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The Political Consequences of National Crisis Management: Micro-Level Evidence from German Voters during the 2008/09 Global Economic Crisis

ACHIM GOERRES and STEFANIE WALTER

How does national crisis management affect the electoral fortunes of coalition governments? Drawing on micro-level data from just before the 2009 federal elections in Germany, this article investigates how voters' evaluation of specific policies against the global financial crisis affected approval of and voting intentions for the then-governing grand coalition. We find that voters in favour of the two most prominent anti-crisis policies, the car-scrap bonus and the public guarantee for banks, were more likely to approve of and to vote for the two incumbent parties. These evaluations of specific policies influenced individuals' vote choice in addition to their assessments of the economic situation more generally and in addition to party identification. This suggests that even in the greatest economic turmoil with blurred political responsibilities, government parties can win or lose voters through the implementation of specific economic policies.

Faced with a financial and economic crisis of unprecedented proportions in 2008 and 2009, Western governments introduced various policy measures to mitigate the consequences of this crisis for their national economies. In Germany, anti-crisis measures ranged from bailouts and guarantees for the financial sector to targeted industrial subsidies, which varied with respect to their complexity, their costs for taxpayers, and their circle of beneficiaries.

Some of these measures created considerable controversies. For example, the coordinated and massive government intervention was prominently debated. Although most economic experts agreed that the stabilisation policies for the banking industry were vital to prevent the crisis from spiralling out of control, the costly bailouts and potentially costly guarantees to banks also created criticism. Many observers felt that it resulted in a policy of privatising gains and socialising losses. Among the German population, there was general unease that this policy gave 'fat cat' bankers disproportionately large support from the state, even though these policies also guaranteed the savings of individuals and aimed at preventing a breakdown of the banking system with all its negative and widespread consequences. The fiscal stimulus measures implemented to shore up the real economy created even more controversies. While many economists supported the idea of Keynesian counter-cyclical spending in order to mitigate recession, opinions diverged with respect to the question of how this fiscal stimulus money should be spent. In addition to debates about the efficacy

of alternative spending options, much debate revolved around the question of who would benefit most from this spending. Several specific policies were singled out and criticised as ‘presents’ targeted to policymakers’ constituencies or voters more generally.

Against the backdrop of these controversies and the fact that politics played a central role in managing the crisis, the question arises how voters’ evaluation of national anti-crisis policies implemented in the wake of the global financial and economic crisis of 2008/09 helped or hurt incumbents’ electoral fortunes in the then upcoming federal elections. Moreover, the crisis experience offers the opportunity to examine more general questions about voting behaviour: do voters reward incumbent parties for specific policies, or are they more interested in the general economic situation? Does such policy-based economic voting occur at all when political responsibilities are blurred? And do the answers to these questions depend on the types of policies implemented?

To examine these questions, we take advantage of the fact that federal elections were being held in Germany in September 2009, only a few months after the peak of the global financial and economic crisis. Responsibilities both for the crisis and for the crisis management in Germany had been blurred, because the country was governed by a grand coalition between the country’s two largest parties at the time and because the crisis had originated abroad. Moreover, the setting and outcome of the 2009 elections allows us to deal with two alternative explanations. Past research has shown that voters tend to benchmark the state of the national economy against that of other countries to gauge how well the government has been managing the economy.¹ This suggests that in contrast to the election result, the Christian Democrats should have been the main loser in the elections. Instead, the Christian Democrats only lost a few votes whereas the Social Democrats lost about a third of their voters. Our article aims at unravelling the mechanism behind this puzzling election outcome. Given the unsatisfactory answer that alternative explanations for election outcomes give, we argue that the 2009 elections offer an ideal testing ground for investigating how the electorate evaluated the government’s anti-crisis measures and how these evaluations in turn shaped their voting intentions.

To investigate the effect of specific policies on individual voting behaviour, we concentrate on two of the most prominent anti-crisis policy measures implemented in Germany during the global financial crisis of 2008/09.² The first of these measures is the *public guarantee for banks*, designed to prevent the emergence of a bank run by protecting all private bank accounts. The second measure is the *Abwrackprämie*, known as ‘cash-for-clonkers’ programme or ‘car-scrap bonus’ in the Anglophone world, which was possibly the best-known part of the German fiscal stimulus package among the general populace. This bonus aimed at stimulating aggregate demand by giving a subsidy for replacing old cars with new, eco-friendly vehicles.

