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POLITICAL REACTIONS TO THE ECONOMY:
THE SPANISH EXPERIENCE

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1. Introduction[*]

Common sense and abundant empirical evidence appear to indicate that voters respond to economic conditions. *Ceteris paribus*, when such conditions are good, people support governments; when the economy deteriorates, this support suffers. It has thus been claimed that "the proposition that voters will punish incumbents for poor performance should not be controversial" (Kiewiet and Rivers, 1985: 225). If true, such a conclusion would provide empirical confirmation for standard conceptions of democratic accountability. Yet voters may accurately assess the economic situation and still find reasons not to act on these assessments. Indeed, they may decide how to vote first, and only then look for ways of rationalizing their decisions in the face of economic circumstances. We discuss the economic interpretation of voting using empirical evidence from Spanish politics between 1980 and 1995.

Models of economic voting postulate that voters base their decisions on the grounds of economic performance, either past or future.[1] According to one tradition of electoral research, the only information that enters into voters' decisions concerns their past experience.[2] Voters assess economic outcomes under the present government, ignore promises about the future, and implement the reward-punishment mechanism. As Key (1966: 61) put it, the voter is simply "an appraiser of past events, past performance, and past actions. It judges retrospectively; it commands prospectively only insofar as it expresses either approval or disapproval of that which has happened before. Voters may reject what they have known; or they may approve what they have known. They are not likely to be attracted in great numbers by promises of the novel or unknown".

A considerable number of studies have concluded, however, that political support is driven by expectations about the future performance of the economy[3]: "the past is surely past,

[1] See for instance Kramer (1971); Peffley (1985); Markus (1988); Bratton (1994).

[2] Examples of this tradition are Kramer (1971); Shaffer and Chressanthis (1991); Lanoue (1994); Monardi (1994); and Svoda (1995).

[3] These studies include Kuklinski and West (1981); Abramowitz (1985); Lewis-Beck and Skalaban (1989); Lockerbie (1992); MacKuen, Erikson, and Stimson (1992); Price and Sanders (1992).

so rational voters must be (directly or indirectly) prospectively oriented" (Bartels, 1988: 2). Yet how do voters form expectations about future economic performance, whether under the continued tenure of the current incumbent or in the case of the victory of opposition? Even if voters make decisions with an eye on the future, they may still base their forecasts exclusively on the past record(s) of the incumbent and the opposition, by simply extrapolating the past.[4] But such extrapolations are rational only if past and future economic performance are closely correlated when incumbents are re-elected, and disassociated when they are replaced by the opposition. And individuals may think about the future without making inferences from the past, picking cues from the campaign or from other sources. [5] They may believe that the hardships of the past were necessary for a bright future (Przeworski, in Stokes (ed), forthcoming). They may conclude that even if the future under the current incumbent is bleak, the opposition would only make things worse and, conversely, that even if the incumbent would perform well, the performance of the opposition will be superior.

Such interpretations may be based on the best evidence that voters can access. But they may also constitute ex-post rationalizations of voting decisions based on past political commitments or ideological stances. Hence, the direction of causality is not obvious.

The questions whether people accurately perceive the economic situation, whether they extrapolate the past to form forecasts, and whether they allow prior beliefs and commitments to shape their voting decisions are empirical: they cannot be resolved by assumptions. Moreover, answers to these questions may be contingent on historical circumstances. In countries that newly emerge from an authoritarian past, governments are more likely to be exonerated for bad economic performance. In countries that face the necessity of restructuring the economy, governments are more believable when they present the current hardships as temporary, leading to a better future. Hence, it is possible that the calculus of economic voting is different in the new and in the well established democracies; different under ordinary economic circumstances and in situations of economic crises.

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[4] See for instance, Fiorina (1981); Lewis-Beck (1988); Uslaner (1989); Bratton (1994); Lanoue (1994); Keech (1995).

[5] For instance, Kuklinski and West (1981); Abramowitz (1985); Conover, Feldman, and Knight (1987); Lockerbie (1992); MacKuen, Erikson, and Stimson (1992).

Political reactions to the economy have a particular saliency in new democracies that experience painful reforms. Do people have in mind the old regime and past economic conditions when they assess economic reforms? Is their reaction influenced by past and present hardships or by expectations about the future? Can citizens easily attribute responsibility or do they find it difficult to allocate the blame for hardships? Do they tend to exonerate their governments in the early years of the regime? Are they willing to accept intertemporal trade-offs?

If electoral punishment were to be the only answer to bad or deteriorating states of the economy, then governments interested in their own survival would avoid any policies that generate economic hardships, even if only in the short run. Facing hardships, citizens would extrapolate the future from the past and turn against the incumbents. Anticipating this reaction, governments would choose a populist path and short-term popularity. As the material costs of reforms fall mostly on the shoulders of workers, the policy constraints of leftist governments would be particularly strong. And because party identifications are often much weaker in new democracies, governments would be less able to rely on loyalties grounded in past political histories.

Yet we know that governments in new democracies do survive long and deep economic difficulties. Voters do not invariably reject reforms that bring temporary hardships. They are either sophisticated or gullible: they listen to explanations, consider constraints, scrutinize promises of the opposition, search for clues about responsibility. They may conclude that the present policies are the least bad, that they will lead to a better future, or that they are not the cause of the poor performance of the economy: as a result, they back the government. If the regime, or the government, has changed, present difficulties may be blamed on the past. The political goods of democracy, in contrast to a recent experience of authoritarianism, may temporarily benefit an elected government. A deep economic crisis and a history of failed policies may both reduce risk-aversion and increase the tolerance for painful reforms. If these are well-timed and radical, resistances may be minimized, steps will be seen as irreversible, and growth may be resumed earlier. Broad mandates, combined with consultation, may also limit opposition to policies, generate the complicity of society, increase informational flows, and improve the technical quality of reforms (Przeworski, 1991: 162-87). On the contrary, if a government cannot claim a mandate for reform, has turned around from electoral promises, delayed reforms, or been in power for a long time, it

will be unable to avoid the blame or to enjoy the intertemporal condescendence of voters: as a consequence, it will face stronger social resistances and greater electoral punishment. These are familiar arguments that contradict the theses of voters' myopia, populist governments, and non-viable economic reforms in new democracies.

2. Economic Performance in a New Democracy: the Spanish Case

The Spanish experience serves as a means of examining the logic of economic voting in a new democracy facing economic difficulties. The first democratic elections were held in June 1977, one and a half years after Franco died, 41 years after the last election before the Civil War. Over the following two decades, conservative and social democratic governments alternated in office. These governments were both minoritarian (until 1982 and from 1993) and majoritarian (1982-93). After a long period of growth, from the mid-1970s to the mid-1980s, the economy entered a crisis, which led to dramatic unemployment rates. When reforms were introduced during the two decades of democracy, they were always market-oriented; the state, however, played a much more active role in the provision of education and health, physical capital, and social policies, rather than in economic protectionism. Once the crisis of the first democratic decade was over, successive cycles of expansion/recession/expansion followed. How did people react politically to these changing economic circumstances?

Our study spans the period from the beginning of 1980 to the Summer of 1995. Thus the period starts two and a half years after the first democratic elections of June 1977, won by Adolfo Suárez and the UCD with 34.6% of the vote. At that time, the performance of the economy was deteriorating rapidly. While the annual rate of GNP growth had stood on average at 6.5% between 1961 and 1976, in 1977, the year of the election, it had fallen to 2.8% and continued to decline in the following five years. The rate of unemployment, which had been on average 2.8% of the labour force between 1961 and 1976, had risen to 5.3% in 1977 and reached 16.3% five years later. But the deterioration of the economy and a general feeling of crisis had started before Suárez became Prime Minister: this helped to exonerate him for several years. His leading role in reestablishing democracy was also widely acknowledged: this gave him a margin of manoeuvre regarding the economy. However, the

delicate political transition and the initial fragility of the new democracy also limited very much the ability of Suárez to undertake economic reforms. He only initiated them when all the parliamentary parties signed the Moncloa Pacts in the Autumn of 1977. These Pacts consisted of austerity policies and structural reforms: they brought inflation down from an annual rate of 23.4% to 16.9% in two years, but growth collapsed to 0.0% and unemployment went up by 3.5 percentage points (*Economie Européenne*, 1995: 102-3, 116-7, 148-9). The Moncloa Pacts could not survive the effects of the oil shock of 1979 and the intensifying partisan competition after the new Constitution was passed in December 1978. Suárez was still able to win the second democratic elections of 1979, with 34.9% of the vote, while support for the main party of the opposition, the PSOE, remained the same: 29.3% in 1977 and 30.5% in 1979. The strategy of Suárez was nevertheless much more defensive than in 1977: the slogan was retrospective ("*UCD cumple*"), while the opposition was presented as a threat to coexistence, tolerance, and Christian values, as a defender of abortion and of Marxist goals. The accomplishments emphasized were political, rather than economic. The economy was in fact in much worse condition. When our study starts, the second honeymoon

of 1979 was over: since the elections, growth had fallen to 0.6%, and unemployment had risen 2.8 percentage points. The explicit voting intention for the UCD stood at only 15.8%.[6]

Our study ends in the Summer of 1995. The PSOE had won the general elections of October 1982, and again those of June 1986, October 1989, and June 1993; it had formed majoritarian governments from 1982 to 1993 and a minoritarian government since then. The PP had been the main opposition party, winning 26.2%, 26.0%, 25.6%, and 34.8% of the vote in the four elections. After 13 years in power, with Felipe González as Prime Minister, the socialists were now only six months away from losing the general elections of March 1996. They had already lost the elections to the European Parliament in June 1994, as well as the local and regional elections of May 1995. Forecasts about the general elections were already discounting their defeat. The explicit voting intention for the PSOE had fallen from a record height of 40.1% in June 1986 to 21.9% in May 1995.[7] The only question was the size of their defeat. It turned out to be unexpectedly thin, with the PSOE getting 37.5% of the actual vote, against 38.8% won by the PP.

These were the circumstances at the beginning and the end of our study. What happened in between is summarized in Table 1, which shows the average annual rates of GNP growth, unemployment, and inflation.

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[6] Survey of the *Centro de Investigaciones Sociológicas*, no. 1, 218 (February 1980).

[7] Surveys of the *Centro de Investigaciones Sociológicas*, no. 1, 538 (June 1986), and no. 2, 154 (May 1995).

	Growth	Unemployment	Inflation
1980	1.3	11.6	13.4
1981	-0.2	14.4	12.6
1982	1.6	16.3	13.9
1983	2.2	17.5	11.8
1984	1.5	20.3	11.6
1985	2.6	21.6	7.7
1986	3.2	21.2	11.1
1987	5.6	20.5	5.8
1988	5.2	19.5	5.7
1989	4.7	17.2	7.1
1990	3.7	16.2	7.3
1991	2.2	16.4	7.1
1992	0.7	18.5	6.7
1993	-1.1	22.8	4.4
1994	2.0	24.1	4.1
1995	3.1	23.7	4.2

Source: Economie Européenne, 1995, Tables 3, 10, 26.

