentary system is opened to direct attribution of responsibility for economic performance, British voters failed consistently to behave accordingly.
In contrast, the American presidential system - with its checks and balances blurring the line of responsibility for economic performance - has been more likely to be susceptible to the electoral vagaries of politico-economic interactions. The present study of the 1988 and 1993 Canadian Federal elections will shed light upon the effect of the parliamentary system of government on the electoral importance of economic assessment.

D - Indigenous Canadian Economic Realities

Elected officials also have to contend with economic realities that may impede any attempts to benefit from politico-economic interactions. Canada, like the other industrialized countries of the Western world, experienced a long period of rapid and stable economic growth between 1950 and 1970. Toward the end of the 1960s, that sustained growth was perceived as normal. In this context, the 1970s caught economists and politicians by surprise. The Canadian economy, as other national economies, began to fluctuate in ways that were contrary to accepted economic wisdom. A recession in 1970 was followed by a boom and then by a more severe recession in 1974-1975, a mild recovery, then another recession in 1979-1980. The consumer price index rose by 113 points between 1970 and 1980, as compared with only 34 points during the preceding twenty years. Between 1975 and 1980, the annual increase in real GNP averaged only 2.5 per cent - half of the average between 1950 and 1975. A new word “stagflation” was coined to describe the unprecedented coexistence of high unemployment and rapid inflation, but the causes of this new
economic phenomenon puzzled economists and politicians alike.

It is now generally understood that the economic fluctuations of the 1970s were the results of three main factors: the OPEC oil price hikes, an unconstrained money supply and some would say needless meddling, taxing, and spending by the government. It is beyond the aim of this study to discuss these factors. However, they point to two important lessons that must be addressed within the context of a study of politico-economic interactions.

First, the impact of the OPEC oil price hikes on Canada's economic conditions highlights the globalization of economic public policy-making. Events on other continents had specific and drastic consequences for the Canadian economy - consequences that were clearly beyond the control of incumbent officials. Whether or not the incumbent government of the time was involved in politico-economic manipulations is irrelevant, since it could not have foreseen nor controlled the oil crisis. In many ways, this is the reality described by Whiteley who argued that for a voting function to exist, there needed to be a possibility for government to attempt deliberately to reap electoral benefits from those alleged politico-economic interactions. For him, although it has been suggested that governments attempt to manipulate the economy for electoral reasons, his analysis shows that such a cycle does not exist as a conscious product of government action because it is difficult if not impossible for governments to "fine-tune" their economies. In the Canadian context, the events of the 1970s have shown that Canada's open economy, and its dependence on foreign
Dialogue de sourds

countries, render manipulation improbable.

Recent economic public policies have rendered the Canadian economy even more susceptible to this globalization effect - the Canada-U.S. Free Trade Agreement and NAFTA being the two most obvious examples. It can be argued that the pull of the U.S. economy may overwhelm any efforts of the Canadian government to manage economic cycles. In the new global economy, the Canadian situation is a particularly tenuous one. This is partly because Canada is adjacent to the most powerful nation in the world, and is about one-tenth its size, measured by GDP. Canada depends on the U.S. market for about 75% of its exports. The United States moreover, owns over 40% of Canada's manufacturing capacity. Accordingly, the Canadian economy is so intertwined with the American that incumbent politicians in this country cannot ignore the consequences of American economic public policies. In Playing for Keeps (1990), Graham Fraser suggested that the timing of the 1988 Canadian election was influenced by that of the American Presidential election. PC strategists feared that once elected, the new American President would introduced restrictive economic policies aimed at cooling the American economy. They feared that Mulroney would be blamed for the consequences of the American policies on the Canadian economy.22

The potential impact of the money supply is another important lesson of the events of the 1970s. While the Canadian government has considerable influence in regulating the money supply, it must contend with the economic influence of the Bank of Canada. At arm's length from the Government of Canada, the Bank's control over
interest rates and the supply of money has definite consequences on the economic policies of the government of the day, especially in terms of deficit reduction, inflation, and unemployment levels. Once again, the role of the Bank of Canada has behavioural consequences only to the extent that it blurs the attribution of responsibility for economic performance.

In summary, despite the lack of analytical interest in politico-economic interactions in Canada, the previous discussion suggests that Canadian voters behave in a political environment that has several of the characteristics that would make it conducive, at least in theory, to having an electoral system responsive to politico-economic interactions. First, federal elections in Canada are held in an environment where there is a high level of party competition. Secondly, the Canadian parliamentary system, with a disciplined party system and its executive-sponsored economic policies, is also conducive to politico-economic interactions. The clout of the Prime Minister, his or her Cabinet, and by extension the whole incumbent party makes it easier for them to try to reap - or believe they can reap - the benefits of positive economic conditions.

The attribution of responsibility for economic performance is the one dimension that interferes with the existence of politico-economic interactions in Canada. Based on the scarcity of available data, it is questionable whether the Canadian electorate hold, at any point in the electoral cycle, an incumbent government directly responsible for the state of the economy. In fact, it would appear that for the last twenty years or so, Canadian voters have consistently been highly sceptical of the government's ability to
Dialogue de sourds

deal with the economy. Moreover, indigenous Canadian economic realities, specifically
the globalization of economic public policy-making, the Canada-U.S. economic
interdependence, and the role of the Bank of Canada in regulating the money supply,
further blur the attribution of responsibility for economic performance in this country.
However, as noted previously, while incumbent governments in Canada may not be
able to manipulate the economy for electoral benefits as a result of those economic
realities, it makes little difference to the study of vote functions. Voters will assess the
economic performance of the government and render judgment regardless of the
globalization of economic public policies and the role of the Bank of Canada. These
effects are only relevant to the extent that they affect the Canadian electorate's capacity
to attribute responsibility for economic performance. We should keep in mind this
characteristic of the Canadian electorate when analyzing the importance of economic
evaluations in explaining voting behaviour in Canada.
Notes

1. See chapter 3 of this study for greater details.


8. In this analysis, we are considering the Reform Party and the Bloc Quebecois as third parties, although they received more votes in the 1993 federal election than one of the two traditional parties - the PCs.


10. Although the Canadian National Election Studies touch on this point, it is too sparse to qualify for trend data. We only have eight data points between 1965 and 1993, and the period between 1968 and 1974 is left unexplored.


23. For a specific example, see Linda McQuaid, *Behind Closed Doors: How the Rich won control of Canada’s tax system... and ended up richer*. (Markham: Viking, 1987).
The first Canadian studies of voting behaviour can be described as mere attempts to replicate the theoretical and empirical findings of the American and British studies conducted between 1944 and 1960. Accordingly, as it was suggested in the U.S. and in Great Britain, party identification and group affiliations were believed to be the main determinants of voting behaviour in Canada. However, as years passed and analytical approaches became more sophisticated, Canadian scholars grew increasingly dissatisfied with the explanatory power of a party identification/group affiliation model for Canada. Hence, in many ways, the evolution of our understanding of the determinants of voting behaviour in Canada can be broadly described as a progression away from the reluctant adoption of imported theoretical and empirical ideas, toward the development of an indigenous model of voting behaviour. By indigenous, we mean a model that is rooted in the Canadian political reality rather than reflecting assumptions developed in other countries.

In order to understand the present analysis, and to position our findings within the evolutionary context of the study of voting behaviour in Canada, it is important to understand the current state of the discipline as well as the process leading to this state. As mentioned above, we will see that voting research in Canada has now evolved to a point where questions of economic voting and politico-economic
Dialogue de sourds

interactions are just starting to arise naturally. In broad terms, three eras can be identified in the history of the study of Canadian voting behaviour - the Pioneering Years, the Rejection Era, and the Canadian Era. We will review the most influential studies of each era in turn.

I- The Pioneering Years

In the beginning, the study of voting amounted to little more than a journalistic or historical analysis of party positions, campaigns, and election results. Hence, the usual portrayals of electoral politics in Canada tended to deal with the particular where every election was seen as a special case to be studied in and for itself. This situation changed in the early 1960s.

Drawing on the pioneering work done in the field of election studies in Great Britain, John Meisel took it upon himself to introduce the cumulative usefulness of similar studies in Canada. There is little doubt that The Canadian General Election of 1957 (1962) owes much to the British studies sponsored by Nuffield College in Oxford both in structure and content. For instance, social structural variables such as parents’ class and respondent’s occupation have been considered, until recently, as central variables in explaining voting choice in Great Britain. The stability of these factors brings an order to the study of voting behaviour since they inoculate the electorate against radical change. Meisel expected to find such a stability in the Canadian political context. Accordingly, there is, in his study, the underlying assumption that the
Studying Elections in Canada

stabilizing forces at work in British elections were to be found in Canada. Hence, a set of long-run determinants of voting behaviour would be isolated and be used as anchors against the more unpredictable short-run causes. The simple fact that such generalizations could not satisfactorily be made for Canada was to dictate the evolution of voting research in this country.⁷

Meisel's choice of election to begin the Canadian tradition of election studies had been a fortuitous one. The 1957 general election produced one of the great upsets in Canadian political history. Almost everyone in Canada, while expecting Liberal losses, were sure that the Government's mandate would be renewed. Generally speaking, economic conditions gave cause for satisfaction and this was no doubt in Prime Minister St. Laurent's mind when he decided on the date of the polling day. It was also one of the reasons why almost everyone was certain that the government would be returned.⁸ However, on June 10th, 1957, John Diefenbaker created an upset by winning the election, albeit only with a slim minority.

Meisel pointed out that many argued that the main issue of the 1957 election was whether or not the Liberal party had been in power too long and, assuming this to be the case, whether or not the Conservatives should replace it.⁹ The Liberals' attitude over the Defence Production Act in 1955 and the "Pipeline Debate" a year later, certainly did not endear them to the electorate. The government was perceived as being too powerful, too arrogant and careless in its relations with Parliament. However,
Dialogue de sourds

one has to keep in mind that in terms of popular vote, the Liberals still edged the Conservatives 40.9 to 38.9\(^{10}\), pointing to at least a partial structural explanation of the election results, i.e. the impact of the "first-past-the-post" electoral system on Canadian election results. Therefore the twenty-two years of Liberal rule was certainly an important factor but as Meisel wrote: "to account for the 1957 fall of the Liberals from power in terms of the 'time for change' hypothesis takes us only part way towards an understanding of what really happened."\(^{11}\)

In his analysis, Meisel sought to isolate most variables which impacted on vote choice with little attempt to isolate the independent effects of each variable, or to rank their relative importance.

It would be unfair to criticize Meisel for his inability to isolate behavioural effects, since his efforts were severely limited by the lack of data conducive to more sophisticated analyses. Unlike subsequent studies, Meisel's work was based mainly on aggregate-level data.\(^{12}\) He was therefore restrained in his capacity to quantify the independent effects of the variables in his model. However, his approach was far from flawless. One shortcoming of his approach lies in the fact that Meisel had a set of assumptions coming into this analysis. Unfortunately for Meisel, these assumptions failed to perform as expected.

As previously noted, social structural variables were believed to be main determinants of voting behaviour. The author organized his analysis around such
variables as education level, age, religious affiliation, and ethnic origin, with regional and constituency breakdowns acting as surrogate variables for these social structural variables. This led him to suggest that these factors indeed had an impact on voting behaviour. The party led by Diefenbaker won its greatest victories in non-French, Protestant, Anglo-saxon constituencies while consolidating its strongholds, particularly Ontario. The author also focused on issues as determinants of electoral choice to conclude, in the end, that no single issue was responsible for the Conservative gains.

To Meisel's credit, despite his limited success in identifying strong determinants of vote choice, he pointed to variables which would become central to the study of voting behaviour in Canada a decade later. Specifically, Meisel stressed the importance of television in electoral campaigns. The 1957 election was the first in which television was extensively used in Canada and Diefenbaker made better use of the medium. The PC Leader was the first to understand that if it's not on television, it barely matters. Years before Trudeau and Mulroney, Diefenbaker understood that related to the emergence of television, the leaders' style and the impact of the campaign itself became more important than when radio was the main medium for purposes of national political broadcasting. As we will see below, leader's appeal will emerge as a key determinant of vote choice in Canada.

The most insightful and lasting contribution of Meisel's analysis might be his assessment of the impact of changes in the configuration of the electorate on the
outcome of the election. In fact, his segmentation approach to understanding voting behaviour will be used - in a more methodologically sophisticated way - by Clarke and his colleagues in the late 1970s.

In his analysis of the 1957 Canadian election, Meisel showed that in the period of less than four years between the 1953 and 1957 elections, the number of eligible voters grew by more than half a million or by six per cent, if 1953 is taken as the base year. But the increase was not spread evenly across the country; it was proportionally greatest in the two most westerly provinces and in central Canada. An examination of the 1953 and 1957 electorates and of the percentage change in the various constituencies indicated that the greatest rate of growth occurred in two types of riding. One was found in the recently urbanized areas, and the other was close to the periphery of settlement where mining development or other forms of economic expansion had created new communities. Meisel demonstrated that the Conservatives did better in the rapidly expanding constituencies. For him, Diefenbaker appealed to the residents of these communities because his aggressive campaign style and Conservative promises of a vigorous developmental policy had a greater appeal to the more expansionist and "go ahead" communities than to the sleepier and less alive ones. But regardless of the specific motivations, Meisel argued that Conservative gains were related to the growth in the size of the electorate.
Studying Elections in Canada

Similarly, about 75 per cent of eligible voters cast their ballots in the 1957 election, up from 68 per cent. Meisel demonstrated that the increase in turnout was highest in marginal constituencies to the benefit of the Conservative candidates. Unfortunately, the author, being captive of the type of data he relied on, was unable to quantify precisely the impact of these factors and to isolate their contribution. Election returns are not adequate for studying electoral change since they say little beyond the aggregate movement in votes from one election to the next. For John Meisel, "the greatest lacuna in the raw material out of which this volume was fashioned, resulted from the dearth of attitude studies of the electorate based on adequate sample surveys." Individual voting can best be understood by directly studying individuals and it became the task of another scholar to take the first step toward filling this lacuna.

Peter Regenstreif's The Diefenbaker Interlude (1965) represented an attempt to fill the important gap in academic literature identified by Meisel. At that particular point in time, there were no studies devoted solely to Canadian voting behaviour based on survey data. During the election campaigns of 1958, 1962 and 1963, Regenstreif made cross-country tours of over ten thousands miles each, interviewing voters in their homes, as well as candidates, and party officials. Intensive interviews were recorded with a sample of 210 voters in 1958, 375 in 1962 and 470 in 1963 to explore some important factors underlying the voting behaviour of Canadians during the period of John Diefenbaker's prime ministership.
If Meisel's study was influenced by previous British studies, Regenstreif's was influenced by American studies published at the time. This is not to suggest that Regenstreif's findings resembled those of contemporary American scholars. It means that Regenstreif appeared to have a set of expectations that were similar to those of his American counterparts - expectations that were proven wrong in the long-run. Accordingly, socio-economic variables were at the centre of the analysis. Moreover, in the classic studies by Campbell and his colleagues - *The Voter Decides* (1954) and *The American Voter* (1960) - party identification was conceptualized as a stable, long-term force that influences a host of other political attitudes, beliefs, and opinions, including perceptions of the performance of parties and their leaders on economic and other issues. Such an assumption was to guide the research in *The Diefenbaker Interlude*.

For Regenstreif, while momentary issues and events cannot be overlooked, it is more useful to see electoral choice as being largely conditioned by an individual's set of attitudes. These attitudes, in turn, are largely the product of the operations of such forces as family upbringing and the broader social environment of an individual. Despite his assumptions, Regenstreif soon had to face the fact that imported models of electoral behaviour built around party identification and group affiliations can only partially explain voting behaviour within the Canadian context.
Before going any further, an important methodological point has to be made. Even though Regenstreif conducted three separate surveys, the small sample sizes impeded him from going beyond a general assessment of the period under study. Hence, his findings should be examined within this context.

The foremost conclusion stemming from Regenstreif's analysis concerned the level of political partisanship in Canada. Going against his assumptions, the author concluded that "if there is anything to be learned from the elections that have taken place in Canada during the past decade, it is that political affiliations are remarkably unstable." Regenstreif had dire warnings about the potential consequences of this situation:

In accounting for these election fluctuations, this analysis has concentrated on the relative absence of stable, national group support underlying public commitments to the country's political parties. The importance of these missing ingredients in Canadian politics cannot be exaggerated, for without them the political system is left without any moorings.

The author went on to build up on Meisel's findings about the effects of social structural variables, and added a few of his own. As in the study dealing with the 1957 election, Regenstreif isolated education, age, ethnicity and religious affiliation as determinants of electoral choice, and also the location of a person's residence and sex. Moreover, region ceased to be treated as a surrogate variable and became one of the strongest and most durable determinants of electoral choice in Canada.
The analysis of the Diefenbaker interlude shed light upon several characteristics of the Canadian electorate. The author stressed the importance of the leader's appeal but for him, "this personality orientation was a functional ingredient of a political system in which social reference affiliations were weak mediators of political loyalties." Regenstreif's work also remains interesting in the context of Canadian electoral research because he explicitly sets forth and discusses briefly the notion of "political generation". Again, methodological restrictions impeded him from going beyond stating that for the whole period, Liberals were strongest in the 21-29 and 40-49 age categories; the N.D.P. also did well in the 40-49 age group. There was virtually no difference between Liberals and Conservatives in the 30-39 group, and the Conservatives were especially strong among the 50+ segment of the electorate. He also highlighted the built-in tendency of the Canadian electorate to favour a majority government, which could account for the electoral sweeps that have been featured in the country's electoral history. More precisely, he suggested that French-Canadians voted Conservative in 1958 because they realized that it was possible that Diefenbaker would be able to form a government without their support. Should this have happened, French Canadians could have rightfully feared that their entire position in the political system would be jeopardized. With the Cabinet having taken over the constitutionally allotted role of the Senate as the protector of the rights of the provinces, this question of adequate representation for Quebec definitely became a motivating force.
Studying Elections in Canada

In the end, Regenstreif was left perplexed by his findings and his feelings are characteristic of the period. He could only conclude that:

The evidence today is that what there is of public identification with the country's parties is not based on long-term policy commitment but on habit. And the party that offers the country the potential of efficient or just plain 'good government' is the ultimate winner when the ballots are counted.36

The inability to replicate previous American and British models of voting behaviour preoccupied analysts for many years. The two Canadian pioneers combined both efforts and analytical frameworks and with the collaboration of Mildred Schwartz, Maurice Pinard and the American scholar, Philip Converse39, produced the first large-scale electoral study in 1965. The results of this study, and the subsequent 1968 Canadian National Study, were further investigations into the established approach to studying voting behaviour, applied to the Canadian environment.

Following Mildred A. Schwartz's Canadian Voting Behaviour (in Rose, 1974), and John Meisel's Working Papers on Canadian Politics40 (1975), it became generally understood that region, language, national ethnicity, religion, community of residence, occupation, and age were important determinants of vote choice in Canada. Accordingly, Liberals received above average support from Catholics, people with high-ranking occupations, a higher class self-image. They also drew a somewhat disproportionately large number of new Canadians and French-speaking Canadians. Their supporters were younger rather than older and from the most urbanized segments
of the population. The Conservatives presented the opposite picture; they did better among Protestants than Catholics, among farmers and people scoring low on the conventional class indicators, among Canadian-born, anglophones, rural dwellers and older voters. The NDP received a greater proportion of votes from non-Catholics, anglophones and from labourers and those identifying with the working class.\textsuperscript{41} Both authors agreed that sex and education were not very useful guides to voting intentions.

In contrast, Meisel and Schwartz diverged over the proper understanding of class as a determinant of voting behaviour. For Meisel, it was more useful to consider class in terms of status and the respondent's occupation. For her part, Schwartz believed that class-based voting, operationalized in terms of subjective class perception, existed but it was class-based parties that were missing.\textsuperscript{42} She also unveiled the fact that the so-called built-in tendency of the electorate in favour of majority government, as suggested by Regenstreif, might not be as important a factor as was previously believed. Schwartz argued that voters had absorbed the rhetoric about majority government, but saw little applicability to their own voting habits.\textsuperscript{43}

It remains that in all the previous studies, little attempt was made to isolate the independent effects of these variables on vote choice. This is not to say that the results were inconclusive or unimportant, but for methodological and analytical reasons, the scholars failed to go much beyond the descriptive. At this stage, the research concentrated on assessing how traditional variables fared in explaining the voting
Studying Elections in Canada

behave of Canadians. It took another generation of researchers to move beyond this fixation and to attempt to understand electoral politics as it occurs in Canada. 

II - The Rejection Era

Harold D. Clarke, Jane Jenson, Lawrence LeDuc and Jon H. Pammett were puzzled by the repeated emphasis placed on long-term forces such as party identification, religion, social class and group alignments in previous attempts at explaining the dynamics of Canadian electoral politics. This group of researchers believed that Canadians were much more likely to connect parties with transitory factors associated with elections than with longer-lasting ideological perceptions or with the linkages between parties and groups in society. Based on this suspicion, they set out to question the then established orthodoxy on voting behaviour in Canada.

In Political Choice in Canada (1979), the authors achieved three specific objectives. First, they isolated the independent effects of the series of variables - as previously isolated by Meisel and his colleagues - on electoral choice in Canada. Secondly, the failure of party identification to act as a stable, long-term determinant of voting behaviour, called for the development of a new typology of partisanship. Finally, they examined the dynamics of vote choice in the 1974 election. We will examine each of these realisations in turn. However, before going any further, it is important to note that the Political Choice model introduced the importance of issues in explaining voting behaviour in Canada. Hence, this model developed the research parameters within
Dialogue de sourds

which issue-oriented - or more importantly economic issue-oriented - analysis was to be conducted in Canada. Although it is important to understand the whole development of the study of voting behaviour in Canada, this latter dimension of vote choice is of particular relevance for the present study. We will return to this point later.

As noted above, Clarke and his colleagues isolated the independent effects of each of the traditional variables on electoral choice in Canada. Previous studies had identified region as a strong and durable determinant of electoral choice in Canada. For the authors of Political Choice in Canada, Richard Simeon was correct in asserting that "to be politically relevant, regionalism needs to be more than simply the correlation of certain economic, social or other characteristics with provincial boundaries. It must also include some degree of self-consciousness, some widespread sense of the provincial community as the most relevant political unit or category." Accordingly, the lack of agreement on the behavioral relevance of regional boundaries found in the 1974 data, made it unlikely that regional consciousness would provide a major explanatory variable in the explanation of Canadian electoral behaviour. Thus, for Clarke and his colleagues, region was to be treated as a variable which helps only to define the context of electoral choice. Once this was established, other variables were examined, leading to similar conclusions.

These scholars were concerned about the fact that arguments over the electoral importance of region, religion, socio-economic status and ethnicity were routinely made
Studying Elections in Canada

without knowing their total predictive power. In order to address such concerns, the combined effects of several societal cleavages, such as region, religion, ethnicity, subjective social class, community size, age and sex, on voting behaviour was assessed through the use of multiple regression analysis. The results of this analysis led to the conclusion that these factors, even taken together, could explain, on average, only about one-tenth of the variation in support for any given party in any election. This quantification of the effects of several societal cleavages highlighted the limitation of the previous approach of explaining electoral choice in Canada based strictly on societal cleavages. Consequently, these findings shifted the focus away from long-term determinants of electoral choice toward short-term effects.

