Approval of the government’s record and election outcomes, 1964-2010

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Abstract

This paper examines approval for the government from 1964 to 2010 using all the available data gathered from all the survey companies. It is divided into three parts. The first examines the measurement of approval and produces an approval ratio. The second examines the possible consequences of approval for votes in general elections from 1964 and also intention to vote for the governing party from 1961. It shows that there is a strong but not tautological relationship between approval and vote or support. The third examines the effect of systematic objective and subjective economic factors and non-systematic events on approval ratios from 1974.

Please note. This is a very preliminary version. Please do not cite without the author’s written consent.
Introduction

The government at Westminster is the central political actor in British politics. Approval of or satisfaction with the government has been measured since the late 1930s and almost every month since the early 1960s. Indeed, apart from the standard vote intention question the government approval series represents the longest time series on British public opinion that is available for analysis.\(^1\) This provides a valuable opportunity to establish the possible causes and consequences of this variable – in particular its role in explaining electoral outcomes.

This paper is divided into three sections. Section 1 examines how approval of the government has been measured by various polling organisations and whether the available indicators measure the same thing. Section 2 examines the most obvious consequences of approval of the government: its relationships with aggregate vote at general elections and political support in the monthly opinion polls. Section 3 examines what drives government approval, distinguishing between systemic economic influences and non-systemic events.

\(^1\)Estimates of the ‘policy mood’ (or aggregate preferences) produced by Bartle, Dellepiane-Avellaneda and Stimson (2011\(^a,b\)) are also inferred from 1950 to 2010.
1 Measuring approval

Throughout the world, the public’s evaluations of their governments’ records are topics of immense interest to political commentators and of central importance to the study of elections and party competition. In the United States the study of *presidential* approval is well-established as a sub-field in its own right and has spawned something of a mini-industry (Mueller, 1970, 1973; Ostrom, Jr. and Smith, 1993; Beck, 1991, 1992; Clarke and Stewart, 1994; Nadeau et al., 1999; Erikson, MacKuen and Stimson, 2002; Clarke, Stewart and Rodgers, 2005).\(^2\) In Britain most attention has focussed on party vote intentions as expressed in national opinion polls (Sanders et al., 1987; Clarke, Mishler and Whiteley, 1990; Sanders, Marsh and Ward, 1990) or prime ministerial approval (Clarke and Stewart, 1995). Surprisingly little attention has been paid to the government approval series.\(^3\)

Public approval of the government’s record is closely related to vote intentions and vote. Other things being equal, an individual is more likely to express an intention to vote for a government — and to vote for it — if they approve of its record. Approval of the government’s record is, however, conceptually distinct from either support or behaviour. Approval is a psychological state; voting is behaviour and a choice. The approval questions

\(^2\)Presidential approval is studied intensively in the US in part because one or both of the candidates is not in nominated until late in the summer of presidential election years. It is not possible to produce a valid monthly vote intention series.

\(^3\)The next stage of this research will examine the relationship between the government and prime ministerial approval series and is likely to combine them.
produced by the polling organisations, moreover, focus on the government’s record to a certain date and ask respondents to express their retrospective evaluations. Both vote intentions and vote, however, are influenced by many additional factors including ideological and partisan predispositions, policy preferences, prospective evaluations and assessments of the personal qualities of the party leaders (Shanks and Miller, 1990; Bartle, 2003).

These differences mean that it is perfectly possible for an individual to recognise that the government has done good things and express approval of the government’s record and yet not intend to vote for it. This may be because they have long-term loyalties to another party, think another party could have done better in the past or would do better in the future (Alt, 1979; Hudson, 1985). And, it is equally possible for another individual to register their disapproval of the government’s record and yet go on to vote for it if they have loyalties to the governing party, think that no other party could have done better or that it would do better than any alternative in the future (Fiorina, 1981; Miller and Shanks, 1996).

Approval of the government’s record is one of the few concepts that has been measured since the start of polling in the 1930s and 1940s. Table 1 displays the approval questions that have been posed by four major polling organisations: the Gallup Organisation, National Opinion Polls (NOP), Market and Opinion Research International (MORI, later Ipsos-MORI) and YouGov. The empirical record, however, is far from complete. In the 1940s Gallup
asked a question about ‘satisfaction with’ the government’s conduct of the war.⁴ From 1946 to January 1954 it asked a question about satisfaction with the government’s record.⁵ From June 1954 right through to 2001 it asked a question — apparently adapted from the US presidential approval question — that focussed on approval and disapproval.

