PARTY NOVELTY AND ECONOMIC VOTING:
A COMPARATIVE STUDY OF
THE EU ELECTIONS
1989-2009

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ABSTRACT

In the literature, electoral accountability has been explored in many ways. Among those are the studies of economic voting examining to what degree government parties are held accountable for the state of the economy. By now, the studies have incorporated variables that reflect how clear is the chain of responsibility for the economic policies. Among those are national level variables, such as the clarity of responsibility index, and party level variables, such as the number of seats a party occupies in a government. This dissertation suggests that the responsibility for the government policies can be obscured by yet another party level variable – party novelty. I define party novelty as the quality that reflects the degree of change within a party in terms of its structure (mergers, splits, etc) and attributes (name, leader, and program) within one electoral cycle. I argue that party change obscures party identity and, thus, affects voters' ability to hold it accountable for the state of the economy. This study explores the concept of party novelty and its effects on voter's party preferences in various economic conditions. I construct the Party Novelty Database (1989, 1994, 1999, 2004, and 2009) and show that party novelty can be measured. Moreover, I demonstrate that party novelty varies in understandable ways, and, most importantly, that party novelty matters. Using the European Election Study and the Euromanifesto Project (1994, 1999, 2004, and 2009) I show that party novelty moderates economic voting, and this effect differs across types of party changes and the timing of change.

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Moreover, I am indebted to Markus Kreuzer whose involvement was invaluable for this project. His questions and suggestions for the relevant party development literature steered my ideas in a right direction at the proposal developing stage. This is when my scattered thoughts about party newness transformed into a coherent concept of

party novelty. In addition, this project benefited greatly from the professional exposure, which Markus eagerly arranged.

I am endlessly grateful to Michael Hagen and Richard Deeg for kindly agreeing to be on my dissertation committee offering invaluable feedback and to Robin Kolodny for introducing me to the important literature that would have been overlooked. Additionally, meeting Mark Franklin and receiving his feedback and encouragement was not only valuable, but also very inspirational.

This dissertation would not be possible without the European Election Studies data. I want to thank everyone involved in the EES project for proving such rich, diverse, and vigorously documented data set. All of the hypothesized theories would have been useless without the data to test them on.

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And the last but not the least I want to thank my farther. His mentioning towards the end does not signify the magnitude of his contribution, but the fact that his contribution cannot be compared. He is not only an inspirational figure to me, but also a source of thoughts and ideas. It is the stories from his professional experience as a political and election consultant to various parties in Ukraine over the years that got me thinking about party change, new parties, and how or whether voters make sense out of it all. I must admit, I was very reluctant to hear yet another of his long monologues that often would go pass the midnight. But, as it turned out, it is all worth it.

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CHAPTER 1

INTRODUCTION: WHY PARTY NOVELTY?

Democracy rests on accountability. The principle of accountability holds that government officials – whether elected or appointed by those who have been elected – are responsible to the citizens for their policy decisions. Often, government officials are affiliated with political parties, the key representative political organizations. Thus, political parties serve as a medium for holding government officials accountable for policy outcomes. Indeed, much of the previous literature suggests that voters tend to punish or reward parties based on a government's performance. For instance, economic voting theory suggests that voters hold parties accountable for the economic conditions in the country. Holding parties accountable is simple if they are unchanged, for instance having the same name and the same leader. In other words, it is easy to *recognize* an unchanged party as essentially the *same* party that existed in the previous electoral cycle. But what if a party changes itself in some way, or, as I define it later in this study, obtains "novelty"?

In order to illustrate the issue at hand, consider the following case, in which a government party splits in the awake of the major economic crisis and the splinter party wins the consequent elections. In 2008-2009 Latvia was amongst the worst hit by the world financial crisis. After years of booming economic success, the Latvian economy took the sharpest downturn since the early 1990s, overpassing even the gloomiest forecasts. The economy contracted by nearly 18 percent in the fourth quarter of 2009, showing little signs of recovery. The number of unemployed had more than tripled since

the onset of the crisis, ranking Latvia the highest amongst the EU member states on the rate of unemployment growth. In December 2008, the Latvian unemployment rate was at 7 percent. By December 2009, the figure had risen to 22.8 percent.

At the time, Latvian coalition government consisted of four parties - Latvia's First Party/Latvian Way (LPP/LC), For Fatherland and Freedom/LNNK (TB/LNNK), People's Party (TP), and Union of Greens and Farmers (ZZS)[1]. Since December 2007, when the government was formed, the Minister of Economy, Kaspars Gerhards, from the TB/LNNK party, was directly involved into making the key economic decisions.[2] Among those decisions were nationalizing the country's second largest bank, Parex Bank, in November 2008, and requesting an IMF loan to bail out the economy, in January 2009. The actions resulted in downgrading Latvia's credit rating by Standard & Poors to non-investment grade BB+, or "junk". With the worst financial outlook ever, the country's economy continued deteriorating throughout 2009.

Reflecting the economic downfall, the popularity of government parties plummeted. Specifically, TB/LNNK's popular support was at its lowest, shrinking from 29 percent in 2004 to 5 percent in 2008. Sensing the economic crisis and public dissatisfaction with the government, some members of TB/LNNK seized the opportunity and left the party. In April 2008, they joined forces with defectors from another party,

[1] Names of parties in Latvian: Latvia's First Party/Latvian Way (LPP/LC) - *Latvijas Pirmā Partija/Latvijas Ceļš;* For Fatherland and Freedom/LNNK (TB/LNNK) - *Tēvzemei un Brīvībai/LNNK*; People's Party (TP) - *Tautas partija*; Union of Greens and Farmers (ZZS) - *Zaļo un Zemnieku Savienība*

[2] http://www.delfi.lv/news/national/politics/tblnnk-ekonomikas-ministra-amatam-virza-gerhardu-papildinats.d?id=19837597

New Era (JL)[3], and created a new opposition party Civic Union (PS)[4]. Among the notable figures who left the governing TB/LNNK party was the EU MP, Girts Kristovskis. Consequently, he became the deputy chairman of the Civic Union.

At the following EU Parliamentary elections, in June 2009, TB/LNNK was expected to lose votes. And, as the economic voting theory predicts, it did. Voters punished the incumbent party. Its vote share dropped from 29 percent in 2004 EU elections to 7.5 percent in 2009 EU elections, resulting in the loss of three out of its four European seats. At the same time, Civic Union, the splinter of TB/LNNK party, received a staggering of 25 percent of the vote, earning two seats in the EU parliament (of Latvia's 9 seats).

This example illustrates how party transformation, in this case, emerging anew from a split, can alter the punishment effect, described by the economic voting theory. The question is: is this a common case? And what about other party transformations, say, party name change? Or what if a party absorbs another party and keeps its name unchanged? Would voters still punish these parties? More generally, would voters still punish or reward these parties even after they altered its identities? Moreover, besides studying the effects of party transformations, it is important to understand their patterns and causes. Do parties in new democracies change more than those in old ones? Do government parties change more than opposition ones? Do parties change in response to government performance, i.e. economic conditions? Answering these questions would help us understand democratic accountability on a deeper level.

[3] in Latvian: *Jaunais laiks*

[4] in Latvian: *Pilsoniskā savienība*

In the exploration of democratic accountability, scholars paid attention to various aspects of political reality. Among them was the clarity of responsibility. In general, this concept holds that some governments are more responsible for the policy outcomes than the others. Scholars measured the clarity of responsibility in terms of the institutional makeup of the government and legislature (Powell and Whitten, 1993; Powell 2000; Tavits, 2007). They used such measurements as government majority status, cabinet duration, opposition influence, chairmanship of legislative committees by opposition parties, and others. All of these measures consider national level features of the political system. What have been ignored in conceptualizing the clarity of responsibility are the party level variables. I argue that party change, more precisely party novelty, represents another dimension of the clarity of responsibility. By changing itself a party may disrupt the link between its past behavior and its present electoral appeal. From the Latvian example above, it is clear that party change can obscure the responsibility for government policy outcomes. In this light, party novelty represents an essential element of the clarity of responsibility that has been overlooked in the literature. This dissertation fills this gap by studying the conditional effect of party novelty.

The key starting point for this research is to conceptualize party change per se. The array of changes parties undergo is wide. Some alter their programs, appoint new leaders, change party names, or undergo more drastic transformations such as mergers and splits. In addition, a small number of parties emerge as genuinely new actors. As was mentioned above, in this study, I refer to all such change as party novelty. *Party novelty* refers to the degree of change within a party in terms of its structure (mergers, splits, etc)

and attributes (name, leader, and program) within one electoral cycle[5]. Novelty shows how *new* a particular party is. At any given time any single party has some degree of novelty. This study is set to describe the patterns of party novelty across various political contexts, look into its causes, and determine how novelty shapes and specifies the effect of economic conditions on voters' party preferences.

The exploration of party novelty speaks to two distinct bodies of literature. First, it contributes to the party development literature suggesting a new (or, perhaps, unconventional) approach of looking at *parties* as organizations. I point out that even though the traditional definition of a party does not specify if it supposed to exist from one electoral cycle to another, many scholars assume its continuation and talk about party age. According to the approach suggested in this dissertation, instead of conceptualizing a party as an entity that has an age, this study suggests to consider each party as an entity that is bound time-wise by one electoral cycle. Such an approach does not require a strict separation between old and new parties. It allows every party to be *new* to some extend, conceptualizing newness as a matter of degree.

Moreover, I attempt to test existing arguments about what explains party transformation (conceptualized as party novelty). Specifically, I highlight structural, or non-policy, changes within parties and differentiate them from changes of party policy. I derive the key explanations for structural changes from the literature on new party formation, including works by Harmel and Robertson (1985), Cox (1997), Kreuzer and Pettai (2004, 2009), and Tavits (2006, 2008).

[5] See Chapter 2 for in depth discussion of the party novelty concept

Second, this study contributes to our understanding of voting behavior within different electoral contexts. Specifically, it builds on the economic voting theory. The theory states that voters evaluate the incumbent's economic performance and punish or reward it at the ballot box. There have been numerous studies that have tested the economic voting hypothesis (see Chapter 4). One of the major developments in the field was when studies incorporated cross-national research designs, similar to the one used in this study. Cross-national research design encouraged scholars to use institutional variables in their models to account for differences in electoral systems. Specifically, the clarity of responsibility within a political system is believed to mediate the effects of the economy (Powell and Whitten, 1993; Whitten and Palmer, 1999; Van Der Brug, Van Der Eijk, and Mark Franklin, 2007). In addition, other institutional variables have been found to condition the effect of the economy on party support.[6] At the same time, however, there has been limited attention devoted to the party level variables and, especially, their conditional effect. In previous research on economic voting, it was found that the effect of economy on party preferences is not uniform across party level variables, such as, such as party size, the length of time it has been in office, party controlled ministries, and party ideology (Van Der Brug et al. 2007; Anderson 1995; Hibbs 1977, 1982; Powell and Whitten 1993; Whitten and Palmer 1999).

This dissertation brings attention to yet another important party characteristic that may condition economic voting – party novelty. I argue and assess that along with other party specific variables, party novelty determines the extent to which each party is held

[6] Remmer (1991) considers the structure of the electoral system; Anderson (2000), Stokes (2001), Duch and Stevenson (2008) use an array of institutional variables

individually accountable for the state of the economy. Most importantly, this study reveals that party novelty exists and it matters.

The chapter-by-chapter plan of the remainder of this dissertation is as follows. The second chapter discusses the concept of party novelty, providing it with theoretical basis and depth. In particular, in the second chapter I review the literature on party development and party newness, highlighting its limitations. Further, I propose a new approach for studying party newness and derive the definition of party novelty from it. I identify two dimensions of party novelty – change of party attribute and change of party structure – and break them down into specific types of party change. Finally, I provide operational definitions for each of those changes.

The third chapter considers the empirical questions of how common the party change is in various electoral contexts and, most importantly, what explains party change. Answering these questions involves the collection of data on party novelty. Specifically, I talk about the research design, report on the procedure used for data collection, discuss operationalization of party novelty, and describe select coding rules. Furthermore, I present the collected data in a form of a dataset of party novelty across about 502 cases in 65 electoral contexts, covering four EU elections – 1994, 1999, 2004, and 2009 in 24 European countries. Most importantly, I show that party novelty exists and varies. I discuss the distribution of party novelty across the EU member states and test some hypotheses as to what may explain this distribution.

The fourth chapter sets the grounds for exploring the effects of party novelty. It takes economic voting as a basis, providing the theoretical expectations derived from the existing literature as to what affects voters' party preferences in various economic

circumstances. Furthermore, adds party novelty to the model and develops the key hypotheses for testing its effect. The analysis that follows uses two existing survey projects – European Election Study and Euromanifesto Project – which allow comparison across 90,000 respondents in 65 electoral contexts from 1994 to 2009. In addition it uses the Party Novelty dataset discussed in the third chapter. Here, I use a naive measure of party novelty, showing that party novelty matters in general terms.

The fifth chapter elaborates on analysis from the fourth chapter, exploring party novelty in depth. It consists of two distinct sections. In the first section I consider the effect of various elements of party novelty, taking into consideration attribute and structural changes within parties. In the second section I explore the effect of the timing of change on voters' party preferences. I show that the conditional effect of party novelty on voters' preferences is not uniform across the types of party change and the timing of change.

Finally, the sixth chapter summarizes this study and highlights its key findings. Here, I underscore that party novelty exists and it matters. And, finally, I discuss the theoretical implications of this research project and suggest directions for future research.

CHAPTER 2

THEORETICAL FRAMEWORK: WHAT IS PARTY NOVELTY?

Parties are like living organisms. They emerge, breath, grow, change, go through ups and downs in their lives and die often leaving legacy and pedigrees. They rarely stay still. How would we account for this quality of parties to change? In this chapter, I propose an approach to study party change in a systematic matter.

Before going any further, first, it is imperative to define what a party is. Defining "party" is a task that has provoked extensive discussions in the past. From Sjolom (1968) and Sartori (1976) to Schlesinger (1991) and Hug (2001), a party is defined as an organization that appoints candidates at general elections to the country's representative body. Specifically, party is "a political group that can identify itself with an official name appearing during the election period, and at elections (whether free or limited) is capable of providing candidates for political functions".[7]

Note, that this definition differentiates only between parties and non-parties at a given point in time – at the time of elections. It does not specify if a party is an entity that is supposed to exist from one electoral cycle to another. Parties are fluid entities. They change in different ways and degrees from one election to another. Thus, it is not practical attempting to search for a quality that carries a party's continuation in time, some feature that preserves an uninterrupted connection between a party's past and its future. Perhaps, for different parties this feature is different – for some it is its name, for

[7] Sartori (2005, p. 56)

others it is its leader, for yet others it is a party program. For instance, the Ukrainian party "Slavyanskaya Partiya" (Slavic Party) existed under a name "Grazhdanskiy Kongress Ukraini" (Civil Congress of Ukraine) before it changed its name and platform in 1998.[8] How can we tell if the new entity is the same party that existed before 1998? What if this party changed its leader in addition to changing its name and altering its programme? What if it merged with a larger party with a slightly different policy stance and by doing so adopted a new name and leader?

Thus, instead of conceptualizing a party as an entity that has an age, this study suggests to consider each party as an entity that is bound time-wise by one electoral cycle. Within this cycle a party provides candidates for elections, and it does whatever it takes to attract more votes, including influencing state policies, campaigning, and reforming itself in any way.

The "party per electoral cycle" approach certainly does not eliminate the theoretical and empirical usefulness of ever considering party age. This study does not argue against using party age in research on parties and political behavior. Instead, it suggests looking at a party from a different perspective – as if a party organization is meaningful only within a given electoral cycle. It attempts to show why and how it is beneficial to use this perspective in explaining voters' preferences.

Another aspect, which differentiates the "party per electoral cycle" approach from the typical "party age" approach, is that it does not require a strict separation between old and new parties. Drawing a strict line between old and new political parties is not an easy task and it bears important consequences. As specified in earlier studies, a

[8] Even though the change of platform was not radical, it was significant

party loses its newness after its first participation in a general election (Hug, 2001; Lucardie, 2000; Mair, 1999, 2002; Sikk, 2005; Tavits, 2008). A party is new as long as it is on a ballot for the first time. Specifically, Hug (2001) defines a new party as a "genuinely new organization that appoints, for the first time, candidates at a general election to the system's representative assembly" (Hug, 2001, p. 14). This parsimonious definition is problematic. In particular, it is not easily applied to various political circumstances. For instance, it might be problematic for studies on new democracies, which have only one election on the record. In these countries almost all parties are new to the ballot. If a researcher needs to measure party newness he/she has to use a different criterion than the début on the ballot. It has been suggested to use the year of acquiring independence as a better dividing point between new and old parties.[9] Even though this suggested method provides a better variation of party newness, it still forces a researcher to draw a line between "old" and "new." This brings up another problem with the definition: how to differentiate a "genuinely new organization" from a *not genuinely* new one? Where should a researcher draw a dividing line?

Some consider differentiating parties in accordance to their origin. Parties can form from a fusion (merger), fission (split), or from scratch ("genuinely new party" or "start up" party). While fission parties are included in the category of "new parties", in most of the studies fusion parties are not classified as "new" (Hug, 2001; Kreutzer and Pettai, 2003; Tavits, 2008; Sikk, 2005). Thus, in the party development literature, new parties include genuinely new parties and fissions, and exclude electoral alliances and

[9] Kreutzer and Pettai (2003) differentiate between old and new parties depending on whether they existed prior to the state independence

fusions. Parties that have simply changed their names, programs, or leaders are not counted as new.

Even though most of the authors studying new party formation and success note the difficulty of defining the exact border between new and established parties, many have to draw this border for methodological reasons. Figure 2.1 presents this issue in schematic terms. It shows two distributions of party cases – the one to the left represents the expectation in common literature about the frequency of established parties and the one to the right represents the expectation about the frequency of new ones. The longer tails of these distributions are shallow showing that genuinely new parties should be very rare, as should be truly unchanged ones. At the same time, both distributions are skewed towards each other suggesting that most of the parties belong to the area where those two distributions meet. This is the area where most of the literature draws the line between the established parties and new ones. This line is very precarious as the majority of parties are concentrated around it. Moving the line even slightly can bring a lot of new cases in or drive quite a few cases out of the research. Thus, *where* the border between established and new parties is drawn has implications for research. For instance, the success of new parties may be either over or underestimated depending on whether merger parties are included in a study or not.

Even if the line can be drawn, or if some sort of a categorization of parties according to their age can be made, it still would not capture what parties do from one electoral year to another. There could be a party that is old but changes often, and, at the same time, there could be a party that is new but does not change. This is the main

limitation of the approach used by the party development literature in considering party newness.

Party transformation and party age are intrinsically related to each other, yet they emphasize opposite tendencies. While the former highlights the change, the latter stresses the continuation. The "party per electoral cycle" approach I suggested earlier helps to separate party age from party change theoretically and practically. Following this approach, this study views party newness as a matter of degree of party change within one electoral cycle. In this study, such concept of party newness is called "party novelty". Thus, *party novelty* is defined as the quality that reflects the degree of change within a party in terms of its structure and attributes within one electoral cycle[10]. Coming back to the discussion on party per electoral cycle approach, let us make an assumption that a party novelty is a quality that party acquires within one electoral cycle. Once a party participates in nationwide elections, its novelty is annulled. In other words, all changes a given party underwent in the previous electoral cycle have 'used up' their effect in the election that followed that cycle.

Basically, the concept of party novelty as a non-cumulative quality that parties obtain in each electoral cycle reflects Sartori's (2005) definition of parties. The definition characterizes a party as an entity organized to successfully contest in an election. If I take the liberty to assume that parties are concerned primarily with the next election and usually not thinking several electoral cycles ahead, the definition of a party should be limited to the particular electoral cycle (and since no definition attempted to put the concept of party in temporal terms).

[10] The nature of party *attributes* and party *structure* is defined further in this section

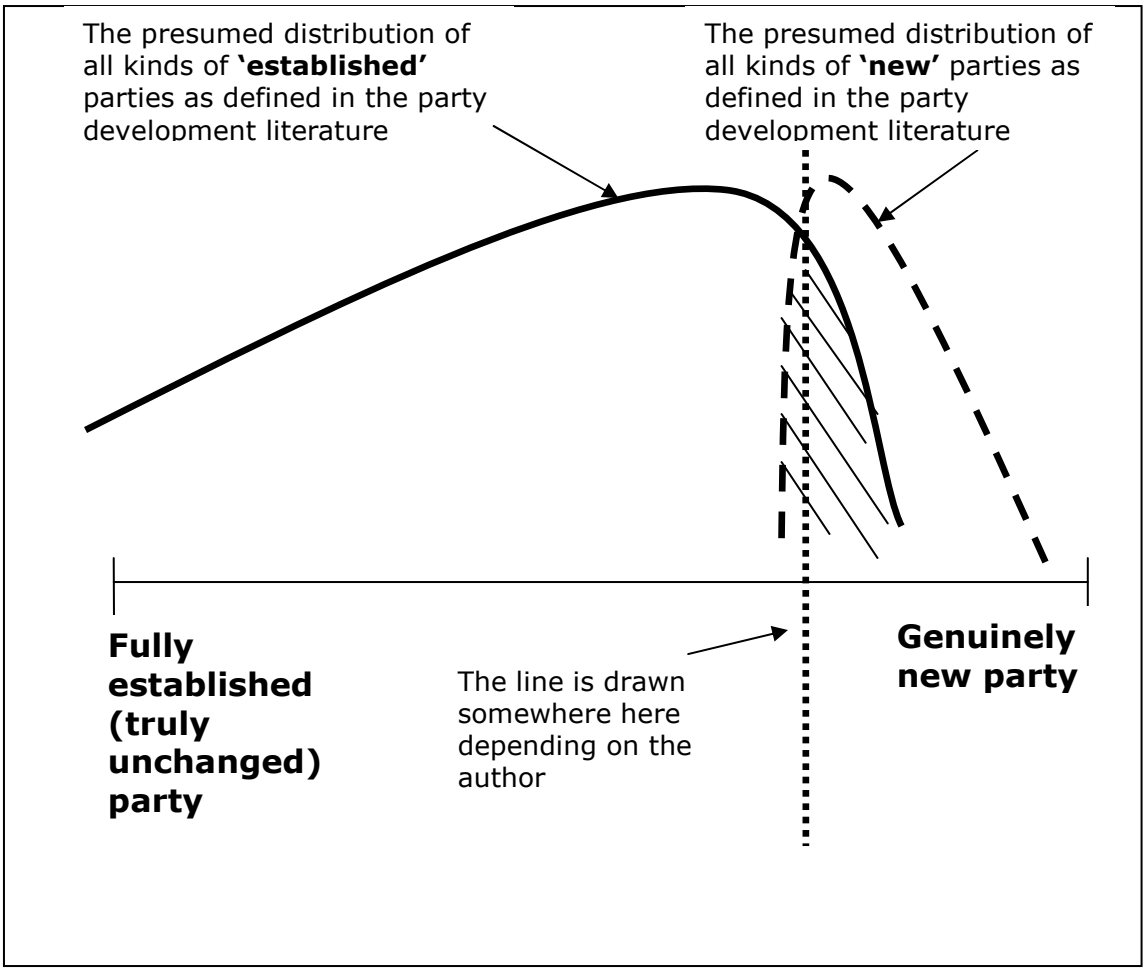

Figure 2.1. The Presumed Distribution of Party Age

In order to measure party novelty, I classify parties into groups along a two dimensional continuum (Figure 2.2). The first dimension represents the change or combination of changes of party attributes such as party name, leader, and program. The values on this continuum are ordered according to the ordinal scale. The ordering is theory based reflecting how a certain party attribute should make a party more or less recognizable to ordinary voters. The change of program is assumed to have less impact on party ability to be recognized than the change of leader or name. Thus, the maximum on this continuum constitutes a case when a party changed all three attributes (name, leader, and program); the minimum is when it did not change any of them.

The second dimension represents structural changes that parties undergo. This continuum is ordered in a similar fashion based on theoretical consideration – from no change to the change that should alter the party identity the most in voters' eyes. The exact order on this dimension is as follows: (1) a party stayed intact; (2) a party abandoned electoral list; (3) a party joined electoral list; (4) a party expanded by merger or elite defections from other parties; (5) a party suffered a split or elite defection; (6) a new party emerged from the merger of the previously existing parties; (7) a new party emerged from the split of the previously existing party; (8) a new party emerged from the dissolution of the previously existing party; (9) a start up party emerged from scratch. Only parties that alter the conventional pattern of party politics and "break the party-cartel circle" will be included in the last group (Sikk, 2005, p. 399). Thus, in the bottom left hand corner of the plane there would be parties that have not changed any of their attributes and stayed structurally intact. In the upper right hand corner of the plane there would be start up parties that have new attributes (name, leader and program) by default.

The next section elaborates on how each of the two dimensions and its composites are defined.

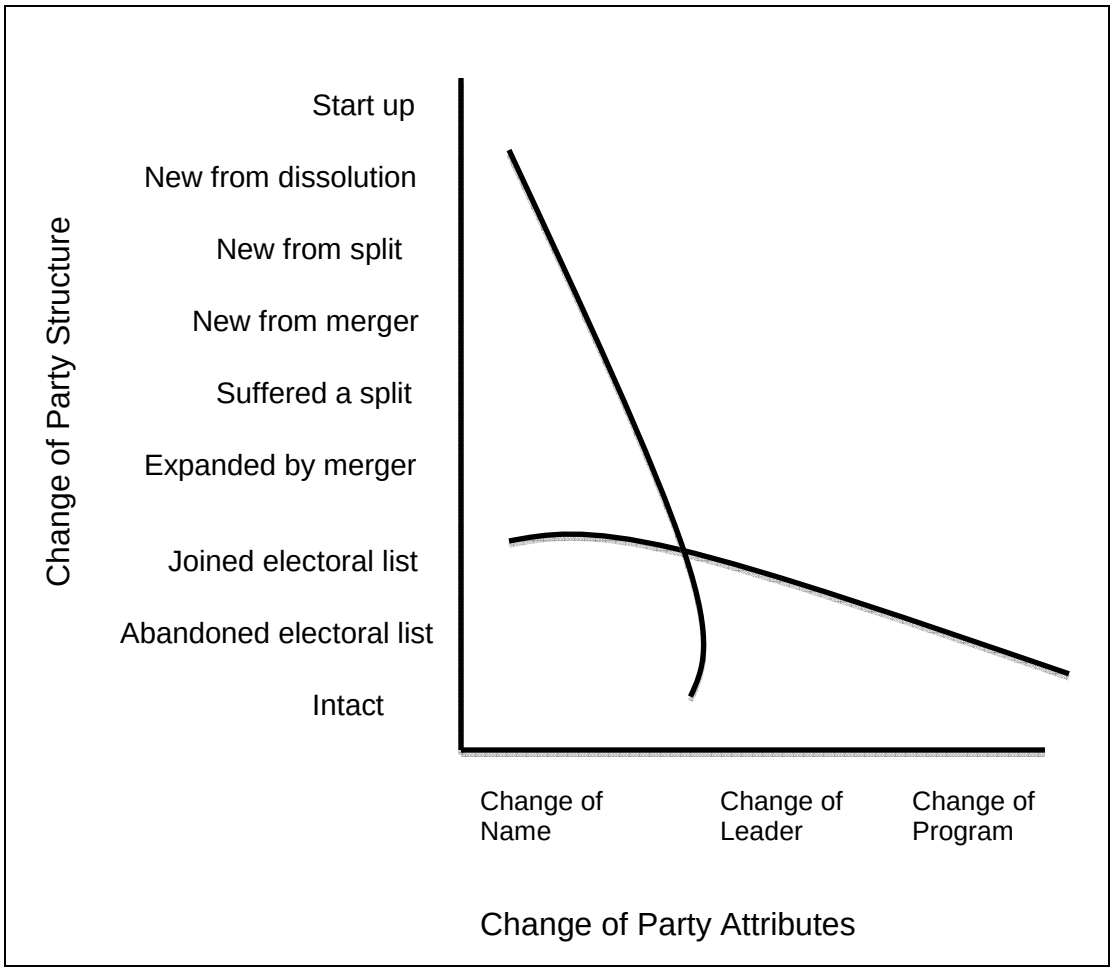

Figure 2.2. The Presumed Distribution of Party Novelty

Defining Dimensions of Party Novelty

Change of Party Attributes

In this study, *party attributes* are defined as party features that a party is recognized by – party name, leadership position, and the program. Collectively, these features constitute party identity. They are essential and present in every party. The following section defines each of the three attributes.

Party name is the official name of a party as defined in its manifesto or on the official website at the time of the elections in question. In the database, party name is recorded in the three separate variables. The first records the party name in its native language and alphabet; the second one records the party abbreviation; and the third one records the English translation of the party name.

Party leader is defined as an official spokesman for the party who is announced as such and acts as a party leader in public delivering speeches and conducting public relations on behalf of a party. This figure officially can carry one of the following titles: 'leader,' 'spokesman,' or 'chairman.' If a party has separate positions for each of those titles, then I record the person who has the most exposure in the mass media. The extent of the exposure is determined by tracking the number of news articles that come up when the name of the person in question is put as a keyword in the Lexis Nexus Academic search engine. Regarding the timing of leader change, if a leader is elected during a multi-day convention, the last day of the convention is recorded as the date on which a leader started his/her service.

