# "Explaining Costs of Governing"

FIRST DRAFT

Chapter 5 of book manuscript:

**Competence Politics: Government Performance, Public Opinion and Electorates**

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**Not for circulation or citation**

**Counting the Costs of Governing**

What accounts for losses in government support over its time in office? It is well-known that the early part of a period in government is characterised by a peak in support, and that this support gradually erodes over time. The prevalence of this trend has led to an expectation of predictable cycles in incumbent party alternation, such that an opposition party might simply wait for the passage of time to increase its chances of election, and an incumbent party expects to experience 'costs of governing'; a significant loss of support over a period of office. However political science has surprisingly few theoretical and empirical explanations for this trend, despite its importance for explaining party and presidential popularity and consequent electoral outcomes.

'Costs of governing' or 'costs of ruling' (Paldam 1991) have been most extensively examined in trends found in US presidential approval. A new president tends to enjoy a honeymoon period, a loss in support over the course of a four or eight year term in office, and a relatively small uptick in support before an election. These systematic declines in public support became an integral part of the conventional wisdom about presidential approval (Ostrom and Simon 1985). Similar parabolic curves have also been identified in vote share trends, such that costs of governing are observed across presidential approval and party support, over long periods, and in a range of country and political contexts (Campbell and Converse 1960; Mueller 1970; Miller and Mackie 1973; Stimson, 1976; Kernell 1978; Rose and Mackie 1983; Ostrom and Simon 1985; Paldam 1986; 1991; Norpoth 2004; Dewan and Myatt 2012).

Scholars have debated the extent to which these costs of governing could be explained rather than simply described. Examination of trends in presidential approval (Stimson 1976), for example, were not sufficient to convince Sigelman and Knight (1983) that existing studies offer sufficiently direct and convincing tests of their explanatory post-hoc mechanisms. Time itself could not - and should not - be used to explain a time-based phenomenon (Kernell, 1978). In addition to Stimson's (1976) expectations-disillusionment explanation, which argued that campaigns - as myth-builders - raised expectations which quickly turned into disillusionment, explanations included the tendency of governments to take decisions which cumulatively alienate the preferences of minority voter blocs (Downs 1957; Mueller 1970); the inflation of electoral support at the start of an electoral cycle arising due to bandwagon effects, later to dissipate as weak party supporters revert to their pre-existing allegiances, or to none (Muller 1970); and failures of performance in office (Sigelman and Knight 1983). These explanations are all highly plausible explanations of declines in presidential approval and/or party support, but they have thus far alluded direct empirical testing.[1] Evidence has also been offered for the timing of political business cycles (Palmer and Whitten 2000), which result in increases in electoral support close to election time, but this research does not seek to explain trends in governing or ruling costs over time.

This chapter offers a direct test of a range of mechanisms argued to underpin trends in governing costs. Using a newly available measure of subjective performance evaluations in five countries, we argue that governments lose support over time because electorates judge incumbent parties' performance in predictable ways. Crucially, these predictable ways are unrelated to exogenous performance indicators of incumbents, such that we point to the importance of Stimson's (1976: 1)

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[1] Stimson (1976; 1977) revealed that presidents beginning office with the highest expectations suffered the biggest popularity declines, citing this as support for his expectations/disillusionment explanation.

observation, in his earlier description of trends in presidential approval, that, "the extraordinary fit of parabolic curves to actual presidential approval leads to the suspicion that presidential approval may be almost wholly independent of the President's behavior in office". We reveal that a) honeymoon periods arise because electorates base their evaluations of the new incumbent on the basis of their evaluations of the old one. This mechanism weakens as voters acquire new information about the current incumbent, and discount information about the previous one. This mechanism differs from the 'weak partisans' explanation, or the 'expectations and disillusionment' explanation but provides an empirical explanation for the peak in government support at the beginning of a period of government (which can also help account for the rise in expectations at the beginning of a cycle, and the dwindling of weaker partisan support). We further show that b) performance information accumulates; such that a performance shock at the beginning of a cycle, after the initial honeymoon period, matters more than a performance shock at the end of the cycle. Once voters have made up their mind about an incumbent, they are increasingly unlikely to revise their opinion about the governing party. This means that positive information, if it exists, has little effect on incumbent popularity once governing costs have set in. Finally, we show that c) these trends in perceived incumbent performance explain losses in governing electoral support, and this is more important than the effects of measures designed to capture 'coalitions of minorities', namely, the positional differences between the incumbent party and the electorate, where those positional differences arise in a dynamic thermostatic fashion (Wlezien 1995; Soroka and Wlezien 2010). The combination of a 'performance accumulation' explanation and a 'coalition of minorities' explanation also provides additional explanation of costs of governing in five countries.

These findings have important implications. Incumbents are not able to misrepresent their competence to voters when entering an election, at least not sufficiently to undo the consequences of a term in office. The timing of elections to coincide with improvements in economic conditions can only partially offset the effects of costs of governing over the preceding electoral cycle. Incumbents have little control over their reputation for competence; since it is established on the basis of the previous incumbent at the beginning of the period in office, and accumulates in a predictable fashion, irrespective of party, country or period, in the analysis of the data collected here. Dewan and Myatt (2012) report data suggesting that governments demonstrate better performance the longer they stay in office. The regularity of public opinion about costs of governing questions the efficacy of governments to reverse public opinion about performance, or perhaps helps account for increased incentives to focus on trying to improve perceptions of incumbent performance with time. There is something systematic in public reactions to governments; and this has a range of very important consequences. Note that all the dynamics we reveal in macro-competence could just as easily apply to presidential approval, and there would be a question in the US about which comes first, and which is most important. MacKuen (1983) described presidential approval as a measure of the public's judgment of the current government, and Mueller (1970: 18) described the presidential popularity question as tapping "a general impression about the way the incumbent seems to be handling his job at the present moment".

**Theories of Costs of Governing**

The decline in support for an incumbent president has become conventional wisdom in US politics, and this conventional wisdom is matched in non-presidential systems by cycles of declines in party support (Campbell and Converse 1960; Mueller 1970; Miller and Mackie 1973; Stimson, 1976;

Kernell 1978; Ostrom and Simon 1985; Paldam 1991; Norpoth 2004; Dewan and Myatt 2012). The regularity of these declines in incumbent popularity - or 'costs of governing' - is matched by the regularity of honeymoon periods: a new president or government tends to benefit from an initial boost in public support (Sigelman and Knight 1983). This dissipates with varying speed (Dewan and Myatt 2012), but it always seems to dissipate. Declines over an incumbent cycle are sometimes marginally offset by upticks before elections, leading to the expectation of a parabolic curve in presidential approval or party support. This pattern led Stimson (1976: 1) to observe that, "the extraordinary fit of parabolic curves to actual presidential approval leads to the suspicion that presidential approval may be almost wholly independent of the President's behavior in office". Politics is said to exist in cycles (Merrill et al. 2008) whereby regular party alternation is explained by the return of vote choices to equilibrium (Norpoth 2004).

Costs of governing have almost exclusively been analysed in the U.S. and then in relation only to presidential approval (rather than support for parties in the generic congressional ballot). Here we reveal how costs of governing occur in 31 countries (including the U.S.) via examination of annual aggregate-level vote intention for the main party of government by period of government. This draws on a dataset of more than 17,500 polls.[2] The governing periods in Figure 5.1 vary in length considerably; some for just one election cycle when there is a change of president and president's party or a change in party-government following the next election, and some for periods where a party-president remains in office over multiple election cycles, or parties-in-government. The vote intention data are standardized by government lifecycle,[3] with year 1 counted from the first calendar year of the government and the final year its last (which ranges from 1 to 24). Figure 5.1 fits a parabolic curve to the data, which is fit with an $R^2$ of 0.093. This is a slightly better fit than with a linear relationship with an $R^2$ of 0.086.

[Figure 5.1 about here]

Figure 5.1 reveals a pattern of decline in vote intention over time across a range of country and institutional contexts that is so regular that it is arguably one of the most important phenomena in politics.

Costs of governing have been explained in a variety of plausible ways, but current explanations tend to be post-hoc rationalisations of observed trends, and they are (for the most part) either empirically untested or unsupported.

Muller (1970) accounted for declines in presidential approval as a result of inflation of approval at the beginning of a term in office, which, he argued, was caused by inflated popularity due to 'weak followers'. This weak following arises because a president promises more in the campaign than they can deliver in office. Initial popularity is 'puffed up' by those promises (or campaign 'myths'), from bandwagon supporters whose fair-weather support quickly dissipates and from 'excitable types' who

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[2] In instances of coalition government we code the governing party as the largest party in terms of overall vote share and legislative seats (i.e. in a few coalition governments the Prime Minister is from a smaller party). For example, the CDU/CSU is coded as the governing party for the German 'grand coalition' between the CDU/CSU and SPD over the period from 2005 to 2009. Similarly, the VVD is coded as the governing party for the coalition between the VVD and CDA in the Netherlands between 2010 and 2012.