This period of 16 years can be divided into five main phases that should be relevant for economic voting. Figures 1, 2 and 3 show the changing profile of GNP growth, unemployment and inflation over these five phases, using quarterly data.

1. The initial phase corresponds to UCD governments. It starts at the beginning of 1980 and concludes in October 1982. The Suárez government lasted until February 1981, when Leopoldo Calvo-Sotelo replaced him as Prime Minister until the end of this period. Economic performance was always poor: the average annual rate of GNP growth was 0.9%, inflation remained close to 14%, and unemployment rose by 4.7 percentage points. Both UCD Prime Ministers framed their economic policies in exonerative terms: the blame was attributed, on the one hand, to legacies of the past; on the other hand, to international economic circumstances, particularly the rise in oil prices. They demanded sacrifices of society but, after years of UCD government, found it difficult to offer intertemporal transactions.[8] The government was able, however, to reach agreements with the trade unions for wage moderation, particularly with the *Acuerdo Nacional sobre el Empleo* in 1981, supported also by the opposition. The crisis was also political: devolution to the new Autonomous Communities got out of control, right-wing subversive conspiracies and terrorist activities by ETA de-stabilized democracy, internecine disputes within the UCD weakened the government. Support for the UCD declined under Suárez, rose for a couple of months after the attempted coup of February 1981 and with the new government of Calvo-Sotelo, and then continued to fall to its lowest level in October 1982, at the time of the general elections won by the PSOE with 48.4% of the vote. This loss of support was reflected in a string of defeats: in the referendum on political devolution to Andalusia (February 1980); regional elections in Catalonia, the Basque Country, Galicia and Andalusia (March 1980, October 1981, May 1982); partial elections in Sevilla and Almería (November 1980).

2. The second phase corresponds to the new PSOE government. It lasted from the end of 1982 to the end of 1985. This was a period of harsh adjustment policies, structural reforms,

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[8] Examples may be found in two crucial parliamentary speeches of Adolfo Suárez: one when the PSOE presented a motion of no-confidence in a debate in May 20-21, 1980; another when he defended a motion of confidence in his Government in September 16, 1980. He referred to the "disorderly and unbalanced development of the 60s and early 70s", to "the permanent incidence of continued increases in the price of oil", to the generalized recession of the world economy since mid-79"; he demanded a "spirit of saving and sacrifice, a collective effort to put a great country back on its feet", although such a "long and deep crisis could be stemmed, but not solved in the short-term because there are no rapid, free, and brilliant solutions". See *Primera Legislatura II (1980). Debates Políticos*, Madrid: Cortes Generales, 1980 (pp. 5,953; 5,956-57; 5,972; 7,072-73). Similar arguments may be found in the parliamentary speech of Leopoldo Calvo-Sotelo of February 19, 1981, when he was elected Prime Minister: "when democracy was established, Spain did not have efficient economic institutions"; "we must bring citizens to face this bitter and hard reality. This is the uncomfortable role that the government will assume. We shall avoid big promises made in exchange for small sacrifices". *Discurso de Investidura. Congreso de los Diputados. 19th February 1981*, Madrid: Presidencia del Gobierno, 1980 (pp. 16-7). The opposition, of course, rejected exonerative claims and criticised the absence of intertemporal perspectives. Thus, in the motion of no-confidence of May 1980, Felipe González argued that "the oil crisis does not explain everything: there is an oil crisis in many countries", that "the government has failed in its socioeconomic policies", that "there is resignation to the crisis... No hopes are offered to the country", speech of May 21, 1980. See *Primera legislatura II (1980). Debates Políticos* (pp. 6,006-10-11).

and bad economic conditions. The reforms were market-oriented, contrary to the initial policies of the French PS in 1981-2 and to those of the Greek PASOK from 1981 to 1989. This phase of austerity included a devaluation of the currency upon taking office, stricter limits on the money supply, limits on wage increases, a gradual reduction of the budget deficit, an orthodox payment of the public debt through state revenues, a reconversion of industrial sectors, and a reduction of labor market rigidities. The state, however, invested more in infrastructures and education: public expenditure in both areas augmented 1.7 points of GNP over this period (Boix, 1996: 163). Also, huge resources were drawn from the public budget in order to help financial institutions in crisis and the industrial reconversion.[9] Notwithstanding this adjustment, the rate of growth was higher than in the previous phase (2.1% on annual average), wages did not lose purchasing power (they grew on average by 1.5% in real terms), and inflation was lower (falling to 7.7%).[10] The major cost of the reforms was a sharp rise in unemployment, which grew by 5.3 percentage points. The arguments with which González framed his policies insisted on exoneration, the benefits of early timing, the need for a long-term horizon, and social compensations.[11] This period also included socioeconomic pacts with the unions (the *Acuerdo Económico y Social* of 1985-86), persistent conflict over industrial reconversion, reform of the public pensions system, legislation on education and abortion, and successful negotiations over European Community membership. Support for the government, despite unemployment, remained high, with an explicit voting intention of 34.2% in September 1985.[12]

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[9] $26.2 billion were spent on industrial reconversion, the economic recovery of the Rumasa group, and banks in crisis. See the statements of José Borrell, then Secretary of State of Finance, in *Diario 16*, August 2, 1988, and *La Vanguardia*, August 4, 1988.

[10] Data from *Economie Européenne* (1995).

[11] Thus, in his parliamentary speech when he was elected Prime Minister, Felipe González insisted on the long-term horizon of reforms. "To govern requires not only to be attentive to the curves of the road (but) to have a clear idea of the long-term (...). The margin of manoeuvre of economic policy is limited in the immediate future, and only widens in the future (...). We shall initiate reforms from this very moment, but their fruits will only be collected in the long-term". See *Diario de Sesiones*, Madrid: Congreso de los Diputados, November 30, 1982, number 3 (pp. 29, 31). Three years later, at the end of this second phase, González argued that he had "tried to catch-up for a delay of several years (...). Political priorities surely led in the past to the postponement of measures that countries of the European Community had taken in the 70s". He also defended the early timing of reforms, as painful decisions "have to be taken and the delay of decisions means greater harm, also for those people that one wants to protect"; and insisted that economic reforms needed social protection: "these costs and traumas had to be attenuated with social policies". Speech on the State of the Nation, October 15, 1985, in *El Estado de la Nación*: Madrid, Oficina del Portavoz del Gobierno, 1985.

[12] Survey of the *Centro de Investigaciones Sociológicas*, no. 1,472 (September 1985).

3. The third phase was of rapid growth and intense job creation, also under the socialists. Economic performance benefitted from a lower energy bill (due to the collapse in oil prices in 1986 and the fall of the dollar), the expansion of the European economies, and the previous adjustment. This phase lasted from the end of 1985 to the end of 1991. Spain joined the EC in January 1986 and entered the European Monetary System in June 1989. Over this period of six years, the average annual rate of GNP growth reached 4.1%, inflation was at 7.1% in the final year, and unemployment went down by 5.2 percentage points. Public expenditure in infrastructure and education expanded still further, by 3.8 points of GNP. At the same time, the budget for social policies went up by 1.9 percentage points of GNP. Fiscal revenues also rose by 4.0 points of GNP, particularly due to increases in direct taxation; together with changes in the internal structure of the budget, this allowed for a one-point reduction of the public deficit (Boix, 1996: 175-92; Maravall, 1997: 177-86). In this new phase of expansion and conflict, Felipe González framed his policies with references to past hardship, to the need to preserve progress achieved with great effort, to the possibility of lowering unemployment and expanding social policies if stable growth was maintained.[13] But in these more favorable circumstances, the socialists were unable to reach socioeconomic agreements with the unions. Conflict spread over industrial reconversion, in different branches of transport, the textile industry, the public systems of health and education, and culminated in a general strike in December 1988. Also, a string of scandals on insider-trading practices, illegal party funding, and corruption broke out at the beginning of 1990. The socialists won a very difficult referendum on NATO membership in March 1986, and two general elections in this period, in June 1986 and October 1989, with 44.1% and 40.2% of the vote. But electoral support started to erode: the explicit voting intention for the government in July 1991, as this phase was coming to an end, had fallen to 28.6%.[14]

4. The fourth phase that followed was of sharp economic deterioration and growing unemployment. It lasted two years: 1992 and 1993. The effects of the European recession were reinforced by domestic factors: real wages had risen by 2.5% in 1990, 2.7% in 1991,

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[13] González insisted once and again on "not retreating from the advances we have made", "not going back in years", as economic expansion had "required painful adjustments". He strongly defended "a balanced and sustainable growth and social concertation as necessary for employment and further increments in social expenditure". See his parliamentary speeches on the State of the Nation of February 24, 1987; February 24, 1988; February 14, 1989; March 20, 1991, in *El Estado de la Nación*, Madrid: Ministerio del Portavoz del Gobierno, 1987 (pp. 18-9), 1988 (pp. 30-5), 1989 (pp. 14-19, 25), and 1991 (pp. 17-26). Also, see his parliamentary speech when re-elected as Prime Minister on December 4, 1989, in *Sesión de Investidura*, Madrid: Ministerio del Portavoz del Gobierno, 1989 (pp. 23-32).

3.4% in 1992; in this period, public expenditure went up by 4.1 points of GNP, and the fiscal deficit by 2.6 points (*Economie Européenne*, 1995: tables 61 and 72). The government combined this wage and fiscal laxitude with tight monetary policies: it raised interest rates and devalued the currency. The result of this policy-mix was a recession: the average annual rate of growth was negative: -0.2%. While inflation was reduced to 4.4%, largely due to the crisis, the rise of unemployment was brutal, reaching 22.8% of the labour force (an increase of 6.4 percentage points in two years only). The economic record of the government was seen as bad by 70% of the people, while 86% considered its performance regarding unemployment a failure.[15] The government was again unable to reach socioeconomic pacts with unions, and labor strikes continued. Also, the scandals of corruption persisted and internal disputes within the PSOE became increasingly bitter. In November 1992, the explicit voting intention for the socialists had fallen to 19.9%.[16] However, at election time, in June 1993, the PSOE achieved a new and unexpected victory, getting 38.8% of the vote. This capacity to survive was due, on the one hand, to very positive views of social policies (Maravall, 1997: 91, 193-97), and to scepticism about what an alternative government would deliver: 58% of voters thought that no other party would do better than the PSOE on reducing unemployment, and the percentages rose to 64% and 70% regarding the management of the economy and education.[17] But after the 1993 elections, the PSOE had to govern in a minority, with the parliamentary support of Catalan nationalists. This minority government, however, introduced a fiscal adjustment and reformed the rigid and protected labor market.[18]

5. The final phase lasted from the end of 1993 to the Spring of 1995. The economy again benefitted from a new cycle of expansion in Europe and from the policies of economic adjustment. The European Community as a whole moved from recession in 1993 (GNPs

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[14] Survey of the *Centro de Investigaciones Sociológicas*, no. 1,972 (July 1991).

