

The Economy and Electoral Choice: Economic Voting in Post-Communist Romania

Răzvan Grecu

National School of Political Studies and Public Administration,

Faculty of Political Science,

E-mail: razvan.grecu@gmail.com

Economic transformation of CEE is supposed to have important political consequences, especially at the level of voting behavior. However, empirical evidence shows that in some countries from the region is not such a pervasive political phenomenon as is theoretically expected. Based on individual level data analysis, I show that Romanian voters use economic situation as heuristic for supporting or opposing to incumbent party or coalition. The combination between clear social support and economic voting explains why Social Democratic Party dominated the Romanian party system during the 1990s.

Introduction

The economy has been one of the major sectors affected by the transformations that took place in Central and Eastern Europe (CEE) after the end of the communism. The end of the communism brought the end of the socialist economy, and economic phenomena that were previously almost inexistent in CEE, unemployment, high rates of inflation, suddenly affected the every day life of the voters in former communist countries. But the nature of communist economy made that economic reforms implemented in CEE had even further economic implications for citizens. Communist economic enterprise was not only a pure economic agent, but also a miniaturization of society. Many of the socialist firms had their own kindergardens, hospitals, social and sport clubs, which all fell apart after the end of communist regime.

The intensity of economic transformation and the social impact it brought with suggest that political process in CEE is notably influenced by the state of the economy. Especially the voting behavior it is supposed to be a function of the way individual voters evaluate the economic situation, supporting the incumbent party when such evaluation is positive and voting for opposition when negative (Downs: 1957). Surprisingly, though plausible at theoretical level, empirical evidence for economic voting has been scarce. Using individual-level data, Harper (2000) found that economic factors played only a modest role in returning of former communists in power in Bulgaria, Lithuania, and Hungary and the party preferences of voters in these countries should be explained in the line of other factors. Duch (2001, 901-04) finds some evidence of economic voting in Hungary and Poland, but it appears that such political phenomenon is confined to voters with higher degree of information.

The present article deals with two main research questions. The first question asks whether there is any relationship between the individual perception of the national economy or of his personal economic situation and his electoral choice in post-communist Romania. Since the process of transformation of CEE societies, including Romania, greatly affected the national economy, I argue in the article that perception about the status of economy or about the personal economic situation affects greatly the political choice. As pointed out in the literature, the clarity of responsibility makes the relationship between evaluation of economic situation and vote for the incumbent party more noticeable, although there is enough evidence even for the situation in which the clarity is blurred by institutional configuration. The second question I address in the article is to what extent the electoral success of some political parties relates with the capacity to tackle the economic hardship of losers of the economic transition, and so they develop a closer political link with the individuals of those deprived group. Regarding this second question, I argue that one of the causes that made the Social Democratic Party (PSD/PDSR) to be the most electorally successful party is the capacity of the party to address (or to seem to address) effectively the economic hardship of disadvantaged individuals.

In this respect, I proceed as follows. First I present the main approaches on economic voting, showing how this article contributes to this debate. Second, I advance three empirical hypotheses that links the individual's perception of the economical situation (individual or aggregate) with party choice, and how economic voting connect to the electoral success of Romanian Social Democrats in post-communism. Third, I describe the individual level data I use in the article and methodological decisions I made

in analyzing the data. Fourth, based on this data, I present empirical evidence in support of the empirical hypotheses. A concluding part will end the article.

Theory of Economic Voting

Economic voting has been an extended research program in political science in the last decades. Its straightforward assumption rests on the fact that voter evaluates the state of the economy and accordingly, he rewards or punishes the incumbent party or incumbent coalition of parties whenever the personal or national economic situation is regarded as unsatisfactory by voting for opposition parties.¹ Thus, evaluation of economy functions as an informational shortcut that voter uses in his cognitive process of electoral selection of parties, much in the same way as the partisanship affiliation or left-right ideological position are used by voters in the voting process.

Simple as it is, the idea that status of economy influence the voting behavior of individuals raises some important issues. One such issue is how voters evaluate the situation of the economy. Are voters guided in this evaluation process by their own economic situation (*pocketbook economic voting*) or instead they evaluate the situation of national economy (*sociotropic economic voting*), perhaps by observing some aggregate indicators such as level of unemployment, inflation or other macroeconomic factors? Another important issue that economic voting raises is whether individuals rely on their evaluation of national economy by taking into account the past experience (*retrospective voting*) or, on the contrary, they make use of the economic trends in order to predict the future evolution of economy (*prospective economic voting*).

¹ Recent research points to another possibility. The negative evaluation of personal or national economy may not determine the voter to support the opposition parties, but to abstain from the vote (see...).