As valuable as this evidence is, the Gallup approval series is highly fractured in the 1950s. Indeed, the approval question was asked just twice in 1954 and 1955, three times in 1956, once in 1957, six times in 1958, seven times in 1959 but just twice again in 1960.⁶ The question was asked almost continuously, however, each month from 1961 through to 2001, providing a forty-year long time series. The NOP series is almost as continuous and almost as long as Gallup. This series is available for virtually every month from 1960 to 1991. Similarly, MORI started asking occasional questions about satisfaction with the government in 1977 and they have asked this question virtually every month since 1980. From 2004 onwards YouGov have asked Gallup’s approval question continuously. And, from mid-2010, YouGov has measured

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⁴From February 1940 to May 1945 Gallup occasionally asked ‘In general, are you satisfied or dissatisfied with the government’s conduct of the war?’

⁵The question asked ‘In general are you satisfied or dissatisfied with the government’s record to date? In August 1946 to March 1947, April 1951 to July 1953 and January 1954 it read ‘Are you satisfied or dissatisfied with the government’s record to date?’ In February 1951 and October 1953 it read ‘Are you satisfied with the Government’s record to date?’ (King and Wybrow, 2001, p.178).

⁶In principle, it is possible to use James Stimson’s dyad-ratios algorithm to infer government approval for missing months. The approval series, however, is highly variable and imputation for missing months is problematic. It is also possible to estimate annual government approval. This level of temporal aggregation, however, does not seem appropriate for the approval series since — unlike the slowly evolving policy mood — it seems likely to be subject to shocks (Freeman, 1989; Bartle, Dellepiane-Avellaneda and Stimson, 2011a).
Table 1: The measurement of approval

<table>
<thead>
<tr>
<th>House</th>
<th>Question</th>
<th>Begin</th>
<th>End</th>
<th>Years</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gallup</td>
<td>Do you approve or disapprove of the Government’s record to date?</td>
<td>1946</td>
<td>2001</td>
<td>55</td>
<td>525</td>
</tr>
<tr>
<td>NOP</td>
<td>Are you satisfied or dissatisfied with the way the Government is running the country?</td>
<td>1960</td>
<td>1991</td>
<td>31</td>
<td>365</td>
</tr>
<tr>
<td>MORI</td>
<td>Are you satisfied or dissatisfied with the way the Government is running the country?</td>
<td>1973</td>
<td>present</td>
<td>38</td>
<td>373</td>
</tr>
<tr>
<td>YouGov</td>
<td>Do you approve or disapprove of the Government’s record to date?</td>
<td>2000</td>
<td>present</td>
<td>11</td>
<td>428</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1691</td>
</tr>
</tbody>
</table>

approval five times per week, providing an incredibly rich portrait of public approval of the government in almost real time.

The availability of indicators from four separate survey houses produces a number of challenges. None of the four series covers the whole of the post-war period so any analysis that depends on a single series is time limited. The earliest available monthly measure, provided by Gallup, starts in 1961. This effectively fixes the start date for any index of approval. Two of the questions, moreover, refer to ‘approval’ and two to ‘satisfaction’. The definitions of these two words imply considerable overlap between those two concepts. Indeed, in some cases one concept is used in the definition of the other. ‘Approve’, for example, indicates acceptance of something as ‘satisfactory’. ‘Satisfaction’,
relates to the fulfillment of expectations, desires or needs which ought to lead to approval. Yet there is sometimes considerable slippage between the intent of the questionnaire designer and popular understandings of the meanings of words. The question of whether responses to these questions are ‘getting at’ the same thing is — ultimately — an empirical question.

US studies have focussed on approval ratings; that is, the proportion of
the sample that indicate they ‘approve’ of the president’s record (Mueller, 1970; Erikson, MacKuen and Stimson, 2002). This strategy sets aside information about disapproval. In this paper all the measures of approval make use of both approval and disapproval ratings. More specifically, the approval ratio expresses government approval as a proportion of all those expressing a substantive evaluation.

\[
\text{Approval ratio} = \frac{\text{Approve}}{\text{Approve} + \text{Disapprove}} \times 100
\]

Figure 1 displays the approval ratios for the four series. The correlations are so strong that it is difficult to distinguish between the four series with the naked eye. The overlap between the four series means that there are four possible correlations. The average correlation between the four series is 0.93. The smallest correlation, between Gallup’s approval and NOP’s satisfaction series, is still an impressive 0.91 (N=300). The highest correlation is 0.97 between Gallup’s approval and MORI’s satisfaction series.

