



Instituto Juan March

Centro de Estudios Avanzados en Ciencias Sociales (CEACS)

Juan March Institute

Center for Advanced Study in the Social Sciences (CEACS)

Accountability and the survival of governments

Author(s): Maravall, José María

Date 2005

Type Working Paper

Series Estudios = Working papers / Instituto Juan March de Estudios e Investigaciones,
Centro de Estudios Avanzados en Ciencias Sociales 2004/219

City: Madrid

Publisher: Centro de Estudios Avanzados en Ciencias Sociales

Your use of the CEACS Repository indicates your acceptance of individual author and/or other copyright owners. Users may download and/or print one copy of any document(s) only for academic research and teaching purposes.

ACCOUNTABILITY AND THE SURVIVAL OF GOVERNMENTS

José María Maravall

Estudio/Working Paper 2005/219
June 2005

José María Maravall is Director and Professor of Political Science at the *Center for Advanced Study in the Social Sciences*, Juan March Institute, Madrid.

1. Introduction

A government is accountable when citizens can hold it responsible for its actions and, consequently, punish or reward it with their vote at election time. This is the core argument of why democracy may induce representation: governments can lose elections because they are accountable to citizens. The people rules because it can throw incumbents out of office if their performance does not satisfy criteria for re-election set by citizens. Electoral rewards and punishments do not take place at random: they reflect a retrospective judgement of the government by citizens at the polls. And it is the reaction of voters at election time what may ensure democratic representation when politicians anticipate such reaction and look after the interests of citizens, rather than their own, in order to survive in office.

This is, in a nutshell, what democratic accountability is about. It is a judgement of past actions of politicians, not of what the future holds. Government by the people consists only of this retrospective control of incumbents by voters every four or five years. This control is vertical: a relationship between agent and principal, incumbent and voters, in which elections instil in politicians, in Madison's words (1961: 352), "an habitual recollection of their dependence on the people". And as many years later Key (1966: 10) remarked, "the fear of loss of popular support powerfully disciplines the actions of governments".

This view of democracy and elections has been adopted by mainstream political science because it appears to avoid important shortcomings of alternative views on how can voters control politicians. It has thus been argued that if elections were a prospective selection of the best candidate, invested thereafter with a mandate to implement a set of policies, voters would lack any subsequent control over the selected candidate. Manin (1995: 209-14) has described how, since the end of the 18th century, instruments which could have made this control possible were rejected by the "founding fathers" of modern democracies: imperative mandates, binding instructions, or the immediate dismissal of representatives. Besides, post-war empirical democratic theory invalidated idealized conceptions of the democratic citizen: endless survey data showed the incidence of extended political apathy, mistrust of politicians, and powerlessness, rather than information and participation. These citizens did not vote with a sound knowledge of candidates and programs: their vote was rather the result of

ideological, partisan, or class inertias. And if voters did not have good information about politics nor cared much about it, the easiest way to control incumbents was retrospective. In Riker's terms (1982: 244), "all elections do or have to do is to permit people to get rid of rulers". Instead of carefully selecting the best candidate and closely monitoring his subsequent performance in office, voters simply look back at election time and reward or punish the incumbent according to whether things have improved or not since the last election. Because incumbents fear the future verdict of citizens and want to survive in office, they do what citizens would have done had they had the same information. This is what Friedrich (1963: 199-215) called "the law of anticipated reactions".

This view of elections based on the accountability of governments is unsatisfactory in many respects. For one, citizens ignore the future in strictly retrospective voting: their decision is not about who is to govern them. For two, voters need considerable information in order to be able to attribute responsibility for past outcomes. And finally, much of the punishing is not done by voters, but by politicians. As Cheibub and Przeworski (1999: 231-235) have shown, of 310 peaceful changes of prime ministers between 1950 and 1990, 148 (48%) were due not to punishment by voters, but to decisions of politicians –either from the same party or from the ruling coalition. These prime ministers should have feared the intrigues of their fellow politicians just as much as the judgment of voters. Of course, it could well happen that politicians dismiss prime ministers because they simply anticipate the future verdict of voters: if this were the case, they would only act as an additional instrument to enforce accountability. But if the criteria of politicians and voters do not coincide, political survival will not only depend on the will of the people, and the incentives for an incumbent to be representative will disappear. I shall explore this question with evidence on the survival of prime ministers in 23 parliamentary democracies,¹ from around 1945 to 2003, with 1,109 country/year observations.

¹ The countries are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Netherlands, Norway, New Zealand, Portugal, Spain, Sweden, Turkey, and United Kingdom.

2. Elections and the retrospective control of politicians

Elections and democracy work like this. (1) Politicians compete, transmitting prospective messages about their future policies and signals about their competence. (2) Voters select those candidates closer to their ideal policy positions and more able to implement their program. (3) Politicians, once in office, adopt policies and dedicate effort to carry them through. (4) Policies and effort, under particular exogenous conditions, produce outcomes that modify the welfare of citizens. (5) At the time of the next election, voters assess retrospectively such outcomes, and attribute them to the policies and the effort of the incumbent and to the influence of exogenous conditions. (6) Voters update their preferences about policies and candidates. (7) Voters re-elect or reject the incumbent. Elections, thus, both select and assess. Citizens make a decision over their future (who is to govern them), and over their past (re-electing or getting rid of the incumbent). Madison stressed both: what elections did was “first to obtain for rulers men who possess most wisdom to discern, and most virtue to pursue, the common good of the society; and in the next place, to take the most effectual precautions for keeping them virtuous while they continue to hold their public trust” (Madison 1961: 350).

I shall discuss the second aspect of elections: whether they serve for the retrospective control of governments. That elections are just about rewarding or punishing the incumbent government was particularly emphasized by Key, who stated that the electorate was simply an “appraiser of past events, past performance, and past actions” (1966: 61). The initial model of accountability situated voters in a world of perfect information, where they knew everything at election time. Politicians had a finite horizon, so that in their final period in office incumbents were not constrained by future elections (Barro, 1973). The basic problem in Barro’s model was whether elections have a disciplining effect on the provision of a public good financed by taxation by a self-interested incumbent. If the prospect of re-election does not exist, politicians will choose a level of provision higher than what the representative voter would choose as optimal. With repeated elections, on the contrary, voters set a level that, if provided, leads to the re-election of the government. Otherwise, the government falls. Such a level, however, must be high enough to ensure that the incumbent does not follow its preferred alternative –which would be the outcome if losing office is not costly. The level

eventually chosen by voters depends on the length of the mandate; the value of re-election for the incumbent; the rate at which the future is discounted; the difference between rents in and out of power.

Contrary to other forms of delegation, elected politicians are not offered *ex ante* an explicit incentive scheme in which well-defined payoffs are related to actions in the different states of the world. Rewards and punishments are *ex post*: in the next election, voters decide whether to continue or not delegating authority to the present incumbent. If the incumbent does not heavily discount the value of holding office in the future, it will restrain itself and look after the voters' interests. The control of the government by voters does not exist between elections.

Under conditions of perfect information, the democratic control of governments depends mostly on this intertemporal trade-off by politicians. It will exist if incumbent politicians prefer to limit their rents today and be re-elected, rather than to maximise their rents today and be sacked in the next elections. Voters also make trade-offs: only if they allow some rents to the incumbent will the participation constraint be overcome. Re-election depends on a voting rule: if an end-of-period welfare is achieved, the incumbent will continue in office. It will be replaced otherwise. This end-of-period welfare depends on the policies of the government and on exogenous conditions beyond its control. Perfectly informed citizens know how to assess the responsibility of the government for the outcomes, and politicians know what is required of them.

If citizens are unable to assign responsibility for changes in their welfare, elections can hardly serve to control incumbents: bad governments may survive elections and competent governments may be thrown out of office. Voters will not know actions of the government, whether what it does is in their interest or not, whether changes in their welfare are due to policies. If electoral pledges are broken voters will ignore whether this is due to changed external conditions or to rent-seeking. Voters can also be manipulated by politicians: the vote is a blunt instrument to reward or punish performance in a multi-dimensional policy space and, if distributional differences exist within the electorate, these may be played off by the incumbent.

A principal-agent framework with imperfect information has been used by Ferejohn (1986) to model a purely retrospective electoral control of governments. Incumbent politicians have an infinite horizon: there is thus no last period in which elections have no disciplining effect. The model considers only “moral hazard”: what system of incentives may prevent shirking with retrospective assessments of past performance. Voters want to maximize their welfare, and establish a threshold (κ) in their welfare as their voting rule. This threshold κ must be high enough to stimulate costly effort by the incumbent, but not so high that he will anticipate defeat and not supply effort. Such end-of-period welfare depends upon the effort of the government (ε), and upon random exogenous conditions (θ) beyond its control. Such conditions can be represented as a probability distribution. So, the utility of voters is $U_v(\varepsilon, \theta) = \varepsilon\theta$. With incomplete information, voters cannot observe this effort nor the exogenous conditions; they are aware only of the outcome, which is the result of both θ and ε . Because the model is strictly retrospective, it excludes the selection of candidates as an instrument of democratic control, and therefore assumes that no differences in competence or ideology exist between “good” and “bad” politicians. Policy differences do not matter, only the effort carried out by the incumbent does. The opposition plays no active role: it is simply a clone of the incumbent. As Ferejohn (1986: 14) puts it, “the importance of challengers lies entirely in their availability. It is the existence of willing office-seekers that gives the voter whatever leverage he has on the incumbent”.