Party program is defined as a party manifesto or a party platform published by a party ahead of the election to the European Parliament. Election programs are taken as

indicators of a partie's issue and policy positions at a certain point in time. The conceptualization and operationalization of a party program variable is taken from the Euromanifestos project[11].

Structural change

The Party Novelty Dataset measures not only the change of party attributes (name, leader, and program) but also structural changes within parties. Structural change is recorded using eight categories: (1) a party abandoned electoral list, (2) a party joined electoral list, (3) a party was expanded by merger or elite defections from other parties, (4) a party suffered a split or a defection, (5) a party emerged anew from a merger, (6) a party emerged anew from a split, (7) a party emerged anew from a defection, (8) a party emerged anew from a scratch (or a startup party). The following section defines each group.

A party is coded as "*abandoned electoral list*" if it is listed as a separate entity on the election ballot for the EU Parliamentary elections and if it was a part of an electoral coalition in the previous EU elections. Conversely, a party is coded as "*joined electoral list"* if it is a part of an electoral coalition in the current EU elections and if it was listed as a separate entity on the election ballot for the previous EU Parliamentary elections.

A party is coded as "*expanded by merger*" or "*expanded by defections from other parties*" if one party absorbs another one in whole or in portion (some of its key elites)

[11] EES (2009), European Parliament Election Study 2009, *Manifesto Study Data, Advance Release*, 01/04/2010, (www.piredeu.eu).

Braun, Daniela; Mikhaylov, Slava, and Hermann Schmitt (2010), EES (2009) *Manifesto Study Documentation*, 01/04/2010, www.piredeu.eu

without changing its organizational structure. Theoretically, parties in this group can change their name as a result of such structural change, but it is not expected to happen often in practice.

Conversely, a party is defined as one that *suffered a split or a defection* of its key elites if a party loses a considerable portion of its membership or if one (or more) prominent member(s) of the party defect(s) to another party.

A party is defined as *anew from merger* if two parties of any size joined their efforts to create a structurally new party. A structurally new political entity would involve a creation of a new leadership scheme, and membership rules, and organizational apparatus. Recycling of old party name, leaders, and program are theoretically accepted, although is not common in this group.

When emerging from a merger of non-partisan organizations with parties the database records the largest of the parties as the previously existing entity, which the current status is compared to. It is the case even if the majority of members of the newly emerged party come from non-partisan organizations. The reasoning behind this logic is that parties are likely to transfer their identity to the new party and contaminate the political “purity” of non-partisan organizations.

An example is the Italian party “I Democratici” in the 1994-1999 EU electoral cycle. “I Democratici" was created on February 27, 1999 from a merger of grassroots organizations and parties supporting a former prime minister of Italy, Romano Prodi. The founding organizations were Movement of Mayors (not a party), "Italia dei valori" party (founded shortly before, in 1998), "Movimento per la Democrazia– La Rete" party

(founded in 1991), and a Democratic Union party (founded in 1996) [12]. The later party is a former member of the Olive Tree Coalition, which was created for the 1996 national elections and did not exist in 1994, when the EU elections were held. Prodi, having entered politics in August 1994, was a key figure in the Olvie Tree Coalition, but did not seem to belong to any of the parties composing the coalition. The only party among those comprising "I Democracy" that existed and ran in 1994 EU elections is Movimento per la Democrazia – La Rete (Movement for Democracy – The Net). Therefore, this party was recorded as the previously existing party, which the current status of the "I Democratici" party is compared to.

A party is considered as emerged *anew from a split* if it is formed from members who left another party. Parties in this group could be formed by one or more prominent politicians who left some other party and formed a completely new organization. It is also possible that a large portion of ordinary members left some party and formed a new one without involvement of any elites from the party they left.

A party is coded as *emerged anew from dissolution* if a new party is established from the previously existing one which has been dissolved de jure with an official announcement or de facto by not meeting party registration rules. A group of parties that emerged as new from dissolution of a previously existed party is a very valuable group. It highlights cases in which a party dies and resurrects with, often, a new name, leader, and program, yet often the party élites stay the same. These are important cases that can be

[12] Corriere Della Sera, August 12, 1994 "Prodi "ready to work for the Centre"" http://translate.googleusercontent.com/translate_c?hl=en&ie=UTF-8&sl=auto&tl=en&u=http://archiviostorico.corriere.it/1994/agosto/12/Prodi_pronto_lavorare_per_Centro_co_0_9408125391.shtml&prev=_t&rurl=translate.google.com&usg=ALkJrhjWfThWRK33QC14WK1CPPgb275YGg

used for testing if elites carry the party identity. In these cases, voters punish the newly created party for the economic downturn, which this party organization has nothing to do with, yet party elites possibly do.

One of the challenges of coding parties into this category include the fact that there is a very thin line between a group of parties that stayed intact with change of name, leader and program and a group of parties which emerged anew from dissolution with leader change.

For example, the Belgian Flemish party Vlaams Block announced its dissolution in November 14, 2004. The reason for dissolution was the court ruling against the xenophobic activity of the Vlaams Block. The same announcement, however, contained the introduction of a new party formed on the basis of the dissolved Vlaams Block, called Vlaams Belang. The latter was coded as a new party formed from dissolution, instead of simply a party that changed its name because in addition to the official wording of the announcement that includes the word “dissolution”, the new party website does not provide any archival information on its affiliation with Vlaams Block and its history before 2004.

Finally, a party that is created from an NGO or some organization, which is not registered as a party (and therefore does not have aspirations to be in the government), is considered as created *anew from scratch* or a startup party. There are difficult to code cases in this group as well. For instance, a party that did not exist for two elections is considered dead and, if reestablished, is recorded as created anew from scratch. Sikk (2005) has a similar criteria for distinguishing genuinely new parties. He writes: “Several parties in Eastern Europe that have re-entered parliament after spending one electoral

cycle outside will not be considered genuinely new; however, parties missing from more than one parliament will be regarded as new" (Sikk, 2005, p. 399).

For instance, the Estonian green party "Erakond Eestimaa Rohelised" was established in December 1991. When in 1998 the Estonian government changed registration rules for parties, setting the membership minimum to 1000 members, the party was forced to dissolve. However, in 2006 the party re-established itself after recruiting over 1000 members in an organized effort. Since the party missed two EU parliamentary elections, in 1999 and in 2004, the party was coded as emerged anew from scratch.

These definitions serve as a guide in collecting data on party novelty used further in this study. The next chapter will analyze and report on the empirical distribution of party novelty based on collected data. It will also identify possible explanatory factors of party novelty. After that, further chapters will use party novelty as an independent variable showing its conditioning effect on the model of economic voting.

CHAPTER 3

PARTY NOVELTY IN COMPARATIVE PERSPECTIVE

While exploring the limits of democratic accountability through the concept of party novelty is an important task, one might wonder about the applicability of this research to the real world politics. How often do parties alter their names or make other changes? How party change is distributed across countries and time? And, most importantly, what explains party change?

This chapter attempts to give some answers to these questions by analyzing the results of the comparative study of party novelty across about 500 cases in 65 electoral contexts (covering four EU elections – 1994, 1999, 2004, and 2009 – in 24 European countries).

The first section of this chapter reviews the literature on party change and renewal and derives several expectations as to how party novelty is distributed across various types of party change and what causes party novelty to vary. The next section presents the research design, reporting on the procedure used for data collection, discussing operationalization of party novelty, and describing select coding rules. And, finally, the chapter provides the quantitative analysis and discussion of findings.

Literature Review and Hypotheses

New parties are gaining increasing attention from researchers interested in party development. A good portion of this interest is devoted to the new party success in terms of electoral votes or seats they get in parliament (Harmel and Robertson, 1985; Lucardie, 2000; Meguid, 2005; Sikk, 2005; Tvaits, 2008). While it is important to study the success

of new parties, studying the reasons of their formation in the first place gives an insight into the workings of representative democracy. Those involved in such research explore how and why new parties arise to represent voters' interests (Harmel and Robertson, 1985; Cox, 1997; Kreuzer and Pettai, 2004, 2009; Tavits, 2006, 2008). It is from this literature that this chapter draws theoretical expectations about party novelty.

There are many factors affecting new party formation. This study attempts to apply explanations for new party formation to all kinds of party changes, since in this study any party that changes itself in any way is considered to be new to some extent.

Institutional factors have been found to play a significant role as the gates for entry into the political arena. The most straightforward influence comes from institutions defining the cost of entry for a new party. Here, such factors as electoral system and registration rules play a large role (Cox, 1997; Tavits, 2008). Proportional electoral systems that allow parties to gain seats in parliament as well as more relaxed party registration rules are more conductive to emergence of new parties. Thus, Hypothesis 1 states:

Hypothesis 1: We should observe less party novelty in majoritarian electoral systems and more party novelty in proportional ones.

It is worth noting, however, that earlier studies found fewer new parties in PR electoral systems than in systems based on the plurality vote (Harmel and Robertson, 1985).

Exploring institutional factors even further, recently it was found that the benefits of office, which are at their highest when corporatist agreements are week, facilitate the formation of new parties (Tavits, 2008). Also, the benefits of office are measured by a

directly elected and powerful presidential position. Due to the data constraints, this chapter will test only some of the claims suggested by this costs and benefits approach.

Hypothesis 2: We should observe more party novelty in presidential and semi-presidential systems.

Other explanations include the perceived level of electoral viability. In the literature, this variable is measured by the age of democracy (Cox, 1997; Tvaits, 2008). It is high in new democracies, where the uncertainty about who wins prevents voters from voting strategically. The absence of strong strategic voting tendencies increases the likelihood of voters voting for new and often small third parties. This should enable not only new party entry but also other party transformations in new democracies. Thus, we expect that:

Hypothesis 3: We should observe less party novelty in old democracies (Western Europe) and more party novelty in new democracies (Eastern Europe).

Furthermore, short-term economic performance was argued to have an impact on new party formations (Harmel and Robertson, 1985; Hug, 2000). When the economy deteriorates, the presence of a dissatisfied electorate provides potential gains for new parties and for parties that reorganize themselves. In this study economic indicators are measured for the 5-year period preceding the particular EU parliamentary elections.

Thus, we should expect to see the following trend:

Hypothesis 4: We should see more change during economic downturns and less change during economic growth.

If party elites anticipate economic voting, the analysis should show that government parties are especially prone to change in bad economic times. By changing,

government parties would hope to signal to voters that even though they mismanaged the economy in the current electoral cycle, they are changing themselves in order to be more successful in the next cycle if voters favor them again. Or it could be the case that the elites are simply trying to start anew, getting voters into believing that the new party they have created either from a split, merger, or dissolution has nothing to do with the failures of the current government. Thus:

Hypothesis 5: Government parties are more likely to change during economic times than opposition parties.

Also, it is imperative to test perhaps the most intuitive predictor of party change, which comes from a vast body of literature – party popularity amongst voters. While chapter four of this dissertation tests if voters react to party change, this chapter is concerned in whether party change is a reaction to voters' preferences. It is natural for party elites to take party popularity in consideration and if necessary react to it by changing a party, in terms of its attributes or its structure. Voters' preferences are measured with the mean value of the voters' propensity to vote for parties. Thus:

Hypothesis 6: The higher is the popularity of the party, the less likely it is to change.

Finally, mainstream party tactics also gained recent attention revitalizing the spatial theory of party formation and representation. It is measured by observing left-right score of the two major parties – one from the left spectrum and another one from the right spectrum – and by determining if they supported one of the three tactics – dismissal, accommodation, or adversary – on a certain issue. Alteration of issue stances by mainstream parties was found to affect the formation of new parties, coalitions and to

facilitate party switching (Tavits, 2006, 2008; Kreuzer and Pettai, 2009). Due to data constrains this explanation is not going to be tested in this study.

In relation to the general distribution of cases, we can hypothesize that there will be some parties that change a lot, and others that do not change much. Not all parties would want to change from one electoral cycle to another. In other words, we can expect a variation of party novelty. At the same time, while a variation in party novelty is expected, it is likely that the majority of parties would avoid severe changes. Changing party name or structure is costly in financial terms defined by such expenses as reprinting propaganda materials and managing the PR campaign. Such costs would vary, depending of the type of change. More importantly, political change is costly in terms of party popularity. The risk of not getting the number of votes the party expects to get comes with any kind of change – change of party name, leader, program, or structure. In sum, it is expected that most of the parties will have minimal or no novelty.

Hypothesis 8: Party novelty varies across party per electoral cycle cases.

Hypothesis 9: Distribution of party novelty is severely skewed to the bottom left (towards less novelty).

One of the ways to capture the whole variation in party novelty and test the aforementioned hypotheses is to construct a dataset of party novelty and trace the changes of party attributes and structural changes within parties. The following section discusses the design of such dataset and describes the procedure used for data collection.

Research Design and Data Collection

In order to measure party novelty in a systematic way I constructed a database by collecting data on change of party attributes and structure in the EU countries from one

EU election to another between 1989 and 2009. The countries and years included in the dataset are provided in Table 3.1. The choice of EU countries over any other region is justified by two reasons. First of all, EU region was chosen because it includes both – countries where we expect to see low level of party novelty (Western Europe) as well as countries where we would expect high level of party novelty (Eastern Europe). This expectation is primarily driven by the relative immaturity of party systems in Eastern Europe, which manifests itself through frequent structural and attribute-related changes within parties. Secondly, EU region provides us with a common ground that allows systematic comparison – EU parliamentary elections. They are conducted at the same time in all countries, which should control for general trends in the EU politics. Also, since the EU elections are considered to be secondary to the national ones, the presence of the pre-election scandals is not likely to interfere with the results. Typically, pre-election scandals create a background noise, swaying voters' party preferences in unpredictable way. It is difficult to account for such noise in the economic voting model. Therefore, the use of the EU elections

The study was designed in such a way that each case represents a *party per electoral cycle* – that is, a party existing between two specific elections. The same party in a different electoral cycle is considered to be a separate unit. The nature and the combination of changes within a specific electoral cycle give a party a certain degree of novelty. The base, to which party changes are compared to, is the state of party structure and party attributes at the previous general election. Once a party participates in the next general election, its novelty level drops to a zero and the cycle starts again. Thus, for instance, Danish social liberal party Det Radikale Venstres (RV) between 1999 and 2004

EU elections is a separate case in the database from the same party in 2004-2009 EU electoral cycle.

In the former case, the party has a certain degree of novelty – it suffered two splits - in May 2007 with the formation of the New Alliance (later called Liberal Alliance) and in October 2008 with the formation of the Borgerligt Centrum. In the latter case, the party has not changes any of its attributes and it stayed structurally intact, and therefore, had zero novelty.

Can such units of analysis be truly independent? The expected relationship between changes within party A in one electoral cycle and changes within the same party in another one is unclear. It can be argued that a party that changes once is more prone to change in the future due to its general instability. It also can be argued that changes within parties could be costly in terms of money and, most importantly, votes. In particular, a party faces uncertainty as to how the changes will be accepted by the voters. This risk should avert parties from a succession of changes from one electoral cycle to another. In addition, rebranding involves reprinting the propaganda materials and developing a new wave of outreach activities. This study assumes that these two opposing tendencies – first being "change cases more change" and the second being "avoidance of change as it is costly" – compensate for each other. Thus, we can assume that the units of analysis – each measured as a party per electoral cycle – are independent.

Table 3.1. Electoral Contexts

Country	**1994**	**1999**	**2004**	**2009**
Austria		x	x	x
Belgium Wallonia	x	x	x	
Belgium Flanders	x	x	x	
Belgium				x
Bulgarya				x
Czech Republic				x
Denmark	x	x	x	x
Estonia				x
Finland		x	x	x
France	x	x	x	x
Germany	x	x	x	x
Great Britain	x	x	x	x
Greece	x	x	x	x
Hungary				x
Ireland	x	x	x	x
Italy	x	x	x	x
Latvia				x
Lithuania				x
Luxembourg	x	x		
Netherlands	x	x	x	x
Poland				x
Portugal	x	x	x	x
Romania				x
Slovenia				x
Slovakia				x
Spain	x	x	x	x
Sweden		x		x
TOTAL	**13**	**16**	**14**	**24**
TOTAL ELECTORAL CONTEXTS		**67**		

Note: A cross indicates that the inclusion of a given country and year in the dataset

The data for the study was collected between December 2009 and March 2011 and it came from several sources. All data except for the change of party program came from the official party websites and newspaper articles. The procedure of data collection for party names, party leaders, structural changes within parties and dates on which changes occurred, is as follows (Figure 3.1). The first stage includes collection of unconfirmed data through Wikipedia website, as it provides information in the most organized fashion. The second stage includes conformation, clarification, and completion of the collected data. It involves searching for the relevant information on the official party websites. Websites were roughly translated using Google Translate service. The quality of the translation was sufficient for the purpose of finding names of party leaders, announcements about structural changes, and the dates they occurred on. If no information was found on the official website, the search turned to news articles, which were accessed thought the Lexis Nexis Academic database. The keywords used for searches were names of party leaders and/or party names. When needed, searches were limited to the years of presumed change.

The data was recorded in such a fashion that allows categorization of parties along the two continuums of party novelty discussed in the previous chapter – the change of party attributes and the change of party structure. Each composite of those two continuums is assigned a dummy variable. That is, for instance, there is a dichotomous variable recording if a party changed its name within a given electoral cycle. Another dummy records if a party changed its leader, and yet another if a party suffered a split, and so on.

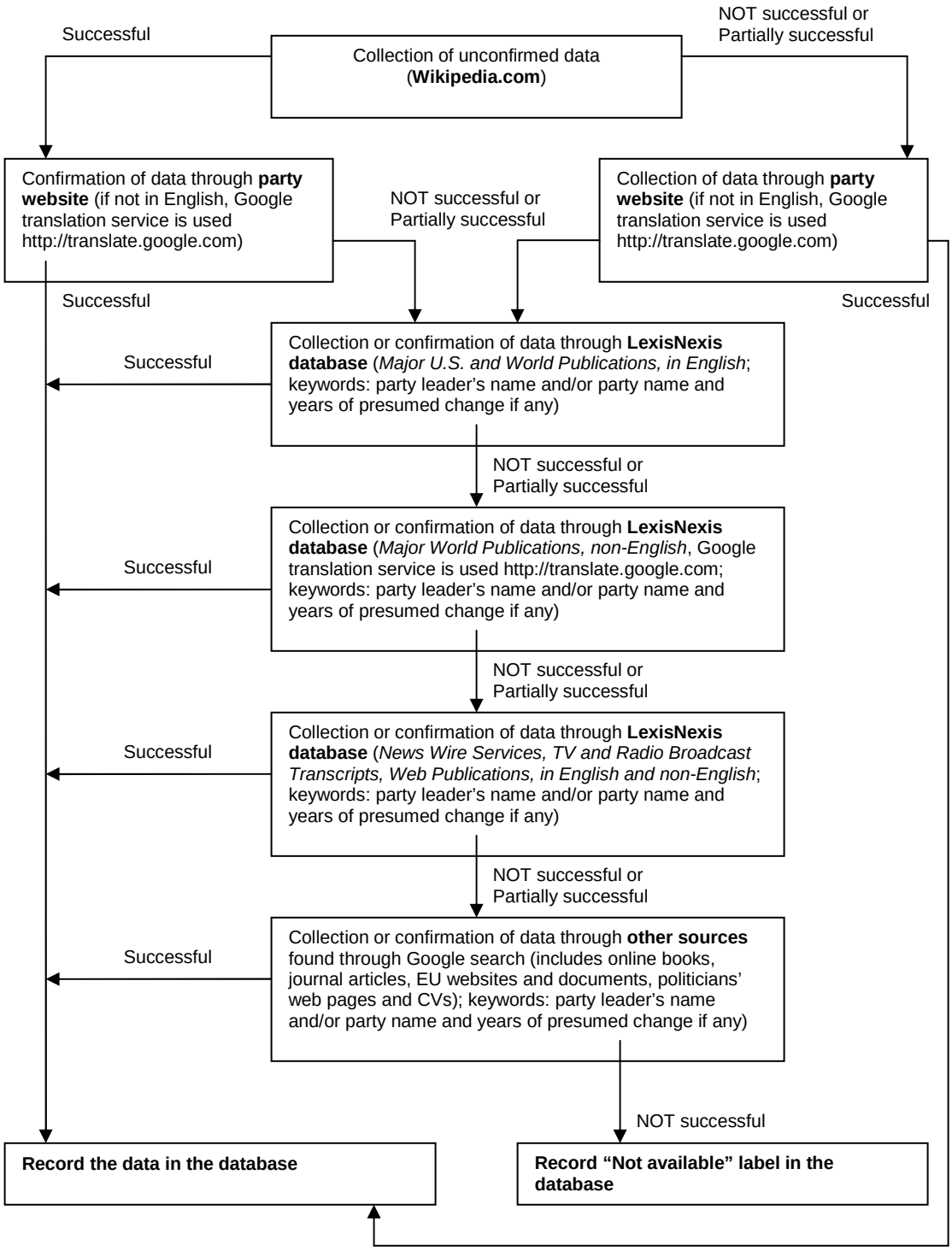

Figure 3.1. Algorithm of Data collection

The data for the third party attribute – party program – came from the Euro Manifesto project. The project conducts quantitative content analysis of party programs in seven elections in European Parliament from 1979 to 2009. Only the data for elections from 1989 to 2009 was used. In order to construct a change of program variable, I used scores given to parties by coders on seven key dimensions - Left/ Right, Environmental Protection/ Economic Growth, Libertarian/ Authoritarian, Religious/ Secular, State Interventionalism/ Free Enterprise, Multiculturalism/ Ethnocentrism, ProEU/ AntiEU Integration. The scores, which range from 1 to 10, were recorded for the current and the previous elections, summed up, and averaged into a single score for the current and the previous elections. Then I took an absolute difference between these two scores to determine if the party program changed considerably or only slightly. All differences above the mean were assigned the value of "1", those below were assigned the value of "0".

Select Coding Rules

Of all coding rules used to record change of attribute and change of party organization dummies, three are important to be mentioned and discussed: (1) the latest change is given the priority for party name and leader change; (2) the largest party is recorded as a basis party for a new merger party or for a new electoral coalition; (3) a party that reemerged after being dissolved for more than two electoral cycles is considered to be a brand new. This section discusses these three rules in detail.

The first rule, there is a rule to deal with the multiple changes occurring within the same electoral cycle. The latest change is given the priority for party name and leader change. That is, if a party undergoes several name changes, my primary record for the

date of change is the latest change for the electoral cycle. Same goes for the leader change. The assumption behind it is that the latest changes within parties are likely to be more available and accessible in voters' memory than the earlier ones. At the same time, for structural changes, there are two sets of dummy variables. The first set records any changes of structure within a certain electoral cycle. In case of multiple changes, all of them are recorded. While the second set records only the latest change within a certain electoral cycle – mutually exclusive dummies. If party undergoes several organizational changes of the same type – for instance, two mergers – only the latest organizational change is recorded. In addition, changes of party attribute and organization are recorded in a free text form in the variable devoted to miscellaneous notes.

An example of a party that changed its name twice over one electoral cycle is Sociaal-Liberale Partij in Belgium (2004-2009 electoral cycle of the EU parliamentary elections). A party called Spirit changed its name to Vlaams Progressieven on April 19, 2008 and changed it again later that year on December 31, 2008 to the current name Sociaal-Liberale Partij (SPL). In this case, everything else about the party remained unchanged. Another double change of party name occurred in Germany during the 1989-1994 EU electoral cycle. The first change happened when a party was renamed from Sozialistische Einheitspartei Deutschlands (SED) to Umbenennung in Sozialistische Einheitspartei Deutschlands - Partei des Demokratischen Sozialismus (SED-PDS) on December 17, 1989. The second change happened SED-PDS rebranded itself by declaring a "break with Stalinism as a system" dropping "SED" in the name on February 4, 1990). In both cases – German and Belgian – the later date is recorded as the date for

the name change. In total, only eight out of 502 cases recorded in the database had multiple changes in one electoral cycle.

The second rule deals with alliances and other formations consisting of multiple parties in which the dominant party is not clearly stated through the website or the news articles. In this study, it is assumed that the largest party is the basis party for the new formation. The largest party is determined by the number of seats in previous parliament. If no party has seats in the previous parliament or if parties have an equal number of seats, then the party with the earliest foundation date should be considered a basis party. Other parties that constitute the coalition or a merged party should be mentioned in the "notes" variable. For instance, in the 2009 EU elections in Bulgaria coalition named Coaliciya za Bulgariya (KB) consisted of several socialist parties of which *Bulgarska sotsialisticheska partiya* (BSP) was the largest. Therefore, the leader of the BSP at that time - Sergei Stanishev - is recorded as the leader of the coalition.

There are ad hoc situations, however, in which parties in a coalition do not have defined leaders. In these cases, the top candidate on the list is recorded as a leader of a coalition. An example of such coalition is "Coalición Nacionalista + Europa de los Pueblos" in Spain. In the 1999 EU parliamentary elections the first candidate on the list was Ortuondo Larrea from the Basque Nationalist Party (PNV), so he was recorded as the leader of the coalition. Another example is "Coalicion Europea", which participated in the 2004 EU elections in Spain. It did not have defined party leaders, but had two candidates assigned to the top of the list instead. The agreement is that one candidate occupies the seat for a year, then resigns, paving the way for the second candidate. In this case, both candidates at the top were recorded as coalition leaders.

The third rule concerns parties that were formed from the long-dissolved ones. If a new party has a connection to a party that was dissolved two elections ago, then the connection between the newly-formed party and the dissolved party is considered to be interrupted. In this case, the record for the newly formed party has a value of "not applicable" in the variable describing the name of a party in the previous elections.

For example, Italian party Partito Socialista Italiano (PSI) was dissolved on November 13th, 1994 and reemerged as a Nuovo Partito Socialista Italiano (NPSI) six years later on January 20, 2001. So, at the time of the 2004 EU parliamentary elections it was a new party created from dissolution of the old one. However, neither this new party nor the old one existed at the time of the previous EU elections in 1999. Thus, Partito Socialista Italiano (PSI) was not recorded as a previously existing party in the record for Nuovo Partito Socialista Italiano. The connection between these parties is only mentioned in the notes.

Analysis and Findings

This section will report on the variation of party novelty across various parties in multiple countries of the EU. Some of the intuitive expectations from this comparative study are that party novelty varies across party per electoral cycle cases and the distribution of party novelty is skewed towards "less novelty" (Hypotheses 1 and 2). Figure 3.2 represents the variation of party novelty in the EU countries between 1989 and 2009. The axes stand for the two dimensions of party novelty described earlier – change of party attribute (the X-axis) and change of party structure (the Y-axis).

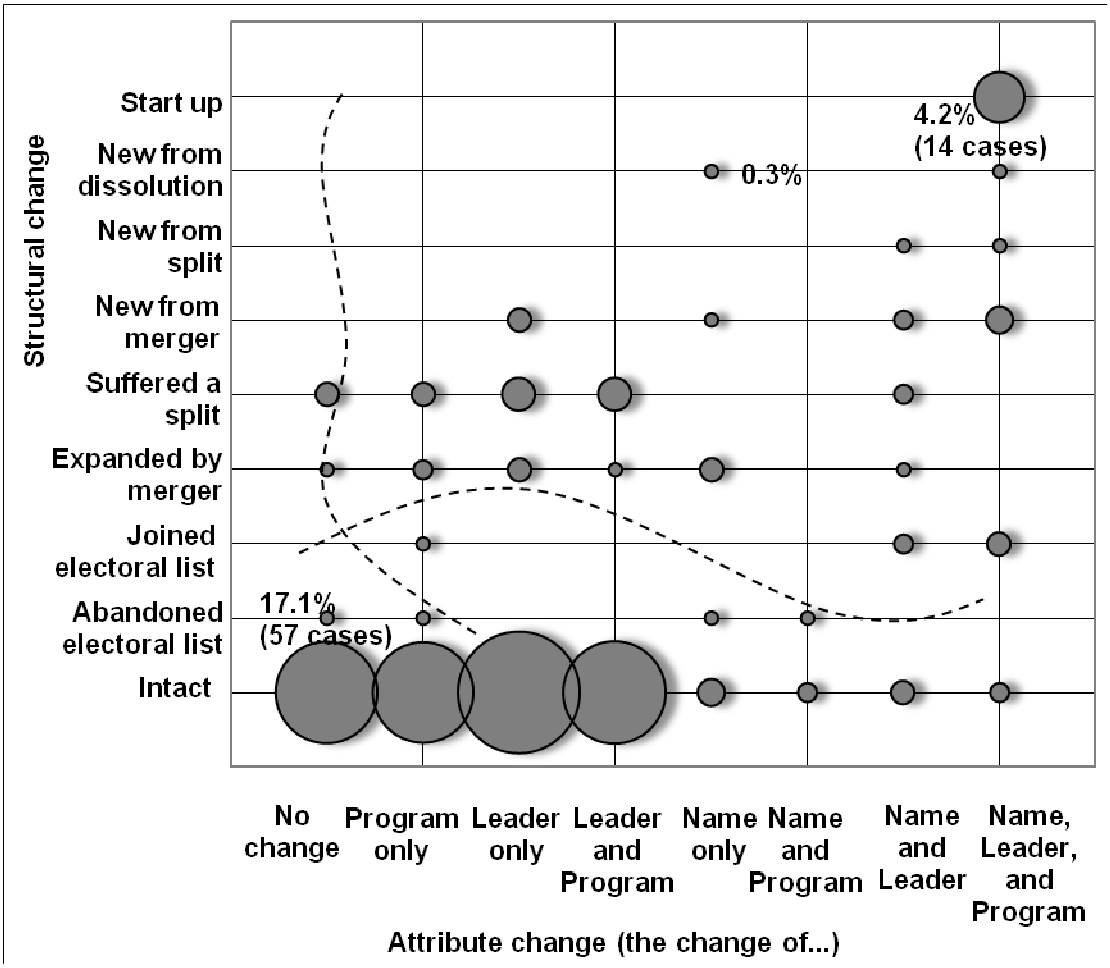

Figure 3.2. Distribution of Party Novelty along the Two Continuums – Structural Change and Attribute Change[13]

[13] Out of 502 cases, only 333 had complete data necessary for inclusion in this graph.

