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Letter from the Editors

Lessons from the Global Economic Crisis

by Mark Hallerberg and Mark Kayser

Letter from the editors

Over 5 years have passed since the a commonly used starting date for the global financial crisis, the collapse of Lehman Brothers in 2008. This issue of the Comparative Politics Newsletter assembles a collection of essays from authors working on different consequences for politics and governance of the financial crisis and its successor, the Euro crisis. What lessons have we learned?

Indeed, interesting patterns have emerged in the behavior of electorates, parties, governments and bureaucracies. We begin by looking at how electorates responded to the crises. Lawrence LeDuc and John Pammett offer a broad overview of the patterns in Europe. Perhaps unsurprisingly, they tell us that voters punished governing parties in both national and European Parliament elections. Less expected, however, is their observation that governing

parties lost nearly as large a share of the vote in national elections prior to the crisis and lost even a greater share in the EP election prior to the crisis. Not all governing parties shared the same fate. Notably, those of the right fared considerably better than their counterparts on the left. We take away from their research that incumbents were indeed punished but not substantively more dramatically than they had been in more normal economic times.

Yotam Margalit also finds some partisan consequences of the crisis in his examination of individual's policy preferences in an original panel study in the United States that bridges the financial crisis. Between July of 2007 and March of 2011, support for expansion of the welfare state, a traditionally Democratic policy preference, dropped – even among Democrats. These abstract preferences, however, change among those who are personally affected by the crisis. Republicans who lost their jobs – and to a less extent, Democrats as well – grew more supportive of welfare assistance. After the unemployed find new employment, however, their preferences drift back toward the partisan norm.

Feeling the Voters' Wrath: European Governments and the Economic Crisis

by Lawrence LeDuc and Jon H. Pammett

Governing parties forced to face the electorate in bad economic times generally do not fare well. Historical experience, as well as the extensive literature on economic voting, suggests that voters will often punish governments

for poor economic performance, even in circumstances where those governments had little control over the main forces involved. It is also relevant to consider, however, whether all types of parties forming governments, or governing coalitions, those larger or smaller, those of the left or the right, are punished equally.

The recent European context provides a milieu in which to revisit some of
Continued on page 3

Shifting from the focus on Europe and the United States in the first two articles, Noam Lupu sees parallels between the current crisis in Europe and those experienced in Latin America in previous decades. He argues that the consequences of decisions by parties in the present can have long lasting consequences for them and the party system in the long run. Specifically those parties that muddy their “brand” by adopting policies they would oppose in normal times, risk permanently alienating their base and opening up opportunities for new, extremist and populist parties. Just like the Peronist and Radical parties gave way to a mélange of personalistic parties in Argentina, the Socialist and other parties in Greece, Italy and elsewhere forced to accept austerity measures anathema to its partisans could fail to recover their brand and support.

Personalist, populist and extremist parties obviously played a central role in a previous backlash against democracy following a global economic crisis. Johannes Lindvall compares responses and reactions to the Great Depression and Great Recession. Interestingly, he notes that the initial shift to the right also found by Margalit and LeDuc and Pammett is short-lived. The electoral advantage of right-of-center parties after both economic crises largely eroded within three years. While voter reactions were in some ways similar, Lindvall notes that government actions differed, sometimes considerably. The first response of many governments after the recent financial crisis was to stimulate the economy. The policy tides then shifted toward fiscal contraction. Following the global financial crisis of 1929, stimulus was slow to arrive, if it did at all. Explaining whether and when various countries pursued austerity and stimulus remains a fascinating question.

Crises often force countries to address macroeconomic imbalances but how they do so can vary. Stefanie Walter

examines the choice of internal versus external adjustment among eight European countries following the crisis. Governments, it turns out, were no fools, proving themselves sensitive to the type of exposure of their citizens. Where a large proportion of debts, often for real estate, where denominated in foreign currency, governments favored structural reform and actual depreciation of wages (internal adjustment) over devaluing the currency (external adjustment). When citizens’ were less exposed to devaluation, as in the Czech Republic and Poland, governments pursued the external adjustment. One could argue that the success of internal adjustment, as judged by both reforms and public acceptance, in the Baltic countries and Bulgaria offers a welcome message for the Eurozone that a monetary union without a transfer union can function. As Walter notes, however, labor rigidities, pre-crisis fiscal deficits and long stagnant wages in Southern Europe might argue otherwise.

While Walter predicts when internal adjustment will be pursued, Despina Alexiadou and Hakan Gunaydin explore one means by which unpopular reforms often associated with internal

adjustment can be implemented – technocratic ministers. They argue that technocrats, who have no electoral ambitions, are more able and likely to impose potentially unpopular reforms. Indeed, they find that technocratic ministers are more likely to be appointed when the likely political cost of policy reform is high. This obtains particularly strongly for the left. Social democratic governments were more likely to appoint technocratic ministers after the 2008 banking crisis and these technocrats are associated with both lower social spending and lower debt.

So we have learned that the crisis increased the appointment of technocrats who then pursued unpopular fiscal policies but what about structural administrative reforms? As Walter Kickert and Tiina Randma-Liiv point out, even some prominent technocratic governments like that of Mario Monti in Italy failed to implement substantial administrative reforms. They provide an early assessment of the effect of the Financial and Euro crises on public administration in 14 European countries. Might the recent crisis leave an administrative legacy on the same scale as the New Public Management reforms spurred by the smaller financial and economic

Table of Contents

Economic Crises	
Measuring the Voters’ Wrath: European Governments and the Economic Crisis	1
<i>by Lawrence LeDuc and Jon H. Pammett</i>	
The Great Recession and Changing Attitudes on Welfare Spending	5
<i>by Yotam Margalit</i>	
European Political Parties in the Wake of Crisis: Lessons from Latin America	7
<i>by Noam Lupu</i>	
Great Crises	9
<i>by Johannes Lindvall</i>	
The Politics of Macroeconomic Adjustment in Global Economic Crisis	11
<i>by Stephanie Walter</i>	
The Politics of Economic Adjustments: Technocratic Appointments and Adjustments in Economically Advanced Parliamentary Democracies	13
<i>by Despina Alexiadou and Hakan Gunaydin</i>	
Fiscal Consolidation in Europe: Effects on Administration	15
<i>by Walter Kickert and Tiina Randma-Liiv</i>	
Dataset Review	
Monkey Business	17
<i>by Macartan Humphreys</i>	

of the 1980s? The record so far seems to suggest not. Several countries have increased central control over financial and human resources but no broad-based and apparent shift has yet emerged.

Crises offer an opportunity to examine different responses to a common shock and researchers have already gleaned many insights from Global Economic Crisis. How well our results stand up to scrutiny, however, is a function of how well we conduct our research. We therefore conclude this issue of the Comparative Politics Newsletter with a proposal for improving our research practices. Macartan Humphreys highlights the possible advantages of a voluntary registration system and appeals for improvement in how our discipline conducts research.



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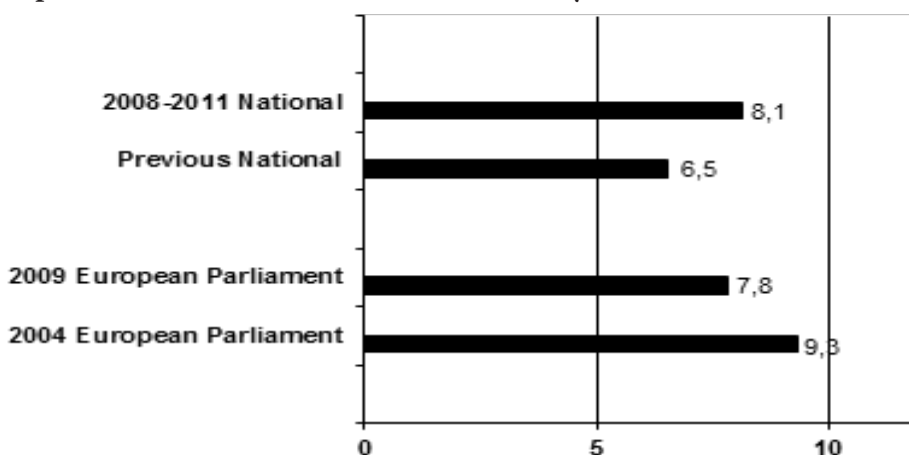
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Continued from page 1. these arguments, as the economies of all European countries were affected to varying degrees by the ongoing economic crisis. In a forthcoming article, prepared for a special issue of Electoral Studies on Economics and Elections (LeDuc and Pammett, 2013b), we assess the extent to which the outcomes of national elections were affected by adverse economic conditions in the 27 EU member countries during the period from June 2008 to December 2011.