The value of office (politicians wanting to be re-elected or to replace the incumbent) is what facilitates the democratic control of politicians and induces representation. If β represents the value of holding office, the incumbent’s utility is $U^{in}(\varepsilon) = \beta - \varepsilon$. And $U^{out}(\varepsilon) = 0$ is the utility out of office. To quote Ferejohn (1986: 19):

“Voters have more control over officeholders when the value of office is relatively high and when the future is less heavily discounted (...). An increase in the value of office can be expected not only to cost something but also to increase the level of competition for office among non-incumbents”.

It is because incumbents want to be re-elected that they “try to anticipate performance-oriented voting in their choice of policies while in office” (Ferejohn 1986: 7). If δ is the

discount rate, the incumbent will carry out effort κ/ε if, and only if, $\beta - \kappa/\varepsilon + \delta U^{in} > \beta + \delta U^{out}$. Ferejohn concludes that, in equilibrium, the optimal threshold for re-election that maximises voters' expected utility is $\kappa = \delta (U^{in} - U^{out})/2$. And the government will supply the effort needed for re-election when the value of exogenous conditions (θ) is greater than the value of the threshold (κ) divided by the discounted values of being in office rather than out of it. That is, when $\theta > \kappa/\delta (U^{in} - U^{out})$. If we replace κ , then $\theta > \delta \frac{U^{in} - U^{out}}{2} / \delta (U^{in} - U^{out})$, or otherwise $\theta > 1/2$. Thus, the incumbent will make the minimum necessary effort required to achieve κ when the external conditions θ are greater than 0.5 in a distribution between 0 and 1. At election time, voters assess whether the end-of-period threshold κ has been achieved or not, and consequently decide whether to keep the incumbent or throw him out.

A heterogenous electorate can be manipulated by an incumbent. When voters have different preferences on the distribution of welfare, a government can target benefits to specific groups; while voters compete for this allocation, the government can play off these groups against one another. Suppose that there are N voters, and that each of them cares not about the aggregate outcome ($\theta\varepsilon$), but about his personal welfare v_i (the sum of $v_i \dots v_n$ equals $\theta\varepsilon$). He then sets a personal welfare threshold κ_i , and votes for the government if $v_i \geq \kappa_i$. The incumbent will then distribute $\theta\varepsilon$ so as to create a bare majority of voters to ensure re-election, minimising the sum of benefits to the members of this majority; the rest of the electorate will be ignored. Any member of the minority has therefore an incentive to accept $v_i < \kappa_i$, and join the majority; otherwise he receives nothing. Eventually, every voter will down-bid one another, until $\kappa_i = 0$ for all of them. The effort of the incumbent will be reduced to $\varepsilon = 0$ in the limit. Thus a government will not be controlled if voters are egocentric; it will only if κ is set according to criteria of aggregate welfare.

The assumptions of this strictly retrospective model are very demanding, and subsequent models have modified them in several ways. One example is Austen-Smith and Banks (1989), who introduce electoral promises in the mechanisms of accountability –not

just effort, exogenous conditions, and outcomes. There is a spatial voting model with two periods of office, two candidates, and a homogenous electorate facing a problem of moral hazard. It is also a model of strict accountability, so no selection is involved: all politicians are supposed to be identical in every relevant aspect. The opposition is again a clone of the government: they are both pure office-seekers, with no policy preferences. There are no term limits either: the incumbent may go on running for office. Thus, in equilibrium, voters will be indifferent between the two candidates in every election. Voters, on the contrary, are policy-oriented, care about future outcomes, and want to influence the decisions of the incumbent with a retrospective voting strategy. As Austen-Smith and Banks (1989: 122) put it,

“Voters in any election will attempt to deduce which of the candidates seeking office would exert the preferred amount of effort, where this preference is induced by voters’ underlying preferences over policy outcomes”.

End-of-term outcomes do not depend on *ex ante* electoral promises. But in elections the two candidates offer programs, and the result of the first election entirely depends on the program offered by the candidates (χ_{11}, χ_{12}) . The new incumbent then chooses an amount of effort (ϵ), which is unobservable by voters. The legislative outcome for the first period of office is the result of effort and a random exogenous variable $(\lambda_t = \epsilon_t + \theta_t)$. Voters’ retrospective strategy for controlling the government is solved backwards with sub-game perfect Nash equilibria for each period. Voters set a voting rule $\kappa(\chi)$ for the second election, which depends on how close the first-period outcome is to the initial electoral program. That is, because voters care about the credibility of electoral promises, their retrospective voting strategy is conditional on the difference between the incumbent’s performance and such initial policy promises. So when candidates draft their programs for the first election anticipating this voting rule $\kappa(\chi)$, they are aware of the effort they will have to offer if they want to be re-elected. Retrospective voting in the second election ensures that voters maximise their payoffs after the first election, and render promises in electoral campaigns credible.

Another example is Persson, Roland, and Tabellini (1997), who introduce two agents, rather than one, that care about future elections: government (G) and parliament (L). Both extract rents, unobservable by voters (r_g = rents of the government; r_l = rents of the legislature). A conflict of interests exists between G and L because r_g and r_l are a zero-sum game. Voters may or may not observe the state of the world (θ), but know their consumption of public goods (c). They vote retrospectively, setting a threshold for re-election (κ) on the basis of θ if informed and of c otherwise. With separation of powers and checks and balances, G and L have separate responsibilities for the successive phases of decision-making over policy, but the final decision requires the agreement of both G and L. Otherwise the *status quo* persists. The model uses the budget as an example: G and L must agree over its global size and its internal composition (what proportions go to r_g , r_l , and c). Because there is a distributive conflict between G and L, and the final decisions require the agreement of both (or else the *status quo* persists), in equilibrium the weaker agent will reveal information to voters about θ . As a consequence, voters will set the threshold κ not just on c (the consumption of public goods) but on θ ; no rents from asymmetrical information will be extracted; and both G and L will be re-elected. One problem with the model is that it depends on the government and the legislature not colluding, and on the absence of parties that link the two agents.

3. Some empirical evidence

Retrospective models of elections have influenced a vast number of empirical studies on economic voting and political business cycles: it is because incumbents anticipate the electoral reactions to the economy that they manipulate the growth and employment rates. And voters must react to changes in economic conditions if a government is to be considered accountable. In Ferejohn's (1986: 7) words, "the performance of the economy has a major effect on the electoral fate of the incumbent executive". If the economic outcomes are good, governments would be re-elected; if the results are poor, they would lose the elections. Kiewiet and Rivers (1985: 225) thus claimed that "the proposition that voters will punish

incumbents for poor performance should not be controversial”. And for governments to be controlled, individual voting should be sociotropic, not egocentric –i.e. respond to general economic conditions.

A considerable amount of empirical evidence appears to support both hypotheses. Both aggregate and individual data have shown that the electoral support of governments suffers when past economic performance has been bad (see for instance Kramer 1971; Shaffer and Chressantis, 1991; Lanoue, 1994; Monardi, 1994; Svoda, 1994). And individual survey data also indicate that citizens vote according to general economic conditions, rather than to their own. But research on economic voting is not conclusive: it is not clear at all that citizens assess the past and do not think about the future when they vote; and, more generally, that good or bad economic performance is related to the electoral fate of a government.

Retrospective voting is what Fiorina expected to find in his study of national elections in the U.S.: “elections do not signal the direction in which society should move so much as they convey an evaluation of where society has been” (1981: 6). However, congressional and presidential elections between 1952 and 1976 showed that future expectations, and not just retrospective assessments, have a direct influence on the decisions of voters. This mixed pattern of voting is also what Lewis-Beck (1988) found in the U.S. as well as in Great Britain, Spain, the German Federal Republic, France, and Italy. Economic voting did indeed exist: voters’ views on the economy influenced their support for the government. But such views were also about the future, not just the past. Both Fiorina and Lewis-Beck considered, however, that voters’ expectations about future economic conditions were simply extrapolations from the past: “retrospective judgements have direct impact on the formation of future expectations” (Fiorina, 1981: 200). This belief that retrospection influenced prospective voting was shared by many studies of economic voting (Uslaner, 1989; Bratton, 1994; Keech, 1995).

Other studies, however, provided contrary evidence. Some concluded that voting mostly depended on expectations about the performance of the economy, rather than on the past (Kuklinski and West, 1981; Lewis-Beck and Skalaban, 1989; Lockerbie, 1992; MacKuen, Erikson, and Stimson, 1992; Price and Sanders, 1995). Others have questioned the

very existence of economic voting. Paldam (1991: 9) has noted the inconsistency of comparative empirical evidence: electoral rewards and punishments exist in some countries, not in others. Powell and Whitten (1993), studying 102 elections in 19 countries between 1969 and 1988, have found that economic growth, inflation, and unemployment have no effect on electoral results. And examining the probability of electoral survival of prime ministers in 99 democracies between 1950 and 1990, with 1,606 country/year observations, Cheibub and Przeworski (1999: 226-30) have concluded that past economic conditions have no effect on such probability.