Based on the figure, there is a good variation of cases along the *change of party attributes* continuum (Figure 3.2, X-axis), which confirms Hypothesis 8. The distribution of cases is skewed towards less change as expected. The peaking tail on the right, however, hints at the fact that the complete change of party attributes is not the rarest occurrence (the line along the X-axis), which confirms Hypothesis 9. It is important to note, however, that about a half of the cases in the complete attribute change category (last category) are start up parties for which the "change" of attribute was recorded by default. This accounts for the peaking tail at the end. Furthermore, the distribution of cases along the *change of party structure* continuum has even greater skewness towards less change than we see in the distribution along the *change of party attributes* continuum (Figure 3.2, the line along the Y-axis). Thus, it is apparent that parties change their attributes more readily than they change their structure. More specifically, the change of program and change of party leader are the most common changes parties undergo. The change of name is more rare even with parties that change their structure. The prevalence of party program and leader change, perhaps, can be explained by the fact that parties choose transformations that would adapt them to the current economic or political circumstances and, at the same time, that would be least costly in terms of both votes and money. The change of name requires rebranding. But, perhaps, more importantly, carries a greater risk for party to lose votes (or at least a greater uncertainty about this risk).

Finally, when we combine the two dimensions of party novelty, we see that few parties in real politics remain *completely* unchanged from one election to another. This is mostly due to the fact that 78% of those parties that stayed intact changed at least one attribute. The results show that there are 57 cases out of 333 (or 17.1%) in which parties

stayed structurally intact *and* have not changed any of its attributes (name, leader, and program)[14]. This finding is crucial as it shows the importance of studying party novelty and its effects. In more than 80 percent of cases parties changed themselves in various ways and to various degrees, but we do not know if and how this change affected voters' party preferences.

Regional effect

Furthermore, one of the expectations about the distribution of party novelty was that we should see more frequent and diverse party change in Eastern Europe since party systems are more dynamic there (Hypothesis 3). For Eastern European countries, the data was collected only for the 2004-2009 cycle of the EU parliamentary elections. Therefore, to make the comparison somewhat meaningful, the figure reflects party novelty across Western Europe for the same electoral cycle. Comparison of Figures 3.3 and 3.4 confirms this expectation. Figure 3.3 shows the party novelty distribution for a total of 76 Western European parties during the 2004-2009 electoral cycle of the EU elections. The size of the bubbles represents the percentage out of the total number of those 76 cases. Same goes for Figure 3.4, where the percentage is taken out of 37 Eastern European parties in the same electoral cycle. Evidently, the larger percentage of parties in Eastern Europe changed themselves in some way – we see larger bubbles spread across the graph plane in Figure 3.4 than in Figure 3.3. Only 13.5 % of Eastern European parties stayed structurally intact and have not changes any of their attributes, while the percentage for

[14] The Party Novelty dataset includes 502 cases, but 169 cases were not included into the graph as they have missing data on one of the party attributes. (96% of the missing cases have missing data for the program change). See Appendix A, Figure A.1. for the distribution of party novelty with imputed missing data.

Western European parties is 19.7%. The lower left corner contains the parties with least novelty. This area encompasses 79% of all parties in Figure 3.3 (Western Europe) and 46% of all parties in Figure 3.4 (Eastern Europe). Thus, it is clear that Eastern European parties for the 2004-2009 EU electoral cycle experienced more novelty than Western European ones.

Figures 3.3 and 3.4 use different base for calculating babble sizes, and, therefore, are not fully comparable[15]. In order to compare party novelty distribution in Eastern and Western European in more meaningful way, I combined data from Figures 3.3 and 3.4. The results are shown in Figure 3.5. The size of the bubbles is calculated using a base of 113 parties per electoral cycle[16]. According to Figure 3.5, structural changes are more common in Eastern Europe (light grey bubbles). It is expected, as party systems are more dynamic in new democracies and splits or mergers are more common there. Yet, from the Figure it is clear that Western European parties (black bubbles) changed more in terms of their program and leader than Eastern European ones (at least for the 2004-2009 electoral cycle). This finding goes along with claims that Eastern European politics is more personalized (Sara Birch, 2003). Party appeal is often tied to a certain persona, who also serves as a party leader almost by default. In this case, change of a leader would shake up party structure or even party existence. Western European parties, on the other hand, are more stable in this sense. When party leader or program changes they are more likely to stay structurally intact. Change of leader is less of an ad hock event for Western European parties and more of a regularly occurring procedure.

[15] The base is 76 party per electoral cycle cases for Western Europe (Figure 3.3) and 37 cases for Eastern Europe (Figure 3.4)

[16] A sum of 76 and 37

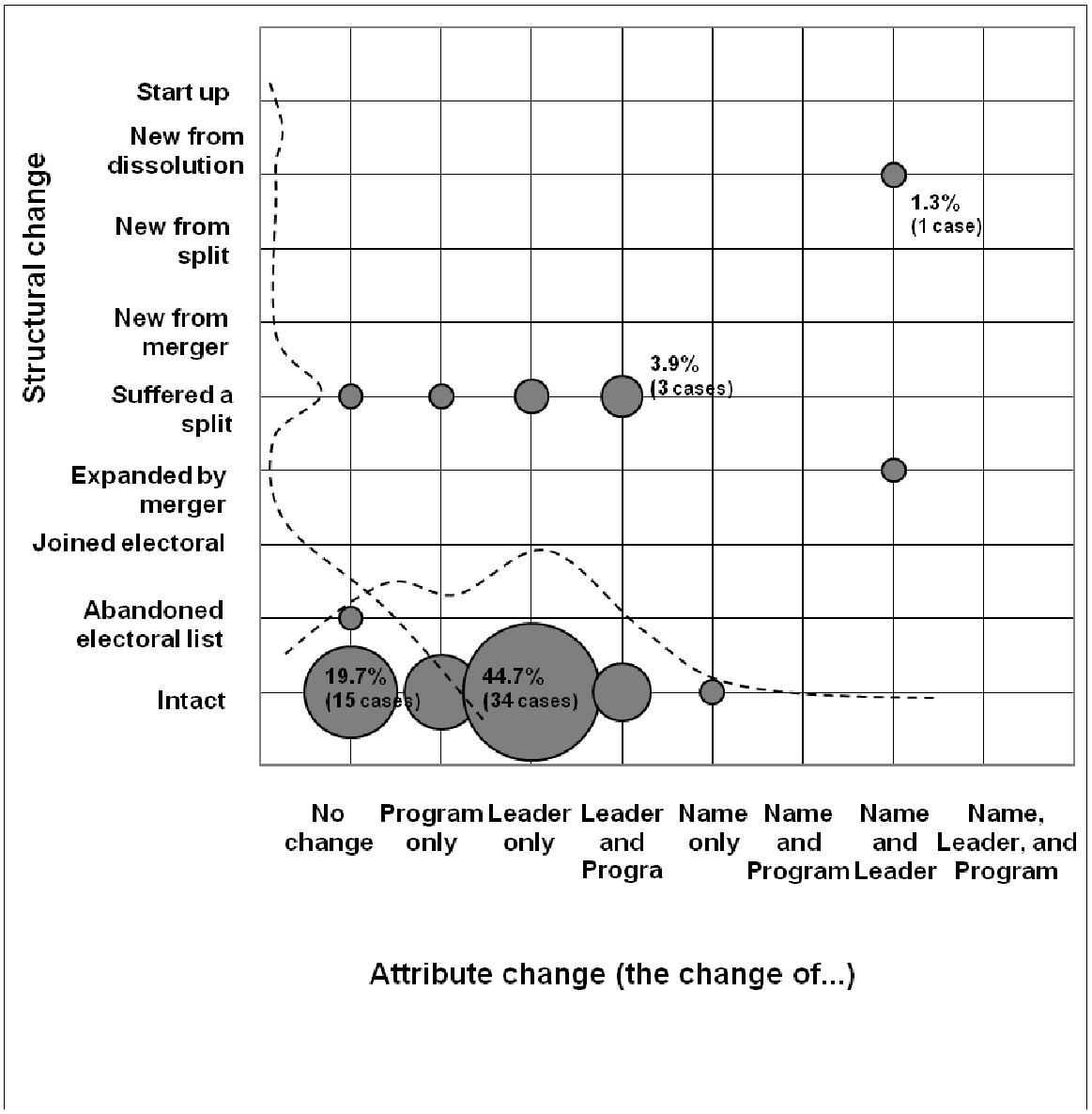

Figure 3.3. Distribution of Cases on the Change of Party Attributes and Change of Party Structure Continuum in Western Europe in 2004-2009 Electoral cycle[17]

[17] The figure reflects the party novelty distribution for a total of 76 parties in 2004-2009 electoral cycle of the EU elections. Percentage is taken of the total number of those cases (out of 76)

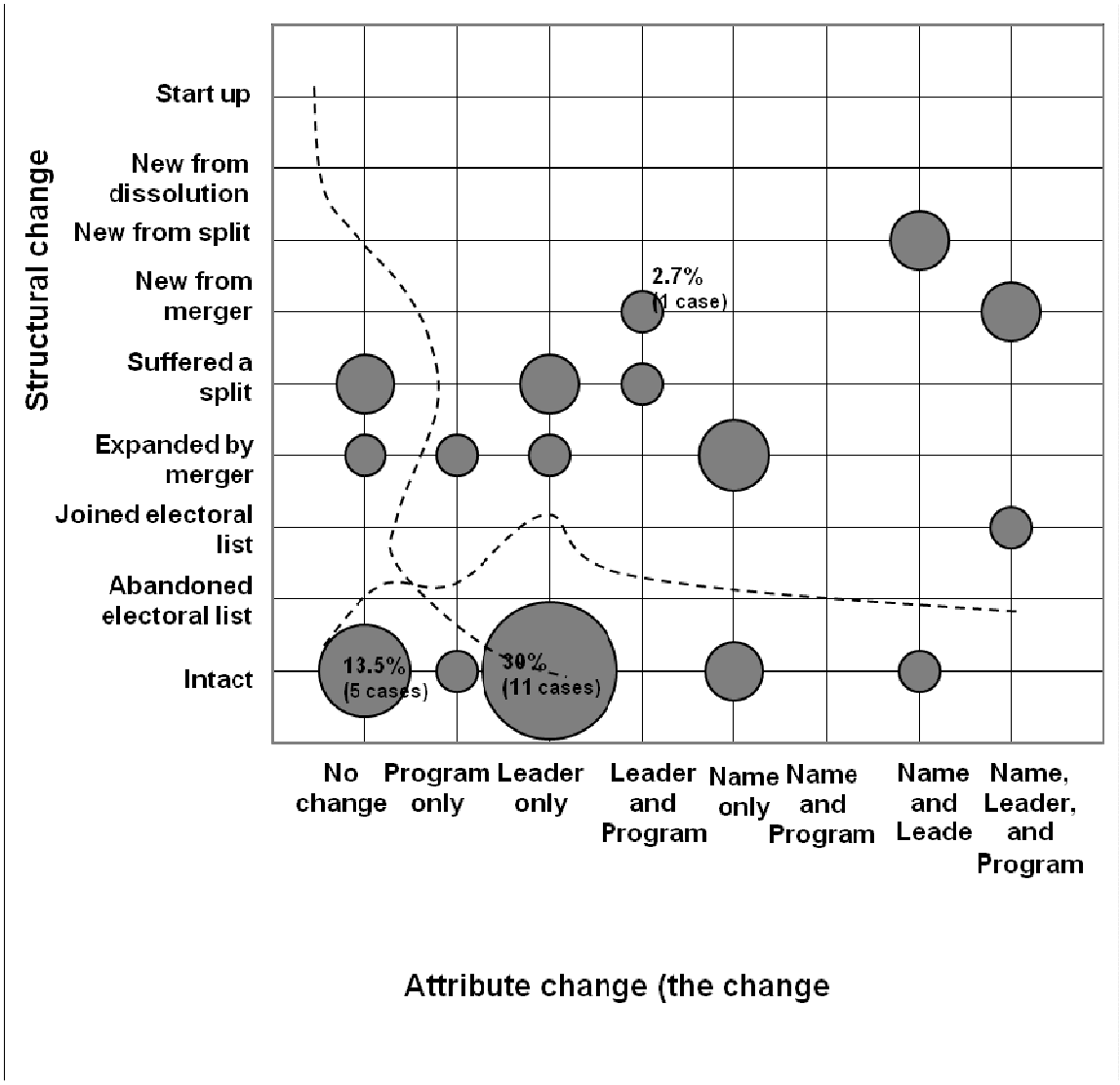

Figure 3.4. Distribution of Cases on the Change of Party Attributes and Change of Party Structure Continuum in Eastern Europe in 2004-2009 Electoral cycle [18]

[18] The figure reflects the party novelty distribution for a total of 37 parties in 2004-2009 electoral cycle of the EU elections. Percentage is taken of the total number of those cases (out of 37)

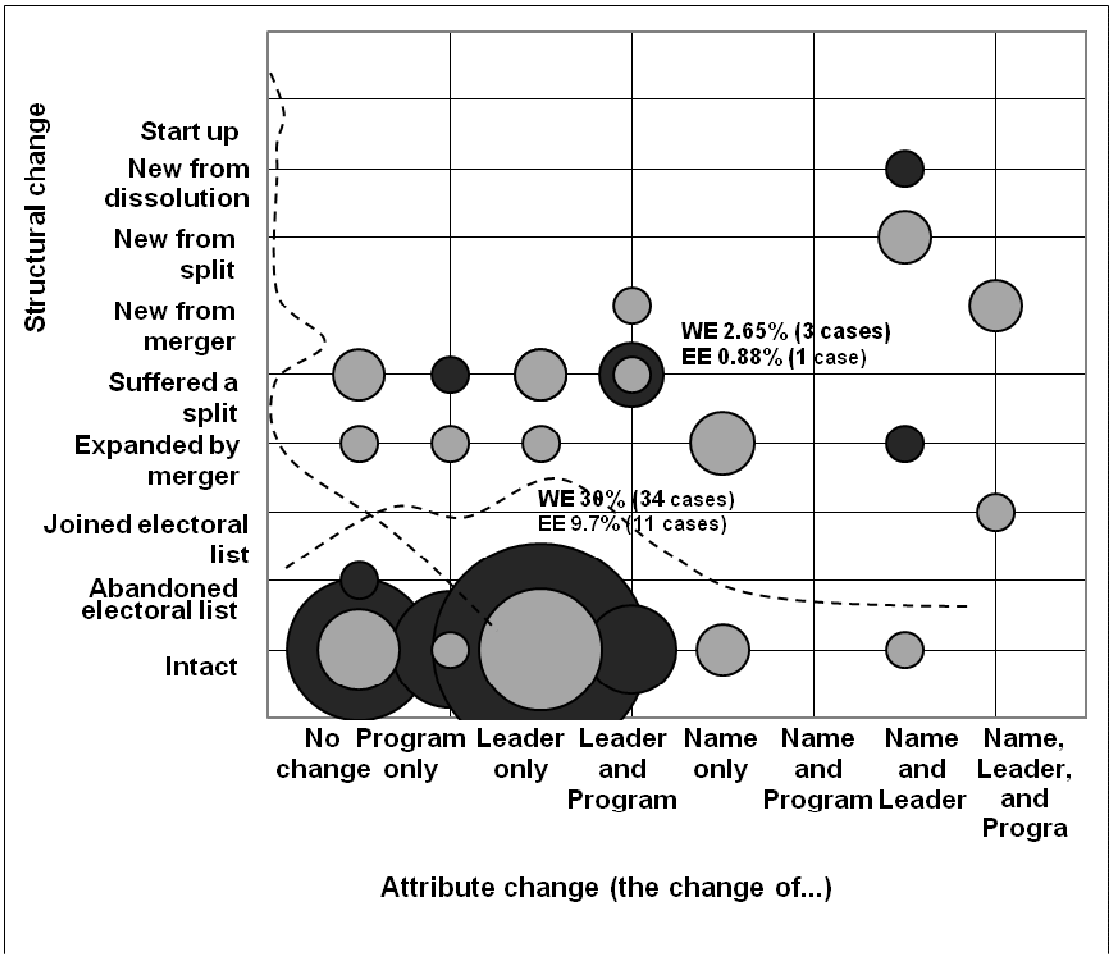

Figure 3.5. Party novelty distribution for Eastern Europe (light grey bubbles) and Western Europe (black bubbles) for the 2004-2009 EU electoral cycle

What explains party novelty?

This section discusses the results from testing the hypotheses put forward at the beginning of this chapter. The hypotheses set the expectations as to what explains party novelty. Party novelty itself is measured using several dummy variables describing

various types of party change – from both change of party attributes and change of party structure continuums.

In particular, this analysis will use the following dummies as dependent variables. The first set of dummies describe party attributes continuum: name change, leader change, and program change. The change described by these three variables may or may not be a result of structural changes. The second set, relates to the party structure continuum. There are dummies describing if a party stayed intact, if it abandoned electoral list, if it joined electoral list, if it was expanded by merger, if it suffered a split, emerged anew from a merger, emerged anew from a split, and if it emerged anew from scratch. And, finally, the analysis will use two constructed dummy variables. One measures if party changed in any of the mentioned above ways – an all-encompassing "Party Novelty" dummy. It is constructed by ascribing the values of "0" to all cases in which party has not changed any of its attributes and stayed intact in terms of its structure (see Figure 3.2, the bubble in the bottom left corner). The second one, called "New" combines two dummy variables – "new from a split" and "new from scratch". It is done in order to measure the emergence of new parties as it is measured in the literature (Tavits, 2008; Sikk, 2005; Cox, 1997). Hypotheses suggested in this chapter were derived from the literature on new party emergence, and including this dependent variable will allow a direct test of those hypotheses so the results can be compared to the ones from the previous studies in more meaningful way.

In order to explain party novelty I use a series of logistic regression models with robust standard errors adjusted for clustering by country. Logistic models are used in order to account for the fact that the dependent variables are dichotomous. Clustering by

country is used because most of the independent variables are country specific, such as electoral system, form of government, number of parliamentary elections, population, economic indicators, and clarity of responsibility for policy outcome.

As discussed in the research design section of this chapter, the unit of analysis is the party per electoral cycle. Thus, in total, there are 67 electoral contexts (country per electoral year) and somewhere from nine to twenty five "parties per electoral cycle" in each context, amounting to a dataset of 502 observations. Some of the regression models include fewer observations due to missing data.

One of the key problems in running logistic regression with clustering on the existing data set is the lack of degrees of freedom. Specifically, clustering creates an issue for the model test statistic. It cannot simultaneously test that all coefficients are zero because there is insufficient information. In other words, it restricts the number of predictors that can be used in the model.

Since there is a lack of degrees of freedom for running multivariate logit models in certain cases, I will provide the results for univariate logit models testing all of the proposed hypotheses for each of the dichotomous dependent variables measuring various elements of party novelty (Table 3.2). Later on, this section introduces a few multivariate models where the degrees of freedom allow doing so.

Table 3.2 shows that form of government and country's electoral age matter for party change most of all. Parties are more likely to change their name and program as well more likely to abandon electoral list, and emerging anew from a party split in democracies with presidential form of government. Presidential systems offer more spoils in office, thus stimulating formation of new parties. As was hypothesized earlier in this

chapter, this should stimulate party change as opportunistic party behavior in general. Thus, as analysis showed, presidential systems are conducive of such party transformations as change of name, change of program, abandonment of electoral list, and new party formation.

Furthermore, country's electoral age is a significant predictor for party novelty and some of its elements[19]. The older the democracy in terms of electoral experience the less is the likelihood of party change in general. Specifically, in young democracies there is a higher likelihood to encounter a start up party and a party that is expanded by merger or defections from other parties. Moreover, the age of democracy is a significant predictor for party formation from split and from scratch. Since the level of perceived electoral volatility in new democracies is higher, parties are keener to engage in opportunistic endeavors. In such environments, the risk of not getting voters to switch from one party to another is low.

Furthermore, Table 3.2 shows that opposition parties on average are more likely to change than government parties. In particular, opposition parties are more likely to change their leader. Since the models are univariate, the conditional effect of party incumbency on the effect of the economy on party change was not tested (see multivariate models below).

[19] I calculated the electoral age of a country by counting the number of elections to the national parliament since either 1945 or the year when a country gained its independence, whichever came last.

Table 3.2. Univariate Logistic Models Explaining Party Novelty and Its Composites

		Party novelty dummy	Name change dummy	Leader change dummy	Program change dummy	Intact	Abandoned Coalition	Joined Coalition
PTV Mean for previous EU elections 1-10	Coefficient	**0.224***	-0.160	**0.413****	-0.074	0.008	**2.026*****	**0.567*****
	Robust St Error	-0.097	0.140	0.148	0.187	0.140	0.316	0.118
	Number of obs	211	211	206	148	211	211	211
	Pseudo R2	0.012	0.006	0.043	0.001	0.000	0.210	0.040
PR electoral system 1-pr 0-maj	Coefficient	-0.356	-0.047	-0.160	-0.116	-0.023	**-1.548***	-0.078
	Robust St Error	0.233	0.317	0.121	0.201	0.350	0.683	0.469
	Number of obs	502	486	464	325	502	502	502
	Pseudo R2	0.012	0.088	0.002	0.001	0.000	0.157	0.000
Form of government 1-parl 0-pres	Coefficient	**0.252*****	**-0.647***	0.042	**-0.573*****	**0.639***	**-3.432*****	-0.910
	Robust St Error	0.225	0.305	0.167	0.166	0.315	1.009	0.494
	Number of obs	502	486	464	325	502	502	502
	Pseudo R2	0.008	0.007	0.000	0.003	0.007	0.216	0.011
Number of parliamentary elections since 1945	Coefficient	**-0.037***	-0.026	0.019	0.052	**0.071****	-0.006	-0.026
	Robust St Error	0.019	0.029	0.015	0.035	0.025	0.060	0.060
	Number of obs	502	486	464	325	502	502	502
	Pseudo R2	0.019	0.003	0.002	0.011	0.028	0.001	0.002
GDP growth rate, 5 year average	Coefficient	-0.035	-0.105	-0.046	-0.152	-0.045	-0.631	-0.119
	Robust St Error	0.079	0.125	0.055	0.153	0.105	0.382	0.216
	Number of obs	424	412	392	269	424	424	424
	Pseudo R2	0.007	0.005	0.001	0.009	0.001	0.049	0.004

Table 3.2. (continued)

		Party novelty dummy	Name change dummy	Leader change dummy	Program change dummy	Intact	Abandoned Coalition	Joined Coalition
Unemployment rate, 5 year average	Coefficient	-0.013	0.040	**-0.046***	**-0.119***	-0.015	0.097	0.060
	Robust St Error	0.037	0.048	0.023	0.052	0.031	0.062	0.061
	Number of obs	424	412	392	269	424	424	424
	Pseudo R2	0.001	0.003	0.005	0.023	0.001	0.013	0.005
Inflation, 5 year average	Coefficient	0.093	-0.061	0.025	0.018	-0.063	**-0.263***	-0.171
	Robust St Error	0.050	0.044	0.027	0.063	0.048	0.105	0.223
	Number of obs	424	412	392	269	424	424	424
	Pseudo R2	0.000	0.005	0.001	0.000	0.008	0.025	0.016
Government Party 1-govt 0-oppos	Coefficient	**-0.558****	-0.426	**-0.301***	-0.337	0.295	0.959	-0.444
	Robust St Error	0.195	0.254	0.147	0.443	0.232	0.720	0.837
	Number of obs	502	486	464	325	502	502	502
	Pseudo R2	0.011	0.005	0.003	0.003	0.003	0.019	0.003
Population	Coefficient	0.008	0.009	**0.006***	-0.001	-0.004	0.043	0.004
	Robust St Error	0.005	0.009	0.003	0.007	0.009	0.014	0.013
	Number of obs	502	486	464	325	502	502	502
	Pseudo R2	0.011	0.008	0.004	0.000	0.002	0.111	0.001
Clarity of responsibility 1- low 4- high	Coefficient	0.122	-0.138	0.063	0.168	-0.027	**1.729***	-0.336
	Robust St Error	0.126	0.160	0.094	0.101	0.161	0.881	0.414
	Number of obs	502	486	464	325	502	502	502
	Pseudo R2	0.006	0.004	0.001	0.005	0.000	0.153	0.013

Table 3.2. (continued)

		Expanded by merger	Suffered a split	New from merger	New from split	New from dissolution	Start Up	New
PTV Mean for previous EU elections 1-10	Coefficient	0.237	0.002	-0.291	-0.096	**-1.452*** **	na	-0.244
	Robust St Error	0.283	0.152	0.252	0.234	0.242	na	0.130
	Number of obs	211	211	211	211	211	na	211
	Pseudo R2	0.008	0.000	0.014	0.002	0.150	na	0.012
PR electoral system 1-pr 0-maj	Coefficient	0.233	0.084	0.404	-0.323	0.058	1.157	0.102
	Robust St Error	0.471	0.257	0.322	0.386	0.557	0.709	0.343
	Number of obs	502	502	502	502	502	502	502
	Pseudo R2	0.003	0.000	0.007	0.008	0.000	0.027	0.001
Form of government 1-parl 0-pres	Coefficient	na	-0.276	0.134	**-1.285*** **	-0.671	na	-0.538
	Robust St Error	na	0.318	0.639	0.338	0.689	na	0.230
	Number of obs	na	502	502	502	502	na	502
	Pseudo R2	na	0.001	0.000	0.029	0.005	na	0.004
Number of parliamentary elections since 1945	Coefficient	**-0.120***	-0.060	-0.060	-0.009	0.084	**-0.112***	**-0.044***
	Robust St Error	0.051	0.032	0.038	0.035	0.067	0.051	0.022
	Number of obs	502	502	502	502	502	502	502
	Pseudo R2	0.053	0.015	0.014	0.000	0.018	0.044	0.010
GDP growth rate, 5 year average	Coefficient	0.341	0.067	-0.093	-0.073	**-1.476*** **	0.234	-0.067
	Robust St Error	0.100	0.109	0.221	0.109	0.378	0.126	0.119
	Number of obs	424	424	424	424	424	424	424
	Pseudo R2	0.060	0.002	0.003	0.002	0.136	0.024	0.002

Table 3.2. (continued)

		Expanded by merger	Suffered a split	New from merger	New from split	New from dissolution	Start Up	New
Unemployment rate, 5 year average	Coefficient	0.044	-0.027	0.074	-0.050	0.036	-0.065	0.003
	Robust St Error	0.052	0.049	0.058	0.059	0.066	0.071	0.040
	Number of obs	424	424	424	424	424	424	424
	Pseudo R2	0.003	0.001	0.010	0.004	0.002	0.005	0.000
Inflation, 5 year average	Coefficient	**0.098***	0.078	0.066	-0.019	-0.064	0.106	0.039
	Robust St Error	0.047	0.050	0.058	0.076	0.102	0.068	0.045
	Number of obs	424	424	424	424	424	424	424
	Pseudo R2	0.017	0.011	0.007	0.001	0.003	0.019	0.003
Government Party 1-govt 0-oppos	Coefficient	0.660	-0.077	0.270	**-1.675***	na	-0.861	-0.751
	Robust St Error	0.450	0.389	0.461	0.805	na	0.802	0.425
	Number of obs	502	502	502	502	na	502	502
	Pseudo R2	0.011	0.000	0.002	0.037	na	0.012	0.014
Population	Coefficient	-0.010	-0.005	**0.021***	0.000	0.024	**-0.023***	0.008
	Robust St Error	0.011	0.008	0.009	0.013	0.017	0.011	0.008
	Number of obs	502	502	502	502	502	502	502
	Pseudo R2	0.006	0.002	0.040	0.000	0.040	0.023	0.006
Clarity of responsibility 1- low 4- high	Coefficient	-0.293	0.143	-0.050	0.306	-0.495	-0.149	0.036
	Robust St Error	0.229	0.176	0.172	0.178	0.403	0.261	0.141
	Number of obs	502	502	502	502	502	502	502
	Pseudo R2	0.012	0.003	0.000	0.086	0.025	0.003	0.000

Notes:
1) * p<0.05, **p<0.01, ***p<0.001
2) Significant coefficients are in bold
3) GDP growth, unemployment, and inflation are centered around their means.
4) Data in models is clustered by country

The results shown in Table 3.2 do not confirm all of the hypotheses. The coefficient for voters' propensity to vote, although significant in a few models, does not conform to the expectations set in Hypothesis 6 [20]. Results show that the higher the probability to vote the more likely the party is to change itself, which is counter intuitive. It is difficult to imagine circumstances in which an already successful party would want to engage into risk taking by changing itself. The positive sign of this coefficient stays consistent for leader change, and abandoning or joining the electoral coalition. This outcome could be because the propensity to vote is measured for the EU elections. In most of the cases, there are national elections within the EU election cycle. Party change could be a party reaction to the results of the national elections, not the EU ones. Further data collection and analysis is needed to clarify this issue.