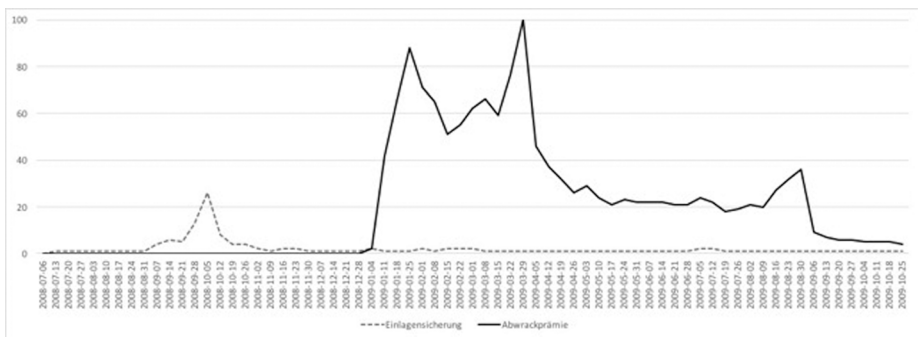
Several reasons make these policies good candidates for investigation and comparison: both measures were widely discussed in the media at the time, giving them a high level of salience and providing interested voters with a wealth of information and independent opinions on these measures. Both measures also differ in a number of theoretically interesting ways. First, while economists mostly agreed on the necessity of bank guarantees, their opinion diverged much more with regard to the economic efficacy of the car-scrap bonus. Second, the funds involved in the bank guarantees by far exceeded the funds involved in the car-scrap bonus. Nonetheless, the *Abwrackprämie*

elicited much more direct interest by the population at large, as Figure 1 illustrates.³ It lists the number of google searches for the terms ‘*Einlagensicherung*’ (guarantee for private deposits, blue line) and ‘*Abwrackprämie*’ (car-scrap bonus, red line) during the period July 2008 until October.⁴ It shows that interest in the bank guarantees shortly increased in the wake of the Lehman Brothers bankruptcy in September 2008, and then subsided, whereas interest in the *Abwrackprämie* was much higher as soon as it had been announced and went down only in September 2009, when the funds available for the bonuses had run out. Third, the circle of beneficiaries differed between the two policies. While the bank guarantees in one view benefitted a small number of ‘fat cat’ bankers or, in another view, the population at large, the car-scrap bonus benefitted the car industry and those car-owners able to buy a new car. Finally, both measures mirror similar anti-crisis policies in other industrialised countries. Insights about the effects of these policies on public opinion and voting behaviour can thus shed light on the politics of responding to economic and financial crises more generally.

We argue that voters are likely to take their evaluations of specific policies into account when the general information available does not allow them to take an informed voting decision. Thus, when the political and/or economic situation does not carry enough meaningful information for voters interested in re-electing a competent incumbent and voting an incompetent incumbent out of office, voters have to turn to additional sources of information. Voters are then likely to evaluate economic policies directly, rather than merely observing economic policy outcomes, and to base their vote choice on these evaluations in addition to those of more general economic trends and their personal identification with specific parties.

To evaluate this argument, we use survey data from an online-survey component of the German Longitudinal Election Study (GLES) fielded in June 2009, three months before the federal elections. Our analysis consequently focuses on a period of the economic crisis, during which it was in full thrust, but during which the main policy responses to the crisis had already been decided or even implemented, and which

FIGURE 1
RELATIVE FREQUENCY OF GOOGLE SEARCHES FOR THE TERMS ‘GUARANTEE FOR PRIVATE DEPOSITS’ (DOTTED LINE) AND ‘ABWRACKPRÄMIE’ (SOLID LINE), JULY 2008 – OCTOBER 2009



Source: Google Insights, screen shot, 23 December 2011.

was simultaneously a period of strong political salience: not only were the upcoming federal elections only three months away, but the elections to the European Parliament had just taken place. We therefore assume that public awareness of the policies investigated in this article was high at the time the survey data were collected.

The analysis proceeds in four steps. After presenting the two anti-crisis policies and examining how voters evaluated these two policy measures in section two, 'Fighting the Crisis in Germany', we discuss our theoretical expectations about the electoral consequences of governmental crisis management in section three, 'The Electoral Consequences of Governmental Crisis Management'. Section four looks at 'Research Design' and the article then evaluates these expectations empirically and analyses how voters' assessments of the two anti-crisis policies affected government approval and vote intentions in section five 'The Micro-Level Electoral Consequences of Anti-Crisis Policies'.

We find that although voters on average viewed both policies sceptically, those who approved of the policies were more likely to support and vote for the two government parties in the grand coalition. This effect was considerably larger for the car-scrap bonus than the banking guarantees. Importantly, the effect of policy approval on voting choice materialises in addition to voters' partisan orientation and evaluations of the economic situation more generally. Parts of the effects are intermingled with the general economic outlook and ideological positions of voters, but especially for likely SPD voters a clear residual effect of policy evaluation remains. Thus, in a context with a grand coalition of the two major parties and an economic crisis, voters sought decisive cues not only from their general perceptions of the economy, but also their assessment of single anti-crisis policies. In short: even in greatest economic turmoil with blurred responsibilities, government parties can win or lose voters by implementing specific economic policies.