The mechanism that links the economy to the electoral behavior of voters is of extremely theoretical relevance, yet it is surprising to observe how inconsistent and sometimes conflictual the results of the research on economic voting were. On the one hand, an important part of the literature reports a generally reduced (or unproven) influence of economy on the voter choice (Fiorina: 1978, Paldam: 1991, Bengtsson: 2004), while other argues that some weak proofs of economic voting exist and the strength is generally depending on national context (Lewis-Beck: 1986, Lewis-Beck 1988). Also, although the evaluation of personal economic situation as a selection criterion would make much more sense, extensive research has shown that pocketbook economic voting (either retrospective or prospective) is a rare and generally weak phenomenon and there is usually the sociotropic evaluation of national economy that randomly affects the vote choice (Lewis-Beck: 1986). Some of the authors point to the importance of retrospective economic evaluations for vote choice (Key: 1966), whereas others argue that support for retrospective voting is ambiguous (for USA presidential and congressional elections, see Fiorina: 1978) or emphasize the prospective element of economic voting has a certain impact on voting behavior (Fiorina: 1981; MacKuen, Erikson and Stimson: 1992, Chappell and Keech: 1985)

The disagreement inside the theory is even higher when it comes to the causal mechanism and the specific economic elements that determine the vote choice. Typically, unemployment, price rises and economic growth are the three elements suspected to trigger up or down the support for incumbent party or incumbent coalition. However, which of these factors influences the voting behavior of the voters is question that is very much context-dependent. Some of the authors have indicated inflation to be one of main

macroeconomic indicators that influences the vote choice (Kramer: 1971 found that price has a certain effect on vote in American elections, see also Lecaillon: 1981), others suggested that it is the unemployment rate that motivates the voters to reward or punish the incumbent party or coalition (Conover et al: 1986, Bengtsson: 2004, 762), while Lewis-Beck (1980) found that both inflation and unemployment condition the support for the incumbent. To complicate even further the picture, relatively recent contribution pointed that economic growth has an important impact over the electoral fortunes of the incumbents (Whitten and Palmer: 1999, 64).²

The inconsistency of results has been a puzzle for scholars of economic voting. Though economic dimension has been the major axis of party competition in Western Europe after the World War II, the results show that economic voting has generally a low impact on the choice formation. Is this to mean that the shape of the economy yields no influence to the voters' evaluation of political parties or there are some factors that influence the economic voting remained unspecified?

Most of the newer approaches to economic voting argue that the institutional context is crucial in this respect. Powell and Whitten (1993) argue that clarity of responsibility for the shape of national economy is a key issue that links the economy to voter's choice. They identify five factors which influence the degree of responsibility of incumbent party or coalition: voting cohesion of the major governing party/parties, (proportional) allocation of legislative committees to all political parties, bicameral

² Whitten and Palmer (1999) suggest that multiparty coalitions may regard the economic growth as a policy that has lower ideological element. The authors consider that growth is a "more consensual and less redistributive economic goal than reducing inflation or unemployment" (Whitten and Palmer: 1999, 50), so that parties of coalition governments may pursue economic growth policies instead of those that reduce inflation or unemployment as a strategy to minimize the ideological conflict inside the coalition. Thus, voters attach much more emphasis on the success or failure of economic growth policies when they evaluate the incumbent parties of a multiparty coalition (Whitten and Palmer: 1999, 50).

opposition, minority and coalition governments (Powell and Whitten: 1993, 400-1). Powell and Whitten (1993, 404) also show that government parties are differently affected by macro-economic fluctuation. Left-wing governments have traditionally been concerned with fighting unemployment, especially of the working class electorate, and in their political stances such policy goal occupies a center role. Thus, the authors argue that left-wing governments are much more harmed when such employment policies are not delivered to voters, then when other negative macroeconomic phenomena do occur. Conversely, the right-wing governments are much more electorally affected by the rise of the prices than by the rise of unemployment.

Whitten and Palmer (1999), Nadeau et al (2002) Anderson (2000) extended Powell and Whitten's approach, including other contextual factors. Whitten and Palmer (1999, 53) argue that a higher number of parties in a governing coalition increases the chances that the voters will punish one party by voting for other party from the respective coalition. On the other hand, the duration in office, especially when it is associated with minority governments, has a negative impact on incumbent electoral fortune. Nadeau et al (2002) combine the long-term factors emphasized by Powell and Whitten with other short-term institutional issues, such as ideological cohesion of the coalition, size of coalition etc, and they report an increased effect of economic situation on the incumbent electoral fortunes.

