

ECONOMIC VOTING

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**Sociotropic
and
checkbook:
Examples
from Germany
and Greece**

WHAT IS ECONOMIC VOTING

- Economic voting is the concept that people vote in support of the governing party when economic times are good and punish the party in power when times are economically bad

SOCIOTROPIC VS. CHECKBOOK

- Sociotropic Economic Voting- This is the theory that when economic voting occurs people who are voting take a macroeconomic view of the economy and do not consider their own financial standing.
- Checkbook Economic Voting- The theory that when economic voting occurs people who are voting consider their own financial standing (their checkbook) first when evaluating the government.

WHY GREECE?

- Most notable country going through the worst of the debt crisis
- Fear that Greece will leave the European Union
- Rise of Radical Parties:
 - a) SYRIZA- Coalition of the Radical Left outperformed PASOK (PanHellenic Socialist Movement) in most recent election
 - b) Golden Dawn- Ultra-Nationalists with neo-nazi ties gaining more and more support (Finished fourth in most recent election winning 16 seats in hellenic parliament)

WHY GERMANY?

- Main country involved in bailing out countries in EU in severe debt
- Stable government throughout European debt crisis-Merkel elected three times
- German Chancellor Angela Merkel has insisted that “Euro is our common destiny and Europe is our common future”

WHY DOES IT MATTER?

- 1.** Important to show the difference between Sociotropic and Checkbook economic voting
- 2.** Show how different situations can cause different kinds of economic voting
- 3.** Shows how radical/fringe parties can gain support from people who are disillusioned with the parties in power.

LITERATURE REVIEW

ECONOMIC VOTING REVIEWED

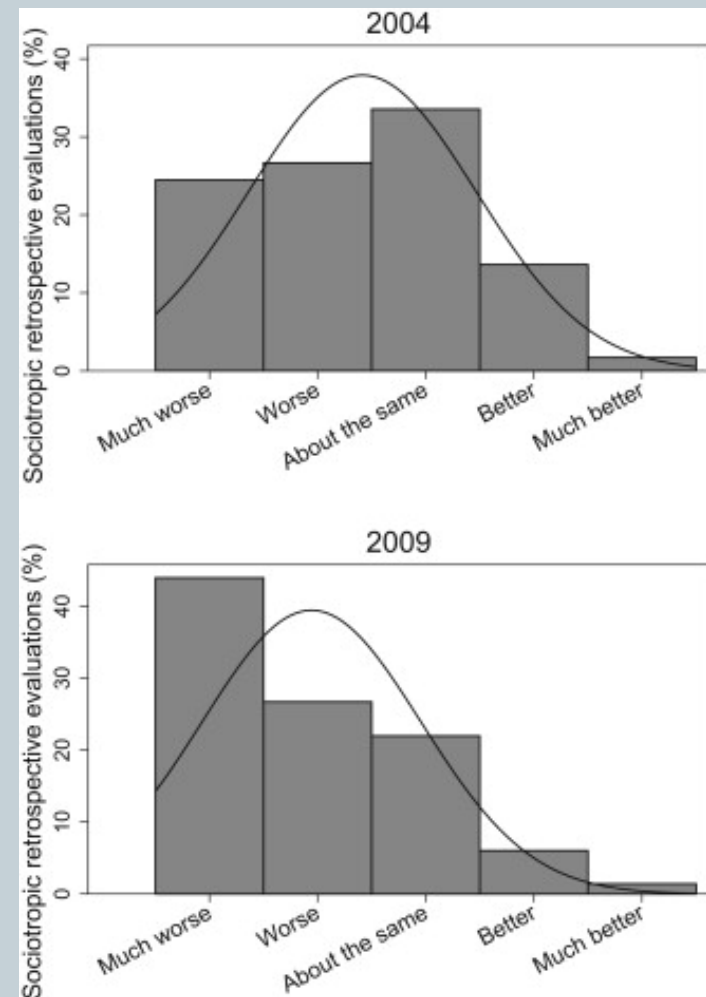
- Bloom and Price (1975) reviewed the economic voting theory and found that:
 - the party in power receives little or no added support when the economy is up
 - when the economy is down the party in power is severely punished. This is especially true for people who are suffering personally from the economic downturn.
 - This phenomenon is known as “throwing the rascals out”

ECONOMIC VOTING IN P.I.G.S.

- What Nadeau and Lewis-Beck found-
 1. the PIGS countries have much stronger economic voting trends than in Non-PIGS Northern European countries.
 2. The economic vote is 60 percent stronger in PIGS countries.
- Nadeau and Lewis-Beck attribute the strong effect that economic voting has to the fact that the governments of these Southern European countries often have less complex coalitions dominated by one party.