If citizens do not vote influenced by past economic conditions, politicians will not be accountable for their performance in office. And if past performance is irrelevant for political survival, governments will have no incentives to launch political business cycles. When voters have adaptive expectations (Tufte, 1978; Nordhaus, 1975) or when expectations are rational (Cukierman and Meltzer, 1986; Rogoff and Sibert, 1988; Rogoff, 1990; Persson and Tabellini, 1990; Alesina, Roubini, and Cohen, 1997), the strategy of politicians depends on whether voters retrospectively respond to changes in economic conditions. Only if politicians believe that accountability operates will they artificially expand the economy before elections.

Political business cycles involve moral hazard. Politicians are all alike: they just want to win elections. The electorate is homogenous, and uses elections to reward competent incumbents. For Persson and Tabellini (1990), voters' expected utility depends on the growth rate and the stability of prices. With asymmetrical information, voters ignore the competence of the government, do not know the inflation rate before the elections, and observe only G.D.P. growth and unemployment. In an economy described by a Phillips curve with a competence component, a government will artificially increase the growth and employment rates before the elections, in order to signal competence and maximise voters' utility. As a result, inflation will rise above expectations, although voters will not be aware until after the elections. With rational expectations, because voters know the incentives of incumbent politicians, wage-setters anticipate this expansive strategy and the subsequent inflation: they will then increase wages. After the elections, growth will return to its natural rate but with higher inflation. In other models (Rogoff, 1990), what the government manipulates is the

composition of the budget. With asymmetrical information, the incumbent signals competence before the elections with visible actions (tax cuts, social transfers), at the cost of programs that can only be observed after the elections (public investment, fiscal deficits). Empirical evidence from O.E.C.D. countries shows post-electoral inflationary effects of political business cycles, and no consequences on growth and unemployment rates (Alesina, Roubini, and Cohen, 1997). What is a mystery is why embark on such opportunistic strategies if electoral results do not reward pre-electoral economic growth.

Several aspects of retrospective voting models are thus intriguing. For one, their assumptions that no selection is involved, all politicians are alike, the opposition plays no active role, and voters just deliver rewards or punishments for the past record of the government. For two, that with incomplete information voters can set a threshold for re-election based on past performance, that enables them to control governments. And, as Fearon (1999) has remarked, that strictly retrospective models of accountability run against widely held views of what representative politicians should be like: principled men, not just concerned with keeping their jobs. So, we shall now turn to accepting that differences among politicians may exist and that elections are also about the future.

4. The limits of accountability

Let us start with setting the threshold for re-election. The incentives for an incumbent politician to be representative depend on such a threshold. If it is set too high, he will anticipate defeat at election time. Thus, no intertemporal trade-off will limit rent-seeking. If, on the contrary, the threshold is set too low, the incumbent will achieve it with little effort. The threshold requires that voters observe exogenous conditions: otherwise voting will be arbitrary: good governments may not survive. Suppose that the final outcome (ω), which will be judged against the re-election threshold (κ), depends on both effort (ε) and external conditions (θ), but voters only observe ω . If a government, upon being elected, learns that external conditions are good, it will supply little effort as long as $\omega_1(\varepsilon_1\theta_1) > \kappa_1$. On the contrary, if external conditions are bad great effort will only lead to $\omega_2(\varepsilon_2\theta_2) < \kappa_2$, and to

electoral defeat. If voters cannot assess the relative influence of both ε and θ on ω , retrospective voting will not generate incentives for democratic representation.

When voters assess the influence of the incumbent's effort on their welfare, they will assign political responsibilities. This is indeed "the chief mechanism through which individuals hold actors accountable for their conduct" (Rudolph, 2003a: 700). And this is why voters need information: for elections to induce representation, voters cannot be ignorant. They must know about the actions of the incumbent; whether these actions caused the changes in their welfare; whether exogenous conditions were bad or good; whether another government and different policies would have achieved a better result. If what governments do is inconsequential for their survival, the interests of voters will not be protected by elections.

Yet, to quote Achen and Bartels (2004: 37), "a general theory of political accountability explaining when and why specific attributions or evasions of responsibility actually work is nowhere in sight". Studying the impact on U.S. elections of natural disasters beyond the control of governments (such as a wave of shark attacks in 1916, an influenza pandemic in 1918, droughts and floods between 1896 and 2000), they argue that

"retrospection is blind. When the voters are in pain they kick the government, justifying themselves with whatever plausible cultural constructions are made available to them" (Achen and Bartels, 2004: 7).

Voters may react not to events, but to the answer from the government. While a government may not be responsible for natural disasters, exogenous economic shocks, or even isolated cases of corruption, it may respond promptly or not. This responsibility is much easier to assess than that associated with events and outcomes. A study of electoral reactions to the politics of the Spanish socialist government from 1982 to 1996 found that "what matters to people are not so much that cases of corruption emerge, but that once emerged the government takes measures to clarify things and demand the pertinent responsibilities. That scandals of corruption emerge is to a large measure unpredictable: the government does not have an exhaustive control on the activities of its members and the higher administrative

echelons. On the contrary, the government has the capacity to react one way or the other when such cases become public” (Sánchez-Cuenca and Barreiro, 2000: 74).

Institutions influence the capacity of voters to attribute political responsibilities. Empirical research has examined in particular the effects of minority and coalition governments on economic voting: clarity of responsibility becomes difficult when different parties are involved in decision-making, either in government or in parliament. Powell and Whitten (1993), after examining 19 industrial countries between 1969 and 1988, concluded that differences in economic voting were related to an “index of clarity” –the capacity to assign blame was reduced if several parties shared power, if the government had minoritarian support, if parties were not cohesive, and if the opposition controlled the legislative chamber or parliamentary committees. These conclusions have been widely discussed (Anderson, 1995, 2000; Bengtsson, 2004; Leyden and Borrelli, 1995; Lowry, Alt, and Ferree, 1998; Mershon, 1996 and 2002; Nadeau, Niemi, and Yoshinaka, 2002; Powell, 2000; Royed, Leyden, and Borrelli, 2000; Rudolph, 2003a, 2003b; Strom and Muller, 2003; Whitten and Palmer, 1999). But some questions remain open. Parties in a coalition are well-informed about what the government does and may have incentives in providing information to citizens as long as they do not collude and keep competing against each other. Multiparty systems may offer few opportunities for “voice” and more for “exit” (Hirschman, 1970; Fiorina, 1981) but only if coalitions do not restrict voting against the government; bipartisan competition and single-member constituencies may also hamper the control of officeholders (Ferejohn, 1986), although single-party governments facilitate the attribution of responsibility.

In any case, if it is to be credible to politicians, the threshold for supporting the incumbent must operate automatically, independently of who is in power. Otherwise, in order to circumvent it politicians will develop strategies of manipulation (Maravall, 1999): if effective, they will reduce the scope of accountability. Ideology is a major instrument for such strategies. As Fiorina (1981: 194) has remarked, “If citizens vote in accordance with habitual party identification largely devoid of policy content and relatively impervious to change, where does electoral responsibility reside?”

Ideology is usually related to prospective, rather than retrospective, voting. When citizens look at the past to decide what to do with the incumbent, they assess his performance. When citizens want to select the best candidate to rule the country, they consider his ideological proximity. Accountability is about tangible outcomes; selection, about ideological hopes. However, as Sánchez-Cuenca (2003: 2) has noted, “It seems odd to suppose that electorates are populated by such different creatures as the pure ideological and the pure performance voters. More likely, voters vote out of ideological considerations, while being sensitive to the government’s performance”. The ideology of a party may help a voter to predict future policies, but ideology may also influence retrospective voting: past policies may be seen as ideological betrayal, or as an expression of incapacity to implement ideological promises. With data for Great Britain, Germany, Portugal, and especially Spain, Sánchez-Cuenca shows that the capacity of a party to preserve its supporters over time is sensitive to these retrospective assessments of ideological reliability: “ideological voting might be compatible with accountability when these two problems, ideological consistency and capacity, are taken into account” (Sánchez-Cuenca, 2003: 32).

If ideology is assessed retrospectively, voters will not assume that politicians are all alike. And if politicians differ, citizens will use their vote to select the best candidate. In Downs’ (1957: 40) words, “to ignore the future when deciding how to vote (...) would obviously be irrational since the purpose of voting is to select a future government”. If voting has to do with selection, under conditions of incomplete information the past may be used by voters to infer expectations; past experiences may be a useful guide for selecting a politician.

Voting then becomes a problem of adverse selection in which the past is connected to the future. Retrospection serves to select. In Fearon’s (1999) model, earlier periods in office provide criteria to judge the quality of two candidates for office. With incomplete information, voters have a prior belief that the probability of finding a good candidate is α ; that of a bad candidate is $1-\alpha$. Voters cannot observe policies (χ), just an outcome that affects their welfare (ω), and $\omega = -\chi^2 + \theta$ ($-\chi^2$ represents the utility of policy χ for the voter, and θ is a random exogenous condition). In repeated elections, selecting a candidate depends on a retrospective threshold: voters infer the competence of the incumbent from outcome ω , and establish a voting rule with threshold κ . At the time of the next election,

voters update their beliefs about α (the probability of a good candidate). If noise θ is symmetrical and unimodal, voters will think that the government is competent if $\omega > \kappa(-\chi^2)/2$. That is, if the incumbent's record is higher than 50% of the expected performance of both good and bad candidates. If the variance of noise θ increases, then the probabilities of winning of the two candidates will tend to converge. Noise θ will increase when monitoring the actions of the government becomes more difficult.