Voters' susceptibility to short-term forces is, at least in part, a function of the strength and stability of partisanship. The failure to find any empirical evidence supporting the notion that Canadian voters develop partisan attachments and that these self-perceptions serve as a powerful influence on voting choice, acted as an impetus for the development of a new typology of partisanship. Specifically, the authors of Political Choice in Canada conceptualized political partisanship in terms of stability, consistency and strength. One of the main innovations in this analysis is to perceive the electorate, not as a monolithic group but rather as a changing entity made of the permanent electorate, the transient electorate and the new voters. Accordingly, most electoral change in Canada is accounted for by the behaviour of the voters who lack
strong partisan attachments. The analytical typology categorizes 62 per cent of the Canadian electorate as flexible partisans, people who deviate in some degree from consistent, stable and strong partisanship.\textsuperscript{53} To substantiate their findings, Clarke and his colleagues examined the relevance of their emerging model in the context of the 1974 election.

It is beyond the scope of this review to present the specific aspects of the quantitative analysis undertaken by Clarke and his colleagues. Little would be accomplished in reviewing the details of their methodological approach since it sought to evaluate an understanding of Canadian voting behaviour which they successfully put into disrepute.

Hence, if we concentrate only on the results of their analysis, we find that the importance of short-term factors in Canadian electoral behaviour is enhanced by the inability of social or demographic divisions in the population to manifest themselves at election time. Divisions between the sexes, age groups, rural and urban areas, or social classes have only very limited electoral significance in federal politics. Even religion and ethnicity, traditionally the deepest social cleavages in Canadian politics, are not strongly related to voting behaviour.\textsuperscript{54} While the traditional long-terms factors accounted for one-tenth of the variance in voting choice, the introduction of short-term forces such as leaders, issues, and candidates in the model increased the total variance explained, among the supporters of the two main parties, to between 0.89 and 0.52 for flexible and
Studying Elections in Canada

durable partisans respectively. Based on these results, Clarke, Jenson, LeDuc and Pammett concluded that "many Canadians approach electoral choice relatively free of those societal forces which might tend to 'predetermine' their votes... Thus, each time the nation goes to the polls, the potential for change, whether great or small, is present."

At this point, the study of voting behaviour in Canada took an important turn. One shall not conclude that Political Choice in Canada put an end to speculation over the search for a satisfactory model of voting behaviour in Canada. We can argue, for example, that the analytical requirements imposed by these authors were so strict that the findings might be, to some extent, an artefact of their methodological framework. However, what this work achieved was to redirect the debate away from the inadequacies of imported models towards an indigenous study of electoral behaviour in Canada.

III- The Canadian Era

The Absent Mandate series is indicative of the future orientation of the analysis of voting behaviour in this country. Unlike previous works which dealt with the nature of the "political milieu" within which the Canadian voters cast their ballots, these studies start with the premise that people, in Canada, do not have strong, durable party attachments based on ideological or group loyalties. The fact that change in partisanship travels with the vote at least as often as not represents an important
characteristic of the flexibility of partisanship amongst the Canadian voters. Accordingly, the electorate is understood as being sensitive to the effects of issues, leader images, and other short-term forces in the political arena.

In Absent Mandate: The Politics of Discontent in Canada (1984), and subsequently in Absent Mandate: Interpreting Change in Canadian Elections (1991), Clarke, Jenson, LeDuc and Pammett started where they left off in Political Choice in Canada. In terms of research design, it is worth noting that the first two instalments in the Absent Mandate series were based on two separate panel studies covering the period 1974-1988. Hence, this design stands as the most statistically robust to date.

For these researchers, "Canadian politics can be described as a patchwork in which leaders offer quickly stitched-together solutions to allay the public's concerns." One direct consequence is a system with strong emphasis on leadership. Canadian parties are described as brokerage parties without well-defined support based on long-term loyalties of social groups. Instead of mobilizing support along a limited number of cleavages, Canadian parties are most comfortable multiplying the number of politically relevant divisions. Voters are therefore rarely presented with a clear choice. Accordingly, "brokerage parties offer a particularly prominent position to the party leader. Rather than emphasizing social, regional, or linguistic cleavages, or laying out programs or clearly defined policy proposals, parties prefer to emphasize 'problems' that need to be addressed... In keeping with these strategies, parties also seek to
persuade the electorate that their leader has 'the right stuff' to solve such problems. 61

Following this line of argument, national elections are organized around the interplay of salient issues and party leader images. 62 Accordingly, while the 1974 campaign was apparently dominated by economic issues, particularly inflation, the main determinant of individual voting behaviour was the leader impact favouring Trudeau over Stanfield. 63 In 1979, patterns of vote-switching heavily favoured the Conservatives, and were only partly moderated by the influx of an abnormally large contingent of new voters which gravitated around the Liberal Party. Transient voters re-entering the electorate in 1979 favoured the Tories, and those who chose to stay at home tended to be disgruntled Liberals. 64 It is interesting to note that this analytical approach to segmenting the electorate is reminiscent of the one adopted by Meisel in the 1960s. Harold Clarke and his colleagues used this approach more effectively because of the quality of their data. Trudeau regained the "leader effect" advantage in the 1980 election and this time, the decline in voting turnout favoured the Liberals. In the two subsequent elections, the departure of Trudeau from the political scene allowed the Conservatives, led by Brian Mulroney, to recapture the leadership advantage. Even in the 1988 election when the Free Trade issue was so salient, "no policy mandate for the Free Trade Agreement emerged from voting." 65

In Absent Mandate: Interpreting Change in Canadian Elections (1991), Clarke and his colleagues had to deal with the reality of the free trade issue in the 1988
election. On the surface, the events of the 1988 federal election do not appear to suit their description of electoral politics in Canada. After all, the 1988 election was the "Free Trade Election" with the electorate deciding the fate of this trade agreement.66 Undeterred, Clarke and his colleagues adopted the same analytical framework that proved successful in explaining previous elections, and reached similar - albeit more refined - conclusions.

In the second edition of Absent Mandate, the concept of mandate was given more importance. For Clarke et al.:

There are often several respects in which even majority governments often lack mandates. The effect of three-party competition is such that the governing party normally lacks a majority of the total votes cast. Those votes it does get are usually regionally concentrated, so a national mandate is absent. Furthermore, victory usually rests on such a myriad of patterns of vote-switching and electoral replacement that a directional mandate is likely absent. Most importantly, the patterns of choice on issues combine to thwart a policy mandate, especially on any policy representing long-term planning or fundamental restructuring of the economy or society.67

Accordingly, an issue is to be considered a significant determinant of voting behaviour only to the extent that it becomes a basis for a policy mandate for the winning political party. The electorate has to be made aware of the nature and consequences of the vote, and the parties have to clearly state their positions on this issue. According to Harold Clarke and his colleagues, these prerequisites were absent in 1988.
Studying Elections in Canada

At the onset, the PC government was determined to avoid making free trade the issue of the election, and was forced to deal with it only when the issue was pushed to the forefront by John Turner during the leaders' debate. For its part, although Turner successfully focussed the election on free trade, the Liberal Party was unable to adopt an unequivocal position on this issue. Finally, the NDP chose to stay away from free trade on the assumption that it lacked credentials on economic questions.68

In this context, even in the 1988 election campaign when the free trade issue was so salient, Clarke et al. nevertheless asserted that "no policy mandate for the Free Trade Agreement emerged from the voting."69 It appeared that the significant determinants of voting behaviour previously identified - leader images, and short-term forces in the political arena - were still at play in 1988. As explained above, Clarke and his colleagues refined their understanding of the circumstances under which the effects of issues are the most significant, and elevated leader images as the most significant determinant of voting behaviour in Canada. In line with this argument, the authors placed more emphasis on the dynamics of the election campaign itself which took precedence over candidates as an important determinant of voting behaviour. In the end, Clarke, Jenson, LeDuc and Pammett concluded that;

Political parties have learned that their electoral coalitions are fragile creations, requiring constant and careful attention. For their part, voters have learned that they will not be offered clear choices about the future in elections, and look upon the events as might spectators at any competitive event. Their engagement is limited as they express
feelings of cynicism, dissatisfaction with politics and politicians, and general negativity about the political process.\textsuperscript{70}

Accordingly, there is a strong risk that "parties and elections will be no more likely in the future than in the past to fulfil their assigned tasks of organizing choice and mobilizing change."\textsuperscript{71}

Not everyone shares the previous pessimistic interpretation. Steven D. Brown, Ronald D. Lambert, Barry J. Kay and James E. Curtis, while agreeing with the prominent role of leaders in Canadian politics, argued that Canadian voters "show evidence of possessing a prototypical leader role schema that informs their perceptions of the major party leaders in any one election period, and that remains stable from one election to another, despite turnovers in leadership personnel."\textsuperscript{72} This suggests a more informed and aware electorate than previously argued. On the other end, a recent study by a Quebec scholar looked at the 1988 election from an electoral marketing perspective, and argued that the 1988 federal election must be understood in terms of the interplay between the party platforms, the leaders, the political discourse as well as a sociotropic retrospective assessment of the government’s performance.\textsuperscript{73}

The conclusions reached in \textit{Absent Mandate: Interpreting Change in Canadian Elections} - especially the increased importance of the dynamics of the election campaign in determining vote choice - echoes those of Richard Johnston and his team of researchers. In \textit{Letting the People Decide: Dynamics of a Canadian Election...}
Studying Elections in Canada

(1992). Richard Johnston, André Blais, Henry E. Brady and Jean Crête sought to question what they described as the image of the electorate which dominates popular discussion of mass politics: the people as a free-standing body, with its own indomitable collective opinion. They questioned the portrayal of voters as the prime movers in the electoral drama.

Johnston et al. departed from the aforementioned norm. For them, elections are not just about how voters choose. They are also about how parties and leaders shape the alternatives from which the choice is made. Accordingly in 1988, the parties let the Canadian people divide over the Free Trade Agreement, but they consciously suppressed divisions on other issues, for instance the Meech Lake Accord.

In direct reference to the previous point, the authors asserted the importance of party campaign strategies and their influence in "priming" voters. Priming is defined as the electoral manifestation of the elite struggle for control of the agenda. Accordingly, Canadian political parties have historically decided to fight elections over three basic dimensions - commercial policy, nationality, and class. For Johnston and his colleagues, these dimensions seem to structure political beliefs and act as strong predictors of partisanship.

Thus, the 1988 Canadian Election Study was designed to investigate the interplay between strategic party decisions - like John Turner's decision to push the Free Trade Agreement to the forefront of the electoral discourse - and the electorate's
response to them. To do this, the authors employed a research design that has been used repeatedly by private party pollsters, but was a novelty in academic studies: a rolling cross-section. Before delving into their findings for the 1988 Canadian Federal Election. it is noteworthy to review some of the broad points raised by Johnston, Blais, Brady and Crête.

In general terms, they asserted that the 1988 election brought the Canadian party system and the Canadian people nearly full circle. For them, the modern era of Canadian party politics began in 1878 in an election fought on commercial policy. The Conservative party won in 1878 but on a trade platform diametrically opposed to their 1988 one; in 1878 they championed protectionism; in 1988 they opposed it. Until 1988 no attempt to undo the results of 1878 succeeded; indeed, after 1911 none was even ventured. The 1988 election thus defied at least three long-standing norms of Canadian electoral politics; that no party would dare to propose commercial union with the United States; that any party doing so would lose; and that the Conservative party would be the last one even to consider such a proposal.79

Secondly, Johnston et al. argued that Canadian voters typically make up their minds late in the election campaign. Accordingly, "for all the strategizing in advance of the 1988 campaign, the Canadian people could not be pinned down until very near the campaign's end. They entertained a wide range of considerations. They took in debates, news, and advertising. They puzzled over the ancillary strategic questions
threw up by the campaign. Conceivably, 1988 raised more of these questions than any campaign before or since. In doing so, it revealed the potential for campaigns. For Johnston and his colleagues, it also revealed the capacity of Canadian voters to deliberate, to behave remarkably like actors who rarely appear on the stage of voting research; citizens.

In the same vein, it is argued that vote intentions expressed outside the campaign period (pre-writ voting intentions) are not based on the same dynamics as the vote itself. According to Johnston et al., pre-writ voting intentions may be subject to all sorts of influence, influences which do not count when the chips are down on election day. Thus, one reading of this is that election-day outcomes, the ones that matter, are determined by a small set of forces; conversely, the forces that operate on the response to sample surveys between elections may be more complex, but their complexity is largely irrelevant to real election outcomes. This point will be directly investigated when we analyze the relevance of politico-economic interactions during the pre-writ period leading up to the 1993 Canadian Federal Election. Unfortunately, proprietary restrictions preclude us from accessing the private party polls necessary to analyze the pre-writ period in 1988.

Turning our attention to the 1988 Canadian Federal Election, Johnston, Blais, Brady and Crête argued that the main determinant of individual voting behaviour was the voter's evaluation of the dynamic of the election campaign. Accordingly, the 1988
Dialogue de sourds

campaign substantiates claims for the importance of strategy and counter-strategy. Post-debate movement in evaluation of the leaders was consistent with the near-consensus on what happened in the debates. Moreover, opinion shifts on the FTA responded to parties' rhetorical initiatives. Consequently, Johnston and his colleagues asserted that voters are sensitive to that manipulation. Sensitivities are organized by prior party commitment, but the organization is not airtight. The strategic campaign can penetrate partisan boundaries, and coalitions can be split.

In this context, voters are strikingly sensitive to news about the campaign, and voters who report an interest in the news are responsive to information they gather and not just so as to reinforce their predispositions. Although voters almost certainly do not seek advertising out, it does ultimately catch up with many of them and it does permit repetition of a message which has been found to be persuasive. The same holds true for the most watched media campaign event - the Leaders' Debate. It stems that had the debate not happened, there is every indication that the Conservatives would have coasted home. It is even possible that the NDP would have formed the Official Opposition.

These findings led Johnston et al. to argue that the 1988 Canadian election campaign poses fundamental challenges to electoral studies. For them, the discipline's most highly formalized and elegant theoretical paradigm predicts that on key issues, parties will converge on the median voter. In 1988 the parties converged on one key
issue but divided sharply over the other. Accordingly, Johnston and his colleagues suggested that their findings stood in contrast with what they believed to be a widely held opinion in the discipline that campaigns do not matter. However, we should question this assertion if we accept that Clarke and his colleagues arrived at similar conclusions. The difference between the two arguments is more in emphasis than in substance.

It remains that the 1988 election campaign did matter. Because of their research design which tracked daily fluctuations in voting intentions, Johnston et al. were able to elevate the importance of campaigns as the main determinant of voting intentions in Canada. In this sense, their results could have been driven by their methodological choices. This is not to say that their findings are incorrect, but they may differ from previous Canadian studies because of the novelty of their methodological approach. Even as Clarke et al.'s use of regression analysis in *Political Choice in Canada* shed light on the relative importance of voting determinants in Canada, Johnston et al.'s rolling cross-section was bound to unveil the relative importance of campaign dynamics. For Johnston, Blais, Crête and Brady, the way in which the 1988 campaign mattered suggests that, at some level, all campaigns matter, even when they do not exhibit the spectacular ups and downs of 1988.\(^\text{88}\) Whatever the shape of any particular campaign, all campaigns matter merely by existing. They represent the moment at which the mass electorate comes closest to being a legislative body. Citizens are most
likely to pay attention to politics when they are called upon to take responsibility for their opinions and make a politically consequential choice.⁸⁹

The latest instalment of the Absent Mandate series continued to deal with the concept of mandate, this time faced with the electoral earthquake of the latest Canadian federal election. In 1993, we witnessed the election of 203 out of 295 new Members of Parliament, a 69% turnover in the House of Commons. The Liberals elected 177 candidates, while the other two major parties were reduced to 9 (NDP) and 2 seats (PC). The two main parties were replaced by new emerging regionally based parties - the Bloc Québécois with 54 seats, and the Reform Party with 52 seats.⁹⁰

Despite such changes, Clarke et al. argued in Absent Mandate: Canadian Electoral Politics in an Era of Restructuring (1996) that the dynamics of the recent election only reinforce previously held opinions about the nature of elections in Canada and the main determinants of voting behaviour in this country. Accordingly, Clarke and his colleagues suggested that there continues to be little evidence that the Canadian electorate awards a mandate to any government. There is rather a tendency to see elections as an opportunity to “throw the rascals out” more than directing the future.⁹¹

Moreover, they argued that voting behaviour in Canada is quite changeable throughout the country, and the presence of regional differences in parties’ vote shares in specific election should not be interpreted as indicating that regional cleavages are long-term forces anchoring support for particular parties.⁹² Building on a theme they first
developed in Political Choice in Canada, Clarke et al. demonstrated that in 1993, the explanatory power of all socio-demographic variables was only 13% for Liberal voting, and merely 2% and 7% for PC and NDP voting respectively. These variables also fail to account for much of the support for the new parties; they explain 11% and 27% of the variance in Reform and BQ voting respectively. This led them to conclude that the Liberal mandate in 1993 was a very constrained one. It was limited to a general public approval of its pledge to reduce unemployment, a mandate that any winning party could have easily claimed.

Whether one agrees with these arguments or not, it remains that the previous two analyses provide us with the necessary background to our analysis. The last few studies stress the importance of campaigns and campaign strategy, but fail to go beyond this assertion. If Johnston and his colleagues are right in arguing that "all campaigns matter", it is only natural to start examining the significance of the strategists' key assumption guiding campaigns, namely that "it is the economy, stupid."

At this juncture, an important point has to be made. We argued at the beginning of the present study, that in a politico-economic interactions model, voters have little use for party affiliations as they assess the party system through an incumbent-opposition dichotomy. In the same vein, voters do not behave electorally according to socio-economic characteristics and group affiliations. We further suggested that there is little doubt that a voter with strong party identification or with strong group affiliations...
would be unlikely to base his or her vote choice strictly on an assessment of the performance of the party in power. Such a voter would be unlikely to have the capacity of abstraction to disentangle the cross-pressures of party loyalty, group affiliations and performance evaluation of the incumbent party based on his or her utility curve. The preceding general review of the Canadian voting behaviour literature would suggest that such a political environment exists in Canada. Accordingly, previous studies of Canadian voting behaviour suggest that the Canadian electorate should be understood as being sensitive to the effects of issues, leader images, and other short-term forces in the political arena. Having established that, we can go beyond this generalization and concentrate on one specific element - the importance of the links between the short-term forces of economic and political evaluations within this electoral environment.

We will shortly turn our attention to the empirical dimension of our study but before doing so, we need to review what we know about politico-economic interactions in Canada.

IV - The Review of the Canadian Literature on Politico-Economic Interactions

The Canadian literature on politico-economic interactions is remarkably sparse. A total of nine studies by Canadian scholars analyzed the relevance of politico-economic interactions in the Canadian political context. These nine studies explored the demand side of the interactions, with five studies relying on aggregate-level data, three using individual-level data, while another study examined this issue from both an
Monroe and Erickson (1985) conducted a "traditional" analysis of the link between economic conditions and party support in Canada between 1954 and 1979. This analysis is admittedly "traditional" since it relies on the usual variables - political support, quarterly unemployment rate, quarterly change in personal per capita income, and quarterly inflation rate. These authors found that the evidence does not support the hypothesis that economic fluctuations influence popular support for either the governing or the opposition party for the period under study. The researchers went on to conclude that "these findings thus do not confirm the Downsian referendum scenario suggesting that political support is a simple response to economic conditions, with good times rallying the public behind the incumbent party and bad times causing the public to indicate their desire for a change in economic conditions by supporting the Opposition."  

Johnston (1986) looked at the relevance of macroeconomic matters in determining the voting behaviour of Canadians from different perspectives. Specifically, Johnston concentrated on the period between 1964 and 1983, and looked at three different aspects, namely Canadians' aversion to inflation and unemployment, memories of economic events and their impact on party preferences, as well as the relevance of economic perceptions and expectations as determinants of voting behaviour in Canada. His analysis led him to conclude that in general terms, the track
of Liberal popularity from 1980 to 1983 followed the path of unemployment and inflation.\textsuperscript{97} Outside this period, however, the evidence is mixed.

In specific terms, Johnston argued that:

1) On balance, the classic formulation of the political business cycle finds little support in Canadian attitudinal data. Canadians are not systematically more averse to unemployment than to inflation; if anything the opposite is true. Over time, aversion shifts back and forth sharply, according to whichever of inflation or unemployment yields the worse reading; and,

2) Canadians may or may not have lengthy economic memories. Their priorities shift quickly and the overall effect of the economy on political support is weak.\textsuperscript{98}

For his part, Nadeau (1987) does find a relationship, at the aggregate level, between economic conditions and the popularity of the governing party for the political period ranging from the King administrations to the end of the Trudeau era, but the pattern shifts from decade to decade.\textsuperscript{99} Interestingly, Carmichael found a similar pattern in a subsequent study. Specifically, Nadeau's model introduces a mixture of economy and political variables.\textsuperscript{100} From the political perspective, the model relies on the following specific variables:

1) incumbent lead over the official opposition

2) number of quarters between the end of the honeymoon period and the election

3) new incumbent party leader prior to election effect

4) new opposition party leader prior to election effect

5) PC party infighting effect
6) October Crisis effect

From the economic perspective, the model relies on the following variables:

1) quarterly unemployment rate
2) quarterly inflation rate

The imbalance between political and economic variables, within an economic model, is the obvious criticism of Nadeau's work. Another shortcoming of Nadeau's analysis is that it does not cover the period encompassing the last three federal elections (1984, 1988, 1993) during which the economy was, at least rhetorically, the most salient issue. Furthermore, as it is the case with most studies, Nadeau fails to include voters' perceptions in his analysis.

Archer and Johnson (1988) saw little evidence pointing to the importance of economic issues in determining the outcome of Canadian federal elections. They examined the link between inflation, unemployment, and Canadian federal voting behaviour for the period 1974-1984. Using individual-level data from Canadian national election studies, Archer and Johnson asserted that neither rapid deterioration in performance, as with inflation in 1974, nor stable poor performance, as with both inflation and unemployment in 1979 and 1980, is a sufficient condition for influencing the outcome of elections. It appears that although economic performance may have had some effect, its importance was, at best, marginal between 1974 and 1980. Economic effects were superseded by more salient issues such as partisan evaluations.
Dialogue de sourds

and party leaders.\textsuperscript{102}

However, the election of 1984 illustrated that economic performance can be an issue of significant importance. The 1984 findings suggested that a relatively popular incumbent leader, such as Trudeau, can overcome the potentially negative effects of poor economic performance. In contrast, an unpopular leader, such as John Turner, can further penalize an incumbent party by not counterbalancing harmful economic performance issues. Thus, Archer and Johnson argued that regardless of the potential impact of economic evaluations, its link with leaders image suggests that they do not stand alone as determinants of vote choice in Canadian federal elections.\textsuperscript{103}

In their study of the support for the Liberal incumbent government between 1980-83, Clarke and Kornberg (1989) found that prospective sociotropic and, to a lesser extent, prospective egocentric economic evaluations are significant and strong determinants on support for the incumbent government and national political regime in Canada.\textsuperscript{104} These findings echo and substantiate Johnston's previous findings for the same period.

