

Benchmarking across Borders

Electoral Accountability and the Necessity of Comparison

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The Puzzle

Globalization Globalization has decreased governments' influence over their own economies

Voting But voters' ability to punish them for economic outcomes remains unchanged

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A Fundamental Question

- Are voters unsophisticated respondents to economic stimuli or do they employ economic conditions to infer incumbent competence?
- Are voters myopic or do they benchmark?
- If the latter, how?

The Idea

- Voters could benchmark solely **across time** but this would imply holding government accountable for outcomes beyond their control.
- Comparing conditions **across countries** isolates the domestic content and places them in context
- We decompose two economic aggregates, growth in real GDP and unemployment, into global and local components, s.t.

$$local = econ - global$$

The Global Component

- ① Sample median in the given election year
- ② Principal component
- ③ Trade weighted mean

Comparative Powell & Whitten, AJPS, 1993

Expectations Palmer & Whitten, BJPS, 1999

Yardstick Besley & Case, AER, 1995

Globalization Hellwig, JOP, 2001, Duch & Stevenson, JOP, 2010

Our Contribution

We offer the first proper test of cross-national benchmarking

- ① cross-national comparison with both local and global components
- ② Test how they benchmark
- ③ Aggregate and individual-level data
 - aggregate – large sample
 - individual – model voter behavior

Implications for

- ① Fundamental voter behavior
- ② Accountability of the governing to the governed
- ③ Accurate estimation of the economic vote (instability problem)

Aggregate Level —

- 21 OECD Countries
- Elections from 1948 to 2009
- 267 observations

Individual Level —

- 79 Election studies, 43 countries, 1996-2006
- CSES Modules 1 and 2
- OECD23 subsample, ca. 300,000 observations
- Full sample, ca. 425,000 observation

Benchmarking in the Economic Vote for Leader Parties

Dep. Var.	VoteLead	VoteLead	VoteLead	VoteLead	VoteLead	VoteLead	VoteLead
Constant	34.095 (1.700)***	34.199 (0.730)***	34.141 (0.715)***	33.263 (0.869)***	37.446 (3.889)***	35.074 (2.028)***	32.764 (4.475)***
Grow.	0.604 (0.305)* 1.984				0.098 (0.539) 0.181	-0.044 (0.399) -0.112	0.904 (0.659) 1.373
Loc. Grow.		0.778* (0.371)	1.290*** (0.382)	0.614 (0.426)	0.721 (0.649)	1.305*** (0.508)	-0.085 (0.744)
Unem.	-0.248 (0.184)				-0.590 (0.503)	-0.131 (0.236)	-0.277 (0.498)
Loc. Unem.		-0.229 (0.207)	-0.354 (0.193)	0.050 (0.237)	0.381 (0.559)	-0.205 (0.249)	0.305 (0.529)
N	213	213	213	146	213	213	146
R ²	0.029	0.026	0.059	0.014	0.035	0.061	0.034
Glob. Econ. Method		Median	Prin. Comp.	Trade Weighted	Median	Prin. Comp.	Trade Weighted

Table: 3. Standard errors are in parentheses.

Individual Level. Lead Party. OECD23. Conditional Logit

	base	median	pc	trade	median	pc	trade
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>LeadParty</i>	.928 (.033)***	.484 (.251)*	.927 (.035)***	1.400 (.065)***	.218 (.292)	.958 (.085)***	1.608 (.107)***
<i>IdeoDistance</i>	-.305 (.003)***	-.305 (.003)***	-.305 (.003)***	-.309 (.004)***	-.308 (.004)***	-.309 (.004)***	-.313 (.004)***
<i>Grow * Lead</i>	.105 (.007)***						
<i>Unem * Lead</i>	-.013 (.004)***						
<i>GrowGlob * Lead</i>		.035 (.015)**	.081 (.009)***	.062 (.010)***	.024 (.016)	.073 (.010)***	.037 (.012)***
<i>GrowLoc * lead</i>		.121 (.008)***	.139 (.008)***	.113 (.008)***	.111 (.008)***	.122 (.009)***	.106 (.009)***
<i>UnemGlob * Lead</i>		.087 (.037)**	-.009 (.004)**	-.063 (.008)***	.117 (.041)***	-.013 (.005)***	-.074 (.009)***
<i>UnemLoc * Lead</i>		-.011 (.004)***	-.004 (.004)	-.003 (.004)	-.015 (.004)***	-.012 (.005)**	-.004 (.005)
<i>Educ * Lead</i>					-.087 (.007)***	-.091 (.007)***	-.094 (.007)***
<i>Age * Lead</i>					.006 (.0008)***	.005 (.0008)***	.005 (.0008)***
<i>Gender * Lead</i>					.046 (.024)*	.041 (.024)*	.033 (.024)
<i>Income * Lead</i>					.069 (.009)***	.068 (.009)***	.058 (.009)***
<i>N.Obs.</i>	295568	295568	295568	283496	245183	245183	234545

Table: 7. Individual-level vote for the leader's party, OECD-23. Standard errors in parentheses.

Conclusion

- Benchmarking only emerges for the **head of government's party**, not for all governing parties
- Little evidence of benchmarking **outside of developed countries** (OECD23)
- **Trade weighting**, perhaps surprisingly, performs poorly
- **Principal component** decomposition fares best. Substantively interesting.
- Little benchmarking on **unemployment**
- Voter heterogeneity explanation? **high v. low info voters** focus on different aspects of the econ.