[3] The standardised measure of vote intention is estimated as the raw value minus the mean for that period of party government, divided by the standard deviation.

quickly become bored. As presidential approval dissipates, opposition partisans are ready to quickly join the aggrieved. This idea of the inflation of expectations is consistent with arguments made by Stimson (1976), who accounted for declines in presidential approval by the expectations gap that arises following campaigns. The simplicity of campaign pledges, combined with the absence of well-formed preferences among the majority of citizens, contributes to the 'spread of naive expectations'. Furthermore, "Because the public, and particularly the ill-informed, expects more than can possibly by achieved under the best of circumstances, it is always prone to great disappointment over what is achieved by mere mortal presidents acting under less than ideal conditions" (Stimson 1976: 10). Stimson (1977) provided evidence for this explanation pointing to greater declines in presidential approval following higher initial levels of support. Miller and Mackie (1973) also suggest that initial peaks in electoral support arise from temporary adherence of uncommitted voters with weak party identification. Those voters tend to revert to their 'normal' identification over time. This is used to explain by-election results in Britain (pointing regularly, as they do, to support for the opposition party). However, attempts to further explore and validate the empirical implications of the expectation-disillusionment explanation resulted in little support (Sigelman and Knight 1983). Bigger declines in incumbent support have been found among partisans of the out-party (but no differences were found as a function of sophistication, which might have been expected if citizens respond to information about performance (Presser and Converse 1976-7). Stimson (1976-77) found that greater declines in approval are found for incumbents with the highest initial ratings, but Sigelman and Knight (1983) noted that those trends alone cannot explain parabolic trends.

An alternative explanation for costs of governing was put forward by Ostrom and Simon (1985), who argued that political events, as well as the effects of the economy, served to explain the reduction in support for a president over a period of office. Those events would combine to inform a largely visceral reaction to a president, especially where performance failed to match expectations, where there was a sudden or dramatic change in an outcome, growing media coverage of a particular performance 'dimension', or particular efforts by a president to focus on that dimension. These arguments suggest that dynamics of public opinion could vary according to the number of events and their nature. However, it is hard to understand these effects as explanations for the repeated patterns of presidential costs of governing across administrations. If events explain declines in support for the incumbent, we may need additional explanations for the honeymoon period, the systematic and almost universally regular declines in presidential approval or party support, and for the parabolic nature of minor increases in vote shares towards the end of a period in office.

One further and often-cited explanation for cycles or 'costs of governing' results from the concept of the importance and accumulation of 'coalitions of minorities'. Downs (1957) first described the process whereby a government may have majority support from the electorate on a given issue, but with every policy decision and/or action, a minority bloc is alienated. If the minority feels sufficiently aggrieved about the policy that it cannot be placated by support from the government for policies it favors, then a government will gradually lose support of sufficient minorities to be defeated. The opposition party has an opportunity to build a coalition of these minorities in order to overthrow the incumbent. This explanation was put forward by Mueller (1970) to further account for cycles of presidential approval.  Governing is ultimately about making decisions, and the more decisions a government or a president makes (or doesn't make), the more people the government or president antagonizes. Difficulties arise in applying the 'coalition of minorities' explanation because a) the

explanation has not been empirically tested, and b) it has not been tested against a performance or disillusionment explanation for costs of governing trends, and hence the superiority of any explanation cannot be verified. It is also argued by Sigelman and Knight (1983) that this explanation relies too implausibly on the presence of a strong, clever and well-organised opposition, and a minimal level of issue voting. Those preconditions are not present sufficiently to account for regular governing costs.

Our empirical understanding of explanations for costs of governing remains extremely limited. The debate in the 1970s and 1980s considered whether costs of governing could be accounted for by describing and offering explanations for trends over time. But there is a risk that scholars continue to use time as the explanation of governing costs, rather than explaining the time-based phenomenon (Kernell 1978). As Sigelman and Knight (1983: 320) pointed out, "It is one thing to know that a presidential unpopularity cycle exists, but it is something else to know why it exists...The real problem is to determine why the reaction to the substance of presidential actions nearly always has a cumulatively negative impact on presidential popularity." Sigelman and Knight (1983) conclude that declines in both expectations and popularity are outcomes of the effectiveness with which a president is thought to be handling his job. And yet those evaluations are also subject to the same unexplained governing costs. As Stimson (1976:10) suggested, it is as though presidents are "passive observers" of their own down-sliding popularity.

**Performance and Costs of Governing**

If declines in expectations and popularity are outcomes of the effectiveness with which a president is thought to be handling his job, as Sigelman and Knight (1983) suggest above, we need to understand why perceptions of effectiveness of presidential job handling exhibit a downward trend over the course of a presidential term, leading to losses of presidential support. That same question should also be asked of governmental (rather than presidential) effectiveness. In non-presidential systems we would also expect perceptions of the incumbent party effectiveness to decline over the period of a party's tenure in government, which will also correlate with declines in incumbent party support. Could it be possible that governments and presidents become systematically less effective over time? This would suggest that objective indicators of incumbent competence will show a decline across periods of government, across presidential terms, and across party system and country context, and we would require a theory of institutional breakdown and losses in governmental effectiveness over time. Our analysis of exogenous policy performance indicators in Chapter 4 reveal that this is not the case, not for any policy issue or for any period in office that we are able to examine. And on the contrary, there is some evidence that governments become more effective over time against some metrics, and if we consider that administrative and ministerial expertise should increase rather than decrease with experience and policy learning (Dewan and Myatt 2012).

With regard to voters' experience of incumbent competence, we know that public opinion about government or presidential performance is an important predictor of party or presidential support. As Ostrom and Simon (1985: 336), state, "Each month a tremendous amount of information that might be associated with a president's performance is reported by the national media". The same is true for party-based parliamentary and/or coalition governments. Citizens not only hear about performance of a government; they also experience the effects of good or bad performance in their daily lives, and Aldrich et al. (1989) point to the particular importance of attitudes based on direct

experience. Such attitudes are more accessible from memory, held with greater confidence and certainty, they have more complex multidimensional attitude structures, stronger links to behavior, and they are more resistant to persuasion. Fiorina (1981) importantly argued that voters judge whether an incumbent has done well or badly by changes in their own welfare. Yet the regularity of costs of governing begs the question of whether these trends can be explained by variation in performance across governments and time, or whether there are cyclical dynamics in public opinion about performance which can account for governing costs. Theories of blame attribution provide a way of understanding the effects of partisan bias on attribution of credit and blame (Hobolt and Tilley 2011), the asymmetric effect of credit over blame on an incumbent and the nature of blame attribution on an incumbent party rather than the opposition (Green and Jennings, 2012). However, we need a time-based theory of blame attribution and presidential and government effectiveness and performance-evaluations if we are to understand all important governing costs.

**A Time-Based Theory of Attribution**

Here we put forward a theory of blame attribution which explains systematic trends in costs of governing. Our theory calls for an empirical examination of perceptions of presidential or government competence over multiple periods of incumbency and across countries; something we make possible here in this book for the first time.

If we consider a voters' experience of an incumbent administration, variation can be theorised in periods, and these periods are defined by the way voters and electorates apportion blame. We argue that governments experience a largely blame-free honeymoon period but then a period of blame and the accumulation of blame. These periods are outlined here in a novel theory of variation in attribution of responsibility and blame comprising four parts; (i) attribution of responsibility to the outgoing party in the first period of a new government (accounting for the honeymoon period); (ii) when the in-party is blamed, when responsibility is attributed to the incumbent government, there is negativity bias (negative evaluations of competence are weighted more than positive evaluations); (iii) as negative information exerts an effect on in-party performance evaluations, this attribution and blame exhibits an accumulative effect; such that competence increasingly depresses support for the incumbent; (iv) this accumulation of negative information has an effect up to a saturation point, after which any additional information has less of an effect.

*Honeymoon period: attribution of responsibility to the outgoing party*

How should voters judge and evaluate the earliest period of a new government for its performance? Voters have very little information on which to judge the performance of a new government. They will likely rely on the heuristic of the leader, on the performance of the outgoing government, or on their underlying party preference to form their opinion. Before the change of government, research tells us that voters have to judge the opposition party on its likely performance, relying more on party identification in place of concrete performance information (Fiorina 1981; Green and Jennings 2011). These differences arise because "the information-seeking costs necessary to evaluate the past performance of an administration are far less than those needed to assess a set of future government policies" (Miller and Wattenburg 1985: 359).