All but three of the EU member countries held national elections during this time and several (Latvia, Portugal, and Slovenia) experienced more than one election over this three-and-a-half-year period.¹ In an earlier paper (LeDuc and Pammett, 2013a), we also examined the outcomes of elections for members of the European Parliament (EP) held in all 27 EU member countries in June 2009, as recessionary conditions in Europe approached a low point. At the time of the EP elections, average net growth in GDP for the EU27 in the second quarter of 2009 was -4.2%. Unemployment, measured at the same time, ranged from under 4% in The Netherlands to 18% in Spain, with the EU average being just under 9%. The EP elections held in 2009 displayed an average loss sustained by governing parties of -7.8%. A comparison with the

¹ We consider here only elections for the lower house of parliaments. Excluded are presidential elections or votes for an upper chamber where these exist.

Figure 1: Mean Percentage Decline in Vote for Governing Parties in Two European Parliament* and National Election Cycles**



* 27 countries in 2009 EP election; 25 in 2004

previous (2004) EP election disclosed that the loss, while substantial, was actually lower than that sustained in 2004 (-9.3%). This is perhaps because losses by the governing party in EP elections, due to their second-order nature, are more common to begin with (Marsh, 1998). This indicates that losses by a governing party can be brought about by a variety of factors other than poor economic performance.

National elections took place in a number of different electoral contexts, ranging from Austria and Slovenia, which held them in September 2008 just as the crisis was beginning to unfold, to the United Kingdom or the Netherlands, where they took place in mid-2010, well after stimulus measures were in place. A number of other countries held national elections in 2011, when many European economies were beginning to recover. That recovery, however, proved to be uneven, and the onset of a new rash of economic problems (sovereign debt, bank instability, the euro crisis) soon placed some recoveries at risk.

The conclusions summarized here are based on analyses of aggregate data for the 24 countries holding national elections during the crisis period. We compared the impact of the economic crisis on the various countries using basic economic indicators such as net change in GDP and national rates of

Economic Crises

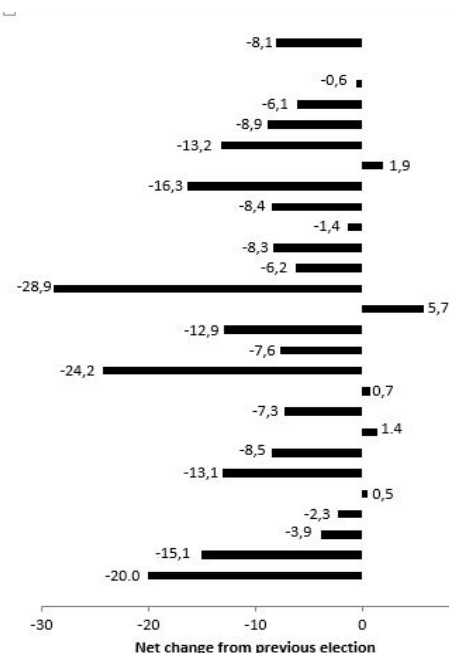
Volume 23, Issue II, Fall 2013



unemployment at the time of the election. We also considered contextual variables such as the impact of globalization and clarity of responsibility, as the presence of coalition governments, common throughout Europe, diffuses political responsibility. Aggregated public perceptions of the severity and expected duration of the economic crisis were also utilized in our analysis. A majority of respondents to the 2009 European Election Study in all countries rated economic conditions as “worse” than a year previously.² However, there was considerable variation among the countries in expectations, with citizens

² These data are from the 2009 European Election Study (PIREDEU). Principal investigators were Marcel H. van Egmond, Elyahu V. Sapir, Wouter van der Brug, Sara B. Hobolt and Mark N. Franklin. Further information and documentation for this study is available at <http://www.piredeu.eu/>.

Figure 2: Performance of European Governing Parties in National Elections, June 2008 – December 2011



of the United Kingdom, Denmark, and Sweden expressing greater optimism about the economic future than their counterparts in Greece or Latvia.

As Lewis-Beck and Whitten (2013) argue in their introduction to the Electoral Studies special issue, electoral effects of economic adversity are both “deep and wide.” In the EU countries (27) holding national elections (24) between June 2008 and December 2011, governing parties lost support in 20 of these (figure 2)³. In five cases (Cyprus, Denmark, Estonia, Luxembourg, and Slovakia) governing parties improved their standing in national elections in spite of poor economic conditions. In all of the other cases, the governing party lost ground, and in a number of those instances (Bulgaria, Hungary, The Netherlands, Romania, Ireland, and Spain), the loss was devastating.

Of course, parties in power often see their share of the popular vote decline, even in better economic times. A comparison of results for the countries holding national elections in the 2008-11 period with those of a previous electoral cycle in which economic conditions were more positive⁴ shows that the average net loss sustained by governing parties in the elections considered here (-8.1%) was less than two percentage points greater than the loss sustained by governing parties in the previous national electoral cycle for the same countries (-6.5%). Our overall conclusion is that voters do indeed broadly exact punishment on governments in times of economic crisis, although not necessarily in greater

measure than might occur in other circumstances. We also observed that parties of the center right in government fared substantially better than those of the center left, suggesting perhaps

...voters do indeed broadly exact punishment on governments in times of economic crisis although not necessarily in greater measure than might occur

yet another contingency variable that should be taken into account in future investigations of economic voting.



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³ The 2010 elections in the Czech Republic and Latvia are omitted here as both had caretaker governments at the time of the elections.

⁴ For example, average net growth in the current EU 27 countries for 2006 was +3.2%.

The Great Recession and Changing Attitudes on Welfare Spending in the United States

by Yotam Margalit

The financial crisis of 2008 has had a harrowing impact on the well-being of citizens worldwide. Job dislocations, long spells of unemployment, drops in income, and deep economic uncertainty are only some of the hardships that afflicted millions of families since the beginning of the Great Recession. As governments struggle with growing claims on social protection programs and with ever-widening budget deficits, the debate about the proper role of government and the desired level of welfare spending has been brought to the fore. What is the overall impact of the financial crisis on the electorate's attitudes toward social spending? Did the personal experience of hardships affect voters' support for increased welfare assistance and, if so, how did right-wing voters reconcile their pre-crisis attitudes of opposition to welfare spending with their changing circumstances?

To put this last point in starker terms, consider a hypothetical case of two otherwise similar individuals, one positioned ideologically on the left and the other on the right, who lose their jobs at the same time. Would the same personal predicament lead to a convergence in their policy preferences, whereby the right-leaning individual would become significantly more supportive of welfare assistance, or would their different ideological dispositions yield two distinct responses, in line with their previously held views?