FIGHTING THE CRISIS IN GERMANY: BANK GUARANTEES AND THE CAR-SCRAP BONUS

To investigate the effect of specific policies on individual voting behaviour, we focus on two of the most prominent policies designed to combat the global financial and economic crisis in Germany: public guarantees for banks and the car-scrap bonus (*Abwrackprämie*).

In October 2008, the government guaranteed all private bank accounts and additionally gave some liquidity guarantees to banks shortly after. These guarantees were part of a wider package designed to stabilise the banking system in order to prevent bank runs and a breakdown of the German banking sector in the context of the Lehman Brothers collapse. The (potential) cost of these measures was substantial: at the end of 2009, the German guarantees covered a sum worth 6.1 per cent of GDP (about 38 billion Euro). For comparison, the guarantees in other countries varied between 0.3 per cent (France) and 14.5 per cent (UK) of their respective GDPs.⁵

Two different views dominate the debate about the distributive consequences of this policy. In the first view, effectively all voters benefitted from this policy. The sheer size of the German bank guarantees and the opportunity cost associated with not supporting the banking sector in such a severe crisis meant that it had huge implications for virtually everyone. Economists almost unanimously judged this measure as critical not only for

the banking sector, but also for the entire German economy.⁶ Since all private bank accounts were guaranteed, all account-holders – essentially every adult in Germany – *objectively* benefitted from this policy, although, we can of course not be sure about the extent to which account holders *subjectively* realised this. In a second view, the financial support for the banking guarantee constituted a subsidy to ‘fat cat’ bankers, who had taken home large bonuses while the economy was rolling and were now relying on the state to cover their losses, a verdict especially prevalent on the left. Thus, although experts agreed that this policy was one that was beneficial to the economy as a whole, the discourse was also characterised by many critical voices.

In contrast, the car-scarp bonus (*Abwrackprämie*), which was first implemented as a part of a wider stimulus package in January 2009, was targeted towards the real economy in an effort to shore up demand. It provided buyers of new, environmentally friendly cars with a bonus of 2500 Euro if they scrapped their old car in return.⁷ In comparison with other countries, where similar bonuses varied from €900 to €2500 and the required minimum age of scrapped cars varied from nine to 18 years,⁸ the German bonus was particularly generous. The policy was hugely successful in terms of creating demand: car sales shot up and the government had to extend the measure in order to meet demand, spending about €5 billion on the policy over the course of 2009 and paying the bonus to about 1.93 million individuals.⁹

The immediate beneficiaries of this policy are relatively clear: individuals who had already owned a car and who could afford to buy a suitable new car. Thus, the policy effectively targeted middle-class car-owners with enough income to buy a new car at a price where the car-rebate would make a real difference. More concretely, those with a car to scrap whose residual value on the market was zero had most to gain.¹⁰ More indirectly, the German automobile industry also belonged to the beneficiaries of the policy, even though the bonus was available for any car, not just German brands. Despite the popularity among car-buyers, expert opinion about the merits of this policy programme was much more divided. Many economists judged this policy to be very expensive, although some argued that the revenue in value-added tax would exceed the costs.¹¹ More importantly, many economists felt that the policy would not be very effective in the long run, largely because people would only bring forward purchases already planned.¹² Several commentators saw the *Abwrackprämie* as an overly expensive measure with limited positive long-term impact, implemented by the government as an ‘electoral present’ in an attempt to buy votes from higher-income voters in the upcoming federal elections.¹³

How did voters assess these two policies? Interestingly, although a large majority of economists agreed that policy interventions were necessary in light of the massive financial and economic destabilisation that the crisis had produced and were hence generally supportive of government interventions (even if they criticised specific measures), the German population did not share this positive view of these measures. **Table 1** shows the (weighted) distribution of individual assessments of these two prominent anti-crisis policies that were elicited through an online-survey component of the German Longitudinal Election Study (GLES 1003.4) in June 2009.¹⁴ Both policy measures have more opponents (58 per cent *Abwrackprämie*, 47 per cent bank guarantees) than supporters (19 per cent *Abwrackprämie*, 29 per cent bank guarantees). The guarantees for banks were somewhat more popular than the car-scarp

TABLE I
DISTRIBUTION OF SUPPORT FOR CAR-SCRAP BONUS AND PUBLIC GUARANTEES FOR BANKS

	Car-scrap bonus (%)	Public guarantees for banks (%)
Strong opposition	34	28
Some opposition	24	19
Neither–nor/don't know	22	25
Some support	14	18
Strong support	5	11

Notes: Question from the online-survey component of the German Longitudinal Election Study (GLES) fielded in June 2009. Question wording: 'Here are a number of possibilities of what the government can do to improve the economic situation. Please indicate in each case whether you support or oppose the measure: [. . .] support of car industries by the so-called 'Abwrackprämie', [. . .] state guarantee for banks.' Weighted estimates.