These assessments should also apply to the initial period of a party or president in power. Not only this, a number of additional features should characterise the evaluations of a new incumbent. The

first feature is the rationalisation of the election outcome. The difference in support for a new incumbent before the election and afterwards may arise because voters use the election outcome - and the decisions of others - as a heuristic for the party or president likely to handle problems best. This explanation is similar to the bandwagon explanation offered by Mueller (1970). Weak partisans may join the crowd, or may simply provide top-of-the-mind responses to survey questions following a change in party-in-government and news of an election winner. The second feature is the likelihood that voters - and the mass media - tend to give the incoming administration the benefit of the doubt (Sigelman and Knight 1983). In the absence of any concrete information on performance, voters (and opinion formers) deduce that anything must be better than what has gone before. The very fact that the outgoing party has lost the election invariably reflects a lack of trust in the past government's performance. A new party or president may be rewarded with an 'anything must be better' bonus. Underlying both explanations, and building on these, is our empirical prediction that an incoming government is judged by attributing responsibility for performance experiences and failures to the outgoing administration. This makes sense for three reasons. The first is simply that the new administration is not practically responsible for the results of policy decisions taken by the previous administration. The results of new government decisions have not yet had an effect on political and policy realities. Fiorina (1981: 5-6) argued that elections do not signal the direction in which society should be going as much as they convey an evaluation of where society has been. The voter judges whether an incumbent has done well or badly by changes in their own welfare. At the beginning of a term of office, this evaluation cannot be applied to the incumbent. The second is that the political message that things are the fault of the previous government has conviction and weight. A new opposition party (the previous incumbent) cannot formulate a convincing political attack on the failure of a new government (their policy decisions are still the ones being felt) and the new incumbent can point to the previous administration to blame where things have gone wrong. These realities will also be reflected in mass media. They render the honeymoon period one in which 'normal' political competition is largely absent. A recently defeated party will likely be in a state of flux. Recently defeated parties often experience changes of leadership, disunity, blame, internal questions over ideological direction as post mortems are carried out over the reasons for defeat. The third is that the rationalisation of the result towards the incoming government will also apply to evaluations of the outgoing party. It is just as true that voters will jump on a bandwagon of support for the victor as a bandwagon of condemnation of the loser.

Whereas theories of government and opposition attribution generalise to the entire period of government, and the entire period of opposition, those theories actually make assumptions that the government can be judged for its failures and voters have little reliable information about the opposition. That cannot be true in the honeymoon period of a government. As such, we put forward a time-varying theory of attribution over a government cycle.

The honeymoon period should be characterised by performance attribution on the previous administration or president; represented by the new party or parties in opposition. As Iyengar (1989: 879) reminds us, "Individuals tend to simplify political issues by reducing them to questions of responsibility, and their issue opinions flow from their answers to these questions". The more unpopular the previous government, the bigger the honeymoon boost to the new government. Not only should the performance evaluations of the new government be predicted by the performance evaluations of the previous government, but these effects should dissipate with time. This is because the memory of the performance of the outgoing government will likely wane, and also because the

relevance of this evaluation on incoming government performance will decline. These expectations lead to hypothesis 1, the *honeymoon hypothesis*.

Hypothesis 1:    Incumbent performance evaluations are a function of out-going government performance evaluations; these effects decline over time.

Hypothesis 1 is operationalised in two ways. We first expect the perceived competence of the incoming government to be a function of the competence of the out-going government. This should hold true when also controlling for important predictors of incoming party competence, namely party identification, leader evaluations, and economic evaluations (or exogenous economic conditions). We then also expect the effects of outgoing party competence on incoming party competence to weaken over time, so that the effect is large when the incoming party enters office, but it weakens over a period of incoming party government. It remains an empirical question how long the effect of the outgoing government should persist in explaining incoming party competence ratings.

Our measure of macro-competence, *MCOMP* provides an aggregate over-time measure of subjective performance evaluations of the party-in-government (the party of the president in the U.S. and the largest party in the government in the U.K., Canada, Australia and Germany; those countries for which sufficient data are available to construct the macro-competence index). Recall from Chapter 2 that *MCOMP* is estimated with Stimson's dyad ratios algorithm using all available public opinion measures of party trust, handling and 'best party' measures across policy issues. The resulting index represents the shared variance in performance evaluations for a given party in each year. The appendix of this chapter provides a full description of the data and method used to estimate macro-competence for each party in the five countries listed above.

We calculate *MCOMP* for each party before creating a measure of competence evaluations for the governing party for each governing cycle, with the cycle length determined by the number of years that party holds office.[4] Our unit of analysis is party competence-year and our cases are governing periods. This results in 29 governing periods ($i$) using five countries and all available years for which *MCOMP* can be calculated. Time series cross-sectional first order autoregressive, AR(1), models are estimated, with the governing cycles as panels.[5] In order to test the impact of outgoing government performance evaluations on the performance evaluations of the newly elected incumbent we model government party competence in year $t$, $MCOMP_{it}$, as a function of the level of macro-competence of the outgoing government in its final year (carried forward as the same value in all years of the successor), $MCOMP(OUT)_{it-c}$. This variable is multiplied by -1 so that higher values indicated a larger honeymoon effect (i.e. the less popular the previous incumbent was, the higher the honeymoon bonus). The model also controls for the number of years that the new incumbent has been in office, $GOVTIME_{it}$. In the first year this count variable is equal to the $N$ of the lifetime of the government, $N$-

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[4] *MCOMP* and our other variables (i.e. leader evaluations, macro-partisanship and percentage change in GDP) are standardised for each governing period by calculating the raw value of the variable minus its mean for that period of party government, divided by the standard deviation.

[5] Our models are estimated with panel-corrected standard errors (Beck and Katz 1995) which control for panel heteroscedasticity and contemporaneous correlations of the errors. The models are fitted using the Prais-Winsten method to test for serial autocorrelation ($\mu_{it}$), with the *rho* estimated separately for each panel as the first-order autoregressive process: $\mu_{it} = \rho\mu_{it-1} + \varepsilon_{it}$. This allows the rate of persistence to vary across governing periods.

*1* in the second year, and so on, and 1 in the final year. Because the measure is reversed, a positive coefficient means that there is a decline in competence evaluations of the incumbent over time. We also test the interaction of outgoing government party competence with that count variable for time in government, where the coefficient captures the annual rate of decline of the honeymoon bonus (i.e. of negative evaluations of the outgoing previous government), $GOVTIME_{it}*MCOMP(OUT)_{it-c}$. Here a negative coefficient indicates that the effect of that honeymoon bonus declines over time.

We have $MCOMP_{it}$, $MCOMP(OUT)_{it-c}$ and $GOVTIME_{it}$ variables for all 29 periods across five countries. For two countries, the U.S. and U.K., we also have measures of macro-partisanship (MacKuen et al. 1989), presidential or prime ministerial approval, GDP growth (year-on-year percentage growth in gross domestic product) and public policy mood (Stimson 1991; Bartle et al. 2011). These controls are important for isolating effects of $MCOMP(OUT)_{it-c}$ on $MCOMP_{it}$ to generic policy performance evaluations rather than on other factors which also co-vary with macro-competence. We also compare (in robustness checks) each model using measures of subjective economic evaluations in the U.S. and U.K., which reveal the same pattern. The full model can be represented in the form:

$$MCOMP_{it} = \alpha_0 + -1*\beta_1 MCOMP(OUT)_{it-c} + \beta_2 GOVTIME_{it} + -1*\beta_3 GOVTIME_{it}*MCOMP(OUT)_{it-c} +$$

$$\beta_5 LEADER_{it} + \beta_6 MP_{it} + \beta_7 GDP_{it} + e_t$$

Table 5.1 presents the models using all five countries with only macro-competence and time in government variables and interactions (model 1a), then with the same variables in just the U.S. and U.K. cases (model 1b), and finally with all variables (including control variables) for the U.S. and U.K. (model 2).

