

Economic Voting: Does the Announcement Day Matter for a Candidate?

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Abstract

To attempt to predict the election results is the one of important subjects in the political economy. The economic voting literature has emerged within the political economy context to explain the winning probability of an election. The mainstream of this literature has dealt with the many issues but none has looked into the effect of the length of the time duration left until the Election Day. The time of announcement and the length of the campaign time remains to an election should be scheduled for the particular candidate. Each candidate announces candidacy on a different day, so the length of duration of the campaign time to Election Day will be different.

In this study, we attempt to analyze the relationship between the time to announce candidacy for mayor in the local elections and the probability to be elected. In this study we propose a situation whether the candidate will be a mayor or not as binary election model and put it as a dependent variable into the model. Independent variables included in the estimation are a dummy variable (i.e. whether the candidate was the mayor in the previous term or not) and the time variable (i.e. the length of the campaign duration for a candidate) which is object of this study. Data obtained from local elections held in 2014 in Turkey. We have 843 cross section observations across city municipalities and town (district) municipalities. The result of the logistic regressions suggests that the length of the campaign duration affects the success of election. In other words, too early announcement of the candidacy will be the reason for losing the election. According to our results, being the mayor in the previous period increases the chance to win the election.

Keywords: Political Economy, Elections, Economic Voting, Candidacy Time

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Ekonomik Oylama: Adaylık Açıklama Zamanı Aday için Önemli mi?

Özet

Seçim sonuçlarını tahmin etmeye çalışmak politik ekonominin önemli konuları arasındadır. Seçim kazanma olasılığını açıklamak adına Ekonomik Oylama literatürü politik ekonomi kapsamında ortaya çıkmıştır. Bu ana akım literatür bir çok konularla ilgilenmiştir ancak seçim tarihine kadar kalan sürenin seçime etkisi araştırma konusu yapılmamıştır. Adayın adaylığını açıklama tarihi ile seçime kalan süre ilgili aday için belirlenmiş olmaktadır. Her aday farklı tarihlerde adaylığını açıkladığı için her aday için seçime kalan süre farklı olacaktır.

Bu çalışmada adayların belediye başkanlığına adaylıklarını açıklama süreleri ile seçilme olasılıkları arasındaki ilişki incelenmektedir. Bu çalışmada adayın belediye başkanı olup olmaması durumu bir binary seçim modeli olarak kurgulanmış ve bağımlı değişken olarak modele girmiştir. Bağımsız değişkenler adayın iktidar partisinden olup olmaması, bir önceki dönemde de başkan olup olmaması durumu ve ilgili aday için seçime kalan süredir. Veriler 2014 yılı Mahalli İdareler seçim sonuçlarından elde edilmiştir. Toplamda 843 il ve ilçe belediyeleri üzerine yatay kesit gözlemden oluşmaktadır. Logit regresyonları sonucu elde edilen bulgular seçime kalan sürenin seçim başarısını etkilediği yöndedir. Diğer bir ifadeyle, adaylığı çok erken açıklamak seçimi kaybetmesine neden olmaktadır. Elde ettiğimiz sonuçlara göre bir önceki dönemde de başkan olanların seçimi kazanma olasılıkları artmaktadır.

Anahtar kelimeler: Politik ekonomi, Seçimler, Adaylık Zamanı

1. Introduction

Why do we vote? Voting is one of the main pillars of the democracy and it is expensive democratic process as participating in the national democratic process costs time and money. While voters are influenced by many economic and political factors, voter's own personal characteristics also matter in his/her voting behavior. There might be various factors such as financial situation of a country, party ideology, performance of a government's party and Candidate's personal characteristics affecting the election outcome for a candidate. Exogenous factors like mass media's attitude toward candidate might also influence voter's behavior (see Hetherington 1996, Chandrappa 2012).