bonus, possibly mirroring the fact that the populace was at least with regard to direction, though not magnitude, in line with the expert views that banking guarantees were necessary to save the financial system.¹⁵

While this rather negative policy assessment contradicts more positive accounts of voter opinion of the government's crisis management,¹⁶ it squares with other public opinion polls. For example, in October 2008, 95 per cent of respondents stated that they were annoyed that taxpayers' money had to be used to rescue banks¹⁷ and in March 2009 almost two-thirds of respondents opposed government support for German banks.¹⁸ The rather negative view also resonates with the finding that the media portrayed the economic crisis as the product of the doings of economic and financial actors and the general public as being likely to pay the price.¹⁹ Moreover, since the wording of the question with regard to the *Abwrackprämie* emphasised that the policy was meant to support the automobile industry, the relatively low level of support seems to mirror widespread opposition against state help to individual companies, such as Opel, Arcandor or Scheffler-Continental.²⁰ It is also interesting that about one-quarter of respondents neither supported, nor opposed the policies or stated that they had no opinion, reflecting the complexity of these policies.

Thus, voters were rather critical with regard to the two most prominent components of the German government's policy package designed to fight the global financial and economic crisis. While many welcomed the bank guarantees and the car-scrap bonus, many had no opinion and a majority even opposed the policies. The widespread opposition is surprising, since many commentators saw the car-scrap bonus in particular as a present to voters.²¹ Moreover, many observers suspected that the policy responses to the crisis would have strong effects on the federal elections scheduled later in the year.²² In light of the significant costs of the policies designed to combat the economic crisis, this sceptical stance raises the question whether, and if so, how, voters held policymakers accountable for their policies.

THE ELECTORAL CONSEQUENCES OF GOVERNMENTAL CRISIS MANAGEMENT

How does economic policymaking affect voter behaviour? The rich literature on economic voting shows that voting behaviour is influenced by economic outcomes.²³

Accountability (or reward–punishment) arguments of economic voting argue that voters punish incumbents when the economic situation is bad and reward them when it is good.²⁴ An example is the widespread electoral losses of incumbents throughout the European crisis countries as a result of the Euro crisis.²⁵ Competence or partisan arguments focus more on differences in political parties and imply that voters cast their vote, considering the nature of economic problems and their beliefs about party competencies.²⁶ Not surprisingly, the economy tends to be a particularly salient issue when elections take place during recessions and economic crises.²⁷ In particular, economic voting plays a particularly important role for voters who are vulnerable to certain economic policies and developments.²⁸

The economic situation does not always give voters enough information on whether to re-elect the incumbent party as it does not necessarily provide enough information on economic policy competence and performance. Many contexts make it difficult for voters to gauge the incumbent's performance and competence based on the political outcome: in the political context, the clarity of responsibility for certain policy outcomes is obscured when many political actors are involved in the policymaking process, such as in coalition governments, settings with many veto players, or multi-level government.²⁹ Likewise, the economic context can make the attribution of responsibility difficult for voters, when outside forces such as globalisation or international financial actors are blamed for economic outcomes.³⁰

The 2009 federal elections in Germany took place in such a context of blurred responsibility. Although the global financial and economic crisis turned the economy into a highly salient issue,³¹ attributing responsibility for economic outcomes was difficult for voters. Not only did the government argue that the crisis had originated abroad in an effort to downplay its own responsibility for the crisis, but it also consisted of Germany's two biggest parties that had joined forces in a grand coalition, the Christian Democrats and the Social Democrats. As such, the elections occurred in a situation with 'everyone in charge, and no one to blame'.³² Not surprisingly, investigations about the importance of economic voting in these elections have so far produced contradictory results with some studies finding effects³³ and others concluding that the effect of the economy on electoral behaviour was very limited.³⁴

When the economic situation does not carry a lot of meaningful information for voters interested in re-electing a competent incumbent and voting an incompetent incumbent out of office, voters have to turn to additional sources of information. We argue that voters are then likely to evaluate economic policies directly, rather than merely observing economic policy outcomes. Recent research on public opinion during crises shows that voters do indeed have clear opinions on specific crisis-related policies.³⁵ Although these studies do not discuss the effect of policy evaluations on voting decisions, they demonstrate the high salience and visibility of crisis management in times of economic crisis.

To evaluate economic policies, individuals assess the costs and benefits of a policy and the circle of likely beneficiaries and evaluate the policy accordingly.³⁶ Voters who are hurt by the government's policies or who otherwise disapprove of the policy should be less likely to approve of and support incumbents responsible for the policies.³⁷ Thus, rather than taking the shortcut of considering only the overall economic situation, voters are likely to evaluate government performance by considering how *exactly* the

government has dealt with 'the economy'. Those not benefitting and/or mainly paying for a policy should be more likely to disapprove of the policy and should consequently be less likely to approve of the government and more likely to vote for one of the opposition parties.³⁸ Empirically, this suggests that in settings such as the German 2009 elections, policy evaluations should have a substantial and statistically significant effect on voters' approval of government performance and on their voting behaviour, even if their assessment of the economic situation is controlled for.