An impressive array of research explored related questions, yet clear-cut answers have been scant for two main

reasons: first, the findings themselves are ambiguous. Whereas some analyses find strong correlations between voters' views on social policy and their economic standing (Alesina and La Ferrara 2004; Bean and Papadakis, 1998; Iversen and Soskice 2001; Rehm 2009), other studies that examine different survey data find no clear evidence linking people's personal economic circumstances to their views on the specific policies from which they benefit (Taylor-Gooby 2001; Mughan 2007; Lynch and Myrskylä 2009). Second, previous analyses relied almost exclusively on single-shot cross-sectional data, a limitation that keeps the causal link between economic standing and policy preferences unclear. While a person's employment situation could shape her attitudes toward welfare policy, unobservable characteristics such as parental influence or the upbringing envi-

...while economic shocks can have a sizable effect on welfare preferences of individuals, this effect is probably not a reflection of a profound conversion in their political worldview.

ronment could plausibly account both for her preferences on welfare provision and her position in the labor market.

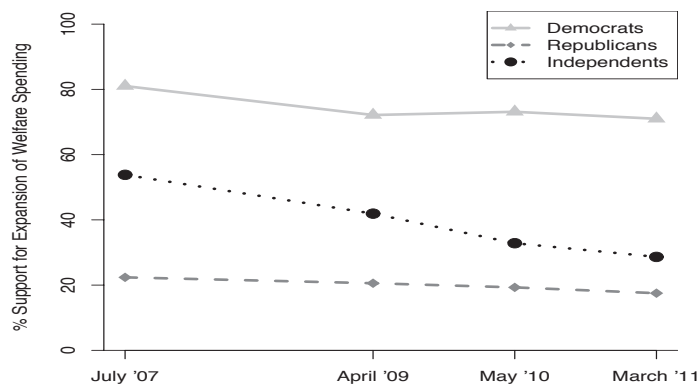
In a recent study, I set out to explore the questions posed above and address some of the empirical limitations of previous work on the topic. Using an original panel study that I helped administer, which consisted of four waves of surveys tracking the same national sample of American respondents (between July 2007 and March 2011), I investigate the relationship between changing economic circumstances and individuals' preferences on welfare pol-

icy. I focus on three types of economic shocks: a substantial drop in household income, a subjective decrease in perceived employment security, and the actual loss of a job. The study takes advantage of the fact that in these repeat interviews detailed information was collected not only on respondents' changing labor market circumstances but also on their political attitudes.

The study provides several notable findings: The data show very clearly that, among voters of all partisan persuasions, the first four years of the Great Recession have brought about a drop in overall support for expanded welfare spending among the general population. As Figure 1 shows, support for government assistance to the needy and the unemployed fell among Democrats, Independents, and, in relative terms, most sharply among Republicans. This pattern is consistent with the notion that the public was more concerned about growing budget deficits and expectations of higher future taxes than about building a tighter safety net for those in need.

Yet the shift in the general public does not mean that economic hardships brought about by the crisis had had no impact on citizens' preferences; on the contrary. I find strong evidence of a bifurcated citizenry: those personally affected by the shocks, primarily by the loss of a job, became significantly more supportive of expanded welfare spending, while those relatively unaffected by the hardships became, on average, less supportive of such spending. The magnitude of the effects was substantial: holding all else constant, the loss of a job was associated with an increase in the average probability of support for greater welfare spending by 22-25 percentage points (the effect of a drop in income was substantially smaller). These results are robust to a broad range of empirical specifications and

Figure 1: Support for expansion of Welfare Spending



placebo tests (for example, attitudes of those personally affected by job loss changed substantially with respect to welfare policy but not with respect to largely unrelated policy domains such as global warming or cultural values).

As for the hypothetical case of the two laid-off individuals, I find that the personal experience of a job loss did indeed lead to a convergence in the welfare preferences of left and right-leaning voters. In particular, I find that laid-off Republicans and Independents grew significantly more supportive of welfare assistance, while among Democrats the effect was much smaller. Figure 2 highlights this difference, presenting the probability of a pro-welfare shift as a function of respondents' initial partisan affiliation and whether or not they experienced the shock. The main pattern that the graph illustrates is that

the welfare preferences of Republicans harmed by the shocks, particularly the loss of a job, diverged sharply from the preferences of their unaffected Republican counterparts; among Democrats, those who experienced a shock continued to hold similar preferences to those who did not. The analysis indicates that this finding is not fully accounted for by a "ceiling effect" (i.e. all Democrats already supporting welfare expansion), but the data cannot definitively tell us what explains the remaining variation. My best speculation is that partisans who are willing to explicitly depart from a widely shared party stance on a central issue are likely to: (i) hold stronger-than-average views about that issue, and (ii) support the party due to its position on some other important dimension or due to a longstanding emotional connection with the party. Thus,

Figure 2: Pr(Support Welfare Expansion in Current Period)



Note: The graphs report the probability of support for welfare expansion (on the Y-axis) as a function of the individual's level of support for the policy in the previous period (measured on the X-axis along a five-point scale). Each graph corresponds to a different type of economic shock. Results are reported separately for Democrats and Republicans.

Democrats that were initially opposed to welfare expansion may represent a hard "core" whose views on this issue are less malleable. This may account for the small observed shift in their views on welfare policy following a worsening in their personal circumstances.

Finally, I find that with the passing of time, as job losers regain employment, their support for the expansion of welfare spending decreases significantly. This shift in attitudes among the re-employed is more frequent among voters on the right. Taken together, the findings suggest that while economic shocks can have a sizable effect on welfare preferences of individuals, this effect is probably not a reflection of a profound conversion in their political worldview. Rather, it seems that the attitudinal change reflects a more provisional response to an immediate and sometimes temporary need. Such changes in preferences for welfare spending can therefore be fairly short-lived. To what extent do these findings generalize to other countries? This is a question that Brian Burgoon and I are now exploring, using all suitable panel data produced in any advanced economy.

Whether we find, for example, that the attitudes of citizens in corporatist economies respond differently to sudden hardships than workers in an American-like liberal economy is an open question. One recent working paper by Linna Marten suggests that that might not be the case. Examining panel data from the Swedish National Election Study, she reports very similar findings: loss of a job is associated with a sizable increase in support for social insurance, the newly re-employed exhibit similar attitudes to those who never lost a job, and income drop has only a marginal impact on citizens' preferences.

the newly re-employed exhibit similar attitudes to those who never lost a job, and income drop has only a marginal impact on citizens' preferences. It may be the case, then, that national welfare regimes have less of a mediating impact than the conjecture above suggests. New research will hopefully provide further insight into this question.



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European Political Parties in the Wake of Crisis: Lessons from Latin America

by Noam Lupu

Party systems across Europe are getting shaken up in the wake of the financial crisis that began in 2008. In its immediate aftermath, European voters ousted incumbent governments that oversaw large economic contractions, massive layoffs, and social unrest (Bartels 2013; Lindvall 2012). In the more debt-ridden countries, citizens took to the streets in anger over unpopular bank bailouts and the painful budget cuts imposed by European leaders, international markets, and financial institutions.

But five years into the crisis, those parties unlucky enough to be in power in 2008-9 appear not to be its only victims. Public opinion polls and, in some cases, subsequent elections, reveal that even non-incumbent parties have borne the brunt of voter contempt. Party systems may need the occasional jolt of new competition, but rapid voter abandonment can be bad for democracy.

How political parties respond to economic crisis affects how citizens relate to the parties. And that can have electoral consequences beyond the short term.

Latin Americans have seen this slow-motion movie before. The debt crisis that swept the region in the 1980s raised borrowing costs and forced governments either to cut spending or increase inflation. The Washington Consensus that emerged by the 1990s among economic policy makers focused international attention on lowering debt levels, retrenching governments, and opening domestic markets. Politicians across the region knew that they risked inflationary crises, massive capital flight, and

debt default if they did not adopt economic reforms.

In response, many Latin American presidents on both left and right opted to reform. In Argentina, market reforms helped Carlos Menem tame hyperinflation and restart a flagging economy. Similar reforms pushed through by Venezuela's Carlos Andrés Pérez probably averted a major debt crisis.

For both presidents, enacting these measures meant reversing their own parties' platforms. Both Menem's Peronist Party and Pérez's Democratic Action had spent decades building brands as union-friendly, statist parties. But faced with crippling economic crises and intense international pressure, leftist presidents across Latin America abandoned party traditions (Stokes 2001). Many did so by allying with former rivals, against the vocal opposition of their own parties.