SOCIOTROPIC VOTING IN GREECE

- Roula Nezi investigated the extent to which retrospective sociotropic evaluations about the state of the economy are associated with support for the incumbent party.
- The results suggest that sociotropic economic evaluations are associated with government party support, but in a period when the economy is at its worst the incumbent has no real chance of winning



CHECKBOOK VOTING IN GERMANY

- Anderson & Hecht (2010) found that there was evidence that indicated the people who had personally been affected by the economic downturn were less likely to vote for the government in power (i.e. the two main parties)
- more likely to vote for the Leftist parties or ones that they thought would bring about a different coalition government

FINDINGS & METHODOLOGY

Greece &
Germany

THEORY

- Based on the literature review and preliminary analysis of the data I hypothesized:
- Germany will have economic voting that will be most like checkbook economic voting. Germans who are suffering financially will not be in support of the government
- Greece will have economic voting that will be most like sociotropic economic voting. Greeks no matter their financial standing will view the economy as a whole and will subsequently not support the government

DATA & METHODS

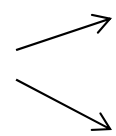
- Greek statistics come from the Eurobarometer
- German statistics come from Leibniz Institute for the Social Sciences called the Gesis.
- Using nominal and ordinal level variables I derive several tables that exemplify the relationship of economic voting in Greece and Germany

GREECE

CRISIS PERFORMANCE: NAT GOVERNMENT * SITUATION: JOB PERSONAL Crosstabulation

		SITUATION: JOB PERSONAL				Total
		Very good	Rather good	Rather bad	Very bad	
CRISIS PERFORMANCE: NAT GOVERNMENT	Yes, very effectively	0 0.0%	5 2.1%	2 0.8%	1 0.5%	8 1.1%
	Yes, fairly effectively	1 4.8%	28 11.5%	16 6.2%	8 3.7%	53 7.2%
	No, not very effectively	7 33.3%	92 37.9%	85 33.1%	61 27.9%	245 33.1%
	No, not at all effectively	13 61.9%	118 48.6%	154 59.9%	149 68.0%	434 58.6%
Total		21 100.0%	243 100.0%	257 100.0%	219 100.0%	740 100.0%

91.7%



Somers'd Value= .143^a

a. Chi-Squared p<.05

GREECE

Direction of Country * SITUATION: FINANCIAL HOUSEHOLD Crosstabulation

		SITUATION: FINANCIAL HOUSEHOLD				Total
		Very good	Rather good	Rather bad	Very bad	
Direction of Country	Right Direction	4 26.7%	46 13.8%	28 6.7%	6 2.8%	84 8.6%
	Neither, Nor	2 13.3%	39 11.7%	37 8.9%	6 2.8%	84 8.6%
	Wrong Direction	9 60.0%	248 74.5%	353 84.4%	200 94.3%	810 82.8%
Total		15 100.0%	333 100.0%	418 100.0%	212 100.0%	978 100.0%

Somers'd Value= .179^a

a. Chi-Squared $p < .05$

GERMANY

Government Responsibility for own financial sit. last 2 years * Own financial situation last 2 years Crosstabulation

		Own financial situation last 2 years					Total
		become much better	improved somewhat	remained the same	become somewhat worse	become much worse	
Government Responsibility for own financial sit. last 2 years	very strong	3 6.8%	2 0.8%	19 4.6%	18 7.3%	24 35.3%	66 6.6%
	strong	9 20.5%	40 16.7%	103 25.2%	97 39.4%	21 30.9%	270 26.8%
	average	7 15.9%	66 27.6%	144 35.2%	80 32.5%	14 20.6%	311 30.9%
	less	4 9.1%	65 27.2%	78 19.1%	32 13.0%	5 7.4%	184 18.3%
	not at all	21 47.7%	66 27.6%	65 15.9%	19 7.7%	4 5.9%	175 17.4%
Total		44 100.0%	239 100.0%	409 100.0%	246 100.0%	68 100.0%	1006 100.0%

Somers'd Value= .293^b

b. Chi-Squared Sign. p < .05

GERMANY

Party ID * Own Economic Situation-Current Crosstabulation

		Own Economic Situation-Current					Total
		very good	good	some good, some bad	poorly	very poorly	
Party ID	CDU/CSU	26 36.6%	162 36.5%	80 22.2%	13 12.5%	1 3.8%	282 28.1%
	SPD	17 23.9%	105 23.6%	92 25.6%	20 19.2%	8 30.8%	242 24.1%
	FDP	2 2.8%	10 2.3%	4 1.1%	1 1.0%	0 0.0%	17 1.7%
	Greens/ The Left	12 16.9%	58 13.1%	55 15.3%	24 23.1%	5 19.2%	154 15.3%
	Other Parties	14 19.7%	109 24.5%	129 35.8%	46 44.2%	12 46.2%	310 30.8%
Total		71 100.0%	444 100.0%	360 100.0%	104 100.0%	26 100.0%	1005 100.0%

Cramer's V= .124^a

a. Approx. Significance p < .05

RESULTS & DISCUSSION

RESULTS

- The literature review accompanied by the data and findings has shown two things:
 1. Greece has economic voting that is most closely related to sociotropic economic voting. Greeks, who feel financially stable, as well as Greeks, who are not at all, find it hard to support the party in power
 2. Germany has economic voting that is most closely related to checkbook economic voting. Germans who are suffering the most are identifying with other parties that are in the opposition at a statically significant level.

WHAT HAS BEEN SHOWN

- Economic voting has many facets. Depending on the country's economic situation and how the people view it can vary how economic voting takes place.
- Showing the affects of the economic crisis and how the debt crisis and economic downturn can cause rational people to turn to radical parties

ANY QUESTIONS

Thank you for
your time

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