And finally, the coefficients for economic indicators were insignificant. Therefore, for now, we cannot make inferences regarding the effect of these variables on party novelty[21].

The fit of all of the univeriate logit models is very low (based on Pseudo R squard value), but it was expected as each of the models has only one predictor besides the constant.

[20] Several alternative ways to measure party popularity amongst voters were tried, none of which showed statistically significant results. I used measurements such as: standard deviation of PTVs for current elections, coefficient of variation (standard deviation divided by the mean), the difference between PTV means for the current election and the previous election, percentage of votes a party received in the previous elections, and the difference in the percentage of voted a party received two elections ago and in the previous election.

[21] See multivariate models further in this section

Table 3.2 provides a simple preliminary tests of the key hypotheses. The next table shows multivariate logistical models, which test some of the hypotheses competitively, but only in cases where degrees of freedom allow having several variables in the model (Table 3.3). Thus, there are models for name, leader, and program change, as well as structural change in general. In these models, standard errors are also adjusted for clustering by country.

The results show that in proportional electoral systems parties are more likely to change their name, which confirms Hypothesis 1. However, changes of leader and structural changes are more likely in majoritarian systems. This may explain the counterintuitive positive relationship between the voters' propensity to vote and party novelty in a univariate model discussed above (Table 3.2). If propensities to vote (PTVs) are higher in majoritarian systems, and majoritarian systems are positively related to party novelty, then PTVs should be expected to have a positive relationship with party novelty.

Name change also stands apart in terms of form of government. In presidential systems, parties are more likely to change their names. This goes along with the Hypothesis 2. Presidential systems provide more spoils in office and, thus, encourage opportunistic behavior, such as change of party name. It is important to remember that parties in this category may or may not change their names as a result of such structural changes as mergers or splits.

Table 3.3. Multivariate Logistic Models Explaining Party Novelty and Its Composites

	Name change	Leader change	Program change	Structure change
	Coef. (Robust SE)	Coef. (Robust SE)	Coef. (Robust SE)	Coef. (Robust SE)
Voters' propensity to vote, mean	-0.040	0.459	-0.008	-0.058
	(0.159)	(0.185)	(0.034)	(0.170)
Proportional electoral system	**1.593*** **	**-0.857*** **	-0.151	**-1.441*** **
	(0.495)	(0.209)	(0.096)	(0.393)
Parliamentary form of government	**-4.460*** **	**1.320*** **	0.197	**4.132*** **
	(0.583)	(0.294)	(0.205)	(0.474)
Number of parliamentary elections since 1945	-0.013	**0.043** **	0.005	0.008
	(0.051)	(0.016)	(0.006)	(0.030)
GDP growth rate, 5 year average	-0.412	-0.134	**-0.031* **	0.012
	(0.301)	(0.059)	(0.016)	(0.120)
Government party	**-2.238*** **	**-0.607*** **	-0.032	0.504
	(0.543)	(0.171)	(0.085)	(0.454)
Government party * GDP growth rate, 5 year average	**-1.281*** **	-0.076	0.034	0.435
	(0.354)	(0.139)	(0.034)	(0.331)
Constant	-0.228	-1.817	0.244	0.213
	(0.839)	(0.770)	(0.176)	(0.722)
N	186	181	127	186
Pseudo R square	0.1364	0.0772	0.0473	0.0640

Notes:

1) * p<0.05, **p<0.01, ***p<0.001

2) Significant coefficients are in bold

3) GDP growth, unemployment, and inflation are centered around their means.

4) Data in models is clustered by country

The age of democracy matters for leader change. The older the democracy the more likely it is for parties to change their leader. This result makes sense since politics is generally more personalized in new democracies, specifically Eastern European ones. Often parties base their entire brand on one prominent leader. If the leader changes, party looses its integrity and undergoes some structural changes such as splits. In older democracies, party organization per se is more developed and is more likely to be disturbed by the change of leader.

Furthermore, the economy proves to be significant only for party program change. It is the only significant coefficient for the change of program. The negative sign of the coefficient indicates that parties react to deteriorating economy by changing their program. The result confirms Hypothesis 4. Elites seem to anticipate economic voting and react accordingly.

The conditional effect of party incumbency on the relationship between changing party name and the economy is illustrated in Figure 3.6. The slopes of the lines tell us that as the economy deteriorates, on average, government parties are more likely to change their names than opposition parties. At the same time, it is clear that the chances for both government and opposition parties to change their names are growing as the economy weakens. This finding points to the fact that not all elites anticipate economic voting to the same degree. Elites of government parties are aware of their responsibility for the policy outcomes, which, in this case, is the country's economy.

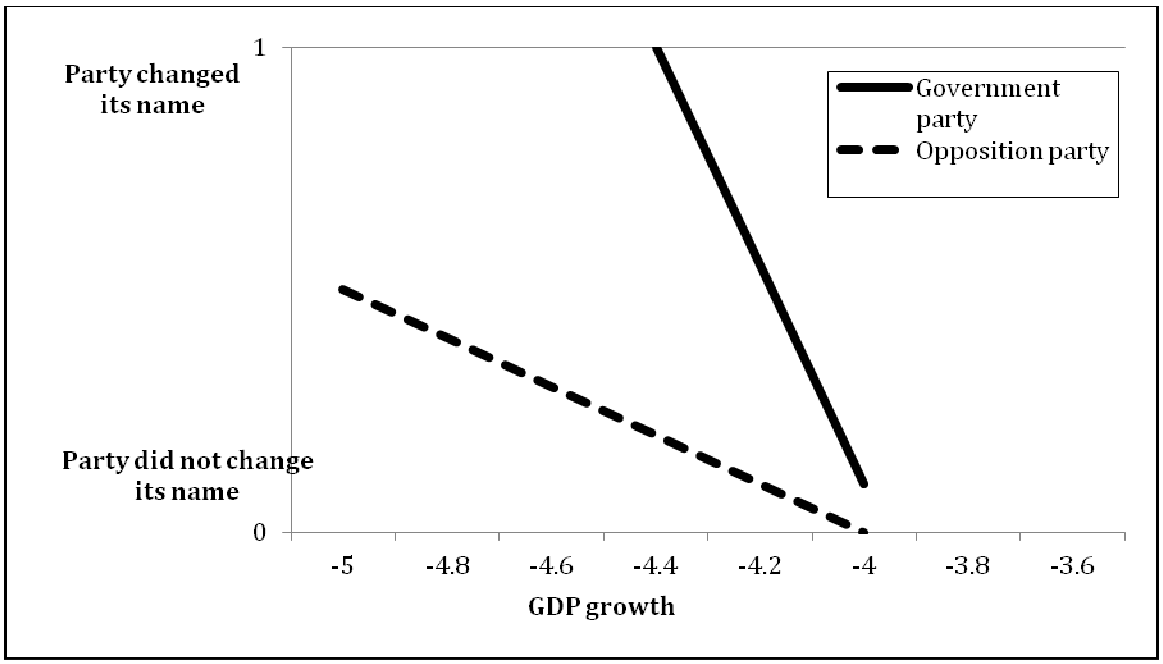

Figure 3.6 Conditional effect of party incumbency on the relationship between changing party name and GDP growth

Conclusion

This chapter described party novelty measures and examined possible explanations. Comparative analysis of party novelty distributions showed where the majority of parties lie on the party novelty plane. Parties stayed structurally intact *and* have not changed any of their attributes (name, leader, and program) in 17.1% of cases. This means that in more than 80 percent of cases parties changed themselves in various ways and to various degrees. This finding is crucial as it shows that party change is common and, therefore, is important to study.

In terms of the regional differences, it was established that in general Western European parties change more often than Eastern European ones. However, when examined more closely it became apparent that Western European parties changed more

in terms of their program and leader than Eastern European ones. This finding confirms the general view of Eastern European parties as more personalized and tied to party leaders as compared to Western European ones. Yet, structural party changes were found to be more common in Eastern Europe, which points to the dynamism of party systems there.

Thus, in most basic sense, the chapter showed that party novelty varies. At any given time some parties change, while others do not. Even among those that change some change more than others. This raised the question of explaining why it is so. The findings showed that the answer depends on the type of change.

For instance, parties are more likely to change their names and programs, abandon their electoral lists, and emerge anew from a split in democracies with presidential form of government. In addition, in young democracies there is a greater likelihood to encounter a start up party and a party that is expanded by merger or defections from other parties. Furthermore, the economy proved to be significant only for party program change. Yet, not all elites anticipate economic voting to the same degree. Elites of government parties are more aware of their responsibility for policy outcome than opposition parties, as they should.

Thus, this chapter examined party novelty as a dependent variable. Next chapter will focus on the effect of party novelty on voters' party preferences, thus making party novelty an independent variable. As an independent variable party novelty should reveal the extent of democratic accountability, which is imperative to any functional democracy.

CHAPTER 4

PARTY NOVELTY EFFECT ON ECONOMIC VOTING

This chapter assesses the effect of party novelty on democratic accountability, specifically through the mechanism specified in the economic voting theory. It replicates the previous findings of the economic voting literature and proposes a new conditional variable to the existing economic voting model – party novelty.

The first section of this chapter summarizes the key works in the field from Anthony Downs (1957) to the most recent ones. After, the chapter specifies the base model of the economic voting discussing expectations and hypotheses in relation to each independent variable. It will also describe the measurement of these variables. Furthermore, it presents the results from the base model and then develops and tests a naïve hypothesis in relation to the party novelty.

The theory of economic voting was first suggested by Anthony Downs (1957). It states that an individual will compare between the utility he gained when the incumbent party was in office and the expected utility of the opposition party had it been in office. The majority of research on economic voting focuses primarily on voters' retrospective evaluations of the incumbent party[22]. In this view, voters evaluate the incumbent's economic performance and punish or reward it at the ballot box. If voters believe that the

[22] Key Jr. (1966) sees economic voting as is purely retrospective; Downs (1957) sees retrospective evaluations as means to make prospective ones; Fiorina (1978, 1982) also sees retrospective evaluations as an element of the voter's "running tally" (which determines which party is more likely to serve voter's interests best in the future)

incumbent's performance was unsatisfactory, they punish it by voting for the opposition party, else they reward it with a vote.

There have been numerous studies that have tested the economic voting hypothesis. Early studies supported this hypothesis, showing that candidates from the incumbent party won more votes as GDP per capita increased, while opposition candidates benefited when GDP per capita dropped (Kramer, 1971). Further studies refined this model distinguishing between sociotropic voting (in which voters evaluate the change in national economy) and pocketbook voting (in which voters evaluate the change in their own economic situation)[23]. Over time, sociotropic voting gained more empirical evidence – voters are more readily to attribute the responsibility to the government for the national state of the economy rather than for the state of their personal finances (Lewis-Beck and Stegmaier, 2000). Moreover, it has been argued and shown that voters are rather sophisticated and taking into account longer periods of time when evaluating the economy (Peltzman, 1990). However, even here researchers recorded discounting of the past (Hibbs, 1987; Wlezien and Erikson 1996; 2001; 2004; 2005; Erikson and Wlezien 2008). If voters experienced a lot of economic instability in the past, they may be especially short sighted (Magaloni, 1997).

Furthermore, studies analyzing individual vote choice, rather than aggregate level studies, showed more consistent support for the economic voting (Duch and Stevenson 2008). However, individual level models had difficulties of their own. The most concerning one is the problem of endogeneity: do voters form their economic perceptions

[23] See Hibbs (1977) and Kramer (1983) for pocketbook voting studies; see Kinder and Kiewiet, (1981), Kiewiet, (1983), Sigelman and Tsai (1981) for sociotropic voting; some combination of the two is considered in Feldman (1982) and Weatherford (1983)

based on their support for the government or do voters form their judgment of the government performance based on their evaluation of the economy? This problem will be addressed later in this chapter where I discuss economy as an independent variable in the economic voting model.

By 1990s, when studies started incorporating cross-national comparative research designs, economic voting model began to lose its empirical support (Paldam, 1991; Przeworski and Cheibub, 1999). This setback motivated researchers to use various institutional variables in their models to account for differences in electoral systems. Specifically, the clarity of responsibility within a political system is believed to mediate the effects of the economy (Powell and Whitten, 1993; Whitten and Palmer, 1999; Van Der Brug, Van Der Eijk, and Mark Franklin, 2007)[24]. In addition, other institutional variables have been found to condition the effect of the economy on party support[25].

Thus, to put this study in the context of the literature discussed above, it falls within those works, which view economic voting as sociotropic phenomena. Also, this work uses cross national comparative research design in order to show the extent of economic voting in various contexts. The sections below discuss the research design in detail.

Dependent Variable: Voters' Party Preferences

Most of the studies of economic voting define their dependent variable in dichotomous fashion: as the incumbent's vote share at the aggregate level or as a dichotomy indicating whether the respondent voted for a government or opposition party

[24] See more detailed discussion of the clarity of responsibility index further in this chapter

[25] Remmer (1991) considers the structure of the electoral system; Anderson (2000), Stokes (2001), Duch and Stevenson (2008) use an array of institutional variables

at the individual level[26]. Yet recent research has been critical of such approach (van der Eijk et al, 2006; van Der Brug et al 2007). It is argued, that the dichotomous voting choice does not reveal the complexity of the voting process described by Anthony Downs (1957). There are two stages to this process. First, voters go through a latent stage at which they form preferences for a number of parties. Second, voters go through the observable stage, making observable choices when deciding whom to vote for. It is important to emphasize that, according to this view of the voting process, there is more than one party that voters prefer to some degree at the first stage, and they vote for the party they prefer the most at the second stage. This two-stage process is critical. In a situation where voters have a clear preference for one party, the slight change in party preferences, due to certain factors, such as the state of the economy, would not change the vote. But when voters' preferences for two parties are tied, the party choice that voters make is very delicate and volatile. In this case, it can be influenced by the national economic conditions. Yet, if a study employs voting as a dichotomous dependent variable, it is most likely to miss the fluctuation of voters' preferences.

There are two ways to address this issue. The first is to account for the partisan attachments, specifically for the aggregate differences in partisan attachments cross nationally. For instance Kayser and Wlezien (2011) found that in countries where many voters have weak party identities (voters are cross-pressured between parties) a small change in the government performance could result in a big change in the vote. The second is to use party preferences as a dependent variable instead of the variable measuring a dichotomous voting choice (Van Der Brug, Van Der Eijk, and Mark

[26] Aggregate incumbent vote share is used in Kramer (1971, 1983) and Paldam (1991)

Franklin, 2007). Here, voters with strong preferences are expected to be least susceptible to the changes in the economy.

In this dissertation, I follow Van Der Brug et al (2007) and measure voters' party preferences with voters' propensity to vote for an array of parties. It is an unusual variable as it records voters' preferences for *each* party. To construct this variable, I follow the work of Van Der Brug, Van Der Eijk, and Franklin (2007) who use a "stacked data matrix." The stacked data matrix transforms the level of analysis from individual to *individual per party*. In every survey on voting behavior respondents are treated as units of analysis and their party preferences are set to be respondents' attributes. The authors propose to construct the dependent variable in such a way that "each respondent appears as many times as there are parties for which support propensities are measured." This study adopts such an approach and defines it as the "observed strength of support of the respondent involved in each respondent*party combination for the party involved in the same combination" (Van Der Brug, Van Der Eijk, and Mark Franklin, 2007, p.41-42).

This study will not test the two-stage voting model in its entirety. It will focus on the first stage and will predict voters' party preferences using the economic voting model, leaving the second stage (a model that uses party preferences to predict voting choice) for a future research.

Independent variables and the key expectations

The base model intends to replicate the most basic findings from the recent studies on economic voting[27]. The model is complex as it includes variables from four

[27] In particular this study will try to replicate the base model estimated by Van der Brug, Van der Eijk, and Franklin (2007) in their volume "The Economy and the Vote" p. 88, Table 4.2, Model F as closely as possible

levels of analysis as well as their interactions. The levels are: individual, party, party per individual, and national. This section describes variables used in the model at each level.

At the individual level, the model includes a set of individual characteristics shown to affect party support in the previous research such as age, class, religion, political interest, education, if unemployed and if retired.

In addition, some electoral studies take into account the importance (or some use the term 'salience') of various political, economic and social issues for each respondent or in aggregate (Miller, Miller, Raine and Browne, 1976; Abramowitz, 1994; van der Eijk and Franklin, 1996; Wlezien, 2001). If a certain issue is important to a voter, then he/she has a meaningful opinion about it, which structures his/her support for parties. For instance, under conditions of hyperinflation, voters will evaluate political parties based almost exclusively on parties' ability to combat this hyperinflation. Conversely, under stable economic conditions, non-economic issues are likely to dominate voters' choice. Therefore, the same macroeconomic variable may have heterogeneous effects on voters' choice in different countries and at different points in time. In order to control for this possibility, issue salience should be included in the model.

Typically, the salience is measured using the "most important problem" (MIP) survey question. There have been concerns that this is a limited (not complete, asymmetrical) measure of issue importance, given it doesn't take into consideration importance of issues that are not "problems" per se (Wlezien, 2005). But in the absence of an alternative instrument, this study will use the MIP survey question to control for the

effect of issues on voters' party evaluations[28]. It also works fairly well (see Soroka and Wlezien, 2010).

At the party level, the study will test if government parties experience "cost of governing" losses seen in previous studies (Powell and Whitten, 1993; Paldam, 1991; Nannestad and Paldam, 1994, 2002). According to these studies, the estimated loss of incumbent party popularity is at about 2.5 percent. Government parties are expected to lose support simply as a result of incumbency. It order to test this effect the model includes a party level dummy variable measuring whether a given party was a governing party or was in a governing coalition for the past electoral cycle.

Furthermore, the model includes a party size variable with the expectation that the larger the party the more the voters hold it accountable for the economic performance (Van der Brug, Van der Eijk, and Franklin, 2007). Party size is measured by the proportion of seats in the national parliament.

At the *individual per party level*, the model will attempt to mimic aggregate level economic voting studies, which control for the previous vote share of governing parties[29]. In order to do that it will include an individual level dummy variable indicating whether a

[28] The variable is constructed in a following way. The MIP question is used to construct a series of dummy variables. Each of the dummies indicates if a particular respondent considers a certain issue to be the most important problem. For instance, there is a dummy variable indicating if respondents think of labor market conditions to be the most important problem in the country. Other dummies include, but not limited to: government, inflation, welfare, economy of a nation in general, health and food safety, foreign policy, environment and energy, corruption and crime, infrastructure, immigration and minorities, and other social and economic issues. These dummies are used to calculate predicted values of voters' propensities to vote for particular parties. Thus, the base model itself uses this variable as a control for the effect of issue salience on voters' party preferences.

[29] Same variable was included in the economic voting models estimated by Van der Brug, Van der Eijk, and Franklin (2007)

certain respondent voted for the particular party in the previous elections[30]. This variable is also suited for controlling for partisanship and other individual level variables not included in the model. It is expected to have a positive effect on party support – if a respondent voted for the particular party in last elections, he is likely to do the same in the current election.

In addition, it is necessary to control for the spatial effect on the left-right scale – that is, the difference between respondents' positions and their perception of parties' positions on the left right scale. Respondents should prefer parties closest to their own issue positions. The smaller the distance between the respondent's position and the party position the greater respondent's utility and, thus, the more likely this respondent to prefer this particular party (Downs, 1957). Thus, the effect of distance is expected to be negative. Taking into account the fact that the unit of analysis is respondent per party, it should be easy to include a variable measuring the distance between respondent's position and the perceived position of each party on the left right scale [31].

Finally, previous studies found that the effect of the left-right proximity on party preference varies across political systems. This variance can be accounted for by calculating the extent of perceptual agreement (Oppenhuis, 1995). It measures the degree to which respondents in each country agree on the position of the political parties on the left-right scale[32].

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[30] It is important to remember here, that the units of analysis are "party per respondent".

[31] The variable is constructed by calculating Euclidean distances between respondent's position and his/her perceived position of each party on the left-right scale

[32] This measure was calculated using the procedure described in Van der Eijk (2001) and STATA algorithm ("agrm") developed by Alejandro Ecker

At the contextual level (nation per year), the model will test the effect of economic and institutional conditions. In some studies, the effect of the economic conditions is detected by correlating voters' economic perceptions with their voting choice (Fiorina, 1981; Lewis-Beck, 1988; Alvarez and Nagler, 1995, 1998). However, using voters' perceptions of economic conditions may be problematic. The causal flow from voters' economic perceptions to their voting choice has been questioned of endogeneity (Wlezien, Franklin, and Twiggs, 1997; Lewis-Beck and Stegmaier, 2000). Party identification is believed to be a large part of this problem (Andersen et al, 2004; Evans, 1999; Evans and Andersen, 2006; Johnston et al, 2005; Wilcox and Wlezien, 1996; Wlezien, Franklin, and Twiggs, 1997). Voters' ideological disposition affects voters' perceptions through a "perceptual screen" – a concept introduced by Campbel et al (1960) and applied to economic voting by Conover et all (1987). In order to mitigate endogeneity some suggest controlling for partisan identification (Evans and Andersen, 2006)[33].

The concerns that the effect of the economic perceptions is overestimated due to endogeneity have been mounting until very recent study by Lewis-Beck, Nadeau, and Elias (2008). The authors argue that while the bias caused by endogeneity indeed exists it is substantially downward. In order to eliminate endogeneity, the authors utilized panel data instead of commonly used cross-sectional data. They concluded that in panel data research design the effect of the economic perceptions is even greater than the effect

[33] A number of studies put out more far reaching critique arguing that economic expectations are not exogenous to politics as it was previously assumed. In their recent study Ladner and Wlezien (2007) showed that voters' economic expectations are affected not only by voters' support for incumbents but also by their forecasts of the electoral outcome

reported in cross-sectional studies. Others are less sanguine (Evans and Pickup, 2010). There is no guarantee that the issue is put to rest as the authors do not question the *existence* of endogeneity in the cross-sectional economic voting models. In order to avoid dealing with endogeneity, this study uses objective measurement of the economy – the level of economic growth, inflation, and unemployment. The number of economic contexts (in total 67) permits the use of the objective measures without under-specifying the model of economic voting.

Thus, to test the key hypothesis fundamental to the economic voting literature, the model includes national-level economic indicators and their interactions with the party incumbency dummy. The expectation is that economic growth has a positive effect on voters' support for government party while inflation and unemployment have negative effects. It addition it is expected that the effects of the economy on voters' support for opposition parties will be smaller or differently-signed than for government parties.

Among other notable determinants of party support are system characteristics. Specifically, the clarity of responsibility within a political system is believed to mediate the effects of the economy (Powell and Whitten, 1993; Whitten and Palmer, 1999; Van Der Brug, Van Der Eijk, and Mark Franklin, 2007). Given the comparative nature of this study, it is essential to take into account institutional differences between political contexts. Powell and Whitten's (1993, p. 398-406) construct the clarity of responsibility index from five measures recording whether there was: a weak party cohesion, a chairmanship of legislative committees by opposition parties, a bicameral opposition, a minority government and a coalition government.

For the past two decades the index has been refined, so some recent studies use slightly altered clarity of responsibility index. In order to calculate the index and classify the countries, this work uses methodology developed by Tavits (2007, p.221) who relies on Powell's (2000) work.

The index used in this study has four composites: government majority status, cabinet duration, opposition influence, and the effective number of parties.

The majority status of the government is considered to be the "most important element in determining clarity of responsibility" (Powell, 2000, p.52). This variable has an ordinary scale with the following values: minority government, coalition government, and majority government (Same coding as in Powell (2000, 56-57) and in Tavits (2007)). When government has a majority status, the clarity of responsibility is at its highest. Minority governments provide the lowest clarity of responsibility as in such governments opposition parties have greater influence on policymaking which obscure the responsibility (Powell, 2000; Lijphart, 1999; Tavits, 2007).

The second element – cabinet duration – calculated as the number of consecutive months a given government had been in office at the time of the election[1]. For each country, this number is then centered around the country's mean (average duration of governments between 1994 and 2009).

The third element is opposition influence on policymaking. Tavits' (2007) creates this measure out of six components: (1) the number of permanent committees, (2) whether there is a match between the standing committees and government departments, (3) whether the positions of the committee chairs is distributed among all parties in parliament or only held by the government parties, (4) whether there is a limit to the

number of committees a single parliamentarian can belong to, (5) whether there is an upper chamber and (6) whether that chamber is controlled by opposition parties. Due to the lack of data and difficulty of finding reliable sources, this work will use only three out of six components – components (3), (5), and (6) (The sources for the data are the official websites of national parliaments and their governments. Full details are available upon request). The sharing of the committee chairmanship amongst all parties, the presence of the second chamber, and the control of the second chamber by opposition parties will blur responsibility (Powell, 2000, 60-61).

The last element - the effective number of parties at the parliamentary or legislative level - measures the fragmentation of the party system and is taken from Gallagher and Mitchell (2008) (The effective number of parties at the *parliamentary or legislative* level differs from the effective number of parties at the *electoral* level as it measures seats that parties occupy in parliament instead of votes they got). The index calculated in this study does not replicate Tavits' (2007) or Powell's (2000) clarity of responsibility index one to one, and therefore, clarity scores of some electoral contexts do not match those found in their studies. This is because the first two elements of the index – majority status of the government and the cabinet duration – are time sensitive, that is, every time a new government is formed, the score changes. This study includes recent governments formed between 2004 and 2009 – a period that was not included in either Tavits' (2007) nor Powell's (2000) study.

The Main Explanatory Variable: Party Novelty

The key hypotheses of this study specify expectations of whether and how party novelty affects voters' party preferences in different economic circumstances. The

proposed mechanism of this conditional effect is binary. On the one hand, it could be the case that certain party transformations alter party identity and their ability to be recognized by voters more than others. For instance, a mere change of party name may prevent voters from making a mental connection to the party's past history, specifically to the fact that this party was in government for the past electoral cycle. This explanation fits the arguments made by Converse (1964) and his followers about the inability of a common voter to sort out political reality (Converse, 1964; Lane, 1962; Deli Carpini and Keeter, 1996). Here, voters are simply not following the news and are not aware of the changes the party experiences. It also could be the case that voters not only ignore the news, but also misinterpret available shortcuts (Bartels, 1996). This leads them to think that the party in question is genuinelty new. I will call it the "tricked voters effect".

On the other hand, it is possible that voters are aware of the connection between the rebranded party and the one that existed before the rebranding. So, the alternative explanation is not about voters' inability to recognize the party but about voters' belief that the party is genuinely attempting to reform itself and it is capable of correcting its past failures. Here, voters are ready to give the party a second chance. I will call it a "forgiving voters effect".

In both cases, the type of change matters. The differences are shown in Table 4.1. Some changes are more identifiable and more visible to voters than others. "Tricked voters effect" makes more sense with more apparent changes, such as the change of party name. There is a good chance the party will be recognized by voters if its leader does not change (except, probably, in party systems with extremely personalized parties). And change of party program is the least relevant change to the "tricked voters effect" since it

is easier to recognize a party if the only attribute that changes is its program (or, in other words, make a mental connection between the party in the past electoral cycle and the party in the present electoral cycle). Tricked voters effect assumes that voters pay attention only to visible changes, instead of the consequential ones. A "forgiving voters effect", however, can be present in all cases of party attribute change. Voters may forgive a party for its past failures and give it a second chance if they see signs of reform within a party. The signs of reform can be inferred by voters from a change of party name and/or leader (in which case voters would use the change of party name or leader as a clue to deeper changes within a party) or can be seen by more sophisticated voters directly from the change of party program.

The type of voter matters in both cases as well. The "tricked voters effect" should work primarily for unsophisticated voters since the recognition of the changed party is for the most part a matter of following the news. In case of the "forgiving voters effect", sophisticated as well as unsophisticated voters are equally capable of forgiving (or not forgiving) a government party for its failures given it has reformed itself in one way or another. The difference in voters is in whether and how they detect the change. Unsophisticated voters are more likely to use only shortcuts and clues, while sophisticated voters will use their knowledge alone with shortcuts and clues. This should make sophisticated voters' "forgiveness" more efficient – forgiving in cases where the party changed on the deeper level as opposed to cases in which the party changed its surface level attributes such as its name and leader.

Table 4.1. Binary Mechanism for the effect of Party Attribute Change

	Categories for Attribute Change							
	No change	Program only	Leader only	Leader and Program	Name only	Name and program	Name and leader	Name leader and program
Sophisticated Voters	-	**FVE**	**FVE**	**FVE**	**FVE**	**FVE**	**FVE**	**FVE**
Not sophisticated voters	-	**FVE**	**FVE**	**FVE**	*TVE*	*TVE*	*TVE*	*TVE*

Notes:

1) The expected strength of the effect is specified by the font size

2) **FVE** - "forgiving voters effect", *TVE* - "tricked voters effect"

It is assumed that the two mechanisms spelled out above connect party novelty and voters' support for government parties. These mechanisms are complementary and work in the same direction. While this study does not intend to test the difference between these two mechanisms empirically, Chapter 5 explores the basic assumption on which these two mechanisms are built on. It tests whether voters pay more attention to visible (i.e. name) or consequential changes (i.e. leader, program). This chapter will only test the naive model hypothesizing that *party novelty has a conditioning effect on voters' propensity to vote (regardless of the nature of the effect).*

Hypotheses

Thus, based on the above discussion, the foregoing expectation I posit the following expectations:

H1: Party novelty has a conditioning effect on voters' propensity to vote for parties under various economic circumstances.