Market reforms sometimes generated enough economic success to secure reelection for presidents like Argentina's Menem. But opinion polls showed an alarming trend. As I show in my working book manuscript, *Party Brands in Crisis*, parties that diluted their brands – by abandoning their historic roots and forming strange-bedfellow alliances with former rivals – lost partisans (Lupu 2013). Fewer citizens thought of themselves as Peronists as it became harder to know what it meant to call yourself a Peronist, or how being a Peronist was different from being a Radical, their business-friendly rival party. By the mid-1990s, only a small fraction of Argentines still identified with the country's once-hegemonic parties.

The consequences of this partisan erosion were not immediately apparent. Millions of Argentines voted for Menem and the Peronist Party again in 1995. But the Argentine two-party system was already beginning to fray, with new parties making significant inroads. By the time a Radical president resigned amid another crisis in 2001-2, the traditional parties had no base of partisans to rely on for support. A century-old party that had won the presidency only

four years earlier attracted only 2 percent of the vote in 2003.

Since then, Argentine politics has been populated by a dizzying array of personalist parties and the shifting alliances among them. How political parties respond to economic crisis affects how citizens relate to the parties. And that can have electoral consequences beyond the short term.

Of course, Western Europe is not Latin American: presidents have far more autonomy to break from their parties than European prime ministers do. So we are less likely to see the radical policy reversals that severely diluted Latin American parties' brands in the European context. But European political parties should still be concerned about diluting their brands.

... major economic crises force parties to dilute their brands and rapidly weaken their partisan base. And that can open up electoral opportunities for extremists, populists, and personalist party vehicles

A few Southern European parties and party systems have already suffered. In Greece, international pressures compelled the Socialist government that came into office in 2009 to abandon its leftist platform and adopt harsh austerity measures. By 2011, the Socialists were forced into a unity government with their rivals on the right, making the distinction between the major left and right parties seem meaningless to voters. This summer, opinion polls showed support for the Socialists languishing at around 6 percent – and their center-right partners losing followers to extremist options.

Similar dynamics have been on the

march in Italy, though in a party system already fragmented by major upheavals in the 1990s. The unity government there diluted what party brands did exist, resulting in a surge of new parties. The most successful so far is comedian Beppe Grillo's unpredictable Five Stars Movement, which, above all else, promises not to cooperate with the major parties.

Spain's Socialist government also felt compelled by international forces to abandon its interventionist tenets and slash government spending in the wake of the crisis, policies the subsequent Conservative government continued. The fact that both major parties followed a nearly identical agenda blurred the difference between them, leading many Spaniards – the so-called “neither, nor” voters – to abandon the traditional parties.

Shaking up staid party system can sometimes be productive, and democracies ought to present voters with real alternatives. But major economic crises force parties to dilute their brands and rapidly weaken their partisan base. And that can open up electoral opportunities for extremists, populists, and personalist party vehicles. In Latin America, parties' responses to economic crises upended some of the region's most institutionalized party systems, causing fragmentation and collapse. More often than not, these upheavals weakened political competition and allowed new leaders to undermine democratic institutions.

There are many reasons to expect the aftereffects of the eurozone crisis to be less dramatic, though rising support for extremists and populists in Southern Europe should not be taken lightly. The lesson from Latin America is that parties and party systems may continue to suffer the consequences of the crisis – and the ways they responded to it – for many years to come.



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GREAT CRISES

by Johannes Lindvall

Now that five years have passed since the collapse of the American investment bank Lehman Brothers in September 2008, it should be possible to draw some preliminary conclusions about the political consequences of the Great Recession, the deep economic crisis that began that autumn. This note addresses two questions. One concerns fiscal policy; the other concerns party competition.

I try to answer both questions by comparing the Great Recession with the Great Depression, with an emphasis on the advanced industrialized states in Western Europe, North America, and the Asia-Pacific region. Comparing two great crises that occurred eighty years apart is a risky endeavor, and many scholars, notably Bordo and James (2010), have warned against such “Great Depression Analogies.” But there are enough similarities to make it worth a try: both the Great Depression and the Great Recession originated in the U.S. financial sector; both soon spread to other sectors, and other regions; both caused a sharp decline in global demand, output, and trade; both led to rising unemployment across the world.

Policy

Many now believe that the economic policies of the advanced democracies have been overly conservative in the past three years. But in the first two years of the crisis, governments did pursue expansionary monetary and fiscal policies to counteract the economic downturn: within a few months after the Lehman collapse, most advanced democracies cut interest rates drastically and adopted expansionary fiscal programs. In the 1930s, governments were much slower to adopt expansionary policies, if they did at all. In landmark studies of that period, Gourevitch (1984) and Weir and Skocpol (1985)

therefore seek to explain why so few countries broke with fiscal “orthodoxy” in the Depression.

There are several explanations for this difference between the 1930s and the 2000s. For one thing, many of the ideas that informed economic policies in 2008–2010 emerged as a result of the Depression experience. But domestic politics also mattered. In my contribution to Bermeo’s and Pontusson’s *Coping With Crisis* (2012), I demonstrate that even in the relatively well-ordered Scandinavian countries, the Depression era was characterized by polarizing conflicts over political and economic institutions, which complicated macroeconomic policymaking. Sweden was one of the few countries that did introduce expansionary fiscal policies in the 1930s, but it took the Social Demo-

... in the first three years of the Great Depression -- and in the first three years of the Great Recession -- right-wing parties did better than left-wing parties.

crats three years to push these policies through parliament, and as the Swedish economist Erik Lundberg observed, years later, “it was not only, or not even mainly, the actual policies carried out that aroused a strong political reaction from the Conservative Party as well as from the business community. Their fears centered mainly on the trends toward socialism” (Lundberg 1985, 11).

The period between late 2008 and late 2010 was different. A relative political consensus allowed governments in the Nordic countries – most of which were now center-right or conservative – to develop stimulus packages that met with little opposition.

So why did so many countries change their economic policies some two years

into the Great Recession? Again, I think that the answer will require an examination of how macroeconomic policymaking is affected by underlying conflicts over institutions. One topic that strikes me as under-researched is how voters, parties, and governments form preferences over government debt. Why does “debt” become a salient political issue in some political environments but not others? And what does “debt” really mean? Bill Clinton’s answer to the question “How has the national debt personally affected each of your lives?” in his debate with George Bush and Ross Perot in 1992 is widely seen as a turning-point in the campaign. But Clinton actually said little about debt. I suspect that that is often the case: we say “debt,” but we are really talking about something else.

Politics

Many scholars and political commentators expected the economic crisis to favor the Left. There were probably two reasons for this. One is the common, but I think erroneous, belief that things go well for the Left when capitalism is in crisis. The other reason is the 1930s. In many of the countries that remained democratic until the War, the Great Depression brought center-left parties to power, including Franklin D. Roosevelt’s Democrats in the United States and Per Albin Hansson’s Social Democrats in Sweden.

But Roosevelt and Hansson were elected in the autumn of 1932, three years after the Wall Street Crash. In two recent papers (Lindvall 2012a,b), I show that in the first three years of the Great Depression – and in the first three years of the Great Recession – right-wing parties did better than left-wing parties. In 1929–1931 and 2008–2010, most changes in government represented moves to the right (in countries such as Australia, Austria, Canada, and the United Kingdom in the 1930s and Germany, the Netherlands, New Zealand, and the United Kingdom in the 2000s). Only then did the political fortunes of

left-wing parties improve among the world's democracies.