A reverse relationship between past and future may also exist: when this is the case, rather than inferred from the past, the future serves to select politicians. This is again an adverse selection problem: politicians differ in their policies, and voters have asymmetrical information on the true policy intentions of candidates. Harrington's model (1993) considers two candidates and two elections. Because they anticipate the reaction of voters to the policies implemented in office, candidates, in equilibrium, find it optimal to reveal information about their intended policies. This enhances their chances of re-election: so, if elected the first time, they stick to campaign promises.

The model works like this. In the first election, there is no incumbent to be judged retrospectively: just two candidates competing with messages (μ_1, μ_2) that offer different policies (χ_1, χ_2) within a policy space Ω . The candidates ignore the position of the median voter: they just assign a probability that he will support one of the two alternative messages. If the candidates estimate the same probability, their campaign messages will tend to converge. If messages differ, voters will identify different types of politicians: for instance, message μ_1 will be attributed to a type 1 candidate, message μ_2 to a type 2 candidate. When sending the messages, candidates will both make a guess about the position of the median voter and express their belief in the efficiency of policy χ_1 or policy χ_2 . The result of the first election reveals the position of the median voter. Then, the elected politician implements policy χ within the policy space Ω : this policy may or may not correspond to that of the campaign message. If policy χ is chosen, then voters' income will be $\gamma = \omega_\chi + \theta$, in which ω_χ is a component of χ and θ is an exogenous factor. Politicians want to win elections and are dogmatic about the effectiveness of policies –they do not learn from experience. They

face two decisions: (i) which message to send in the campaign, according to their beliefs in the effectiveness of policy and to the probability that the median voter will have a particular position; (ii) which policy to follow if elected, according to promises made and to beliefs about their effectiveness in increasing voters' welfare. While they initially sympathise with particular policies, voters are uncertain about their effectiveness and cannot observe random external conditions. At the end of the period, they see the change in their welfare and update their beliefs about the effectiveness of policies.

In the second elections politicians make no new promises. The vote depends on the fulfillment of the first campaign promises and on the updated beliefs in the effectiveness of policies. Voters set a voting rule: if the incumbent has switched from his initial promises, the threshold for re-election will be higher. It can still be reached, however, if the new policy is effective enough to compensate for the betrayal. This voting rule in the second election induces politicians to transmit truthful messages in the first election campaign. At that time they do not know the position of the median voter, and are convinced of the effectiveness of their preferred policy. Thus, for a type 2 politician, it makes little sense to offer an μ_1 message in the first campaign and pretend to be a type 1 politician. If elected, he would have to behave as a type 1 politician and not be punished for betraying promises; or switch from election message μ_1 , knowing that he would then be judged with more demanding criteria that would only be satisfied if the policy switch were to lead to much higher welfare. As Harrington (1993: 93-4) puts it, "future re-election considerations can induce politicians to fulfill their campaign promises (...) equilibria exist in which candidates reveal their true policy intentions during the campaign".

Incumbents may betray election promises for different reasons. Stokes (2003) has explained why politicians in office can switch from electoral promises and still be representative. Her model differs from Harrington's in that politicians are not assumed to be dogmatic about policies: they can learn from experience. Policy U-turns are not explained by spatial models of politics, in which politicians have no incentives to augment the difference with the ideal policy position of their voters. *Prima facie* all switches appear to be similar: but while some are simply due to opportunist strategies and rent-seeking, others respond to what the incumbent considers to be the best interests of voters. This may happen when

external conditions change, politicians revise their previous beliefs about the relative effectiveness of policies, and they conclude that the welfare of voters will be better served if promises are changed. Voters then set a more demanding voting rule (i.e. a higher threshold) for supporting the incumbent in the following elections, looking at outcomes instead of policies. So “bad” and “good” representatives can switch from initial promises, but the causes and consequences are different. Not all politicians are alike and, in order to control politicians, voters establish selective retrospective criteria.

If elections consist of a selection problem, the influence of the past over the future is clear enough. But the influence of the future is more intriguing: this is where ideology creeps in. Stokes (2001) has argued that voters may react to the economy not just assigning blame or merit for past performance, but using intertemporal and exonerative criteria as well. If the past has been bad, voters may think that it will lead to a bright future, that a tunnel had to be crossed in order to reach light. They may also believe that bad conditions were not due to the incumbent, but to the I.M.F., globalization, or what Harold Wilson, the British Labour Prime Minister, called “the gnomes of Zurich”. So these voters go on supporting the government. Political reactions to the economy of 158,000 Spanish voters over a period of 15 years show that a considerable proportion of them responded to intertemporal or exonerative considerations (Maravall and Przeworski, 2001). In difficult times, more than 50% of the conservative (U.C.D.) and socialist (P.S.O.E.) voters found reasons to go on supporting their governments, notwithstanding bad performance. Causality was reversed: “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” (Maravall and Przeworski, 2001: 74).

Contrary to Downs, people did not infer the future from the past. Their assessment of past conditions was realist: it coincided with objective evidence about G.D.P. growth, inflation, and unemployment. But their expectations about the future were always much more optimistic, and this optimism was largely due to ideology. So people think about future economic conditions with political blinkers. Key (1966: 113) was right: “the average voter, like the rest of us, does not perceive a future extended with crystalline clarity from the chaos of current ambiguity”. Because ideology guides thoughts about the future, and because

expectations are mixed with retrospective assessments, the survival of incumbent politicians becomes a much more complex matter.

Elections can hardly facilitate the democratic control of governments if what citizens know about politics is limited and biased. First, their threshold for re-electing the incumbent will be arbitrary and create the wrong set of incentives for politicians. Second, if strictly retrospective voting is the only way to make governments accountable, it only happens in a strange world where no differences exist between politicians and where voters do not contemplate the future when electing a government. And if voters believe that differences exist among candidates and have expectations about the future, then ideology can enable politicians to avoid being held accountable.

5. Non-electoral threats: voters versus politicians

Accountability and representation depend on the electoral threat that voters pose to the incumbent government. It is because politicians anticipate the reaction of voters in the next election that they will limit shirking. If democracy produces demophilia, it is because the survival of politicians in office depends on the verdict of voters at election time.

We know, however, that in parliamentary democracies prime ministers lose office in 48% of the cases due to conspiracies of politicians instead of decisions of voters. This was the rule in Italy between 1946 and 1994; in the French 4th Republic from 1945 to 1958; in Belgium, Finland, or Japan from 1945 onwards. Politicians being deposed by politicians is what Margaret Thatcher bitterly called a “funny old world” after her own replacement by the Conservative Party *nomenklatura* in November 1990. Such conspiracies have always been an important part of what politics is about in parliamentary democracies.

Consider the following examples, both from single party and coalition governments, with majoritarian or minoritarian support in parliament. The first one is a replacement of a prime minister within a single party majority government. Thatcher was brought down by a

conspiracy within her own party, led by former cabinet ministers Michael Heseltine, Geoffrey Howe, and Nigel Lawson. Her party had a majority in parliament, and the Labour Party was a weak opposition under the leadership of Neil Kinnock. Economic growth had gone down to 1.4% over the last two years, compared to an average of 2.3% in her whole period in office.² The popularity of Thatcher had gone down in 1990, reaching in March and April its lowest levels of her period in office, but it had gradually recovered in the Spring and Summer –her rates of approval had been similar in 1981, in the Winter of 1982, in the Spring and Summer of 1986.³ Now, elections within the party eventually led to her replacement by John Major. The conspiracy produced this reaction from Thatcher:

“what grieved me was the desertion of those I had always considered friends and allies and weasel words whereby they had transmuted their betrayal into frank advice and concern for my fate” (Thatcher, 1993: 855)

The second example is a change of prime minister within a single party minority government. In January 1981, Adolfo Suárez resigned as Spanish prime minister. He had led a transition from dictatorship to democracy, obtained cross-partisan support for a Constitution and an encompassing program of economic reforms (the *Pactos de la Moncloa*), and won two successive elections, forming minority single party governments. The economy was in stagnation, with an average annual growth rate of 0.7% over the last two years, compared to an average of 2.8% for the European Community as a whole. Only one year after his last victory, different factions of his party started to conspire against him, stimulated by the Catholic Church and by the Confederation of Business Organizations (*Confederación Española de Organizaciones Empresariales* –C.E.O.E.): their policies over divorce, education, and the economy were very different (Powell, 2001: 279-91). Splits from the party and a critical “Manifesto of the 200”, signed in December 1980 by important members of the party, indicated Suárez’s inability to keep U.C.D. (*Unión de Centro Democrático*) together. But rather than unpopularity breeding internal dissent, it was the internal conspiracies that eroded Suárez’s popularity in his final months in office.

² Economic data for these cases are from *European Economy*, 72, 2001 (table 10, p. 132-3). G.D.P. data are at 1995 market prices.