In the study examining the longest period (1930-1979), J.R. Happy (1989) argued that the retrospective economic voting model for Canadian federal elections, from 1930 through 1979, shows that change in personal or disposable income has a significant, direct impact on incumbency voting, while inflation enters the voting calculus only indirectly. More importantly, for the incumbent party, income performance may
Studying Elections in Canada

provide the difference between continuing to occupy the government benches rather than becoming the opposition. The study concludes that voter attribution of responsibility for income performance is focused and specific - income stability as well as income growth are demanded through incumbency voting.

In a more recent study, Carmichael (1990) suggested that overall, the evidences for the period 1945 to 1988 pointed to the fact that economic conditions have little observable effect on the popularity of the Liberal and Progressive Conservative parties. In fact, he noted that previous studies have shown that Canadians are, if anything, perverse economic voters; the worse the economy becomes, the larger the share of vote intentions the government receives. However, his own findings make a distinction between the elections from 1945 to 1972 where bad economic conditions benefited the incumbent party; whereas for the elections from 1974 to 1988, bad conditions hurt it. Overall, Carmichael’s findings are a more sophisticated articulation of Nadeau’s analysis.

In a study published in 1992, Harold Clarke, Euel Elliott, William Mishler, Marianne Stewart, Paul Whiteley, and Gary Zuk united their efforts and examined the economics and politics of governing party support in Canada between 1988 and 1990. Measuring economic conditions as perceived by voters, the authors concentrated on evaluations of personal economic conditions and government support, the perceived government impact on personal financial condition and on the national economy, as
well as evaluating the impact of voter attitudes toward two specific economic issues - the GST and Free Trade. Clarke and his colleagues specifically examined the explanatory power of economic evaluations and economic issues (Free Trade and the GST), and concluded that economic evaluations have strong explanatory power. In specific terms, demographic variables explained only 8% of the variance. Federal and provincial party identification explained an additional 12%, and favorable attitudes toward Meech Lake added 2%, bringing it to 22%. In contrast, the entry of the economic evaluations in the stepwise regression model doubled the proportion of explained variance to 44%, and people's attitudes towards both Free Trade and the GST increased it to 47%. Despite these interesting results, Clarke et al. did not address the fact that, while economic evaluations have the most explanatory power in their model, it remains that these evaluations explain only 22% of popular support.

The most recent study on economic voting in Canada, Nadeau and Blais (1993) suggested that the share of the vote obtained by the Liberal Party, for the period 1953-1988, depends on deviations from the average rate of unemployment, inflation and income growth. However, the most significant factor explaining this support is a non-economic factor: the presence or absence of a party leader from Québec.
Based on the previous sparse and sketchy findings, we can nevertheless draw the following broad conclusions. First, there seems to be a consensus that economics did have an impact on popular support at several points in time since 1930. Specifically, both studies examining the period between 1980 and 1983 (Johnston and Clarke and Kornberg) suggest a significant link between economics and popular support. Furthermore, Archer and Johnson isolated a link between these two dimensions in the 1984 federal election. For their part, Clarke et al. suggested that politico-economic interactions are relevant determinants of popular support for the period between 1988 and 1993.

Based on the complementary studies by Happy, Carmichael, Monroe and Erickson, and Johnston, as well as those by Nordhaus and Tufte, we can argue that economic conditions are relevant determinants of popular support for the period between 1930 and 1954, while the results are mixed for the period between 1955 and 1979.
Table 6.1 - Historical Perspective on Canadian Findings

<table>
<thead>
<tr>
<th>Historical Period</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1930-1954</td>
<td>politico-economic interactions are relevant determinants (Happy, Nadeau) (no evidence of government manipulation - Nordhaus)</td>
</tr>
<tr>
<td>1955-1979</td>
<td>mixed results (relevant - Happy, Nadeau, Tufte, irrelevant - Carmichael, Monroe and Erickson, Archer and Johnson, Johnston)</td>
</tr>
<tr>
<td>1980-1984</td>
<td>politico-economic interactions are relevant determinants (Johnston, Nadeau, Archer and Johnson, Clarke and Kornberg)</td>
</tr>
<tr>
<td>1985-1987</td>
<td>period still unexamined</td>
</tr>
<tr>
<td>1988-1993</td>
<td>politico-economic interactions are relevant determinants (Clarke et al.)</td>
</tr>
</tbody>
</table>

To some extent, the study of voting behaviour in Canada stands at a crossroads. Most of the first thirty years of research have been spent developing a Canadian framework. These efforts have resulted in a move away from a model which tallied the determinants of voting behaviour in Canada towards an emphasis on those variables with behavioural consequences. Although important, scholarship should now explore the theoretical, political and strategic ramifications of this framework. One possible avenue is the one this study intends to explore.
The present analysis aims at two very specific goals. First, we will make a clear distinction between popular support and electoral support. This distinction is based on the theoretical point raised by Johnston et al. (1992) suggesting that voting intentions expressed outside the campaign period are not the same thing as the vote itself. If this is the case, it could be suggested that strategic decisions are made based on pre-writ polling information that has very little to do with the actual campaign issues and dynamics. This could also explain the continued importance of economic issues in campaign rhetoric. In the same vein, we must wonder why politicians and strategists continue to worship at the altar of economic determinism? Should they continue to do so? Finding answers to these questions are the second goal the rest of this study will attempt to achieve.
Notes

1. We can also witness such a disenchantment among studies on American electoral behaviour. Partly because of irreconcilable findings between the politico-economic interactions model and the party identification model, scholars studying the American electoral context have come to downplay the importance of party identification as a determinant of voting behaviour. See Norman H. Nie, The Changing American Voter, (Cambridge: Harvard University Press, 1976).


3. Peter Regenstreif, The Diefenbaker Interlude, (Toronto; Longmans Canada Limited., 1965), viii. J.M. Beck, Pendulum of Power, is an example of such an approach to studying elections where little attempt is made to generalize.


6. Ibid.

7. To some extent, research on voting behaviour in Canada is still trying to explain this particularity. Studies on the existence of class voting in Canada like Keith Archer "The Failure of the New Democratic Party; Unions, Unionists, and Politics in Canada" or Jon H. Pammett "Class Voting and Class Consciousness in Canada" are recent examples of this search for structural elements explaining the electoral choices of Canadians.


9. Ibid., 44.

Studying Elections in Canada


12. Most of the data used came from election results. Meisel also had access to Gallup polls which were not really tailored to his analysis.


14. Ibid., 266.

15. Ibid., 273.

16. Ibid., 70.


18. Ibid., 246.

19. Ibid.

20. Ibid., 247.


22. Ibid., 248.

23. Ibid., 251.

24. Ibid., viii.


27. Ibid., ix. It is sobering to see the accuracy of this study (see p.x) despite the small sample size.

Dialogue de sourds


30. Ibid., 169.

31. Ibid.

32. For a complete presentation of the analysis, see pp.84-106.

33. Ibid., 24.

34. Harold D. Clarke et al., Political Choice in Canada, (Toronto; McGraw-Hill Ryerson Limited., 1979), 120.

35. Peter Regenstreif, The Diefenbaker Interlude, (Toronto; Longmans Canada Limited, 1965), 86.

36. Ibid., 68.

37. Ibid., 61.

38. Ibid., 172.

39. Philip Converse was one of the authors of The American Voter.

40. Mildred Schwartz looked at the 1965 election and John Meisel examined the 1968 election.


43. Ibid., 552.

Studying Elections in Canada


47. Harold D. Clarke et al., *Political Choice in Canada*, (Toronto; McGraw-Hill Ryerson Limited, 1979), 64.

48. Ibid., 124-125.

49. Ibid., 128.


52. Ibid., 307.

53. Ibid., 307.

54. Ibid., 392.

55. For the total breakdown see *Political Choice in Canada*, pp. 352-353. It shall be noted that the model performed marginally less satisfactorily for NDP durable partisans but the variance explained still reached 0.41.


58. Ibid., 2.

59. Ibid., 14.

60. Ibid., 9.

61. Ibid., 88-89.
62. Ibid., 109.

63. Ibid., 135-136.

64. Ibid., 138.


69. Ibid., 148.


71. Ibid., 154.


73. See Bernier, Robert, Gérer la Victoire?: Organisation, Communication, Stratégie, (Boucherville; Gaetan Morin Editeur, 1991).


75. Ibid., 3.

76. Ibid.
77. Ibid. 212.
78. Ibid., 100-101.
79. Ibid. 35.
80. Ibid., 15.
81. Ibid.
82. Ibid., 22.
83. Ibid., 23.
84. Ibid., 243.
85. This point is in direct opposition to the main arguments presented in Berelson et al.'s Voting.
86. Ibid.
87. Ibid., 244.
88. Ibid., 245.
89. Ibid., 253.
92. Ibid., 96.
93. Ibid., 97.
94. Ibid., 142.
95. Ibid., 196.
96. Ibid., 206.

98. Ibid., 144.


100. Ibid., 335.


102. Ibid., 233.

103. Ibid.


105. Ibid., 386.


108. Ibid., 714.

109. Ibid.


111. Ibid., 158-159.

112. Ibid, 159.
Studying Elections in Canada


Chapter 7 - The 1988 Canadian Federal Election

Keeping in mind the lessons learned from the empirical works reviewed in the previous chapters, it is the objective of the remainder of the present study to examine the theoretical relevance and practical salience of politico-economic interactions in the 1988 and 1993 Canadian federal elections. In so doing, we will attempt to provide answers to the questions raised in the introductory chapter.

In order to meet our research goal, the next two chapters will be organized within the same general lines. The similarity in the structure is designed to facilitate comparison, and to help provide insights into the research problem. Accordingly, in order to contextualize the empirical findings, a general overview of the economic context within which each of these two federal elections took place will first be presented. As mentioned before, even though the incentives to engage in, or to produce political business cycles may be quite substantial, we would not expect governments to attempt to pursue such a pattern systematically at each election, since an alerted electorate will eventually fail to react to cynical and blatant economic manipulation. In this sense, analyzing the 1988 and 1993 federal elections becomes an interesting study in contrast.
The 1988 Canadian Federal Election

We will show that the 1988 federal election took place during a period of economic growth, while the 1993 election occurred during an economic recession. The simple fact that the incumbent government was reelected in 1988, and tossed out in 1993, conveys the image of an electorate rewarding good economic administration, but turning vengeful to punish the same administration for poor economic performance. The present study examines if such a conclusion is valid.

The political environments were also different. In 1988, the Conservative government led by Brian Mulroney was seeking a second mandate. To do so, it had to reverse people's attitude that had kept it mired in third place in opinion polls for most of its term in office. Five years later, the Conservative government banked all its electoral hopes on the image of a new party leader, hoping she would revive an obviously tired administration.

If we turn our attention to the behaviour of the voters, these two Canadian federal elections are also fascinating cases. On the one hand, the 1988 Federal Election is interesting since the incumbent party had been given little chance of reelection at mid-mandate, so far down was it in public opinion polls. It is only when the campaign was imminent that we witnessed a surge in popular support for the incumbent party. It has been suggested that the notion of political business cycles, as it is associated with the concept of politico-economic interactions, cannot be expected to occur regularly at every election but is more pronounced when the election is perceived
as close by the governing party as opposed to a safe one where ideological objectives may come into play. In this instance, we can be reasonably confident in proposing that the 1988 Canadian election qualified as a potentially close one.

On the other hand, the results of the 1993 federal election suggest an electoral earthquake, a revolution in Canadian politics brought about by the voters. It resulted in the election of 203 out of 295 new MPs, and the Progressive Conservative Party was annihilated - it was virtually eliminated from the House of Commons, dropping from 169 seats to only two seats. This election also saw the emergence in Parliament of two new regionally-based parties - the Bloc Quebecois and the Reform Party of Canada. In order to be both theoretically relevant and practically salient, politico-economic interactions must be able to account for electoral turmoil as witnessed in 1993.

Thus, in the present study, politico-economic interactions are analyzed within two different political, economic, and behavioural contexts, and may therefore yield a refined understanding of the particular economic circumstances within which politico-economic interactions are - if at all - significant determinants of voting behaviour in Canadian federal elections.

This analysis will rely on the 1988 and 1993 Canadian National Election Studies as the main sources of individual-level survey data. For the 1993 federal election, we will also refer to a series of pre-writ proprietary survey results, as well as to a proprietary post-election survey. It is important to reiterate that the research objective is not to
The 1988 Canadian Federal Election

provide an overall explanation of voting behaviour in these two Canadian federal elections, but to assess specifically the relevance of politico-economic interactions as determinants of vote choice.

Our contrasting approach to studying politico-economic interactions in Canada should, at a minimum, clarify the economic circumstances within which such interactions are potential determinants of voting behaviour, as well as shedding some light upon their relevance in explaining recent electoral events in Canada. It will also put in perspective the impact of economic interactions as determinants of voting behaviour in Canada. Having said that, we can turn to the analysis of the 1988 Canadian Federal Election, while the 1993 election will be the object of the next chapter.

I - The Economic Environment

The Mulroney administration's sojourn in the political cellar of popular support cannot be attributed to a poor performance of the economy. In fact, the first Mulroney administration enjoyed a period of economic prosperity that stood in sharp contrast with the dire economic performance of the late 1970s and early 1980s. Overall, the economy expanded steadily with an average quarterly real growth of 4.3%. In fact, with the exception of the fourth quarter of 1986 where average GDP growth was only 1%, quarterly increases in GDP hovered regularly over 4.0%. In contrast, during the period 1980-84, the economy grew by an average of only 2.3%. Moreover, the economy contracted for five consecutive quarters between 1982 and 1983.

<table>
<thead>
<tr>
<th>Period</th>
<th>Support for PCs</th>
<th>Unemployment Rate</th>
<th>Variation in C.P.I.</th>
<th>Growth in GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985:1</td>
<td>54%</td>
<td>11.1</td>
<td>3.6</td>
<td>6.0</td>
</tr>
<tr>
<td>1985:2</td>
<td>56%</td>
<td>10.8</td>
<td>3.8</td>
<td>3.9</td>
</tr>
<tr>
<td>1985:3</td>
<td>44%</td>
<td>10.2</td>
<td>3.9</td>
<td>4.0</td>
</tr>
<tr>
<td>1985:4</td>
<td>48%</td>
<td>10.2</td>
<td>4.2</td>
<td>5.2</td>
</tr>
<tr>
<td>1986:1</td>
<td>37%</td>
<td>9.7</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>1986:2</td>
<td>41%</td>
<td>9.5</td>
<td>3.9</td>
<td>4.3</td>
</tr>
<tr>
<td>1986:3</td>
<td>32%</td>
<td>9.6</td>
<td>4.1</td>
<td>3.6</td>
</tr>
<tr>
<td>1986:4</td>
<td>31%</td>
<td>9.4</td>
<td>4.3</td>
<td>1.0</td>
</tr>
<tr>
<td>1987:1</td>
<td>28%</td>
<td>9.5</td>
<td>3.9</td>
<td>2.4</td>
</tr>
<tr>
<td>1987:2</td>
<td>24%</td>
<td>9.2</td>
<td>4.5</td>
<td>3.1</td>
</tr>
<tr>
<td>1987:3</td>
<td>23%</td>
<td>8.9</td>
<td>4.7</td>
<td>4.7</td>
</tr>
<tr>
<td>1987:4</td>
<td>23%</td>
<td>8.3</td>
<td>4.3</td>
<td>6.4</td>
</tr>
<tr>
<td>1988:1</td>
<td>30%</td>
<td>7.9</td>
<td>4.1</td>
<td>5.7</td>
</tr>
<tr>
<td>1988:2</td>
<td>31%</td>
<td>7.7</td>
<td>4.0</td>
<td>6.2</td>
</tr>
<tr>
<td>1988:3</td>
<td>35%</td>
<td>7.9</td>
<td>3.8</td>
<td>4.4</td>
</tr>
<tr>
<td>1988:4</td>
<td>43%</td>
<td>7.9</td>
<td>4.2</td>
<td>3.8</td>
</tr>
</tbody>
</table>
The 1988 Canadian Federal Election

While the unemployment rate remained relatively high, there was a steady and almost linear decline from the beginning to the end of the first Mulroney administration. Specifically, the unemployment rate decreased from 11.1% in the first quarter of 1985 to a low of 7.7% in the second quarter of 1988. While the unemployment rate slightly increased after that point, it reached a comparatively low level at 7.9%. This rate was significantly lower than the average for the period. It was also significantly lower than the double-digit levels experienced between 1982-1984. Furthermore, the inflation rate remained relatively steady over the period, fluctuating from a high of 4.7% in the third quarter of 1987 to a low of 3.6% in the first quarter of 1985. The overall average for the period was 4.0%. Once more, this is far below the double-digit levels witnessed in the early 1980s.

Hence, it is fair to say that the low level of popularity of the Mulroney government did not follow economic growth. As indicated above, after a short honeymoon period in 1985, the level of popularity of the government plummeted to the low-30% in 1986, and remained in the 20% range throughout 1987. Popularity for the Mulroney administration rebounded in 1988, and reached 43% as the election loomed. Accordingly, the aggregate overview of the politico-economic environment between 1985 and 1988 can lead one to speculate that while the electorate turned against the Mulroney administration shortly after its victory in 1984, the imminence of an upcoming election directed the focus on the administration's economic performance. Thus, while the wave
of resignations and scandals appears to have had a negative effect on the
government's popularity, its ability to deal with economic issues and its capacity to
deliver economic prosperity had sufficient electoral appeal to ensure reelection. The
upcoming analysis will assess if this hypothesis reflects the reality of individual voting
behaviour.

II - The Analysis

We have already seen that the guiding hypothesis in the demand-side of
research on politico-economic interactions suggests that when economic conditions
appear better (worse), a voter is more (less) likely to favour an incumbent. In reviewing
the literature, we find that economic evaluations can be defined in terms of at least four
dimensions:

(1) personal versus collective;
(2) retrospective versus prospective;
(3) simple versus mediated; and
(4) cognitive versus affective.

The first dimension refers to whether the voters evaluate the economic situation
based on personal experience or with regards to the general situation prevailing in the
country. The distinction between retrospective and prospective lies in whether the
voters look back at how the economy has been or forward at how he or she expects the
economy to perform. Thirdly, with respect to the simple versus mediated dimension,
The 1988 Canadian Federal Election

with the former, the electorate is asked to consider a single aspect of the economy, while with the latter, voters must consider economic performance, government performance, and the relationship between the two. Finally, the fourth dimension distinguishes between items which provoke rational or emotional reactions.

Consequently, these dimensions suggest that the economic voter looks backward and forward, at the economics of self, community, and government, forming reasoned and not-so-reasoned opinions that decide his or her party preference. These four dimensions were operationalized in the 1988 Canadian National Election Study, and constitute the independent variables in the present analysis. The next section will review the methodological steps taken to operationalize both the independent and dependent variables, while the analysis itself will be presented in the next. It is important to note that to ensure comparability, the variables are operationalized in the same fashion for our study of both the 1988 and 1993 federal elections.

A - Methodology

The first methodological task is the operationalization of our dependent variable - vote choice. The final objective of this operationalization is to conduct a regression analysis to isolate the independent effects of each variable on vote choice.

Our analytical approach is based on Key's hypothesis which put forth the image of the voter as an individual who appraises the actions of government, who has policy preferences, and who relates his or her vote to those personal appraisals and
Dialogues de sourds

preferences. Consequently, all these patterns of behaviour are consistent with the supposition that voters, or at least a large number of them, are moved by their perceptions and appraisals of policy and performance. In short, they like or do not like the economic performance of the incumbent party, and behave accordingly.

Thus, in the present analysis, it is argued that, one supports either the incumbent party or the opposition parties. Thus, the vote choice variable was operationalized as:

- incumbent party: 1
- opposition parties: 0.

In this sense, we not only follow in the tradition of Key, but adopt the same analytical approach that proved successful for Butler and Stokes. As noted in the third chapter, Butler and Stokes suggested that:

The electorate's response to the economy is one under which voters reward the government for the conditions they welcome and punish the government for the conditions they dislike. In the simplest of all such models the electorate pays attention only to the party in power and only to conditions during its current tenure in office.

A similar approach was later used by Michael Lewis-Beck whose research design is the basis of this analysis. Accordingly, in the context of both the 1988 and 1993 federal elections, we dichotomize the variable vote choice where supporting the Progressive Conservative Party becomes 1 and supporting any of the other parties; Liberal, NDP and Others becomes 0. We added the Bloc Quebecois and the Reform Party to this list for the 1993 federal election.
Table 7.2 - Economic Items in the 1988 and 1993 Canadian National Election Studies

Personal Simple Retrospective

Would you say that you (and your family living there) are much better off, somewhat better off, somewhat worse off, much worse off financially, or about the same than you were a year ago?

Personal Mediated Retrospective

Have the economic policies of the federal government made you (and your family living there) better off, worse off or haven't they made much of a difference either way?

Personal Simple Prospective

Now looking ahead, do you think that a year from now, you (and your family living there) will be much better off financially somewhat better off, somewhat worse off, much worse off or just about the same as now?

Collective Simple Retrospective

Would you say that over the past year, the economy of the country has got much better, somewhat better, stayed about the same, got somewhat worse or much worse?

Would you say that over the past year, economic conditions in (respondent's province) have got much better, somewhat better, stayed about the same, got somewhat worse or much worse?

Collective Mediated Retrospective

Would you say that the policies of the government have made the country's economy much better, somewhat better, somewhat worse, much worse or haven't made much of a difference either way?

Would you say that the economic policies of the federal government have made the (respondent's province) economy much better, somewhat better, somewhat worse, much worse or haven't made much of a difference either way?

Collective Simple Prospective

What about the next 12 months? Do you expect the country's economy to get better, stay about the same or get worse?
Secondly, the 1988 Canadian National Study questionnaire contains eight items (presented in table 7.2) that will allow us to examine if Canadians can be characterized as economic voters. The variables were operationalized as follows,

The variables:

1) Personal Simple Retrospective  
2) Personal Mediated Retrospective  
3) Personal Simple Prospective

were operationalized according to the following scale:

<table>
<thead>
<tr>
<th>much better off</th>
<th>somewhat better off</th>
<th>no difference</th>
<th>somewhat worse off</th>
<th>much worse off</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>1</td>
<td>0</td>
<td>-1</td>
<td>-2</td>
</tr>
</tbody>
</table>

The variables:

4) Collective Simple Retrospective  
5) Collective Mediated Retrospective

were operationalized according to the following scale:

<table>
<thead>
<tr>
<th>much better</th>
<th>somewhat better</th>
<th>no difference</th>
<th>somewhat worse</th>
<th>much worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>1</td>
<td>0</td>
<td>-1</td>
<td>-2</td>
</tr>
</tbody>
</table>
And the variable - Collective Simple Prospective - was operationalized according to the following scale:

<table>
<thead>
<tr>
<th>get better</th>
<th>stay the same</th>
<th>get worse</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>0</td>
<td>-1</td>
</tr>
</tbody>
</table>

With each variable operationalized, we can turn our attention to our findings.

**B - Findings**

As explained above, we examined the relationship between vote choice and individual economic evaluations as measured from eight different perspectives. We will review the nature and extent of these associations at each of the different evaluation levels in turn.