Rather surprisingly, contemporary scholarship provides no clear answer to the question whether a deep recession should favor the Left or the Right. Whereas the literature on the 1930s emphasizes the breakthrough of social democratic parties, the literature on the postwar period actually suggests that economic decline benefits the Right (Alt 1979; Durr 1993; Stevenson 2001). And then there is always the possibility that ideology has nothing to do with it – that voters simply strike out against the incumbent government when times are hard (see Bartels 2013 and Kriesi 2011 on the current crisis). My own view is that a prolonged crisis is likely to lead to an initial swing to the right, followed by a swing back to the left.

I suspect that one of the reasons that we know little about political behavior in deep crises is that there is a puzzling difference between the two main theoretical approaches to this problem. In economic voting models, governing parties are most successful when they achieve a high level of support in the electorate as a whole by proving themselves worthy of reward. In comparative political economy models, by contrast, governing parties stay in power by maintaining the electoral coalition that brought them into power (or by building a new one). I do not think that we have a good sense of how these forces interact.

Polity

In this Note, I have discussed the consequences of economic crises for policy and for politics. The most fundamental question, however, is how a deep crisis affects the polity. This is not something that I have studied myself, but I note with great interest

that the current crisis has led many scholars to reexamine the role of the Great Depression in the backlash against democracy in the inter-war years. One example is a recent article on political extremism in the 1930s by de Bromhead, Eichengreen, and O'Rourke, who investigate the relationship between economic crisis and the rise of anti-system parties (confirming that there is such a link). Another example is a recent paper by Møller, Skaaning, and Schmotz, who argue – convincingly, I think – that economic crises did contribute to many of the democratic breakdowns in the inter-war period.

All indications are that the current crisis will not have such serious consequences. At the time of the Great Crash of 1929, democracy was already in decline across Europe and Latin America. These days, democracy is in better shape. There are worrying trends in many countries, and they should be taken seriously. But if all great world events “appear, so to speak, twice . . . the first time as tragedy, the second time as farce” (Marx 1852 [2000]), then we can still be hopeful that with respect to democracy, the Great Recession – the “second appearance” of the Great Depression – will prove to be more farce than tragedy.



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The Politics of Macroeconomic Adjustment in the Global Economic Crisis

by Stefanie Walter

Although the Global Economic Crisis has affected countries around the world, national responses to the balance of payments problems that emerged in many of these countries have been quite diverse. In some countries, the currency tumbled dramatically, others have successfully implemented drastic and painful domestic reforms, and yet others have experienced significant political difficulties in implementing effective measures against the crisis. How can this variation be explained?

Macroeconomic adjustment becomes necessary when fundamental balance-of-payments problems emerge because the current account exhibits an unsustainable deficit. This means that the country as a whole spends more than it earns, as a result of, for example, a loss in export competitiveness or a large and persistent fiscal deficit. In these cases, adjustment will have to occur eventually, in one of two ways (or a combination of both): External adjustment means that the exchange rate depreciates, making domestic products more competitive internationally. Internal adjustment implies that monetary and fiscal policies are tightened and structural reforms are implemented, so that domestic prices are adjusted internally.

Both reform strategies can be quite painful, but the distribution of these costs varies. Voters' vulnerabilities to different types of reforms therefore influence policymakers' choice of adjustment strategy, as well as the speed of implementation.¹ When a majority of voters is vulnerable to interest rate

and tax increases, cuts in public spending, and structural reforms, and the increases in unemployment and economic downturns that usually accompany these measures in the short run, but less vulnerable to currency movements, a depreciation of the exchange rate is likely to be the preferred adjustment strategy. The opposite holds when a majority of voters is more negatively exposed to depreciation than internal adjustment measures. A politically difficult situation emerges when voters are vulnerable to both types of macroeconomic adjustment. Under these circumstances policymakers face incentives to both delay reform, even if this strategy raises the eventual costs of adjustment, and to mix elements of ex-

...policymakers can now face situations where a majority of voters are more vulnerable to external than internal adjustment

ternal and internal adjustment.

Given the drastic consequences of internal adjustment, external adjustment has generally been considered to be less costly for voters than internal adjustment, and hence the preferred adjustment strategy for democratically elected policymakers (Eichengreen 1992; Simmons 1994). However, this has changed in recent years as foreign-currency borrowing has become more prevalent. Holders of foreign-currency denominated debt are highly exposed to depreciations because they can significantly increase their debt-burden.² As a result, policymakers can now also face situations where a majority of voters are more vulnerable to external than

internal adjustment.

To investigate to what extent this argument can explain variation in policy responses to the Global Economic Crisis, I focus on the eight Eastern European EU member states that had not yet been admitted to the Eurozone by the fall 2008. These economies had been booming in the pre-crisis years and were hit hard by the crisis, partly because all of them exhibited current account deficits when the crisis erupted (Connolly 2012; Myant and Drahokupil 2012). Despite similar macroeconomic problems, however, governments responded quite differently to the crisis.

Figure 1 summarizes the crisis responses in these countries and shows that they are related to foreign-currency borrowing, an important component of voters' vulnerability to external adjustment. A closer look at these countries' experiences reveals that this variation corresponds to differences in national electorates' vulnerability profiles.

In the Baltic countries and Bulgaria, voters exhibited a moderate vulnerability to internal adjustment, because high pre-crisis wage growth, sound public finances and flexible labor markets moderated the cost of such an adjustment strategy. At the same time, voters were very vulnerable to a depreciation of the currency, because the majority of all bank loans to households and up to 90% of private sector loans were denominated in foreign currency (Tiongson et al. 2010: 27). To the surprise of many observers, but perhaps less surprising in the light of my argument, the Baltic states and Bulgaria successfully managed the crisis by implementing far-reaching internal adjustment strategies but kept their currencies stable. This decision enjoyed strong popular and political support in all four countries, despite the serious recessions that

¹ For a more detailed discussion of this argument, see Walter (2013).

² This has political consequences: it can be shown that individuals holding such debt evaluate their governments much more negatively in countries in which the currency has depreciated (Walter 2012).

ensued (Aslund 2010).

Voters' vulnerability to external adjustment was much smaller in the Czech Republic and Poland, where foreign-currency borrowing was rare and where vulnerability to internal adjustment was higher. When the crisis hit, these countries followed external adjustment strategies, while leaving domestic policies mostly untouched. This strategy minimized the pain for voters in these countries. In fact, its choice was so uncontroversial that it never dominated the national political debate

Finally, Hungary and Romania were in the uncomfortable position that their electorates exhibited high levels of vulnerability to both external and internal adjustment: foreign-currency borrowing was widespread, but the significant need for rebalancing, coupled with relatively high levels of public debt (especially in Hungary) and an overheated economy (especially in Romania) made voters vulnerable to internal adjustment as well. As a result, policymakers adopted mixed adjustment strategies that were implemented in a piecemeal

fashion and included outside support from the IMF. Since any adjustment hurt voters, it is not surprising that the incumbent governments in these countries faced significant political problems and electoral challenges in the wake of the crisis.

The experience of these countries (and others) shows that in order to successfully respond to balance-of-payments problems, it is helpful to evaluate the vulnerability of voters to different types of reform strategies. It also shows that despite its painful nature, internal adjustment is in fact a real option to pursue when the costs of external adjustment are exceedingly high.