The clarity of responsibility, as an institutional factor, is important because it allows voters to ascribe the political responsibility for economic decision to individual parties. Some incumbent parties can successfully claim that political context prevented them to perform efficiently the governmental tasks. Minority governments, for instance,

could claim that important legislation has not passed because of the lack of majority legislative support. In the case of coalition government, especially when this coalition has no major party but it is formed by rather equal size parties, in terms of parliamentary shares, voters might be unable to ascribe the responsibility for the declining economic standards to particular parties.

Though the political context is a crucial factor, the instability of economic voting may result from the research strategy and type of data used by scholars of economic voting. Most part of the literature of economic voting uses aggregate data on party electoral success which is regressed on independent economic factors such as objective economic growth, inflation or unemployment rates. However, voting is much more complex political phenomenon than it appears in economic voting with aggregate data, and such strategy misses one crucial issue about the act of voting: it is the individual that votes, and the way the individual evaluates the economy and the performance of incumbent parties does not depend necessarily on the objective status of economy, but on personal, subjective evaluations.

Three major arguments could be put forward to support the claim that the question whether economy has an influence on voter's choice should be addressed using individual-level analysis.³ First argument is the always present danger of ecological fallacy. The second argument is that economic voting is a heuristics that the voter uses when she decides for which party to casts her vote. The economic voting that uses aggregate data requires that voter has quite complex understanding about how economy functions or what the macroeconomic indicators shows at a certain point. With

³ Kramer (1984) expresses an opposite view, arguing for the usefulness of aggregate data in economic voting research.

individual-level data, such requirement about the level of information is removed, and the analysis of economic performance of the government is done using the perception of the individual. Such individual perception is a more plausible mechanism of processing the limited information available to voters and requires no implausible constraints about the nature of electoral decision of voters. Finally, the last argument is the complex relationship between the evaluation of economic performance of the government and other factors that influence the vote, such as social position or political values.

Aggregate-level studies are legion because aggregate data are usually easily available, whereas individual-level data are scarce and often unusable in comparative studies. Though much of the advances in economic voting are due to these studies, there is a need for micro-level analyses in which economic voting should be controlled for other political and social factors.

Hypotheses

In the light of the theoretical framing, I advance three propositions to be tested empirically in the following sections:

1. Given the substantive economic transformation that happened in CEE countries and in Romania in particular, the status of the economy should play a significant role in the way voters decide to whom to vote. Given the economic hardship, the importance of economic voting should increase over time, correlating with the decrease of other determinants, such as group socialization or issue positions.

2. Economic voting should be much more noticeable in the case of single-party governments (1996 and 2003), when the responsibility for governmental decisions

is unambiguous, than in the case of multiparty coalition government when the responsibility for national economy is diffuse (2000).

3. The remarkable electoral success of Social Democrats in the post-communism resides in the success of the party in acquiring the long-standing support of ‘losers’ of transition period and the capacity to tackle much better their economic problems, when they are in power. (The importance of economy for voter’s choice is higher when there is a large disagreement in the society about the economic performance of the government. This disagreement shows that a part of the society benefits from the policy implemented by the government, while other loses. The existence of economic voting plus social characteristics would show that Social Democrats tackled or gave the impression that they tackled better the economic problems of deprived social groups).

Data and strategy of research

The empirical analysis is based on three individual-level surveys which are part of the Public Opinion Barometer, published bi-annually by Open Society Foundation. Two of these surveys (October 1996 and November 2000) were carried out just before the elections. The third survey was released on October 2003, one year before the last Romanian parliamentary and presidential election.

As in all the other research on economic voting using individual-level data, the dependent variable is the intended support for incumbent parties. The support for incumbent party or parties is given by the reply to the question: “If next Sunday there would be parliamentary elections, for which party or alliance you would vote for?” and the replies were coded as a dummy variable, with 1 for intended support for one incumbent party and 0 otherwise. For 1996 and 2003, the incumbent party was the Party

of Social Democracy (which became after 2000 the Social Democratic Party – PSD). For 2000 study, the incumbent parties were National Peasant Party (PNTCD), National Liberal Party (PNL), Democratic Party (PD) and Democratic Union of Hungarians (UDMR). Several other smaller parties were also part of the 1996-2000 coalition government, but since the level of their electoral support was lower than 1%, I did not include their effect in the dependent variable.

The main independent variables are by now the classical personal/sociotropic and retrospective/prospective evaluations of economic situation. By combining these two dimensions, we obtain four independent variables that measure the impact of the economic evaluation on support for incumbent party or coalition: personal retrospective (PR), personal prospective (PP), sociotropic retrospective (SR), and sociotropic prospective (SP) evaluations of economic situation. Table 1 shows the operationalization of these variables and the structure of questions in the surveys I use for empirical analysis.