H2: Both dimensions of party novelty (structural and attribute change) as well as their internal elements are expected to have a conditioning effects on voters' propensity to vote for parties given various economic circumstances.

H3: The effect specified in H2 should be seen in both government and opposition parties.

H4: In improving economic circumstances, government parties should lose from greater degrees of party novelty (or its dimensions or their internal elements), while when economy goes down government parties should benefit from greater degrees of party novelty.

H5: In improving economic circumstances opposition parties should benefit from greater degrees of party novelty (or its dimensions or their internal elements). However in deteriorating economic circumstances opposition parties should not either benefit or lose from greater degrees of party novelty.

H6: Those elements of party novelty that alter party identity the most are expected to have stronger effects than those than do not. For instance, on the change of party attribute dimension, change of party program is expected to have weaker conditional effect on this party popularity than change of party name. Likewise, on change of party

structure dimension, leaving an electoral alliance should have a weaker conditioning effect on this party popularity than suffering a split or even weaker than starting party from scratch.

Data and Methods

The data to measure voters' party preferences are drawn from two large cross-national studies: Comparative Study of Electoral Systems (CSES) and the European Election Studies (EES). In the CSES, voters' party preferences are measured using a feeling thermometer, while in EES it is measured with voters' propensity to support particular parties (PTV).

There is a reason to believe that PTV is a better measure of voters' party preferences. Some advocate the use of the propensity measure as it was found to have the stronger relation with voting choice than feeling thermometers (Van Der Brug, Van Der Eijk, and Mark Franklin, 2007). For instance it was established that whereas in 93 percent of the cases the party choice matches the party with the highest score on the support propensity measure, the match rate for feeling thermometer was much lower at 73 percent (Kroh, 2003). Since this study is interested in voters' party preferences provided that ultimately they affect voting choice, PTVs appear to be a better measure of voters' party preferences. Therefore, the data for the dependent variable as well as for some individual, party and country level variables will come from the European Election Study (EES). It has been conducted during 7 consecutive elections for European Parliament between 1979 and 2009.

Another reason for the use of the EES is spelled out by Van Der Brug, Van Der Eijk, and Mark Franklin (2007) – they encourage the use of the EES as elections to European Parliament are "uncontaminated by the idiosyncrasies of national elections". In other words, EU elections are relatively free from the effect of the campaign slogans, candidates' appearance, political scandals and other nonrandom noise that is commonly associated with national elections.

Also, a few words should be said on cyclicality in EU elections. Since the data is collected for the EU parliamentary elections, which in most of the cases do not coincide with national parliamentary elections, the model should control for the effect of the electoral cycle on popularity of incumbent parties. It has been observed that government party popularity drops in the middle of the cycle[34]. The popularity seems to go down in the first half of the cycle regardless of government performance: that is either due to government inability to satisfy conflicting demands from various groups of voters (Downs, 1957) or because the opposite is true – government satisfying demands for policies that brought them into office in the first place (Wlezien, 1995, 2004; Franklin and Wlezien, 1997; Bafumi, Erikson, and Wlezien, 2010). According to the latter view, in the second half of the cycle the popularity of incumbent parties tends to go up as they start framing new issues and formulating new policies in anticipation of the upcoming election.

The variable capturing electoral cycle is constructed in the following way. The EU election cycle is 1825 days. If national elections happened in the beginning or at the

[34] Specifically see Weber (2007, 2011) for discussion on the role of the cyclicality in the second-order elections, such as the elections to the EU Parliament

end of the EU electoral cycle – i.e. within the first 456 days (25% of the electoral cycle, from day 1 to day 456) or the last 456 days (25% of the electoral cycle, from day 1369 to day 1825) – then EU elections are considered to be coincidental with national parliamentary elections (dummy variable value of "1"). If national elections happened in the middle of the EU electoral cycle – i.e., within the period between day 457 and day 1368, then EU elections are considered to be not coincidental with national parliamentary elections, i.e., mid cycle election (dummy variable value of "0").

Furthermore, there are a few ways to measure the economic conditions in a country for a certain electoral cycle. Change measures make more sense for comparative research than the static measures. While the latter simply captures the state of the economy at a given point in time, the former highlight the trend – whether the economy got better or worth – that is more likely to be registered by voters. Therefore, the following indicators were used for the economic voting models: a percentage change in real GDP for a year of the election as compared to the previous year (i.e., real GDP growth), a percentage in annual rate of unemployment for a year of the election as compared to the previous year, a percentage change in prices for a year of the election as compared to the previous year (i.e., annual inflation rate). Data measuring economic growth, inflation, and unemployment are obtained from the OECD online database.

Finally, to estimate the model I use OLS with country and year dummies and with robust errors calculated at the individual level, not individual per party level. The errors are calculated at the individual level in order to deal with the fact that respondents give different patterns of answers to the PTV questions (remember that the data is stacked, so

the same respondent is appearing several times in the data)[35]. For instance stronger identifiers will single out one party with a high PTV score; weaker identifiers will give same PTV scores to two or more parties.

Results

As stated above, the analysis starts with replication of the economic model in which all government parties are held equally accountable for the state of the economy no matter the degree of novelty. After running models with various combinations of economic indicators it became apparent that models using GDP growth and unemployment rate generate statistically significant interactions with signs that confirm theoretical expectations. Models that use inflation and misery index as economic measures do not yield robust results.[36] Since the GDP measure is more consistent across countries than the measure of unemployment, the model using GDP growth is more reliable. Therefore, models, discussed further in the paper, are built based on the GDP growth model (see Table 4.2, Model A).

From Model A estimates, the joint effect of the GDP growth and party government status has a positive sign which supports the findings of the previous literature on economic voting[37], [38]. Government parties gain popularity from increasing

[35] See similar procedure in Van Der Brug, Van Der Eijk, and Mark Franklin (2007)

[36] The Base models testing the effect of unemployment, inflation, and misery index are not shown. See Appendix B, Table B.1.

[37] The joined effect is calculated as a sum of the *GDP growth* coefficient and the coefficient of the interaction between *government party* and *GDP growth*

[38] The fact that GDP growth is centered around its mean complicates the direct interpretation of the magnitude of the effect. As a rule of thumb: for the change of GDP (or GDP growth), all values above zero represent cases in which economy did better than

GDP growth rate and lose when it drops, while opposition parties lose from increasing GDP growth rate and gain when it falls (Figure 4.1). Graphing the interaction effect of unemployment mirrors this effect (Figure 4.2). Government parties loose popularity from increasing unemployment rate and gain when it drops, while opposition parties gain from increasing unemployment rate and loose when if falls.

Furthermore, I replicate the effect of the clarity of responsibility on party preferences (Table 4.2, Model B). The estimates reported in Model B show that the clarity of responsibility has a statistically significant conditional effect on voters' propensities to vote for parties. Figures 4.3 and 4.4 illustrate the interaction effect. They show that the punishment or the reward effect for government or opposition parties is stronger in a high clarity context (Figure 4.3) and weaker in the low clarity one (Figure 4.4), the finding that confirms previous research (Powell and Whitten, 1993; Whitten and Palmer, 1999; Van Der Brug, Van Der Eijk, and Mark Franklin, 2007). In a low clarity context, government parties do not seem to gain or lose from the change in GDP growth rate.

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the average for all 67 cases included in the research; values below zero represent cases that are worse than average

Table 4.2. Baseline Models of Economic Voting

	Model A Replication		**Model B Clarity of Responsibility**		**Model C Party Novelty**	
	Coef.	Robust SE	Coef.	Robust SE	Coef.	Robust SE
Government party	0.125***	(0.039)	0.448***	(0.058)	0.761***	(0.071)
GDP growth	-0.024***	(0.007)	-0.129***	(0.017)	-0.155***	(0.020)
Government party * GDP growth	0.050***	(0.005)	0.077***	(0.007)	0.099***	(0.013)
Clarity of responsibility			-0.060*	(0.021)	-0.246***	(0.024)
Government party * Clarity of responsibility			-0.153***	(0.019)	-0.134***	(0.021)
Clarity of responsibility*GDP growth			0.025***	(0.007)	0.025***	(0.004)
Government party * Clarity of responsibility*GDP growth			-0.008**	(0.003)	0.004	(0.003)
Party novelty					0.502***	(0.031)
Government party * Party novelty					-0.641***	(0.055)
Party novelty *GDP growth					0.071***	(0.008)
Government party * Party novelty*GDP growth					-0.078***	(0.011)
Constant	2.341***	(0.216)	2.566***	(0.211)	2.721***	(0.240)
Adjusted R sq	0.420		0.420		0.445	
N	126246		126246		88411	

*** p<0.001, **p<0.01, *p<0.05

Notes: Dependent variable is *Respondent's propensity to vote for a given party*. Country and year dummies as well as other control variables are included in the models but not reported (see Appendix B, Table B.2. for the full table). GDP growth is centered around its mean.

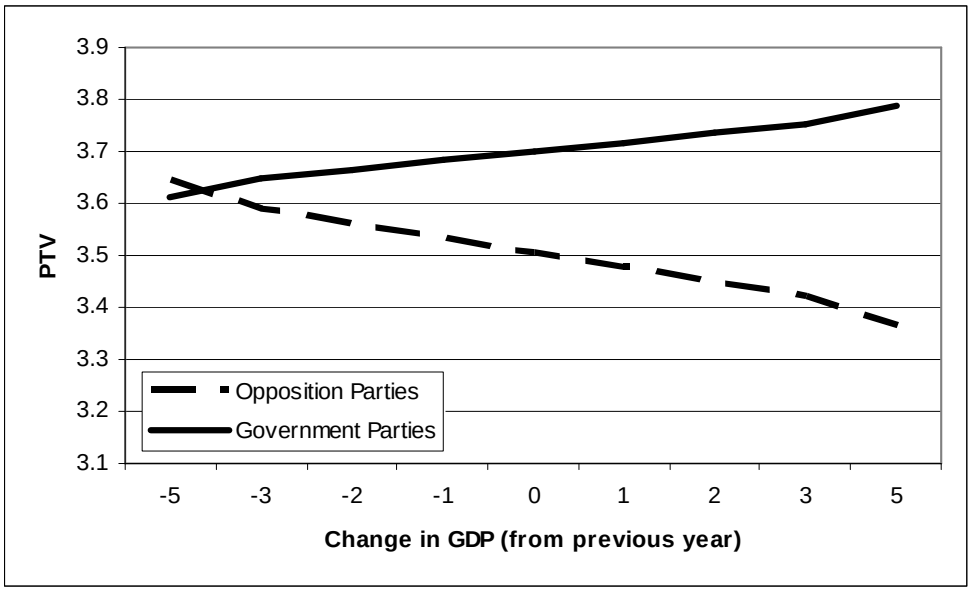

Figure 4.1. Interaction between Party Incumbency and Economic Growth (Model A)

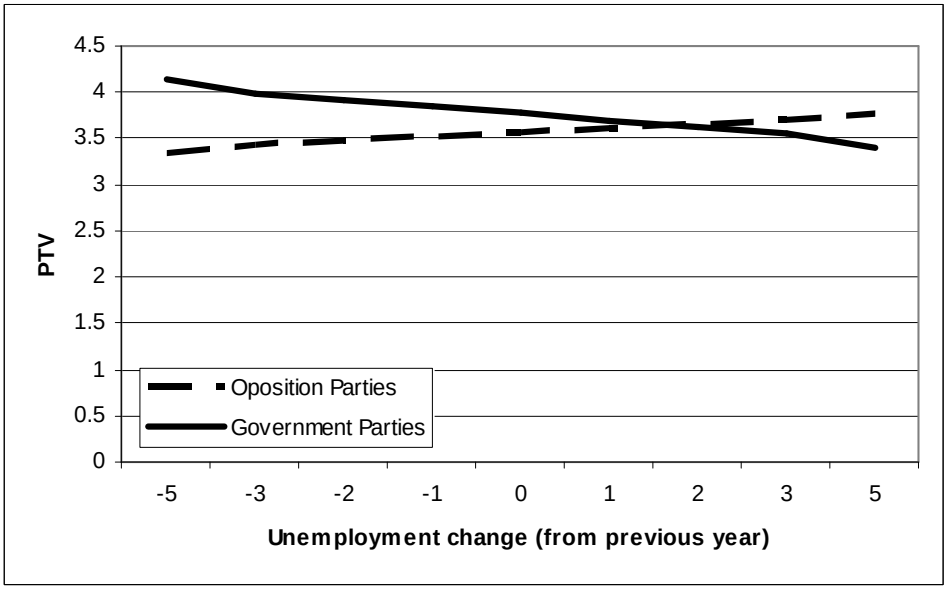

Figure 4.2. Interaction between Party Incumbency and Unemployment Rate [39]

[39] The Base models testing the effect of unemployment, inflation, and misery index are not shown. See Appendix B, Table B.1.

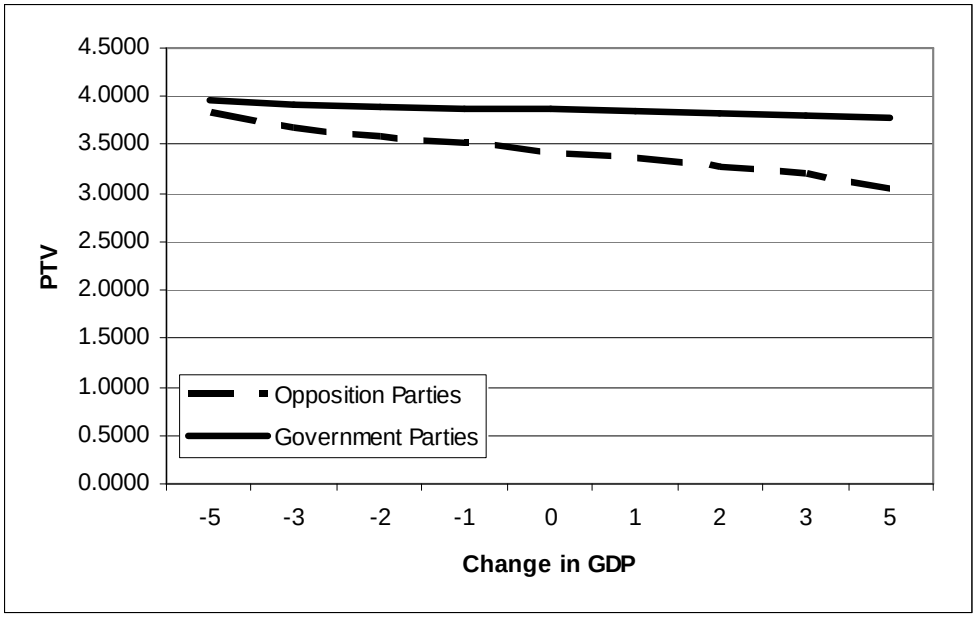

Figure 4.3. Effect of the GDP change on popularity of parties in a low clarity electoral context (Model C)

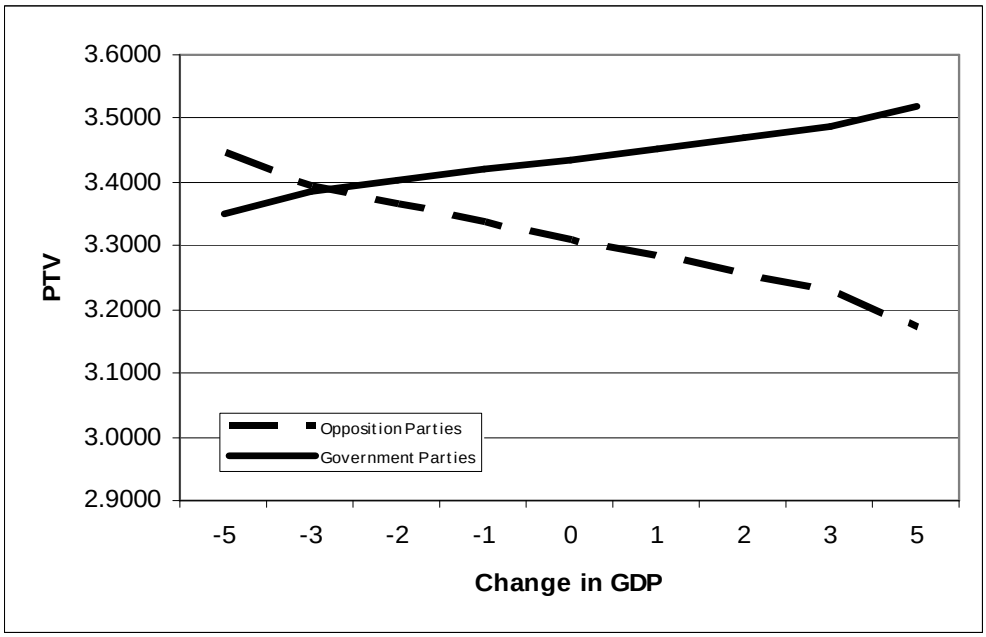

Figure 4.4 Effect of the GDP change on popularity of parties in a high clarity electoral context (Model C)

Finally, Model C builds on Model B and tests the conditional effect of party novelty on voters' propensity to vote for government parties given varying economic environments (Table 4.2, Model C). This is a naive model as party novelty here is measured with a binary variable in which "0" means that there was no change of party attributes (name, leader, and program) or party organization (mergers, splints, etc), and "1" means that there was a change of one or more elements of party attribute or party structure dimensions.

Results show that party novelty matters, as the three-way interaction between party government status, party novelty, and the change of GDP growth rate is statistically significant. This supports the first and the most naive hypothesis (H1) that party novelty matters in general terms. However, Figure 4.5 shows that the effect does not have a uniform magnitude. Those government parties that have not changed themselves in any way improve their popularity with the same *rate* as government parties that changed themselves. At the same time, changed government parties on average have lower popularity than unchanged ones. One can suspect that this effect could stem from the fact that changed parties are aware of their low popularity (or its prospects) and attempt to alter their luck by changing. However, the discussed models take this possibility into account, at least to some extent. Given the dependent variable is voters' self declared propensity to vote for each of the parties, the inclusion of the variable indicating respondents' vote in the previous national elections should control for some of this endogenous effect.

Voters' propensity to vote for opposition parties, on the other hand, tends to be affected by party novelty in a more profound way. Opposition parties that changed

themselves lose support at a slower rate when the economy improves than opposition parties that did not change themselves. However, in Figure 4.5, the plunging slope for opposition parties that have no novelty might be overstated. The reason is that there are very few opposition parties that do not change. While this data deficiency may exaggerate the magnitude of the effect, the statistical significance of the effect is robust.

Moreover, from Figure 4.5 (Model C) it is apparent, that the effect of party novelty diminishes with a worsening economy. This finding supports hypothesis H5.

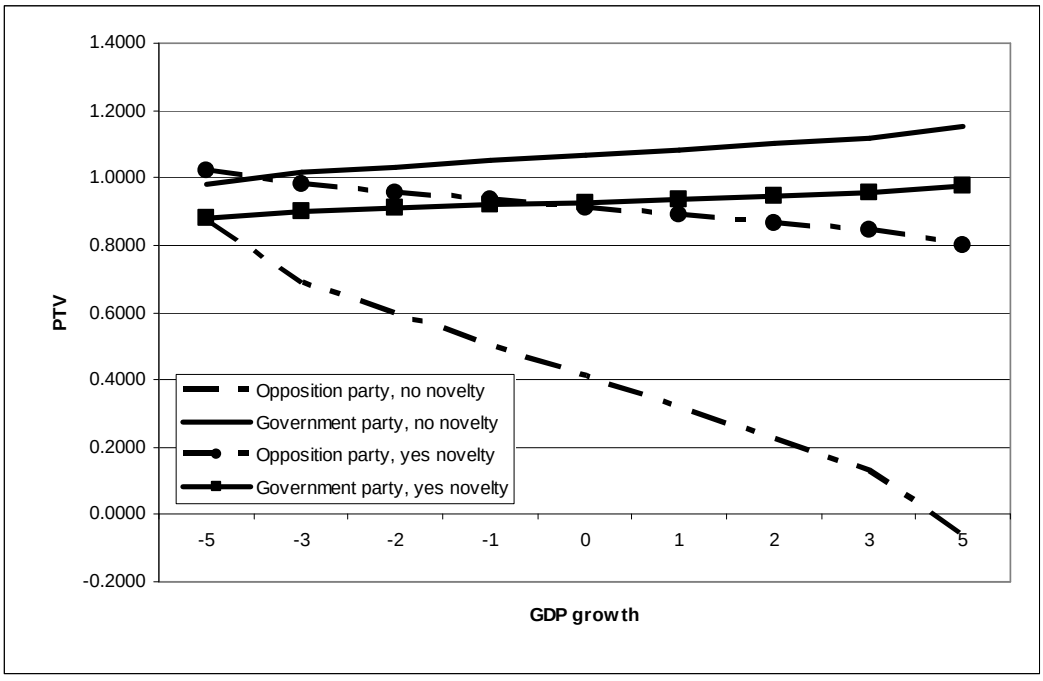

Figure 4.5 The Conditional Effect of Party Novelty on Voters' Propensities to Vote for Particular Parties (Model C)

Thus, while in the previous chapter I looked into the causes of party novelty, in this chapter I focused on its effects. I suggested and showed that party novelty has a moderating effect on the economic voting model. First, using the data from the European Electoral Study, I replicated the baseline model of economic voting in accordance with the existing literature. The results confirmed the expectations. Government parties gain popularity from improving economy and lose it when economy deteriorates, while opposition parties lose from improving economy and gain when it goes down. Moreover, this effect was found to be stronger in a high clarity context and weaker in a low clarity one.

Secondly, I demonstrated that party novelty matters in general terms, when measured in a naïve, novelty/no novelty fashion. Changed government parties on average have lower popularity than unchanged ones. At the same time, when economy is improving, the rate with which popularity increases is the same for changed and unchanged government parties. Opposition parties that changed themselves lose support at a slower rate when the economy improves than opposition parties that did not change themselves. Moreover, the effect of party novelty diminishes with a worsening economy.

The consequences of these results are quite interesting. They tell us that the party change, in its broadest meaning, evens out the effect of the economy on popularity of opposition and government parties. It *may* mean that government parties cannot trick voters by changing in some way in deteriorating economy. Or, to the same point, it *may* mean that voters simply do not believe in the genuineness of government party change. It also signals that voters care about changes within opposition parties. The type of change *may* matter – is it a superficial change of name, deeper program changes, or sweeping

structural changes. The next chapter will test some of these possibilities and explore the effect of party novelty in depth.

CHAPTER 5

PARTY NOVELTY EFFECT EXPLORED: PARTY NOVELTY CATEGORIES AND THE TIMING OF CHANGE

While the previous chapter shows that party novelty matters in general terms, this chapter elaborates on the ways it matters. It aims at learning more about the effect party novelty has on the economic voting model in two aspects. First, I use specific categories of party novelty, as independent variables, to see what kind of changes matter the most. In addition, I look into whether and how the timing of party change matters.

The effect of structural and attribute change

As was previously discussed, party novelty includes various kinds of party change. They can be divided into two groups: the change of party attribute and the change of party structure. The party attribute group includes changes of party name, leader, and program. The party structure group includes such categories as joining electoral coalition, abandoning electoral coalition, expanding by merger, suffering a split, and forming anew from several sources – a merger, a split, a dissolution, and from scratch. These types of changes are expected to affect economic voting.

First, let us consider change of party attributes. Some changes are more visible, but superficial, such as change of name, while others are rather deep and consequential, but not visible to voters, such as change of party manifesto. Change of party leader theoretically should be somewhere in the middle, since some parties are more personalized than others. So, the question is: do voters react more to visible party changes or consequential ones?

On the one hand, voters may react only to visible changes. Visibility of a certain change is mostly defined by the accessibility of information about it. The change of party name is the most overt event, unless the entire party brand is based on a prominent personality of its leader. Name is the first piece of information that voters learn about a party. It is likely to be the only knowledge they get, given that most of voters are generally disinterested in politics and are not likely to read more comprehensive material on the internal organization and the manifesto of a given party. This expectation comes from a large body of research in political behavior starting from Converse (1964), who established the absence of political knowledge amongst voters, to Bartels (1996), who questioned voters' ability to use available informational shortcuts to substitute for the lack of substantial knowledge.

Thus, by this logic, the change of party name should have a greater conditional effect than the change of party leader or program. The change of party leader, however, may compete with the change of party name in countries with personalized, leader-oriented politics, such as in Eastern European democracies. Finally, since party program is the least accessible and least visible information about a party, it should not have a conditional effect on economic voting, or its effect should be relatively minor.

On the other hand, voters may react to more consequential party change, such as change of party program, rather than to a visible and superficial one. There is a large body of literature showing that voters are capable of sorting out political reality with help of various cues they get from mass media, interest groups, and other sources (Popkin, 1991; Sniderman, Brody and Tetlock, 1991; Lupia 1994; Rahn, 1993). In this view, voters are fairly equipped to make voting decisions in tune with their preferences. Thus,

voters may learn about the change of party program, the most consequential change of the three, regardless of whether they read party leaflets or tuned to other shortcuts of getting this information. In this case, we should see a stronger conditional effect from the change of party program than from the change of party name. Again, change of party leader should be somewhere in the middle.

Thus, based on the above discussion, we have two mutually exclusive hypotheses. The first one states that party changes that are not consequential but visible to voters will have the conditioning effect on the punishment/reward mechanism (H1). The second one states that party changes that are not visible but consequential will have the conditioning effect on punishment/reward mechanism (H2) (Table 5.1). This chapter will test which one of these two competing hypotheses hold.

Table 5.1. The expected effect of visible changes vs. the expected effect of consequential changes

		Visibility of change	
		Not visible	Visible
Depth of change	Not consequential	H1	Change of name
	Consequential	Change of manifesto	H2

Change of

Note: The thickness of the arrows depict the size of the effect

Now that we set the expectations about party attribute change, let us turn to setting theoretical expectations regarding the effect of structural changes. Structural changes alter party's identity by tossing up the elites and by altering party attributes. This alteration of party identity should break the link between the current party and the party it was previously based on. If this mechanism is at place, we should see structurally changed *government* parties rewarded less than unchanged ones in a good economy, and punished less in a bad economy. This is hypothesis H3 and it is depicted in Figure 5.1.

New *opposition* parties, however, could be the agents of new opportunities and new hopes. Thus, hypothesis H4 states that when economy deteriorates, voters might be more interested in new actors, as some opposition parties might have participated in the previous governments and showed their inability to improve the situation in a country (Tavits, 2008). This expectation regarding opposition parties is shown in Figure 5.2.

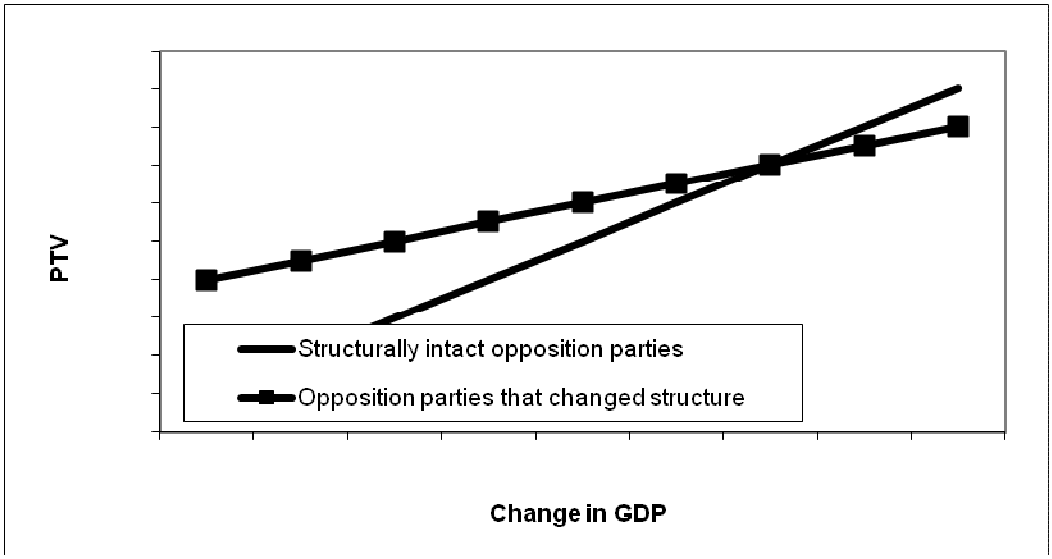

Figure 5.1. Hypothetical effect of structure change on voters' propensity to vote for opposition parties (Hypothesis H3)

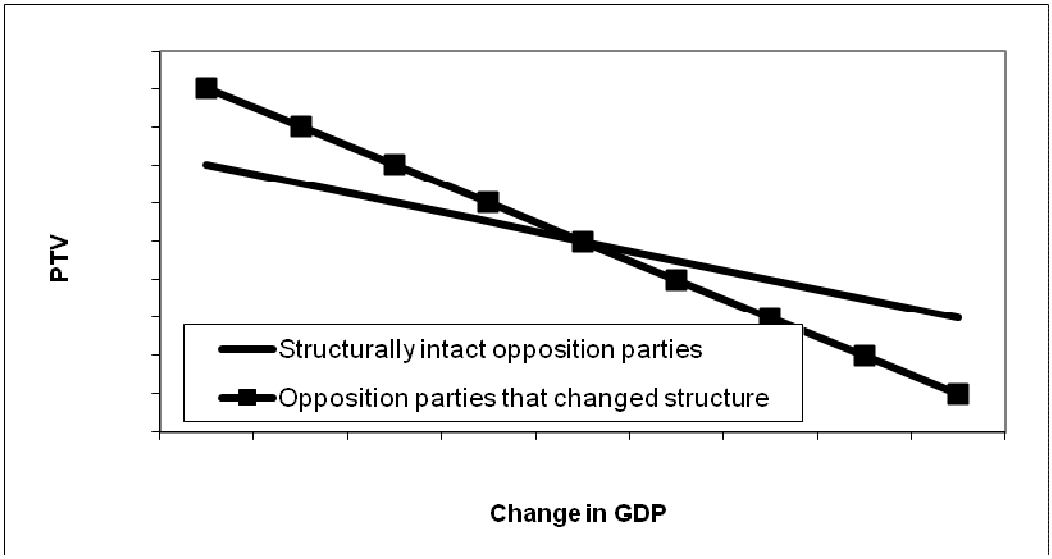

Figure 5.2 Hypothetical effect of structure change on voters' propensity to vote for opposition parties (Hypothesis H4)

Now, let us turn to testing all the hypotheses discussed above. First, I will assess the hypotheses that refer to party attributes and test the "visible versus consequential change" argument. We return to our economic models used in the previous chapter. This time, instead of using a catch all variable "party novelty", I will use dichotomous variables indicating whether a given party has changed one or another attribute.