These findings suggest that all four survey houses are measuring the same latent construct and that use of the words ‘approval’ or ‘satisfaction’ make little difference. The various indicators are excellent proxies for each other and there should be few concerns about measurement even in those months when there is a single measure. Whatever is being measured by the four series, it

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7 This strategy sets aside all consideration of don’t know and other non-substantive responses. These are arguably informative since they tend to increase at the start of a new government.

8 In a very few cases there are no approval figures. In these cases approval ratings are
Table 2: Correlation between House approval ratios

<table>
<thead>
<tr>
<th></th>
<th>Gallup</th>
<th>NOP</th>
<th>MORI</th>
<th>YouGov</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gallup</td>
<td>0.91</td>
<td>0.97</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NOP</td>
<td></td>
<td>0.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MORI</td>
<td></td>
<td></td>
<td>0.92</td>
<td></td>
</tr>
</tbody>
</table>

Note. N in brackets

is at least being measured very reliably (Carmines and Zeller, 1994). These findings provide ample justification for simply averaging across approval and satisfaction ratings in order to produce a reliable indicator of approval.

2 Relationship between approval and vote

The standing of the government among the public is ultimately of most interest because it is likely to have a strong effect on the outcome of a general election. It has long been suspected that national elections represent a referendum on the performance of the government. And it has long been supposed that electorate’s ‘reward’ governments for ‘bad times’ and ‘punish’ them for ‘bad times’. This ‘reward-punishment model’ is all too plausible. The government is —after all—a known factor. Unlike the opposition parties, the government has not merely made promises, it has governed and made deci-

interpolated.
sions. Outside of a general election, media attention focuses on the activity of government. Indeed, the ‘political agenda’ — at least as it is usually understood — is largely determined by the government’s legislative activity and day-to-day decisions. ‘Politics’, more generally, is structured by government proposals and the opposition parties’ responses to them. An impressive body of research, moreover, suggests that, other things being equal, governments will lose support simply because they are in power (Nannestad and Paldam, 1996). These ‘costs of ruling’ provide support for the proposition that while oppositions were not capable of winning elections governments were capable of losing them (King, 1998; Bartle, 2002). Elections are, in a sense, referendums on the incumbents.

Although it is understandable that governments should be the focus of so much attention elections are not simply referendums, they are also a choice. And, although opposition parties cannot be as easily blamed for current conditions, some of them have governed and have acquired records of their own. These records inevitably influence the decisions that are made by voters. Voters are also likely to be influenced by their evaluations of the future, so that every choice is a marriage of retrospective and prospective evaluations (Fiorina, 1981). The rule of British politics is, accordingly, “Governments are capable of losing elections – but only if there is an Opposition party available that people are willing to vote for” (King, 1998, p.205).

These considerations suggest that there should be a strong — but not
tautological — relationship between approval of the government’s record and voting in general elections. And that is broadly what we find.

2.1 Vote share in general elections

Figure 2 displays the relationship between vote share received by the governing party and approval ratio for the government record recorded in the month before the election took place for all twelve elections since 1964. The relationship is also summarised in Table 3, which contains the estimates from a simple OLS regression between approval and vote. A constant of 21 points implies that the governing parties would receive 21 per cent of the vote even if the approval ratio fell to 0 (i.e., everyone expressed disapproval of the government). This might be thought of as an indicator of average long-term (unconditional) party loyalties, though it might also be picking up ideological predispositions, policy agreement and other omitted variables too (Bartle and Bellucci, 2009).

There is a strong relationship between the approval and vote (b=0.44). This implies that a governing party that divides opinion (i.e., where there is an equal number of people who approve and disapprove and where vote ratio is equal to 50) should receive $21.08 + [(0.45 \times 50 = 22.5)] = 45.58$ per cent of the vote in a general election. If the approval ratio falls to 40 it should receive $21.08 + [(0.45 \times 40 = 18)] = 41.08$ and if it rises to 60 the government...
Table 3: Relationship between approval and vote, 1964-2010

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<table>
<thead>
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<tbody>
<tr>
<td>Constant</td>
<td>21.08** ***</td>
<td>(4.69)</td>
</tr>
<tr>
<td>Approval</td>
<td>0.45** ***</td>
<td>(0.11)</td>
</tr>
</tbody>
</table>

Adjusted $R^2$ 0.57
Std. error of the estimate 3.53
N 12

***$p < 0.01$, **$p < 0.05$, *$p < 0.1$

should receive $21.08 + [(0.45 \times 60) = 27] = 48.08$.