³ Satisfaction ratings are from <http://www.mori.com/polls/trends/satisfac.shtml>.

The next two cases are prime ministers of coalition governments being replaced by politicians of their own party. Willy Brandt was the German social democratic chancellor from October 1969 to May 1975. He had brought the S.P.D. (*Sozialdemokratische Partei Deutschlands*) to power, first as the minor partner of a coalition with the Christian Democrats from 1966 to 1969, then as the major partner of a coalition with the Liberal Party following the 1969 elections. Brandt won again the elections of 1972; his demise as chancellor was decided two years later by other leaders of his party –particularly by Herbert Wehner and Helmut Schmidt (Rovan, 1978: 383-423). Brandt was criticised for lack of authority (*Führungsschwäche*) in facing factional conflict within the S.P.D., mostly provoked by the Jusos (*Arbeitsgemeinschaft Junger Sozialisten*). Despite the 1973 oil shock, the average annual rate of growth in Brandt's last two years was 2.5% –higher than that of the European Community as a whole, while inflation was lower than in most European countries. The spark for the crisis was a political scandal: the discovery that Brandt's chief of staff was an East-German spy, Günther Guillaume. Brandt remained leader of the S.P.D. but was replaced in the government by Helmut Schmidt.

The following example is also a replacement of a prime minister within a coalition. Only this time there were four parties in the government when Pierre Mendès-France was elected as French prime minister in June 1954, following the Dien-Bien-Phu defeat in Indo-China. Mendès-France achieved peace after a disastrous war that had lasted nearly seven years, and managed the economy with competence (Tarr, 1961: 186-234). Yet he remained in power for only seven months: the opposition resided in his own party and partners in the coalition –in particular, the M.R.P. (*Mouvement Républicain Populaire*) –over his position on the European Defense Community, German rearmament, and his program of economic reforms. Mendès-France resigned after being defeated in a confidence vote at the *Assemblée Nationale*, and was replaced by Edgar Faure, another leader of his party, the *Parti Radical*, heading the same coalition.

The last case is a prime minister being replaced by a politician from a coalition partner while his party remains in government. In Italy, Bettino Craxi headed a coalition government of five parties from August 1983 to April 1987. His party, the *Partito Socialista Italiano* (P.S.I.), had joined since 1963 different coalitions headed by 11 successive Christian

Democratic prime ministers. When Craxi became leader of the P.S.I., the socialist vote was below 10% and the party had one fifth of the coalition seats in parliament. Craxi defined his strategy as responding to the imperative of *primum vivere*: the goal was to increase the political influence and the electoral support of the P.S.I., crushed between the two big forces of Italian politics, the D.C. (*Democrazia Cristiana*) and P.C.I. (*Partito Comunista Italiano*). In the 1983 elections, the socialists managed to slightly increase their share of the vote, while the D.C. lost five percentage points –with 32.9%, its worst result since 1948 (Ercole and Martinotti, 1990). Helped by the very popular socialist President of the Republic, Sandro Pertini, Craxi was accepted as prime minister by the D.C. and was able to survive four years in office. In this period, the average annual rate of G.D.P. growth was 3.0% (the European Union average was 2.1%), inflation went down from 15.0% to 4.8%, the balances of trade and payments were under control. But the D.C. became impatient: the Christian Democrats first inflicted a parliamentary defeat on Craxi in June 1986; then forced his replacement by Amintore Fanfani heading an interim government, and finally recovered support in the 1987 elections (up to 34.3%). The socialists remained in coalition governments with three successive D.C. prime ministers until the 1994 dramatic change in Italian politics.

A plausible interpretation of such conspiracies is that “party politicians anticipate the judgement of voters when they replace their leader or decide to leave the ruling coalition” (Cheibub and Przeworski, 1999: 232). This is also what Warwick (1994: 92) argued: “a desire not to be associated with economic failure encourages parties or individual parliamentarians to withdraw support for incumbent governments”. If this were the case, then democratic accountability would still operate. The criteria of conspiring politicians would be the same as those of voters; Friedrich’s “law of anticipated reactions” would still produce representation out of democracy. Incumbents would still be accountable to voters: fellow politicians would simply get rid of an unpopular prime minister in order to minimize electoral damage to the party or the coalition.

But suppose that this is not the true story, and that the criteria of conspiring politicians and voters do differ. The replacement of a prime minister by the ruling party or coalition would not be due to a pre-emptive strategy anticipating punishment at the polls, but to political ambitions. If this were the case, an ambitious politician would want to become prime

minister when the chances of winning the following elections are good. His strategy would then be launched when electoral support is high, not low; when conditions are good, not bad.

Think of a potential challenger. His expected utility is

$$UE(C) = \sum p(S)U[R(S,C)],$$

where C is a challenge to replace a prime minister, S a state of the world, R the results of the challenge given the state of the world, and p is the probability of the state of the world happening. This expected utility is therefore the sum of the utilities of all the possible results of challenging, weighted by the probability of each of these results. More particularly, the potential challenger must assess the probability of three possible outcomes: a successful challenge and a subsequent electoral victory (W), a successful challenge and an electoral defeat (D), and a failed challenge (F). Because politicians value not just public office but the leadership of the party, this is the order of preferences.

The value of challenge is

$$p_c[p_e W + (1 - p_e)D] > (1 - p_c)F,$$

where p_c and p_e are the probabilities of winning the internal challenge and the general elections. Challenging then depends on whether this value is larger than the value of the *status quo* (Q). That is, on whether

$$p_c D + p_c p_e (W - D) + (1 - p_c)F > Q.$$

Or otherwise, on whether

$$p_c p_e (W - D) > Q - p_c D - F + p_c F.$$

Therefore, for a challenge to be launched, the probability of winning the general election, following an internal victory, must be

$$p_e > \frac{Q - F - p_c(D - F)}{p_c(W - D)}.$$

If economic conditions influence the probability of winning the elections (p_e), strategies of politicians for replacing a prime minister will more likely take place when

$$p_e(\Delta\gamma(\theta^G)) > p_e(\Delta\gamma(\theta^B)).$$

θ are the good or bad economic conditions, γ the income of voters, and $p(\Delta\gamma)$ the probability of winning under increased income of voters. Even if many challenges fail, ambitious politicians are more likely to emerge when conditions are good. The consequence is that voters will punish the government at the polls when economic performance is poor; politicians, on the contrary, will replace their prime minister when the economy is growing.

The following analysis corresponds to 23 parliamentary democracies and 1,109 country/year observations from roughly 1945 to 2003. Table 1 shows the distribution of these observations according to the type of government.⁴

⁴ Both majority and coalitions are dummy variables. Majority is coded as 1, minority as 0: they indicate the parliamentary support of the incumbent, be it a coalition or a single party government. Coalition is coded as 1, single party government as 0: they can have either majoritarian or minoritarian support in parliament.

Table 1. Types of Government

Parliamentary support	Composition		Total
	Coalition	Single party	
Majority	571	300	871
Minority	71	167	238
Total	642	467	1109

Prime ministers lost office in 312 occasions: in 123 cases, due to an electoral defeat (out of 329 elections); in 189 cases, to a political crisis, either within their own party (124 cases) or within a coalition (65 cases). Parties lasted more in power than prime ministers: 7 years and 5 months on average, against 3 years and 7 months. The longest serving prime minister was Tage Erlander, who headed a social democratic government in Sweden for 22 years, from 1946 to 1969, and won seven consecutive elections. The party that lasted most in office was the *Democrazia Cristiana* (D.C.) in Italy, in government for 48 years with 26 different spells of short-lived prime ministers. Governments usually lost votes between elections (−1.84% on average), as well as seats in 68% of the elections. These losses, however, did not necessarily lead to leaving office.

The contrast between votes and permanence in office is particularly clear in coalition governments. They lost fewer votes on average than single party governments: −1.40% versus −2.50%.⁵ Yet prime ministers in coalitions did not last longer in office: 3 years and 6 months, compared to 3 years and 10 months in single party governments. Rather than on votes and seats, their political life may have depended very much on the manoeuvres of their fellow politicians. If this were the case, institutions would matter for accountability: they would facilitate or hinder “clarity of responsibility”; and they would influence the survival of governments when parliamentary politics becomes “an unprincipled game of musical cabinet chairs” (Warwick, 1994: 134).

⁵ This confirms Powell’s (2000:54) data showing that single party governments lose more votes than coalitions. They contradict the opposite conclusion of Strom (1990: 69-70, 124).

I start by examining what explains the loss of power of prime ministers and parties. I shall understand that a party loses power when it no longer has the prime minister: a spell in power may thus include different prime ministers as long as they belong to the same party. Table 2 uses three different regression models, largely due to the number of available observations for the predictor variables –this can be seen in the total number of country/year observations, which goes down from 1,109 to 891, and then to 399. The observations of the second model start in 1960; those of the third, in 1970. The variables correspond both to institutional features and to critical events. As King, Alt, Burns, and Laver (1990) demonstrated, both types of variables can be studied simultaneously in duration analyses.⁶ Institutions in the first and second models are majoritarian or minoritarian, single party or coalition governments. In the third model, coalitions were replaced by the effective number of parties:⁷ both correlated strongly,⁸ and the model improved with the new variable. Also single member districts were added.⁹ In the first model the only time-varying correlate was the average rate of G.D.P. growth over the last two years in office; the level of inflation in the last year was added in the second model;¹⁰ political scandals,¹¹ in the third.