Thank you

Benchmarking in the Economic Vote for Govt Parties

Dep. Var.	VoteGov	VoteGov	VoteGov	VoteGov	VoteGov	VoteGov	VoteGov
Constant	44.825 (1.613)***	42.983 (0.687)***	42.739 (0.696)***	42.205 (0.813)***	41.534 (3.650)***	46.608 (1.941)***	35.739 (4.191)***
gr	0.424 (0.288)				0.441 (0.510)	0.103 (0.380)	0.526 (0.616)
gr loc		0.504 (0.349)	0.769 (0.372)*	0.370 (0.399)	0.077 (0.612)	0.566 (0.485)	-0.264 (0.697)
unem	-0.508 (0.173)**				0.042 (0.471)	-0.674 (0.224)**	0.715 (0.467)
unem loc		-0.635 (0.194)**	-0.191 (0.186)	-0.591 (0.222)**	-0.677 (0.525)	0.269 (0.238)	-1.274 (0.497)*
N	214	214	214	146	214	214	146
R ²	0.053	0.058	0.024	0.056	0.0619	0.0654	0.0724
Glob. Econ. Method		Median	Prin. Comp.	Trade Weighted	Median	Prin. Comp.	Trade Weighted

Table: 4. *Standard errors are in parentheses.*

Individual Level. Gov Party. OECD23. Conditional Logit

	base	median	pc	trade	median	pc	trade
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>GovParty</i>	.728 (.030) ^{***}	.259 (.226)	.681 (.033) ^{***}	.956 (.060) ^{***}	.205 (.262)	.578 (.080) ^{***}	.908 (.100) ^{***}
<i>IdeoDistance</i>	-.303 (.003) ^{***}	-.303 (.003) ^{***}	-.304 (.003) ^{***}	-.307 (.003) ^{***}	-.308 (.004) ^{***}	-.308 (.004) ^{***}	-.312 (.004) ^{***}
<i>Grow * Gov</i>	.128 (.007) ^{***}						
<i>Unem * Gov</i>	-.018 (.004) ^{***}						
<i>GrowGlob * Gov</i>		.146 (.014) ^{***}	.149 (.009) ^{***}	.103 (.009) ^{***}	.161 (.016) ^{***}	.150 (.009) ^{***}	.116 (.011) ^{***}
<i>GrowLoc * Gov</i>		.128 (.007) ^{***}	.132 (.008) ^{***}	.135 (.008) ^{***}	.131 (.008) ^{***}	.126 (.009) ^{***}	.134 (.009) ^{***}
<i>UnemGlob * Gov</i>		.039 (.032)	-.024 (.004) ^{***}	-.041 (.007) ^{***}	.020 (.037)	-.029 (.005) ^{***}	-.047 (.008) ^{***}
<i>UnemLoc * Gov</i>		-.020 (.004) ^{***}	-.016 (.004) ^{***}	-.014 (.004) ^{***}	-.028 (.004) ^{***}	-.026 (.004) ^{***}	-.022 (.004) ^{***}
<i>Educ * Gov</i>					-.081 (.007) ^{***}	-.078 (.007) ^{***}	-.082 (.007) ^{***}
<i>Age * Gov</i>					.006 (.0007) ^{***}	.006 (.0007) ^{***}	.005 (.0007) ^{***}
<i>Gender * Gov</i>					.019 (.022)	.021 (.022)	.009 (.023)
<i>Income * Gov</i>					.085 (.009) ^{***}	.085 (.009) ^{***}	.076 (.009) ^{***}
<i>N.Obs.</i>	317690	317690	317690	305618	263474	263474	252836

Table: 8. Individual-level vote for governing parties, OECD-23. Standard errors in parentheses.

Aggregate Robustness Checks I

Dep. Var.	VLead	VGov	VLead	VGov	VLead	VGov
Notes				D in D	D in D	
Constant	35.657 (1.369)***	45.986 (1.297)***	5.147 (1.645)***	9.568 (2.587)***	-2.052 (0.444)***	-3.421 (0.526)***
LDV			0.836 (0.040)***	0.763 (0.051)***		
Loc. Grow.	1.235 (0.382)**	0.695 (0.365)	0.450 (0.220)*	0.172 (0.257)	0.387 (0.223)	0.201 (0.264)
Unem.	-0.253 (0.181)	-0.516 (0.172)**	-0.259 (0.103)*	-0.326 (0.120)**	-0.444 (0.190)*	-0.361 (0.225)
N	213	214	213	214	189	190
R ²	0.058	0.059	0.698	0.546	0.041	0.016

Table: 5a. *Standard errors are in parentheses.*

Aggregate Robustness Checks II

Dep. Var.	VLead	VGov	VLead	VGov	VLead	VGov
Notes	1P Coal.	1P Coal.	MP Coal.	MP Coal.		
Constant	40.413 (1.428)***	40.722 (1.445)***	32.962 (2.097)***	50.911 (2.029)***	35.503 (1.718)***	47.227 (1.655)***
Clar.					0.628 (1.619)	-1.897 (1.563)
Loc. Grow.	1.228 (0.438)**	1.262 (0.443)**	1.312 (0.516)**	0.019 (0.511)	0.938 (0.511)	0.872 (0.494)
Loc. Gr. * Clar.					0.306 (0.491)	-0.186 (0.475)
Unem.	-0.230 (0.176)	-0.277 (0.178)	-0.523 (0.298)	-0.778 (0.289)**	-0.488 (0.239)*	-0.614 (0.230)**
Unem. * Clar.					0.212 (0.200)	0.149 (0.193)
N	100	100	113	114	209	211
R ²	0.088	0.096	0.090	0.063	0.092	0.071

Table: 5b. *Standard errors are in parentheses.*