Figure 3 shows the residuals from the regression for each of those 12 elections. This suggests that approval levels were relatively poor predictors of two recent elections: those of the 1992 and 2010. The Conservative share of the vote in 1992 is almost 7-points higher than one would have predicted given the approval levels recorded in the month before that particular election. Similarly, the Labour share of the vote in 2010 is almost 6-points below what might have predicted on the basis of approval levels in April 2010.

On this evidence it seems that the Conservatives won in 1992 *despite* poor fundamentals (rising unemployment, persistent inflation) and *despite* despite low approval ratings. Clearly their victory in that year owed something to

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9It is possible to include the elections for February 1950 (using approval measured in December 1949), November 1951 (using approval measured in September 1951), May 1955 (using approval data from January 1955) and October 1959 (using data from August 1959). The resulting regression is $\text{Vote} = 24.32 + 0.39 \text{Approval}$. The adjusted $R^2$ of 0.49 is understandably lower since the approval data in some cases is several months earlier.
the success of their campaign and/or the weakness of the opposition (King, 1998).\textsuperscript{10} Similarly, in 2010 Labour’s share of the vote may have again been pulled down by an unpopular leader and/or an unsuccessful campaign.

These findings suggest that the relationship between approval and vote is not law-like. The findings from 1992 and 2010, moreover, provide clues about the basic forces influencing the outcome of these two elections.

2.2 Vote intention in opinion polls

Public approval of the government’s record is of interest because while it is related to voting behaviour it is not the same. Figure 4 displays the relationship between average approval and average vote intention for the governing party.\textsuperscript{11} The two series appear to track each other quite well but there are sometimes striking differences between the levels of approval and vote intentions. The most striking differences occur in the early 1990s under the Major government after the ERM crisis in September 1992. While approval hovers around 10 points in that period, the Conservatives’ share of vote intentions never falls below the mid-20s. This suggests that other factors — such as ideological predispositions, long-term partisanship or simply concerns about the alternatives — may have shored up support for the Conservative party and saved it from electoral disaster. Conversely, approval for the New Labour

\textsuperscript{10}I set aside all consideration of the effect of the electoral system on the Conservatives’ victory (Rossiter et al., 1999).

\textsuperscript{11}The vote intention series is more complete than the approval series but the analyses laid out here are based on data from 1961 onwards.
Figure 2: Approval and vote share, 1964-2010
Figure 3: Vote prediction error, 1964-2010
government in mid-1997 massively exceeded Labour vote intentions before returning similar levels.

Although there are some differences between levels of approval and intention to vote for the government the two series generally track each other very closely. The correlation between the two is 0.88 (N=582). Table 4 displays the results of a regression between average vote intentions for the government and approval, lagged one month. The coefficients here bear an uncanny resemblance to those from the general election vote model. The constant is again 21 and the \( b \) coefficient is 0.48; just 0.03 larger than in the election vote model. A one-point increase in the approval ratio is again worth around a half-a point in terms of vote share. If an equal number of people approved and disapproved of the government’s record, the approval ratio of 50 would translate into \( 21.02 + [(0.48 \times 50) = 22.5] = 45.02 \).

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<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Constant</strong></td>
<td><strong>21.02</strong>*</td>
</tr>
<tr>
<td></td>
<td>(0.46)</td>
</tr>
<tr>
<td><strong>Approval lagged</strong></td>
<td><strong>0.48</strong>*</td>
</tr>
<tr>
<td></td>
<td>(0.01)</td>
</tr>
<tr>
<td><strong>Adjusted.( R^2 )</strong></td>
<td>0.75</td>
</tr>
<tr>
<td><strong>Std. error of the estimate</strong></td>
<td>3.59</td>
</tr>
<tr>
<td><strong>N</strong></td>
<td>582</td>
</tr>
</tbody>
</table>

***\( p < 0.01 \), **\( p < 0.05 \), *\( p < 0.1 \)
Figure 4: Approval of the government’s record and vote intention 1964-2010
The high correlation between both vote and approval and vote intention and approval raises questions about the causal status of approval. Parallel analyses of the forces that influence support for the governing party as expressed by recorded vote intentions, however, suggest that this series is less affected by the systematic and non-systematic influences explored below.\(^\text{12}\) This – together with the errors documented here – provides some grounds for treating the two series as different.