Evaluating specific policies does, however, require certain levels of political sophistication, knowledge and energy. We therefore expect the effect of policy evaluations on vote choice to be most pronounced when the policy in question is rather straightforward and easy to understand, both with regard to its costs and benefits and with regard to its likely beneficiaries.³⁹ In the context of the German anti-crisis policies, this suggests that individual evaluations of the *Abwrackprämie* should have a stronger effect on government approval and vote choice than the public guarantees for banks.

Citizens tend to support policies when they resonate with their stable affective political preferences acquired early in life.⁴⁰ They then assess a policy rather automatically in an affective manner based on long-held preferences, such as political ideology, party identification and stereotypes about social groups or organisations.⁴¹ Individuals are, hence, more likely to endorse policies supported by political parties and interest groups to which they feel ideologically close, and are more likely to oppose policies endorsed by parties and groups whose ideological stance is further away from their own. This is corroborated by the fact that voters feeling close to incumbent government parties tend to evaluate government policies and policy outcomes more positively than voters of opposition parties.⁴²

Thus, voters should share the policy evaluations of the political parties they feel closest to, a mechanism likely to be most pronounced when experts disagree on the quality, distributive implications, and beneficiaries of a certain policy. In contrast, when experts rather unanimously support a certain policy, the effect of party cues should be less pronounced, because voters then give expert opinion more weight.

In empirical terms, the more ideology and party cues drive individual policy evaluations, the smaller the independent effect of voters' policy evaluations on government approval and voting decisions should be once the individual's ideological position is taken into account. In contrast, if voters take party cues into account, but continue to evaluate policies on their own, their policy evaluations should have a statistically significant effect on government approval and their vote choice even when partisan orientation is controlled for. In the German context, this additionally suggests that controlling for individuals' party identification should subdue the effect of individual policy evaluations of the *Abwrackprämie*, where expert opinion diverged considerably, but have less of an effect on the bank guarantees, which the vast majority of experts saw as an indispensable tool in the fight against the financial crisis.

Overall, this discussion implies that the economy affects the vote through three channels – evaluation of the economic situation, policy assessment and partisan effects. The importance of each of these channels varies across contexts and policies. Policy assessments are likely to be particularly important when the government cannot be clearly held responsible for the economic situation, when the policy is rather easy to understand, and when experts evaluate the policy in a rather unanimous way.

RESEARCH DESIGN

To examine individual evaluations of government performance, as well as individual voting behaviour in the context of the global economic and financial crisis, we study voting behaviour in the 2009 German federal elections. We use survey data from an online-survey component of the German Longitudinal Election Study (GLES 1003.4) fielded in June 2009.⁴³ In this survey component, respondents were asked questions about specific anti-crisis policies, their assessments of the economic situation more generally, as well as about their evaluations of different parties and other political actors.

To our knowledge, this dataset is the only publicly available one that provides detailed information about respondents' evaluation of specific policies implemented in order to fight the global financial and economic crisis, detailed information on respondents' material, ideological and socio-demographic characteristics, as well as information about individual government approval and voting intentions. The timing of the survey in the early summer of 2009 ensures that public awareness of the policies investigated in this article was high during the polling period. Not only was the survey conducted shortly after the peak of the economic crisis, during which the main policy responses to the crisis were implemented, but June 2009 also constituted a period of strong political salience: the upcoming federal elections were only three months away and the elections to the European Parliament had just taken place. In more technical terms, the data are useful because – typical of an online survey – they are characterised by a low occurrence of item non-response, for instance on the income situation of the respondents.

The data are based on a non-random quota online sample in which participants were sampled from a recruitment pool and monetarily incentivised to participate. Research on the methodological challenges associated with such surveys shows that one can generate meaningful estimates with the common regression approaches that assume random sampling if some challenges are adequately addressed.⁴⁴ For example, a comparison between 'normal' random population samples and an online survey in the United Kingdom yielded surprisingly similar results for political choice models.⁴⁵ We compared the demographic characteristics of the respondents in our sample to those of respondents in another survey component of the GLES, for which a random sample of respondents were surveyed by telephone shortly before and shortly after the federal elections (dataset ZA5302). The comparison shows several differences in sample composition, which need to be taken into account when interpreting the results of our analyses. In particular, respondents in the online sample were younger, more educated and more likely to be in some type of employment. Moreover, in terms of political views, the self-placement of respondents on the left–right axis in the online sample is more dispersed, indicating more respondents with extreme political views, and somewhat more right-leaning than respondents in the random sample. We address this problem by employing post-hoc weights to our estimations that allow us to adjust for over- and under-representation in the sample with regard to age, gender, education and income compared to the German micro census. All estimations reported in this article are therefore based on weighted data.