- Table 1 about here -

However, other variables than economic evaluations of personal or aggregate welfare could have an impact on voter choice. Social status and existence of social divisions may have a significant influence on the support for political parties. Thus, I control the effect of economic voting (pocketbook or sociotropic, retrospective or prospective) on vote's choice for the social characteristics of voters. Gender, age, education and place of residence are the four social variables that I include in the analysis.

Another set of variables is about political and economic values. We rely here, constrained by the availability of data, in three economic and political issues that has been significant in the political debates between Romanian political parties. The first issue is the distribution of property rights in the economy, whether the state should privatize most of the economic assets or to maintain a significant state sector. The second issue is about the involvement of state on the job market, whether it should provide or not jobs to those who want to work. The third issue is about income taxation and it shows mass attitudes on whether the state should impose higher tax on those who earn higher revenues. (For description of the variables, see Annex). Unfortunately, the lack of data makes impossible to control for these political and economic values in the elections of 2000. Instead, as a proxy, I rely on the question whether it is good for Romania to have a market economy or not. For 1996 election, only privatization is available and could be included in the analysis.

Unfortunately, other potential important variables, such as ideological left-right selfplacement or partisan affiliation were not available in the surveys I use. Therefore, one limitation of the present paper is that it can not account for these influences on the voters' choice.

Since the dependent variable is a dummy variable, logistic regression is used to account for the impact of independent variables on support for incumbent vs. opposition parties. Since the goal of the analysis is not only to show the impact on evaluation of economic situation, controlled for socio and political variables, on the support for incumbent party or coalition, but also to show how important is the economic voting in relation to other determinants of vote, I proceed the analysis in three different steps. First

I regress the support for incumbent party or coalition on social variables, then, in the second step I include the political and economic issue positions together with social variables, and in the final step, in add to these two sets the evaluation of personal or national economic situation. The advantage of such strategy is that it controls for all these independent variables whereas it account for the impact of different sets of variables on support for incumbent party or coalition.

The Context

Though at the level of individual parties, Romania has shown in transition signs of political instability, the party systems has been quite stable in terms of mechanics (pattern of party competition). After 1992, there has been a continuous political competition between the Social Democrats (PDSR-PSD) on the one hand, and the parties of the right, Christian Democrats (PNTCD), and Liberals (PNL), on the other hand. The Democratic Party (PD) has been also a fierce opponent of PSD, although both parties shared the same ideological orientation (social democracy) and common historical roots.⁴ These two political camps have also had their traditional allies. PSD has had links, especially at the beginning of 1990s, with nationalistic parties Romanian National Unity Party (PUNR) and Great Romania Party (PRM). By contrast, the right-wing parties allied mainly with PD and Democratic Alliance of Hungarians from Romania (UDMR), both in government (during 1996 and 2000) and when in opposition (such as between 1992-1996 or between 2000 and 2004), and with some other minor parties.

⁴ Both parties emerged after the breakdown of National Salvation Front (NSF) autumn of 1991-spring of 1992. The breakdown came in the aftermath of miners revolt in Bucharest against the Roman's government in September 1991, when the conservative, anti-reform, group from the governing NSF, supported by the president Ion Iliescu, dismissed the government and changed with another interim cabinet. The reformist part of NSF formed the Democratic Party, whereas the conservatives formed PDSR under the informal rule of president Iliescu.

This pattern of party competition has been stable during 1990s, especially because of the political deadlock generated by the intense political conflict between the two political camps. But after 1996 election, when UDMR has been involved in the government, the party has not been regarded as a potential political threat by Social Democrats but rather as a potential reliable partner. After coming in power after 2000 election, the PSD decided to rely on the parliamentary support of UDMR, rather than on the traditional ally, PRM, which had obtained an spectacular electoral result in November 2000 elections. From 2000 election, the Hungarian Alliance started to play a pivotal role in Romanian politics between the left and right parties.

At the governmental level, Romania has one of the East European countries that have experienced in the last three elections a swing of pendulum in what concerns the governmental compositions of political parties. In the initial period of the transition period, the Party of Romanian Social Democracy (PDSR, after 2000 transformed in Social Democratic Party – PSD) has been electorally the most successful political party, and the party succeeded to win the election of 1992 with a comfortable relative majority. The party came in power using populist message emphasizing mainly the danger of rapid economic reforms for deprived social strata and for workers in state sector. After coming in power as a single party minority government, the party used state subsidies to maintain the big and highly unprofitable economic units that Romania inherited from communism, kept the unemployment to very low levels compared to other CEE countries (around 6-8 per cent) even with the costs on an increasing inflation. Though the PSD government

obtained some macro-economic success at the macro-economic levels, this success came with an increased budget deficit and almost the lack of privatization in industrial sector.⁵