3 What drives public approval of the government’s record?

The influences on approval are divided into ‘systematic’ and ‘non-systematic’ factors. *Systematic factors* are endogenous to the political system since they are in part the product of prior policy decisions made by electoral politicians that are based in part on their ideology and in part on their calculations of electoral effect (Erikson, MacKuen and Stimson, 2002). *Non-systematic factors*, on the other hand, relate to events that are determined outside the system and represent ‘exogenous’ shocks to that system (Sanders, 2005).

\(^\text{12}\)Not reported here.
3.1 Systematic factors: economy

Most models of approval assume that people systematically ‘reward’ governments for ‘good times’ by registering their approval and ‘punish’ them for ‘bad times’ by registering their disapproval for conditions that may be assumed to be the result of government activity (Mueller, 1970). There are, of course, many indicators of ‘goodness’ or ‘badness’ of the times. For reasons generally thought to be too obvious to state, most research to date has centred on the influence of economic factors (Duch and Stevenson, 2008). By convention, these are divided into objective and subjective indicators. The objective economy is measured by monthly official statistics such as the rate of unemployment, inflation and interest rates. The subjective economy is measured by responses to monthly survey questions that ask respondents to summarise how they perceive or feel about the economy.

3.1.1 Subjective economic perceptions

Subjective economic perceptions have been measured intermittently and inconsistently in Britain in the post-war period. From 1957 until the late 1990s Gallup asked their respondents to assess the prospects for the coming year.

This survey included a number of questions relating to the economy. Its use is limited by the simple fact that it is an annual series and it finishes in 1994. The first *monthly* measure of economic perceptions was introduced by Gallup in 1974 and focussed on prospects for the economy as a whole in the next 12 months (GEXP).\textsuperscript{14} In April 1978 MORI began asking another question about the national economic prospects in the next 12 months. The Economic Optimism Index (EOI) became a staple of MORI’s monthly output from 1980 onwards. In November 1978 Gallup added a question about households’ financial expectations for the next 12 months (PEXP).\textsuperscript{15} This became the most widely used indicator of the ‘feelgood factor’ in research on the dynamics of party support until Gallup exited Britain in 2001 (Sanders et al., 1987; Sanders, Marsh and Ward, 1990). YouGov later asked the PEXP question from 2004 onwards, but there is a gap between 2001 and 2004. The existence of several overlapping time series measuring expectations over a common time frame means that it is possible to infer economic expectations from 1974 to 2010 using the dyads-ratio algorithm developed by James Stimson.\textsuperscript{16}

\textsuperscript{14}The question read “Do you consider that the general economic situation in the next twelve months is likely to”.

\textsuperscript{15}The wording of the original feel good question is slightly different to the classic feel good question asked by Gallup from 1981 onwards.

\textsuperscript{16}The two sociotropic measures load very highly on the extracted series. GEXP loads on at 0.96 and EOI at 0.96. The egocentric measures also load on the series, but somewhat less highly. PEXP (Gallup) loads at 0.66 and PEXP (YouGov) at 0.45.
Table 5: Modelling government approval, 1974-2010