[Insert Table 5.1 about here]

The results reveal that time in government has a strongly significant effect on incumbent macro-competence in the five country analysis, the U.S. and U.K. analysis using a limited model, and the U.S. and U.K. analysis using a model with controls. Because the time variable is inverted, a positive coefficient denotes that governing party macro-competence declines over time, as the costs of governing predict. Because our measure is standardized, the coefficient of 0.061 means that each additional year in office yields a 0.061 standard deviation decrease in governing party competence. The macro-competence evaluations of the previous government do not exert a significant effect on incumbent macro-competence in models 1a or 1b. However, when we include control variables for presidential approval, macro-partisanship and year-on-year percentage growth in GDP in model 2, there is support for the honeymoon period hypothesis; there is a strong negative effect of the macro-competence ratings of the outgoing governing party on the new incumbent (the higher the competence of the out-going party, the lower the competence ratings of the new government, and vice versa). In substantive terms the coefficient means that a one standard deviation increase in the competence of the outgoing party leads to a 0.270 standard deviation decrease in the competence of the new incumbent. Model 2 also reveals a statistically significant effect of the interaction of the previous government's macro-competence with the period the new incumbent is in office. For each additional year the new incumbent holds office, the effect of outgoing party competence decreases by a 0.034 standard deviation. The fact that these results become significant in the model controlling for additional predictors of incumbent macro-competence (and that the effects of all three are also significant in the model) suggests that macro-competence in models 1a and 1b includes information

which cancels out its explanatory power. Only when the unique variance is modeled does $MCOMP(OUT)_{it-c}$ and $GOVTIME_{it}*MCOMP(OUT)_{it-c}$ reveal the expected effects. We cannot be certain whether models with additional controls in five countries (or more, should data ever be available) would reveal the same results, but the wealth of available data for the U.S. and U.K. mean that the results are very illuminating.

It is easier to interpret the significant effects for $MCOMP(OUT)_{it-c}$ and $GOVTIME_{it}*MCOMP(OUT)_{it-c}$ on incumbent macro-competence by plotting the coefficients by time. Here in Figure 5.2 we plot the effect of $MCOMP(OUT)_{it-c}$ over time (years) based on model 2. We see that the effect is stronger at the beginning of a new period of government and weaker over time, and has a significant effect, on average, for the first four years of a new government.

[Insert figure 5.2 about here]

These results reveal that a new government benefits from a competence boost due to the loss of competence of its predecessor. During this period the previous government is blamed for its failings, and this out-party attribution effect is an important factor on incoming government competence. That boost lasts approximately four years, based upon data drawn from the U.S., and U.K.; countries in which a four year period is the period of one presidential election cycle, and the average length of parliamentary cycle in the U.K. (where elections are typically held every four or five years).

*A government's attribution period: negativity bias and the accumulation of blame*

Honeymoon periods do not last. From analysis of our monthly data on vote intentions across twenty countries, we calculate the average period of time it takes for support for the governing party to fall to below the level of its support around the time of its election. This honeymoon period is equal to 3.4 months for the 79 governing cycles that we have data for, and equal to 2.7 months for 33 governing cycles in our five countries (the U.S., U.K., Australia, Canada and Germany).[6] The following table provides summary statistics, where these are available drawing on monthly data, by country. While there is variation across governing cycles, these suggest that newly elected governments receive some sort of post-election boost in support (and this can extend for quite some time) but this is temporary and typically dies out within a few months.

[Table 5.2 about here]

The definition of a honeymoon period is, perhaps, the period in which the government can absolve responsibility for perceived policy failures, and this is the implication of hypothesis 1. After this honeymoon phase, a period of incumbent attribution should then be expected. Partisans of the incoming government should be particularly quick to attribute blame (Tilley and Hobolt 2011) and weak supporters would be expected to become relatively easily disillusioned, as predicted by Mueller (1970), Stimson (1979) and Ostrom and Simon (1985). The new incumbent makes their own policy decisions which an opposition (or an opposing and/or critical media) will pinpoint for the

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[6] Note that the average honeymoon period is only tested for instances in which there are at least two polls in the first three months that a party holds office (i.e. interpolating party support over a long period of missing data carries the risk of inflating the estimated length of honeymoon if the interpolated trend is upwards). For cases where there is a poll in the month prior to the election, this value is carried forward as the baseline level of support for the incoming government.

persistence of policy travails. With time, voters will experience the effects of policy decisions and they will be presented with an accumulated amount of negative information about the government. While direct experience of new policies may not be immediate, and any experiences will not affect all citizens equally, the attribution of negative policy experience (whether caused by the new incumbent's government or not) will be placed on the incumbent. As this process continues, the opposition may have increasing credibility in apportioning blame to the incumbent. MacKuen (1983) refers to citizen's reactions to events as 'ordinary judgments of competence' (1983: 184). This suggests that performance information will accumulate over the course of a period of government, and most of that information will likely be negative. Opposition and media sources have little incentive to publicise good news about government performance. While citizens update their evaluations of an incumbent based on policy experience, and that can be positive and negative, there are many reasons to expect citizens to be attuned more to negative rather than positive information. Insights from political psychology tell us that citizens exhibit a negativity bias (Key 1966; Kernell 1977; Lau 1982; Fiorina and Shepsle 1989; Soroka 2014).[7] This manifests itself in the retention in memory of 'bad' news over good news, and a tendency to apportion blame greater than the tendency to apportion credit. These well-known tendencies have significant implications for performance-based governing costs. Ostrom and Simon (1985: 337) argued that performance dimensions (particular issues) enter into the calculus of party support only if there is a reason for citizens to notice it. Such a reason might be the communication of negative news. While a government may plausibly deliver policy 'goods' over a period in office, and may even improve its performance against some metrics (Dewan and Myatt 2012), it should not be the case that public perceptions of performance improve. Every negative shock should result in a greater effect than every piece of 'good' news, with the result being the greater sensitivity of party support to performance blame than credit. These mechanisms would account for systematic declines in party support observed in 'governing costs'. They predict that performance effects on incumbent party choice will be stronger when performance evaluations are negative and weaker when they are positive, leading to hypothesis 2, the *negativity bias hypothesis*.

Hypothesis 2:   Incumbent performance evaluations have a significantly greater effect on party support when they are negative.

As argued above, we expect negative information about government performance to be (i) more likely, given media and opposition attention and strategies during any period of government, and (ii) more likely to influence party support than positive information. This is because negative information is more likely to be attended and stored in memory; it is more likely to matter. Here we add to those expectations and argue that these effects will be additive.

When an electorate is confronted with negative performance information about a government, every piece of bad news will gradually confirm what voters have come to believe. One bad news story will be joined by another, and then another, and so on. We would not expect negative performance shocks to dissipate, returning to an equilibrium, if they are stored in public memory in such a significant way. The effect of hearing performance stories of a government will mean that the accumulation of negative information will have an additional effect on incumbent party support.

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[7] It is also manifested in the behaviour of policy-makers (Weaver 1986; Hood 2011).

This should occur until more negative or positive information has little effect. It is as though every piece of bad news will confirm what voters have previously heard.

As negative attribution accumulates, we should expect public opinion to become more resistant to change. If a voter has heard and been increasingly convinced by negative performance information, their attitudes will become more fixed over time. Zaller's (1992) research tells us that citizens 'notice' information that fits with their existing opinions and discard information that challenges this. The oft-cited concept of cognitive dissonance explains the tendency of citizens to discard or rationalise information that challenges a long-held opinion or affiliation. If presidential approval is based on cheaply acquired information (Brody and Page, 1975), then citizens are unlikely to expend effort in seeking out information once they have formed their opinions. As citizens form opinions about a government, those opinions will be increasingly resistant to change.

Furthermore, any decline in approval will be coupled by the potential for self-fulfilling prophecies. We can imagine the opposition becoming emboldened by the disillusionment of the electorate, to formulate political attacks and make more effective challenges. Members of the in-party may face incentives to distance themselves from the unpopular incumbent (in order to gain local support or position themselves for the aftermath of expected electoral defeat), leading to factionalism and disunity among the governing party, with further reputational damage. The media may become increasingly hostile, recognising that any positive message about a government will be unpopular with a readership that is favouring an opponent. This suggests that governments suffer something of a saturation point; accumulation denotes a crisis of confidence in the incumbent, after which point a more positive assessment is made unlikely. This is somewhat akin to a process described by (Dewan and Myatt, 2012: 123), who describe, "The presence of (perhaps small) random events that buffet the performance and popularity of a government is sufficient to pin down a unique equilibrium...A crisis of confidence involving the rapid collapse of a government's performance is sparked when a sequence of negative shocks push the popularity of the government below a unique critical threshold." Our theory of performance costs of governing suggest that this process will occur irrespective of the actual performance of a particular government. The process may alter in speed and extent, but it is likely that a crisis in confidence will arise with the passage of time. As governments experience a crisis of confidence, new information will have less effect on party support. Party preferences will be formulated and will be more resistant to change over time, as summarised in hypotheses 3 and 4; the *blame accumulation hypotheses*.

Hypothesis 3:   The sum of negative incumbent performance evaluations will exert a significant effect upon governing party support.

Hypothesis 4:   The sum of negative incumbent performance evaluations will exert a significant curvilinear effect upon governing party support.