The models are partial likelihood Cox regressions. They estimate the relative risk of losing office, with the assumption of proportional hazards. The hazard function, $h(t)$, is a rate

⁶ Contrary to explanations that focused either on the institutional features of governments and parliaments (Blondel, 1968; Taylor and Herman, 1971; Laver, 1974; Dodd, 1976; Sanders and Herman, 1977), or on critical random events (Browne, Frendreis, and Gleibner, 1986).

⁷ The effective number of parties is calculated according to Laakso and Taagepera (1979). It carries the same information as the Rae (1968) index of fractionalization, and is calculated from this index as $1/1 - \text{Rae}$. $\text{Rae} = 1 - \sum_{i=1}^m t_i^2$, where t_i is the share of the votes for party i and m is the number of parties.

⁸ The correlation between coalitions and effective number of parties was .436. That between majoritarian governments and single member districts was .194.

⁹ Single member districts were coded as 1; otherwise, as 0. Source: Huber, Ragin, and Stephens dataset (1997).

¹⁰ Data on inflation and G.D.P. growth are from the Michael Álvarez, José Antonio Cheibub, Fernando Limongi, and Adam Przeworski dataset, as well as from *World Development Indicators*.

¹¹ Political scandals refer to annual incidents of corruption, moral cases with strong public impact, or affairs relevant to national security (the Profumo case in the U.K. in 1963, the Günther Guillaume case in Germany in 1975). Data on survival and losses of power are from Woldendorp, Keman, and Budge (1998) as well as from www.keesings.com

that estimates the potential risk per unit time at a particular instant, given that the prime minister or the party have survived in office until that instant. Because the hazard function is not a probability it can exceed 1, and take any number from 0 to infinity.¹² What table 2 shows is that prime ministers, besides lasting less in power than parties, are more vulnerable to particular institutional conditions; on the contrary, their survival in office is less sensitive to performance. If prime ministers have majoritarian support in parliament, their survival will be less at risk; if their government is a coalition, and if the effective number of parties goes up, the risk increases. Single member districts, however, have no statistical significance. The higher the rate of inflation, the greater the risk: the value of the coefficient increases substantially from model 2 to model 3, both for parties and prime ministers: inflation has a greater influence on surviving in office from 1970 onwards, which is the period covered in model 3. But economic growth and political scandals¹³ have no effect on the survival of prime ministers.

Parties, lasting more in government, are somewhat more sensitive to performance. Contrary to what happens to prime ministers, economic growth helps parties to stay in power. And, as happens with prime ministers, higher inflation rates have a negative effect on their survival. Political scandals are again irrelevant. If we look at institutional conditions, parliamentary majorities and being part of a coalition have no statistically significant effect on the risk of losing power. But this risk increases strongly under single member districts, which are related to easier rotations in office, and also when the number of effective parties goes up.

¹² The dependent variable is thus a survival time indicator: time refers to years in office. A status indicator shows the annual observations of survival that have been censored because a prime minister or a party are still in office at the end of the study –that is, the cause of termination (elections, political crises) has not been observed. If $h_0(t)$ is the baseline hazard function (the expected risk of losing office without the predictor variables), e is the base of the natural logarithm, $X_1 \dots X_n$ are the predictor variables, and $B_1 \dots B_n$ the regression coefficients, then the model can be written as $h(t)=[h_0(t)]e^{(B_1X_1+B_2X_2+\dots+B_nX_n)}$. The effect on the risk of losing office of the predictor variables is separated from the baseline hazard, which is assumed not to vary between cases and to depend only on duration time. The overall hazard is the product of the effect of the predictor variables and the baseline hazard.

¹³ For the period covered by model 3, I recorded 72 political scandals (from www.keesings.com). This number of cases can hardly explain why political scandals never have a statistically significant effect.

Table 2. The Risk of Losing Power: Prime Ministers and Parties

	Prime Ministers			Parties		
	1	2	3	1	2	3
Event	1035	818	399	1011	794	386
Censored	74	73	0	98	97	13
Total	1109	891	399	1109	891	399
Majority	-.173* (.081)	-.199* (.090)	-.208* (.118)	-.126 (.082)	-.128 (.092)	-.086 (.124)
Coalition	.129* (.067)	.150* (.074)	-	.038 (.068)	.020 (.077)	-
Effective number of parties	-	-	.066* (.034)	-	-	.144** (.036)
Single member districts	-	-	-.163 (.149)	-	-	.483** (.157)
Growth last two years	-.005 (.012)	.002 (.001)	-.010 (.025)	-.054*** (.013)	-.056*** (.015)	-.082** (.026)
Inflation	-	.006*** (.001)	.060*** (.013)	-	.007*** (.001)	.025* (.011)
Political scandals	-	-	.077 (.179)	-	-	-.200 (.181)
Chi ²	6.424*	21.956***	34.842***	20.298***	37.195***	39.655***
-2 log likelihood	1,2752.611	9,724.142	4,080.652	12,215.934	9,232.265	3,869.950

Standard errors in parenthesis.

*** Significant at 1% or less.

** Significant at 5%.

* Significant at 10%.

Note that in table 2 the loss of power may be due to any reason –electoral defeats or political crises. I shall now focus on prime ministers –according to accountability theory, the politician who anticipates the reaction of voters at the next election. Table 3 shows the distribution of different causes of government termination.¹⁴ The first is an electoral defeat: both the prime minister and his party leave office. The second is a political crisis: the prime minister is replaced by another politician from his own party. The third is a different sort of crisis: the prime minister is replaced by a politician from another party in the coalition, while his own party remains in government. This last cause of termination was not considered as a loss of power by a party in table 2.

Table 3. Causes of Prime Ministers Losing Power

Causes of termination	Types of Government			
	Support		Composition	
	Majority %	Minority %	Coalition %	Single party %
Electoral defeat	36.7	45.7	36.0	44.7
Replacement by PM from within the party	41.7	35.1	34.9	47.2
Replacement by PM from outside the party	21.6	19.2	29.1	8.1
Total causes of loss (N)	(218)	(94)	(189)	(123)

Table 4 shows the regression results for the three causes of termination. The predictor variables are the same as in table 2. If we examine first the influence of institutions, majoritarian governments face smaller risks of losing power either through elections or coalition conspiracies, but such risks increase through internal party politics. Coalitions seem to protect incumbents from voters and from their own party, but they make them more vulnerable to politicians from another party in government. When the effective number of

¹⁴ I constructed the three different causes of termination in the country/year database using information from Woldendorp, Keman, and Budge (1998), and from www.keesings.com.

parties goes up, so does the risk of being replaced by the party or, to a greater extent, by a partner in the coalition. This is irrelevant, however, for voters: the threat of an electoral defeat does not increase. The opposite happens with single member districts: they have a strong effect on electoral defeats, but do not matter for internal partisan replacements.¹⁵

If we turn now to critical events, voters do not always share the criteria of politicians for rewarding or punishing incumbents. There are two exceptions: political scandals and inflation. Neither voters nor politicians care about scandals:¹⁶ the risk of losing power is irrelevant. When inflation goes up, the risk for prime ministers, either through elections or conspiracies, augments. The coefficient increases considerably in model 3, with observations corresponding to the post-1970 period. The important difference between voters and politicians lies in the following variable: when the economy grows, the risk that prime ministers will be punished in elections decreases; the risk of successful conspiracies, on the contrary, augments. Voters see that their welfare improves and tend to reward the incumbent. Politicians prefer to replace their prime ministers when conditions are good –this happens both within the prime minister’s own party and among members of the coalition. A growing economy whets the appetite for power: substitutes hope that they will stand a good chance of winning the next election. They may however overestimate these chances: Cheibub and Przeworski (1999: 232-3) have stated that only 30% of prime ministers who replaced the incumbent in the middle of a mandate win the next election.

¹⁵ I have excluded this variable from the analysis of terminations due to coalition crises: single member districts do not produce coalitions, and therefore no threats exist from partners in the government. The number of observations goes up from 399 to 561.

¹⁶ Note the caveat of fn. 13. Besides political scandals, I tried a corruption index from the International Country Risk Guide Corruption in the Political System. The results were also statistically non-significant.