[15] Survey of DATA, S.A. in May 1993. This survey is part of the Spanish study for the *Comparative National Election Project*, carried out by a team including Richard Gunther and José Ramón Montero.

[16] Survey of the *Centro de Investigaciones Sociológicas*, no. 2,042 (November 1992).

[17] Survey of DATA, S.A. of note 21.

[18] Both had been political promises made by Felipe González in his parliamentary speech on taking over again as Prime Minister in 1993. In this speech González used "intertemporal" arguments, rather than "exonerative" or "normal" ones, when framing his policies. He situated the Spanish crisis in a context of "international economic uncertainties", and referred to past economic achievements; he accepted, however, that domestic factors had aggravated the economic conditions, (particularly the public deficit and labor market rigidities). He then presented a program of fiscal adjustment, labor market reforms, social concertation, public investment in infrastructures, and education and training as policy priorities. See *Diario de Sesiones*, Madrid: Congreso de los Diputados, July 8, 1993, number 2 (pp. 23-4, 26, 30).

shrank on average by -0.6%) to growth in the following two years (2.6% in 1994 and 3.0% in 1995). In Spain, the fiscal deficit was trimmed by 1.5 points of GNP over this period; the average annual rate of growth of real wages went down, from 1.9% in 1991-93 to -0.4% in 1994-95; the rate of inflation decreased from 6.7% in 1992 to 4.1% in 1995 (*Economie Européenne*, 1995: Tables 10, 26, 33, 62). The economy resumed growth, with a rate of 3.1% in 1995, and unemployment fell by two percentage points. But, after winning four successive elections, the socialists were now unable to survive. They were also deeply hurt by continuing scandals linked to the internal financing of the party, cases of personal corruption, and accusations of a dirty war against Basque terrorism.

Over our 16-years' period, governments fell or survived when economic conditions were bad: these were the contrasting political outcomes of phases 1, 2, and 4. And governments could also do well or, on the contrary, be punished when economic conditions were good or at least improving: these were the opposite political outcomes of phases 3 and 5. On what grounds did voters make their electoral choices? To what extent were these choices influenced by sociodemographic conditions and ideological sympathies and to what extent by economic considerations? And did such considerations consist mostly of judgments about the past, or expectations about the future?

3. Subjective Views of the Economy and Political Support

Our inferences about nolitical reactions to the economy are based on individual data from 63 opinion polls carried out by the *Centro de Investigaciones Sociológicas* (*CIS*), covering the period from February 1980 to May 1995. The total number of respondents was 158,412, and the distribution by phases was as follows: 25,858 for the first, 12,106 for the second, 68,156 for the third, 20,734 for the fourth, and 31,558 for the fifth. We do not consider the actual vote at election time, but the vote intention declared by individuals when interviewed in such polls. We examine only sociotropic assessments, both retrospective and prospective: only a small number of surveys had "pocketbook" questions, and overwhelming empirical evidence has shown that political reactions are much more influenced by the former (Kinder and Kiewiet 1979; Feldman 1982, 1985; Abramowitz, Lanoue, and Ramesh 1988; Markus 1988, 1992).

Figures 4 and 5 indicate the incidence of retrospective and prospective judgements of the economy over time. Views of the economy, both retrospective and prospective, varied very much over time. Bad retrospective views peaked at 75.1% under the UCD in January 1981, when the economy was in deep crisis and Suárez resigned as Prime Minister, and at 82.9% under the socialists in November 1993, in the depth of a new economic crisis and after the initial hopes generated by the elections in June of that year had been followed by frustration. The peaks of pessimistic expectations were 44.2% during the UCD period, in December 1980, and 55.0% during that of the PSOE, in November 1992: in both cases the economy had negative rates of growth and unemployment was increasing rapidly. But there was always less gloom about the future than about the past. Positive views about past economic performance were highest under the UCD in February 1980 (3.4%) and under the PSOE in July 1990 (12.1%); expectations about the future were much more optimistic, reaching 35.2% under the UCD in October 1982 and 50.6% under the PSOE in September 1987.

To determine whether subjective assessments accurately reflect the current economic situation, we need to revert to time-series analysis of aggregated individual responses. The basic answer is that they do. When income grows, people perceive the situation as good; when it declines, they see it as bad. Unemployment affects these perceptions independently of income: when unemployment is high, people see the conditions as bad. Inflation seems to play no role in shaping people's economic perceptions. Table 2 presents the results of what we think is the best estimate.[19]

The future was invariably seen as brighter than the past: in none of the 63 surveys did positive retrospective evaluations come close to positive prospective evaluations. Prospective views were influenced both by economic and political circumstances. Optimism grew with the economic expansion that started in the mid-80s, although it began to fall from October 1990 onwards, well before the new economic downturn of phase 4: people seem to have detected the symptoms very rapidly. Optimism was also stimulated by new governments and elections: it went up in February 1981, with the election of Calvo-Sotelo as the new UCD Prime Minister and the failure of a coup against democracy, and particularly with the electoral victories of the socialists, overwhelming in 1982, expected in 1986, and surprising in 1993. The effect of this last election appears to have been both strong and short-lived: the percentage of optimists doubled, even past economic performance was seen in brighter terms, but three months later this surge of optimism had vanished. As Figure 4 shows, pessimism about the future declined at the end of both the UCD and the PSOE governments: causation

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[19] Income is significant regardless of the model, but unemployment and inflation play a different role depending whether or not the series is differenced: with d=0, unemployment is always significant, with d=1, it is always inflation, both with correct signs.

Test for trend leads to the conclusion that there is none. Test if $\mu = 0$ when d=1 borders on significance. Autocorrelations r(t,t-s) are high and decline slowly. But they depend only on *s* and they do decline to 0. Hence, the series appears to be stationary.

Testing for the structure p,q (corner method, based on Box-Pierce statistic):

q	0	1	2	3
p				
0	38.80	50.13	explodes	explodes
1	34.89	13.08	6.03	explodes
2	26.63	10.67	5.64	explodes
3	26.51	8.51	2.56	3.48

The test for $\phi(2)$ shows that it is still somewhat significant but the test for $\Theta(3)$ shows that it is not. The best model, therefore, appears to be ARIMA(1,0,2). None of the autocorrelations r(t,t-s) for the residuals is significant. The expected value of error is -0.0024.

appears to have been reversed, as people were likely to be optimistic because they anticipated a victory of the opposition.[20]

TABLE 2. *Time Series (ARIMA) Analysis of the Relation between States of the Economy and Aggregate Assessments.*

Model: $y(t) = \mu + \beta x + \phi(1)y(t-1).....\ \phi(p)y(t-p)$
$+ \in(t) + \Theta(1)\in(t-1)...\ \Theta(q)\in(t-q)$
$y(t) = [(1-L)^d]Y(t)$ (differences)
Dependent variable: Retrospective economic assessments
Raw data were differenced $d = 0$ times.
Sum of squares at best estimates: 0.270129
Estimated standard deviation of $\in(t)$: 0.066546
Number of observations in the sample 63

Variable	Coefficient	Standard Error	$Z=b/s.e.$	$P[|Z|\geq z]$
$\phi(1)$	0.8277420	0.07821	10.583	0.00000
μ	0.3266638	0.18454	1.770	0.07670
UNEM	0.00848	0.00501	1.695	0.09011
GNP	-0.1501050	0.03648	-4.114	0.00004
INF	0.00757	0.01299	0.583	0.56000
$\Theta(1)$	-0.3794359	0.13919	-2.726	0.00641
$\Theta(2)$	-0.4143131	0.12589	-3.291	0.00100

Box-Pierce Statistic = 6.0263   Box-Ljung Statistic = 6.5940
Degrees of freedom = 5   Degrees of freedom = 5
Significance level = 0.3037   Significance level = 0.2526

Lag	Autocorrelation Function	Box/Prc	Partial Autocorrelations
1	0.039	0.10	0.039
2	0.050	0.25	0.048
3	0.228	3.52	0.225
4	-.136	4.68	-.161
5	-.146	6.03	-.166

Hence while people accurately assess the state of the economy, they do not extrapolate the past to form expectations about the future. Cross-tabulations of individual responses show that not in a single survey are the forecasts statistically related to current assessments. Contrary to the argument of Nannestad and Paldam (1994), expectations were

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[20] On the possibility of this reverse causation see Nannestad and Paldam (1997), Lanoue (1994), Lockerbie (1991). This runs against the argument of Price and Sanders (1995) that no theoretically plausible hypothesis can explain why political preferences should determine economic optimism.

not static: past experience was not taken as an indication of what could be expected about the future.

What then was the impact of economic considerations, either retrospective or prospective, on political support? Were political reactions grounded on judgements about past performance of the economy or on expectations about the future? And what was the relative influence of economic voting, compared to the effects of ideology? Did voting intentions vary across social groups? We examine the relative influence of retrospective and prospective views on the economy, of ideology, and of sociodemographic traits on voting intention over our 16-years' period, under different governments and economic cycles.[21] Tables 3, 4, and 5 show the multinomial logit estimates of support for the government and the opposition, and of indecision.[22]

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[21] Very bad and bad assessments of the economy were coded as 1, neither bad nor good as 2, and good and very good as 3. Ideology was coded from 1 (left) to 10 (right). Men were coded as 1, women as 0. Education was coded on a 1 to 7 scale.

[22] A word of caution is necessary here, since people who did not declare voting intentions may have been hiding them, rather than being in fact undecided. Over the 16 years, this hidden vote changed. Until the end of the 1980s, many PP voters hid their support for the party whose democratic credentials were still suspect. From 1989 onwards, however, the political renovation of the PP and the growing unpopularity of the PSOE, largely due to economic scandals, caused the socialist electorate to conceal their voting intentions. To correct for the concealed vote, first that of the PP and then of the PSOE, pollsters used answers about the vote in the previous election and the ideological proximity to the parties.

TABLE 3. *Multinomial Logit Estimates of Support for the Government.* (*)

Variable	Coefficient	SE	*t*-Ratio	Prob ǀ∃x
First phase				
Constant	0.01840	0.01007	1.827	0.06771
Gender	0.03651	0.00304	11.997	0.00000
Age	0.00215	0.00015	20.536	0.00000
Education	0.00306	0.00107	2.864	0.00418
Ideology	—	—	—	—
Retrospective	-0.05934	0.00226	-26.255	0.00000
Prospective	-0.03842	0.00207	-18.573	0.00000
Second phase				
Constant	1.18446	0.03262	36.306	0.00000
Gender	0.03719	0.00663	5.601	0.00000
Age	-0.00123	0.00022	-5.608	0.00000
Education	-0.03354	0.00254	-13.198	0.00000
Ideology	-0.10823	0.00326	-33.160	0.00000
Retrospective	-0.08164	0.00445	-18.358	0.00000
Prospective	-0.14914	0.00520	-28.665	0.00000
Third phase				
Constant	0.20998	0.01832	66.058	0.00000
Gender	-0.01429	0.00432	3.308	0.00000
Age	0.00068	0.00014	4.734	0.00000
Education	-0.05914	-0.00176	-33.611	0.00000
Ideology	-0.11212	-0.00174	-64.349	0.00000
Retrospective	-0.08266	-0.00283	-29.202	0.00000
Prospective	-0.16742	-0.00355	-47.176	0.00000
Fourth phase				
Constant	0.93180	0.02790	33.393	0.00000
Gender	0.01051	0.00482	2.184	0.02899
Age	0.00189	0.00016	11.486	0.00000
Education	-0.05112	0.00254	-20.135	0.00000
Ideology	-0.07160	0.00239	-29.976	0.00000
Retrospective	-0.10750	0.00396	-27.174	0.00000
Prospective	-0.11428	0.00408	-28.134	0.00000
Fifth phase				
Constant	0.69183	0.01799	38.453	0.00000
Gender	0.02782	0.00363	7.670	0.00000
Age	0.00206	0.00012	16.683	0.00000
Education	-0.05336	0.00189	-28.179	0.00000
Ideology	-0.06411	0.00177	-36.263	0.00000
Retrospective	-0.13541	0.00389	-34.784	0.00000
Prospective	-0.07613	0.00293	-25.999	0.00000

(*) Partial derivatives of probabilities computed at the means of the independent variables.