Hypothesis 3 is operationalised in two ways. In addition to effects of negative versus positive performance information as specified by hypothesis 2, we test the effect of adding negative performance information over time, where the effect on party support is assessed for a variable where negative changes in public opinion about government performance are summed (as a running tally). An effect for this variable denotes an effect of the accumulation of blame attribution on party support. We also expect attribution effects to increase over the government lifecycle but then to decrease; i.e. for blame attribution to be curvilinear. This expectation arises because in-party blame

attribution is weak during the beginning of a period of government, as predicted by hypothesis 1. If we find a curvilinear effect of performance evaluations on vote choice, this provides further evidence in support of the honeymoon period hypothesis, since effects of incumbent macro-competence will be weaker at the beginning of a governing party period when the previous incumbent party is considered responsible. The effect of the negativity bias in hypothesis 2 and the accumulation of blame in hypothesis 3 mean that blame attribution will increase as a party or president in office governs. But the effect of this is to weaken the impact of new performance information once the public has reached a verdict on the incumbent. New information will have little additional effect beyond a certain tipping point, so that the effects of performance evaluations on party support will first increase and then diminish.

In order to test for negativity bias in the effect of performance evaluations on vote choice, we first model governing party vote intention, $VOTE_{it}$, as a function of its competence, $MCOMP_{it}$, and for whether the effect of macro-competence is greater when its value is negative (i.e. governing party macro-competence is below its average level for that government lifecycle), $NEGATIVE_{it}*MCOMP_{it}$. The constitutive term, $NEGATIVE_{it}$, is coded as being equal to 0 when macro-competence is equal or greater than zero and equal to 1 when it is less than zero. For the interaction, a positive coefficient indicates that the effect of macro-competence on vote is greater when the government party has a low competence rating.

In order to test hypothesis 3 (the blame accumulation hypothesis), we include a variable, $MCOMP(SUM)_{it}$, which is the cumulative total of negative shocks (changes) to party competence within a given government lifetime. This variable is multiplied by -1 so that higher values indicate a greater build-up of negative shocks to competence of the incumbent. Here, a negative coefficient implies that support for the governing party declines as the cumulative total of competence shocks grows. We also include the squared cumulative total of negative shocks, $MCOMP(SUM)_{it}^2$, to determine if the effect increases or decreases over higher values, which is a test of hypothesis 4. Here a positive coefficient would mean that the effect of accumulated negative shocks decreases at higher values. The model used to test hypotheses 2, 3 and 4 can be represented in the form:

$$VOTE_{it} = \alpha_0 + \beta_1 MCOMP_{it} + \beta_2 NEGATIVE_{it} + \beta_3 NEGATIVE_{it}*MCOMP_{it} + \beta_4 MCOMP(SUM)_{it} +$$

$$\beta_5 MCOMP(SUM)_{it}^2 + \beta_7 LEADER_{it} + \beta_8 MP_{it} + \beta_8 GDP_{it} + \beta_9 MOOD_{it} + e_t$$

Table 5.3 presents the results using this model, and again presents the results using all five countries without control variables, and then the results for the U.S. and U.K. with controls.

[Table 5.3 about here]

The results in Table 5.3 reveal consistent support for hypothesis 2 (the negativity bias hypothesis). The coefficient for the negativity bias variable (the interaction term for macro-competence when the governing party has a low competence rating) is significant and positive in each model. This denotes a stronger effect of macro-competence on party support at lower levels of macro-competence. Keeping in mind that the variables are standardised, the coefficient for the interaction means that when macro-competence is below its mean level for the governing cycle it has an additional 0.454 standard deviation effect on vote intention for the governing party (in the model for the U.S. and U.K.). It is interesting that this effect holds in the model for all five countries and in the model for the

U.S. and U.K. including controls, although in the latter the base effect of party competence (i.e. when macro-competence is above its mean level) is no longer significant.

The results in Table 5.3 also reveal support for the accumulation hypothesis, both in the operationalisation of an effect for the addition of negative macro-competence changes one onto another (hypothesis 3), and also in terms of its curvilinear effect (hypothesis 4). The sum of negative macro-competence shocks is strongly significant in each model. The coefficient means that for every one standard deviation increase in the level of accumulated negative shocks to governing party competence evaluations there is a 0.582 standard deviation decrease in party support. Simply, the costs of governing are a function of the accumulation of blame for poor perceived performance. Note that this effect is significant in addition to the significant base effect of macro-competence (in model 1) and the significant negativity bias interaction term. This means that governing party votes are lost due to changes in performance evaluations, they are especially lost when performance evaluations are at a low level, and they are also and additionally lost when negative performance evaluations are added one onto another. The curvilinear term for summed negative competence ratings is significant and positively signed, as predicted by hypothesis 4. The curvilinear relationship can best be interpreted when the marginal effect is plotted, as shown here in Figure 5.3.

[Figure 5.3 about here]

Figure 5.3 reveals how the addition of negative competence information increases the negative effect on vote. The largest gradient arises from the addition of one negative shock, and then the addition of negative information increases the negative effect upon party support. However, once additional information is added, the effect of one more negative shock has no new effect upon vote choices, and then the effect begins to weaken once more than four negative shocks are added. It is not the case that the effect returns to zero. The accumulation of negative performance information continues to exert a negative effect upon vote choice as we would imagine. However, it is largely new information that has the biggest effect, with additional information gradually having a weaker and then reduced effect.

*The possibility of an end of term bounce*

As noted at the start of this chapter, costs of governing often follow parabolic curves whereby support for an incumbent president or party-in-government tends to increase at the end of a period of incumbency. These increases are not of a size to equal honeymoon periods; they reflect modest upticks in support. Some evidence for these upticks could be found in Figure 5.1.

It is problematic to provide a theoretically based empirical test for these upticks, and the use of annual data may obscure end-of-government or election year effects that happen over periods of months rather than years. We modelled effects with a pair of dichotomous variables added to the models in Table 5.3 above; the first testing for an election effect in an election year that does not lead to a change of party-in-government, and the second testing for an election effect in election years in which the incumbent is defeated. An election year effect may denote an effect of campaigns, a return to partisan loyalties following a mid-cycle slump, or the effect of political business cycles, whereby governments provide fiscal and policy incentives to electorate preceding elections. A greater end-of-government election effect might denote a return to partisan loyalties

given greater electoral certainty about an upcoming change of government, or it might reflect the weakening of performance costs against the incumbent as revealed in Figure 5.3. We find that the effect of election years in which the incumbent is defeated is significant and positive effect, whereas the effect is not significant in election years that do not coincide with an end-of-government. However, these variables add less than 0.01 to the explained variance in the above models and as such offer only the slightest improvement in predictive power of the model.

**Evaluating competing explanations for governing costs**

We opened this chapter with a summary of the existing explanations for costs of governing. We also highlighted the paucity of empirical evidence for them. In no instance have we seen any evidence of tests for competing explanations in the form of rival models.

Here we examine our time-based theory of attribution against a measure reflecting as best as possible the 'coalition of minorities' explanation offered by Downs (1957) and Mueller (1970). We use a measure of the deviation of governing party policy from a measure of public preferences, and model the effects of this variable and our performance-based variables on governing party support. A spatial explanation of governing costs is the next-most dominant explanation of governing party losses. Whereas the coalition of minorities explanation has not been widely tested, there is an important and wide-reaching literature pointing to the importance of party policy positions on vote choices (in the form of the spatial model of voting), and the thermostatic theory of public opinion (Wlezien 1995), which is particularly poignant to periods of governing. This theory of public opinion predicts that electorates move away from the policy decisions of governments, opting for more government spending when faced with an incumbent administering cuts in government expenditure, and opting for lower taxation when faced with an incumbent administering increasing levels of taxation.

To test whether the effects of competence shocks on governing party support are robust to repeated deviation from public preferences for policy (i.e. a proxy measure for coalition-of-minorities), we include in our model an additive measure of the distance between government policy and public policy mood, $DISTANCE(SUM)_{it}$. We focus only on the U.S. and U.K. where both measures are available (and also the controls). Government policy is measured with DW-Nominate scores of the legislature for the U.S., and the left-right position of the election manifesto of the governing party for each election cycle for the U.K. This measure is equal to the cumulative total of negative changes (shocks) to this distance between government policy and public preferences (so this additive measure increases each time the distance between policy and preferences increases, but does not decrease when the distance contracts, in line with the coalition of minorities idea). Our model now takes the form:

$$VOTE_{it} = \alpha_0 + \beta_1 MCOMP_{it} + \beta_2 NEGATIVE_{it} + \beta_3 NEGATIVE_{it}*MCOMP_{it} + \beta_4 MCOMP(SUM)_{it} +$$

$$\beta_5 MCOMP(SUM)_{it}^2 + + \beta_7 LEADER_{it} + \beta_8 MP_{it} + \beta_8 GDP_{it} + \beta_9 MOOD_{it} + \beta_{10} DISTANCE(SUM)_{it} + e_t$$

The results for the above model are presented in Table 5.4.