**(i) Personal Simple Retrospective Evaluation (PSR)**

While 57.2 percent of Canadian voters in 1988 who say that they and their family were much better off financially than they were a year ago supported the incumbent PC government, this level of support decreases to 52.2% among those who are somewhat better off, 33.6% among those who are somewhat worse off, and to 31.4% among those who feel that they and their family are much worse off than they were a year before.

In contrast, the latter group - those who see themselves as much worse off - overwhelmingly supported the opposition parties (68.6%), slightly more than those who are somewhat worse off (66.4%), but much more than those who are either somewhat
Dialogue de sourds

better off (47.8) or much better off (42.8%)

Overall, there is a statistically significant but weak-to-moderate relationship 
(p<0.001, Gamma = - 0.23) between personal simple retrospective evaluations and 
vote choice.

Table 7.3 - Personal Simple Retrospective Evaluation and Vote Choice in 1988

Question:
Would you say that you (and your family living there) are much better off, somewhat 
better off, somewhat worse off, much worse off financially, or about the same than you 
were a year ago?

<table>
<thead>
<tr>
<th></th>
<th>Much Better</th>
<th>Somewhat Better</th>
<th>Same</th>
<th>Somewhat Worse</th>
<th>Much Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition</td>
<td>95 (42.8)</td>
<td>321 (47.8)</td>
<td>466  (54.8)</td>
<td>239 (66.4)</td>
<td>83 (68.6)</td>
</tr>
<tr>
<td>Incumbent</td>
<td>127 (57.2)</td>
<td>351 (52.2)</td>
<td>384  (45.2)</td>
<td>121 (33.6)</td>
<td>38 (31.4)</td>
</tr>
</tbody>
</table>

N= 2225
Pearson Chi-square= 54.59 (p<0.001)
Cramer's V= 0.16
Kendall tau-b= - 0.14
Gamma= - 0.23

(ii) Personal Mediated Retrospective Evaluation (PMR)

There is a stronger association between personal mediated retrospective 
evaluation and vote choice (statistically significant at p<0.001, Gamma = - 0.37).
The 1988 Canadian Federal Election

Specifically, whereas 70.8 percent of those who feel that the economic policies of the federal government made them and their family much better off support the incumbent party, 70.4 percent of those who assess the impact of federal economic policies in strong negative terms favour the opposition.

Interestingly, more than half (55.5%) of those who do not see any impact of the federal economic policies on their or their family's economic well-being support opposition parties. This suggests that the incumbent party is not likely to be given the benefit of the doubt in terms of economic performance - it is expected to bring about improvements and not merely securing the economic status quo. We will see if this pattern is replicated on other dimensions.

Table 7.4 - Personal Mediated Retrospective Evaluation and Vote Choice in 1988

Question:

Have the economic policies of the federal government made you (and your family living there) better off, worse off or haven't they made much of a difference either way?

<table>
<thead>
<tr>
<th></th>
<th>Better</th>
<th>Same</th>
<th>Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>92 (29.2)</td>
<td>842 (55.5)</td>
<td>240 (70.4)</td>
</tr>
<tr>
<td>Incumbent</td>
<td>223 (70.8)</td>
<td>675 (44.5)</td>
<td>101 (29.6)</td>
</tr>
</tbody>
</table>

N= 2173
Pearson Chi-square= 118.81 (p<0.001)
Cramer's V= 0.23
Kendall tau-b= - 0.19
Gamma= - 0.37
Dialogue de sourds

(iii) Personal Simple Prospective Evaluation (PSP)

Support for the incumbent party is also to some degree contingent upon positive future economic expectations (statistically significant at p ≤ 0.001, Gamma = - 0.21). Slightly less than three-in-five voters (57.3%) who expect to be in much better financial shape in the next within one year support the incumbent party. In contrast, 76.3 percent of those who expect to be much worse off financially within one year give their support to the opposition parties. As indicated above, those who do not expect any changes in their and their family's financial situation are more likely to support the opposition parties (55.2%) than the incumbent party (44.8%).

Table 7.5 - Personal Simple Prospective Evaluation and Vote Choice in 1988

Question:

Now looking ahead, do you think that a year from now, you (and your family living there) will be much better off financially somewhat better off, somewhat worse off, much worse off or just about the same as now?

<table>
<thead>
<tr>
<th></th>
<th>Much Better</th>
<th>Somewhat Better</th>
<th>Same</th>
<th>Somewhat Worse</th>
<th>Much Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition</td>
<td>88 (42.7)</td>
<td>224 (48.6)</td>
<td>643 (55.2)</td>
<td>90 (64.3)</td>
<td>45 (76.3)</td>
</tr>
<tr>
<td>Incumbent</td>
<td>118 (57.3)</td>
<td>237 (51.4)</td>
<td>522 (44.8)</td>
<td>50 (35.7)</td>
<td>14 (23.7)</td>
</tr>
</tbody>
</table>

N= 2031
Pearson Chi-square= 34.27 (p ≤ 0.001)
Cramer's V= 0.13
Kendall tau-b= - 0.11
Gamma= - 0.21
(iv) Collective Simple Retrospective Evaluation - country - (CSRC)

The lines of support are more clearly drawn with regards to collective simple retrospective evaluation at the national level (statistically significant at \( p \leq 0.001 \). Gamma = -0.36). Some 73.8 percent of those who say that over the past year the economy of the country has got much better reward the incumbent government with their support. At the other end, 79.1 per cent of those who hold the opposite opinion on the progress of the economy support opposition parties.

Table 7.6 - Collective Simple Retrospective (country) and Vote Choice in 1988

Question:

Would you say that over the past year, the economy of the country has got much better, somewhat better, stayed about the same, got somewhat worse or much worse?

<table>
<thead>
<tr>
<th></th>
<th>Much Better</th>
<th>Somewhat Better</th>
<th>Same</th>
<th>Somewhat Worse</th>
<th>Much Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition</td>
<td>34 (26.2)</td>
<td>318 (44.9)</td>
<td>623 (58.4)</td>
<td>166 (70.3)</td>
<td>34 (79.1)</td>
</tr>
<tr>
<td>Incumbent</td>
<td>96 (73.8)</td>
<td>391 (55.1)</td>
<td>443 (41.6)</td>
<td>70 (29.7)</td>
<td>9 (20.9)</td>
</tr>
</tbody>
</table>

N= 2184
Pearson Chi-square= 109.08 (\( p \leq 0.001 \))
Cramer's V= 0.22
Kendall tau-b= -0.20
Gamma= -0.36
Moreover, while only 55.1 percent of those who feel the country’s economy has improved only marginally support the incumbent party, 70.3 percent of those who feel that the economy of the country has deteriorated marginally, nevertheless punish the incumbent party and vote for the opposition. Furthermore, slightly less than three-in-five (58.4%) voters who did not notice any changes in the national economic conditions give their support to opposition parties.

(v) Collective Simple Retrospective Evaluation - province - (CSRP)

Canadian voters are slightly less likely to give the incumbent government credit for beneficial economic improvement in their province’s economy, but remain vindictive for any worsening of the economy. (statistically significant at $p < 0.001$, $\Gamma = -0.27$).

In specific terms, while 60.5 per cent of those who think that the economic conditions in their province have got much better support the incumbent party, 70.4 per cent of those who would the opposite view support the opposition.
The 1988 Canadian Federal Election

Table 7.7 - Collective Simple Retrospective (province) and Vote Choice in 1988

Question:

Would you say that over the past year, economic conditions in (respondent's province) have got much better, somewhat better, stayed about the same, got somewhat worse or much worse?

<table>
<thead>
<tr>
<th></th>
<th>Much Better</th>
<th>Somewhat Better</th>
<th>Same</th>
<th>Somewhat Worse</th>
<th>Much Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition</td>
<td>98 (39.5)</td>
<td>292 (47.6)</td>
<td>510 (54.7)</td>
<td>210 (69.5)</td>
<td>88 (70.4)</td>
</tr>
<tr>
<td>Incumbent</td>
<td>150 (60.5)</td>
<td>321 (52.4)</td>
<td>422 (45.3)</td>
<td>92 (30.5)</td>
<td>37 (29.6)</td>
</tr>
</tbody>
</table>

N= 2220
Pearson Chi-square = 74.01 (p < 0.001)
Cramer's V = 0.18
Kendall tau-b = -0.16
Gamma = -0.27

(vi) Collective Mediated Retrospective Evaluation - (CMRC)

Once we turn our attention to the next dimension, a stronger pattern emerges. Those who establish a link between economic conditions and federal economic policies are more likely to associate economic evaluations and vote choice (statistically significant at p < 0.001, Gamma = -0.60).

While 86.0% of voters who feel the policies of the federal government have made the country's economy much better support the incumbent party, this level decreases to 65.9% among those who think federal economic policies have made the country's economy somewhat better, to 37.2% for those who have seen no difference.
Dialogue de sourds

18.1% among those who feel they have made the economy somewhat worse, and to 15.8% among voters who feel the federal economic policies have made the country's economy much worse.

The latter result means that more than four-in-five voters (84.2%) who believe that federal economic policies have had a strong detrimental effect on the country's economy punish the incumbent party and support the opposition.

Table 7.8 - Collective Mediated Retrospective Evaluation (country) and Vote Choice in 1988

Question:

Would you say that the policies of the government have made the country's economy much better, somewhat better, somewhat worse, much worse or haven't made much of a difference either way?

<table>
<thead>
<tr>
<th></th>
<th>Much Better</th>
<th>Somewhat Better</th>
<th>Same</th>
<th>Somewhat Worse</th>
<th>Much Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition</td>
<td>17 (14.0)</td>
<td>218 (34.1)</td>
<td>731  (62.8)</td>
<td>163 (81.9)</td>
<td>32 (84.2)</td>
</tr>
<tr>
<td>Incumbent</td>
<td>104 (86.0)</td>
<td>421 (65.9)</td>
<td>433  (37.2)</td>
<td>36 (18.1)</td>
<td>6 (15.8)</td>
</tr>
</tbody>
</table>

N= 2161
Pearson Chi-square= 291.80 (p≤0.001)
Cramer's V= 0.37
Kendall tau-b= - 0.35
Gamma= - 0.60
The 1988 Canadian Federal Election

(vii) Collective Mediated Retrospective Evaluation (province) - (CMRP)

A similar pattern is found when collective mediated retrospective evaluations are done at the provincial level. (statistically significant at p < 0.001, Gamma = - 0.50). Slightly more than four-in-five voters (81.5%) who feel that the economic policies of the federal government have much improved the economic conditions in their province support the incumbent government. In contrast, 77.0 per cent of those who have the opposite view of the effects of federal economic policies on their province's economy give their support to opposition parties.

Table 7.9 - Collective Mediated Retrospective Evaluation (province) and Vote Choice in 1988

Question:

Would you say that the economic policies of the federal government have made the (respondent's province) economy much better, somewhat better, somewhat worse, much worse or haven’t made much of a difference either way?

<table>
<thead>
<tr>
<th></th>
<th>Much Better</th>
<th>Somewhat Better</th>
<th>Same</th>
<th>Somewhat Worse</th>
<th>Much Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition</td>
<td>24 (18.5)</td>
<td>160 (36.3)</td>
<td>786  (58.7)</td>
<td>147 (77.4)</td>
<td>47 (77.0)</td>
</tr>
<tr>
<td>Incumbent</td>
<td>106 (81.5)</td>
<td>281 (63.7)</td>
<td>553  (41.3)</td>
<td>43 (22.6)</td>
<td>14 (23.0)</td>
</tr>
</tbody>
</table>

N= 2161
Pearson Chi-square= 188.46 (p<0.001)
Cramer's V= 0.30
Kendall tau-b= - 0.27
Gamma= - 0.50
Dialogue de sourds

(viii) Collective Simple Prospective Evaluation - (CSP)

While the incumbent party benefits from positive retrospective economic assessment, it is less likely to reap the rewards of positive economic expectations (statistically significant at \( p < 0.001 \). Gamma = -0.23). In specific terms, only about two-in-five voters (43.3%) who expect the country’s economy to get better support the incumbent party, while 56.7% support opposition parties despite positive economic expectations. Negative economic expectations clearly benefit the opposition. Some 71.8 percent of those who expect the economy to get worse punish the incumbent government and support opposition parties.

Interestingly, while previous results suggested that the incumbent party is not likely to be given the benefit of the doubt in terms of economic performance - it is assessed on its capacity to bring about economic improvements, voters appear to have different expectations about future economic performances. In fact, a majority of voters (57.9%) who expect the economy to stay the same within the next year support the incumbent government, while 42.1% support the opposition. It would appear that while voters want economic improvements, they would reward an incumbent government that is expected to at least stay the economic course in the short-term. Voters tend to be harsher in their judgement than in their expectations.
Table 7.10 - Collective Simple Prospective Evaluation and Vote Choice in 1988

Question:

What about the next 12 months? Do you expect the country’s economy to get better, stay about the same or get worse?

<table>
<thead>
<tr>
<th></th>
<th>Better</th>
<th>Same</th>
<th>Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition</td>
<td>578 (56.7)</td>
<td>281 (42.1)</td>
<td>214 (71.8)</td>
</tr>
<tr>
<td>Incumbent</td>
<td>675 (43.3)</td>
<td>223 (57.9)</td>
<td>101 (28.2)</td>
</tr>
</tbody>
</table>

N= 2072
Pearson Chi-square= 79.16 (p≤0.001)
Cramer’s V= 0.19
Kendall tau-b= - 0.13
Gamma= - 0.23

In summary - as presented in Table 7.11- we find statistically significant associations between economic evaluations and vote choice in the 1988 Canadian Federal Election, with most associations no more than moderate in strength (the exceptions being the association between Collective Mediated Retrospective Evaluations and vote choice). It emerges that positive economic evaluations tend to benefit the incumbent, while people who view the state of the economy in more negative terms are more likely to turn to the opposition parties.
Table 7.11 - Vote choice in 1988 and economic evaluations

<table>
<thead>
<tr>
<th>Economic Variables</th>
<th>Incumbent support</th>
<th>Opposition Support</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personal Simple Retrospective</strong></td>
<td>(Gamma = -0.23)</td>
<td></td>
</tr>
<tr>
<td>Much better off</td>
<td>57.2</td>
<td>42.8</td>
</tr>
<tr>
<td>Somewhat better off</td>
<td>52.2</td>
<td>47.8</td>
</tr>
<tr>
<td>Same</td>
<td>45.2</td>
<td>54.8</td>
</tr>
<tr>
<td>Somewhat worse off</td>
<td>33.6</td>
<td>66.4</td>
</tr>
<tr>
<td>Much worse off</td>
<td>31.4</td>
<td>68.6</td>
</tr>
<tr>
<td><strong>Personal Med. Retrospective</strong></td>
<td>(Gamma = -0.37)</td>
<td></td>
</tr>
<tr>
<td>Better off</td>
<td>70.8</td>
<td>29.2</td>
</tr>
<tr>
<td>Same</td>
<td>44.5</td>
<td>55.5</td>
</tr>
<tr>
<td>Worse off</td>
<td>29.6</td>
<td>70.4</td>
</tr>
<tr>
<td><strong>Personal Simple Prospective</strong></td>
<td>(Gamma = -0.21)</td>
<td></td>
</tr>
<tr>
<td>Much better off</td>
<td>57.3</td>
<td>42.7</td>
</tr>
<tr>
<td>Somewhat better off</td>
<td>51.4</td>
<td>48.6</td>
</tr>
<tr>
<td>Same</td>
<td>44.8</td>
<td>55.2</td>
</tr>
<tr>
<td>Somewhat worse off</td>
<td>35.7</td>
<td>64.3</td>
</tr>
<tr>
<td>Much worse off</td>
<td>23.7</td>
<td>76.3</td>
</tr>
<tr>
<td><strong>Collective Simple Retrospective</strong></td>
<td>(Gamma = -0.38)</td>
<td></td>
</tr>
<tr>
<td>Much better</td>
<td>73.8</td>
<td>26.2</td>
</tr>
<tr>
<td>Somewhat better</td>
<td>55.1</td>
<td>44.9</td>
</tr>
<tr>
<td>Same</td>
<td>41.6</td>
<td>58.4</td>
</tr>
<tr>
<td>Somewhat worse</td>
<td>29.7</td>
<td>70.3</td>
</tr>
<tr>
<td>Much Worse</td>
<td>20.9</td>
<td>79.1</td>
</tr>
</tbody>
</table>
### The 1988 Canadian Federal Election

<table>
<thead>
<tr>
<th>Economic Variables</th>
<th>Incumbent support</th>
<th>Opposition Support</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Collective Simple Retrospective (province)</strong></td>
<td>(Gamma = -0.27)</td>
<td></td>
</tr>
<tr>
<td>Much better</td>
<td>60.5</td>
<td>39.5</td>
</tr>
<tr>
<td>Somewhat better</td>
<td>52.4</td>
<td>47.6</td>
</tr>
<tr>
<td>Same</td>
<td>45.3</td>
<td>54.7</td>
</tr>
<tr>
<td>Somewhat worse</td>
<td>30.5</td>
<td>69.5</td>
</tr>
<tr>
<td>Much worse</td>
<td>29.6</td>
<td>70.4</td>
</tr>
<tr>
<td><strong>Collective Med. Retrospective</strong></td>
<td>(Gamma = -0.60)</td>
<td></td>
</tr>
<tr>
<td>Much Better</td>
<td>86.0</td>
<td>14.0</td>
</tr>
<tr>
<td>Somewhat better</td>
<td>65.9</td>
<td>34.1</td>
</tr>
<tr>
<td>Same</td>
<td>37.2</td>
<td>62.8</td>
</tr>
<tr>
<td>Somewhat Worse</td>
<td>18.1</td>
<td>81.9</td>
</tr>
<tr>
<td>Much worse</td>
<td>15.8</td>
<td>84.2</td>
</tr>
<tr>
<td><strong>Collective Med. Retrospective (province)</strong></td>
<td>(Gamma = -0.50)</td>
<td></td>
</tr>
<tr>
<td>Much better</td>
<td>81.5</td>
<td>18.5</td>
</tr>
<tr>
<td>Somewhat better</td>
<td>63.7</td>
<td>36.3</td>
</tr>
<tr>
<td>Same</td>
<td>41.3</td>
<td>58.7</td>
</tr>
<tr>
<td>Somewhat worse</td>
<td>22.6</td>
<td>77.4</td>
</tr>
<tr>
<td>Much worse</td>
<td>23.0</td>
<td>77.0</td>
</tr>
<tr>
<td><strong>Collective Simple Prospective</strong></td>
<td>(Gamma = -0.23)</td>
<td></td>
</tr>
<tr>
<td>Better</td>
<td>43.3</td>
<td>56.7</td>
</tr>
<tr>
<td>Same</td>
<td>57.9</td>
<td>42.1</td>
</tr>
<tr>
<td>Worse</td>
<td>28.2</td>
<td>71.8</td>
</tr>
</tbody>
</table>
Dialogue de sourds

Moreover, it is fair to say that we unequivocally find that economic evaluations and vote choice are statistically linked. In general terms, positive economic evaluations tend to benefit the incumbent government, while people who assess the state of the economy in more negative terms are more inclined to turn to the opposition parties. Secondly, the incumbent party is not likely to be given the benefit of the doubt in terms of economic performance - it is expected to bring about improvements and not merely securing the economic status quo. Consequently, voters who fail to see any economic changes - neither positive nor negative - are somewhat more likely to give their support to opposition parties than to the incumbent government.

More specifically, Canadian voters seem more likely to assess the economy from a collective rather than a personal perspective. When making their final vote decision, they are looking at the economic performance of the country rather than their own financial situation. They also tend to look back rather than forward. They are more susceptible to render a retrospective judgement on the performance of the incumbent government, rather than assessing the future economic potential of each candidate. While interesting, theses measures of association fail to provide any information beyond the conspicuous - that there is an association between economic assessment and vote choice. Simple associations are only indicative of the actual relationships between the economic items and vote choice in Canada. They say very little about the behavioural consequences of economic evaluations at the different levels, and their
The 1988 Canadian Federal Election

significance in determining vote choice. In order to isolate the electoral consequences of voters' economic assessments - as measured by our eight dimensions - we have to isolate the independent effects of those economic variables and their overall effect on vote choice in the 1988 Canadian federal election. This will be achieved by conducting a multivariate regression analysis. However, a few steps must be completed before turning to the actual regression analysis.

First, we have to determine to what extent the eight economic variables are correlated with each other. This will determine the extent of multicollinearity. The results are presented in Table 7.12.

Considering that the eight economic items are tapping into the same issue - an assessment of the government economic performance - none of the correlation coefficients is alarmingly high. In light of these results, we can safely proceed with our regression analysis.
Before we look at the regression analysis results, we turn our attention to the Table 7.13. We find statistically significant but weak to moderate relationships between the dichotomized vote choice variable and the dimensions of individual economic evaluations. Specifically, the results of a correlation analysis between each of the eight economic items and incumbency-opposition party preference suggest a statistically significant relationship for each variable ($p \leq 0.001$). Moreover, three correlations are
The 1988 Canadian Federal Election

particularly substantial.

First, there is a statistically significant moderate relationship between vote choice and the collective mediated retrospective dimension using both the national (0.36) and provincial (0.28) economic situation. Secondly, there is a statistically significant low moderate relationship between vote choice and the collective simple retrospective dimension from a national perspective \((r=0.23)\). However, the most important finding might be that the correlations between vote choice and the individual dimensions of politico-economic interactions are consistently stronger at the sociotropic that at the egocentric level. Canadians do not seem to link the government economic performance and their own personal economic situation - or at least not as much as from the sociotropic dimension.

Table 7.13 - Economic Items and Vote Choice in Canada

<table>
<thead>
<tr>
<th>Item</th>
<th>Correlation ((r)) with vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Simple Retrospective</td>
<td>0.15</td>
</tr>
<tr>
<td>Personal Mediated Retrospective</td>
<td>0.22</td>
</tr>
<tr>
<td>Personal Simple Prospective</td>
<td>0.13</td>
</tr>
<tr>
<td>Collective Simple Retrospective (country)</td>
<td>0.23</td>
</tr>
<tr>
<td>Collective Simple Retrospective (province)</td>
<td>0.15</td>
</tr>
<tr>
<td>Collective Mediated Retrospective (country)</td>
<td>0.36</td>
</tr>
<tr>
<td>Collective Mediated Retrospective (province)</td>
<td>0.28</td>
</tr>
<tr>
<td>Collective Simple Prospective</td>
<td>0.07</td>
</tr>
</tbody>
</table>
The next step in our analysis is to turn to the politico-economic model developed by Michael Lewis-Beck (as discussed in chapter 4). By using Lewis-Beck's model, we will be able to examine the 1988 Canadian Federal Election in a comparative context.

According to our guiding hypothesis, we can construct the following version of the politico-economic voting function:

\[
\text{Vote} = b + b_1(\text{Personal Simple Retrospective}) + b_2(\text{Personal Mediated Retrospective}) + b_3(\text{Personal Simple Prospective}) + b_4(\text{Collective Simple Retrospective - Country}) + b_5(\text{Collective Simple Retrospective - Respondent's Province}) + b_6(\text{Collective Mediated Retrospective - Country}) + b_7(\text{Collective Mediated Retrospective - Respondent's Province}) + b_8(\text{Collective Simple Prospective}).
\]

Ordinary least squares (OLS) estimates for this equation are reported in table 7.14.