Dependent Variables: Approval Ratings and Vote Intentions

Our analysis proceeds in two steps. We begin with an analysis of how voters' evaluations of anti-crisis policies, the economic situation and party identification affected their government approval. In a second step, we investigate the relationship between these three channels of economic voting and individual vote intentions.

Approval ratings are useful indicators because they approximate voters' raw approval of the governing parties, untainted by strategic considerations about their actual voting decision. We focus both on respondents' overall satisfaction with the government as well as respondents' approval of each of the two governing parties: the Conservative Party CDU/CSU and the Social-Democratic Party SPD.⁴⁶ All governing parties were deeply involved in the management of the economic crisis: the most prominent crisis-fighters in the coalition government were chancellor Angela Merkel (CDU), finance minister Peer Steinbrück (SPD) and minister of economic affairs Karl-Theodor zu Guttenberg (CSU). Even though the coalition parties took relatively unanimous decisions with regard to the anti-crisis policies,⁴⁷ the three parties represent different electoral constituencies and at times proposed quite different solutions in order to fight the crisis. Approval ratings are measured on an 11-point scale, where a value of one reflects very strong disapproval and a value of 11 very strong approval of or satisfaction with the government or respective governing party.

To measure vote intentions, we refer to respondents' party-list vote. Since our argument focuses on the effect of specific policies on the electoral support for incumbent parties, we recode this information as a nominal variable with three values: intention to vote for CDU/CSU, for the SPD or for any of the opposition parties.

Independent Variables

Policy Evaluations. We measure policy evaluations as the individual assessments of the two anti-crisis policy measures discussed above: public guarantees for banks and the *Abwrackprämie*. Respondents were asked:

Here are a number of possibilities of what the government can do to improve the economic situation. Please indicate in each case whether you support or oppose the measure: [...] support of car industries by the so-called 'Abwrackprämie', [...,] state guarantee for banks.

Both policy variables have five categories ranging from strong opposition (0), some opposition (1), either 'neither support, nor oppose' or 'don't know' (2), to some (3) and finally strong support (4). The answer patterns of both items co-vary at a moderate level with a correlation of 0.51, suggesting that support for one policy tends to go with support for the other. As discussed above, both policy measures have more opponents than supporters, although the guarantees for banks were somewhat more popular than the car-scrap bonus (see [Table 1](#)). To reflect this general scepticism with regard to the crisis policies, we have recoded the variable in such a way that higher values express higher levels of *disapproval* of the policy.

Assessments of the economic situation. To control for conventional economic voting, we include individuals' retrospective evaluation of their personal as well as the national economic situation. These variables measure how individuals assess the

developments in their personal and the general economic situation over the past year.⁴⁸ These statements are measured on a five-point scale, where higher values denote a more positive assessment of the economic situation. Given the context of the economic crisis, it is not surprising that the majority of respondents felt that the economic situation had recently deteriorated, although this tendency is much more pronounced for the general economic situation (mean value 0.8 on a scale ranging from 0–4, with 42 per cent indicating that the economic situation in Germany had become significantly worse). Evaluations of respondents' personal economic situation (mean 1.4 with 27 per cent saying that their personal economic situations had become significantly worse), show that most respondents felt that their personal situation had remained stable or only deteriorated slightly during the crisis.

Party identification. Respondents' ideological position is captured by dummy variables representing their self-identification with either of the governing parties, the Christian Democratic CDU/CSU, or the Social-democratic SPD, or one of the opposition parties (no party identification is the base category).⁴⁹

Although policy assessments, evaluations of the economic situation and partisan orientation all constitute channels through which the economy can affect government approval and the vote, Table 2 shows that these channels do in fact capture different aspects of economic voting. Table 2 shows the correlation matrix of the three sets of independent variables used in this study. Between the three sets of variables, the bivariate measures of association are close to zero, suggesting that policy evaluations, assessments of the economic situation and partisan attachments do not necessarily go together. This is in line with our argument that voters use several channels to assess government's economic policy performance.

Control Variables

We include a number of control variables (education, income, age, gender and unemployment), which are routinely included in analyses of government approval and voting intentions. Results are also robust to controlling for individuals' vote choice in the preceding 2005 elections (not shown). Table A1 in the appendix shows the descriptive statistics for all variables.

TABLE 2
CORRELATION MATRIX

	Evaluation car-scrap bonus	Evaluation bank guarantees	Evaluation national economic situation	Evaluation personal economic situation
Evaluation car-scrap bonus	1.00			
Evaluation bank guarantees	0.51	1.00		
Evaluation national econ. situation	-0.03	0.02	1.00	
Evaluation personal econ. situation	0.07	0.05	0.44	1.00
Party ID (CDU/CSU, SPD, opposition or no party ID)	0.02	0.03	0.06	0.05

Note: Cell entries are Pearson's correlation coefficients or Cramer's V, weighted estimates.