[Table 5.4 about here]

These results reveal that a spatial measure of additive increases in distance between the incumbent party and public policy mood does not have a statistically significant effect on incumbent party vote intention when the accumulation of competence information is used to model costs of governing (although the effect is in the expected direction). Our competence-based measures of governing costs, namely those for negativity bias and for blame accumulation (the equivalent negative change measure to that used for coalition of minorities) and the curvilinear term remain significant in the model. There is greater support, therefore, for negativity bias (H2) and accumulation of performance blame (H3 and H4), than there is for the coalition-of-minorities.

*Additional explanations and their exploration*

We considered additional explanations for costs of governing trends. Could it be true, for example, that governments simply make more mistakes the longer they are in office? Or that mass media messages about governments become increasingly negative over time? And if those messages become increasingly negative over time, is this because performance deteriorates, or because there is something intrinsic to media reporting that seeks to side with the incumbent at the beginning of a period in office, but turn against an incumbent over time? An increasingly hostile media would not be inconsistent with our theory of governing costs (and we expect it to occur as governing parties are increasingly blamed for their performance), but it is important to explore whether governing costs arise for reasons in addition to these explanations, not only because of them. We point to three important pieces of information.

The first is that costs of governing exist in countries with particularly combative styles of reporting, such as in Great Britain, and they exist in countries with less hostile more regional media coverage, such as in Canada. These costs are comparable in terms of vote intention trends and also in terms of declines in macro-competence.[8] The second is that while there is partial evidence that support for the governing party decline faster over time for individuals with higher media consumption, this is not always true.[9] These comparisons tend to suggest that costs of governing do not arise only as a direct result of increasingly negative media reporting. The third is that we find no evidence of better performance with a longer duration of government, but instead we identify variation in indicators of exogenous policy performance over time. To test this, we gathered data for the U.S. and U.K. on economic evaluations, GDP, unemployment, inflation, recorded crime levels and immigration. In no instances did we find significant downward trends in these variables in either country over the course of the governing lifecycle. Finally, we replaced GDP in the reported models in this chapter with the measures of subjective economic evaluations in the U.S. and U.K., and found that all our substantive conclusions were unchanged.

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[8] The effect of media context remains a possibility; the fit of a linear regression of time in government on vote intention data produces an $R^2$ of 0.03 prior to 1980 and an $R^2$ equal to 0.12 afterwards (the root mean square error provides a comparison of unbiased error estimates, and the costs of governing are again more striking in the later time period, with an RMSE of 0.918 for the period before 1980 and equal to 0.87 afterwards.

[9] We test this using data from the British Election Study's Continuous Monitoring Survey between 2004 and 2013 on vote intentions for the governing party by newspaper readership and non-readership. The trends of governing party support for newspaper readers and non-readers track closely together for Labour under Blair and Brown between 2004 and 2010. In contrast, there is much higher levels of support for the Conservatives from newspaper readers starting in 2010, but this support declines much more quickly over time than for non-readers.

**What explains exceptional cases?**

Before this chapter concludes, we consider two final questions; when do governing costs not exhibit the declines that we have extensively described in this chapter, and are there systematic country differences in the results? We are now going to consider exceptional cases of party support from the five countries we have focused on in our analysis. In 25 of those governing periods, the trend in vote intention is as we would expect, but in five cases vote intention exhibits an upward trend over time. These countries and periods are Canada between 1964 and 1979, Germany between 2006 and 2013, the UK between 1974 and 1979, the US between 1992 and 2000 and between 2008 and 2013. In two of those periods the end of a governing cycle has not yet run its course (the Merkel and Obama administrations respectively), and so costs of governing could still be in evidence with the addition of data. In the three remaining cases we suspect that leadership effects are in play. The Canadian Liberal government between 1964 and 1979 saw the extremely charismatic leader Pierre Trudeau succeed Lester Pearson in 1968, with the national mood of the time being labelled 'Trudeaumania'. The US administration between 1992 and 2000 was under the extremely popular Bill Clinton, whose approval ratings remained buoyant despite the Monica Lewinsky scandal and his impeachment by the House of Representatives. The British Labour government between 1974 and 1979 was first led by Harold Wilson and then by Michael Foot (following the resignation of Wilson). While neither leader was exceptionally popular, the Labour government of 1974 began office forming a minority government and still lost power to the Conservatives in 1979, with a dip in support at the very end of its difficult period in government.

It is important to note that these examples are drawn from four of the five countries for which we have sufficient comparable data. If it were plausible that systematic country differences existed, we would expect to find exceptional cases clustering by country. That we do not find this suggests that governing costs are generalisable across time and also across space. We do not have sufficient data to test different institutional differences. If we did, we might expect to find weaker declines in performance evaluations in cases with reduced 'clarity of responsibility' (Powell and Whitten 1993), but we would expect to see those declines nevertheless, and we would expect our theory to account for them. The persistence of this phenomenon to the five countries analysed here suggests that costs of governing pose a very important puzzle for political scientists to explain. This chapter has sought to bring new data and theory to bear to uniquely provide an answer to this puzzle.