The erosion in power, which came together with numerous scandals of corruption, of which very few were brought in a court of justice, made that PSD lost the general elections of 1996 to a coalition formed between PNTCD, PNL, UDMR and PD as main political parties. The coalition government did not govern smoothly, as inflation burst again to very high levels and privatization process started in 1997 brought severe unemployment. Though the standards of living dramatically felt down as a consequence of price liberalization and cuts in the state subsidies, the right-wing government succeeded to obtain the first healthy economic growth in 2000, however too late to make an impact on the general elections of the same year. Also, intra-coalition conflict eroded the political capital of the parties in power, so that the coalition of 1996-2000 was soundly defeated and all former governmental parties received very low electoral results (see Table 2). The major party of 1996-2000 coalition, PNTCD failed even to enter in Parliament, and Liberals and Democrats obtained together less than twenty percent of the seats in the parliament and about fifteen percent of popular vote.

By contrast, the winner of 2000 election, PSD, although not obtaining a majority of seats in the Chamber of Deputies and Senate, preferred to form a minority government, negotiating for the parliamentary support of UDMR. Economically, the left-wing government continued the privatization process, decreased the inflation rate, and obtained good economic growth, with a record rate of 8% in 2004. However, the party has been repeatedly and increasingly labeled as being corrupted and that it has made no effective

⁵ Privatization touched only agricultural sector at the beginning of 1990. Between 1992 and 1994 a process of mass privatization was initiated by PSD government, however only small and medium enterprises were subject to this process and only to an upper limit of 28% of their social capital.

steps to tackle the corruption problems, though an effective judicial system has been continually set as a condition for accession to European Union at 1st of January 2007. Moreover, although Romania experienced economic growth, the living standards did not improved substantially and the common belief has been that economic wealth resulting from such growth goes mainly to political friends and clientele of the party rather than it is more or less equally distributed into society. As a consequence, PSD lost the power in 2004 election, although it still obtained the highest electoral score and the highest number of parliamentary seats. The expel of PSD from power came less as result of popular vote and more as an outcome of constitutional battle. The new president, the candidate of right-wing parties, Traian Băsescu, nominated as prime minister the candidate of Justice and Truth Alliance (DA, formed in 2004 by PNL and PD) using a constitutional trick.⁶ The smaller parties, including UDMR, were convinced, after being menaced with organizing new elections, to join DA government instead PSD, as they initially announced.

- Table 2 about here -

The political context tells us that economic dissatisfaction might have played a significant role for voting against the incumbent party or coalition in the subsequent elections. Such explanation is plausible to explain the continuous change in the composition of parties in government from an election to the other, and given that economy has been in continuous transformation since 1992, we expect to have an

⁶ DA ran in 2004 as a legal political alliance. By contrast, PSD formed an electoral coalition with Humanistic Party (later renamed Conservative Party) which obtained the relative majority of parliamentary seats. However, the president argued that Constitution requires the president to nominate the leader of the party or political alliance which obtains the highest number of seats and since PSD and PUR had had only an electoral alliance (without a proper legal status), PSD was only the second largest party or alliance in Parliament. After the president suggested that new elections could be organized, PUR decided to join DA government together with UDMR.

important impact on vote choice in Romania. Though, the effect of economic voting might be less obvious in the case of 2000 elections, when the governing coalition was severely defeated, for reasons that are emphasized in the literature and are related to the clarity of political responsibility.

Economic Voting in Post-Communist Romania: Assessing the Strength and Limitations

The theories of economic voting suggest that voters punish the incumbent parties when they rate negatively the economic situation (personal or aggregate, using retrospective or prospective evaluations). Do we observe any empirical evidence that Romanian voters engage in economic voting and that voters use the economic situation as a heuristic for solving the complex problem of electoral choice?

The data from Table 3-5 shows that evaluation of national economy has an important impact on the level of support for incumbent parties. In all three elections, there is at least one coefficient of economic variables that is significant, most of them being at a .001 level. The coefficients and the strong significance show to a large extent the support for governmental parties depend on how the respective voter evaluates the economic situation.

- Table 3-5 about here -

We can address also the debate between retrospective vs. prospective evaluations and, respectively, personal vs. sociotropic assessment. From the data we show below, we can not discriminate between retrospective and prospective evaluation, as both of them are significant and coefficients are quite strong. We can, however, advance a plausible explanation for why only the retrospective evaluation counted in the case of center-right government coalition between 1996 and 2000. When economic situation is extremely

harsh, as a result of economic reform implemented by government, the voter may not see the future advantages of such policies and discard any form of prospective voting. This explanation is consonant with what happens in the other two elections, when prospective economic voting is significant. In these cases, the government of PSD tried to maintain the economic standards and it did not push for privatization or total price liberalization. Though the additional and future macro-economic costs were significant (many economists argue that the tension from the economy during 1996 and 2000 are the direct result of lack of substantial economic reforms between 1992 and 1996), the left-wing government succeeded to control the visible components of economy: unemployment and prices.