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
<th>Model 5</th>
<th>Model 6</th>
<th>Model 7</th>
<th>Model 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>2.84***</td>
<td>39.89***</td>
<td>22.72***</td>
<td>2.82***</td>
<td>0.14</td>
<td>0.19</td>
<td>0.34</td>
<td>2.16***</td>
</tr>
<tr>
<td>Approval lagged</td>
<td>0.92***</td>
<td>0.93***</td>
<td>0.87***</td>
<td>0.90***</td>
<td>0.89***</td>
<td>0.84***</td>
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<tr>
<td>Economics</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Unemployment</td>
<td>-1.44***</td>
<td>-2.63***</td>
<td>-0.00</td>
<td>-0.43***</td>
<td>-0.27***</td>
<td>-0.29***</td>
<td>-0.24**</td>
<td></td>
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<tr>
<td>Inflation</td>
<td>-0.50***</td>
<td>-0.59***</td>
<td>0.01</td>
<td>-0.03</td>
<td>-0.04</td>
<td>-0.12*</td>
<td></td>
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<tr>
<td>Interest rates</td>
<td>0.87***</td>
<td>1.24***</td>
<td>-0.04</td>
<td>0.12</td>
<td>0.10</td>
<td>0.12**</td>
<td>0.20**</td>
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<tr>
<td>Financial expectations</td>
<td>0.52***</td>
<td>0.15***</td>
<td>0.10***</td>
<td>0.10***</td>
<td>0.12***</td>
<td></td>
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<td>Election turnover</td>
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<tr>
<td>Thatcher 1979</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11.70***</td>
<td>11.60***</td>
</tr>
<tr>
<td>Blair 1997</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>50.46***</td>
<td>50.44***</td>
</tr>
<tr>
<td>Cameron 2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30.10***</td>
<td>30.24</td>
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<tr>
<td>Prime Ministerial change</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Thatcher resigns</td>
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<td></td>
<td>7.10**</td>
<td>7.00**</td>
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<tr>
<td>Blair resigns</td>
<td>4.10</td>
<td>4.09</td>
<td>3.97</td>
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<td>Events</td>
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<td>Winter of discontent</td>
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<td></td>
<td></td>
<td>-15.44***</td>
<td>-15.30***</td>
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<tr>
<td>Falklands</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10.74***</td>
<td>9.79***</td>
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<td>ERM</td>
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<td></td>
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<td></td>
<td>-6.13**</td>
<td>-5.22**</td>
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<td>Petrol crisis</td>
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<td></td>
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<td>-10.42***</td>
<td>-10.53***</td>
</tr>
<tr>
<td>Nine Eleven</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14.17***</td>
<td>15.02***</td>
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<td>Iraq invasion</td>
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<td>10.69***</td>
<td>9.91***</td>
</tr>
<tr>
<td>Costs of ruling</td>
<td></td>
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<td>-0.02***</td>
</tr>
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| Adjusted $R^2$                  | 0.86    | 0.05    | 0.27    | 0.86    | 0.88    | 0.92    | 0.91    | 0.94    |
| Root MSE                        | 4.81    | 12.44   | 10.87   | 4.77    | 4.50    | 3.51    | 3.82    | 3.14    |
| $N$                             | 612     | 439     | 439     | 439     | 439     | 439     | 439     | 439     |

***$p < 0.01$, **$p < 0.05$, *$p < 0.1$
3.1.2 Economic effects

Before analysing what drives public approval of the government’s record, it is necessary to establish whether approval ratio time series is stationary. Using the Dickey Fuller test (Dickey and Fuller, 1979), the appropriate critical value is a $t$-value of -2.88. Given the observed $t$-value of -4.88, we can reject the null-hypothesis of an integrated (or unit root) series. Relatively simple regression models will suffice.

Table 5 displays the results from a series of regressions that are designed to untangle the story of government approval. Model 1 regresses approval on its previous month’s value and shows that approval is strongly related to its past values ($b=0.92$). Model 2 drops lagged approval for a moment and examines economic indicators alone. Both unemployment and inflation have the expected negative sign ($b$ coefficients of -2.63 and -0.59 respectively). This suggests that the approval ratio declines as these indicators increase and economic misery is piled on the electorate. Somewhat surprisingly, however, interest rates have a positive effect on approval ($b=0.52$). Savers, of course, benefit from higher interest rates but in an economy that has high levels of home ownership and where mortgage rates are politically sensitive, this seems a surprising finding.

When economic expectations are added in Model 3 they have the expected positive sign, suggesting that as expectations improve, approval of the government’s record increases (Sanders et al., 1987). The addition of
expectations, moreover, appears to amplify the effect of objective economic conditions: the coefficients for unemployment, inflation and interest rates all increase. Model 4 adds controls for past approval, without economic expectations. In this case none of the objective economic indicators appear to be significant. Only when economic expectations are added in Model 5 does unemployment become significant and correctly signed ($b=-0.43$). It appears that not only are economic expectations important in their own right, they are necessary to observe the impact of unemployment on approval.\footnote{Analyses of the forces influencing economic expectations suggest that rising unemployment increases economic expectations. Clearly this is a complex story.}

Once controls are added for non-systematic effects the economy seems to continue to exert an effect. Indeed, not only are economic expectations and unemployment significant in Models 6, 7 and 8, interest rates become significant (and still positively signed) once controls are added for events. All in all, this provides ample support for the proposition that the economy has a significant impact on a government’s political fortunes (Erikson, MacKuen and Stimson, 2002). Indeed, the relationship between the economy and political fortunes is so robust that any other finding would have been extraordinary.