**Conclusion**

MacKuen (1983) argued that, "Clearly, citizen evaluations are as heavily affected by the president's action in the symbolic political arena as they are by fluctuations in economic conditions...A president cannot, and need not, rely on economic success to maintain his political support. A substantive understanding of popularity would seem to require serious attention to the nature of high symbolic politics". This statement reveals the importance of performance, competence, and the management of presidential reputations for handling these strong components of symbolic politics. An adept president may be able to signal competence and trustworthiness through the handling of political events. This chapter reveals that the regularity of costs of governing suggest that these political decisions may be ones with effects of degree, but a president is unlikely to achieve trends in presidential and/or party support which reverse, halt or undo important costs of governing.
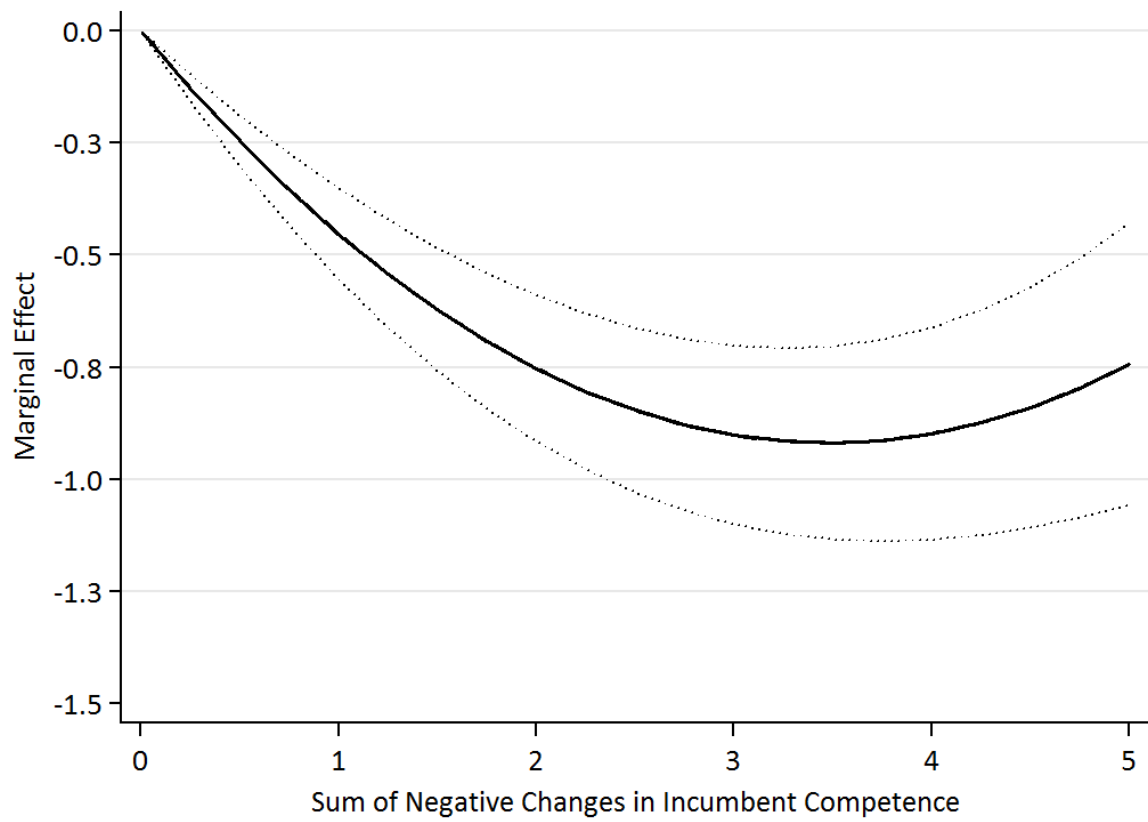
**Figure 5.1**: Vote intention (governing party) by length of time in government
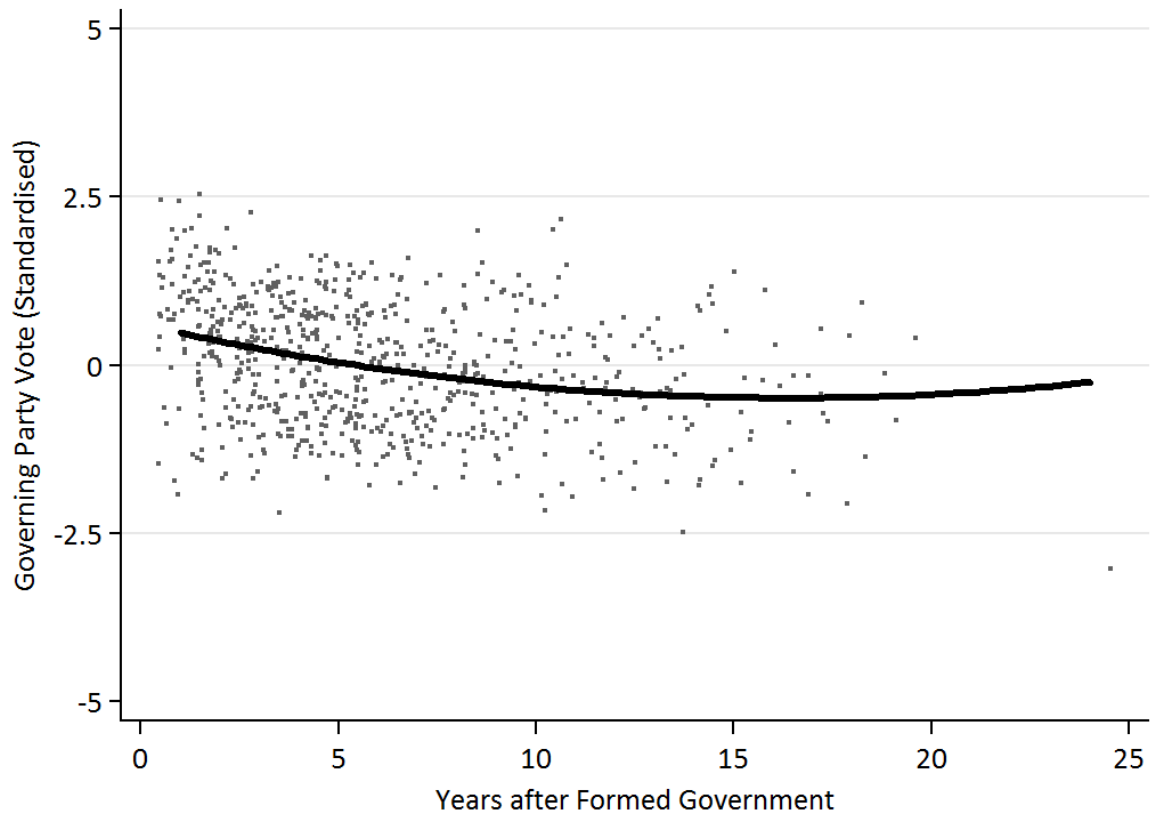
**Figure 5.2**: Marginal effect of outgoing government party competence on incoming government party competence.
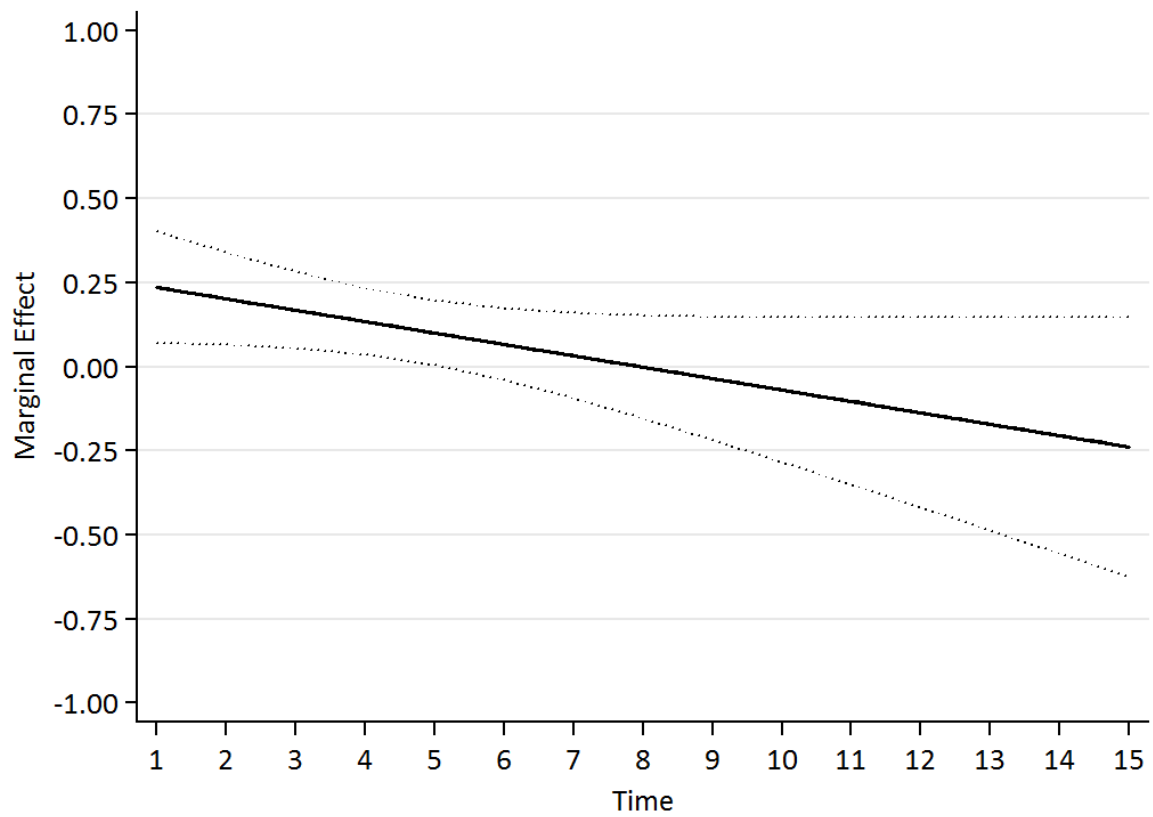
**Figure 5.3:** The marginal effect of negative attribution squared

**Table 5.1.** Governing Party Competence as function of out-going party competence

| | Model 1a (all countries) | Model 1b (U.S. & U.K.) | Model 2 (U.S. & U.K.) |
|---|---|---|---|
| Macro-competence(Out)$_{t-c}$ | -0.065 | -0.021 | **-0.270** |
| | (0.178) | (0.199) | **(0.100)*** |
| Time in Government$_t$ * Macro-competence(Out)$_{t-c}$ | 0.023 | -0.049 | **0.034** |
| | (0.026) | (0.040) | **(0.019)*** |
| Time in Government$_t$ | **0.136** | **0.103** | **0.061** |
| | **(0.036)*** | **(0.034)*** | **(0.019)*** |
| Leader(Gov)$_t$ | | | **0.530** |
| | | | **(0.079)*** |
| Macro-partisanship(Gov)$_t$ | | | **0.253** |
| | | | **(0.069)*** |
| GDP$_t$ | | | **0.073** |
| | | | **(0.043)*** |
| Intercept | -0.592 | -0.638 | -0.387 |
| | (0.192)*** | (0.281)** | (0.131)*** |
| $R^2$ | 0.10 | 0.15 | 0.77 |
| | 29 | 14 | 14 |
| $N$ | 247 | 101 | 101 |