Overall, the individual politico-economic dimensions appear to have minimal impact on vote choice. In specific terms, half of the dimensions - personal simple retrospective, personal simple prospective, collective mediated retrospective (national), collective mediated retrospective (province), and collective simple prospective - are statistically significant determinants of the vote choice of individual Canadians.
The 1988 Canadian Federal Election

Table 7.14 - Economic Voting Equation (Unstandardized OLS Estimates)

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>$b$</th>
<th>S.E.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Simple Retrospective</td>
<td>-0.03*</td>
<td>0.022</td>
</tr>
<tr>
<td>Personal Mediated Retrospective</td>
<td>0.01</td>
<td>0.027</td>
</tr>
<tr>
<td>Personal Simple Prospective</td>
<td>-0.02*</td>
<td>0.021</td>
</tr>
<tr>
<td>Collective Simple Retrospective (country)</td>
<td>0.01</td>
<td>0.022</td>
</tr>
<tr>
<td>Collective Simple Retrospective (province)</td>
<td>0.01</td>
<td>0.032</td>
</tr>
<tr>
<td>Collective Mediated Retrospective (country)</td>
<td>0.18*</td>
<td>0.033</td>
</tr>
<tr>
<td>Collective Mediated Retrospective (province)</td>
<td>-0.07*</td>
<td>0.014</td>
</tr>
<tr>
<td>Collective Simple Prospective</td>
<td>-0.01*</td>
<td>0.005</td>
</tr>
<tr>
<td>(constant)</td>
<td>1.28</td>
<td></td>
</tr>
</tbody>
</table>

R-squared = 0.14
Multiple R = 0.37
Durbin-Watson = 2.05
* significance at $p < 0.10$

As determined above, sociotropic economic evaluations appear generally more important in determining vote choice than personal economic assessment. Moreover, Canadians seem to be more retrospective than prospective in their economic evaluations. But above all, Canadian voters are giving significantly less importance to economic evaluations in the process leading up to their vote choice than other voters.
Dialogue de sourds

Specifically, the findings suggest that Canadians are weak economic voters. Despite the fact that we found strong associations between vote choice and collective mediated evaluations, these fail to impact on vote choice. Maybe because most Canadians do not recognize or acknowledge the impact of government policies on economic conditions, when we compare our findings with previous analyses in Western European countries, we see that Canadians are much weaker economic voters than Britons, West Germans, and French, but stronger than Italians, (r-squared=0.11).17

Table 7.6 - 1988 Canadian Findings in a Comparative Perspective

<table>
<thead>
<tr>
<th>Country</th>
<th>Economic Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Britain (1983)</td>
<td>0.53</td>
</tr>
<tr>
<td>West Germany (1984)</td>
<td>0.34</td>
</tr>
<tr>
<td>France (1984)</td>
<td>0.28</td>
</tr>
<tr>
<td>CANADA (1988)</td>
<td>0.14</td>
</tr>
<tr>
<td>Italy (1984)</td>
<td>0.11</td>
</tr>
</tbody>
</table>

In the analysis above, we purposely avoided including any non-economic variables. In doing so, we wanted to maximize the overall significance of politico-economic interactions at the individual level. Accordingly, the findings put into question the strategic pertinence of economic arguments in the electoral discourse.
The 1988 Canadian Federal Election

It is fair to say that Canadians do assess - mainly retrospectively and sociotropically - the impact of the government's economic policies on the economy of the country and of their province, ponder on their own personal economic situation over the past year and speculate on the future performance of the country's economy. In this sense, unlike what was previously argued by Carmichael (1990)\textsuperscript{18}, Canadians are not perverse economic voters. Perceptions of the economic health of the nation, whether retrospective or prospective, sociotropic and to a lesser extent egocentric, exerted a statistically significant, although rather weak, impact on vote choice in the 1988 Canadian federal election. However, this evaluative process falls short of significantly influencing individual vote choice. The main areas of contention between our findings and Carmichael's centre around two points. First, while Carmichael relies on aggregate data to quantify the economic dimension of the equation, the present analysis focuses on voters' economic evaluations. It happens that there often is a discrepancy between the economic picture given by economic indicators, and the way the electorate is experiencing or perceiving economic realities. It is suggested that voters' evaluations, as they relate to voting behaviour, are a more accurate measure.

Placed alongside Clarke et al.'s and Johnston et al.'s findings, our results of this analysis reinforce the importance of short-term forces such as campaign dynamics, issues and party leaders' images in Canadian voting behaviour. More than any other variables in the politico-economic model, the campaign itself, support for free trade, a positive perception of Brian Mulroney and corresponding negative ratings for the other
Dialogue de sourds

two party leaders translated into support for the incumbent party. It would appear that
Canadian voters are willing to engage in the kind of rational economic assessment
suggested by theories of politico-economic interactions, but are unable to bring this
process to its logical conclusion.

In many ways, these findings are reminiscent of those presented in Political
Choice in Canada (1979). While the context was different, Political Choice in Canada
put into question the accepted wisdom of the time. Clarke et al. examined the basic
relationships between societal cleavages and voting in Canada. At the time, region,
religion, ethnicity, subjective social class, community size, age and sex were believed to
be significant and strong determinants of voting behaviour. As anticipated, these
variables manifested persistent correlations with electoral choice.

However, the researchers went on to assess the combined effect of region,
religion, ethnicity, subjective social class, community size, age and sex on voting
behaviour through the use of multiple regression analysis. They found that none of
these variables taken individually or together could explain a large proportion of the
variance in individual voting behaviour. This conclusion could have been written for
the present study.

This analysis of the 1988 federal election deals with a neglected aspect of the
study of electoral behaviour in Canada to provide responses to unanswered questions
about the relationship between economic evaluations and vote choice in this country.
The 1988 Canadian Federal Election

The above findings suggest that economic arguments have been given undue prominence in the electoral discourse. However, two important issues remain unsettled.

Before going any further, we have to question the possibility that the relatively weak correlations between economic items and vote choice might be the result of the generally good economic conditions prevailing at the time of the 1988 federal election. Perhaps, in the context of worse - or worsening - economic conditions, the Canadian electorate would be more likely to punish the incumbent, or to rely on economic evaluations to decide which party and leader to support. Moreover, it would be interesting to look at the dynamics between economic evaluations and vote choice during the period preceding the election campaign. This period deserves closer scrutiny since strategic decisions are taken by party officials during that period. These decisions have a direct influence on the unfolding of the electoral campaign. We turn to the 1993 Canadian Federal Election to explore these two points further.
Notes


4. Ibid.

5. As too often the case in electoral analysis, it would have been useful, in retrospect, to have similar pre-writ survey results for the 1988 federal election. Unfortunately, the author could only commission, and have access to, pre-writ commercial surveys for the 1993 federal election. Confidentiality agreements preclude the access to proprietary surveys conducted in 1988.

6. Economic growth is measured as % real quarterly change in GDP. See Statistics Canada, Cansim D20463.

7. See Statistics Canada, Cansim D767611.

8. The inflation rate is defined as the % quarterly change in the Consumer Price Index (C.P.I.), See Statistics Canada, Cansim P484000.

9. The author would like to thank the Gallup Organization, and especially Jon Hughes, for providing internal documents tracking voting intentions between 1942 and 1993.


12. Ibid., 317-318.

13. Ibid., 322.

The 1988 Canadian Federal Election


16. It should be noted that the respondents who answered "I don't know", did not vote or refused to answer were eliminated.


20. Ibid.

21. Ibid., 127-128.

Chapter 8 - The 1993 Canadian Federal Election

On October 25th, 1993, a red Liberal tidal wave washed across most parts of the country, giving Jean Chretien his own constituency and 176 others in the 295-seat House of Commons, and completely reshaping the political landscape. The Tories plunged to a mere two seats from 153 and, with the NDP, lost official party status. Ironically, less than two months before the October 25th federal election, there was a sense that a majority of Canadians had resigned themselves to seeing the Progressive Conservatives win a third term in office. Kim Campbell impressed Canadians with her abilities, and successfully positioned herself as the agent of change that would make a positive difference to their lives. They seemed torn about their vote options and some Canadians appeared ready to ignore any misgivings about awarding her and the PC Party a mandate to govern.

Instead, as a testimony to the well-documented volatility of opinion now expected in Canadian political campaigns, the electorate thought twice, electing not just a large majority Liberal government, but strong contingents from the Bloc Quebecois and Reform Party. Despite the Liberal sweep, the three established parties were unable to respond effectively to Lucien Bouchard's appeal to nationalists and sovereigntists and Preston Manning's Reformers, both of whom seduced disgruntled voters across the
This chapter looks at the 1993 Canadian federal election, and follows the same general structure developed in the previous chapter. First, a section provides a general overview of the economic context within which the 1993 election took place. We have seen that the 1988 election occurred in the context of an economic boom. The economic environment in 1993 was starkly different and should provide for an interesting study in contrast.

Another section looks at the 1993 Canadian Federal Election from the perspective of individual voters. As was the case in chapter 7, the analysis relies on the Canadian National Election Study as the main source of individual-level survey data. However, in the present chapter, we also look at the dynamics of politico-economic interactions during the pre-writ period. Using proprietary public opinion surveys,² the behavioural relevance of politico-economic interactions is examined during the period leading up to the election campaign. The main motivation behind our interest for the pre-writ period is to explore further Johnston et al.'s assertion that vote intentions expressed outside the campaign period are not the same thing as the vote itself. They may be subject to all sorts of influence, influences which do not count when the chips are down on election day.³ As noted in the previous chapter, it is important to examine the dynamics between economic evaluations and voting preference during that period since it is bound to influence the behaviour of politicians seeking office.
Up to this point, we have seen that economic assessments have a weak role in explaining vote choice in Canada. Nevertheless, economics continue to play an important rhetorical role in Canadian elections. This issue is important since campaign strategies are developed during the pre-writ period; with an eye on pre-writ survey data. Thus, it may be the case that campaign strategies are developed around factors that have little influence when those strategies are actually implemented. This may explain the continued emphasis on economic rhetoric during election campaigns.

Before replicating the analytical steps followed in the previous chapter, the campaign events leading up to the reshaping of the Canadian political landscape deserve some attention. What happened in 1993 has no equivalent in Canadian electoral history. Never before have we witnessed such a realignment - or dealignment - of electoral forces. A cursory look at the campaign events will indicate that, although campaigns generally matter, no single event in the 1993 election campaign led observers to expect the result. The following overview is based on internal Liberal documents made available to the author.

It highlights the accepted interpretation of the campaign events - at least from the Liberal perspective - and speaks to the fact that party strategists hold a certain understanding of the behaviour of the electorate that may not bear close scrutiny. This is important to the extent that such strategists are taking the decisions that influence the course of election campaigns.
While one-sided, the fact that it is the interpretation of the winning camp reinforces its perceived importance.

I - The 1993 Election Campaign

Initially, the 1993 Canadian general election was supposed to decide which party would successfully sell itself as the standard-bearer of the "New Politics". However, once the election campaign began, familiar themes in Canadian politics echoed on the campaign trail. "The Politics of Inclusion" promptly gave way to unemployment, the recession, the economy and the deficit as the central issues of the campaign. In fact, Jean Chretien's job creation program was more akin to Brian Mulroney's "jobs, jobs. jobs" in 1984, than to the alleged "New Politics" of the 1990's.

Chretien's decision to emphasize jobs and renewed prosperity could have been foreseen, since the state of the economy has occupied a prominent place in most Canadian electoral campaigns. In this sense, the 1993 federal election was no exception. The Liberals campaigned on their ability to give jobs to Canadians.

When the 1993 federal election campaign commenced on September 8th, many Canadians expected the Progressive Conservative Party to win a third term in office. Though the Liberal Party enjoyed a narrow lead over the PCs, twice as many Canadians believed that PC leader Kim Campbell would be a better Prime Minister than Jean Chretien. Not only was Campbell perceived to be more personally impressive than Chretien, but she was also seen to be the strongest leader, the most decisive, the best
to restore prosperity, the most honest, the most likely to keep campaign promises, the best to control government spending, the most likely to help unemployed Canadians, best to represent Canada in foreign countries, and the most likeable. She was also viewed as the best to provide change to the government of Canada that would make a positive difference to individual Canadians.⁶

The liabilities facing Campbell at that time included an unpopular predecessor, a set of unpopular economic policies, especially the GST, a deep concern over the economy, a pervasive fear of job loss, an unpopular helicopter purchase decision, and a PC party that was quickly growing in popularity but trailing that of the Liberals.

Jean Chretien's assets included a popular party, the perception that he was the leader most concerned about the average Canadian, and was the most experienced in government. His liabilities included poor comparisons with Kim Campbell in most areas of leadership strength, and a very poor personal rating in Quebec. Even his hand-picked team of candidates, expected to be a major strength, was seen to be weaker than the PC team of candidates - due to the residual high profile of the PC leadership candidates after that party's convention, and many high profile cabinet ministers.

With the contenders more or less tied at the start of the campaign, performance, logistics and positioning had the potential to become all-determining. In the latter, the Liberal and PC campaigns diverged dramatically. This can be seen by their respective
approaches to the public opinion environment of the day.

Going into the election, Canadians' expectations with respect to the economy were pessimistic, reeling as they were from their experience with the recession. In specific terms, for the period under study (February to October 1993), about two-in-five (43%) Canadians believed unemployment constituted the most important issue facing the country. Similarly, whereas one-third of Canadians expected a worsening of general economic conditions within the next year, 68% expected a worsening of the federal deficit, 51% of the unemployment level, 46% of inflation, and 32% of interest rates. Furthermore, about one-half (50%) of Canadians believed their household income would fall behind the cost of living, while more than one-in-three (37%) Canadians thought it was likely that either they or a member of their family would lose their jobs within the next twelve months. The PCs' focus on the deficit, to the exclusion of employment, was the first major divergence from public opinion. Moreover, it became evident very early that Campbell was to pay lip-service to the "Politics of Inclusion" and concentrate on more traditional campaign issues - the economy.

During the first week of the campaign, the PCs' decision to focus on the deficit did not damage them significantly, but it would have a cumulative effect later in the campaign - especially during the debate. Their comparative exclusion of the job issue worsened perceptions of Campbell and the PCs only slightly at first, while at the same time, Chretien and the Liberals were being seen as less fiscally responsible by contrast,
and they also worsened in perception. The Liberals were addressing the most important issue in the minds of Canadians, but lacked a credible overlay of fiscal responsibility until the introduction of their "Creating Opportunity" platform document.

"Creating Opportunity" specifically addressed the requirements of Canadians for substance rather than image. By listing the Liberal initiatives and providing an itemized costing - and through Chretien's speeches linking the document to "accountability" - Canadians gained a perception of this document being a "contract" between them and the leader. In the public opinion environment of 1993, this type of accountability was a necessity. More than its actual content, the existence of "Creating Opportunities" gave credibility to the Liberal discourse in front of a highly-sceptical audience.

Not preparing a written, costed and signed platform document of their own would cost the PCs substantial support over the course of the campaign. It would also contribute to the first major shift in voter attitude of the election, after Kim Campbell shifted strategy in the third week of the campaign, and sharply criticized the "Red Book" to the exclusion of promoting her own policies. This focussed the public's attention on the campaign itself (there was very little in the first two weeks), and turned away many women voters. Women were the strongest in their view that political attacks, whether character or even substance-based, were unproductive. They began to move away from Campbell, whom they had supported in even higher numbers than had men.9
The 1993 Canadian Federal Election

Both the Reform and Liberal Parties benefited from this continuing PC decline, the Reform Party by the largest proportion. Preston Manning and Reform appealed to the politically disengaged and alienated together with people who were deficit-focused, and were seen even by non-supporters to be providing a positive service to the process.

Impressions of Manning and Reform improved nation-wide throughout the campaign, even in Quebec. Meanwhile, Lucien Bouchard and the Bloc were also benefiting from the dwindling PC support, and they would improve their position further after the leaders' debate.

The 1993 leaders' debates did not galvanize emotions the way the 1988 debate on free trade was able to do.\textsuperscript{10} Five years before, John Turner's debate performance had boosted Liberal support from 26\% to 41\%\textsuperscript{11} in only one week, only to lose most of those gains in the campaign's final days to the PCs' attack advertising. In 1993, with five leaders rather than three, the line between winning and losing the debates was less defined. Immediately after the French language debate, Bouchard was seen to be the clear winner, and Campbell the loser, but Jean Chretien was the leader who most exceeded expectations. After the English language debate, Chretien was seen to be the winner but only marginally ahead of Manning, with Manning the leader who most exceeded expectations.
In the days following the debate, voter support for the Bloc climbed substantially, and Liberal support in Quebec grew slowly, both at the cost of the PCs. The debate shattered the positive impressions of Campbell among Quebecers, but they still maintained reservations about supporting Jean Chretien. Some Liberal increases were made in the greater Montreal area, while the Bloc increased its support among francophones province-wide. After the debate, Lucien Bouchard and the Bloc were firmly positioned as the most popular leader and party in Quebec, receiving support from both nationalists and federalists as a low risk choice and alternative for Quebecers.

Support also increased in the rest of Canada for the Reform Party, and to a lesser extent, the Liberals. Manning had positioned himself and his party as the best to control government spending, an attribute Canadians would award him through to the end of the campaign.

Meanwhile, the advertising campaigns strengthened perceptions of the parties and their leaders. The Liberal advertising in English Canada in particular, was everything the public had said it was receptive to - positive, substantive, linking every problem to a solution, and with the leader personally providing his plan for solving the problem. The public viewed these ads, followed by those of the Reform and Bloc, as the best ads, the most informative and the most persuasive. This stood in contrast to the NDP "problems without solutions" ads, and the ads the PCs ran - first, positive
discussion though poorly executed, then turning mid-campaign into aggressive attacks aimed at the Liberal and Reform parties. Neither the PC nor NDP advertising campaigns proved to be effective at rebuilding or reinforcing voter allegiances.

In Quebec, the Bloc advertising was the most effective, followed by that of the Liberals. The failure of the Liberal advertising campaign to improve substantially Jean Chretien's image in his own province was the final indication that the potential for Liberal gains in Quebec was very limited, and that the Bloc support was unlikely to collapse in the final weeks of the campaign. Quebeckers, for the first time in history, had decided to support a party that had no chance of forming the government in Ottawa. While this may appear to be breaking with tradition, they were consistent in supporting their "native son." In every election, Quebeckers have supported their native son, regardless of his political stripe. They chose Trudeau and Mulroney, voted for Diefenbaker and Mackenzie King when no native son was in the race, then turned to Real Caouette at the first occasion. In 1993, they could chose between two Quebec candidates, and turned to the one with the best "pure laine" credentials.

By the mid-point of the campaign, the Liberals had gradually gained significant support through improving public perceptions of Jean Chretien in English Canada. A positive view of Jean Chretien was a prerequisite for Liberal support, and his performance through the first weeks of the campaign, the Liberal campaign advertising, and the debate served to remove many concerns about his image.
From the first week of October onwards, the Liberals were poised to win a majority government, though until the last week of campaigning the majority was only marginal. The major risk to a Liberal majority occurred three days after the debate, when the Liberals were at their most vulnerable. Adverse press reaction to a corporate fund raising dinner in Montreal, followed by perceived indecisiveness on issues concerning health care and privatization of the Toronto airport terminal, compounded by brief Liberal criticism of Reform policies, served to reverse Liberal fortunes temporarily, and check the decline in PC support. At this time, the PCs had an opportunity to reverse at least some of the trend. This might have been possible had the PCs used positive advertising to highlight Kim Campbell’s abilities to control spending and represent Canada in foreign countries - contrasting her attributes with what were seen to be Chretien’s two major weaknesses. Instead, they misjudged public opinion once more, and tried their 1988 “bomb the bridge” strategy with ads designed to make Jean Chretien appear unfit to be Prime Minister.

Their premise was built on the foundation that Chretien’s ability to represent Canada abroad was considered by the public to be a weakness, and this related to his speaking style and appearance. However, in execution it was direct, blunt and, as evidenced by public opinion reaction, distasteful to many Canadians. The PCs lost support immediately, and continued to lose support as the issue underwent widespread discussion. On the day before these PC ads ran, Chretien and Campbell were tied in
The 1993 Canadian Federal Election

perceptions of who would make the best Prime Minister for Canada. Three days later, Chretien was seen to be the best Prime Minister by twice as many people as Campbell. More importantly, PC voter support dropped by 7%, most of which was gained by the Liberals. This left the Liberals with a much-strengthened majority position, and enabled the Reform Party to be the second most popular political party by default.

The Liberals would win 177 seats with 41% of the popular vote, compared to 54 seats for the Bloc (14% of the vote), 52 seats for the Reform Party (19%), 9 seats for the NDP (7%), 2 seats for the PCs (16%), and 1 seat for an independent. The Liberal assessment of the electoral campaign emphasizes four main elements pointing to their success - in order of importance:

(1) an appropriate choice of economic issues and favorable economic evaluations;
(2) good campaigning combined with a poor PC campaign;
(3) gaining the leaders' advantage; and
(4) effective ads. More than anything else, the Liberal economic arguments are believed to have been the essential elements of their victory. In his retrospective of the campaign, Liberal pollster Michael Marzolini declared that "the Liberals unequivocally campaigned on their ability to put Canadians back to work." Similarly, John Rae, the Liberal campaign manager, echoed Marzolini's comments and asserted that "the first months
Dialogue de sourds

of the new Liberal administration will demonstrate that the Chretien government feel it has been given a mandate to deal with the economic problems plaguing this country.14

Once in office, the Liberal government seemed to believe that the electorate reacted positively to its economic message, and gave them a mandate to implement their economic policies. The pertinence of such evaluations is examined in the remainder of this chapter.

II - The Economic Environment

While the first Mulroney administration enjoyed a period of economic prosperity, the opposite is true for the Mulroney-Campbell period. Overall, the economy expanded by a mere 0.7% average quarterly growth during that period. Moreover, the Canadian economy went through a period of negative to close-to-negative real growth for most of the period between 1990 and 1992. This stands in sharp contrast with the 4.3% average real growth during the first Mulroney administration.