The economic voting literature to explain the winning chances of a candidate has emerged within the political economy literature. Vote functions have been introduced in the economic voting literature to explain the winning chances of a candidate. The term "economic voting" defined by Lewis-Beck and Paldam (2000:113) as "a field that mixes economic and political science and does so by means of econometrics". The economic voting theory is actually based on the responsibility hypothesis: voters hold the government responsible for the past development of the economy.

The literature has pursued many hypotheses and tried to find evidence to prove them. However, the issue of time concept in the election process has not been dealt with. The intriguing question is that whether it matters for a candidate when to submit candidacy. In this study, we will try to find out any affect that time duration left until Election Day has.

The paper is organized as follows. Next section briefly reviews the literature and main findings will be presented. Section three describes the data set and gives some descriptive statistics and model the vote function in our case. Section four gives the regression results of logit regression. Finally, section five concludes the paper.

2. The Literature Review

After reviewing the literature, Nonnestad and Paldam (1994:213) come up with well-known VP function, which "explains the support for the government as a function of economic and political outcomes" and it can be written in this form;

$$VP=f(e,p) \quad (1)$$

Where VP function has an e-part (economic) and p-part (political) while explaining the voter's support for government. Most of the researchers concentrate on the economic effects since the variable e-part is easier to obtain. E-part is measured by economic performance (it is either percentage growth (g) the real national income over the first two quarters of election year, or unemployment rate (u) in the quarter preceding the election quarter, and E also includes inflation rate (π) six months prior to election (Lewis-Beck et al, 2004; Lewis-Beck, 2005:160)). About p-part of the model, on the other

hand, researchers mostly did not include the genuine political variables (Nannestad and Paldam, 1994:217).

To test the relationship between the vote and economics, several assumptions/ hypothesis have been discussed in the field. Results from macro studies indicate that the economic growth rate will be positively associated with the vote percentage received by the incumbent party and the rate of unemployment (and the rate of inflation) will be inversely associated with the vote percentage received by the incumbent party.

While the literature divided on the issues whether voter's retrospective or sociotropic and grievance of asymmetry holds or not, main results point that the effect of the big two (π and g) is present, the voter's myopia is valid assumption and the ruling incurs cost to the incumbent government (Paldam, 2008).

The results in general indicate that *the economic vote* almost always achieves statistical significance and it also registers a strong effect. The big two (u and π) are expected to have negative coefficients but later the big two have become u and g , rather than u and π , as it has been difficult to find papers that point to inflation's effect on vote (Lewis-Beck and Stegmaier 2013).

The results indicated that only one or two months appear to work or in quarterly models that only one quarter is needed (Nannestad and Paldam 1994). Thus results imply that the voters are myopic. At the macro level assuming a short lag structure, generally of one year, voters' myopia is found to be present (Lewis-Beck and Stegmaier 2013). Voters seem to take account of only past year's events when they go the ballot box as Paldam (2008:540) asserts that "The decision process tends to have a short time horizon. The political life of a decision maker is uncertain and pressures are high".

Results suggest that reward /punishment mechanism is not robust across countries and varies from time to time (Lewis-Beck and Paldham 2000). Lewis-Beck and Stegmaier (2013:380) argue that "VP functions tend to be rather stable, once relevant institutional features are incorporated into the specification". Therefore, further researches are expected in the field to explain the economic vote. The literature has pursued many hypotheses but the issue of time concept in the election process has not been dealt with. The intriguing question is that whether it matters for a candidate when to submit candidacy. In this study, we will find out any affect that time duration left until Election Day has.

In Turkey, the presence of economic vote has been tested by several authors using micro data (e.g. Sezgin 2007, Özcan 2000, and Başlevent et al. 2009) and macro data (Akgün 1999, Akarca and Tansel 2006, Köksal et al. 2009, Yüksel and Civan 2013, Akarca, 2014). Main findings in Turkish studies suggest that while the growth rate affects the incumbent government's election success positively (Akarca and Tansel 2006; Akarca 2014; Sezgin 2007; Yüksel and Civan 2013; economic crisis has negatively impact on incumbent party (Başlevent et al. 2009, Köksal et al 2009), unemployment and inflation has negatively affected (Akarca and Tansel 2006; Sezgin 2007; Yüksel

and Civan 2013; Akarca, 2014).