TABLE 4. *Multinomial Logit Estimates of Support for the Opposition.* (*)

Variable	Coefficient	SE	*t*-Ratio	Prob $|t| \geq x$
First phase				
Constant	0.18689	0.04256	4.391	0.00001
Gender	-0.11730	0.01222	-9.596	0.00000
Age	-0.00402	0.00039	-10.399	0.00000
Education	0.01441	0.00453	3.178	0.00148
Ideology	—	—	—	—
Retrospective	0.06616	0.00765	8.649	0.00000
Prospective	-0.01284	0.00830	-1.548	0.12167
Second phase				
Constant	-0.94151	0.06483	-14.522	0.00000
Gender	-0.05680	0.01402	-4.052	0.00005
Age	0.00083	0.00046	1.796	0.07249
Education	0.03620	0.00527	6.863	0.00000
Ideology	0.08955	0.00551	16.249	0.00000
Retrospective	0.06087	0.00905	6.723	0.00000
Prospective	0.10638	0.00987	10.778	0.00000
Third phase				
Constant	-0.78521	0.02923	-26.868	0.00000
Gender	-0.04693	0.00725	-6.469	0.00000
Age	-0.00024	0.00024	-0.980	0.32720
Education	0.04293	0.00283	15.195	0.00000
Ideology	0.08627	0.00251	34.371	0.00000
Retrospective	0.05769	0.00453	12.738	0.00000
Prospective	0.10774	0.00543	19.826	0.00000
Fourth phase				
Constant	-0.88760	0.05613	-15.814	0.00000
Gender	-0.05151	0.01326	-3.884	0.00010
Age	-0.00037	0.00044	-2.180	0.02927
Education	0.04636	0.00613	7.565	0.00000
Ideology	0.08107	0.00431	18.828	0.00000
Retrospective	0.11745	0.00869	13.510	0.00000
Prospective	0.06550	0.00904	7.244	0.00000
Fifth phase				
Constant	-0.52584	0.03551	-14.807	0.00000
Gender	-0.07643	0.00951	-7.428	0.00000
Age	-0.00220	0.00031	-7.003	0.00000
Education	0.05000	0.00409	12.224	0.00000
Ideology	0.07777	0.00287	27.122	0.00000
Retrospective	0.12584	0.00812	15.489	0.00000
Prospective	0.04656	0.00666	6.988	0.00740

(*) Partial derivatives of probabilities computed at the means of the independent variables.

TABLE 5. *Multinomial Logit Estimates of Indecision.* (*)

Variable	Coefficient	SE	*t*-Ratio	Prob ⁄∃x
First phase				
Constant	-0.20530	0.03272	-6.274	0.00000
Gender	0.08079	0.00964	8.384	0.00000
Age	0.00187	0.00031	6.025	0.00000
Education	-0.01747	0.00345	-5.064	0.00000
Ideology	—	—	—	—
Retrospective	-0.00682	0.00619	-1.101	0.27094
Prospective	0.05126	0.00620	8.268	0.00000
Second phase				
Constant	-0.24295	0.02862	-8.488	0.00000
Gender	0.01960	0.00737	2.661	0.00779
Age	0.00040	0.00024	1.660	0.09687
Education	-0.00266	0.00274	-0.970	0.33204
Ideology	0.01868	0.00278	6.720	0.00000
Retrospective	0.02077	0.00467	4.444	0.00001
Prospective	0.04277	0.00495	8.644	0.00000
Third phase				
Constant	-0.42477	0.00989	-42.945	0.00000
Gender	0.00326	0.00290	11.270	0.00000
Age	-0.00045	0.00010	-4.634	0.00000
Education	0.01621	0.00110	14.721	0.00000
Ideology	0.02585	0.00086	29.893	0.00000
Retrospective	0.02497	0.00179	13.937	0.00000
Prospective	0.05968	0.00208	28.752	0.00000
Fourth phase				
Constant	-0.04420	0.03612	-1.224	0.22108
Gender	0.04100	0.00846	4.846	0.00000
Age	-0.00092	0.00028	-3.261	0.00111
Education	0.00476	0.00398	1.193	0.23299
Ideology	-0.00947	0.00314	-3.013	0.00259
Retrospective	-0.00995	0.00571	-1.742	0.08154
Prospective	0.04878	0.00583	8.374	0.00000
Fifth phase				
Constant	-0.16599	0.02238	-7.417	0.00000
Gender	0.04282	0.00598	7.158	0.00000
Age	0.00014	0.00020	0.732	0.46442
Education	0.00336	0.00265	1.268	0.20467
Ideology	-0.01366	0.00215	-6.345	0.00000
Retrospective	0.00957	0.00515	1.859	0.06306
Prospective	0.02956	0.00420	7.031	0.00000

(*) Partial derivatives of probabilities computed at the means of the independent variables.

If we look first at support for the government, the pattern of "normal economic voting" was consistent. Positive assessments, both retrospective and prospective, increased the probability of such support. There was no exception. If we compare the relative influence of retrospective and prospective views in the different phases, optimistic expectations about

the economy had a much weaker effect on support when governments were old.[23] Under the socialists, the influence of the past became stronger as the government aged. (See the differences between the coefficients of phases 1 and 5, and those of phases 2, 3 and 4 regarding prospective views). The change in the influence of retrospective assessments is shown in the coefficients of phase 2, and those of phases 3, 4 and 5. This political effect of time operated whatever the conditions of the economy.

The surveys did not contain questions on ideology in the first phase of UCD governments. In the following periods of PSOE rule, leftism always increased support for the government. As for sociodemographic characteristics, the likelihood of backing the government, both in the UCD and the PSOE periods, was higher among women. As age went up, the probability of governmental support increased: young people only backed a government that was new and raised expectations (phase 2), but with the passing of time this same government was more likely to raise sympathies among old people. And while under the UCD governments higher levels of education had some effect on support for the incumbent, under the socialists the probability of such support increased when the level of education was low.

Support for the opposition increased in each of the five phases when views about past economic performance were negative. The effect was strongest in the last two phases of the PSOE government. The influence of prospective considerations changed over time: it was insignificant in phase 1, strongest in phases 2 and 3, and then declined in phases 4 and 5. Compare the coefficients of phases 2 and 5: under a new government, support for the opposition was more likely when future expectations about the economy were negative; under an old government, it increased when negative views referred to past performance. This is just equivalent to what happened with support for the government: sympathizers and opponents of a government looked at the future when it was a new one, and to the past when it had aged.

Support for the opposition was more probable among right-wing voters under the socialist government, whatever the situation of the economy. It was higher among men and among young people, except in the first phase of the PSOE government. High education

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[23] Our data thus confirm the conclusion of Lancaster and Lewis-Beck (1986) that support for the PSOE in its initial period in government was mostly prospective.

levels favored the opposition. There were therefore clear dividing lines between left and right and between low and high educational strata.

People tended to be undecided when views about the economy, either retrospective or prospective, were negative. These undecided respondents were unhappy about economic performance in the past and in the future, but they had not made up their minds about whom to vote for. There were exceptions, though: negative retrospective views had no statistically significant effect in the first, fourth and fifth phases, when indecision was influenced only by pessimistic expectations. The influence of ideology varied: most of the time, indecision was more likely among right-wing voters but in the last two phases, under the new economic crisis and increasingly a political one, its probability increased among leftist voters. A plausible interpretation is that in 1982 the collapse of UCD left many conservative voters without a clear political option, while later on leftists disenchanted with the socialist experience were uncertain about whether to punish the government to the benefit of the opposition. The effect of education also changed with time: under the UCD, political indecision was more probable when levels of education were low; under the socialists, when such levels were high, although the significance of the effect was only important in phase 3.

The overall pattern of the effects of the independent variables on political support in the five different economic/political phases is summarized in Table 6. It is apparent that voters are not all the same: gender, education, and age all matter independently of the evaluations of the economy and of ideology. Both retrospective and prospective views of the economy shape voting intentions: people who have positive evaluations invariably support the incumbent, while people who see things as bleak either turn to the opposition or remain in doubt. Hence, it would appear that the model of economic voting, adjusted for individual differences, explains the behavior of the Spanish voters. But, then, what sense are we to make of the role of ideology, which is the most significant factor in explaining the voting intentions at every phase?

TABLE 6. *Summary of Influences on Political Support by Phases.* (i)

		1	2	3	4	5
		Crisis/UCD	Crisis/New PSOE	Expansion/PSOE	Crisis/PSOE	Expansion/PSOE
{	Men	Opposition (*)	Opposition	Opposition/ Undecided	Opposition	Opposition

Gender						
	Women	Undecided/ Government	Government/ Undecided	Government	Undecided/ Government	Undecided/ Government
Age	-	Opposition	Government	Undecided/ Opposition	Opposition/ Undecided	Opposition/ Undecided
	+	Government/ Undecided	NS	Government	Government	Government
Education	-	Undecided	Government	Government	Government	Government
	+	Opposition/ Government	Opposition	Opposition/ Undecided	Opposition/ Undecided	Opposition/ Undecided
Ideology	Left	—	Government (*)	Government (*)	Government/ Undecided	Government/ Undecided
	Right	—	Opposition/ Undecided	Opposition/ Undecided	Opposition	Opposition
Retrospective	Bad	Opposition	Opposition/ Undecided	Opposition/ Undecided	Opposition (*)	Opposition (*)
	Good	Government	Government	Government	Government (*)	Government (*)
Prospective	Bad	Undecided	Opposition (*)/ Undecided	Opposition (*)/ Undecided	Opposition	Opposition/ Undecided
	Good	Government	Government (*)	Government (*)	Government (*)	Government

(i) : When an independent variable is related to more than one type of support, the order corresponds to the value of the coefficients.
— : No data available.
NS : Not significant.
(*) : Highest values of coefficients for the independent variables in each phase.