There was a steady upsurge in the unemployment rate throughout the period. Specifically, the unemployment rate went from 7.5 per cent in the first quarter of 1989 to a high of 11.6 per cent in the third quarter of 1992. The unemployment rate stood at 11.4 percent in the quarter prior to the 1993 election - almost the same level as at the beginning of the first Mulroney administration (11.1).
Table 8.1 - The Economic Context and Support for the Incumbent Government 1989-1993

<table>
<thead>
<tr>
<th>Period</th>
<th>Support for PCs</th>
<th>Unemployment Rate</th>
<th>Variation in C.P.I.</th>
<th>Growth in GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989:1</td>
<td>48%</td>
<td>7.5</td>
<td>4.3</td>
<td>3.5</td>
</tr>
<tr>
<td>1989:2</td>
<td>37%</td>
<td>7.9</td>
<td>4.6</td>
<td>2.3</td>
</tr>
<tr>
<td>1989:3</td>
<td>31%</td>
<td>7.5</td>
<td>5.4</td>
<td>2.3</td>
</tr>
<tr>
<td>1989:4</td>
<td>28%</td>
<td>7.5</td>
<td>5.2</td>
<td>1.7</td>
</tr>
<tr>
<td>1990:1</td>
<td>22%</td>
<td>7.8</td>
<td>5.5</td>
<td>0.9</td>
</tr>
<tr>
<td>1990:2</td>
<td>16%</td>
<td>7.3</td>
<td>5.0</td>
<td>0.4</td>
</tr>
<tr>
<td>1990:3</td>
<td>19%</td>
<td>7.9</td>
<td>4.2</td>
<td>-0.4</td>
</tr>
<tr>
<td>1990:4</td>
<td>15%</td>
<td>9.0</td>
<td>4.8</td>
<td>1.6</td>
</tr>
<tr>
<td>1991:1</td>
<td>12%</td>
<td>9.9</td>
<td>6.8</td>
<td>-3.3</td>
</tr>
<tr>
<td>1991:2</td>
<td>14%</td>
<td>10.2</td>
<td>6.3</td>
<td>-2.0</td>
</tr>
<tr>
<td>1991:3</td>
<td>16%</td>
<td>10.3</td>
<td>5.8</td>
<td>-1.3</td>
</tr>
<tr>
<td>1991:4</td>
<td>13%</td>
<td>10.4</td>
<td>4.4</td>
<td>-0.1</td>
</tr>
<tr>
<td>1992:1</td>
<td>12%</td>
<td>10.5</td>
<td>1.6</td>
<td>1.4</td>
</tr>
<tr>
<td>1992:2</td>
<td>16%</td>
<td>11.1</td>
<td>1.7</td>
<td>0.4</td>
</tr>
<tr>
<td>1992:3</td>
<td>22%</td>
<td>11.6</td>
<td>1.3</td>
<td>0.3</td>
</tr>
<tr>
<td>1992:4</td>
<td>22%</td>
<td>11.3</td>
<td>1.6</td>
<td>0.8</td>
</tr>
<tr>
<td>1993:1</td>
<td>19%</td>
<td>11.0</td>
<td>2.0</td>
<td>1.5</td>
</tr>
<tr>
<td>1993:2</td>
<td>32%</td>
<td>11.4</td>
<td>1.8</td>
<td>2.5</td>
</tr>
</tbody>
</table>
As a result of Bank of Canada Governor John Crow's determined efforts to eradicate inflation, the C.P.I. rate fell from a high of 5.5 per cent in the first quarter of 1990, to a low of 1.3 per cent in the third quarter of 1992. The C.P.I. rate stood at 1.6 per cent before the election was called in 1993. While there was no evidence of any links between the level of support for the Mulroney government and fluctuations in economy between 1984 and 1988, we can find a general pattern between support for the incumbent PC government and economic fluctuations between 1988 and 1993. Specifically, the PCs enjoyed their highest level of support (48% in 1989:1) when economic growth was at its highest level of the period (3.5), and the unemployment rate was still comparatively low (7.5%).

Support for the Mulroney government quickly plummeted to high-to-mid-teen between 1990 and 1991, generally at the same time that the economy was experiencing negative growth. Moreover, the PCs remained in the political doldrums throughout the period when the unemployment rate was climbing towards double-digit levels. Support for the incumbent PC rebounded at the same time the economy started to pick up steam. However, the upsurge in PC support did not coincide with an improvement in the unemployment figures. In fact, PC support increased at the same time the unemployment rate reached its highest levels of the period. It is thus questionable whether popularity levels fluctuated with the economy or were being
influenced by political forces. The highest popularity levels coincided with the post-election honeymoon period and the PC leadership campaign. These events may be more compelling explanations for the fluctuations in popular support, than economic arguments. The upcoming analysis will provide answers to such queries.

III - The Analysis

A - The Pre-Writ Period

Using quarterly survey results for the period leading up to the election (February to August 1993), as well as the results of a survey conducted the week immediately after election day, we will be able to examine the salience of economic issues in the Canadian electorate, the evolution of Canadians' attitudes towards specific economic issues as well as the relationship between economic issues and voting intentions during the pre- and in-writ periods in the 1993 Canadian federal election.

In order to investigate the link between economics and vote in the 1993 Canadian federal election, a set of eight questions were asked on a quarterly basis during the period leading up to the election campaign as well as in the week immediately following the election. A total of 1,200 telephone interviews with a representative sample of Canadians, 18 years of age or older were conducted in February 1993, May 1993, August 1993 and between October 27 and November 1, 1993. The eight questions were as follows:
Dialogue de sourds

1) "What is the most important issue facing Canada today?"

2) "Over the next twelve months, do you expect the general economic conditions to improve significantly, improve slightly, worsen slightly or worsen significantly across Canada?"

3) "Over the next twelve months, do you expect unemployment to improve significantly, improve slightly, worsen slightly or worsen significantly across Canada?"

4) "Over the next twelve months, do you expect inflation to improve significantly, improve slightly, worsen slightly or worsen significantly across Canada?"

5) "Over the next twelve months, do you expect interest rates to improve significantly, improve slightly, worsen slightly or worsen significantly across Canada?"

6) "Over the next twelve months, do you expect the federal deficit to improve significantly, improve slightly, worsen slightly or worsen significantly across Canada?"

7) "Do you think your household income this year will more than keep pace with the cost of living, keep pace with or fall behind the cost of living?"

8) "How likely do you think it is that you or a member of your family may lose his or her job in the next twelve months. Is it very likely, somewhat likely, somewhat unlikely or very unlikely?"

The first question contextualizes the public opinion environment while the seven economic items address four dimensions of economic voting: egocentric, prospective, simple and cognitive. Respondents were also questioned on their voting intentions. For the first three quarters, the variable vote is operationalized as the combined results of the following two questions:
The 1993 Canadian Federal Election

"If a federal election were held today, which party would you most likely vote for... (READ and ROTATE) the Liberals, the PCs, the NDP, (in English Canada) the Reform Party, (in Quebec) the Bloc Quebecois?"

Those who were undecided were asked this follow-up question:

"Is there a party which you are leaning toward at this time... (READ and ROTATE) the Liberals, the PCs, the NDP, (in English Canada) the Reform Party, (in Quebec) the Bloc Quebecois?"

In the study following the election, the variable vote was operationalized as the results to this question:

"In this federal election, which political party did you vote for... (READ and ROTATE) the Liberals, the PCs, the NDP, (in English Canada) the Reform Party, the National Party, (in Quebec) the Bloc Quebecois?″

The first part of the analysis will examine the salience of economic issues with a view to establishing a link between such issues and voting intentions. Subsequently, the importance of economic voting as a determinant of vote choice in the 1993 Canadian federal election will be assessed by using two different data sets. We will first concentrate on the pre-writ period. Subsequently, we will look at the same framework used in the previous chapter with a view to compare the 1988 and 1993 results. In accordance with the literature on economic voting, the guiding hypothesis of the analysis will be that respondents who are expecting a worsening of economic conditions, as operationalized through the seven economic items, are less likely to support the incumbent PC party.
Dialogue de sourds

As noted above, for the period under study (February to October 1993), more than two-in-five (43%) Canadians believed jobs and unemployment constituted the most important issue facing the country, compared to 16% for the deficit, 22% for other economic issues and 19% for non-economic issues.

In February 1993, close to one-in-two (49%) Canadians who considered unemployment as the most important issue facing Canada supported the Liberals, compared to 19% for the NDP, 18% for the PCs, 9% for the Reform Party and 5% for the Bloc Quebecois. At that time, 35% of those who thought the deficit was the most important issue facing Canada, also supported the Liberals, ahead of the PCs (27%), the Reform Party (19%) the NDP (16%) and the Bloc (3%). The Liberals also had the support of those who considered other non-economic issues as the most important problem facing the nation (50%) as well as non-economic issues (47%).

Table 8.2 - Most Important Issue and Voting Intentions - February 1993

<table>
<thead>
<tr>
<th>Most important issue</th>
<th>PCs %</th>
<th>Libs %</th>
<th>Reform %</th>
<th>NDP %</th>
<th>Bloc %</th>
</tr>
</thead>
<tbody>
<tr>
<td>unemployment</td>
<td>17.8</td>
<td>49.4</td>
<td>8.9</td>
<td>18.6</td>
<td>5.3</td>
</tr>
<tr>
<td>federal deficit</td>
<td>26.7</td>
<td>34.9</td>
<td>18.6</td>
<td>16.3</td>
<td>3.5</td>
</tr>
<tr>
<td>other economic issues</td>
<td>15.7</td>
<td>50.2</td>
<td>7.7</td>
<td>15.3</td>
<td>11.1</td>
</tr>
<tr>
<td>non-economic</td>
<td>11.8</td>
<td>47.2</td>
<td>8.0</td>
<td>25.0</td>
<td>8.0</td>
</tr>
</tbody>
</table>

Pearson chi-square = 34.7 (p<0.001)
Cramer's V = 0.11
The 1993 Canadian Federal Election

The Liberals kept ownership of the most important issue throughout the period leading up to the election. In May 1993, 49% of those who considered unemployment as the most important issue facing the country supported the Liberals. At that time, the NDP lost significant support among this group of voters primarily concerned about unemployment, down from 19% to 10%, support they would never recover. It is also around this period that we can observe the Reform Party increasing its support among Canadians primarily concerned about the deficit.

Although a plurality of them continued to support the Liberals (34%), more than one-in-four (26%) Canadians who considered the deficit as the most important issue facing Canada supported the Reform Party (up from 19%). Once more, this increase in support occurred at the expense of the NDP. McLaughlin's troops would also lose support among those who considered other economic issues as being the most important problem plaguing the country (down from 15% to 9%) as well as among their more traditional supporters: those primarily concerned about non-economic issues (down from 25% to 18%).

For its part, the Bloc increased its support among voters who thought unemployment was the most important issue facing the nation (up from 5% to 11%) as well as among those primarily concerned about non-economic issues (up from 8% to 13%).
Table 8.3 - Most Important Issue and Voting Intentions - May 1993

<table>
<thead>
<tr>
<th>Most important Issue</th>
<th>PCs %</th>
<th>Libs %</th>
<th>Reform %</th>
<th>NDP %</th>
<th>Bloc %</th>
</tr>
</thead>
<tbody>
<tr>
<td>unemployment</td>
<td>19.6</td>
<td>49.1</td>
<td>10.2</td>
<td>10.2</td>
<td>10.9</td>
</tr>
<tr>
<td>federal deficit</td>
<td>27.8</td>
<td>34.2</td>
<td>25.9</td>
<td>7.6</td>
<td>4.4</td>
</tr>
<tr>
<td>other economic issues</td>
<td>21.8</td>
<td>47.2</td>
<td>9.9</td>
<td>9.2</td>
<td>12.0</td>
</tr>
<tr>
<td>non-economic</td>
<td>23.0</td>
<td>35.6</td>
<td>11.1</td>
<td>17.8</td>
<td>12.6</td>
</tr>
</tbody>
</table>

Pearson chi-square = 47.4 (p<0.001)
Cramer’s V = 0.15

The election of Kim Campbell at the helm of the PC Party impacted on Canadians’ voting intentions. From May 1993 to August 1993, support for the Tories increased from 22% to 30%, mainly at the expense of the Liberals who saw their support decrease from 43% to 38%. Support for the Reform Party (-1%), the NDP (-2%) and the Bloc (-1%) decreased slightly over the same period.

Table 8.4 - Voting Intentions (decided voters) - May and August 1993

<table>
<thead>
<tr>
<th>Period</th>
<th>PCs %</th>
<th>Libs %</th>
<th>Reform %</th>
<th>NDP %</th>
<th>Bloc %</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 1993</td>
<td>22.6</td>
<td>43.2</td>
<td>13.7</td>
<td>10.8</td>
<td>9.7</td>
</tr>
<tr>
<td>August 1993</td>
<td>29.6</td>
<td>38.3</td>
<td>15.2</td>
<td>7.9</td>
<td>9.0</td>
</tr>
</tbody>
</table>
The 1993 Canadian Federal Election

The latter results give credence to the suggestions that the increase in PC popularity had more to do with the dynamics of the PC leadership campaign than with the increase in economic growth.

Nevertheless, the Tories improved their electoral fortunes among Canadians primarily concerned about unemployment. Although the Liberals remained the preferred choice of those voters (42%), 29% of Canadians who perceived unemployment as the most important issue facing the country, supported Campbell's PCs (+9%).

The Tories also improved their support among people primarily concerned about the deficit (+7%), to the detriment of the Reform Party (-6%). However, Manning's Reformers increased their support among people primarily concerned about other economic issues (+10%), while the NDP continued its declined among Canadians primarily concerned about non-economic issues (-8%).

Table 8.5 - Most Important Issue and Voting Intentions - August 1993

<table>
<thead>
<tr>
<th>Most important Issue</th>
<th>PCs %</th>
<th>Libs %</th>
<th>Reform %</th>
<th>NDP %</th>
<th>Bloc</th>
</tr>
</thead>
<tbody>
<tr>
<td>unemployment</td>
<td>29.0</td>
<td>42.3</td>
<td>9.7</td>
<td>7.7</td>
<td>11.3</td>
</tr>
<tr>
<td>federal deficit</td>
<td>35.1</td>
<td>30.1</td>
<td>19.5</td>
<td>6.9</td>
<td>8.3</td>
</tr>
<tr>
<td>other economic issues</td>
<td>26.8</td>
<td>39.9</td>
<td>19.6</td>
<td>7.2</td>
<td>6.5</td>
</tr>
<tr>
<td>non-economic</td>
<td>26.6</td>
<td>37.4</td>
<td>20.1</td>
<td>8.6</td>
<td>7.2</td>
</tr>
</tbody>
</table>

Pearson chi-square = 21.3 (p<0.05)
Cramer's V = 0.10
Dialogue de sourds

Two general conclusions can be drawn from the findings presented so far. First, during the period leading up to the election campaign, a clear plurality of Canadians were primarily concerned about unemployment and the Liberals successfully positioned themselves as the preferred choice among those voters. Moreover, the Liberals were also the preferred choice of voters primarily concerned about other economic issues and non-economic issues, but were challenged by both the Reform Party and the PCs (especially Campbell's PCs) on the deficit issue. However, the link between primary issue concerns and voting intentions, although significant, remained weak throughout the period. This point is further substantiated when one analyzes the relationship between the seven specific economic items in this data set and vote intent. One hypothesis guiding the study of economic voting suggests that voters who expected the economy to improve within the next twelve months would be more likely to vote for the incumbent party (PCs) than those expecting a worsening of such conditions. In the present analysis, the relationship between prospective economic evaluations and voting intentions is assessed both in broad terms (general economic conditions) and with regard to six dimensions of the economy:

1) unemployment
2) inflation
3) interest rates
The 1993 Canadian Federal Election

4) federal deficit

5) household income

6) job loss

The correlation coefficients - presented in the next table - summarizing the relationship between the economic items and vote intent point to a cautious rejection of the economic voting hypothesis for the period under study.

Table 8.6 - Correlations between Economic Items and Voting Intentions - February to August 1993

<table>
<thead>
<tr>
<th>Economic Items</th>
<th>February 1993</th>
<th>May 1993</th>
<th>August 1993</th>
</tr>
</thead>
<tbody>
<tr>
<td>perceived economic conditions</td>
<td>-0.03</td>
<td>0.01</td>
<td>-0.02</td>
</tr>
<tr>
<td>unemployment</td>
<td>-0.02</td>
<td>-0.03</td>
<td>0.03</td>
</tr>
<tr>
<td>inflation</td>
<td>0.01</td>
<td>0.02</td>
<td>-0.01</td>
</tr>
<tr>
<td>interest rates</td>
<td>0.02</td>
<td>0.07</td>
<td>-0.01</td>
</tr>
<tr>
<td>federal deficit</td>
<td>-0.06</td>
<td>0.01</td>
<td>-0.10</td>
</tr>
<tr>
<td>household income</td>
<td>0.06</td>
<td>0.02</td>
<td>0.04</td>
</tr>
<tr>
<td>job security</td>
<td>0.01</td>
<td>-0.01</td>
<td>-0.01</td>
</tr>
</tbody>
</table>

Throughout the period from February 1993 to August 1993, the link between economic evaluations is, at best, weak, and not statistically significant \( (p \leq 0.10) \). The strength of this relationship increases slightly when one moves from voting intentions to actual vote choice.
In the post-election phase of the research design, one can see the Liberals keeping ownership of the unemployment issue with 54% of voters primarily concerned about this issue voting for the Liberals, compared to 15% for the Reform Party, 12% for the Bloc, 10% for the PCs and 9% for the NDP.

In contrast, a plurality of voters (36%) primarily concerned about the deficit voted for the Reform Party, while 46% of people primarily concerned about other economic issues and another 46% of those primarily concerned about non-economic issues voted for the Liberals.

### Table 8.7 - Most Important Issue and Vote Choice - October 1993

<table>
<thead>
<tr>
<th>Most important Issue</th>
<th>PCs %</th>
<th>Libs %</th>
<th>Reform %</th>
<th>NDP %</th>
<th>Bloc %</th>
</tr>
</thead>
<tbody>
<tr>
<td>unemployment</td>
<td>9.9</td>
<td>54.1</td>
<td>15.1</td>
<td>8.5</td>
<td>12.3</td>
</tr>
<tr>
<td>federal deficit</td>
<td>28.3</td>
<td>22.4</td>
<td>36.2</td>
<td>4.6</td>
<td>8.6</td>
</tr>
<tr>
<td>other economic issues</td>
<td>14.0</td>
<td>46.0</td>
<td>16.0</td>
<td>9.0</td>
<td>15.0</td>
</tr>
<tr>
<td>non-economic</td>
<td>13.6</td>
<td>46.4</td>
<td>19.1</td>
<td>8.2</td>
<td>12.7</td>
</tr>
</tbody>
</table>

Pearson chi-square = 82.3 (p < 0.001)
Cramer's V = 0.16
The 1993 Canadian Federal Election

However, as was the case for the period leading up to the election, the relationship between the most important issue and vote choice, although significant, remains weak. Similar conclusions can be also be drawn with regard to the relationship between the seven economic items and vote choice in the 1993 Canadian federal election.

Unlike the period leading up to the election campaign where the relationships between the seven economic items and voting intentions were not statistically significant, voters' prospective evaluation of the general economic conditions, unemployment, inflation and the federal deficit proved to be statistically significant determinants of vote choice in the 1993 Canadian federal election.

Among them, voters' prospective evaluation of the national unemployment situation proved to be the most important determinant as Canadians who expected a worsening of unemployment within twelve months were less likely to have voted for the incumbent party (PCs) and turned to the Liberals as their preferred choice. Similarly, those who expected a worsening of general economic conditions and of the federal deficit were also less likely to have voted for the incumbent party and gave their support to opposition parties. It is important to note that the correlations between those two economic evaluations and vote choice is much higher than during the pre-writ period. While there is no direct evidence to explain this situation, it would appear that voters acknowledge the importance of economic conditions but failed to bring this process to
its logical conclusion - to base their vote choice on their assessment of the economy. One possible explanation may be that most voters no longer see the connection between government intervention and the state of the economy.

To a lesser extent, those who expected a worsening of inflation within the next twelve months were less likely to have voted for the PCs. Interestingly, whereas voters' prospective sociotropic evaluation of unemployment was a significant determinant of vote choice, the prospective egocentric evaluation of job security was not a significant determinant of vote choice. Hence, this appears to corroborate Kornberg and Clarke's findings as reviewed above. Finally, in both the pre and post election periods, voters' prospective evaluation of interest rates failed to have a significant impact on vote.

Table 8.8 - Correlations between Economic Items and Vote Choice - October 1993

<table>
<thead>
<tr>
<th>Economic Items</th>
<th>October 1993</th>
</tr>
</thead>
<tbody>
<tr>
<td>econ. Conditions</td>
<td>-0.18</td>
</tr>
<tr>
<td>unemployment</td>
<td>0.22</td>
</tr>
<tr>
<td>inflation</td>
<td>0.14</td>
</tr>
<tr>
<td>interest rates</td>
<td>0.01</td>
</tr>
<tr>
<td>federal deficit</td>
<td>0.18</td>
</tr>
<tr>
<td>household income</td>
<td>0.02</td>
</tr>
<tr>
<td>job security</td>
<td>0.01</td>
</tr>
</tbody>
</table>
The 1993 Canadian Federal Election

Moreover, if we analyze the four variables which proved to be significantly associated with vote choice and examine their individual contribution in explaining incumbency voting, we conclude that, despite the significance of certain relationships, economic evaluations were negligible determinants of vote choice in 1993.

Table 8.9 - Economic Evaluations and Incumbency Voting in 1993

<table>
<thead>
<tr>
<th>Economic Items</th>
<th>b</th>
</tr>
</thead>
<tbody>
<tr>
<td>economic conditions</td>
<td>-0.08</td>
</tr>
<tr>
<td>unemployment</td>
<td>-0.02</td>
</tr>
<tr>
<td>inflation</td>
<td>-0.01</td>
</tr>
<tr>
<td>federal deficit</td>
<td>-0.07</td>
</tr>
</tbody>
</table>

R-squared = 0.01

These results could partly be explained by the unusually weak showing of the incumbent party in the 1993 federal election. Another distorting factor is that the actual incumbent Prime Minister - Brian Mulroney - was not running for re-election and Kim Campbell bore the brunt of the voters' resentment towards the former Prime Minister. Hence, it could be suggested that trying to explain the relationship between economic evaluations and the Liberal vote is a more appropriate research strategy. However, such an approach increases only marginally our understanding of vote choice in the 1993 federal election.
Table 8.10 - Economic Evaluations and the Liberal Vote in 1993

<table>
<thead>
<tr>
<th>Economic Items</th>
<th>b</th>
</tr>
</thead>
<tbody>
<tr>
<td>economic conditions</td>
<td>-0.16</td>
</tr>
<tr>
<td>unemployment</td>
<td>-0.12</td>
</tr>
<tr>
<td>inflation</td>
<td>-0.09</td>
</tr>
<tr>
<td>federal deficit</td>
<td>-0.20</td>
</tr>
</tbody>
</table>

R-squared = 0.08

At a glance, one sees that economic evaluations were slightly stronger determinants of the Liberal vote than of the vote for the incumbent party. Voters expecting a worsening of the federal deficit, economic conditions, unemployment and inflation were likely to support the Liberals. However, 92% of the Liberal vote is left unexplained by those economic evaluations.

These findings will be developed further by replicating the model used in the last chapter to put the results of the 1993 Canadian Federal election in comparative perspective.
C - The Politico-Economic Model

Like we did in the previous chapter, we will review the associations between vote choice and the eight economic items in turn. At this point, we have suggested that Canadians do assess - mainly retrospectively and sociotropically - the impact of the government’s economic policies. By "retrospectively", we mean that voters dwell upon past economic conditions in making their evaluations, rather than on potential future ones (prospective). Moreover, "sociotropic evaluations" imply that Canadian voters are more concerned about the financial state of the country than that of their own pocketbook (egocentric evaluations).