The results are shown in Table 5.2. The first model explores the effect of the name change. In general terms, it tells us that, on average, changing name is not a good strategy for any party. But most importantly, is the finding that the triple interaction between the name change dummy, party government status, and the state of the economy is not statistically significant. It means that there is no difference between parties that changed their name and did not, given a party's incumbency status in various economic circumstances. Thus the model failed to support hypothesis H1 and, at the same time, confirmed hypothesis H2.

The other two models in Table 5.2 show statistically significant triple interactions with attribute dummies. The coefficients are graphed in Figure 5.3 (the top two graphs). The graphs show that the change of opposition party leader, and, even more so, the change of party program tends to increase opposition party popularity in improving economic conditions, when government parties usually have the upper hand.

As far as government parties are concerned, there is no substantial difference between parties that have changed their leader and the ones that have not (even though

the difference is statistically significant)[40]. Government parties that change their program, however, tend to do better when economy improves than the parties that have not.

Thus, the results show that the conditional effect of the name change was not statistically significant, the conditional effect of the leader change was significant but marginal, and the conditional effect of the program change was significant and evident when graphed. This finding supports hypothesis H2. Voters are more responsive to consequential and deep changes of party attributes as opposed to visible and superficial ones. The most visible and the least consequential changes do not full voters. This is an optimistic finding since it shows that voters are capable of holding parties accountable on the basis of deep consequential changes rather than visible and superficial ones.

Now, let us move on to the second dimension of party novelty – change of party structure (hypotheses H3 and H4). In order to assess its effect, I ran the same regression models shown above, using structural change dummies instead of the attribute change ones. Tables 5.3 and 5.4 report the results from eight regression models corresponding to the eight categories of structural change within parties.

[40] The significance of party leader change needs more attention. It is interesting in the light of the recent research pointing to the increased role individual politicians play in the European electoral scene. For instance, Curtice and Holmberg (2005) show that individual politicians influence the choices made by voters more than was expected. Also, Kaase (1994) and Rahat and Sheafer (2007) provide the evidence of politicians gaining importance in media coverage of politics. Finally, the recent conference paper by Renwick and Pilet (2011) shows the increasing personalization of electoral systems in Europe. It could be hypothesized that the effect of the party leader change differs for Eastern or Southern Europe (where politics tends to be more personalized) and for Western Europe. Separate analysis indicates that including region in the model does not make any real difference. Most importantly, the four-way interaction between region, party government status, GDP change, and the change of party leader was not statistically significant.

Out of eight models that include interactions with the change of party structure four have statistically significant conditional effect on voters' propensity to vote. The conditional effects in two of those four models – one related to parties emerged anew from a split and the other related to parties emerged from scratch – are especially pronounced. Those two models are graphed in Figure 5.3 (bottom two graphs).

First, let us focus on government parties. Hypothesis H3 states that the punishment/reward mechanism should be muted for new parties. The bottom two graphs in Figure 5.3 do not support this hypothesis. Voters react the same way to splinter government parties as to unchanged government parties (the slopes for both are the same in the bottom left graph).

Table 5.2. The effect of the Attribute change indicators (name, leader, program) on economic voting, Economy is measured with GDP growth

	Change of name		Change of leader		Change of program	
	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.
Government party	0.371***	(0.059)	0.563***	(0.062)	0.461***	(0.063)
GDP growth	-0.139***	(0.017)	-0.148***	(0.017)	-0.125***	(0.018)
Government party * GDP growth	0.046***	(0.007)	0.075***	(0.008)	0.037***	(0.009)
Party changed name	-0.483***	(0.025)				
Government party*party changed name	0.374***	(0.082)				
Party changed name*GDP	-0.026***	(0.006)				
Government party*Party changed name*GDP	0.012	(0.012)				
Party changed leader			0.346***	(0.019)		
Government party*party changed leader			-0.331***	(0.037)		
Party changed leader*GDP			0.015***	(0.004)		
Government party*Party changed leader*GDP			-0.021***	(0.006)		
Party changed program					0.195***	(0.025)
Government party*party changed program					-0.073	(0.044)
Party changed program*GDP					0.032***	(0.005)
Government party*Party changed program*GDP					-0.02**	(0.007)

Notes: 1) *** p<0.001, **p<0.01, *p<0.05 ; 2) Country and year dummies as well as other control variables are included in the models but not reported (see the full table in Appendix B, Table B.3.); 3) Most important issues and GDP growth were centered around their means

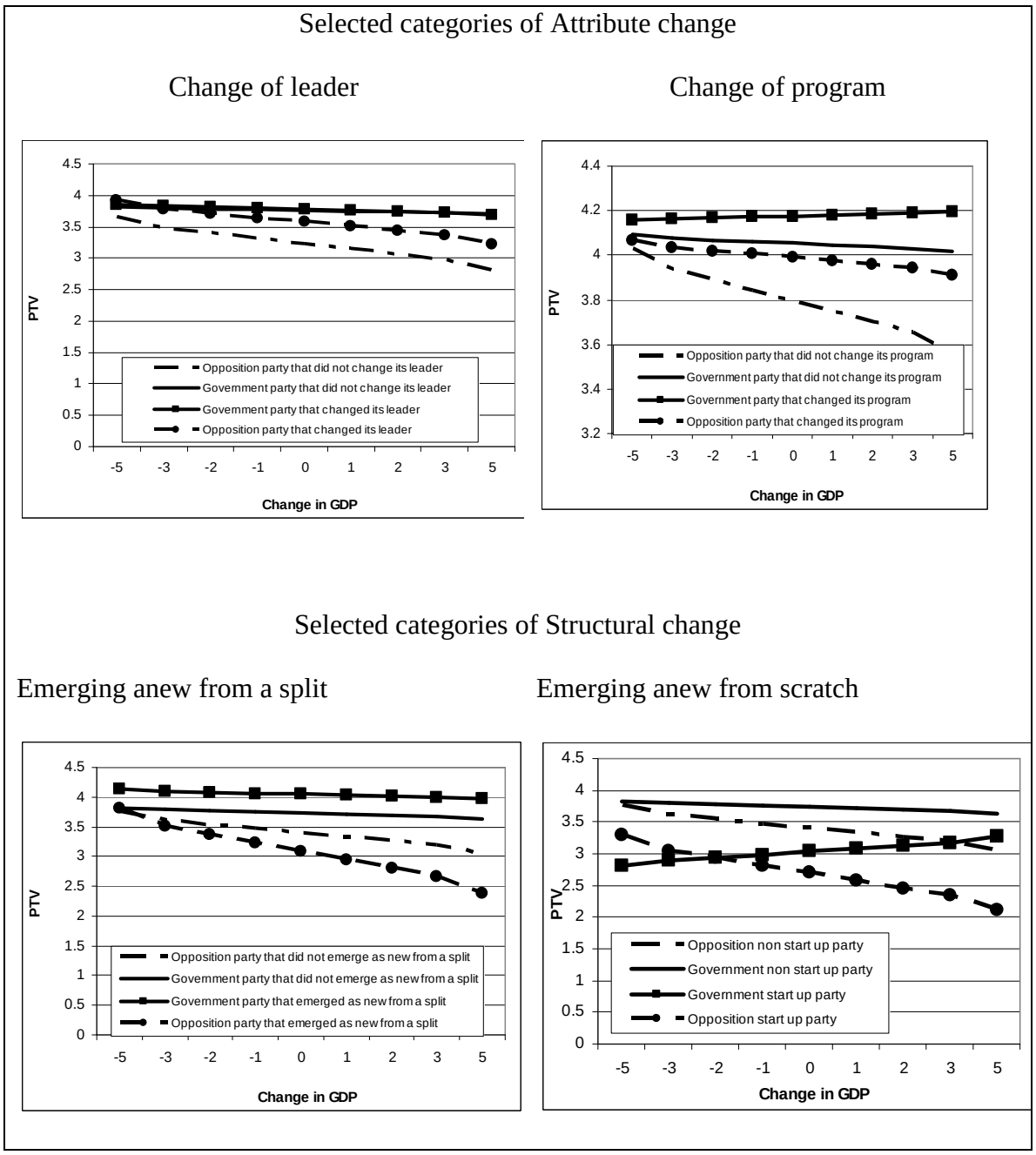

Figure 5.3 The effect of structural and attribute change on voters' propensities to vote for parties[41]

[41] See graphs for other models in Appendix C, Figures C.1. and C.2.

Moreover, new government parties that emerged from scratch are rewarded as economy improves and punished as economy deteriorates to the grater degree than the other government parties (the slope for start up government parties is steeper than for unchanged government parties in the bottom right graph)[42]. In other words, voters attribute economic improvements and economic failures to the new actors more than the old ones. As was already stated, this contradicts hypothesis H3, which assumes the existence of democratic accountability.

Second, let us move on to opposition parties and assess the hypothesis H4. As was expected, new opposition parties tend to gain more than unchanged ones when economy is bad – the slopes for splinter and start up opposition parties are steeper than for the structurally unchanged parties (two bottom graphs in Figure 5.3). This supports hypothesis H4 and goes along the argument put forward by Tavits (2008) regarding the advantage new opposition parties have over the old ones – they have not participated in the previous governments and, thus, have no record of failing in running a country.

To sum up findings from this section, as far as the change of party attributes are concerned, voters hold parties accountable on the basis of deep consequential changes rather than visible and superficial ones (H1 and H2). Moreover, analysis of the change of party structure showed that new opposition parties have a greater chance of getting votes in deteriorating economy than the structurally intact opposition parties (H4). On the flip side, I found that voters hold new government parties accountable for bad economy to the greater degree than structurally unchanged ones.

[42] Government start up party is the phenomena that resulted from the fact that a party emerged between the EU parliamentary election and the national election, consequently winning some seats in the latter. Thus, in this case, a party is recorded as both a new party and a government party.

Table 5.3. The effect of the Structural change indicators on economic voting, Economy is measured with GDP growth

	Abandoned List		Joined list		Expanded by merger		Suffered a split	
	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.
Government party	0.449***	(0.058)	0.448***	(0.058)	0.446***	(0.059)	0.465***	(0.058)
GDP growth	-0.129***	(0.017)	-0.128***	(0.017)	-0.137***	(0.017)	-0.125***	(0.017)
Government party * GDP growth	0.077***	(0.007)	0.08***	(0.007)	0.076***	(0.007)	0.074***	(0.007)
Abandoned list	Dropped							
Government party * Abandoned list	Dropped							
Abandoned list* GDP growth	0.031	(0.028)						
Government party * Abandoned list* GDP growth	Dropped							
Joined list			0.027	(0.23)				
Government party * Joined list			0.123	(0.27)				
Joined list* GDP growth			0.057	(0.045)				
Government party * Joined list* GDP growth			-0.061	(0.046)				
Expanded by merger					-0.339***	(0.066)		
Government party * Expanded by merger					0.025	(0.096)		
Expanded by merger * GDP growth					-0.034***	(0.007)		
Government party * Expanded by merger * GDP growth					0.015	(0.012)		
Suffered a split							0.193***	(0.043)
Government party * Suffered a split							-0.21*	(0.115)
Suffered a split * GDP growth							-0.006	(0.006)
Government party * Suffered a split * GDP growth							-0.054**	(0.019)

Notes: 1) *** p<0.001, **p<0.01, *p<0.05

2) Country and year dummies as well as other control variables are included in the models but not reported (see the full table in Appendix B, Table B.4.)

3) Most important issues and GDP growth were centered around their means

Table 5.4. The effect of the Structural change indicators (new party formations) on economic voting, Economy is measured with GDP growth

	New from Merger		New from Split		New from Dissolution		Start up	
	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.
Government party	0.441***	(0.058)	0.438	(0.058)	0.415***	(0.059)	0.454***	(0.058)
GDP growth	-0.132***	(0.017)	-0.137**	(0.017)	-0.116***	(0.017)	-0.139***	(0.017)
Government party * GDP growth	0.082***	(0.007)	0.072**	(0.007)	0.074***	(0.007)	0.064***	(0.007)
New from merger	-0.144***	(0.042)						
Government party * New from merger	0.11	(0.097)						
New from merger * GDP growth	0.021**	(0.007)						
Government party * New from merger * GDP growth	-0.06***	(0.014)						
New from split			-0.303***	(0.045)				
Government party * New from split			0.622	(0.343)				
New from split * GDP growth			-0.071***	(0.008)				
Government party * New from split * GDP growth			0.072*	(0.03)				
New from dissolution					-0.72***	(0.063)		
Government party * New from dissolution					Dropped			
New from dissolution * GDP growth					0.09***	(0.027)		
Government party * New from dissolution * GDP growth					Dropped			
Start up							-0.704***	(0.088)
Government party * Start up							Dropped	
Start up * GDP growth							-0.046***	(0.009)
Government party * Start up* GDP growth							0.111***	(0.013)

Notes: 1) *** p<0.001, **p<0.01, *p<0.05; 2) Country and year dummies as well as other control variables are included in the models but not reported (see the full table in Appendix B, Table B.5.); 3) Most important issues and GDP growth were centered around their means

The effect of timing of change

The effect of party novelty can be explored even further. In this section I suggest, that the timing or the "recency" of change is another dimension of party novelty.

The right timing of change within a given electoral cycle may make a big difference in party popularity. Consider a situation in which the economy deteriorates and opposition parties anticipate gaining popularity. Here, Slovak opposition party "Slobodne forum" (SF) serves as an example. In 2004-2009 EU electoral cycle the economic growth was at -4.7 percent. As an opposition party, SF supposed to gain votes. However, it lost 2.62 percentage points instead, losing its vote share from 3.25 to 1.57 percent. At the beginning of the electoral cycle, in October 2004, almost four years before the 2009 EU elections the party underwent a split: Ivan Simko left the party and founded a new political party named "Misia 21". Would party failure at the ballot box change if the defection happened right before the election?

Now, bare this question in mind and consider another situation in which the economy of the country goes well. Government parties expect to improve their popularity, while opposition parties struggle to maintain it. A good example is the 1994-1999 EU electoral cycle in France. The GDP growth in 1998, the year before the elections was at 3.2 percent. "Parti Socialiste" (PS) was an incumbent party hoping to gain votes. And it did by joining forces with another government party "Mouvement des Radicaux de Gauche" (MRG) two months before the elections. In 1999 EU parliamentary elections the joined list got 21.95 percent of votes. In the previous EU elections PS and MRG ran separately and got 14.49 and 12.3 percent respectively. Given a solid economic

growth and the combined vote shares of both parties in the previous election, the joined list had limited electoral success. Here, the question is: could the joined list have gained more votes if it was formed earlier than two months before the elections? This section attempts to answer questions like this one and the one asked in the previous example.

Many scholars consider voters to have a short-term memory (Kramer, 1971; Paldam, 1991). From this point of view, for instance, short-term economic changes are believed to be more consequential. But what can we expect from the short-term and long-term changes within parties? If we assume the short-term memory effect, recent party changes should have greater effect on voters' willingness to punish or reward the party. Voters usually remember the last event as the most significant. If the last event is the change within a party then the effect of the country's economy should be mitigated.

Specifically, we should expect that when economy is good, parties that change immediately before the election should do worse than parties that change long before the election or do not change at all (H5). On the other hand, when economy goes bad, parties that change immediately before the election should do better than parties that change long before the election or do not change at all (H6).

In order to test these hypotheses I construct a variable measuring timing of change in terms of the number of months, past from the time of change to the election. This measure can tell to what degree a party is "new" on one type of change or another. The closer the change to the date of the election, the newer it is, the greater is the degree of novelty for that given party. To standardize this measure I create a ratio variable representing the timing of change in relation to the EU electoral cycle. It equals the number of months from the date when the change occurred to the date of the following

EU elections divided by the length of the EU electoral cycle (measured in months between the two EU parliamentary elections). Thus, it is a continuous ratio variable in which 0 represents the change that happened immediately before the current EU elections and 1 represents the change at the time when the last EU election occurred. Parties that stayed intact with no recorded change were assigned a value of 1. The fact that parties that have not changed are essentially equated with parties that changed at the beginning of the electoral cycle highlights one of the main theoretical assumptions made in this paper: party novelty is a quality that party acquires within one electoral cycle. Recall, as was discussed in Chapter 4, once a party participates in an election, its novelty is reset to zero.

To assess the effect of timing, I use the same regression models used in the previous section of this Chapter. This time, however, instead of a dummy variable indicating party change I use a ratio continuous variable measuring the timing of change.

I estimate only three models testing the conditional effect of the party name change, leader change, and structural change. I do not include the change of party program in the analysis, as the data on the timing of program change is unavailable.

The first model, testing the effect of party name change, shows that, on average, the further in the past within the EU electoral cycle the name change is, the greater the voters' propensity to vote for that party (Table 5.5, Model F). However, regression results do not show significant triple interaction between party incumbency, the timing of party name change and the change of GDP. This means that government parties that change their name are still not able to escape the punishment at the ballot box when the economy goes down.

Table 5.5 The effect of timing of change on Economic Voting (within EU electoral cycle)

	DV: Respondent's Propensity to Vote for a Given Party		
	Party name change	Party leader change	Structural change
Government party	0.837626* (0.344428)	0.157564* (0.06267)	0.748358*** (0.082961)
GDP growth	-0.08100*** (0.020563)	-0.13453*** (0.017339)	-0.17486*** (0.0179)
Government party * GDP growth	-0.06419 (0.053204)	0.042636*** (0.007937)	0.088087*** (0.008395)
Timing of party name change	0.804475*** (0.052986)		
Government party * Timing of party name change	-0.34283 (0.342278)		
Timing of party name change *GDP growth	-0.04584*** (0.01051)		
Government party * Timing of party name change *GDP growth	0.090243 (0.053366)		
Timing of party leader change		-0.43732*** (0.023314)	
Government party * Timing of party leader change		0.397046*** (0.044721)	
Timing of party leader change *GDP growth		-0.01598*** (0.004672)	
Government party * Timing of party leader change *GDP growth		0.034304*** (0.007795)	
Timing of structural change			0.395331*** (0.02951)
Government party * Timing of structural change			-0.32635*** (0.059841)
Timing of structural change *GDP growth			0.047104*** (0.004668)
Government party * Timing of structural change *GDP growth			-0.02274** (0.008628)
Constant	1.636325*** (0.223877)	2.436465*** (0.213425)	1.927742*** (0.217428)
R sq adj	0.431111	0.429556	0.423436

Notes: 1) *** p<0.001, **p<0.01, *p<0.05; 2) Country and year dummies as well as other control variables are included in the models but not reported; 3) Most important issues and GDP growth were centered around their means

The timing of party leader change has more significant and robust effect on voters' propensity to vote than the change of party name (Table 5.4, Model G). The effect of timing on its own shows that the more remote within the EU electoral cycle the change is, the lower the voters' propensity to vote for that party.

And, finally, the timing of structural change affects voters' propensity to vote for parties at the statistically significant level (Table 5.4, Model H). It shows that the further in the past the structural change occurs, the greater the voters' propensity to vote for that party. The triple interaction in this model is statistically significant when using either GDP change or unemployment rate[43]. Figure 5.4 shows a very clear distinction of the timing effect in good versus bad economy. During the economic growth, the more remote in the past the structural change within a party is, the greater the voters' propensity to vote for that party. When the economy deteriorates, the effect is the opposite: a party will do much better if it changes its structure immediately before the elections. These findings support hypotheses H5 and H6. The effect of structural change, however, is nearly the same for both government and opposition parties.

So, coming back to our examples, Slovak opposition party "Slobodne forum" (SF) would have gained more votes in deteriorating economy if the split happened closer to the EU elections. On the other hand, French alliance between two government parties – "Parti Socialiste" (PS) and "Mouvement des Radicaux de Gauche" (MRG) – would have been more successful if they joined forces earlier than two month ahead of the elections (see the hypothetical placement of both examples in Figure 5.4).

[43] Models using unemployment rate are not shown.

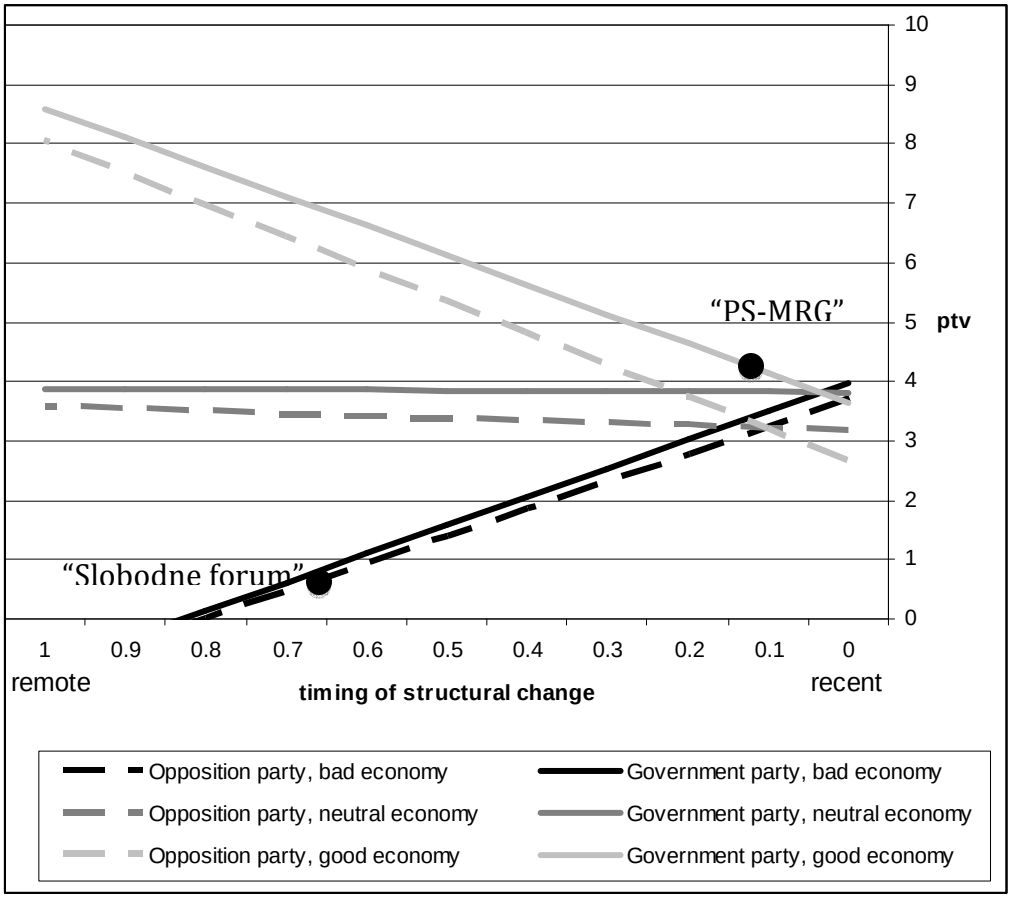

Figure 5.4. The effect of the timing of structural change on voters' propensity to vote for parties (Model H)

Note: The placement of parties on the graph is hypothetical.

Now, we are going to focus on the EU electoral cycle. It is important to note that the timing variable was calculated based on the EU electoral cycle without taking into account national elections. Since most of the EU member states have national election cycles not coinciding with the EU ones, it is evident that some of the changes parties underwent fall within the period between the previous EU election and the national election. Thus, these party changes might not be new for voters at the time of the next EU elections. Good examples of such cases are the Lithuanian party Tautos prisikėlimo partija (National Resurrection Party) in 2009 EU elections and the Italian party Forza Italia in in 1994 EU elections. The latter was formed by Berlusconi on January 18, 1994. Then, as a result of the Italian national elections on March 27, 1994, Forza Italia became a government party and a few months later participated in the EU elections on June 12, 1994.

In order to control for such disturbance, models listed in Table 5.4 were re-run with the altered timing variable that records only party changes that occurred within the period between national parliamentary elections and the following EU elections. The resulting coefficients maintain the signs and statistical significance seen in the original models[44]. This confirms the robustness of the results shown in Table 5.4.

Conclusion

In this chapter I accessed the conditional effect of party novelty on votes' party preferences in two aspects: types of party change and timing of change. Both aspects

[44] The models are not shown.

reveal the extent to which voters hold parties accountable in given economic circumstances.

All in all, the findings presented in this section support the existence of democratic accountability. As far as the change of party attributes are concerned, voters hold parties accountable on the basis of deep consequential changes rather than visible and superficial ones (H1 and H2). Moreover, analysis of the change of party structure showed that new opposition parties have a greater chance of getting votes in deteriorating economy than the structurally intact opposition parties (H4). This finding points at the existence of democratic accountability, as it could be a sign of a second order punishment effect – when opposition parties might be punished for their failures in the previous governments. On the flip side, the finding that voters hold new government parties accountable for bad economy to the greater degree than structurally unchanged ones does not support democratic accountability argument. Or, at least, the link is not straightforward. Perhaps, voters attribute government failures to the lack of experience and expertise new parties bring to the government.

In terms of the timing of change, we learned that a party would do better if it changes its name at the beginning of the electoral cycle. The trend is opposite when considering the change of leader. A party would be better off if it changes its leader right before the election.

Finally, it was found that during good economic times, a party would do much better if it changed its structure as far remote in the past as possible within a given electoral cycle. On the other side, during bad economic times, a party would do much better if it changed its structure immediately before the elections. In other words, while

democratic accountability exists, a party can affect the extent of punishment effect by choosing the right timing of change.

CHAPTER 6

CONCLUSION

This study has explored the concept of party novelty and its effects on voter's party preferences. We have seen that party novelty can be measured. We also have seen that party novelty varies in understandable ways. Perhaps most importantly, party novelty matters. It moderates economic voting, and this effect differs across types of changes and the timing of change.

In particular, I have done the following. I defined party novelty as the degree of change within a party in terms of its structure and attributes during an electoral cycle. I differentiated changes of party attributes, i.e., the change of party name, leader, and program, from the changes of party structure, i.e., joining electoral coalition, abandoning electoral coalition, expanding by merger, suffering a split, and forming anew from a merger, a split, a dissolution, and scratch. Then, I highlighted the empirical relevance of party novelty by exploring its variation across types of changes.

I established that in more than 80 percent of cases parties changed themselves in some ways to some degree. This is interesting and important. But, what explains the variation in party novelty? Does the variation matter? That is, does it affect voters' party preferences? These questions were explored in the third, fourth and fifth chapters of this dissertation.

We learned that parties are most likely to change their names and programs, abandon their electoral lists, and emerge anew from a split in democracies with presidential form of government. In addition, in young democracies, one is more likely to

encounter a start-up party and a party that is expanded by a merger or a defection from other party. Moreover, I found that economic conditions affect party novelty. Specifically, a bad (good) economy makes parties more (less) likely to change. The same is not true for party names and leaders, which are unaffected by economic conditions. Furthermore, the patterns do not hold equally for all parties. Government parties are more likely to respond to changing economic conditions. This is as one would expect given the electoral connection between the economy and government parties political prospects. That is, government parties have an interest in changing to avoid responsibility in the face of poor economic conditions and electoral retribution.