4. Ideological Interpretations and Vote Intentions: The Economic Model Revisited

The economic voting model supposes that people first form judgements about the current or the future states of the economy and then decide how to vote. But the direction of causality is not obvious. For all we know, people may decide how to vote on some prior basis and then look for ways of rationalizing their decisions. Some people may consider the past to have been disastrous but persuade themselves, or be persuaded, that the future bodes well. Others may even see both the past and the future as bleak, but still conclude that the incumbent government did all it could in the face of adverse circumstances and that the opposition would only do worse. Conversely, some people may consider the past and the future to be good, but may feel that the government did not do what it should have and the opposition would have acted better.

Such interpretations need not be unfounded. Under some conditions, there may be good reasons not to infer the future from the past. Under some circumstances, it is reasonable not to blame the incumbent for bad performance, even if it is to continue in the future. Voting decisions inevitably entail counterfactual reasoning and, particularly if one party has been in

office for a long time, the expectations about how the opposition would have or will have performed in its place must be based on guesswork. Thus, we do not know whether people who do not vote according to their perceptions or even their forecasts know something that others do not or are simply driven by stronger prior beliefs. For it is also possible that some people have such strong prior beliefs (Harrington 1993) or such strong commitments (Converse 1969) that they decide first how to vote and then find reasons to do so. While we cited above evidence that people perceive the past accurately, ideology, as well as past political behavior, may shape the ways in which they use this information to form expectations and the ways in which they attribute responsibility, both for the past and the future.

Thus, distinctions are necessary. Following Stokes (in Stokes (ed), forthcoming), we can distinguish different interpretative mechanisms, to which we will refer as "types," that people use to process and evaluate the information about the economy:

1. People may see the past economic performance as good, expect it to be good in the future, and reward the government. They may on the contrary view the future as bad, and support the opposition. Such postures are "normal," at least normally expected by the model of economic voting.[24]

2. People may see the past economic performance as bad, but believe that it will improve if the incumbent is allowed to continue in office. So, even if retrospective assessments are negative, punishing the incumbent makes no sense: its policies, although painful, are the cause of the optimistic expectations. Such postures are "intertemporal."[25]

3. People may expect the future to be bad, whatever their retrospective assessment of the past. That is, they may view economic performance, past and future, in consistently negative terms, or they may think that it will deteriorate. Yet they do not hold the government responsible for these gloomy prospects, which are seen as caused by the economic mismanagement of previous governments or by forces beyond anyone's control. Voters are

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[24] Such combinations of normal economic voting are therefore the following:

Past	Future	Support
Good	Good	
Regular	Good	Government
Good	Regular	
Regular	Regular	
Bad	Bad	
Good	Bad	
Regular	Bad	Opposition
Good	Regular	
Regular	Regular	

[25] The combinations of intertemporal economic voting are:

Past	Future	Support
Bad	Good	Government
Bad	Regular	

pessimistic, but they do not punish the incumbents. The opposition is not a better option. Such postures are "exonerative."[26]

4. Whatever the past, may citizens think that the future of the economy will be good. But they do not reward the government for this optimism: if the economy is expected to perform well (and perhaps to have performed well in the past, too), either they do not relate this to the economic policies, or they simply dislike the incumbents for whatever reason. Therefore they intend to vote for the opposition. Such postures are "oppositionist."[27]

5. People look at the past, scrutinize the future and, whatever their conclusions about the economy, extract none about political reward or punishment. Such hesitant (or "undecided")[28] postures are then compatible with different retrospective and prospective

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[26] Exonerative economic voting is expressed in the following combinations:

Past	Future	Support
Bad	Bad	
Regular	Bad	Government
Good	Bad	

[27] The following combinations show a pattern of oppositionist voting:

Past	Future	Support
Good	Good	
Regular	Good	Opposition
Bad	Good	
Bad	Regular	

[28] But remember the caveats in footnote 22.

diagnoses about the economy: citizens may be optimistic or pessimistic about the future, but unclear about whether another option will improve this prospect of the economy.[29]

TABLE 7. *Types of Economic Voting by Phases.*

Economic Voting	1 Crisis/UCD		2 Crisis/New PSOE		3 Expansion/PSOE		4 Crisis/PSOE		5 Expansion/PSOE		Totals	
	%	(N)	%	(N)	%	(N)	%	(N)	%	(N)	%	(N)
Normal	23.7	(2,756)	24.9	(1,867)	43.0	(13,139)	24.0	(2,705)	33.8	(4,632)	33.6	(25,099)
Intertemporal	6.3	(734)	13.7	(1,013)	9.8	(3,002)	9.1	(1,024)	11.2	(1,531)	9.8	(7,304)
Exonerative	4.7	(552)	6.6	(496)	6.0	(1,841)	6.4	(726)	4.5	(620)	5.7	(4,235)
Oppositionist	6.9	(803)	2.9	(219)	6.2	(1,888)	2.3	(261)	8.5	(1,168)	5.8	(4,339)
Undecided	58.4	(6,787)	51.9	(3,875)	35.0	(10,715)	58.2	(6,555)	42.0	(5,755)	45.1	(33,687)
Totals		(11,632)		(7,470)		(30,585)		(11,271)		(13,706)		(74,664)

Table 7 shows the incidence of the five types in the five phases. Over the period of 16 years, indecision was predominant: it represented 45.1% of the total number of respondents. Such people looked at past performance, imagined the future, and extracted conclusions about the economy but none about political reward or punishment. These conclusions could be pessimistic or optimistic: in neither case were they connected to attributions of responsibility. Over the whole period, 32.8% of "undecided voters" were pessimistic about the economy; 47.5% were optimistic; others were just sceptical.

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[29] The combinations of undecided economic voting are thus:

Past	Future	Support
Good	Good	
Regular	Good	
Bad	Good	
Bad	Regular	
Good	Regular	Do not know
Regular	Regular	
Good	Bad	
Regular	Bad	
Bad	Bad	

The rest were able to decide whom to support, but the reasons for such support were different. Most respondents were "normal economic voters": they rewarded or punished politicians according to their views of economic conditions.

"Intertemporal" and "exonerative" types supported the government even though their views on the economy were negative. These reactions were less frequent: together, they amounted to 15.5% of the total over the five phases. "Oppositionist" postures were relatively infrequent: less than 6% on average over the 16-years' period. Yet of those people who had clear voting intentions, altogether between one third and one half did not make their decisions on the basis of the past: either they were convinced that the future would not follow the past, or they thought that the government was not responsible, or they were convinced that the opposition would do better.

Thus political parties receive support which is not motivated by their past performance. When the economy functions well, the government can rely on support of people who adopt "normal" postures. But when the economic situation deteriorates, this support need not erode if people find alternative interpretations of this performance, adopting either "intertemporal" or "exonerative" postures. The political importance of these alternative mechanisms becomes apparent when we observe, in Figure 6, that there were moments when more than one half of the support for the incumbent governments, whether the UCD or PSOE, was derived from people who did not reason like normal economic voters. And if governments can rely on people to find reasons to support them regardless of economic performance, having to confront voters does not work as a disciplining mechanism for governments. This is perhaps why Cheibub and Przeworski (1999) found that the survival of governments in office is unrelated to economic performance.

The question that is open is whether these alternative postures are based on rational beliefs, derived from the best information voters can get, or are motivated by ideology or by past political commitments.[30] We have seen above that ideology affects voting intentions independently of the way people see the economic past or the future. The reason may be that ideology shapes the way in which people interpret the states of the economy in political terms. Hence, to test the role of ideology, we need to see if the interpretative postures people

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[30] The variable identifying past commitments is the recall of the vote in the previous election, coded in the same way as the voting intention, that is, 0 for the incumbent, 1 for no answers, and 2 for the opposition.

adopt are driven only by their private information, which we assume to be related to sociodemographic characteristics, or also by their ideological positions or past commitments, independently of whatever information people may have. Thus, Tables 8 to 10 report the multinomial logit estimates of each of the types, with gender, age, educational levels, ideology, and past vote as independent variables.

TABLE 8. *Multinomial logit estimates of "intertemporal voting".*(*)

Variable	Coefficient	SE	*t*-Ratio	Prob |⊨∃ *x*
First phase				
Constant	-0.02552	0.00027	-94.935	0.00000
Gender	0.00069	0.00010	6.746	0.00000
Age	0.00006	0.00000	17.154	0.00000
Education	0.00261	0.00004	70.139	0.00000
Ideology	—	—	—	—
Past vote	-0.05846	0.00020	-288.926	0.00000
Second phase				
Constant	0.01494	0.00072	20.788	0.00000
Gender	0.01712	0.00024	71.907	0.00000
Age	-0.00086	0.00001	-117.342	0.00000
Education	-0.00403	0.00008	-51.266	0.00000
Ideology	-0.00087	0.00000	-215.685	0.00000
Past vote	-0.13305	0.00044	-301.782	0.00000
Third phase				
Constant	-0.04984	0.00048	-103.858	0.00000
Gender	0.01188	0.00019	63.967	0.00000
Age	-0.00029	0.00001	-48.925	0.00000
Education	-0.00500	0.00007	-76.320	0.00000
Ideology	-0.00072	0.00000	-210.529	0.00000
Past vote	-0.03925	0.00018	-212.238	0.00000
Fourth phase				
Constant	-0.01678	0.00019	-90.226	0.00000
Gender	0.00536	0.00006	95.625	0.00000
Age	0.00004	0.00000	20.154	0.00000
Education	-0.00099	0.00002	-44.810	0.00000
Ideology	-0.00038	0.00000	-388.332	0.00000
Past vote	-0.09022	0.00017	-523.514	0.00000
Fifth phase				
Constant	-0.01196	0.00043	-28.099	0.00000
Gender	0.00886	0.00012	74.528	0.00000
Age	0.00004	0.00000	10.429	0.00000
Education	-0.00068	0.00005	-14.883	0.00000
Ideology	-0.00473	0.00004	-131.271	0.00000
Past vote	-0.12252	0.00034	-365.464	0.00000

(*) Partial derivatives of probabilities computed at the means of the independent variables.