(i) Personal Simple Retrospective Evaluation

While 15.4 percent of Canadian voters who say that they and their family are much better off financially than they were a year ago support the PC government, this level of support moves to 17.6% among those who are somewhat better off, 16.4% among those who are somewhat worse off, and decreases to 13.0% among those who feel that they and their family are much worse off than they were a year before.

In contrast, the latter group - those who see themselves as much worse off - overwhelmingly support the opposition parties (91.6%), while only 8.4% support the government. Overall, there is a statistically significant but weak relationship ($p < 0.001$, Gamma = - 0.17) between personal simple retrospective evaluations and vote choice.
Table 8.11 - Personal Simple Retrospective Evaluation and Vote Choice in 1993

Question:

Would you say that you (and your family living there) are much better off, somewhat better off, somewhat worse off, much worse off financially, or about the same than you were a year ago?

<table>
<thead>
<tr>
<th></th>
<th>Much Better</th>
<th>Somewhat Better</th>
<th>Same</th>
<th>Somewhat Worse</th>
<th>Much Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition</td>
<td>115 (84.6)</td>
<td>388 (82.4)</td>
<td>608 (83.6)</td>
<td>830 (87.0)</td>
<td>361 (91.6)</td>
</tr>
<tr>
<td>Incumbent</td>
<td>21 (15.4)</td>
<td>83 (17.6)</td>
<td>119 (16.4)</td>
<td>124 (13.0)</td>
<td>33 (8.4)</td>
</tr>
</tbody>
</table>

N= 2682
Pearson Chi-square = 19.64 (p<0.001)
Cramer’s V= 0.09
Kendall tau-b = - 0.07
Gamma= - 0.17

(ii) Personal Mediated Retrospective Evaluation

There is a stronger association between personal mediated retrospective evaluation and vote choice (statistically significant at p<0.001, Gamma = - 0.36). Specifically, whereas 31.1 percent of those who feel that the economic policies of the federal government made them and their family much better off support the incumbent government, 90.6 percent of those who assess the impact of federal economic policies
The 1993 Canadian Federal Election

in strong negative terms turn to the opposition.

**Table 8.12 - Personal Mediated Retrospective Evaluation and Vote Choice in 1993**

**Question:**

Have the economic policies of the federal government made you (and your family living there) better off, worse off or haven't they made much of a difference either way?

<table>
<thead>
<tr>
<th></th>
<th>Better</th>
<th>Same</th>
<th>Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opposition</strong></td>
<td>73 (68.9)</td>
<td>1128 (83.0)</td>
<td>1061 (90.6)</td>
</tr>
<tr>
<td><strong>Incumbent</strong></td>
<td>33 (31.1)</td>
<td>231 (17.0)</td>
<td>110 (9.4)</td>
</tr>
</tbody>
</table>

N= 2636  
Pearson Chi-square= 55.92 (p < 0.001)  
Cramer's V= 0.14  
Kendall tau-b= - 0.13  
**Gamma**= - 0.36

(iii) **Personal Simple Prospective Evaluation**

Unlike in 1988, support for the incumbent party is not really contingent upon positive future economic expectations (statistically significant at p < 0.05, Gamma = -0.01). Almost nine-in-ten voters (89.9%) who expect to be in much better financial shape in the next within one year nevertheless support the opposition. Similarly, 93.2 percent of those who expect to be much worse off financially within one year also give their support to the opposition parties.
Table 8.13 - Personal Simple Prospective Evaluation and Vote Choice in 1993

Question:
Now looking ahead, do you think that a year from now, you (and your family living there) will be much better off financially somewhat better off, somewhat worse off, much worse off or just about the same as now?

<table>
<thead>
<tr>
<th></th>
<th>Much Better</th>
<th>Somewhat Better</th>
<th>Same</th>
<th>Somewhat Worse</th>
<th>Much Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition</td>
<td>161 (89.9)</td>
<td>359 (83.3)</td>
<td>1239</td>
<td>294 (83.5)</td>
<td>96 (93.2)</td>
</tr>
<tr>
<td>Incumbent</td>
<td>18 (10.1)</td>
<td>72 (16.7)</td>
<td>202</td>
<td>58 (16.5)</td>
<td>7 (6.8)</td>
</tr>
</tbody>
</table>

N= 2506
Pearson Chi-square = 10.88 (p<0.05)
Cramer’s V = 0.07
Kendall tau-b = - 0.01
Gamma = - 0.01

(iv) Collective Simple Retrospective Evaluation
While an overwhelming proportion of voters support the opposition regardless of their economic assessments, the lines of support are more clearly drawn with regard to collective simple retrospective evaluation at the national level (statistically significant at p< 0.001, Gamma = - 0.23). Some 10.1 percent of those who say that over the past year the economy of the country has got much better, and 24.6 percent who say it has
The 1993 Canadian Federal Election

got somewhat better reward the incumbent government with their support. At the other end, 90.5 per cent of those who hold the opposite opinion on the progress of the economy support opposition parties.

Table 8.14 - Collective Simple Retrospective (country) and Vote Choice in 1993

Question:

Would you say that over the past year, the economy of the country has got much better, somewhat better, stayed about the same, got somewhat worse or much worse?

<table>
<thead>
<tr>
<th></th>
<th>Much Better</th>
<th>Somewhat Better</th>
<th>Same</th>
<th>Somewhat Worse</th>
<th>Much Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition</td>
<td>9 (90.0)</td>
<td>147 (75.4)</td>
<td>628 (83.5)</td>
<td>812 (85.8)</td>
<td>694 (90.5)</td>
</tr>
<tr>
<td>Incumbent</td>
<td>1 (10.0)</td>
<td>48 (24.6)</td>
<td>124 (16.5)</td>
<td>134 (14.2)</td>
<td>73 (9.5)</td>
</tr>
</tbody>
</table>

N= 2670
Pearson Chi-square= 34.48 (p < 0.001)
Cramer’s V= 0.11
Kendall tau-b= - 0.09
Gamma= - 0.23

(v) Collective Simple Retrospective Evaluation (province)

Canadian voters are slightly less likely to hold the incumbent government responsible for beneficial economic improvement in their province’s economy, but remain vindictive for any worsening of the economy. (statistically significant at p < 0.001, Gamma = - 0.21). In specific terms, while 31.2 per cent of those who think that the
economic conditions in their province have got much better support the incumbent party, 89.7 per cent of those who would the opposite view support the opposition.

Moreover, while only 15.8 percent of those who feel their province's economy has improved only marginally support the incumbent party, 85.5 percent of those who feel that the economy of their province has deteriorated marginally, nevertheless punish the incumbent party and vote for the opposition. Furthermore, slightly more than four-in-five (81.5%) voters who did not notice any changes in the provincial economic conditions give their support to opposition parties.

Table 8.15 - Collective Simple Retrospective (province) and Vote Choice in 1993

Question:
Would you say that over the past year, economic conditions in (respondent's province) have got much better, somewhat better, stayed about the same, got somewhat worse or much worse?

<table>
<thead>
<tr>
<th></th>
<th>Much Better</th>
<th>Somewhat Better</th>
<th>Same</th>
<th>Somewhat Worse</th>
<th>Much Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition</td>
<td>27 (68.8)</td>
<td>154 (84.2)</td>
<td>514 (81.5)</td>
<td>740 (85.5)</td>
<td>869 (89.7)</td>
</tr>
<tr>
<td>Incumbent</td>
<td>10 (31.2)</td>
<td>29 (15.8)</td>
<td>117 (18.5)</td>
<td>125 (14.5)</td>
<td>100 (10.3)</td>
</tr>
</tbody>
</table>

N= 2680
Pearson Chi-square= 29.80 (p<0.001)
Cramer's V= 0.10
Kendall tau-b= - 0.09
Gamma= - 0.21
(vi) Collective Mediated Retrospective Evaluation

As was the case in 1988 and despite the poor showing of the PCs in 1993, once we turn our attention to the next dimension, a clearer pattern emerges. Those who establish a link between economic conditions and federal economic policies are more likely to associate economic evaluations and vote choice (statistically significant at $p \leq 0.001$, Gamma = - 0.46).

While 42.9% of voters who feel the policies of the federal government have made the country's economy much better support the incumbent party, this level decreases to 41.8% among those who think federal economic policies have made the country's economy somewhat better, to 17.6% for those who have seen no difference, 9.9% among those who feel they have made the economy somewhat worse, and 5.5% among voters who feel the federal economic policies have made the country's economy much worse.

The latter result means that more than four-in-five voters (94.5%) who believe that federal economic policies have had a strong detrimental effect on the country's economy punish the incumbent party and support the opposition.
Table 8.16- Collective Mediated Retrospective Evaluation (country) and Vote Choice in 1993

Question:

Would you say that the policies of the government have made the country's economy much better, somewhat better, somewhat worse, much worse or haven't made much of a difference either way?

<table>
<thead>
<tr>
<th></th>
<th>Much Better</th>
<th>Somewhat Better</th>
<th>Same</th>
<th>Somewhat Worse</th>
<th>Much Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition</td>
<td>8 (57.1)</td>
<td>64 (58.2)</td>
<td>1007 (82.4)</td>
<td>679 (90.1)</td>
<td>497 (94.5)</td>
</tr>
<tr>
<td>Incumbent</td>
<td>6 (42.9)</td>
<td>46 (41.8)</td>
<td>215 (17.6)</td>
<td>75 (9.9)</td>
<td>29 (5.5)</td>
</tr>
</tbody>
</table>

N= 2626
Pearson Chi-square= 134.19 (p<0.001)
Cramer's V= 0.23
Kendall tau-b= - 0.18
Gamma= - 0.46

(vii) Collective Mediated Retrospective Evaluation (province)

A similar pattern is found when collective mediated retrospective evaluations are done at the provincial level. (statistically significant at p<0.001, Gamma = -0.40). Slightly more than one-in-three voters (35.7%) who feel that the economic policies of the federal government have much improved the economic conditions in their province support the incumbent government.
The 1993 Canadian Federal Election

In contrast, 93.6 per cent of those who have the opposite view of the effects of federal economic policies on their province's economy give their support to opposition parties.

Table 8.17 - Collective Mediated Retrospective Evaluation (province) and Vote Choice in 1993

Question:

Would you say that the economic policies of the federal government have made the (respondent's province) economy much better, somewhat better, somewhat worse, much worse or haven't made much of a difference either way?

<table>
<thead>
<tr>
<th></th>
<th>Much Better</th>
<th>Somewhat Better</th>
<th>Same</th>
<th>Somewhat Worse</th>
<th>Much Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition</td>
<td>9 (64.3)</td>
<td>42 (67.7)</td>
<td>998  (82.1)</td>
<td>663 (89.0)</td>
<td>510 (93.6)</td>
</tr>
<tr>
<td>Incumbent</td>
<td>5 (35.7)</td>
<td>20 (32.3)</td>
<td>217  (17.9)</td>
<td>82 (11.0)</td>
<td>35 (6.4)</td>
</tr>
</tbody>
</table>

N= 2581
Pearson Chi-square= 92.78 (p<0.001)
Cramer's V= 0.19
Kendall tau-b= - 0.15
Gamma= - 0.40

(viii) Collective Simple Prospective Evaluation

While the government party reap the rewards of positive retrospective economic assessment, it is less likely to benefit from positive economic expectations (statistically significant at p<0.001, Gamma = - 0.21). These results are consistent with the 1988
Dialogue de sourds

findings. In specific terms, only about one-in-five voters (16.8%) who expected the country’s economy to get better supported the incumbent party, while 83.2% supported opposition parties despite positive economic expectations.

Negative economic expectations clearly benefited the opposition. Some 91.1 percent of those who expect the economy to get worse punished the incumbent government and support opposition parties.

Table 8.18 - Collective Simple Prospective Evaluation and Vote Choice in 1993

Question:

What about the next 12 months? Do you expect the country’s economy to get better, stay about the same or get worse?

<table>
<thead>
<tr>
<th></th>
<th>Better</th>
<th>Same</th>
<th>Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition</td>
<td>534 (83.2)</td>
<td>1166 (84.2)</td>
<td>531 (91.1)</td>
</tr>
<tr>
<td>Incumbent</td>
<td>108 (16.8)</td>
<td>219 (15.8)</td>
<td>52 (8.9)</td>
</tr>
</tbody>
</table>

N= 2610
Pearson Chi-square= 26.58 (p<0.001)
Cramer's V= 0.10
Kendall tau-b= - 0.08
Gamma= - 0.21
In summary, the findings stemming from our politico-economic model - based on data from the 1993 Canadian National Election Study - confirm those of the proprietary dataset used in the previous section. Moreover, the results are consistent with those of the previous chapter. As Table 8.19 indicates, we find statistically significant associations between economic evaluations and vote choice in the 1993 Canadian Federal Election.

The results of the analysis of the 1993 election allow us to confirm some of the assertions made in the previous chapter. It is fair to say that we unequivocally find that economic evaluations and vote choice are statistically linked. In general terms, positive economic evaluations tend to benefit the incumbent government, while people who assess the state of the economy in more negative terms are more inclined to turn to the opposition parties. This trend is still identifiable even under unusual circumstances such as the 1993 election.
Table 8.19 - Vote choice in 1993 and economic evaluations

<table>
<thead>
<tr>
<th>Economic Variables</th>
<th>Incumbent support</th>
<th>Opposition Support</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personal Simple Retrospective</strong> (Gamma = -0.17)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Much better off</td>
<td>15.4</td>
<td>84.6</td>
</tr>
<tr>
<td>Somewhat better off</td>
<td>17.6</td>
<td>82.4</td>
</tr>
<tr>
<td>Same</td>
<td>16.4</td>
<td>83.6</td>
</tr>
<tr>
<td>Somewhat worse off</td>
<td>13</td>
<td>87</td>
</tr>
<tr>
<td>Much worse off</td>
<td>8.4</td>
<td>91.6</td>
</tr>
<tr>
<td><strong>Personal Med. Retrospective</strong> (Gamma = -0.36)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Better off</td>
<td>31.1</td>
<td>68.9</td>
</tr>
<tr>
<td>Same</td>
<td>17</td>
<td>83</td>
</tr>
<tr>
<td>Worse off</td>
<td>9.4</td>
<td>90.6</td>
</tr>
<tr>
<td><strong>Personal Simple Prospective</strong> (Gamma = -0.01)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Much better off</td>
<td>10.1</td>
<td>89.9</td>
</tr>
<tr>
<td>Somewhat better off</td>
<td>16.7</td>
<td>83.3</td>
</tr>
<tr>
<td>Same</td>
<td>14</td>
<td>86</td>
</tr>
<tr>
<td>Somewhat worse off</td>
<td>16.5</td>
<td>83.5</td>
</tr>
<tr>
<td>Much worse off</td>
<td>6.8</td>
<td>93.2</td>
</tr>
</tbody>
</table>
The 1993 Canadian Federal Election

<table>
<thead>
<tr>
<th>Collective Simple Retrospect.</th>
<th>((\text{Gamma} = -0.23))</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much better</td>
<td>10</td>
<td>90</td>
</tr>
<tr>
<td>Somewhat better</td>
<td>24.6</td>
<td>75.4</td>
</tr>
<tr>
<td>Same</td>
<td>16.5</td>
<td>83.5</td>
</tr>
<tr>
<td>Somewhat worse</td>
<td>14.2</td>
<td>85.8</td>
</tr>
<tr>
<td>Much Worse</td>
<td>9.5</td>
<td>90.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Collective Simple Retrospective (province)</th>
<th>((\text{Gamma} = -0.21))</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much better</td>
<td>31.2</td>
<td>68.8</td>
</tr>
<tr>
<td>Somewhat better</td>
<td>15.8</td>
<td>84.2</td>
</tr>
<tr>
<td>Same</td>
<td>18.5</td>
<td>81.5</td>
</tr>
<tr>
<td>Somewhat worse</td>
<td>14.5</td>
<td>85.5</td>
</tr>
<tr>
<td>Much worse</td>
<td>10.3</td>
<td>89.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Collective Med. Retrospective</th>
<th>((\text{Gamma} = -0.46))</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Much Better</td>
<td>42.9</td>
<td>57.1</td>
</tr>
<tr>
<td>Somewhat better</td>
<td>41.8</td>
<td>58.2</td>
</tr>
<tr>
<td>Same</td>
<td>17.6</td>
<td>82.4</td>
</tr>
<tr>
<td>Somewhat Worse</td>
<td>9.9</td>
<td>90.1</td>
</tr>
<tr>
<td>Much worse</td>
<td>5.5</td>
<td>94.5</td>
</tr>
</tbody>
</table>
More specifically, Canadian voters assess the economy from a collective rather than a personal perspective. When making their final vote decision, they are looking at the economic performance of the country rather than their own financial situation. They also tend to look back rather than forward. They are more susceptible to render a retrospective judgement on the performance of the incumbent government, rather than assessing the future economic potential of each candidate.

As we did in the previous chapter, it is important to move from simple associations towards isolating effects of the economic variables on vote choice. We first have to determine, once again, to what extent the eight economic variables are
correlated with each other. This will determine the extent of multicollinearity. The results are presented in Table 8.20.

**Table 8.20 - Correlation Matrix (Pearson r)**

<table>
<thead>
<tr>
<th></th>
<th>PSR</th>
<th>PSP</th>
<th>CSR P</th>
<th>CMRP</th>
<th>CSRC</th>
<th>CMRC</th>
<th>PMR</th>
<th>CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSR</td>
<td>1.00</td>
<td>0.21</td>
<td>0.24</td>
<td>0.19</td>
<td>0.22</td>
<td>0.17</td>
<td>0.28</td>
<td>0.10</td>
</tr>
<tr>
<td>PSP</td>
<td>0.21</td>
<td>1.00</td>
<td>0.15</td>
<td>0.12</td>
<td>0.11</td>
<td>0.12</td>
<td>0.16</td>
<td>0.22</td>
</tr>
<tr>
<td>CSR P</td>
<td>0.24</td>
<td>0.15</td>
<td>1.00</td>
<td>0.40</td>
<td>0.42</td>
<td>0.24</td>
<td>0.13</td>
<td>0.19</td>
</tr>
<tr>
<td>CMRP</td>
<td>0.19</td>
<td>0.12</td>
<td>0.40</td>
<td>1.00</td>
<td>0.28</td>
<td>0.44</td>
<td>0.30</td>
<td>0.15</td>
</tr>
<tr>
<td>CSRC</td>
<td>0.22</td>
<td>0.11</td>
<td>0.42</td>
<td>0.28</td>
<td>1.00</td>
<td>0.36</td>
<td>0.14</td>
<td>0.27</td>
</tr>
<tr>
<td>CMRC</td>
<td>0.17</td>
<td>0.12</td>
<td>0.24</td>
<td>0.44</td>
<td>0.36</td>
<td>1.00</td>
<td>0.32</td>
<td>0.22</td>
</tr>
<tr>
<td>PMR</td>
<td>0.28</td>
<td>0.16</td>
<td>0.13</td>
<td>0.30</td>
<td>0.14</td>
<td>0.32</td>
<td>1.00</td>
<td>0.09</td>
</tr>
<tr>
<td>CSP</td>
<td>0.10</td>
<td>0.22</td>
<td>0.19</td>
<td>0.15</td>
<td>0.27</td>
<td>0.22</td>
<td>0.09</td>
<td>1.00</td>
</tr>
</tbody>
</table>

With regards to the correlation matrix presented above, we can draw similar conclusions than those in the previous chapter. Considering that the eight economic items are tapping into the same issue - an assessment of the government's economic performance - none of the correlation coefficient are alarmingly high. In light of these
results, we can safely proceed with our regression analysis.

If we look at the findings in table 8.21, we find statistically significant but weak to moderate relationships between the dichotomized vote choice variable and the dimensions of individual economic evaluations. Specifically, the results of a correlation analysis between each of the eight economic items and incumbency-opposition party preference suggest a statistically significant relationship for each variable ($p \leq 0.05$). However, while three correlations were particularly substantial in 1988 - collective mediated retrospective dimension at the national (0.36), and provincial (0.28) levels, and collective simple retrospective dimension (0.23) - only the collective mediated retrospective evaluation at the national (0.20) and provincial (0.17) levels remain moderately linked to vote choice in 1993.

However, the most important finding continues to be that the correlations between vote choice and the individual dimensions of politico-economic interactions are consistently stronger at the sociotropic than at the egocentric level. Canadians do not seem to link the government economic performance and their own personal economic situation.
Table 8.21 - Economic Items and Vote Choice in Canada

<table>
<thead>
<tr>
<th>Item</th>
<th>Correlation (r) with vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Simple Retrospective</td>
<td>0.08</td>
</tr>
<tr>
<td>Personal Mediated Retrospective</td>
<td>0.14</td>
</tr>
<tr>
<td>Personal Simple Prospective</td>
<td>0.01</td>
</tr>
<tr>
<td>Collective Simple Retrospective (country)</td>
<td>0.11</td>
</tr>
<tr>
<td>Collective Simple Retrospective (province)</td>
<td>0.09</td>
</tr>
<tr>
<td>Collective Mediated Retrospective (country)</td>
<td>0.20</td>
</tr>
<tr>
<td>Collective Mediated Retrospective (province)</td>
<td>0.17</td>
</tr>
<tr>
<td>Collective Simple Prospective</td>
<td>0.12</td>
</tr>
</tbody>
</table>

(every variable significant at p < 0.05.)

The results of the regression analysis are presented in the next table.
Table 8.22 - Economic Voting Equation (Unstandardized OLS Estimates)

**Independent Variables**

<table>
<thead>
<tr>
<th>Variable</th>
<th>b</th>
<th>S.E.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Simple Retrospective</td>
<td>-0.01</td>
<td>0.009</td>
</tr>
<tr>
<td>Personal Mediated Retrospective</td>
<td>-0.04*</td>
<td>0.007</td>
</tr>
<tr>
<td>Personal Simple Prospective</td>
<td>-0.02*</td>
<td>0.010</td>
</tr>
<tr>
<td>Collective Simple Retrospective (country)</td>
<td>0.01</td>
<td>0.010</td>
</tr>
<tr>
<td>Collective Simple Retrospective (province)</td>
<td>-0.01</td>
<td>0.009</td>
</tr>
<tr>
<td>Collective Mediated Retrospective (country)</td>
<td>-0.05*</td>
<td>0.009</td>
</tr>
<tr>
<td>Collective Mediated Retrospective (province)</td>
<td>-0.03*</td>
<td>0.014</td>
</tr>
<tr>
<td>Collective Simple Prospective</td>
<td>-0.01</td>
<td>0.005</td>
</tr>
</tbody>
</table>

(constant) 0.57

R-squared = 0.05
Multiple R = 0.23
Durbin-Watson = 1.98
* significance at p < 0.05

The results of the regression analysis lead us to conclude that Canadian voters have recently been rather "weak" economic voters.

Overall, the individual politico-economic dimensions appear to have a minimal impact on vote choice - even less so than in 1988. In specific terms, only four of the eight dimensions - personal mediated retrospective, personal simple prospective, collective mediated retrospective (national), and collective mediated retrospective


The 1993 Canadian Federal Election

(province) - are statistically significant determinants of the vote choice of individual Canadians.