Structural changes are more common in Eastern Europe. This finding fits with the general view of Eastern European party systems as more dynamic, in which splits or mergers are more common (Kreuzer and Pettai, 2003; Birch, 2003; Sikk, 2005). At the same time, Western European parties changed more than Eastern European ones in terms of their attributes, especially the program and leader. These regional differences do not necessarily mean that Western European states show more dynamism in changing party attributes. It could be the case that Eastern European parties simply do not survive the change of leaders or severe changes in programs, disintegrating instead. This would fit with the claims that Eastern European politics is more personalized (White et al 2007). Party appeal is often tied to a certain person, who also serves as a party leader almost by default. In this case, the change of leader would shake up party structure or even endanger party existence. Western European parties, on the other hand, are less vulnerable. When party leader or program changes, they are more likely to remain

structurally intact. The change of leader is less of an ad hoc event for Western European parties and is much more common.

Party novelty influences voters' propensities to vote for particular parties. In general terms, I showed that party novelty conditions voters' support for government and opposition parties given various economic conditions. Changed government parties, on average, have lower popularity than unchanged ones. In contrast, changed opposition parties, on average, have higher support than unchanged ones. The magnitudes of these two effects are greater in a good economy than in a deteriorating one.

The effect of party novelty varies across the types of change. Voters hold parties accountable on the basis of deep consequential changes, such as the change of party leader and, even more so, the change of party program, rather than visible and superficial ones, such as the change of party name. In other words, voters are more likely to punish a government party for the mismanagement of the economy, unless the party changes its leader or makes substantial changes to its program. Moreover, analysis of the change of party structure showed that new opposition parties have a greater chance of getting votes in a deteriorating economy than the structurally intact opposition parties. Also, voters hold new government parties accountable for a bad economy to a greater degree than structurally unchanged ones.

Timing also matters. The effect of the timing of party novelty acquisition is nearly the same for government and for opposition parties. When the economy is improving, all else being equal, the earlier in the electoral cycle a party acquires its novelty the greater is the voters' propensity to vote for that party. Likewise, when the economy is deteriorating,

the closer to the elections a party acquires its novelty the greater is voters' propensity to vote for that party.

It is useful to explore the implications for party behavior in greater detail. First, consider a government party when the economy is improving. Here, leaders should not attempt to innovate, as this will tend to diminish their electoral prospects. The only change that may improve a government party's electoral luck is altering its program.

As far as the structural changes are concerned, defecting from a government party and forming a new party from a splinter faction, when economy improves, is not likely to deliver electoral gains to either of the two parties. If the split is unavoidable, it should be done early in the electoral cycle to give voters some time to recognize and associate a splinter party with the government and the economic improvements in the country.

Moreover, a genuinely new party that managed to get into the government at the national elections is likely to get lower support than more experienced government parties. This effect is true regardless of the size of the new party.

Second, consider a government party that is facing an economic crisis. In this circumstance, there may be a strong inclination for party elites to change. The benefit of doing so is limited, however. That is, only changes in party program matter and only by comparison with other government parties that do not change their programs.

Moreover, during the economic crisis some factions of government parties may want to defect, following internal disagreements about the mismanagement of the economy. The research shows that the resulting new splinter parties have a greater popularity than their mother-parties, especially if the split happens close to the elections. Genuinely new parties that managed to get into the government at the national elections

are likely to be hit the most by the economic downfall out of all other parties in government.

Third, let us now turn to an opposition party in a growing economy. Such a party has a strong incentive to try to innovate. Otherwise, it will have lower chances of getting voters' preference. Not all transformations will have the same effect, however. The best way to improve the party popularity is to change the leadership and, even more so, to alter the program. Mere change of name will not have any affect – voters do not react to such superficial change.

Moreover, if there is a disagreement with an opposition party, some members may form a fraction and defect. Such a split should be avoided. A splinter party will have even lower chances to gain votes after splitting. Similarly, a brand new opposition party, formed when economy is improving, will do worse than other opposition parties and much worse than government parties. In terms of the timing of formation, the closer to the elections the party is formed (a splinter or a brand new one) the less support it will get.

Finally, we take an opposition party in bad economic times. For this party, party innovation is a good thing. The greater the economic downturn, however, the less the benefit from change. Forming a splinter or a brand new party, when the economy is down, should be done as close to the elections as possible. This will increase an opposition party's chance of getting a greater electoral support. Other structural changes (e.g. mergers, forming or quitting electoral alliances), on average, do not seem to be determinant in increasing or decreasing opposition party popularity in changing economic conditions.

The consequences of these findings are quite interesting. The research shows that voters are quite sophisticated, as they hold parties accountable on the basis of deep consequential changes, rather than visible and superficial ones. Having said that, the research shows that party policy stance is not the only party characteristic on which voters base their preferences. The change of and within party organization also matters for estimating party support among voters. Up to now, economic voting models used only party incumbency, ideology, and party size to account for party level effects on voters' party support. Party novelty draws attention to party *behavior* as an important predictor of electoral behavior.

Future research

By highlighting party novelty as an important predictor of voters' party preferences, this study attempted to bring two fields of political research together – the one that is focused on party development and another that is focused on political behavior. Yet, a lot of questions are still left open for both bodies of literature.

First, it is imperative to better understand what explains party novelty. The party development literature offers a number of possible explanations to test. Some of the proposed explanations have not been tested in this study. Mainstream party tactics gained recent attention revitalizing the spatial theory of party formation and representation. Mainstream party tactics variable is measured by observing left-right score of the two major parties – one from the left spectrum and another from the right spectrum. Then, it is determined if the mainstream parties supported one of the three tactics – dismissal, accommodation or adversary – on a certain issue. The alteration of issue stances by the mainstream parties was found to affect the formation of new parties and to facilitate party

switching (Tavits, 2006, 2008; Kreuzer and Pettai, 2009). This explanation was not tested in this study due to the lack of data. It should be given more attention in the future research.

Also, future studies should explore the possibility of more efficient operationalization of party novelty as a categorical variable rather than as a series of dichotomous ones. This will involve creating an index of party novelty. One of the ways of doing it is to measure party novelty per each calendar year instead of per electoral cycle. Then, one can derive an index across the years corresponding to each electoral cycle. In this way, party novelty can be measured for studies using either national or EU elections. Indexing party novelty in such way will make it a more versatile measure of party change and will allow scholars to examine its causes and effects in a variety of contexts.

Second, literature on political behavior opens up possibilities for future research on the effects of party novelty. This paper makes an assumption that voters are not sophisticated – that is, they base their judgment only on the most visible changes and do not have in-depth knowledge of the political developments. Future research should relax this assumption and see if the effect of party novelty and its elements is the same for knowledgeable and ignorant voters. And, finally, it would be valuable to examine the effect of party novelty on other aspects of accountability besides the economy, such as, policy representation.

Thus, this study showed that party novelty exists, varies, and matters. It contributes into our understanding of party change and how it affects democratic accountability in a broad sense. But the research does not stop here. Party novelty needs

more exploration. In the meantime, we know that what parties do can matter to what voters do on Election Day.

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APPENDIX A

DISTRIBUTION OF PARTY NOVELTY

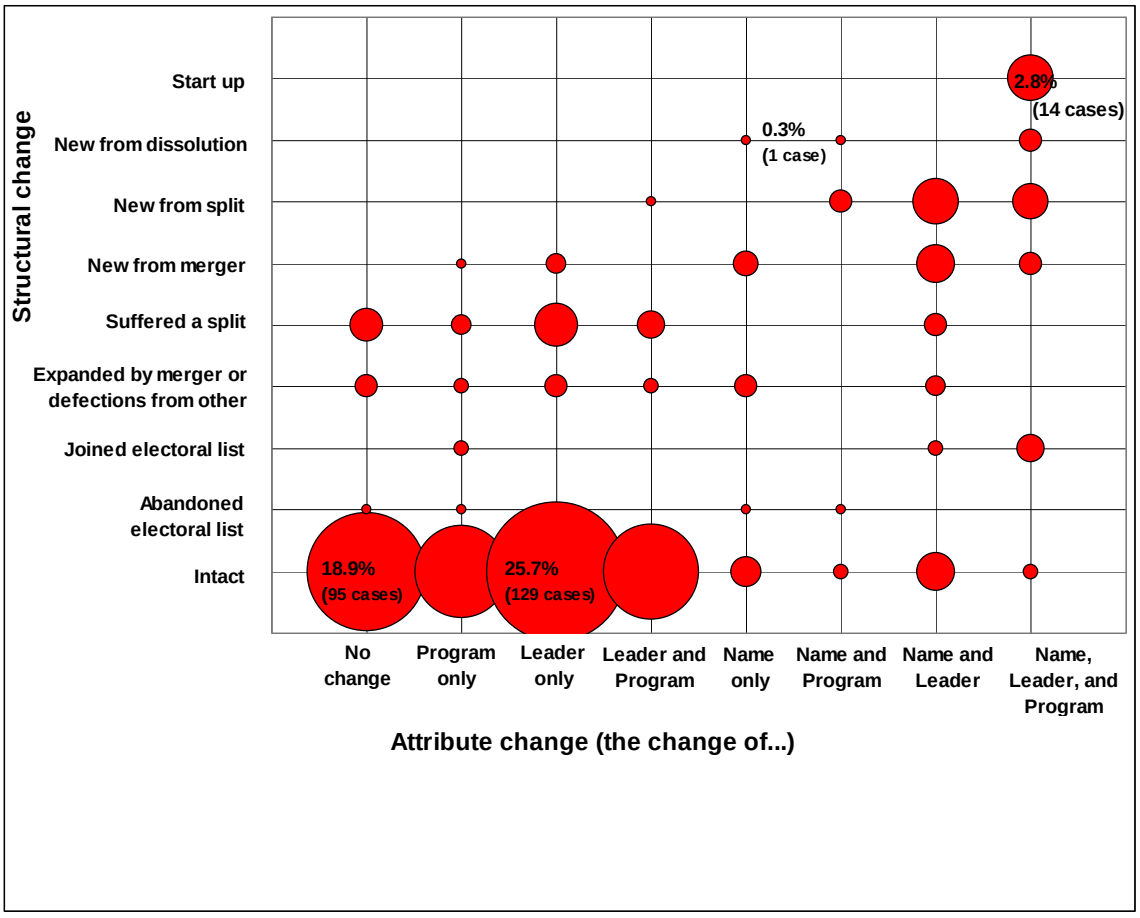

Figure A.1. Distribution of Party Novelty Along the Two Continuums: Structural Change and Attribute Change (with Imputed Missing Values)

Note: Total number of cases is 502. The following missing data was imputed:

177 parties have missing data on program change, 36 parties have missing data on leader change, and 15 parties have missing data on name change (some parties have missing data on all three attributes)

APPENDIX B

MODELS OF PARTY NOVELTY AND ECONOMIC VOTING (COMPLETE TABLES)

Table B.1. Baseline Models of Economic Voting Various Measurement of the Economy

	GDP		Unemployment		Inflation		GDP, Unemployment, Inflation		Misery Index		GDP and Misery Index	
	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.
Government party	0.125***	(0.039)	0.157***	(0.039)	0.310	(0.039)	0.202***	(0.044)	0.230***	(0.04)	0.147**	(0.052)
GDP growth	-0.023***	(0.007)					-0.013	(0.009)			-0.045***	(0.009)
Government party*GDP growth	0.050***	(0.005)					0.028	(0.015)			0.019*	(0.008)
Unemployment			0.043***	(0.011)			-0.016	(0.015)				
Government party*Unemployment rate			-0.116***	(0.008)			-0.015	(0.008)				
Inflation rate					-0.001	(0.014)	-0.137***	(0.014)				
Government party*Inflation rate					-0.019	(0.015)	0.004	(0.016)				
Misery Index									0.018		-0.012	(0.012)
Government party*Misery Index									-0.095***		-0.101***	(0.012)
Party size (N seats in parliament)	0.021***	(0.002)	0.021***	(0.002)	0.022***	(0.002)	0.021***	(0.002)	0.030***	(0.002)	0.031***	(0.002)

Table B.1. (continued)

	GDP		Unemployment		Inflation		GDP, Unemployment, Inflation		Misery Index		GDP and Misery Index	
	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.
Time since last national parliamentary elections	-0.179***	(0.028)	0.001*	(0.001)	0.001*	(0.001)	0.001*	(0.001)	0.001	(0.001)	0.001	(0.001)
Government party * Time since last national parliamentary elections	0.408***	(0.038)	-0.001***	(0.001)	-0.001***	(0.001)	-0.001***	(0.001)	-0.001***	(0.001)	-0.001***	(0.001)
Government party * Time since last national parliamentary elections Squared	dropped		0.001	(0.001)	0.001	(0.001)	0.001***	(0.001)	0.001***	(0.001)	0.001	(0.001)
Left-Right distance b/w voters and party position	-0.436***	(0.004)	-0.436***	(0.004)	-0.436***	(0.004)	-0.436***	(0.004)	-0.449***	(0.004)	-0.449***	(0.004)
Issues	0.898***	(0.059)	0.919***	(0.059)	0.934***	(0.059)	0.914***	(0.059)	0.972***	(0.063)	0.951***	(0.063)
Respondents' EU approval	0.159*	(0.065)	0.169**	(0.065)	0.160*	(0.065)	0.162*	(0.066)	0.116	(0.067)	0.103	(0.067)

Table B.1. (continued)

	GDP		Unemployment		Inflation		GDP, Unemployment, Inflation		Misery Index		GDP and Misery Index	
	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.
Issues* Left-Right perpetual agreement	-0.619***	(0.09)	-0.653***	(0.091)	-0.687***	(0.091)	-0.642***	(0.091)	-0.756***	(0.098)	-0.714***	(0.098)
Left-Right perpetual agreement	1.331***	(0.052)	1.319***	(0.052)	1.340***	(0.052)	1.322***	(0.052)	1.376***	(0.053)	1.412***	(0.053)
Previous vote	0.824***	(0.005)	0.826***	(0.005)	0.826***	(0.005)	0.826***	(0.005)	0.823***	(0.005)	0.822***	(0.005)
Political interest	-0.078***	(0.012)	-0.077***	(0.012)	-0.077***	(0.012)	-0.076***	(0.012)	-0.069***	(0.012)	-0.068***	(0.012)
Education	-0.002	(0.004)	-0.003	(0.004)	-0.003	(0.004)	-0.003	(0.004)	-0.002	(0.004)	-0.002	(0.004)
Class	-0.603***	(0.091)	-0.546***	(0.092)	0.001***	(0)	-0.559***	(0.092)	-0.567***	(0.094)	-0.585***	(0.094)
Religion	0.16	(0.085)	0.178	(0.086)	0.162	(0.085)	0.173*	(0.086)	0.09	(0.089)	0.089	(0.09)
Unemployed	0.05	(0.049)	0.055	(0.049)	0.054	(0.049)	0.052	(0.049)	0.071	(0.051)	0.067	(0.051)
Retired	-0.132***	(0.028)	-0.135***	(0.028)	-0.135***	(0.028)	-0.135***	(0.028)	-0.140***	(0.028)	-0.138***	(0.028)
Age	-0.002*	(0.001)	-0.001*	(0.001)	-0.001*	(0.001)	-0.001*	(0.001)	-0.001*	(0.001)	-0.001*	(0.001)
Year	-0.043***	(0.007)	-0.03***	(0.004)	-0.016***	(0.004)	-0.039***	(0.007)	-0.030***	(0.004)	-0.069***	(0.008)
Government party * Year	0.040***	(0.008)	0.021***	(0.006)	-0.025***	(0.005)	0.01	(0.008)	-0.012*	(0.005)	0.007	(0.01)
Belgium	0.558***	(0.075)	0.6***	(0.075)	0.606***	(0.076)	0.621***	(0.076)	0.631***	(0.076)	0.633***	(0.076)
Bulgaria	-0.702***	(0.113)	-0.184	(0.136)	-0.211	(0.139)	-0.195	(0.143)	(omitted)		(omitted)	
CzRep	0.048	(0.078)	0.182	(0.079)	0.191*	(0.08)	0.227**	(0.081)	0.083	(0.084)	0.013	(0.085)
Denmark	0.253***	(0.046)	0.271***	(0.047)	0.294***	(0.046)	0.286***	(0.047)	0.425***	(0.049)	0.424***	(0.049)
Estonia	0.437***	(0.115)	0.533***	(0.123)	0.463***	(0.096)	0.510***	(0.126)	0.459***	(0.097)	0.106	(0.128)
Finland	0.355***	(0.052)	0.312***	(0.052)	0.346***	(0.052)	0.294***	(0.053)	0.376***	(0.052)	0.344***	(0.053)

Table B.1. (continued)

	GDP		Unemployment		Inflation		GDP, Unemployment, Inflation		Misery Index		GDP and Misery Index	
	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.
France	0.397***	(0.053)	0.455***	(0.052)	0.433***	(0.052)	0.463***	(0.053)	0.410***	(0.052)	0.441***	(0.053)
Germany	0.139**	(0.052)	0.185***	(0.051)	0.212***	(0.052)	0.168**	(0.054)	0.206***	(0.051)	0.151**	(0.053)
Greece	0.209***	(0.051)	0.228***	(0.05)	0.242***	(0.052)	0.279***	(0.057)	0.210***	(0.05)	0.247***	(0.051)
Hungary	dropped		dropped		dropped		dropped		dropped		dropped	
Ireland	0.445***	(0.067)	0.406***	(0.078)	0.451***	(0.071)	0.470***	(0.086)	0.532***	(0.071)	0.625***	(0.072)
Italy	0.132*	(0.055)	0.247***	(0.064)	0.218***	(0.063)	0.219***	(0.067)	0.16*	(0.063)	0.078	(0.065)
Latvia	0.042	(0.132)	0.258*	(0.122)	0.192	(0.107)	0.219	(0.151)	dropped		dropped	
Lithuania	0.510***	(0.126)	0.547***	(0.117)	0.546***	(0.117)	0.531***	(0.145)	dropped		dropped	
Luxembourg	0.092	(0.141)	-0.049	(0.141)	-0.045	(0.141)	0.035	(0.148)	-0.096	(0.141)	0.096	(0.146)
Netherlands	0.200***	(0.048)	0.216***	(0.048)	0.222***	(0.048)	0.230***	(0.048)	0.184***	(0.048)	0.218***	(0.048)
Poland	-0.692***	(0.128)	-0.647***	(0.121)	-0.622***	(0.129)	-0.516***	(0.137)	-0.649***	(0.12)	-0.382**	(0.133)
Portugal	0.197***	(0.054)	0.219***	(0.058)	0.224***	(0.058)	0.245***	(0.059)	0.251***	(0.058)	0.264***	(0.058)
Romania	0.949***	(0.114)	0.97***	(0.113)	0.993***	(0.137)	0.988***	(0.139)	dropped		dropped	
Slovakia	dropped		dropped		dropped		dropped		dropped		dropped	
Slovenia	0.699***	(0.077)	0.622***	(0.072)	0.654***	(0.073)	0.558***	(0.078)	0.599***	(0.079)	0.370***	(0.094)
Spain	0.262***	(0.056)	0.256***	(0.057)	0.264***	(0.06)	0.282***	(0.059)	0.152**	(0.058)	0.187***	(0.058)
Sweden	0.255***	(0.056)	0.319***	(0.056)	0.349***	(0.058)	0.345***	(0.059)	0.376***	(0.057)	0.401***	(0.057)
UK	0.562***	(0.062)	0.622***	(0.077)	0.591***	(0.079)	0.633***	(0.079)	0.563***	(0.075)	0.591***	(0.075)
Year 1999	dropped		dropped		dropped		dropped		dropped		dropped	
Year 2004	0.186***	(0.034)	0.151***	(0.031)	0.164***	(0.03)	0.210***	(0.042)	0.162***	(0.033)	0.313***	(0.046)
Year 2009	dropped		dropped		dropped		dropped		dropped		dropped	

Table B.1. (continued)

	GDP		Unemployment		Inflation		GDP, Unemployment, Inflation		Misery Index		GDP and Misery Index	
	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.
Constant	2.517***	(0.206)	2.164***	(0.223)	2.256***	(0.222)	79.611***	(14.337)	2.752***	(0.228)	2.932***	(0.229)
Adjusted R sq	0.419665		0.42		0.419		0.42		0.426		0.426	
N	126246		126246		126246		126246		126246		126246	

*** p<0.001, **p<0.01, *p<0.05

Notes: Dependent variable is *Respondent's propensity to vote for a given party*. GDP growth, Unemployment, Inflation, Misery Index, and Most important issues variables are centered around its mean.

Table B.2. Models of Economic Voting with and without Party Novelty (Full Table)

	Model A Replication		**Model B Clarity of Responsibility**		**Model C Party Novelty**	
	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.
Government party	0.125***	(0.039)	0.448***	(0.058)	0.761***	(0.071)
GDP growth	-0.023***	(0.007)	-0.129***	(0.017)	-0.155***	(0.020)
Government party * GDP growth	0.050***	(0.005)	0.077***	(0.007)	0.099***	(0.013)
Clarity of responsibility			-0.060**	(0.021)	-0.246***	(0.024)
Government party * Clarity of responsibility			-0.153***	(0.019)	-0.134***	(0.021)
Clarity of responsibility*GDP growth			0.025***	(0.004)	0.025***	(0.004)
Government party * Clarity of responsibility*GDP growth			-0.008**	(0.003)	0.004	(0.003)
Party novelty					0.502***	(0.031)
Government party * Party novelty					-0.641***	(0.055)
Party novelty *GDP growth					0.071***	(0.008)
Government party * Party novelty*GDP growth					-0.078***	(0.011)
Party size (N seats in parliament)	0.021***	(0.002)	0.016***	(0.002)	0.007***	(0.002)
Left-Right distance b/w voters and party position	-0.436***	(0.004)	-0.435***	(0.004)	-0.444***	(0.004)
Respondents' EU approval	0.159*	(0.065)	0.172**	(0.065)	0.343***	(0.069)
Time since last national parliamentary elections	-0.179***	(0.028)	-0.046	(0.032)	-0.036	(0.037)
Government party * Time since last national parliamentary elections	0.408***	(0.038)	0.413***	(0.037)	0.282***	(0.044)
Government party * Time since last national parliamentary elections Squared	Dropped		dropped		dropped	
Left-Right perpetual agreement	1.331***	(0.052)	1.344***	(0.052)	1.748***	(0.077)
Issues	0.898***	(0.059)	0.885***	(0.059)	0.599***	(0.076)
Issues* Left-Right perpetual agreement	-0.619***	(0.090)	-0.581***	(0.090)	-0.127	(0.125)
Previous vote	0.824***	(0.005)	0.828***	(0.005)	0.813***	(0.005)
Class	-0.603***	(0.091)	-0.572***	(0.091)	-0.713***	(0.098)
Religion	0.160	(0.085)	0.182*	(0.085)	0.233*	(0.092)
Political interest	-0.078***	(0.012)	-0.079***	(0.012)	-0.072***	(0.012)
Education	-0.002	(0.004)	-0.001	(0.004)	0.013**	(0.004)
Unemployed	0.050	(0.049)	0.058	(0.049)	0.038	(0.052)

Table B.2. (continued)

	Model A Replication		Model B Clarity of Responsibility		Model C Party Novelty	
	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.
Retired	-0.132***	(0.028)	-0.135***	(0.028)	-0.170***	(0.029)
Age	-0.002*	(0.001)	-0.002*	(0.001)	-0.001*	(0.001)
Year	-0.043***	(0.007)	-0.065***	(0.008)	-0.041***	(0.009)
Government party * Year	0.040***	(0.008)	0.051***	(0.008)	0.043***	(0.009)
Belgium	0.558***	(0.075)	0.222*	(0.090)	-0.488***	(0.096)
Bulgaria	-0.702***	(0.113)	-1.326***	(0.134)	(dropped)	
CzRep	0.048	(0.078)	0.068	(0.079)	-0.415***	(0.083)
Denmark	0.253***	(0.046)	0.027	(0.061)	-0.700***	(0.068)
Estonia	0.437***	(0.115)	-0.290	(0.150)	-0.504**	(0.163)
Finland	0.355***	(0.052)	0.243***	(0.054)	-0.109	(0.058)
France	0.397***	(0.053)	0.523***	(0.055)	-0.311***	(0.060)
Germany	0.139**	(0.052)	-0.101	(0.058)	-0.532***	(0.064)
Greece	0.209***	(0.051)	0.308***	(0.052)	-0.078	(0.065)
Hungary	dropped		dropped		dropped	
Ireland	0.445***	(0.067)	0.573***	(0.069)	0.626***	(0.078)
Italy	0.132*	(0.055)	0.046	(0.064)	-0.659***	(0.084)
Latvia	0.042	(0.132)	-1.317***	(0.234)	-2.367***	(0.264)
Lithuania	0.510***	(0.126)	-0.815***	(0.217)	-1.004***	(0.245)
Luxembourg	0.092	(0.141)	0.164	(0.147)	-0.306	(0.166)
Nethrlands	0.200***	(0.048)	0.105	(0.053)	-0.222***	(0.058)
Poland	-0.692***	(0.128)	-0.581***	(0.137)	-1.033***	(0.156)
Portugal	0.197***	(0.054)	0.118*	(0.057)	-0.502***	(0.065)
Romania	0.949***	(0.114)	0.493***	(0.126)	dropped	
Slovakia	dropped		dropped		dropped	
Slovenia	0.699***	(0.077)	0.151	(0.101)	-0.468***	(0.117)
Spain	0.262***	(0.056)	0.244***	(0.056)	-0.178**	(0.061)
Sweden	0.255***	(0.056)	-0.244**	(0.083)	-1.069***	(0.095)
UK	0.562***	(0.062)	0.661***	(0.064)	0.324***	(0.069)
Year 1999	dropped		dropped		dropped	

Table B.2. (continued)

	Model A Replication		Model B Clarity of Responsibility		Model C Party Novelty	
	Coef.	Robust S. E.	Coef.	Robust S. E.	Coef.	Robust S. E.
Year 2004	0.186***	(0.034)	0.235***	(0.036)	0.004	(0.041)
Year 2009	dropped		dropped		dropped	
Constant	2.517***	(0.206)	2.566***	(0.211)	2.721***	(0.240)
R sq adj	0.419		0.420		0.445	
N	126246.000		126246.000		88411.000	

*** p<0.001, **p<0.01, *p<0.05

Notes: 1) Dependent variable is *Respondent's propensity to vote for a given party*. Variables GDP growth, Issues, EU/National elections cycle, and Year are centered around their means. Predicted values were used for variables Class, Religion, Issues, Party position on Left-Right, Respondent position on EU integration, and Left-Right perpetual agreement

2) The fact that all economic measures are centered around their means complicates direct interpretation of the magnitude of the effect. As a rule of thumb: a) for change of GDP: all values above zero represent cases in which economy did better than the average for all 67 cases included in the research; values below zero represent cases that are worse than average; b) for change of Unemployment: all values above zero represent cases in which economy did worse than the average for all 67 cases included in the research; values below zero represent cases that are better than average.