TABLE 9. *Multinomial Logit Estimates of "exonerative voting".*(*)

Variable	Coefficient	SE	*t*-Ratio	Prob ⎪∃ *x*
First phase				
Constant	-0.01951	0.00022	-89.934	0.00000
Gender	0.00116	0.00008	14.018	0.00000
Age	-0.00003	0.00000	-12.949	0.00000
Education	0.00001	0.00003	0.493	0.62204
Ideology	—	—	—	—
Past vote	-0.04540	0.00016	-285.763	0.00000
Second phase				
Constant	-0.00593	0.00040	-14.809	0.00000
Gender	0.01418	0.00014	100.635	0.00000
Age	-0.00094	0.00000	-209.482	0.00000
Education	-0.01170	0.00005	-222.409	0.00000
Ideology	-0.00030	0.00000	-130.548	0.00000
Past vote	-0.05763	0.00022	-261.045	0.00000
Third phase				
Constant	-0.06638	0.00031	-210.781	0.00000
Gender	0.00016	0.00012	1.282	0.19993
Age	-0.00015	0.00000	-36.428	0.00000
Education	-0.00745	0.00005	-163.007	0.00000
Ideology	-0.00016	0.00000	-71.371	0.00000
Past vote	-0.00262	0.00010	-26.668	0.00000
Fourth phase				
Constant	0.01533	0.00018	87.266	0.00000
Gender	-0.00187	0.00004	-42.421	0.00000
Age	-0.00043	0.00000	-285.955	0.00000
Education	-0.00653	0.00002	-333.481	0.00000
Ideology	-0.00010	0.00000	-121.744	0.00000
Past vote	-0.07099	0.00014	-517.742	0.00000
Fifth phase				
Constant	0.02502	0.00034	73.624	0.00000
Gender	-0.00251	0.00008	-31.126	0.00000
Age	-0.00059	0.00000	-213.352	0.00000
Education	-0.00748	0.00004	-213.270	0.00000
Ideology	-0.00189	0.00002	-78.421	0.00000
Past vote	-0.08055	0.00023	-357.216	0.00000

(*) Partial derivatives of probabilities computed at the means of the independent variables.

TABLE 10. *Multinomial Logit Estimates of "oppositionist voting".*(*)

Variable	Coefficient	SE	*t*-Ratio	Prob ǀǀ∃ *x*
First phase				
Constant	-0.10847	0.01342	-8.085	0.00000
Gender	-0.02045	0.00399	-5.120	0.00000
Age	-0.00033	0.00012	-2.676	0.00749
Education	-0.00041	0.00133	-0.310	0.75693
Ideology	—	—	—	—
Past vote	0.06127	0.00582	10.522	0.00000
Second phase				
Constant	-0.05003	0.00974	-5.136	0.00000
Gender	-0.00662	0.00253	-2.621	0.00876
Age	-0.00004	0.00007	-0.544	0.58661
Education	0.00130	0.00080	1.629	0.10339
Ideology	-0.00015	0.00005	-3.050	0.00229
Past vote	0.02429	0.00426	5.707	0.00000
Third phase				
Constant	-0.09095	0.00689	-13.191	0.00000
Gender	-0.00889	0.00186	-4.794	0.00000
Age	-0.00017	0.00006	-2.898	0.00376
Education	0.00203	0.00064	3.169	0.00153
Ideology	-0.00023	0.00004	-6.367	0.00000
Past vote	0.04877	0.00299	16.314	0.00000
Fourth phase				
Constant	-0.03670	0.00695	-5.281	0.00000
Gender	-0.00240	0.00142	-1.690	0.09096
Age	-0.00013	0.00005	-2.508	0.01215
Education	-0.00015	0.00056	-0.271	0.78677
Ideology	-0.00015	0.00004	-4.037	0.00005
Past vote	0.01753	0.00313	5.602	0.00000
Fifth phase				
Constant	-0.05509	0.01094	-5.037	0.00000
Gender	-0.00237	0.00190	-1.247	0.21235
Age	-0.00017	0.00007	-2.422	0.01545
Education	0.00016	0.00074	0.218	0.82761
Ideology	0.00135	0.00057	2.386	0.01702
Past vote	0.02334	0.00447	5.220	0.00000

(*) Partial derivatives of probabilities computed at the means of the independent variables.

The two types of "intertemporal" and "exonerative" voting imply supporting the government, even though present economic conditions are seen as bad. The reasons for this apparent *non sequitur* are however different. "Intertemporal" voters attribute present hardship

to the government, but think that it leads to a better future, and their discount rate is low enough so that expectations weigh more than present pains. On the contrary, "exonerative" voters are pessimistic about the future: they just think that the government bears no responsibility for the bad economic performance, and/or that the opposition is a worse alternative. As we have shown, these two types were more frequent in phase 2, with an incoming socialist government and a continuing economic crisis. They were influenced therefore by political conditions; we also saw that the 1993 electoral victory of the PSOE led to a surge of both types. Reverse causation seems, therefore, to have existed in "intertemporal" and "exonerative" reactions: individuals first had political preferences, then they looked at the economy and reached an "intertemporal" or "exonerative" conclusion.

As Table 8 shows, "intertemporal" reactions were more likely among women. This fits with their tendency to support the government rather than the opposition, whichever party was in power or whatever the economic cycle. The influence of gender on exoneration, as can be seen in Table 9, was less clear: in phases 1 and 2 women tended not to blame the UCD and the PSOE; in phase 3 gender did not have a significant influence; and eventually, in the last two socialist phases (one of crisis, the other of expansion), exoneration became more likely among men. "Intertemporal" reactions increased among younger voters in phases 2 and 3, with a new government and under an economic expansion; but as governments aged, optimism about the future was more probable among older voters. However, younger voters were more likely to "exonerate" incumbents in all the five politico-economic phases. The impact of education on both types of voting varied: "intertemporal" reactions were more likely among the higher educational groups under the conservative government (phase 1); they increased, on the contrary, among the lower ones under the socialists (phases 2 to 5). As for "exonerative" reactions, no statistically significant relation existed in phase 1, but in the four socialist phases their probability increased in the lower educational groups.

Yet independently of the individual differences, ideology and vote in the past election were most important in shaping "intertemporal" and "exonerative" reactions to the economy. Some people looked at the economy with political blinkers. Such postures were higher among voters situated on the left in the four PSOE phases, and also among individuals who had supported the incumbent governments in the past elections. The coefficients for ideology were higher both for "intertemporal" and "exonerative" reactions at the beginning and at the end of the socialist period; this was also the case for past vote on "intertemporal" reactions.

That a new government would raise expectations among its supporters and not be blamed for the bad performance of the economy is to be expected. But an old government seems also to have found support among people on the left and loyal voters who still did not hold it responsible for their economic unhappiness or remained optimistic about the future.

These blinkers also influenced "oppositionist" voters, but they led in a different direction. These people thought that the evolution of the economy was good, but supported the opposition. They either decoupled governmental policies and economic performance, or were overwhelmingly influenced by non-economic considerations. Having supported the opposition in the past increased the probability of "oppositionist" reactions to the economy. This is where we find again the strongest coefficients. This reaction was also more likely among leftist voters in three out of the four phases for which we have data on ideology. Only at the end of the socialist governments was "oppositionist" voting more likely within the right. The left seems to have been divided in its voting intention: it provided both support for the socialists (in the form of "normal", "intertemporal", and "exonerative" reactions) and unconditional opposition.

TABLE 11. *Summary of influences on types of voting.* (i)

		1	2	3	4	5
		Crisis/UCD	Crisis/New PSOE	Expansion/PSOE	Crisis/PSOE	Expansion/PSOE
Gender	Men	Oppositionist (*)/ Normal (*)	Normal (*)/ Oppositionist	Normal (*)/ Oppositionist	Normal (*)/ Oppositionist/ Exonerative	Normal (*)/ Exonerative/ Oppositionist
	Women	Undecided (*)/ Exonerative/ Intertemporal	Intertemporal(*)/ Undecided (*)/ Exonerative	Undecided (*)/ Intertemporal/ Exonerative	Undecided (*)/ Intertemporal	Undecided (*)/ Intertemporal
Age	-	Oppositionist/ Normal/ Exonerative	Intertemporal/ Exonerative/ Oppositionist	Undecided/ Intertemporal/ Oppositionist/ Exonerative	Undecided/ Exonerative/ Oppositionist	Undecided/ Exonerative/ Oppositionist
	+	Intertemporal/ Undecided	Normal/ Undecided	Normal	Normal/ Intertemporal	Normal/ Intertemporal
Education	-	Undecided	Exonerative (*)/ Intertemporal	Exonerative/ Normal/ Intertemporal	Normal (*)/ Exonerative/ Intertemporal	Normal (*)/ Exonerative/ Intertemporal
	+	Intertemporal/ Normal/ Exonerative	Normal (*)	Undecided (*)/ Oppositionist	Undecided (*)	Undecided (*)
Ideology	Left	—	Normal/ Intertemporal/ Exonerative/ Oppositionist	Normal/ Intertemporal/ Oppositionist/ Exonerative	Normal/ Intertemporal/ Oppositionist/ Exonerative	Normal/ Intertemporal/ Exonerative
	Right	—	Undecided	Undecided	Undecided	Undecided (*)/ Oppositionist
Past vote	Opposition	Oppositionist (*)/ Normal (*)/ Undecided (*)	Undecided (*)/ Oppositionist (*)	Undecided (*)/ Opositionist (*)	Undecided (*)/ Oppositionist (*)	Undecided (*)/ Oppositionist(*)
	Government	Intertemporal (*)/ Exonerative (*)	Intertemporal(*)/ Exonerative(*)/ Normal (*)	Normal (*)/ Intertemporal (*)/ Exonerative	Intertemporal(*)/ Exonerative (*)/ Normal (*)	Intertemporal (*)/ Exonerative (*)/ Normal (*)

(i) : When an independent variable is related to more than one type of support, the order corresponds to the value of the coefficients.

— : No data available.

(*) : Highest values of coefficients for the independent variables in each phase.

The effects of the independent variables on all the five types of interpretative postures in the five politico-economic phases are summarized in Table 11. Demographic characteristics do play a role in shaping the responses of individuals to economic conditions. Thus, people located in particular places in the social structure are affected differently by general economic conditions and/or have different information about them. Yet the interpretative postures are driven largely by past political commitments and by ideology. Left-wing voters found all kinds of reasons to support the PSOE government. When

conditions were good, as they were in phase 3, they could support the government by reasoning "normally." When the economy turned down, in periods of economic crises, these loyal voters turned to "intertemporal" and "exonerative" interpretations and still supported the government. And, in accordance with Converse (1969), the past voting behavior was a powerful force in shaping future voting intentions. Once someone had voted for the government, they would intend to vote for it again, whether for normal, intertemporal, or exonerative reasons; once someone had voted for the opposition, they would not vote for the government regardless of economic circumstances.

These patterns show the limits of economic voting explanations. Causality seems to have been often reversed: partisan allegiances rooted in social and political conditions influenced the interpretations of the economy. Once class and ideology mediated, people interpreted the same economic conditions in different ways and could thus maintain their ideological and partisan loyalties in the face of changing economic circumstances.

5. Conclusion

Over a long period of 16 years, interspersed with four elections and under different types of government, the Spanish economy experienced phases of expansion and recession, with oscillations of nearly seven points in the annual rate of GNP growth, ten points in the annual rate of inflation, and thirteen points in the unemployment rate. People accurately perceived these economic changes. Yet their voting intentions remained much more stable. Thus it is clear that the model of economic voting is not sufficient to tell the story of Spanish partisan attitudes.

Both retrospective and prospective views on the performance of the economy influenced voting intention. When such views, regarding either the past or the future, were positive, governments were rewarded; when they were negative, support for the opposition increased. In the expansive phases, the incidence of "normal economic voting" went up, and electoral indecision declined. Thus, we have *prima facie* evidence of a pattern of economic voting. However, this pattern was far from simple. For one, retrospective and prospective evaluations were unrelated: individuals did not infer the future from the past, being much

more optimistic about the future than satisfied with the past. For two, the relative importance of retrospective and prospective evaluations changed according to the age of the governments: new ones were supported or rejected on prospective grounds, old ones on retrospective grounds.