As determined for the 1988 election and confirmed above, sociotropic economic evaluations appear generally more important in determining vote choice than personal economic assessment. Moreover, Canadians seem to be more retrospective than prospective in their economic evaluations. More importantly, the findings suggest that the Canadians are very weak economic voters - especially during a recession. Canadians are more likely to reward the incumbent government for good economic times, but look at different factors in times of bad economic times. If we compare these findings with previous analyses in Western European countries, we see that Canadians are much weaker economic voters than Britons, West Germans, and French, and this time, slightly weaker economic voters than Italian voters.

Table 8.23 - 1993 Canadian Findings in a Comparative Perspective

<table>
<thead>
<tr>
<th>Country</th>
<th>Economic Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Britain (1984)</td>
<td>0.53</td>
</tr>
<tr>
<td>West Germany (1984)</td>
<td>0.34</td>
</tr>
<tr>
<td>France (1984)</td>
<td>0.28</td>
</tr>
<tr>
<td>CANADA (1988)</td>
<td>0.14</td>
</tr>
<tr>
<td>Italy</td>
<td>0.11</td>
</tr>
<tr>
<td>CANADA (1993)</td>
<td>0.05</td>
</tr>
</tbody>
</table>
One factor that may explain the difference between Canada and the other countries may be the difference in time periods. However, the gap between Canada and the other countries, especially Great Britain, West Germany and France, suggests that comparable comparative data for 1988 and 1993 would yield results that may differ in magnitude but not in relative importance. It is fair to assume that Canadian voters would remain "weaker" economic voters than Britons, Germans, and French voters.

Much of the conclusions of the last chapters remain true after looking at the results of the 1993 election. It is fair to say that Canadians do assess - mainly retrospectively as well as sociotropically - the impact of the government's economic policies on the economy of the country and of their province, ponder on their own personal economic situation over the past year and speculate on the future performance of the country's economy. However, an important distinction has to be made between the fact that economic evaluations are associated with vote choice, and the actual predictive power of such evaluations.

The politico-economic model has substantial appeal to political practitioners as it allows them to anchor the incumbent party's attempt at reelection. The 1993 Canadian general election was no exception. The Liberal strategists attributed their victory to an appropriate choice of economic issues and favorable economic evaluations. Moreover, Kim Campbell shelved her "Politics of Inclusion" to divide her attention between the twin...
evils of deficit and unemployment, and Jean Chretien promised a return to the "good old days" when all Canadians were able to find jobs. However, our findings raise serious doubt about the pertinence of this economic focus in Canadian elections.

This is not to say that there is no link between economic evaluations and vote choice. For the period under study (February to October 1993), a plurality of Canadians believed jobs and unemployment constituted the most important issue facing the country, and the Liberals were able to take ownership of the unemployment issue early in the period preceding the election campaign and to retain it up until election day. However, the link between primary issue concerns and voting intentions, although significant, remained weak throughout the period. This point was further substantiated when we analyzed the relationship between seven specific economic items and vote intent.

The unusually poor showing of the incumbent party in the 1993 federal election does not modify our interpretation of the weak link between economics and vote. An examination of the relationship between economic evaluations and the Liberal vote increased only marginally our understanding of vote choice in the 1993 federal election.

Thus, in narrow theoretical terms, the results in this analysis indicate that in the 1993 Canadian general election, egocentric- prospective-simple-cognitive evaluations of the economy were statistically significant but very weak determinants of voting behaviour. But if we place these findings in a broader context, we clearly have to
question the impact of the prominence given to economic matters in Canadian elections.
The 1993 Canadian Federal Election

Notes

1. For a discussion of this point see David McLaughlin, Poisoned Chalice: The last campaign of the Progressive Conservative Party?, (Toronto: Dundurn Press, 1994), chapters 4 and 5.

2. The author would like to thank Michael Marzolini, Chairman of Insight Canada Research, for his co-operation.


4. The following description of the events of the 1993 election campaign is based on the author's personal experience and priviledged position during that period. The author was the Senior Research Analyst on the Liberal Public Opinion Research Team - headed by Michael Marzolini of Insight Canada Research.


6. This interpretation is based on internal Liberal polling data.

7. Insight Canada Research data - See part IV of this chapter for further details.


9. Based on internal Liberal polling data.


15. The author would like to thank Michael Marzolini, Chairman of Insight Canada Research, for the permission to use ICR data.

16. Unfortunately, Insight Canada Research did not make the frequency breakdowns available to the author.

17. The results of the recall vote question accurately reflected the actual election results. Specifically, the results were Liberals at 45% (4% higher than the actual election results), the Reform Party at 19% (equal), the PCs at 14% (-2%), the Bloc at 12% (-2%), and the NDP at 7% (equal).

18. These other economic issues include the economy and the recession, taxes, free trade, NAFTA, inflation, and the GST.

19. These non-economic issues include national unity (about 3%), miscellaneous problems with government, the environment, poverty, social welfare, health care, breakdown of morals, ethical problems, crime, violence, immigration, social justice, and political leadership.

20. As previously noted, such an argument was put forth in William L. Miller et al., How Voters Change: The 1987 British Election in Perspective.
Chapter 9 - Conclusion: Towards 2001 - Down the Same Garden Path?

Writing in 1971, Kramer suggested that election outcomes are in substantial part responsive to objective economic changes occurring under the incumbent party: they are not irrational or random, or solely the product of past loyalties, habits, or of campaigns.¹ His study was followed by several others in an attempt to develop a politico-economic model of voting behaviour. The present study falls into that broad tradition.

It has been the general aim of this analysis to investigate empirically the importance of economic considerations in the way Canadian voters choose their elected officials. Specifically, this study concentrated on the economic dimension of voting behaviour in the 1988 and 1993 Canadian Federal elections. The underlying question of this analysis was to examine how compelling is an economic argument in explaining vote choice in Canada. In this sense, the present analysis also fell within the confines of the study of voting behaviour in Canada.
The review of the literature on politico-economic interactions led us to the following conclusions:

- A majority of studies isolated statistically significant economic determinants of vote choice, thus validating the central hypothesis guiding the study of economic voting.

- Those economic determinants which have been singled out as having statistically significant effects on vote choice are real personal income, inflation, and unemployment. Specifically, real personal income seems to be the key determinant of electoral success in the United States, while inflation also has a significant impact in most studies.

- Despite the great deal of attention given to the job creation capacity of government, the effect of unemployment on electoral fortunes remained unclear. To some extent, the ambivalence towards the effect of unemployment on vote choice can be explained by the counterintuitive nature of a rejection of this variable as a determinant of voting behaviour. Consequently, scholars were reluctant to spurn the effect of unemployment on electoral fortunes of incumbent parties although the statistical evidence seems to suggest that this was the case.

- The studies point to the methodological limitations of relying solely on aggregate-level data as both dependent and independent variables. The electorate's subjective evaluation of economic conditions and their effect on their vote choice have been neglected, and aggregate-level data do not allow for the study of voting behaviour at the individual level.
Conclusion

Quantitatively, the findings of one-hundred and nine analyses (109) reviewed in this study showed that in 72% of cases (78 out of 109), scholars found statistically significant relationships. Less than one-half (43%) of the analyses (47 out of 109) found strong politico-economic interactions, compared to 16% (17 out of 109) which found moderate relationships, and 13% weak relationships (14 out of 109). In 31 out of the 109 analyses (28%), scholars suggested that there was no evidence of politico-economic interactions.

More specifically, a total of twenty analyses (20) concentrated on the vote function with individual data. In 55% of the cases (11 out of 20), scholars have found statistically significant relationships. Only 20% found strong relationships (4 out of 20), while a further 20% point to moderate relationships, and 15% (3 out of 20) to a statistically significant but weak relationship. Some 45% of studies (9 out of 20) found no evidence of a vote function.

The perception that there is a strong link between economics and vote choice is driven by the evidence of U.S. analyses. While 44% of non-U.S. analyses found a strong relationship (34 out of 71 studies), 31% found a moderate relationship (22 studies), 8% isolated a weak relationship (6 studies), while 13% (9 studies) found no relationship.
Dialogue de sourds

This global picture is indicative of the current state of the literature on politico-economic interactions. The evidence is contradictory at best, and the contradiction lies in the respective importance given to statistical significance and strength of the relationships. It is fair to say that there is a statistically significant relationship between economic conditions and voting behaviour. A link can be found between aggregate economic conditions and the fate of incumbent governments. Moreover, it is also fair to assert that economic evaluations play a role in vote choice at the individual level. In fact, analysts are proportionally more likely to isolate statistically significant relationships at the individual rather than at the aggregate level, but significant relationships at the individual level of analysis tend to be weaker. And there lies the dilemma.

While economic conditions and economic evaluations have a definite effect on electoral outcomes, they may not be as important as some would believe - especially political practitioners and analysts. A thorough review of the literature suggests that the economic dimension of vote choice has been given a level of prominence that is not sustained by the reality of the actual behaviour of the electorate.

When we turned our attention to the Canadian case, we first noticed a general lack of interest for Canada as a case study. The lack of analytical interest in the Canadian case is to some extent surprising since the Canadian parliamentary system, with a disciplined party system and its executive-sponsored economic policies, should make an interesting case study. It was suggested that Canadian voters behave in a
Conclusion

political environment that is, at least theoretically, conducive to having an electoral system dominated by the vagaries of politico-economic interactions. Specifically, Canadian voters behave in a political environment that has several of the characteristics that would make it conducive, at least in theory, to having an electoral system responsive to politico-economic interactions. First, federal elections in Canada are held in an environment where there is a high level of party competition. Secondly, the clout of the Prime Minister, his or her Cabinet, and by extension the whole incumbent party makes it easier for them to try to reap - or believe they can reap - the benefits of positive economic conditions.

The attribution of responsibility for economic performance is the one dimension that interferes with the existence of politico-economic interactions in Canada. Based on the scarcity of available data, it is questionable whether the Canadian electorate hold, at any point in the electoral cycle, an incumbent party directly responsible for the state of the economy. In fact, it would appear that for the last twenty years or so, Canadian voters have consistently been highly sceptical of the government's ability to deal with the economy. Moreover, indigenous Canadian economic realities, specifically the globalization of economic public policy-making, the Canada-U.S. economic interdependence, and the role of the Bank of Canada in regulating the money supply, further blur the attribution of responsibility for economic performance in this country.
The general review of the literature further suggests that the field of voting behaviour has just reached a point where a study of such interactions fits with the general framework of the study of voting behaviour in Canada. In chapter six, it was shown that the evolution of our comprehension of the determinants of voting behaviour can be seen as a progression away from the reluctant adoption of imported empirical ideas, towards the development of an indigenous model of voting behaviour.

The results of our analysis lead to the rejection of the economic voting hypothesis in the 1988 and 1993 Canadian elections. As we mentioned in the last chapter, this is not to say that there is no link between economic evaluations and vote choice. Our findings suggest that Canadians do assess - mainly retrospectively - the impact of the government's economic policies on the economy of the country and of their province, ponder on their own personal economic situation over the past year and speculate on the future performance of the country's economy. Perceptions of the economic health of the nation, whether retrospective or prospective, sociotropic and to a lesser extent egocentric, exerted a statistically significant, although rather weak impact on vote choice in the 1988 and 1993 Canadian federal elections.

In fact, the most important finding is that the correlations between vote choice and the individual dimensions of politico-economic interactions are consistently stronger at the sociotropic than at the egocentric level. Canadians do not seem to link the government economic performance and their own personal economic situation.
Conclusion

Moreover, the economic evaluative process falls short of significantly influencing individual vote choice. The weakness of an economic explanation of vote choice in the 1988 and 1993 Canadian federal elections may be partly explained by the fact that on most economic dimensions (at least those analysed in this study), about 50% of Canadians feel that government interventions have had no effect on the economy, and their own economic conditions have been stagnant. This suggests that recent Canadian administrations have failed to make themselves relevant in the economic lives of Canadian voters. It may be that most Canadians do not recognize or acknowledge the impact of government policies on economic conditions. It appears that Canadian voters are willing to engage in the kind of rational economic assessment suggested by the theory, but are reluctant to bring this process to its logical conclusion, i.e. to base their vote choice on the result of their economic assessment.

If we place the findings of our analysis of the 1988 and 1993 elections in the broader historical context of the study of politico-economic interactions in Canada, we see that politico-economic interactions have had a sporadic impact on vote choice since the 1930s. But at no point have they been strong determinants of voting behaviour in Canada. In specific terms, there seems to be a consensus that economics did have an impact on popular support at several points in time since 1930. Specifically, both studies examining the period between 1980 and 1983 (Johnston and Clarke and Kornberg) suggest a significant link between economics and popular support.
Dialogue de sourds

Furthermore, Archer and Johnson isolated a link between these two dimensions in the 1984 federal election. For their part, Clarke et al. suggested that economic issues were relevant determinants of popular support for the period between 1988 and 1993.

Table 9.1 - Historical Perspective on Canadian Findings

<table>
<thead>
<tr>
<th>Historical Period</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1930-1954</td>
<td>politico-economic interactions are relevant (moderate) determinants (Happy, Nadeau) (no evidence of government manipulation - Nordhaus)</td>
</tr>
<tr>
<td>1955-1979</td>
<td>mixed results (relevant - Happy, Nadeau, Tufte, irrelevant - Carmichael, Monroe and Erickson, Archer and Johnson, Johnston)</td>
</tr>
<tr>
<td>1980-1984</td>
<td>politico-economic interactions are relevant (weak) determinants (Johnston, Nadeau, Archer and Johnson, Clarke and Kornberg)</td>
</tr>
<tr>
<td>1988-1993</td>
<td>politico-economic interactions are relevant determinants as popularity functions (Clarke et al.) <em>Politico-economic interactions are relevant but weak determinants of vote choice.</em></td>
</tr>
</tbody>
</table>
Conclusion

Based on the complementary studies by Happy, Carmichael, Monroe and Erickson, and Johnston, as well as those by Nordhaus and Tufte, we can argue that politico-economic interactions are relevant determinants of popular support for the period between 1930 and 1954, while the results are mixed for the period between 1955 and 1979. Since then, there has been a decline in the capacity of these variables to act as determinants of vote choice. In fact, the only discernible pattern in the findings summarized in table 9.1 is a slow erosion of the influence of economics on vote choice. While economic considerations were statistically significant and moderate determinants of vote choice up to 1955, such considerations became less relevant as years went by. It would appear that it is in the aftermath of the period of stagflation between 1974 and 1981 that the Canadian electorate became less likely to rely on economic evaluations to anchor their vote choice.

We suggest that this period of stagflation and the accompanying economic hardships led to a questioning of the capacity of the Canadian government to provide remedy to economic problems. The political period between 1955 and 1980 was the most turbulent in Canada's electoral history. In total, five different prime ministers (St. Laurent, Diefenbaker, Pearson, Trudeau, and Clark) tried to address the country's economic problems during that period, and their apparent lack of success convinced the Canadian electorate that they may be well-advised not to rely on the federal government to provide answers to their economic hardships. As demonstrated by the
Gallup results presented in chapter 5, Canadian voters have been increasingly sceptical of the government's ability to deal with the economy, and this for the last twenty years. However, politicians, pundits, and strategists have failed to notice this evolution and behave as if the rules have not changed. And by not responding to the changed environment, they compound the issue by appearing disconnected or unconcerned about the electorate's problems.

From a theoretical perspective, our rejection of the economic voting hypothesis in the 1988 and 1993 Canadian Federal elections raises some important questions about the validity of some of the theoretical underpinnings of the study of politico-economic interactions. If the above assertions are true, it can be suggested that the acceptance of the economic dimension of voting simplifies the voters' willingness to accept the economic rhetoric of campaigning politicians. In this sense, it is too easily assumed that voters have a short political attention span and blindly react to the incumbent's economic manoeuvres. It also suggests that voters, or at least Canadian voters, may not have a restricted political time-horizon and the public's process of rational learning has put a limit on the political gains that can be derived from playing the "politico-economic interactions" game. Politicians may have gone to the well one too many times...
Conclusion

The above conclusions must be interpreted with caution. Although the evidence support this assertion, the relatively few studies of the Canadian case make us prudent. We do know, however, that an external and internal comparison reveal the undue prominence given to economic arguments.

From an external comparative perspective, the findings suggest that Canadians are very weak economic voters - especially during a recession. When we compare our findings with previous analyses in Western European countries, we see that Canadians are much weaker economic voters than Britons, West Germans, and French, and in 1993, were slightly weaker than Italian voters.

Table 9.2 - Canadian Findings in an External Comparative Perspective

<table>
<thead>
<tr>
<th>Country</th>
<th>Economic Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Britain (1983)</td>
<td>0.53</td>
</tr>
<tr>
<td>West Germany (1984)</td>
<td>0.34</td>
</tr>
<tr>
<td>France (1984)</td>
<td>0.28</td>
</tr>
<tr>
<td>CANADA (1988)</td>
<td>0.14</td>
</tr>
<tr>
<td>Italy (1984)</td>
<td>0.11</td>
</tr>
<tr>
<td>CANADA (1993)</td>
<td>0.05</td>
</tr>
</tbody>
</table>
As noted in the previous chapter, one factor that may explain the difference between Canada and the other countries may lie in the different time periods under study. However, the gap between Canada and the other countries, especially Great Britain, West Germany and France, suggests that comparable data for 1988 and 1993 would yield results that may differ in magnitude but not in relative importance. Furthermore, based on our analysis of the pre-writ period in chapter 8, we can also suggest that if Lewis-Beck had conducted his analysis within the context of elections, he would have found slightly higher R-squared values. This simply reinforces the relative weakness of economic considerations as determinants of vote choice in Canada.

Economic arguments do not withstand an internal comparison either. If we place our findings alongside other variables, we realize that several variables - especially religion, region, leader, social class - have proved to be stronger determinants of vote choice than economic evaluations.
Table 9.3 - Economic Evaluation in an Internal Comparative Perspective

<table>
<thead>
<tr>
<th>Variables</th>
<th>Explained Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religion and support for a PC Incumbent</td>
<td></td>
</tr>
<tr>
<td>Catholic (1980)</td>
<td>0.32</td>
</tr>
<tr>
<td>Joint Leader and Issue Effects on PC Vote in</td>
<td></td>
</tr>
<tr>
<td>1984 (Flexible - High Interest Partisans)</td>
<td>0.28</td>
</tr>
<tr>
<td>Region and support for a PC incumbent</td>
<td></td>
</tr>
<tr>
<td>Western provinces (1980)</td>
<td>0.21</td>
</tr>
<tr>
<td>Poll Awareness and Liberal Support (1988)</td>
<td>0.21</td>
</tr>
<tr>
<td>Leader Preference and Incumbent Support (1993)</td>
<td>0.21</td>
</tr>
<tr>
<td><strong>ECONOMIC EVALUATIONS (1988)</strong></td>
<td><strong>0.14</strong></td>
</tr>
<tr>
<td>Social Class and support for a PC incumbent</td>
<td></td>
</tr>
<tr>
<td>Union Membership (1980)</td>
<td>0.12</td>
</tr>
<tr>
<td>Blishen SES (1980)</td>
<td>0.11</td>
</tr>
<tr>
<td>Age and support for a PC incumbent (1980)</td>
<td>0.11</td>
</tr>
<tr>
<td><strong>ECONOMIC EVALUATIONS (1993)</strong></td>
<td><strong>0.05</strong></td>
</tr>
</tbody>
</table>

What are the consequences of these findings? First, it is fair to assert that politico-economic studies abstract a great deal from the richness of actual behaviour, in particular the capacities of government to know how to deal with both inflation and
unemployment as well as their authority and power to enact appropriate measures. It is in this sense that the model simplifies - to a large degree - the voters' willingness to accept the economic rhetoric of campaigning politicians, especially in light of past experiences with broken promises.

Second, we can argue that elections follow a cycle of disillusionment. As Clarke and his colleagues suggested, there is little evidence that the electorate awards a mandate to any government. There is, indeed, a tendency to see elections as an opportunity to "throw the rascals out" more than one of directing the future. Electoral politics of this sort are ill equipped to deal with the dramatic intensification of economic difficulties and the problems arising from the new economy.

The onus of responsibility must be clearly placed on party leaders and strategists rather than on the electorate - the voters are not giving economic mandates because they are lured by strategies but because they know better than to expect clear policy alternatives. The Canadian electorate are well aware of the discrepancies between their expectations and the discourse they hear from their leaders. Not surprisingly, 76% of voters feel that no parties have solutions to the most important problems facing the country.
Conclusion

In the introductory chapter of this study, we suggested that given the prominence of economic arguments in electoral rhetoric, a failure to isolate strong relationships between economics and vote choice should raise questions about the nature and issue content of the electoral discourse. We have reached the point when we should raise and address such questions.

Contemporary Canadian elections have become an arena in which voters express their disaffection, their alienation, and their fears, rather than their hopes, visions, and aspirations. If the focus is narrowed exclusively to winning an election on one day, you do not have to worry about the long-term consequences of what you may say or do to get there. Such short term - strictly technical victories - won by avoiding divisive issues have had a devastating effect on the ability of governments and politicians to do anything useful for most people, thereby deepening alienation. Governments do not receive clear mandates from the electorate, and incumbents are later punished by voters for supporting public policies against the wishes of their constituents. This situation places severe limitations on the ability of the Canadian government to implement policies that will address serious policy problems that cannot be solved within the time constraints of the electoral cycle.
Similarly, if election outcomes are based on irrational and random decisions, politicians respond as they might be expected. They adapt their behaviour to the environment, that is to their primary need for electoral survival. They engage in symbolic politics - taking actions that purport to be instrumental but are in fact purely rhetorical. A problem exists; the people demand that it be solved; the politicians cannot solve it and know so; they then engage in an elaborate pretense to solve it nevertheless - setting up commissions and demanding reports - often at great expenses to the taxpayers and almost invariably at a high cost of both the truth and the politicians' own reputation for integrity and effectiveness. In the meantime, public opinion polls show that Canadians are dissatisfied with their politicians and with the functioning of their political system.

Most political pundits will bemoan voters' alienation, apathy, and anger. But it is time to go beyond generalizations which, as much as anything, blame the victim. There is a deeper message that voters are sending about the fundamental inadequacy of our political system. They are not responding to what is presented to them either because they have lost faith in the messenger, or because they do not relate to the substance of the message. Either way, until this situation is remedied, elections in Canada will be little more than a "dialogue de sourds".
Conclusion

Notes


2. The comparative findings are from Lawrence LeDuc, "Canada: The Politics of Stable Dealignment" in Russell J. Dalton eds., Electoral Change in Advanced Industrial Democracies: Realignment or Dealignment, (Princeton: Princeton University Press, 1984), 408. The choice of the 1980 election is motivated by the fact that this was the most recent past election with a PC incumbent.


Dialogue de sourds

BIBLIOGRAPHY
Dialogue de sourds


Barnhart, J.D., "Rainfall and the Populist Party in Nebraska, American Political Science Review, 19, 1925.


Dialogue de sourds


Goldfarb, Martin and Axworthy, Thomas, Marching to a Different Drummer, Toronto;
Dialogue de sourds


Dialogue de sourds


Dialogue de sourds


Regenstreif, Peter, The Diefenbaker Interlude; Parties and Voting in Canada, Toronto; Longmans Canada Limited, 1965.


Simeon, Richard, "Regionalism and Canadian Political Institutions". *Queen's Quarterly*, 82, 1975.


Dialogue de sourds