THE MICRO-LEVEL ELECTORAL CONSEQUENCES OF ANTI-CRISIS POLICIES

To examine to what extent voters draw on their evaluation of specific policies when evaluating the incumbent government, this analysis proceeds in two steps. We first analyse how respondents' policy evaluations are related to government approval, and then turn to an analysis of vote intentions.

How Voters' Evaluations of Anti-Crisis Policies Affect Government Approval

Table 3 presents the results from six OLS regression analyses examining the effect of policy evaluations on satisfaction with government (models 1 and 2), approval of the CDU/CSU (models 3 and 4) and the SPD (models 5 and 6). Each pair of models shows that respondents' assessment of both anti-crisis policies had substantively and statistically significant effects on their evaluations of government performance. Higher disapproval of each policy was associated with a lower popularity of the government. Importantly, this effect is discernible with (each first model) or without (each second model) a control for party identification as a proxy for ideological closeness to the governing parties (which naturally has a very strong effect on satisfaction with the government and the incumbent parties' approval ratings) and in addition to respondents' evaluation of recent economic performance. Including party identification as a proxy for ideological stance attenuates the effect, but is far from washing it away.⁵⁰

These results suggest that in line with our expectations, more negative policy assessments lead to less favourable views of the government's work, independent of the fact that these views are also influenced by ideological predispositions and the economic situation. Interestingly, the bigger and statistically more precise coefficients for the *Abwrackprämie* evaluations indicate that this policy had more polarising effects for government satisfaction and approval of the conservative incumbent parties, possibly reflecting the fact that the public debate about this policy was more controversial than that regarding the bank guarantees.

Overall, the analysis suggests that the government's policies designed to combat the global crisis did indeed affect voters' satisfaction with the government. Voters who approved of these policies were significantly more appreciative of the government, and vice versa. Thus, the implementation of these anti-crisis policies was a double-edged sword for the governing parties: given that a majority of voters did not approve of these policies, the results indicate that their aggregate effect on government approval was probably negative.

Individual Evaluations of Anti-Crisis Policies and Vote Intentions

Government approval does not automatically translate into votes, because voting means making a decision under the constraints of what else is on offer and of strategic concerns. Here, the 2009 elections presented German voters with a challenging context. In 2009, a grand coalition consisting of the two biggest parties, the CDU/CSU and the SPD had been in office for four years. The opposition in the Bundestag consisted of three smaller parties, the Greens, the Liberals and the Left. Voters were thus confronted with the rare context in which there was no major opposition party as the two major players were both in government together. How do voters take

TABLE 3
OLS REGRESSIONS ON GOVERNMENT SATISFACTION AND PARTY APPROVAL BEFORE THE 2009 BUNDESTAG ELECTION

	Satisfaction with government	Satisfaction with government	Approval CDU/CSU	Approval CDU/CSU	Approval SPD	Approval SPD
	1	2	3	4	5	6
Policy assessment: against car-scrap bonus (Min 0, Max 4)	-0.38* (0.10.)	-0.28* (0.09)	-0.35* (0.12)	-0.29* (0.09)	-0.37* (0.11)	-0.25* (0.10)
Policy assessment: against public bank guarantees (Min 0, Max 4)	-0.30* (0.10)	-0.25* (0.09)	-0.27* (0.11)	-0.19* (0.09)	-0.29* (0.10)	-0.26* (0.09)
Evaluation national economic situation (Min 0, Max 4)		0.71* (0.10)		0.42* (0.12)		0.49* (0.12)
Evaluation personal economic situation (Min 0, Max 4)		0.46* (0.10)		0.39* (0.11)		0.30* (0.12)
Income (Min 1, Max 12)	0.23* (0.06)	0.10* (0.05)	0.21* (0.06)	0.10* (0.05)	0.10 (0.07)	-0.01 (0.06)
Age (Min 18, Max 80)	0.01 (0.01)	0.01* (0.01)	0.00 (0.01)	0.01 (0.01)	0.01 (0.01)	0.00 (0.01)
Female (Dummy)	0.19 (0.23)	0.47* (0.20)	-0.20 (0.28)	0.07 (0.22)	-0.42 (0.25)	-0.21 (0.22)
Unemployed (Dummy)	0.13 (0.38)	0.35 (0.37)	-0.05 (0.45)	0.33 (0.39)	-0.79* (0.40)	-0.82* (0.34)
Education (Min 0, Max 3)	0.14 (0.16)	0.03 (0.13)	-0.06 (0.16)	-0.23 (0.14)	-0.14 (0.16)	-0.02 (0.14)
Party ID CDU/CSU (baseline: no party ID)		2.47* (0.28)		3.91* (0.27)		0.14 (0.32)
Party ID SPD		0.73* (0.26)		-0.86* (0.31)		3.18* (0.30)
Party ID opposition		-0.06 (0.26)		-0.14 (0.30)		0.13 (0.29)
Constant	5.03* (0.54)	3.25* (0.48)	5.99* (0.63)	4.39* (0.53)	6.98* (0.59)	5.61* (0.56)
N	937	934	888	885	904	901
R ² in %	10.4	37.7	6.4	41.4	7.3	30.6
BIC	4470	4150	4526	4129	4517	4274