The role of economic conditions in shaping partisan attitudes is limited because political reactions to the economy are mediated by political loyalties and by ideology. This did not prevent political choices: for instance, women were more likely to be undecided *or* to support the government; leftists, to vote for the PSOE or to be undecided in its last period in office; young voters, to opt for the opposition or for indecision. But, in general, partisan attitudes were considerably stable, whatever the conditions of the economy.

The social and ideological roots of party preferences were probably more consistent in Spain than in other new democracies: the PSOE had more than a hundred years of history and could appeal to ideological and class loyalties embedded in the memory of "past political battles that had shaped the ways in which voters thought about politics and government" (Popkin, 1994: 50). This historical memory perhaps explains why the influence of cleavages of class and ideology on voting intentions remained largely stable, in the face of sharply changing economic conditions, the introduction of market reforms, or the vast increase in unemployment. Thus, economic voting may be limited when the roots of partisanship are strong; on the contrary, its incidence may be greater in those democracies where such roots are weak.

Our evidence suggests that political reactions to the economy often did not correspond to a logic of economic voting. Although views about the economy may have produced political reactions, such views also seem to have been the result of previous political considerations. Voters often appear to have decided, for whatever reasons, to support the government or the opposition, and only then to have chosen arguments to sustain their decision. Thus, rather than views of the economy deciding the vote, the causation was often the reverse.
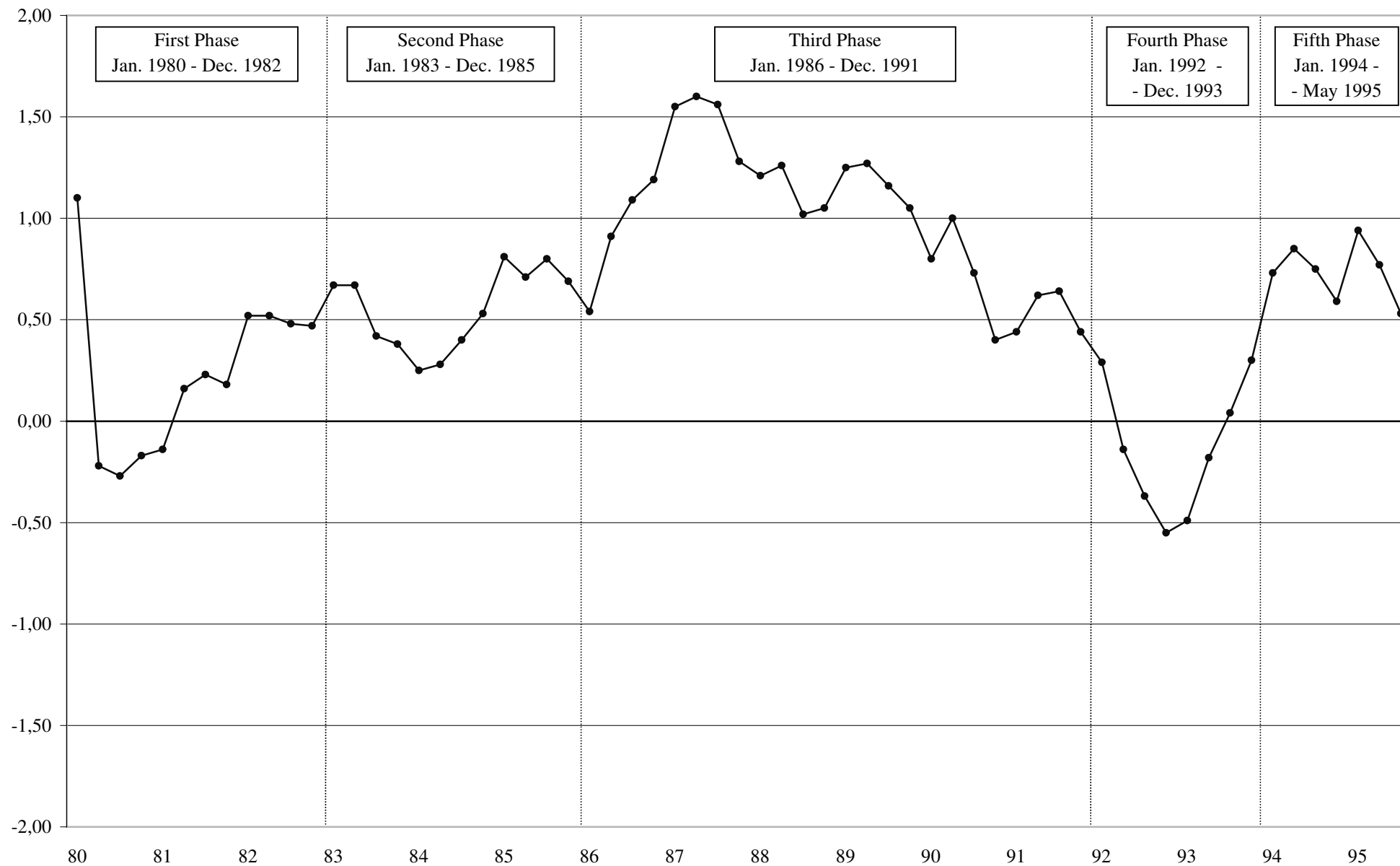
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Figure 1. GNP: Quarterly Rates of Change over Five Phases.

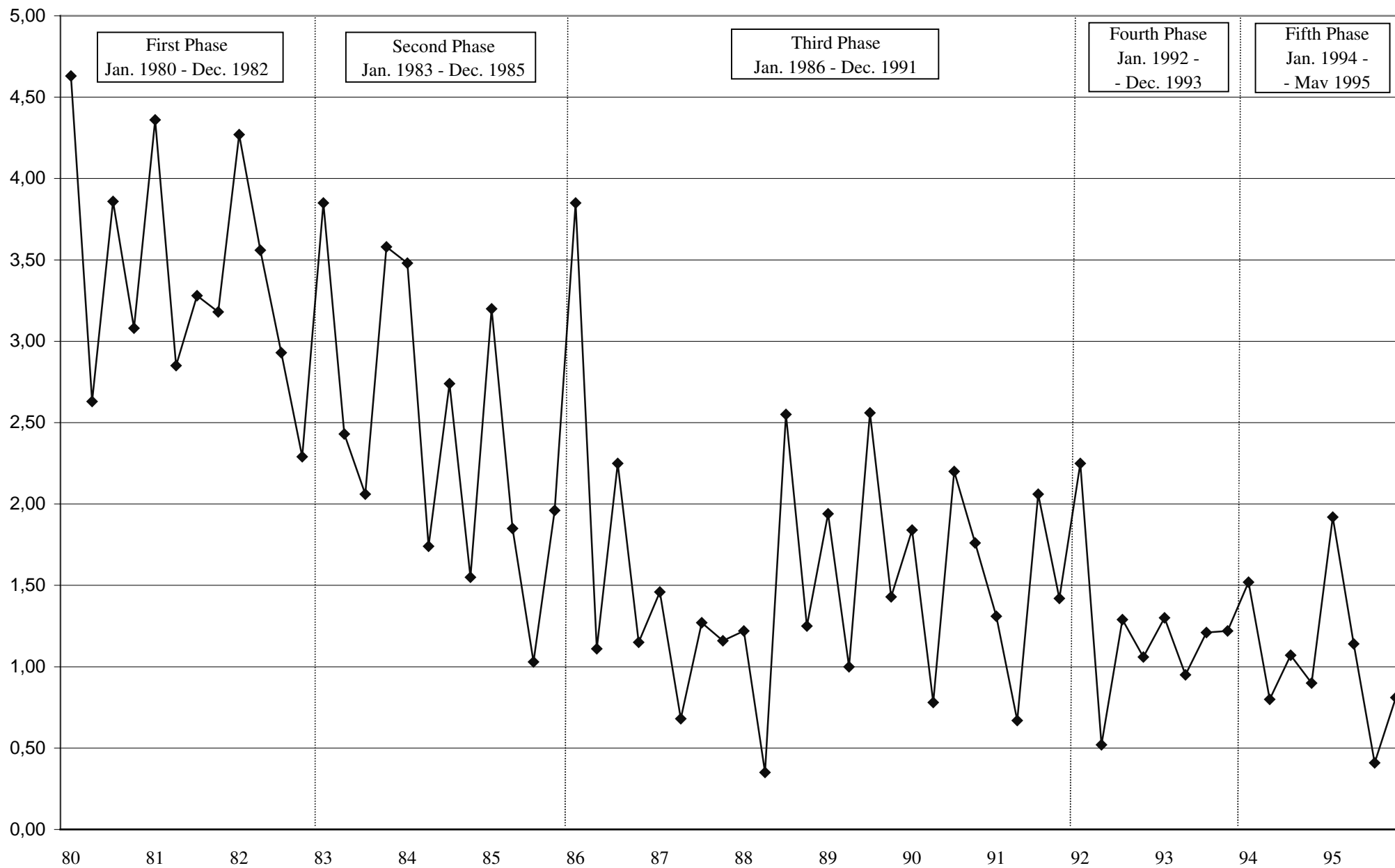| First Phase	Second Phase	Third Phase	Fourth Phase	Fifth Phase
Jan. 1980 - Dec. 1982	Jan. 1983 - Dec. 1985	Jan. 1986 - Dec. 1991	Jan. 1992 - - Dec. 1993	Jan. 1994 - - May 1995

Source: Ministerio de Economía y Hacienda.
        Rates represent variations from previous term.