On the other hand, the data bring further evidence that sociotropic evaluation predominates in economic voting. Sociotropic evaluations are significant for 1996 and 2003, whereas only personal retrospective evaluations have significant impact for 1996 and 2000.

By modeling the interaction between the sets of variables in different steps, we can also account for the impact of economic variables compared to other possible determinants of voting behavior. Taking into account only the social variables, we see that the effect of these variables decreases over time, though they remain significant even for 2003. If in 1996 and 2000, the social factors were generally significant at $p < .001$ level, in 2003 these factors decreased their impact at a level of $p < .005$. Apparently, the education is the key social factor as lower the educational level is, more probable is to support PSD in elections (see Table 3 and Table 5). However, the general impact of

social variables decreases from a Nagelkerke's-R squared of .162 in 1996 to .062 in 2003.

When we add the second set of variables - personal attitudes towards political and economic issues – there is very little change in the overall picture. The coefficients of social variables decrease just marginally, gender seems to become insignificant, and for 2003, only education remains significant. However, the impact of the new variables on the support for incumbent party or coalition is far from being spectacular, as only privatization (or the substitute “market economy is good for Romania”) has a powerful influence on vote. But, adding these attitudinal variables represents no important step forward in predicting the level of support for incumbent parties as the model including the social characteristics and the political and economic attitudes increases the accuracy of prediction with only 2% for each point considered in the analysis.

However, when we include the evaluation of economic situation, we observe that the model substantially increases the accuracy of prediction. The Nagelkerke's R-square increases over .200 for 1996 and 2003, and a little bit less for 2000 elections. Privatization remains significant at $p < .001$ level (although the position on how good market economy is for Romania is not anymore significant) and social variables, especially age and education, remain significant. The impact of economic evaluations is less important for 2000 election, which indicates that economic voting is less obvious for this case.

The combination between economic voting, social characteristics and economic and political attitudes as determinants of voting behavior in post-communist Romania brings out some important implication for party competition. In the cases of two left-

governments of PSD, all these three sets of factors were significant. This shows that in subsequent election, the party received the support of voters with lower education, elder, eventually living in smaller cities or villages, who oppose to the process of privatization and who evaluated positively, retrospectively and prospectively, the economic policies of PSD government. This picture is valid both for 1992-1996 and 2000-2004. By contrast, economic vote is less obvious for center-right government, although parties who formed the 1996-2000 government were supported by educated, young voters, who generally live in large cities. The first category, the voters of the left, is much more prone to economic hardship, and so, they are more likely to engage in economic voting than are the voters of the right.

At the same time, by looking to the combination between economic voting and social characteristics, we can offer an explanation why PSD remained so popular during transition, although the leaders of the party have been repeatedly accused of being corrupted. The party not only developed quite stable social roots, but while in power, it succeeded to tackle, or tried to tackle, the economic problems of their traditional voters. Since the traditional electorate of PSD consists of the social strata which are the most predisposed to economic hardship that the economic transition produces, the Social Democratic government directed most of the resources towards different welfare programs. Pensions have increased, though not very significantly, and many other social programs (some of them quite populist in their scope) have been initiated during PSD tenures.

By contrast, right-wing parties were less effective, at least for short term, in providing adequate economic policies to their traditional supporters. The harsh economic

measures taken during 1996 and 2000 harmed not only the poorer social strata but also the well-educated, young or urban population, which though better positioned to deal with the economic problems, saw their living standards declining steadily during this period.

Concluding Remarks

In the previous section, I have shown that evaluation of economy plays an important role in the complex process of voting behavior, and that the fortunes of Romanian political parties are linked to the performance of their economic policies when they are in office. The economic transformation that Romania experienced after the breakdown of communist regime could not remain without significant political consequences in regards to voters' choice and voting behavior. The significant impact of economic voting offers also an explanation for the change in governmental composition of parties in post-communist Romania, as the government party usually lost the elections in favor to an opposition party or to a coalition of opposition party.