Next section describes the data set and gives some descriptive statistics and model the vote function in our case.

3. Methodology and Data

We propose a model that whether the candidate will become a mayor or not as binary election model and put it as a dependent variable into the model. To explain the winning chances of a candidate, we use standard logit model. As it is very well known (Maddala 1983),

$$y_i^* = \beta x_i + u_i \quad (2)$$

Actually y_i^* is unobservable, instead, we observe a dummy variable y_i , where a candidate become the mayor of the city or not.

y is 1 if $y^* > 1$

y is zero otherwise. Therefore we have

$$\begin{aligned} \text{Pr ob}(y_i) = 1 &= \text{Pr ob}(u_i > -\beta' x_i) \\ &= 1 - F(-\beta' x_i) \end{aligned}$$

Where F function is cumulative distribution function for u_i . If the cumulative distribution is logistic, then we have a logit model. In our model here, the independent variable matrix includes two variables: remaining days to election and the dummy variable that whether the candidate was the mayor previously or not. Likelihood function is estimated by maximum likelihood to estimate the β s. Likelihood function is

$$L = \prod_{y_i = 0} F(-\beta' x_i) \prod_{y_i = 1} \left[1 - F(-\beta' x_i) \right] \quad (3)$$

After β s were estimated by maximizing the likelihood function above, we get the election probabilities as follows:

$$\text{Probability of election} = \frac{\exp(\beta' x_i)}{1 + \exp(\beta' x_i)} \quad (4)$$

Data obtained from the results of local elections held on March 29, 2014 in Turkey. Various web sites of local and national newspapers have been scrutinized and we recorded each candidate's announcement date³. Data on Mayors are obtained from Supreme Election Council (YSK) official

³ Data are available from the authors on request. We would like to thank to Mr Onur DURUKAL for help.

website (www.ysk.gov.tr). We gathered data on 3 main political parties (AKP, CHP and MHP) as they had candidates run for the local election across whole country. In total we have 843 cross section observations across 281 municipalities.

Table 1. Descriptive Statistics

	Obs.	Mean	Std.Dev.	Min	Max
Winning mayorship	843	0.33	0.46	0	1
Remaining days to election after the time of announcement	843	111.56	37.84	35	182
Previously mayor	843	0.29	0.45	0	1

We followed candidates of three main political parties in each city. Therefore, one out of three was elected. In Table 1, remaining average days before the election is 111.56. Earliest candidacy date is 182 days before the election while latest candidacy date is 35 days before the election. The table indicates that 29 percent of candidates were previously already mayors.

Singer argues that (2011:285) “The economy represents only one of many possible bases for evaluating the incumbent’s competence”, and hence Stiers et al (2017:4) stated that voters evaluate the government’s performance on other policy domains such as the perception of government corruption and satisfaction with the government’s performance ‘in general’. In this study we will also relax the assumption that voters evaluate the government based on the state of economy (see Stiers et al. 2017). We thus have included only political variable and a time variable i.e the duration of a campaign time remains until the election day.

4. Results

Table 2 shows three different dimensions of logit regression. Marginal effects and odds ratio are all significant. It can be observable in the table that remaining days have a significant effect of being elected as a mayor. Thus, an earlier announcement of candidacy reduces the probability to get elected. It would be highly likely that early announcement gets the candidates’ negative features appear in public. It might be likely that rival candidates practice negative campaigns against each other. In another words, in earlier announcement, there will be enough time for negative campaign about candidates.