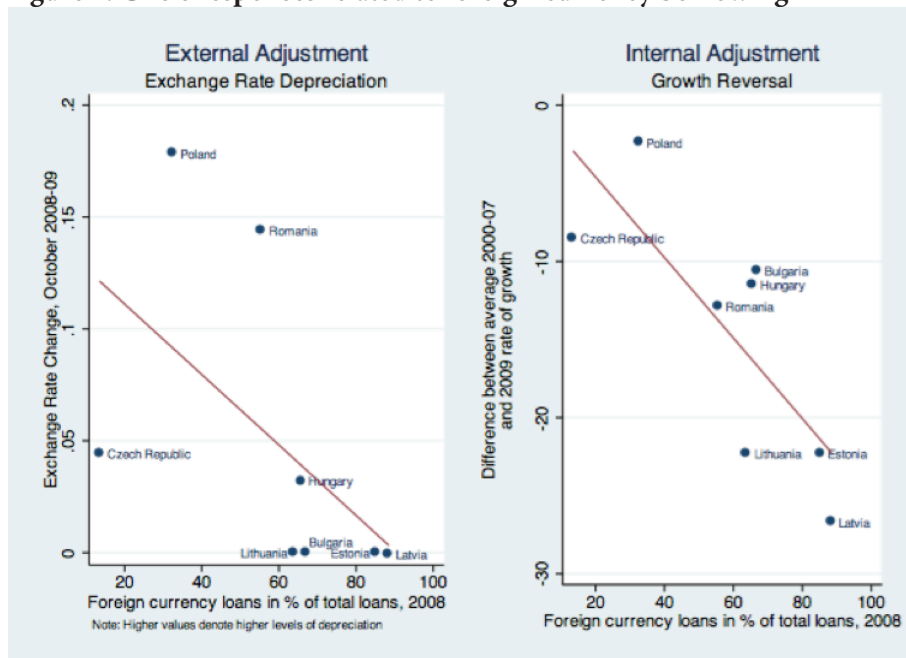
This should bode well for the peripheral EU countries that are currently embarked on a path of internal adjustment through austerity. However, there are important differences between those countries and the Eastern European countries that successfully adjusted internally. Most importantly, the costs of internal adjustment was mitigated in the Baltics and Bulgaria through flexible labor markets, large pre-crisis wage increases, and sound public finances. In comparison with

these countries, inflexible labor markets and other structural problems, fiscal deficits and lower pre-crisis wage increases imply that the cost of internal adjustment is much higher to voters in the Eurozone crisis countries, as evidenced by demonstrations and political upheavals in many of these countries. This suggests that the current strategy pursued to resolve the eurozone crisis may not be successful. Rather, the scenarios of a continued financing of the deficits through the surplus countries in form of a transfer union or a delayed external adjustment through an eventual breakup/reform of the Eurozone remain distinct possibilities.



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Figure 1: Crisis responses related to foreign-currency borrowing



The Politics of Economic Adjustment: Technocratic Appointments and Representation in Economically Advanced Parliamentary Democracies

by Despina Alexiadou and Hakan Gunaydin

During the current debt crisis in Europe a number of unelected ministers have been appointed to government to resolve the economic crisis. Commentators argue that such appointments hurt democracy and are unlikely to succeed. However, appointments of un-elected ministers with policy expertise, defined here as technocrats, are not unique to the current economic crisis. Nonetheless, to this day, we have little understanding of the economic impact of unelected ministers. This essay asks the following two questions: First, when do prime ministers appoint technocrat ministers over partisans? Secondly, are technocrat ministers more or less able than partisan ministers to implement policy reforms?

The lack of attention given by the literature to the appointments or to the policy effects of technocrat ministers whose policies have critical redistributive effects, such as ministers of finance, employment or social affairs, is surprising. Instead, the literature has either focused on the appointments of non-partisan ministers, irrespective of their expertise or their portfolio (Neto and Strom 2006; Yong and Hazel 2011) or the appointments of 'technician' ministers, defined as those who have training in economic policy, irrespective of whether they are elected as members of parliament or not (Hallerberg and Wehner 2013). To our knowledge, there is no literature on the policy effects of technocrats versus partisan ministers.

The literature provides two main reasons for the appointment of non-partisans: the lack of policy expertise within the party parliamentary group (Blondel

1991; Yong and Hazell 2011) and the lack of trust between coalition partners in the cabinet (Neto and Strom 2006). Interestingly, it has failed to theorize ministerial appointments of non-partisans on the basis of their expected policy effects and/or their ideological profile. The only exception is Blondel (1991), who argues that technocrats are concerned only marginally with the political implications of the tasks they perform and are also more secure than partisans as they can expect to return to their original professions when they leave the government.

Building on this significant difference between partisan and technocrat ministers, we predict that technocrat ministers, who have no intention of being elected, are more likely to implement politically controversial reforms than

Social democratic technocrats are associated with both lower social spending and lower debt which clearly indicates that they are appointed specifically to go against their party's traditional policy agenda

partisan ministers, who pursue a political career. Unlike partisan ministers who are expected to implement policies favored by their party or their electorate, technocrats are expected to have strong policy views in line with their professional training and are usually explicitly appointed to initiate and implement a policy reform. This argument leads us to the first testable hypothesis that unlike partisan ministers who fear the political and electoral costs of unpopular policies, technocrats bear no political or personal cost and are thus more likely to deliver policy reforms.

Hypothesis 1 is in no way trivial or self-evident. While technocrats might be

more decisive with their policy mandate due to outside career options, they might be 'forced' out of their ministerial job before they complete the reform if the party turns against them. In contrast, partisan ministers, and especially those with political experience, could be more successful in mobilizing the party base and in achieving party discipline.

The next question we address is: When does a prime minister appoint an expert who might diverge from the party median or who will completely ignore a party faction? We argue that technocrats are more likely to be appointed when the cost of policy reform for partisan ministers is too high. For example, technocrat finance ministers are more likely to be appointed when the government must reduce debt but a significant number of party members are not committed to this policy reform. Thus, we argue, we cannot predict the appointment of partisan or technocrat ministers unless we take into account, firstly the ideological placement of technocrats vis-à-vis the political party that appoints them, and secondly intra-party politics. This brings us to our second testable hypothesis that technocrat ministers who deal with economic and social policies are more likely to be appointed in the presence of intra-party ideological conflict, which should increase during times of economic distress.

The logic of ministerial appointments should differ dramatically between economically liberal parties and in social-democratic parties over the last thirty years, as governments had to respond to the distributional consequences of de-industrialization and financial globalization. The shift in economic thought from Neo-Keynesian economics to Neo-Classical economics in the 1980s has meant that technocrats are ideologically placed to the right from the average social-democrat party member.

We test the two hypotheses using a unique dataset which codes ministers

Table 1: Appointments of Technocrat and Partisan Ministers of Finance, Employment and Social Affairs in 14 Parliamentary Democracies

Country	Technocrat Ministers	SD. Technocrat Ministers	Partisan Experts	SD. Partisan Experts
Austria	35	16	52	33
Denmark	7	3	123	52
Finland	37	9	95	24
France	70	17	85	27
Germany	12	0	90	23
Greece	27	10	158	81
Italy	21	1	345	86
Netherlands	42	4	79	11
Norway	41	31	102	70
Portugal	65	29	90	49
Spain	16	7	139	70
Sweden	11	5	109	82
United Kingdom	1	0	159	62
Total	385	132	1720	676

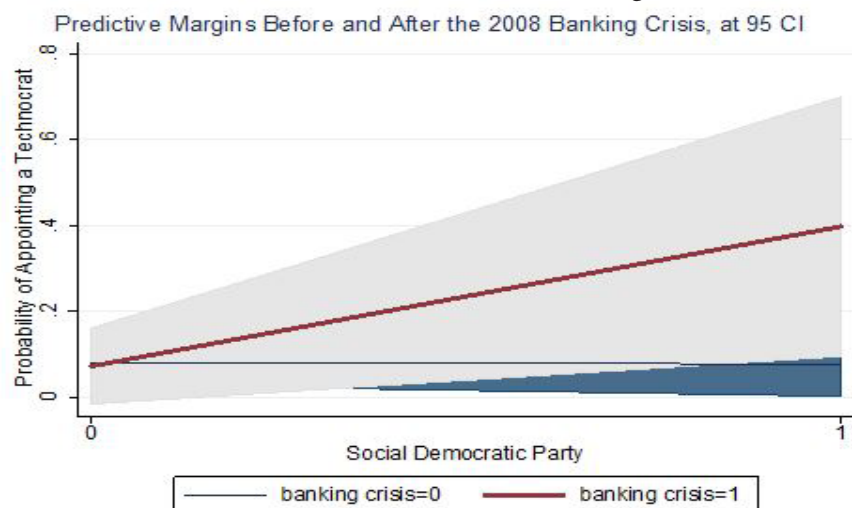
of finance, employment, and of social affairs as partisan experts, and technocrats, appointed by social-democratic or center-right political parties. Partisan experts are ministers who were elected MPs and who had worked as economists, bankers, lawyers, top civil servants, or CEOs prior to their ministerial appointment. Technocrats are coded as the ministers who were never elected at the lower parliament AND who have never worked as trade union officials or been elected at the regional or local level. The vast majority of these ministers tend to have a technical background, such as professors of economics. The dataset spans from 1945 to 2010 and covers 13 parliamentary democracies. Table 1 summarizes the data.