Table B.3. The Effect of the Attribute Change Indicators (Name, Leader, Program) on Economic Voting, Economy is Measured with GDP Growth

	Change of name		Change of leader		Change of program	
	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.
Government party	0.371***	(0.059)	0.563***	(0.062)	0.461***	(0.063)
GDP growth	-0.139***	(0.017)	-0.148***	(0.017)	-0.125***	(0.018)
Government party * GDP growth	0.046***	(0.007)	0.075***	(0.008)	0.037***	(0.009)
Party changed name	-0.483***	(0.025)				
Government party*party changed name	0.374***	(0.082)				
Party changed name*GDP	-0.026***	(0.006)				
Government party*Party changed name*GDP	0.012	(0.012)				
Party changed leader			0.346***	(0.019)		
Government party*party changed leader			-0.331***	(0.037)		
Party changed leader*GDP			0.015***	(0.004)		
Government party*Party changed leader*GDP			-0.021***	(0.006)		
Party changed program					0.195***	(0.025)
Government party*party changed program					-0.073	(0.044)
Party changed program*GDP					0.032***	(0.005)
Government party*Party changed program*GDP					-0.02**	(0.007)
Clarity of responsibility	-0.086***	(0.021)	-0.1***	(0.021)	-0.126***	(0.024)
Government party * Clarity of responsibility	-0.143***	(0.019)	-0.162***	(0.019)	-0.148***	(0.02)
Clarity of responsibility*GDP growth	0.027***	(0.004)	0.025***	(0.004)	0.031***	(0.004)
Government party * Clarity of responsibility*GDP growth	0	(0.003)	0	(0.003)	0.001	(0.003)
Time since last national parliamentary elections	-0.044	(0.032)	-0.057	(0.032)	-0.02	(0.036)
Government party * Time since last national parliamentary elections	0.492***	(0.039)	0.491***	(0.039)	0.417***	(0.043)
Government party * Time since last national parliamentary elections Squared	Dropped		Dropped		Dropped	
Year	-0.06***	(0.008)	-0.074***	(0.008)	-0.033***	(0.009)
Government party * Year	0.042***	(0.009)	0.066***	(0.009)	0.019*	(0.009)

Table B.3. (continued)

	Change of name		Change of leader		Change of program	
	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.
Party size (N seats in parliament)	0.013***	(0.002)	0.013***	(0.002)	0.01***	(0.002)
Left-Right distance b/w voters and party position	-0.433***	(0.004)	-0.43***	(0.004)	-0.447***	(0.004)
Respondents' EU approval	0.236***	(0.065)	0.233***	(0.065)	0.329***	(0.069)
Left-Right perpetual agreement	1.072***	(0.053)	1.372***	(0.053)	1.589***	(0.077)
Issues	0.918***	(0.059)	0.899***	(0.06)	0.655***	(0.074)
Issues* Left-Right perpetual agreement	-0.639***	(0.09)	-0.592***	(0.091)	-0.219	(0.123)
Previous vote	0.827***	(0.005)	0.828***	(0.005)	0.811***	(0.005)
Political interest	-0.083***	(0.012)	-0.085***	(0.012)	-0.073***	(0.012)
Class	-0.541***	(0.091)	-0.511***	(0.092)	-0.708***	(0.098)
Religion	0.198*	(0.085)	0.193	(0.086)	0.237**	(0.091)
Education	0	(0.004)	-0.001	(0.004)	0.013**	(0.004)
Unemployed	0.062	(0.048)	0.067	(0.048)	0.049	(0.052)
Retired	-0.131***	(0.028)	-0.121***	(0.028)	-0.162***	(0.029)
Age	-0.002*	(0.001)	-0.002*	(0.001)	-0.001	(0.001)
Belgium	0.104	(0.09)	-0.015	(0.09)	-0.238*	(0.096)
Bulgaria	-1.396***	(0.135)	-1.288***	(0.135)	Dropped	
Czech Republic	0.047	(0.079)	0.022	(0.079)	-0.311***	(0.082)
Denmark	-0.051*	(0.061)	-0.036	(0.061)	-0.484***	(0.068)
Estonia	-0.63***	(0.15)	-0.311*	(0.152)	-0.452**	(0.163)
Finland	0.155**	(0.054)	0.192***	(0.054)	-0.077	(0.058)
France	0.599***	(0.055)	0.548***	(0.056)	-0.262***	(0.059)
Germany	-0.2***	(0.058)	-0.265***	(0.058)	-0.389***	(0.064)
Greece	0.389***	(0.053)	0.372***	(0.053)	-0.128*	(0.06)
Hungary	Dropped		Dropped		Dropped	
Ireland	0.547***	(0.071)	0.669***	(0.071)	0.613***	(0.078)
Italy	0.203**	(0.065)	0.011	(0.066)	-0.436***	(0.078)
Latvia	-1.759***	(0.237)	-1.611***	(0.237)	-2.394***	(0.259)
Lithuania	-1.002***	(0.221)	-0.849***	(0.221)	-1.154***	(0.241)
Luxembourg	0.336*	(0.148)	0.051	(0.148)	0.014	(0.166)
Netherlands	0.179***	(0.053)	0.19***	(0.054)	-0.14*	(0.057)

Table B.3. (continued)

	Change of name		Change of leader		Change of program	
	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.
Poland	-0.452***	(0.138)	-0.591***	(0.138)	-0.795***	(0.156)
Portugal	0.079	(0.056)	0.053	(0.058)	-0.367***	(0.065)
Romania	0.319*	(0.128)	0.497***	(0.127)	Dropped	
Slovakia	Dropped		Dropped		Dropped	
Slovenia	-0.079	(0.103)	0.005	(0.102)	-0.336**	(0.11)
Spain	0.256***	(0.056)	0.289***	(0.056)	-0.153*	(0.061)
Sweden	-0.38***	(0.084)	-0.387***	(0.084)	-0.773***	(0.092)
UK	0.641***	(0.064)	0.683***	(0.064)	0.346***	(0.069)
Year 1999	Dropped		Dropped		Dropped	
Year 2004	0.243***	(0.036)	0.216***	(0.037)	0.019	(0.04)
Year 2009	Dropped		Dropped		Dropped	
Constant	2.443***	(0.212)	2.068***	(0.216)	2.683***	(0.235)
R sq adj	0.425		0.429		0.444	
N	122193		120017		91110	

*** p<0.001, **p<0.01, *p<0.05

Notes: 1) Dependent variable is *Respondent's propensity to vote for a given party*. Variables GDP growth, Issues, EU/National elections cycle, and Year are centered around their means. Predicted values were used for variables Class, Religion, Issues, Party position on Left-Right, Respondent position on EU integration, and Left-Right perpetual agreement

2) The fact that all economic measures are centered around their means complicates direct interpretation of the magnitude of the effect. As a rule of thumb: a) for change of GDP: all values above zero represent cases in which economy did better than the

average for all 67 cases included in the research; values below zero represent cases that are worse than average; b) for change of Unemployment: all values above zero represent cases in which economy did worse than the average for all 67 cases included in the research; values below zero represent cases that are better than average

Table B.4. The Effect of the Structural Change Indicators on Economic Voting, Economy is Measured with GDP Growth

	Abandoned List		Joined list		Expanded by merger		Suffered a split	
	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.
Government party	0.449***	(0.058)	0.448***	(0.058)	0.446***	(0.059)	0.465***	(0.058)
GDP growth	-0.129***	(0.017)	-0.128***	(0.017)	-0.137***	(0.017)	-0.125***	(0.017)
Government party * GDP growth	0.077***	(0.007)	0.08***	(0.007)	0.076***	(0.007)	0.074***	(0.007)
Abandoned list	Dropped							
Government party * Abandoned list	Dropped							
Abandoned list* GDP growth	0.031	(0.028)						
Government party * Abandoned list* GDP growth	Dropped							
Joined list			0.027	(0.23)				
Government party * Joined list			0.123	(0.27)				
Joined list* GDP growth			0.057	(0.045)				
Government party * Joined list* GDP growth			-0.061	(0.046)				
Expanded by merger					-0.339***	(0.066)		
Government party * Expanded by merger					0.025	(0.096)		
Expanded by merger * GDP growth					-0.034***	(0.007)		
Government party * Expanded by merger * GDP growth					0.015	(0.012)		
Suffered a split							0.193***	(0.043)
Government party * Suffered a split							-0.21*	(0.115)
Suffered a split * GDP growth							-0.006	(0.006)
Government party * Suffered a split * GDP growth							-0.054**	(0.019)
Clarity of responsibility	-0.06**	(0.021)	-0.053**	(0.021)	-0.061**	(0.021)	-0.062**	(0.021)
Government party * Clarity of responsibility	-0.153***	(0.019)	-0.157***	(0.019)	-0.152***	(0.019)	-0.15***	(0.019)
Clarity of responsibility*GDP growth	0.025***	(0.004)	0.025***	(0.004)	0.03***	(0.004)	0.025***	(0.004)

Table B.4. (continued)

	Abandoned List		Joined list		Expanded by merger		Suffered a split	
	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.
Government party * Clarity of responsibility*GDP growth	-0.008**	(0.003)	-0.009**	(0.003)	-0.008**	(0.003)	-0.008**	(0.003)
Time since last national parliamentary elections	-0.045	(0.032)	-0.045	(0.032)	-0.025	(0.033)	-0.053	(0.032)
Government party * Time since last national parliamentary elections	0.411***	(0.037)	0.413***	(0.038)	0.439***	(0.039)	0.387***	(0.037)
Government party * Time since last national parliamentary elections Squared	Dropped		Dropped		Dropped		Dropped	
Year	-0.065***	(0.008)	-0.065***	(0.008)	-0.063***	(0.008)	-0.064***	(0.008)
Government party * Year	0.051***	(0.008)	0.053***	(0.009)	0.053***	(0.009)	0.046***	(0.008)
Party size N seats in parliament	0.016***	(0.002)	0.016***	(0.002)	0.015***	(0.002)	0.016***	(0.002)
Left-Right distance b/w voters and party position	-0.435***	(0.004)	-0.435***	(0.004)	-0.435***	(0.004)	-0.434***	(0.004)
Respondents' EU approval	0.171**	(0.065)	0.171**	(0.065)	0.182**	(0.065)	0.169**	(0.065)
Left-Right perpetual agreement	1.342***	(0.052)	1.343***	(0.052)	1.367***	(0.052)	1.301***	(0.052)
Issues	0.879***	(0.059)	0.876***	(0.059)	0.869***	(0.059)	0.854***	(0.059)
Issues* Left-Right perpetual agreement	-0.568***	(0.09)	-0.561***	(0.09)	-0.541***	(0.091)	-0.512***	(0.091)
Previous vote	0.828***	(0.005)	0.828***	(0.005)	0.829***	(0.005)	0.829***	(0.005)
Political interest	-0.079***	(0.012)	-0.079***	(0.012)	-0.079***	(0.012)	-0.079***	(0.012)
Class	-0.574***	(0.091)	-0.574***	(0.091)	-0.559***	(0.091)	-0.574***	(0.091)
Religion	0.18*	(0.085)	0.18*	(0.085)	0.192*	(0.085)	0.179*	(0.085)
Education	-0.001	(0.004)	-0.001	(0.004)	-0.001	(0.004)	-0.001	(0.004)
Unemployed	0.058	(0.049)	0.059	(0.049)	0.058	(0.049)	0.056	(0.049)
Retired	-0.135***	(0.028)	-0.134***	(0.028)	-0.134***	(0.028)	-0.135***	(0.028)
Age	-0.002*	(0.001)	-0.002*	(0.001)	-0.002*	(0.001)	-0.002	(0.001)
Belgium	0.225*	(0.09)	0.237**	(0.09)	0.237**	(0.09)	0.26	(0.09)
Bulgaria	-1.334***	(0.134)	-1.318***	(0.134)	-1.358***	(0.134)	-1.366***	(0.134)
CzRep	0.068	(0.079)	0.069	(0.079)	0.085	(0.079)	0.051	(0.079)
Denmark	0.028	(0.061)	0.04	(0.061)	0.028	(0.061)	0.042	(0.061)

Table B.4. (continued)

	Abandoned List		Joined list		Expanded by merger		Suffered a split	
	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.
Estonia	-0.289	(0.15)	-0.266	(0.15)	-0.328*	(0.156)	-0.235	(0.15)
Finland	0.245***	(0.054)	0.249***	(0.054)	0.237***	(0.054)	0.283***	(0.054)
France	0.524***	(0.055)	0.515***	(0.056)	0.545***	(0.056)	0.536***	(0.056)
Germany	-0.099	(0.058)	-0.093	(0.058)	-0.116	(0.058)	-0.059	(0.058)
Greece	0.308***	(0.052)	0.304***	(0.052)	0.339***	(0.054)	0.337***	(0.052)
Hungary	Dropped		Dropped		Dropped		Dropped	
Ireland	0.578***	(0.069)	0.574***	(0.069)	0.649***	(0.07)	0.584***	(0.07)
Italy	0.045	(0.064)	0.065	(0.064)	0.081	(0.064)	0.062	(0.065)
Latvia	-1.322***	(0.234)	-1.311***	(0.235)	-1.413***	(0.237)	-1.305***	(0.234)
Lithuania	-0.82***	(0.217)	-0.788***	(0.217)	-0.902***	(0.221)	-0.774***	(0.217)
Luxembourg	0.165	(0.147)	0.169	(0.147)	0.153	(0.148)	0.17	(0.148)
Nethrlands	0.106	(0.053)	0.112*	(0.053)	0.11	(0.053)	0.125*	(0.053)
Poland	-0.586***	(0.137)	-0.585***	(0.137)	-0.562***	(0.139)	-0.576***	(0.138)
Portugal	0.119*	(0.057)	0.123*	(0.057)	0.112*	(0.057)	0.156**	(0.057)
Romania	0.486***	(0.126)	0.496***	(0.127)	0.487***	(0.127)	0.521***	(0.127)
Slovakia	Dropped		Dropped		Dropped		Dropped	
Slovenia	0.151	(0.101)	0.163	(0.101)	0.113	(0.102)	0.129	(0.101)
Spain	0.247***	(0.056)	0.251***	(0.056)	0.306***	(0.058)	0.255***	(0.058)
Sweden	-0.244**	(0.083)	-0.227	(0.083)	-0.278***	(0.083)	-0.199**	(0.083)
UK	0.656***	(0.064)	0.651***	(0.064)	0.703***	(0.064)	0.682***	(0.064)
Year 1999	Dropped		Dropped		Dropped		Dropped	
Year 2004	0.235***	(0.036)	0.232***	(0.036)	0.223***	(0.037)	0.243***	(0.036)
Year 2009	Dropped		Dropped		Dropped		Dropped	
Constant	2.583***	(0.211)	2.56***	(0.211)	2.431***	(0.212)	2.57***	(0.212)
R sq. adj	0.42		0.42		0.42		0.421	
N	126246		126246		126246		126246	

*** p<0.001, **p<0.01, *p<0.05

Notes: 1) Dependent variable is *Respondent's propensity to vote for a given party*. Variables GDP growth, Issues, EU/National elections cycle, and Year are centered around their means. Predicted values were used for variables Class, Religion, Issues, Party position on Left-Right, Respondent position on EU integration, and Left-Right perpetual agreement

2) The fact that all economic measures are centered around their means complicates direct interpretation of the magnitude of the effect. As a rule of thumb: a) for change of GDP: all values above zero represent cases in which economy did better than the average for all 67 cases included in the research; values below zero represent cases that are worse than average; b) for change of Unemployment: all values above zero represent cases in which economy did worse than the average for all 67 cases included in the research; values below zero represent cases that are better than average

Table B.5. The Effect of the Structural Change Indicators (new party formations) on Economic Voting, Economy is Measured with GDP Growth

	New from Merger		New from Split		New from Dissolution		Start up	
	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.
Government party	0.441***	(0.058)	0.438	(0.058)	0.415***	(0.059)	0.454***	(0.058)
GDP growth	-0.132***	(0.017)	-0.137**	(0.017)	-0.116***	(0.017)	-0.139***	(0.017)
Government party * GDP growth	0.082***	(0.007)	0.072**	(0.007)	0.074***	(0.007)	0.064***	(0.007)
New from merger	-0.144***	(0.042)						
Government party * New from merger	0.11	(0.097)						
New from merger * GDP growth	0.021**	(0.007)						
Government party * New from merger * GDP growth	-0.06***	(0.014)						
New from split			-0.303***	(0.045)				
Government party * New from split			0.622	(0.343)				
New from split * GDP growth			-0.071***	(0.008)				
Government party * New from split * GDP growth			0.072*	(0.03)				
New from dissolution					-0.72***	(0.063)		
Government party * New from dissolution					Dropped			
New from dissolution * GDP growth					0.09***	(0.027)		
Government party * New from dissolution * GDP growth					Dropped			
Start up							-0.704***	(0.088)
Government party * Start up							Dropped	
Start up * GDP growth							-0.046***	(0.009)
Government party * Start up* GDP growth							0.111***	(0.013)
Clarity of responsibility	-0.064**	(0.021)	-0.065**	(0.021)	-0.071***	(0.021)	-0.07***	(0.021)
Government party * Clarity of responsibility	-0.155***	(0.019)	-0.15***	(0.019)	-0.141***	(0.019)	-0.154***	(0.019)
Clarity of responsibility*GDP growth	0.026***	(0.004)	0.027***	(0.004)	0.023***	(0.004)	0.027***	(0.004)
Government party * Clarity of responsibility*GDP growth	-0.009***	(0.003)	-0.008**	(0.003)	-0.008**	(0.003)	-0.004	(0.003)

Table B.5. (continued)

	New from Merger		New from Split		New from Dissolution		Start up	
	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.
Time since last national parliamentary elections	-0.042	(0.032)	-0.018	(0.032)	-0.071*	(0.032)	-0.052	(0.032)
Government party * Time since last national parliamentary elections	0.402***	(0.038)	0.383***	(0.037)	0.425***	(0.038)	0.456***	(0.038)
Government party * Time since last national parliamentary elections Squared	Dropped		Dropped		Dropped		Dropped	
Year	-0.065***	(0.008)	-0.069***	(0.008)	-0.058***	(0.008)	-0.069***	(0.008)
Government party * Year	0.052***	(0.008)	0.048***	(0.008)	0.049***	(0.008)	0.048***	(0.008)
Party size (N seats in parliament)	0.016***	(0.002)	0.018***	(0.002)	0.016***	(0.002)	0.015***	(0.002)
Left-Right distance b/w voters and party position	-0.434***	(0.004)	-0.434***	(0.004)	-0.434***	(0.004)	-0.434***	(0.004)
Respondents' EU approval	0.171**	(0.065)	0.174***	(0.065)	0.171**	(0.065)	0.174**	(0.065)
Left-Right perpetual agreement	1.373***	(0.052)	1.31**	(0.053)	1.323***	(0.052)	1.297***	(0.052)
Issues	0.88***	(0.059)	0.924***	(0.059)	0.904***	(0.059)	0.894***	(0.059)
Issues* Left-Right perpetual agreement	-0.568***	(0.091)	-0.664***	(0.091)	-0.626***	(0.091)	-0.605***	(0.09)
Previous vote	0.829***	(0.005)	0.828***	(0.005)	0.828***	(0.005)	0.827***	(0.005)
Political interest	-0.079***	(0.012)	-0.079***	(0.012)	-0.079***	(0.012)	-0.079***	(0.012)
Class	-0.57***	(0.091)	-0.565***	(0.091)	-0.573***	(0.091)	-0.555***	(0.091)
Religion	0.184*	(0.085)	0.19*	(0.085)	0.178*	(0.085)	0.17*	(0.085)
Education	-0.001	(0.004)	-0.001	(0.004)	-0.001	(0.004)	-0.001	(0.004)
Unemployed	0.059	(0.049)	0.059	(0.049)	0.057	(0.049)	0.061	(0.049)
Retired	-0.135***	(0.028)	-0.135***	(0.028)	-0.135***	(0.028)	-0.134***	(0.028)
Age	-0.002*	(0.001)	-0.002*	(0.001)	-0.002*	(0.001)	-0.002*	(0.001)
Belgium	0.214*	(0.09)	0.209*	(0.09)	0.3***	(0.091)	0.175	(0.09)
Bulgaria	-1.262***	(0.134)	-1.317***	(0.134)	-1.314***	(0.134)	-1.423***	(0.134)
CzRep	0.068	(0.079)	0.09	(0.079)	0.05	(0.079)	0.071	(0.079)
Denmark	0.017	(0.061)	0.035	(0.061)	0.017	(0.061)	0.006	(0.061)
Estonia	-0.385*	(0.153)	-0.366*	(0.15)	-0.231	(0.149)	-0.421**	(0.15)
Finland	0.242***	(0.054)	0.23***	(0.054)	0.249***	(0.054)	0.232***	(0.054)

Table B.5. (continued)

	New from Merger		New from Split		New from Dissolution		Start up	
	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.	Coef.	Robust S.E.
France	0.524***	(0.055)	0.552***	(0.055)	0.573***	(0.055)	0.535***	(0.055)
Germany	-0.084	(0.058)	-0.117*	(0.058)	-0.09	(0.058)	-0.126*	(0.058)
Greece	0.315***	(0.053)	0.37***	(0.053)	0.292***	(0.052)	0.345***	(0.053)
Hungary	Dropped		Dropped		Dropped		Dropped	
Ireland	0.583***	(0.069)	0.571***	(0.069)	0.556***	(0.069)	0.601***	(0.07)
Italy	0.052	(0.065)	0.044	(0.064)	0.065	(0.064)	0.041	(0.064)
Latvia	-1.267***	(0.236)	-1.561***	(0.234)	-1.201***	(0.233)	-1.559***	(0.235)
Lithuania	-0.833***	(0.217)	-0.951***	(0.217)	-0.711***	(0.216)	-0.861***	(0.219)
Luxembourg	0.168	(0.147)	0.31*	(0.148)	0.135	(0.147)	0.191	(0.147)
Nethrlands	0.107*	(0.053)	0.094	(0.053)	0.09	(0.053)	0.143**	(0.053)
Poland	-0.503***	(0.14)	-0.516***	(0.138)	-0.65***	(0.137)	-0.563***	(0.137)
Portugal	0.116*	(0.057)	0.138*	(0.057)	0.109	(0.057)	0.112**	(0.056)
Romania	0.446***	(0.129)	0.481***	(0.127)	0.515***	(0.126)	0.417***	(0.127)
Slovakia	Dropped		Dropped		Dropped		Dropped	
Slovenia	0.146	(0.101)	0.079	(0.102)	0.18	(0.101)	0.065	(0.102)
Spain	0.262***	(0.057)	0.274***	(0.057)	0.237***	(0.056)	0.269***	(0.056)
Sweden	-0.259**	(0.083)	-0.256**	(0.083)	-0.247**	(0.083)	-0.305***	(0.084)
UK	0.667***	(0.064)	0.678***	(0.064)	0.655***	(0.064)	0.66***	(0.064)
Year 1999	Dropped		Dropped		Dropped		Dropped	
Year 2004	0.236***	(0.036)	0.261***	(0.036)	0.215***	(0.036)	0.234***	(0.036)
Year 2009	Dropped		Dropped		Dropped		Dropped	
Constant	2.553***	(0.212)	2.544***	(0.211)	2.606***	(0.211)	2.616***	(0.211)
R sq. adj	0.42		0.421		0.421		0.421	
N	126246		126246		126246		126246	

*** p<0.001, **p<0.01, *p<0.05

Notes: 1) Dependent variable is *Respondent's propensity to vote for a given party*. Variables GDP growth, Issues, EU/National elections cycle, and Year are centered around their means. Predicted values were used for variables Class, Religion, Issues, Party position on Left-Right, Respondent position on EU integration, and Left-Right perpetual agreement

2) The fact that all economic measures are centered around their means complicates direct interpretation of the magnitude of the effect. As a rule of thumb: a) for change of GDP: all values above zero represent cases in which economy did better than the average for all 67 cases included in the research; values below zero represent cases that are worse than average; b) for change of Unemployment: all values above zero represent cases in which economy did worse than the average for all 67 cases included in the research; values below zero represent cases that are better than average

APPENDIX C

PARTY NOVELTY EFFECTS GRAPHED

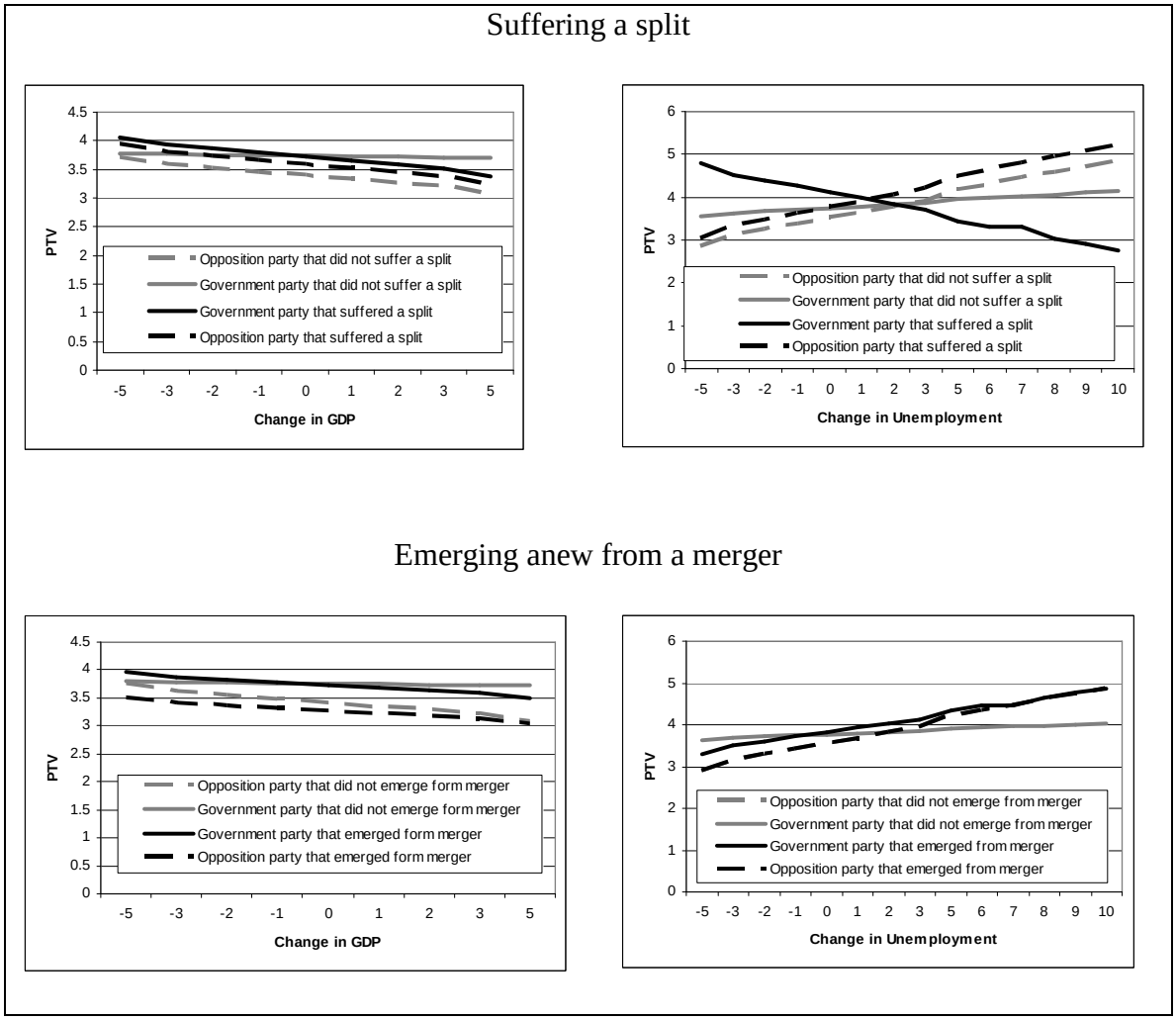

Figure C.1. The Effect of Select Structural Changes on Voters' Propensities to Vote for Parties (For GDP Growth and Unemployment)

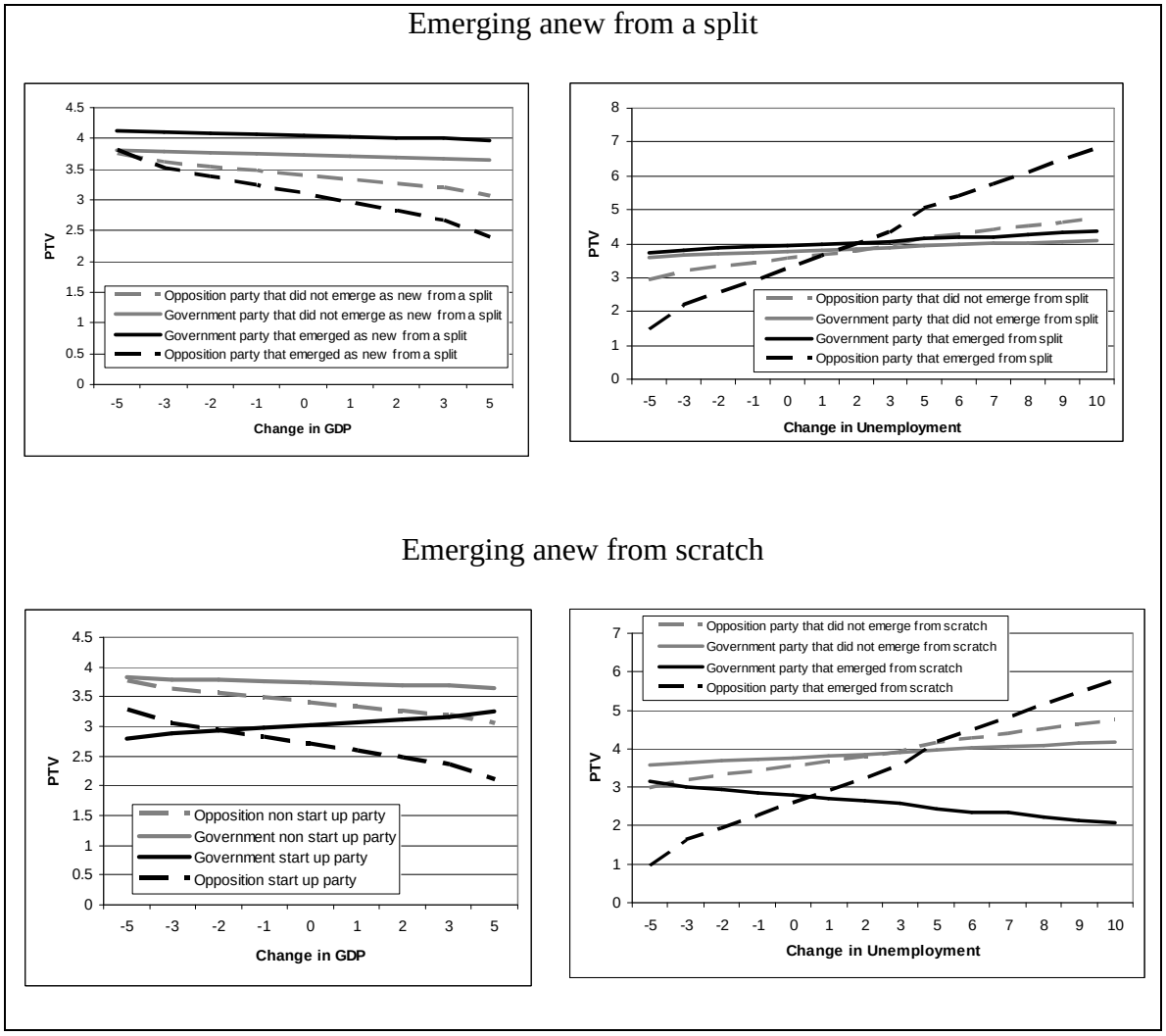

Figure C.2. The Effect of Select Structural Changes on Voters' Propensities to Vote for Parties (For GDP Growth and Unemployment)