### 3.2 Non-systematic factor: events

Systematic factors such as the economy are consequences of decisions made by electoral politicians who seek re-election and anticipate the impact of those decisions on vote. Yet events are likely to matter too. These are
generally unpredictable, however, in two senses. First, they are ‘exogenous’ shocks since their occurrence cannot be predicted from either knowledge of a particular system or the motives of politicians. Second, the impact of these events depends on whether the government is thought to have handled them well (Erikson, MacKuen and Stimson, 2002). For reasons to be discussed, they are often viewed with suspicion by political scientists.

3.2.1 Philosophy

Before considering the effect of events, it is worth pausing to consider the different approaches of contemporary historians and political scientists understand approval. Both try to understand the government’s fluctuating political fortunes using evidence. Many historians, however, focus on describing events and relating these to variations in the polls. Some, moreover, base their descriptions of ‘what happened’ on accounts provided by ministers and officials from interviews, diaries or autobiographies. These informants are well-informed about the detail of politics but are unlikely to identify systematic influences. Following the leads provided by such informants will inevitably provide an episodic account of political fortunes. Indeed, contemporary historians are fond of quoting Harold Macmillan’s quip that the fortunes of a government rest on ‘events, dear boy’. This belief is apparently so deeply ingrained among some historians that systematic factors are all too easily ignored. For some, history really is just ‘one thing after another’.
Political scientists, on the other hand, aim to establish law-like relationships that persist through time and across space (Budge, 2006). They are sceptical about the accounts provided by those in government since they believe that actors are often influenced by factors that they are unaware of (Nisbett and Wilson, 1977; Wilson, 2002). They are also cautious about explanations that focus on events since the number of possible events exceeds the number of cases, making it impossible to assess their unique effect. Some political scientists, accordingly, have a marked bias against non-systematic explanations.

Since this paper is written from a political science perspective it too has a bias is toward identifying systematic effects. It is necessary, however, to examine the effect of events because there is simply too much evidence that events do matter for a government’s standing. Controlling for non-systematic events, moreover, might help clarify the role of systematic factors such as the economy. Accordingly, the rest of the paper assesses the effect of a limited number of events on public approval of the government’s record.

3.2.2 Identifying events

The central challenge is to define ‘event’ and then identify which events might have had an effect. The standard definitions of ‘events’, however, are remarkably vague. An event is, ‘anything which happens’ or ‘any incident

\[18\] This applies even in the present case where there are a minimum of 439 cases (monthly observations of average approval ratios).
or occurrence, esp a memorable one’ (Chambers, 2003, p.519). The number of events that might have conceivably influenced the public’s approval of the government’s record is enormous. It seems only fair to concede that other analysts might reasonably select other or additional events for analysis.

The first group of events considered here are in some sense endogenous to the system. These relate to the transfer of power from one party to another. Such events ought to be associated with an increase in approval as the outgoing (and presumably less popular) government is replacing by an incoming (and presumably more popular) new administration. There have been four relevant transfers of power between 1974 and 2010:

1. Conservative to Labour, in February 1974
2. Labour to Conservative in May 1979
3. Conservative to Labour in May 1987
4. Labour to Conservative-Liberal Democrat coalition in May 2010

The impact of these events is represented by dummy variables.\textsuperscript{19}

In addition, three prime ministers have resigned before a general election. Since the prime minister is by far the most visible member of the government, these events might affect public approval of the governing party’s record.

\textsuperscript{19}These are scored 1 the month after an election and 0 otherwise, since approval questions were not usually asked until the month after the election.
Moreover, since a leader is unlikely to choose to leave when popular, their resignation ought to boost public approval of the government’s record.

There have been three prime ministerial resignations in the period under consideration:

1. Wilson in April 1976
2. Thatcher in November 1990
3. Blair in June 2007

The effect of these events are again represented by dummy variables.\textsuperscript{20}

The identification of unique and unpredictable events requires a series of unnerving judgment calls. A brief review of the period 1974-2010, however, suggests six events that are universally thought to have been important and had some effect on voters’ approval of the government.\textsuperscript{21} The are:

1. The winter of discontent in February 1979.

\textsuperscript{20}It is not possible to determine whether any observed impact was due to the popularity of the old or new prime minister. This is something that can be assessed with side evidence. 
\textsuperscript{21}The chronologies produced by the various Nuffield studies are a good source of ideas.