Table 4. *The Risk of Losing Power: Electoral and Non-Electoral Threats*

	Survival to elections (party and prime minister)			Survival to political crises -1 (party stays, with prime minister from another party)			Survival to political crises -2 (party stays, with different prime minister from the party)		
	1	2	3	1	2	3	1	2	3
Event									
Censored	983	766	364	509	353	210	809	593	315
Total	1109	891	399	600	538	351	300	298	84
	1109	891	399	1109	891	561	1109	891	399
Majority									
	- .170* (.081)	- .214* (.090)	- .298* (.124)	-.071*** (.103)	-.741*** (.121)	-.736*** (.144)	.482*** (.095)	.562*** (.110)	.546*** (.146)
Coalition									
	- .142* (.068)	- .198* (.078)	-	.510*** (.096)	.416*** (.114)	-	-.255*** (.075)	-.313*** (.087)	-
Effective number of parties									
	-	-	.018 (.036)	-	-	.227*** (.053)	-	-	.177* (.044)
Single member districts									
	-	-	.688*** (.159)	-	-	-	-	-	.194 (.157)
Growth last two years									
	-.052*** (.013)	-.052** (.016)	-.074*** (.027)	.145*** (.018)	.162*** (.022)	.128*** (.030)	.076*** (.015)	.085*** (.018)	.117*** (.028)
Inflation									
	-	.009*** (.001)	.022* (.011)	-	.005*** (.001)	.046*** (.006)	-	.006*** (.002)	.056*** (.014)
Political scandals									
	-	-	-.269 (.185)	-	-	-.105 (.243)	-	-	-.063 (.215)
Chi²	26.510***	54.469***	40.135***	125.139***	103.190***	123.231***	54.254***	61.826***	41.277***
-2 log likelihood	11,861.960	8,879.659	3,636.638	6,289.737	4,181.727	2,228.335	10,036.433	7,125.982	3,165.192

Standard errors in parentheses.

*** Significant at 1% or less.

** Significant at 5%.

* Significant at 10%.

The future of politicians who replace incumbents is less threatening in this study. Of the 189 replacements through political crises rather than elections, 86 prime ministers managed to survive the new elections (45.5%), while 72 (38.1%) were defeated. The rest (16.4%) did not even have an opportunity at the polls: they were themselves replaced before facing the voters. As table 5 shows, if the replacement was within the party the new prime ministers stood a much better chance of surviving the elections than when the replacement took place within the coalition. Consider that of the 329 elections covered by this study, 37.4% ended with an electoral defeat of the incumbent.

Table 5. Survival at the Next Elections by Non-elected Incumbents

	Survival %	Defeat %	Replacement before the next elections %	Total (N)
Replacement within party	62.9	33.1	4.0	100 (124)
Replacement by another party in the coalition	12.3	47.7	40.0	100 (65)
Total	45.5	38.1	16.4	100 (189)

There were therefore important differences about the future electoral prospects according to the cause of the replacement. Voters may have cared about the identity of the party: if it did not change, they remained loyal even if the prime minister had been replaced by a new one. Changes of candidates within coalitions were much riskier, regarding both voters and politicians: posterior electoral defeats and replacements by conspiracies were frequent.

Differences between voters and politicians are thus important. Politicians do not usually anticipate the verdict of voters. Warwick (1994: 75) wrote that “although government survival in parliamentary regimes depends more often on parliamentarians than voters, it may be expected that parliamentary support for governments also varies with the economic

conditions that seem to matter so much to the public –after all, parliamentarians are responsible to their electorates”. But this is not what the results of table 4 show. When economic conditions are bad, prime ministers are threatened by voters at election time; when the conditions are good, they are threatened by fellow politicians between elections. Because the criteria of politicians for punishing incumbents do not correspond to those of voters, the incentives for incumbents to be representative are distorted in parliamentary democracies.

6. Conclusions

For mainstream political science, the people rule retrospectively. According to Sartori (1987: 30, 71), “democracy is the power of the people over the people”; “in a system of representative government the people actually exercise power (political power) by being able to control and change the people in power”. Because in democracies incumbents anticipate the retrospective reaction of voters in the next election, governments will look after the interests of citizens. If governments are accountable, repeated elections lead to representation.

This theory is flawed in several respects. First, it assumes that citizens can establish a threshold for re-electing the incumbent that generates incentives for governments to be representative. But for this to happen, citizens must be able to assign responsibility for past outcomes. Without information, there is no reason to think that they can discern the influence on such outcomes of actions of the government, or of exogenous conditions beyond its control. The consequence is that bad governments may survive; good ones lose power. A minimalist theory of accountability needs to be supplemented by a theory of the information citizens need in order to sift out good from bad governments.

Two additional assumptions of the theory of retrospective accountability are particularly unconvincing. First, that all politicians are alike, and no selection is involved at election time. Second, that voters never consider the future when they cast their vote: that elections are just about delivering rewards and punishments based on retrospective criteria. Overwhelming empirical evidence shows that citizens use rational expectations trying to

select the best candidate; that they consider the future as part of what elections are about. We also have evidence indicating that, when selection and the future enter into the considerations of voters, ideology influences the vote. Elections are guided not just by retrospective assessments of performance, but also by ideological hopes. For this reason, incumbent politicians find fertile ground for manipulation –that is, for handling past responsibilities and future expectations. Comparative empirical evidence also reveals that government survival is immune to economic performance.

Finally, we know that in parliamentary democracies losses of office by prime ministers depend in one half of the cases on decisions by politicians, not by voters. Comrades in the party or fellow politicians in a coalition may decide to get rid of the prime minister before election time. Empirical democratic theory has assumed that this decision anticipates the verdict of the next election –it minimizes punishment of the party or the coalition with a scapegoat strategy. For this assumption to stand, voters and politicians should share the same criteria for punishing prime ministers. But this is not the case. In particular, economic conditions lead to opposite reactions: when they are bad, the risk of an electoral defeat increases; when they are good, the risk of being the victim of a conspiracy goes up. If re-election is the incentive for a prime minister to be representative, such non-electoral threats undermine this incentive. Prime ministers in parliamentary democracies must spend a great deal of their time fending off conspiracies, particularly when times are good.

Elections can thus hardly lead to representation when voters are ill-informed. And if conspiracies replace elections, and the criteria of politicians supplant those of voters, incentives for a government to act in the interest of citizens will be eroded. Minimalist theories do not tell us well why democracy produces demophilia.

References

- Achen, Christopher, and Larry Bartels. 2004. "Blind Retrospection. Electoral Responses to Drought, Flu, and Shark Attacks". *Working Paper*, 2004/199. Madrid: Instituto Juan March.
- Alesina, Alberto, Nouriel Roubini, and Gérald Cohen. 1997. *Political Cycles and the Macroeconomy*. Cambridge (Mass.): M.I.T. Press.
- Anderson, Christopher. 1995. *Blaming the Government*. Armonk (New York): M. E. Sharpe.
- Anderson, Christopher. 2000. "Economic Voting and Political Context: A Comparative Perspective". *Electoral Studies*, 19 (151-70).
- Austen-Smith, David, and Jeffrey S. Banks. 1989. "Electoral Accountability and Incumbency". In Peter Ordeshook (ed.), *Models of Strategic Choices in Politics*. Ann Arbor: University of Michigan Press.
- Banks, Jeffrey, and Rangarajan Sundaram. 1993. "Adverse Selection and Moral Hazard in a Repeated Elections Model". In William Barnett, Melvin Hinich, and Norman Schofield (eds.), *Political Economy: Institutions, Competition, and Representation*. New York: Cambridge University Press.
- Barro, Robert. 1973. "The Control of Politicians: An Economic Model". *Public Choice*, 14 (19-42).
- Bengtsson, Asa. 2004. "Economic Voting: The Effect of Political Context, Volatility, and Turnout on Voters' Assignment of Responsibility". *European Journal of Political Research*, 43 (749-67).
- Blondel, Jean. 1968. "Party Systems and Patterns of Government in Western Democracies". *Canadian Journal of Political Science*, 1 (180-203).
- Browne, Eric, John Frendreis, and Dennis Gleiber. 1986. "The Process of Cabinet Dissolution: An Exponential Model of Duration and Stability in Western Democracies". *American Journal of Political Science*, 30 (628-50).
- Cheibub, José Antonio, and Adam Przeworski. 1999. "Democracy, Elections, and Accountability for Economic Outcomes". In Adam Przeworski, Susan Stokes, and Bernard Manin (eds.), *Democracy, Accountability, and Representation*. New York: Cambridge University Press (222-50).
- Cukierman, Alex, and Allan Meltzer. 1986. "A Positive Theory of Discretionary Policy, the Costs of Democratic Government, and the Benefits of a Constitution". *Economic Inquiry*, 24 (367-88).

- Dodd, Lawrence. 1976. *Coalitions in Parliamentary Government*. Princeton: Princeton University Press.
- Downs, Anthony. 1957. *An Economic Theory of Democracy*. New York: Harper Collins.
- Ercole, Enrico, and Guido Martinotti. 1990. "Le Basi Elettorali del Neosocialismo Italiano". In Mario Caciagli and Alberto Spreafico (eds.), *Vent'Anni di Elezioni in Italia*. Padua: Liviana.
- Fearon, James. 1999. "Electoral Accountability and the Control of Politicians: Selecting Good Types versus Sanctioning Poor Performance". In Adam Przeworski, Susan Stokes, and Bernard Manin (eds.), *Democracy, Accountability, and Representation*. New York: Cambridge University Press (55-97).
- Ferejohn, John. 1986. "Incumbent Performance and Electoral Control". *Political Choice*, 56 (5-25).
- Fiorina, Morris. 1981. *Retrospective Voting in American National Elections*. New Haven: Yale University Press.
- Friedrich, Carl J. 1963. *Man and His Government. An Empirical Theory of Politics*. New York: McGraw-Hill.
- Harrington, Joseph. 1993. "The Impact of Reelection Pressures on the Fulfillment of Campaign Promises". *Games and Economic Behavior*, 5 (71-97).
- Hirschman, Albert. 1970. *Exit, Voice, and Loyalty*. Cambridge (Mass.): Harvard University Press.
- Huber, Evelyn, Charles Ragin, and John Stephens. 1997. *Comparative Welfare States Dataset*: <http://www.lissy.caps.ln/compwsp.htm>
- Key, Vernon O. 1966. *The Responsible Electorate*. New York: Vintage Books.
- Kiewiet, D. Roderick, and Douglas Rivers. 1985. "A Retrospective on Retrospective Voting". In Heinz Eulau and Michael Lewis-Beck (eds.), *Economic Conditions and Electoral Outcomes: the United States and Western Europe*. New York: Agathon Press.
- King, Gary, James Alt, Nancy Burns, and Michael Laver. 1990. "A Unified Model of Cabinet Dissolution in Parliamentary Democracies". *American Journal of Political Science*, 34 (846-71).
- Kramer, Gerald. 1971. "Short-term Fluctuations in US Voting Behavior. 1896-1964". *American Political Science Review*, 65 (131-43).
- Kuklinski, James, and Darrell West. 1981. "Economic Expectations and Voting Behavior in United States Senate and House Elections". *American Political Science Review*, 75 (436-47).