The research shows that both pocketbook and sociotropic evaluation are used by voters and they condition the support for incumbent parties, but empirical evidence shows that the later are more common determinants of support for parties in power. Voters in Romania are much more ready to punish governmental parties when the situation of the whole economy is bad or the general living standards decline than when the personal financial situation worsen. Even though the structure of party support is less stable than in the case of partisanship affiliation or long-standing ideological position, economic voting provides a relatively settled foundation of analysis of party strategies and voting behavior. At the same time, the presence of economic voting provides a

mechanism through which voters keep political parties accountable for their governmental policies, and this mechanism of accountability may have significant positive effects for democratic process.

In what regards the predictions of the theories of economic voting, there is a good indication that indeed the clarity of political responsibility plays a crucial role for the existence of economic voting. We see economic voting as a noticeable political phenomenon in 1996 and 2003, which are points in time at the end of terms of PSD governments. These governments were formed by a single party, although PSD did not obtain a majority of seats in the parliament. At the same time, both during 1992-1996 and 2000-2004, PSD has been by far the largest political party, whereas the opposition was fragmented, small and very inefficient politically to oppose PSD in parliament. Many voters considered PSD to control totally the political scene as the party controlled the presidency and most of the local administration at the same time. By contrast, center-right coalition which won the general elections in 1996 was fragmented, lacked ideological cohesion as it included social-democrats (PD and the historical Romanian Social Democratic Party – PSDR), Christian-democrats (PNTCD), Liberals (PNL), and minority and ecologist organization. Moreover, during their mandate the international organization, mainly IMF, raised the level of pressure to force the government to follow a strict program of economic reform, so that political responsibility has been shared by the parties of the government with these international organizations.

Since economy has been a major sector affected by structural reforms in CEE, it is hardly plausible that voters attach no importance to the shape of the economy when they decide to vote for or against the incumbent party. Economic voting as political

phenomenon is highly probable in Eastern Europe, and more research is needed to uncover the complex relationship between economy and politics.

ANNEX

Data coding for non-economic variables:

1996:

Gender: 0 male, 1 female

Education: 1: elementary school, 5: university education.

Living place: 0: urban, 1: rural.

Privatization: “To what extent do you think that privatization of the big enterprises is a good thing?” 1: To very small extent, 2: to small extent, 3: to large extent, 4: to very large extent, 5: don’t know.

2000:

Gender: 0 male, 1 female.

Education: 1: no school, 12 post-university degree.

Living place: 1: big city, 6 village.

Market economy: “Do you think is good to have market economy?” 1: Yes, 2: No.

2004:

Gender: 0: male, 1 female.

Education: 1: no school, 12 post-university degree

Living place: 1: big city, 6 village.

Economic intervention: “The state has to provide jobs for those who want to work” 1: Yes, 2: No.

Property rights: “Economic firms should be most in...” 1: Private property, 2: Private and state owned to equal extent, 3: State property.

Economic Equalitarianism: “State should limit the revenues of the rich people” 1:

Agree, 4: Do not agree.

TABLES:

Table 1: Economic independent variables

Independent variable	Year of study	Question	Items
PR	1996	“How is your present life comparing with last year?”	1: much better, 3: the same, 5: much worse
PP		“How do you think you will live next year?”	1: much better, 3: the same, 5: much worse
SR		“Are you rather satisfied or dissatisfied with what the government does about the standard of living?”	1: rather satisfied 2: rather unsatisfied
SP		“Do you think that the economic policy of the government will have positive results in the next year?”	1: yes 2: no
PR	2000	“How is your present life comparing with last year?”	1: much better now, 3: about the same, 5: much worse
PP		“How do you think you shall live next year?”	1: much better, 3: about the same, 5: much worse
SR		“What grade from 1 (very bad) to 10 (very good) you would give to the economic situation of the country between 1997-2000?”	1: very bad 10: very good
SP		“What grade from 1 (very bad) to 10 (very good) you would give to the economic situation of the country in the next four years?”	1: very bad 10: very good
PR	2003	“How is your present life comparing with last year?”	1: much better, 3: about the same, 5: much worse
PP		“The economic situation of your household you expect to be...?”	1: much better, 3: about the same, 5: much worse
SR		“Since the present government came into power in 2000, do you think that the economic situation...?”	1: has improved, 2: remained the same, 3: became worse
SP		“Do you think that in the next years economic situation will be...?”	1: much better 3: about the same 5: much worse

Table 2: Parliamentary representation of Romanian parties in the Chamber of Deputies