6. The initial invasion of Iraq in March 2003.

The effect of these events is again captured by dummy variables.

### 3.2.3 Event effects

Model 6 suggests that the rotations of government in 1979, 1997 and 2010 all boosted approval of the government’s record.\(^{22}\) The effect is particularly large in 1997 \((b=50.46)\), but it is also large in 2010 \((b=30.10)\). The effect in 1979 by contrast is much \((b=11.79)\). These coefficients correlate with the length of single party rule (18 years 1978-9, 13 years 1997-2010 and 5 years, 1974-9). It seems that the longer the lived government, the larger the effect of the rotation of power.

Margaret Thatcher’s resignation in 1990 (and his replacement by John Major) was associated with a modest 7-point, but statistically significant, rise in approval for the Conservative government. For all the talk of a ‘Brown bounce’, however, Tony Blair’s resignation was associated with a very small, and statistically insignificant, rise in approval of just 4-points (Allen, 2011).\(^{23}\)

All of the six events selected appear to have had a visible effect on public

\(^{22}\)The lesson is clear. Government’s should lose an election if they want to increase public approval of the government’s record!

\(^{23}\)None of these estimates of the effect of the turnover of government or prime minister are affected by the addition of further controls for events and the costs of ruling in Models 8 and 9. The effects appear to be fairly robust.
approval of the government’s record. The Winter of Discontent in 1979 was
associated with a 15-point reduction in approval, while the petrol crisis of
2000 was associated with a reduction of 10-points. The recapture of the
Falklands in 1982, the 9/11 attacks in 2001 and the initial invasion of Iraq
in 2003, on the other hand, were all associated with increases in approval.
Curiously, however, the ERM crisis of 1992 was associated with just a 6-point
reduction in approval. Clearly, its effect was played out via assessments
of relative prospective economic competence (Clarke et al., 2004; Sanders,
2005).

The final variable in the approval models is a cost of ruling variable. This
is simply a count variable that is zero in the month when there is a change of
government and increases by one in each subsequent month. The coefficient
for this variable generated by Model 7 significant at $p < 0.01$ and negatively
signed ($b = -0.02$). This suggests that – controlling for both systematic
economic effects and non-systematic events, a ruling party can expect to lose
support each additional month that it is in power. A government that goes
a full parliament would lose $[60 \times 0.02=1.2$ points], controlling for all other
factors. This provides yet more support for the proposition that the governing
party will lose support simply by virtue of its being in power (Nannestad and
Paldam, 1997; Sanders, 2005).
Conclusions

Public approval of the government’s record is well measured in Britain. It is strongly related to vote intention for the incumbent but it does not seem to be synonymous with it. This provides some reason to take approval seriously and consider both its consequences and causes. In particular, additional research is required to establish the causal order between vote (or support) and approval. Some consideration ought to be given to estimating an approval series that is purged of the feedback from support or vote.

Future research on the causes of public approval of the government’s record should focus on its relationship with other systemic factors, such as preferences for government activity (Bartle, Dellepiane-Avellaneda and Stimson, 2011a). Research has established that the electorate moves left (demands greater government activity) when unemployment increases and right when taxes and spending increase. Since approval declines as unemployment increases, rising unemployment may have differing impacts on support for Conservative (right-wing) and Labour (left-wing) governments. In particular, the impact of rising unemployment on approval for left-wing governments might be partially offset by the shift to the left while right-wing governments will suffer from both falling approval and a leftward shift in preferences. As interesting as this proposition is, it will take some thought to assess it: preferences for government activity are measured annually and approval is generally thought best to be measured monthly or quarterly.
Future research also needs to refine and expand the list of events that are included in approval models. Possible candidates include the Coal dispute of 1984/5 and the wars in Iraq and Afghanistan. This will produce a number of complications. These episodes are not discrete events. The coal dispute lasted nearly a full calendar year and the Iraq war lasted nine years. Clearly future research must consider how best to capture the effect of these factors on approval of the government’s record (including the distasteful indicator of monthly military deaths).
References