- Laakso, Markku, and Rein Taagepera. 1979. "Effective Number of Parties: A Measure with Application to Western Europe". *Comparative Political Studies*, 12 (3-27).
- Lanoue, David. 1994. "Retrospective and Prospective Voting in Presidential-Year Elections". *Political Research Quarterly*, 14 (193-205).
- Laver, Michael. 1974. "Dynamic Factors in Government Coalition Formation". *European Journal of Political Research*, 2 (259-70).
- Lewis-Beck, Michael. 1988. *Economics and Elections*. Ann Arbor: University of Michigan Press.
- Lewis-Beck, Michael, and Andrew Skalaban. 1989. "Citizen Forecasting: Can Voters See into the Future?". *British Journal of Political Science*, 19 (46-53).
- Leyden, Kevin, and Stephen Borrelli. 1995. "The Effect of State Economic Conditions on Gubernatorial Elections: Does Unified Government Make a Difference?". *Political Research Quarterly*, 48 (275-300).
- Lockerbie, Brad. 1992. "Prospective Voting in Presidential Elections: 1956-88". *American Political Quarterly*, 20 (308-25).
- Lowry, Robert, James Alt, and Karen Ferree. 1998. "Fiscal Policy Outcomes and Electoral Accountability in American States". *American Political Science Review*, 92 (759-74).
- MacKuen, Michael, Robert Erikson, and James Stimson. 1992. "Peasants or Bankers. The American Electorate and the U.S. Economy". *American Political Science Review*, 86 (597-611).
- Madison, James. 1961. *Federalist Papers* (no. 57). New York: New American Library.
- Manin, Bernard. 1995. *Principes du Gouvernement Représentatif*. Paris: Calmann-Lévy.
- Maravall, José María. 1999. "Accountability and Manipulation". In Adam Przeworski, Susan Stokes, and Bernard Manin (eds.), *Democracy, Accountability, and Representation*. New York: Cambridge University Press (154-96).
- Maravall, José María, and Adam Przeworski. 2001. "Political Reactions to the Economy". In Susan Stokes (ed.), *Public Support for Market Reforms in New Democracies*. New York: Cambridge University Press (35-77).
- Mershon, Carol. 1996. "The Cost of Coalition: Coalition Theories and Italian Governments". *American Political Science Review*, 90 (534-54).
- Mershon, Carol. 2002. *The Cost of Coalitions*. Stanford: Stanford University Press.

- Monardi, Fred. 1994. "Primary Voters as Retrospective Voters". *American Political Quarterly*, 1 (88-103).
- Nadeau, Richard, Richard Niemi, and Antoine Yoshinaka. 2002. "A Cross-National Analysis of Economic Voting: Taking Account of the Political Context across Time and Nations". *Electoral Studies*, 21 (403-23).
- Nordhaus, William. 1975. "The Political Business Cycle". *Review of Economic Studies*, 42 (169-90).
- Paldam, Martin. 1991. "How Robust is the Vote Function? A Study of Seventeen Nations over Four Decades". In Helmut Norpoth, Michael Lewis-Beck, and Jean-Dominique Laffay (eds.), *Economics and Politics: The Calculus of Support*. Ann Arbor: University of Michigan Press (9-31).
- Persson, Torsten, and Guido Tabellini. 1990. *Macroeconomic Policy, Credibility, and Politics*. New York: Harwood Academic Publishers.
- Persson, Torsten, Gérard Roland, and Guido Tabellini. 1997. "Separation of Powers and Accountability". *Quarterly Journal of Economics*, 112 (1,163-202).
- Powell, Charles. 2001. *España en Democracia. 1975-2000*. Madrid: Plaza y Janés.
- Powell, G. Bingham, and Guy Whitten. 1993. "A Cross-National Analysis of Economic Voting: Taking Account of the Political Context". *American Journal of Political Science*, 37 (391-414).
- Powell, G. Bingham. 2000. *Elections as Instruments of Democracy. Majoritarian and Proportional Visions*. New Haven: Yale University Press.
- Price, Simon, and David Sanders. 1995. "Economic Expectations and Voting Intentions in the U.K., 1979-87: A Pooled Cross-Section Approach". *Political Studies*, 43 (451-71).
- Rae, Douglas. 1968. "A Note on the Fractionalization of Some European Party Systems". *Comparative Political Studies*, 1 (413-18).
- Riker, William. 1982. *Liberalism against Populism*. Prospect Heights (Ill.): Waveland Press.
- Rogoff, Kenneth, and Anne Sibert. 1988. "Elections and Macroeconomic Policy Cycles". *Review of Economic Studies*, 55 (1-16).
- Rogoff, Kenneth. 1990. "Equilibrium Political Budget Cycles". *American Economic Review*, 80 (21-36).
- Rovan, Joseph. 1978. *Histoire de la Social-Démocratie Allemande*. Paris: Seuil.

- Royed, Terry, Kevin Leyden, and Stephen Borrelli. 2000. "Is 'Clarity of Responsibility' Important for Economic Voting? Revisiting Powell and Whitten's Hypothesis". *British Journal of Political Science*, 30 (669-98).
- Rudolph, Thomas. 2003a. "Who's Responsible for the Economy? The Formation and Consequences of Responsibility Attributions". *American Journal of Political Science*, 47 (698-713).
- Rudolph, Thomas. 2003b. "Institutional Context and the Assignment of Political Responsibilities". *Journal of Politics*, 65 (190-215).
- Sánchez-Cuenca, Ignacio, and Belén Barreiro. 2000. *Los Efectos de la Acción de Gobierno en el Voto durante la Etapa Socialista (1982-1996)*. Madrid: Centro de Investigaciones Sociológicas.
- Sánchez-Cuenca, Ignacio. 2003. "How Can Governments Be Accountable if Voters Vote Ideologically?". *Working Paper* 2003/191. Madrid: Instituto Juan March.
- Sanders, David, and Valentine Herman. 1977. "The Stability and Survival of Governments in Western Democracies". *Acta Politica*, 12 (346-77).
- Sartori, Giovanni. 1987. *The Theory of Democracy Revisited*. Chatham (N.J.): Chatham House Publishers.
- Shaffers, Stephen, and George Chressantis. 1991. "Accountability and U.S. Senate Elections: A Multivariate Analysis". *Western Political Quarterly*, 44 (625-39).
- Stokes, Susan. 2001. "Introduction: Public Opinion of Market Reforms: A Framework". In Susan Stokes (ed.), *Public Support for Market Reforms in New Democracies*. New York: Cambridge University Press (1-32).
- Stokes, Susan. 2003. *Mandates and Democracy*. New York: Cambridge University Press.
- Strom, Kaare. 1990. *Minority Government and Majority Rule*. New York: Cambridge University Press.
- Strom, Kaare, Wolfgang Müller, and Torbjorn Bergman. 2003. *Delegation and Accountability in Parliamentary Democracies*. New York: Oxford University Press.
- Svoda, Craig. 1995. "Retrospective Voting in Gubernatorial Elections: 1982-1986". *Political Research Quarterly*, 48 (117-34).
- Tarr, Francis de. 1961. *The French Radical Party*. Oxford: Oxford University Press.
- Taylor, Michael, and Valentine Herman. 1971. "Party Systems and Government Stability". *American Political Science Review*, 65 (28-37).
- Thatcher, Margaret. 1993. *The Downing Street Years*. London: Harper Collins.

- Tufte, Edward. 1978. *Political Control of the Economy*. Princeton: Princeton University Press.
- Warwick, Paul. 1994. *Government Survival in Parliamentary Democracies*. New York: Cambridge University Press.
- Watkins, Alan. 1991. *A Conservative Coup. The Fall of Margaret Thatcher*. London: Duckworth.
- Whitten, Guy, and Harvey Palmer. 1999. "Cross-National Analysis of Economic Voting". *Electoral Studies*, 18 (49-67).
- Woldendorp, Jaap, Hans Keman, and Ian Budge. 1998. "Party Governments in 20 Democracies: an update". *European Journal of Political Research*, 33 (125-64).