The results support our expectations. Our first central finding is that center-right technocrat finance ministers result in significant reductions in GDP growth levels but have no significant effect on changes in debt levels or on social spending. In contrast, social democrat technocrats are associated with both lower social spending and lower debt, which clearly indicates that they are appointed specifically to go against

their party's traditional policy agenda.

The second central finding is that social democratic prime ministers prefer technocrats when they are faced with a major banking and financial crisis. Figure 1 illustrates the effect the 2008 banking crisis had on technocratic appointments by social democrats. This finding confirms our prediction that technocratic appointments are particularly controversial for social democrats and it takes a large economic crisis for

Figure 1: Probability That a Social-Democrat Party Leader Appoints a Technocrat Minister Before and After the 2008 Banking Crisis



their appointments to be justified.



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Fiscal Consolidation in Europe: Effects on Administration

by Walter Kickert and Tiina Randma-Liiv

As part of an EU funded research project -- "Coordinating for Cohesion in the Public Sector" (COCOPS, www.cocops.eu) -- that we are coordinating, a team of scholars is carrying out an international comparative study of the responses of national governments to the fiscal crisis. The study includes 14 countries: Belgium, Estonia, France, Germany, Hungary, Iceland, Ireland, Italy, Lithuania, the Netherlands, Norway, Slovenia, Spain and the United Kingdom. This research project has so far resulted in a review of the literature on cutback management in the 1970s and 1980s (Raudla, Savi and Randma-Liiv, 2013), and in a trend report on fiscal consolidation in Europe (Kickert, Randma-Liiv and Savi, 2013). The trend report draws on the main outcomes from the country studies carried out by the COCOPS partners and affiliated researchers, plus the outcomes of the 'executive survey on public sector reforms in Europe' which was sent out to more than 21,000 senior civil servants in Europe and had a response rate of 24 percent.

The global financial, economic, and fiscal crisis is undoubtedly the most important and urgent problem that Western states face today, and it will continue to be a challenging issue for several years to come. In this research project, we studied the fiscal consolidation measures taken by governments and the political decision-making processes that led up to the consolidation measures. In addition to financial and economic explanatory factors, we used political-administrative factors and external influences to explain the consolidation process. The research project also studied the effects of the fiscal crisis on public administration and management.

The effects of the fiscal crisis on reform

of the administration were mainly related to the size and extent of the expenditure cutbacks, especially the cuts to the administration itself. Countries that were most severely hit by the crisis and had to carry out most cutbacks did experience administrative reforms. This was most visible in countries where the crisis could not be solved by the national government and which had to be bailed out by the International Mone-

The previous financial-economic crisis in the 1980s resulted in a major reform movement in Western administrations called New Public Management

etary Fund (IMF), the European Central Bank (ECB), or the EU, and where the bailout was conditioned upon imposed reforms.

Hungary, Iceland, and Ireland belong to this category. The banking crisis in Iceland was solved by the IMF. The eurozone crisis in Ireland was solved by the IMF, the ECB and the EU. The bailouts were strictly conditioned upon specific budgetary and administrative reforms. The crisis in Ireland, in particular, forced a number of sweeping and unprecedented state retrenchment and reform measures. In Hungary the landslide victory of the center-right FIDESZ party in the 2010 general elections enabled the new Orban-led government, backed by a two-third parliamentary majority, to engage in far-reaching state and administrative reforms. Italy was hardly affected by the banking crisis, It

experienced a mild economic crisis, but was severely hit by the eurozone crisis. Here too the ECB massively bought up state bonds, which led it to make some 'recommendations' for budgetary reform. The ECB refrained from requiring

specific administrative reforms, as Italy was known for failing to implement successfully such reforms. Even the broad-based technocratic Monti-government failed to implement administrative reforms. The regional reform in Italy has been considered unrelated to the crisis. The United Kingdom underwent a severe economic crisis and a severe fiscal crisis, prompting the new coalition government to make unprecedented and unequalled cutbacks, also to its administration. Major administrative reform measures were taken, partly even larger and deeper than in some bailed-out countries.

A second group of countries could be discerned where less drastic, mainly managerial efficiency-oriented reforms were made. In many European countries, administrative reforms, cost-efficiency measures, and operational-managerial reforms were normal 'modernization' practice already long before the fiscal crisis. The expenditure cutbacks resulting from the current crisis did not cause such reforms, but did enhance their necessity.

In the Netherlands, cost-efficiency reform and cutback programs to the national administration existed before the crisis. The reforms were typically operational-managerial. The crisis boosted the necessity, but the already existing reform plan was not altered. The crisis created a window of opportunity for national government to push through long-awaited reforms of provinces and municipalities.

Belgium had carried out a major administrative reform program in the federal administration (Copernicus) long before the financial and fiscal crisis. The crisis did not lead to any substantial administrative reforms in Belgium.

In France, the structural reforms of the administration were not the result of the 2008 financial crisis but had already been designed in 2007. Shortly after the election of President Sarkozy a General Public Policy Review was launched to 'rethink the state' in the context of the fiscal problems. The aim was to reduce

Table 1: Relations Between Fiscal Crisis and Public Administration Reforms

	BE	DE	EE	ES	FR	HU	IE	IS	IT	LT	NL	SI	UK
Crisis caused new reforms	-	-	-	+	-	+	+	+	+	+	-	+	+
New reforms planned	-	-	-	+	+	+	+	+	+	+	-	+	+
New reforms carried out	-	-	-	+	-	+	+	+	-	+	-	+	+
Crisis boosted existing reforms	-	+	+	+	+	+	-	-	-	+	+	-	+
Crisis hindered existing reforms	+	-	-	-	-	-	+	-	-	-	-	-	-
Postponement of existing reforms	-	-	+	-	-	-	-	-	-	-	-	-	+
Cancellation of existing reforms	-	-	-	-	-	-	+	-	+	-	-	-	+
Crisis and reforms were unrelated	-	-	-	-	+	-	-	-	-	-	-	-	-

the size of government and to increase managerial efficiency of bureaucracy. A drastic reorganization of the national administration was carried out, as well as a reform of the territorial state administration. These reforms were clearly related to fiscal problems and aimed at cutbacks.

In Germany, administrative reform has been hindered by the legalistic state and bureaucracy. State officials (Beamten) cannot be removed nor can their salary be cut. In Germany, administrative reform usually does not take place at the national level but at the local or regional (Länder) level.

In Estonia, administrative reforms have been carried out by cost-efficiency motives since the early 2000s, even during the years of the economic boom. This has to do with the anti-state attitudes among the citizens fuelled by consecutive right-wing governments. The fiscal crisis helped the government to carry out efficiency-oriented public service reforms that had been turned down earlier. Table 1 summarizes the relationship between the fiscal crisis and administrative reforms in the countries studied.

The previous financial-economic crisis

in the 1980s resulted in a major reform movement in Western administrations called New Public Management. The question is whether the current financial-economic crisis will again lead to a specific administrative and managerial reform trend. Although several countries report tendencies towards centralization and strengthening of central control over financial and human resources, it is not yet possible to make generalizations about certain crisis-related reform trends in Europe as the fiscal consolidation decision-making in many European countries only started in 2010, and in several countries the stage of resolute cutback management was reached only in 2012. Consequently, long-term impacts are still far away, however, short-term impacts of the cutbacks are beginning to appear and it is possible to trace preliminary tendencies on the impact of the crisis on public administration.