# $p<0.15$; * $p<0.1$; ** $p<0.05$; *** $p<0.01$

**Table 5.2:** The Average Length of Honeymoon Period

| Country | N of governing cycles | Average length of honeymoon period in months (standard deviation) |
|---|---|---|
| U.S., U.K., Australia, Canada, Germany | 33 | 2.7 (6.2) |
| All countries | 79 | 3.4 (6.8) |

| Country | N of Government Cycles | Average length of honeymoon period in months (standard deviation) |
|---|---|---|
| Australia | 7 | 2.0 (1.9) |
| Austria | 1 | 1.0 (.) |
| Bulgaria | 1 | 2.0 (.) |
| Canada | 7 | 1.6 (2.2) |
| Croatia | 1 | 0.0 (.) |
| Denmark | 5 | 10.6 (13.2) |
| Germany (Main party) | 4 | 0.8 (1.0) |
| Greece | 1 | 1.0 (.) |
| Iceland | 1 | 2.0 (.) |
| Ireland | 7 | 2.3 (2.6) |
| Japan | 1 | 0.0 (.) |
| Netherlands | 3 | 3.0 (3.0) |
| New Zealand | 5 | 10.6 (15.3) |
| Norway | 8 | 2.8 (3.1) |
| Portugal | 4 | 1.5 (1.3) |
| Slovakia | 1 | 2.0 (.) |
| Spain | 2 | 2.0 (1.4) |
| Sweden | 5 | 1.8 (3.5) |
| United Kingdom | 7 | 6.6 (13.0) |
| United States | 8 | 2.0 (0.9) |
| **Total** | **79** | **3.4 (6.8)** |

**Table 5.3.** Governing Party Vote and Macro-Competence (Negativity Bias and Accumulation)

| | Model 1 (all countries) | Model 2 (U.S. & U.K.) |
|---|---|---|
| Macro-competence(Gov)$_t$ | **0.308** **(0.136)\*\*** | -0.164 (0.168) |
| Negative\*Macro-competence(Gov)$_t$ | **0.404** **(0.198)\*\*** | **0.454** **(0.250)\*** |
| Negative | -0.092 (0.163) | -0.103 (0.174) |
| Sum of Negative ΔMacro-competence(Gov)$_t$ | **-0.331** **(0.126)\*\*\*** | **-0.582** **(0.140)\*\*\*** |
| Sum of Negative ΔMacro-competence(Gov)$_t^2$ | **0.057** **(0.028)\*\*** | **0.092** **(0.030)\*\*\*** |
| Macro-partisanship(Gov)$_t$ | | **0.286** **(0.084)\*\*\*** |
| Leader(Gov)$_t$ | | **0.380** **(0.093)\*\*\*** |
| GDP$_t$ | | -0.013 (0.053) |
| Mood(Gov)$_t$ | | **-0.166** **(0.064)\*\*\*** |
| Intercept | 0.476 (0.169)\*\*\* | 0.746 (0.158)\*\*\* |
| $R^2$ | 0.46 | 0.74 |
| $N$ | 247 | 99 |

\# $p<0.15$; \* $p<0.1$; \*\* $p<0.05$; \*\*\* $p<0.01$

**Table 5.4.** Governing Party Vote and 'Coalition of Minorities'

| | Model 1 | Model 2 |
|---|---|---|
| Macro-competence(Gov)$_t$ | -0.164 | -0.139 |
| | (0.168) | (0.173) |
| Negative*Macro-competence(Gov)$_t$ | **0.454** | **0.427** |
| | **(0.250)*** | **(0.251)*** |
| Negative | -0.103 | -0.097 |
| | (0.174) | (0.176) |
| Sum of Negative ΔMacro-competence(Gov)$_t$ | **-0.582** | **-0.536** |
| | **(0.140)*** | **(0.137)*** |
| Sum of Negative ΔMacro-competence(Gov)$_t^2$ | **0.092** | **0.084** |
| | **(0.030)*** | **(0.029)*** |
| Macro-partisanship(Gov)$_t$ | **0.286** | **0.286** |
| | **(0.084)*** | **(0.085)*** |
| Leader(Gov)$_t$ | **0.380** | **0.379** |
| | **(0.093)*** | **(0.096)*** |
| GDP$_t$ | -0.013 | -0.019 |
| | (0.053) | (0.053) |
| Mood(Gov)$_t$ | **-0.166** | **-0.162** |
| | **(0.064)*** | **(0.062)*** |
| Sum of Negative Δ(Policy-Mood)$_t$ | | -0.025 |
| | | (0.032) |
| _cons | 0.746 | 0.723 |
| | (0.158)*** | (0.157)*** |
| $R^2$ | 0.74 | 0.74 |
| $N$ | 99 | 99 |

# $p<0.15$; * $p<0.1$; ** $p<0.05$; *** $p<0.01$

**Appendix: Estimating macro-competence**

Our measures of macro-competence are based upon a combined total of 11,127 survey items from the U.S., U.K., Germany, Australia and Canada. For the U.S., the data consists of 5,098 items for the period from 1939 to 2012 from more than 50 polling organizations, collected through the Roper Center for Public Opinion Research *iPoll* database, supplemented with sources such as American National Studies. For the U.K., the data consists of a total of 4,190 items for the period from 1945 to 2012, from four polling organizations (Gallup, Ipsos-MORI, Populus, YouGov), supplemented with survey items from the British Election Studies. The data for Germany consists of 959 survey items from the monthly *Politbarometer* conducted by Forschungsgruppe Wahlen for ZDF (the German TV network), conducted since 1977. For Australia, the data consists of 720 items for the period from 1989 to 2012, from the Newspoll (www.newspoll.com.au) and the Australian Social Science Data Archive (www.assda.edu.au). Importantly, survey data on issue handling and competence does not dominantly relate to the economy, which constitutes around 25% of survey items in three of the four cases (although this figure is higher in Germany). For Canada, the data consists of 160 survey items between 1953 and 2001 provided to us by Professor Eric Belanger and then further suplemented by our own collection from Gallup sources.

In all five countries survey organizations have collectively fielded a range of items, by topic and by wording, relating to handling, competence, performance, effectiveness, trust or delivery. These tend to tap citizens' evaluations of party competence in similar ways. A typical question format in the U.S. asks respondents "Who do you trust to do a better job of handling the economy: the Democrats or the Republicans?" or "Do you think the Democratic Party or the Republican Party can do a better job in … reducing the crime rate … or don't you think there's any difference between them?". The most common question format in the U.K. asks respondents "Which party do you think can best handle the problem, or isn't there much to choose between them, on the issue of full employment?" In German, a variant of these asks "Welche Partei ist Ihrer Meinung nach am besten geeignet, neue Arbeitsplätze zu schaffen?" [Which party is best, in your opinion, at creating new jobs?]. Most survey items, therefore, relate to which party is best able to handle or deliver on a particular issue, *relative to other parties*. This survey data enable the construction of our measure of macro-competence in each of the four countries.

Stimson's (1991; Stimson et al. 1995) 'dyad ratios algorithm' is used here to extract the underlying dimension of citizens' evaluations of party competence across all available survey items. This method builds on the idea that ratios of aggregate-level survey responses to the same question, asked at different points in time, provide meaningful information about the relative state of public opinion (see Stimson 1991, Appendix 1, and Bartle et al. 2011 for a discussion of the method). Aggregate competence evaluations can be scored either as the raw percentage of respondents naming a party as most competent/trusted in handling an issue, or as an index of the relative proportion of respondents naming either of the main parties as the most competent/trusted.[10] We calculate versions of macro-competence using both methods, but focus on the latter here. This makes our measure directly comparable to existing measures of macro-partisanship (MacKuen et al. 1989) and public policy mood (Stimson 1991; Bartle et al. 2011).

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[10] The former method of calculation allows party competence evaluations to vary due to changing levels of respondent uncertainty and favouring of other parties (or 'none of the above').

$$Competence = \frac{Party_1}{Party_1 + Party_2}$$

Each survey item can be expressed as the ratio of competence evaluations at two points in time, i.e. a 'dyad'. This ratio thus provides an estimate of the relative perceived competence of a party, on a given issue, in years $t+i$ and $t+j$.

$$C_{ij} = \frac{X_{t+i}}{X_{t+j}}$$

This enables recursive estimation of the competence index for each survey item for each time period (i.e. years or quarters) based on all data available for that time period (and other time periods). There are multiple overlapping estimates of these separate competence indices, however, and each one is not an equivalent indicator of the underlying construct. To solve this, the dyad ratios algorithm iteratively estimates the squared correlation of each series with the latent dimension and uses this to weight the series proportional to their indicator validity (Bartle et al. 2011, p. 269).[11] The method thus extracts the central tendency of all survey items relating to perceived party competence, analogous to a principal components approach.

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[11] The separate estimates, $x_{tk}$, are weighted according to their degree of indicator validity, $u_i^2$, with the

equation denominator being the average validity estimate (i.e. communality) across all items, of series length

$k$, for $N$ years (where $k$ is always less than $N$). The formal expression of the equation, as derived in Bartle et al.

(2011, p. 269), is therefore:

$$C_t = \frac{\sum_{k=1}^{N} h_i^2 x_{tk}}{h^2 N}$$