Parties	1990	1992	1996	2000	2004
	CD	CD	CD	CD	CD
Socialist Party of Labor (PSM)	-	13 (3.8%)	-	-	-
National Salvation Front (FSN)	266 (66.9%)	-	-	-	-
Democratic Party (PD)	-	43 (12.6%)	43 (12.5%)	31 (8.9%)	48 (14.5%)
Party of Social Dem. in Romania (PDSR)	-	117 (34.3%)	91 (26.5%)	138 ³ (40.0%)	113 (34.0%)
Romanian Social Democrat Party (PSDR)	2 (0.5%)	10 (2.9%)	10 (2.9%)	11 (3.1%)	-
Romanian Ecologist Party (PER)	8 (2%)	4 (1.1%)	5 (1.4%)	-	-
Romanian Ecologist Federation (FER)	-	-	1 (0.3)	-	-
Romanian Ecologist Movement (MER)	12 (3%)	-	-	-	-
Agrarian Democratic Party of Romania (PDAR)	9 (2.2%)	-	-	-	-
Humanist Party of Romania (PUR)	-	-	-	6 (1.7%)	19 (5.7%)
National Liberal Party (PNL)	29 (7.3%)	-	25 (7.2%)	30 (8.7%)	64 (19.3%)
National Liberal Party - Democratic Convention (PNLCD)	-	3 (0.8%)	6 (1.7%)	-	-
National Liberal Party - Youth Wing (PNLAT)	-	11 (3.2%)	-	-	-
Civic Alliance Party (PAC)	-	13 (3.8%)	-	-	-
Romanian Alternative Party (PAR)	-	-	3 (0.8%)	-	-
Ch.-Democratic National Peasants' Party (PNTCD)	12 (3%)	41 (12%)	82 (23.9%)	-	-
Romanian National Unity Party (PUNR)	9 (2.2%)	30 (8.8%)	18 (5.2%)	-	-
Greater Romania Party (PRM)	-	16 (4.7%)	19 (5.5%)	84 (24.3%)	48 (14.5%)
Democratic Alliance of Hungarians in R. (UDMR)	29 (7.3%)	27 (7.9%)	25 (7.2%)	27 (7.8%)	22 (6.6%)
Minorities (except Hungarians)	12 (2.7%)	13 (3.8%)	15 (4.3%)	18 (5.2%)	18 (5.4%)
Other parties (7)	12 (3%)	0	0	0	-
Independents	-	-	-	-	-
TOTAL	398 (100%)	341 (100%)	343 (100%)	345 (100%)	332 (100%)

Source: Ștefan and Grecu (2004)

Table 3: Economic voting, 1996

		Social characteristics	Attitudinal policy issues		Economic Voting		
		B	S+A		(S+A+EcV)		
Social factors	Gender	.330*	.332*		.387*		
	Age	.019***	.019***		.019***		
	Education	-.414***	-.377***		-.439***		
	Living place	.163**	.133**		.159**		
Issue positions	Jobs			N/A		N/A	
	Privatization			.825***		.795***	
	Income taxation			N/A		N/A	
Economic voting	Retro. P.V						-.254**
	Prosp. P.V						.019
	Retro A.V						-.536*
	Prosp. A.V						-.365***
	Constant	-1.9999***		-3.215***			-.711
	<i>Pseudo-R</i>	.162		.184			.238

Source: Public Opinion Barometer, Open Society Foundation, October 1996.

*p < .05, **p < .01, p < .001

Table 4: Economic voting, 2000

		Social characteristics	Attitudinal policy issues		Economic Voting		
		B	S+A		(S+A+EcV)		
Social factors	Gender	.337*	.157		.195		
	Age	-.024***	-.022***		-.018***		
	Education	.177***	.197***		.132***		
	Living place	-.145**	-.151***		-.176**		
Issue positions	Market economy is good for R.			-.985**		-.766	
	Economic voting						-.492***
	Prosp. P.V						-.057
	Retro A.V						-.003
	Prosp. A.V						.002
	Constant	-1.486**		-.261			1.847**
	<i>Pseudo-R</i>	.136		.148			.175

Source: Public Opinion Barometer, Open Society Foundation, November 1996.

*p < .05, **p < .01, p < .001

Table 5: Economic voting, 2003

		Social characteristics	Attitudinal policy issues		Economic Voting		
		B	S+A		(S+A+EcV)		
Social factors	Gender	.282*	.190		.323*		
	Age	.009*	.007		.015*		
	Education	-.171***	-.139***		-.134*		
	Living place	.020	.026		-.016		
Issue positions	Jobs			-242			-.355
	Privatization			.380***			.461***
	Income taxation			.009			-.036
Economic voting	Retro. P.V						-.118
	Prosp. P.V						-.059
	Retro A.V						-.623***
	Prosp. A.V						-.421***
	Constant	-.439		-.845			1.729*
	<i>Pseudo-R</i>	.061		.083			.212

Source: Public Opinion Barometer, Open Society Foundation, October 2003.

*p < .05, **p < .01, p < .001

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