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Datasets

Volume 23, Issue II, Fall 2013

Monkey Business

by Macartan Humphreys

I am sold on the idea of research registration. Two things convinced me.

First I have been teaching courses in which each week we try to replicate prominent results produced by political scientists and economists working on the political economy of development. I advise against doing this because it is very depressing. In many cases data is not available or results cannot be replicated even when it is. But even when results can be replicated, they often turn out to be extremely fragile. Look at them sideways and they fall over.

Second I have tried out registration for myself. That was also depressing, this time because of what I learned about

Writing down the details of analysis in advance made it obvious how much I am used to drawing on outcome data when crafting analyses and writing.

how I usually work. Writing down the details of analysis in advance made it obvious how much I am used to drawing on outcome data when crafting analyses and writing. More broadly that's how our discipline works: the

most important peer feedback we receive, from reviewers or in talks, generally comes after our main analyses are complete and after our peers are exposed to the patterns in the data. For some purposes that's fine, but it is not hard to see how it could produce just the kind of fragility I was seeing in published work.

These experiences convinced me that our current system is flawed. Registration offers one possible solution.

Rationales & Counterarguments

In a recent paper Peter van der Windt, Raul Sanchez de la Sierra and I proposed a voluntary and nonbinding registration system for political science: one in which no one has to register and even if they do they have license to deviate from plan. The carrot is some form of recognition by journals that an article is "registration compliant"—by, for example, putting a badge on the front page of the article. The basic idea is extremely toothless. Say what you plan to do before you do it—or don't, if you don't want to. Just be clear one way or the other.

Toothlessness notwithstanding, there have been plenty of negative reactions to this. Here are six of the most important arguments and some thoughts on each of them.

1. The real problem is classical hypothesis testing and that's what should be gotten rid of. The problem of data fishing is especially obvious

for classical hypotheses testing, especially given its focus on arbitrary thresholds and the seemingly unbearable pressure to be significant. But we think anyone can fish. All you need is a pool. Bayesians can do it as well as the next person by selecting models that produce outcomes they like.

2. The real problem is one of multiple comparisons and so people just need to improve their analyses. The fishing problem sometimes sounds like a multiple comparisons problem for which there are many correctives. That is right as far as it goes. But it is still possible to make a mess of a multiple comparisons problem but not fish and it is also possible to engage seriously with the multiple comparisons problem but still fish (by being selective about which multiple comparisons analysis you report).

3. Registration and replication are substitutes. Some argue that we should be focusing more on replication than registration. But setting registration and replication up as rivals seems a little contrived. Both are consistent with the broader goal of research transparency and they may

Dataset Review Submissions

If you have submissions for the dataset review section of the APSA-CP Newsletter, please email kayser@hertie-school.org.

well act as complements: posting detailed plans for analysis likely makes the path to replication easier.

4. Registration will force people to implement analyses they know to be inappropriate. Another worry is that under registration norms researchers would be bound to follow analysis plans that they know to be suboptimal once they encounter the data. I think this argument is a bit of a red herring. Many analyses that have used analysis plans deviate from them in some way or other (and state when they do). This is not necessarily a problem since registration can still have a powerful communication function even if there is no formal commitment function (that's the key point Humphreys et al (2013)). Registration clarifies when analysis decisions have been informed by results and when not.

5. Registration will facilitate plagiarism. In principle it is possible that someone registers a research design and then someone else steals the design. But there is a simple solution to theft risks which is to allow an option of keeping designs private until such time as they are published.

6. Registration will prevent exploration. Perhaps the most common concern is that registration will prevent exploratory research. A lot of what political scientists do is exploratory, and probably has to be. Under a registration regime there would be at least five strategies that researcher could use if they wanted to focus on exploration.

a. Declare that what you want to do is not amenable to ex ante description and signal that by not registering.

b. Do principled exploration (such as (proper) datamining) and register the process used for knowledge discovery.

c. Declare that really you are interested in the estimation of quantities, not tests of claims about quantities.

d. Register some weakly motivated hypotheses and ignore the data when it is trying to tell you that you have picked up the wrong end of the stick.

e. Forgo exploratory analysis altogether.

I think (a), (b) and (c) all have clear benefits over the current approach. The key risk is that rather than becoming more transparent (by doing a or b) research just becomes more obviously silly (d) or more conservative (e).

Of these six arguments, the last is probably the most important. But to be clear the biggest problem here is not that exploration would be impossible under registration norms but that the incen-

But to be clear, the biggest problem here is not that exploration would be impossible under registration norms but that the incentives to explore would be reduced.

tives to explore would be reduced. Or put another way, if in our field incentivizing exploration requires a mechanism that makes it impossible to know when it was actually happening.

What does the future hold?

Let me close by going off the deep end and registering some predictions right here. These are things I expect to happen, mixed in with things I hope to see happen.

1. Registration will happen. My first prediction: I think it is inevitable that we will see some sort of move towards registration in political science.

2. Who will do it? I expect that experimental researchers will take the lead on this but I hope that any registration initiatives in political science will create a facility that can be used for both observational and experimental research since the problem of data fishing is general.

3. Will there be bite? Present proposals have no bite in the sense that registration is not formally required by anyone. But I expect there will be bite if the effect of recognition for some meant that researchers would feel that their claims to be conducting formal tests will not be taken seriously if they don't state those tests up front.

4. Handling nulls. I think it likely that when people start registering more we will start seeing more null results; perhaps reflecting more accurately how hard it is to make robust predictions about complex processes. Responses to this will include a focus on larger studies with stronger ex ante motivation. In addition there will be a broader shift in the goals of analysis to move from testing to estimation.

5. Language shifts. I optimistically predict that registration norms will make us both more accepting of, and more demanding of, exploratory research and that this will be reflected in writing.

6. Development of methods for assessing claims in light of past knowledge. The benefits of registration are clearest for analyses of data that is not available at the time of registration. With historical data we often already know lots about patterns before we undertake any new analysis and so the gains from registration are less obvious. Given the importance of historical work in the discipline, we will have to develop different ways of distinguishing novelty from confirmation in the analysis of historical data.

7. Peer review will be pushed forward. As registration takes off we might find that when reviewers demand new analyses ex post, researchers will push back against what they see as vicarious fishing. Insofar as

review provides support (and not simply a verdict) there may need to be innovations to shift components of review processes to take place prior to research implementation.

So there it is. Seven predictions, most of them vague. A good chance I think that at least one of them will work out.



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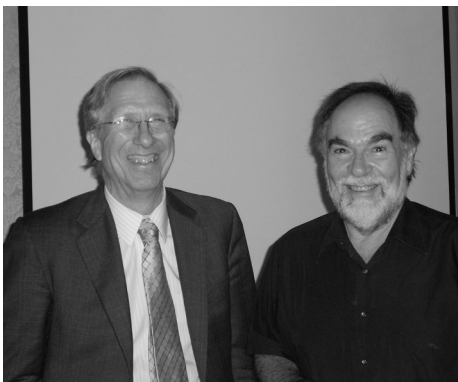
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Robert Woodberry, National University of Singapore, The Missionary Roots of Liberal Democracy (*American Political Science Review* 106(2): 244-74)

Luebbert Best Book Award

The Luebbert Book Award is given for the best book in the field of comparative politics published in the previous two years.

Fotini Christia, Massachusetts Institute of Technology, Alliance Formation in Civil Wars (Cambridge University Press 2012)

Sage Best Paper Award

The Sage Best Paper Award is given to the best paper in the field of comparative politics presented at the previous year's APSA Annual Meeting.

Noam Lupu, Juan March Institute and University of Wisconsin, Madison, "Rethinking the Comparative Perspective on Class and Representation: Evidence from Latin America"

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