Figure 2. Unemployment: Quarterly Rates of Change over Five Phases.
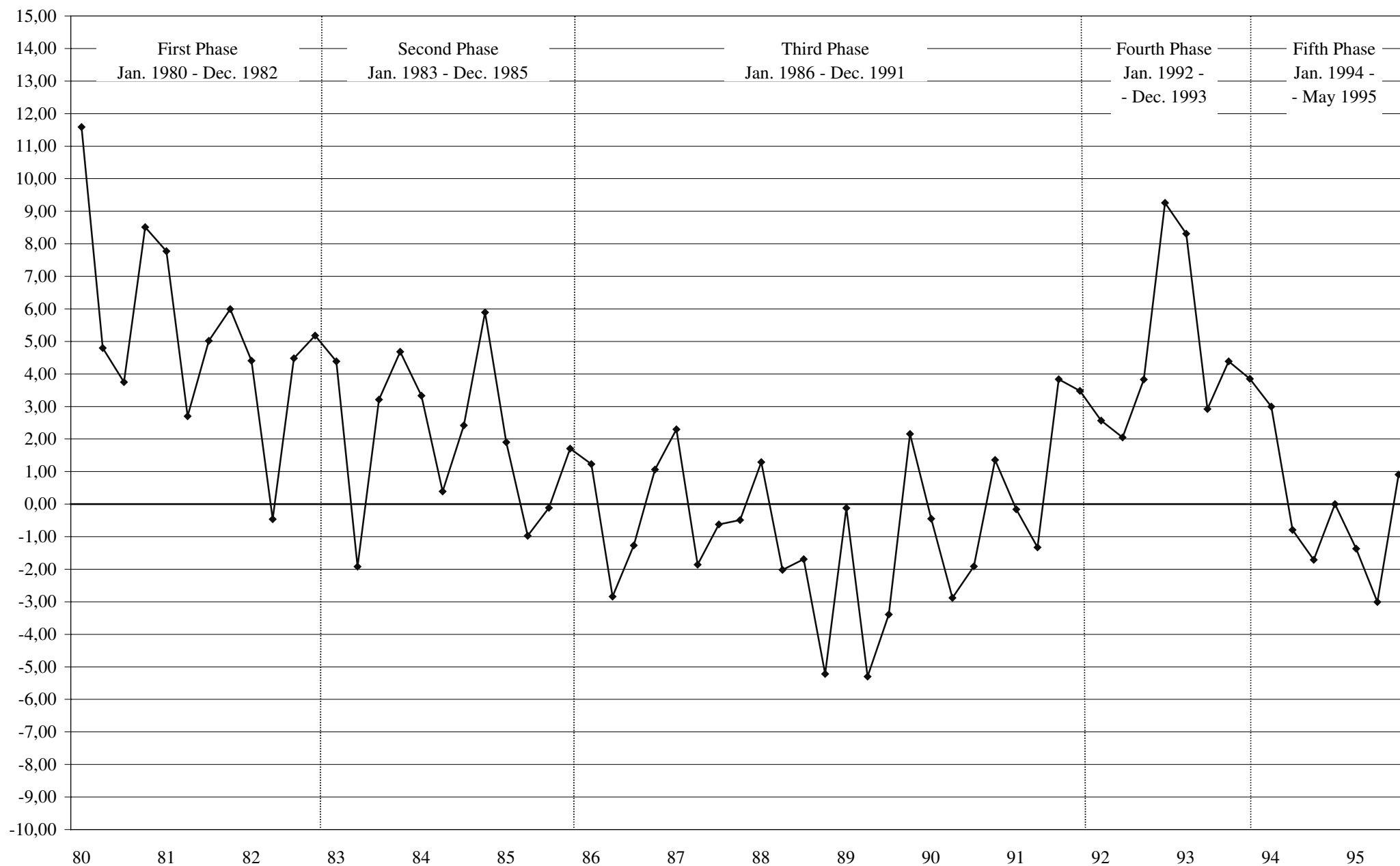
Source: Ministerio de Economía y Hacienda.
    Rates represent variations from previous term.

Figure 3. Inflation: Quarterly Rates of Change over Five Phases.

| First Phase | Second Phase | Third Phase | Fourth Phase | Fifth Phase |
| Jan. 1980 - Dec. 1982 | Jan. 1983 - Dec. 1985 | Jan. 1986 - Dec. 1991 | Jan. 1992 - - Dec. 1993 | Jan. 1994 - - Mav 1995 |

Source: Ministerio de Economía y Hacienda.
   Rates represent variations previous term.
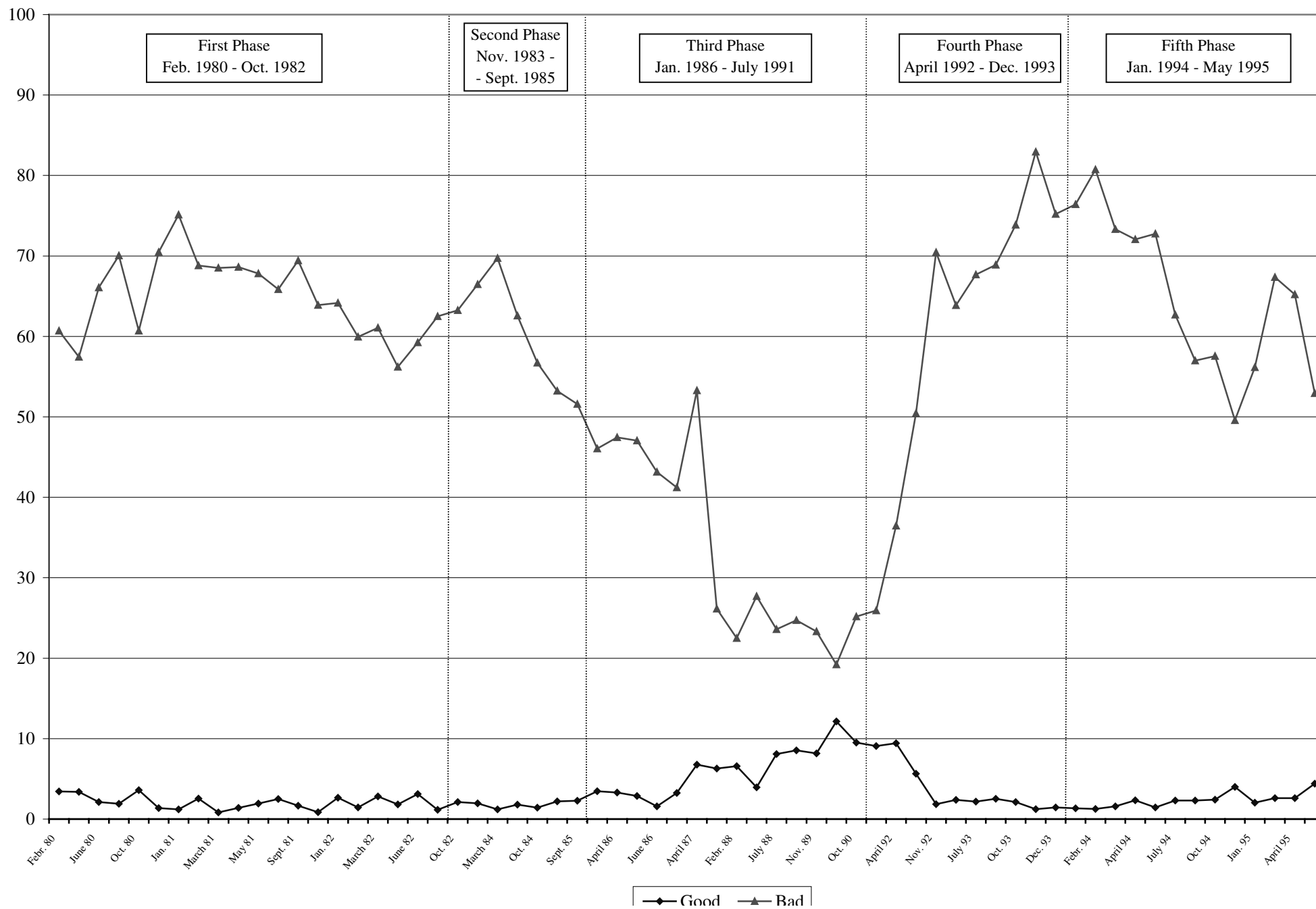
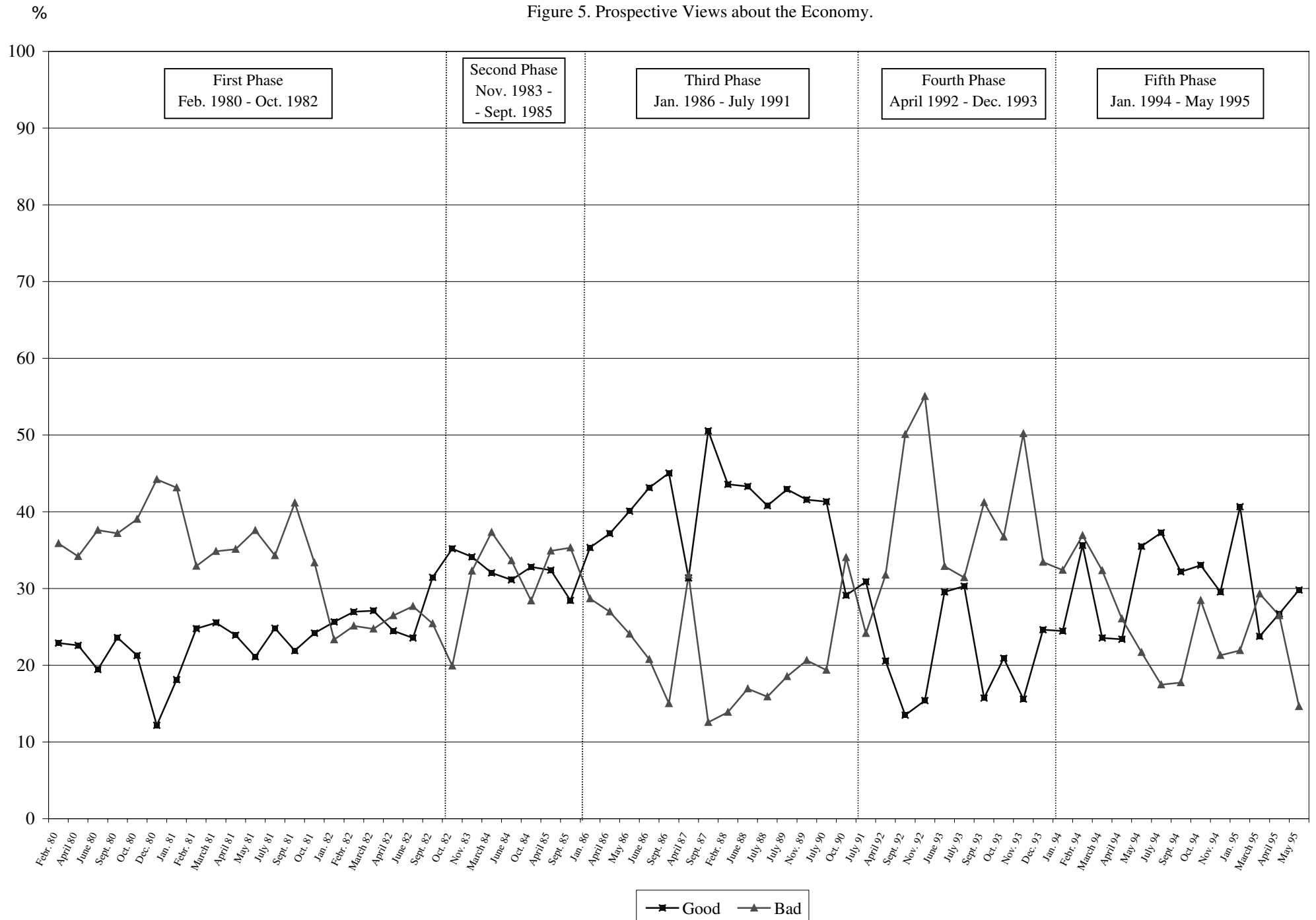Figure 4. Retrospective Views about the Economy.

Figure 5. Prospective Views about the Economy.

Figure 6. Types of Governmental Vote