Policy Shifts and Endogenous Valence of political Parties

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Introduction

Electoral consequences of parties' policy shifts
- Party-voter policy distance (proximity effects)
- Voters' inference on the quality of the party (**Valence effect**)

Exiting explanations focusing on the valence effect (Tavits 2007)
- Evidence (**Party-level data**)
  - Shifts in pragmatic issues: voteshare gain
  - Shifts in principled issues: voteshare loss
- Logic (**Individual voters' responses**)
  - Pragmatic issues: responsiveness
  - Principled issues: consistency
- Problem
  - party-level data and individual voter-level logic
  - No control for proximity effect

Levels of Analysis

Party-level data
- Policy shifts in party manifesto → vote choice
- Policy shifts in party manifesto → **voters listen to and recognize such shifts** → vote choice
- Evidences that party shifts in manifesto and voter perceptions do not match

Individual-level data
- Party shifts perceived by voters → vote choice
- Setting aside the relationship: manifesto → voter learning

Hypotheses

H (Valence effect): Controlling for proximity effects, party shifts affect voter utility.
- H1 (Inconsistency penalty): In value-related issues, party shifts decrease voter utility.
- H2 (Responsiveness reward): In pragmatic issues, party shifts increase voter utility if the voter-party distance has decreased between elections, and vice versa.

$$u_{ij} = -\sum_{k \in K} \beta_k |x_{ik} - z_{jk1}| - \sum_{k \in P} \phi_k H_{ik} + \sum_{k \in R} \gamma_k I_{ik}$$

- x_{ik}: voter i's issue k position for each salient issue k
- z_{jk1}: party j's issue k position in the current election
- H_{ik}: 1 if party j is a shifter in value-related issue k in P in voter I's perception; and 0 otherwise
- I_{ik}: 1 if party j is a shifter and the shift was in the right direction in pragmatic issues k in R in voter i's perception; and 0 otherwise

Data and Variables

- Two British Election Panel Surveys
  - BEPS 1 (1992-1997) and BEPS 2 (1997-2001)
- Why Britain: Noticeable party shifts during the periods
- Why BEPS 1 and BEPS 2: same respondents were asked to place the parties and oneself on the same scale in the same five issues between two consecutive elections
  - Five issues: Taxation and Service, Unemployment and Inflation, Nationalization and privatization of industries, Redistribution, European integration
- Outcome variable: Vote choice in 1997 and in 2001
  - Three categories: Con, Lab and Lib
- Main exploratory variables
  - Absolute Move: party being a shifter or not, cutpoint 2
  - Closer Move: party being a closer shifter or not, cutpoint 2
- Controls: Voter-party policy distance in each issue, retrospective economic evaluation, party leader traits
- Multinomial conditional logit regression: Con as a base category

Results

Result 1: without controls

		1992-1997		1997-2001	
		Estimate	S.E.	Estimate	S.E.
Absolute Move	Europe	-0.11	0.18	-0.02	0.11
	Redistribution	-0.03	0.18	-0.16	0.11
	Unemployment	-0.28	0.18	-0.19	0.11
	Nationalization	-0.20	0.16	-0.14	0.11
	Taxation	-0.03	0.18	-0.24	0.11
Closer Move	Europe	0.31	0.16	0.69	0.10
	Redistribution	-0.03	0.16	0.22	0.10
	Unemployment	0.38	0.16	0.20	0.10
	Nationalization	-0.06	0.16	0.35	0.10
	Taxation	-0.12	0.15	0.32	0.10
	n	505		1338	
	Log-likelihood	-351		-931	

Result 2: with controls

		1992-1997		1997-2001	
		Estimate	S.E.	Estimate	S.E.
Distance	Europe	-0.18	0.05	-0.21	0.03
	Redistribution	-0.24	0.05	-0.23	0.03
	Unemployment	-0.20	0.06	-0.13	0.04
	Nationalization	-0.24	0.06	-0.15	0.04
	Taxation	-0.09	0.06	-0.18	0.04
Absolute Move	Europe	-0.08	0.21	0.01	0.12
	Redistribution	0.05	0.22	-0.09	0.12
	Unemployment	-0.34	0.22	-0.08	0.12
	Nationalization	-0.08	0.18	-0.05	0.12
	Taxation	-0.16	0.20	-0.09	0.12
Closer Move	Europe	-0.03	0.20	0.32	0.12
	Redistribution	-0.30	0.18	0.00	0.11
	Unemployment	0.18	0.19	-0.01	0.12
	Nationalization	-0.39	0.18	0.24	0.12
	Taxation	-0.14	0.19	0.08	0.11
	n	505		1338	
	Log-likelihood	-276		-783	

Result 3: continuous variables

		1992-1997		1997-2001	
		Estimate	S.E.	Estimate	S.E.
Distance	Europe	-0.17	0.06	-0.25	0.03
	Redistribution	-0.24	0.06	-0.25	0.04
	Unemployment	-0.25	0.07	-0.12	0.04
	Nationalization	-0.26	0.06	-0.18	0.04
	Taxation	-0.07	0.07	-0.23	0.04
Absolute Move	Europe	-0.03	0.05	0.03	0.03
	Redistribution	0.05	0.05	0.01	0.03
	Unemployment	0.05	0.05	-0.02	0.03
	Nationalization	0.01	0.05	0.02	0.03
	Taxation	-0.15	0.06	0.05	0.03
Closer Move	Europe	0.03	0.05	-0.02	0.03
	Redistribution	-0.08	0.05	-0.06	0.03
	Unemployment	-0.03	0.05	0.00	0.03
	Nationalization	-0.09	0.05	0.00	0.03
	Taxation	0.01	0.05	-0.04	0.03
	n	505		1338	
	Log-likelihood	-275		-784	

Conclusion

- No robust evidence that voters punish or reward the shifting parties, controlling for the proximity effects

- No evidence that each of the five issues had been consistently regarded as pragmatic or principled issue.

- What to do next?
  - Varying cut-points
  - Changing the concept of responsiveness
  - Using different variables for voter utility
  - More datasets