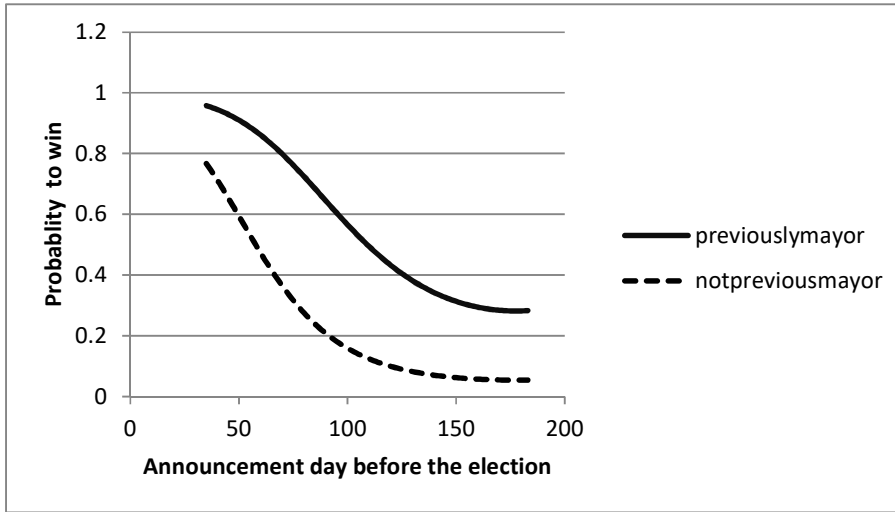
Table 2. Results of Logit Regression

	Logit Regression		Marginal $\beta' x_i$ Effects		Odds Ratios	
	coef.	z-value	dy/dx	z-value	Odds ratios	z-value
Remaining days	-0.071***	-4.14	-0.04***	-4.06	0.93***	-4.14
Square of remaining days	0.0002***	3.3	0.00004***	3.25	1.00***	3.3
Previously mayor	1.93***	10.9	0.42***	11.45	6.92***	10.9
constant	3.43***	3.37				
Obs.	843		843		843	
Pseudo R Sq.	0.194					

Note: *, **, *** denote level of significance at 10%, 5%, 1% levels, respectively.

Nonnestad and Paldam (1994) state that voters generally do not look back for more than one quarter or even two months before the elections to evaluate the government’s performance. Voters would be myopic because they “might only become politically engaged and informed when the election comes close and only use their evaluations of that point, or decide not to use previous information they dispose of when making up their mind as the most recent information would be most informative” (see Stiers Dassonville and Lewis-Beck 2017:5). Our result is also in line with voter’s myopia assumption in the economic voting literature. Perhaps, as Paldam (2008:540) asserted, it is true that “The decision process tends to have a short time horizon. The political life of a decision maker is uncertain”. Our results indicate that when voters go to ballot box, they have might be influenced by a candidate who submitted the candidacy most recently.

Figure 1. Probability to win elections for previous mayor



The probability of election calculated according to equation 4 is given in Figure 1. It shows the pattern of probability with remaining days. There is a negative although not linear relationship between probability of winning the local election and becoming a mayor and timing of announcement of candidacy for local election. We can see that if a candidate explains his or her candidacy very earlier, that person has smaller probability to win the election. Figure 1 also shows that if a candidate is already a mayor then he or she has higher probability to win the election.

5. Conclusion

The economic vote theory to explain the winning chances of a candidate has tested many arguments but the time concept has not attracted any attention from the scholars. The previous studies in the economic vote literature stated that voters are myopic i.e. voters do not evaluate the government performance over the whole duration of the term, but rather takes performances close to election day into considerations. Our result also supports the argument for myopia assumption in voting process. The time duration might be important for voter to evaluate the candidates. If voters are not given enough time horizons to evaluate then they might just look recent developments in their local areas.

We included pure political variables in the estimation. Future studies should also include economic variables in the model. Our results might give valuable information to politicians as well. The political party leaders should consider the announcement time for their candidates at least running for a local election in order to increase election success. Also, party leaders should bear in mind renomination of a mayor since if the candidate who is currently a mayor is running for the second term in the municipal office, then his/her probability to win the election is higher.

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