Notes: OLS regression coefficients, standard errors in parentheses, * $p < .05$ of a one-sided test for economic evaluations and assessments of policies of the null hypothesis that $\beta > 0$ and for a two-sided test of the null that $\beta = 0$ for all other variables. Robust standard errors, data are weighted. Diagnostic tests on severe collinearity and misspecification showed no problems.

their voting decision in such a context of blurred responsibility? This last sub-section investigates how voters' evaluation of the government's crisis management affected their vote intentions in this situation. Given contradictory views about the importance of the global economic crisis in influencing the 2009 Bundestag elections,⁵¹ the goal of this final part of the analysis is to generate insights into the mechanism linking the crisis with the electoral dynamics.

Table 4 presents the results of two multinomial logit regression analyses examining the determinants of individual vote intentions, most importantly the two policy evaluations of anti-crisis policies. Model 7 only includes the policy assessments and the

TABLE 4
DETERMINANTS OF INDIVIDUAL VOTE INTENTIONS (MULTINOMIAL LOGIT REGRESSION WITH CHOICE OF OTHER PARTIES AS BASELINE CATEGORY)

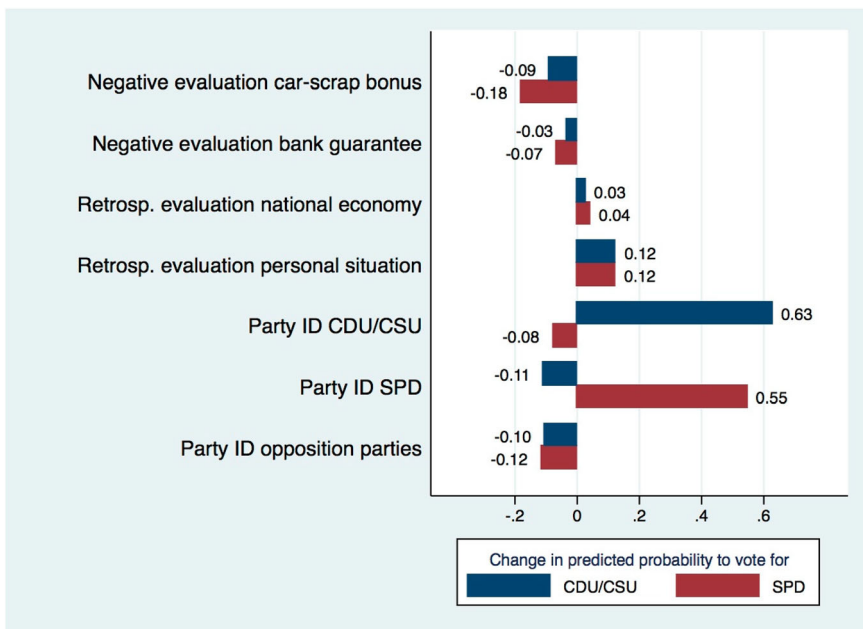
	Model 7		Model 8	
	CDU/ CSU	SPD	CDU/ CSU	SPD
Policy assessment: against car-scrap bonus (Min 0, Max 4)	-0.25* (0.12)	-0.41* (0.12)	-0.24 (0.20)	-0.36* (0.15)
Policy assessment: against public bank guarantees (Min 0, Max 4)	-0.13 (0.11)	-0.14 (0.11)	-0.09 (0.16)	-0.16 (0.15)
Evaluation national economic situation (Min 0, Max 4)			0.07 (0.18)	0.10 (0.20)
Evaluation personal economic situation (Min 0, Max 4)			0.30* (0.18)	0.31* (0.16)
Income (Min 1, Max 12)	0.03 (0.07)	0.01 (0.08)	-0.10 (0.07)	-0.10 (0.12)
Age (Min 18, Max 80)	0.01 (0.01)	0.02* (0.01)	0.02 (0.01)	0.00 (0.01)
Female (Dummy)	-0.01 (0.29)	-0.16 (0.28)	0.08 (0.39)	-0.07 (0.38)
Unemployed (Dummy)	-0.33 (0.41)	-0.22 (0.42)	-0.14 (0.60)	-0.73 (0.50)
Education (Min 0, Max 3)	-0.16 (0.18)	-0.46* (0.18)	-0.35 (0.23)	-0.32 (0.24)
Party ID CDU/CSU (baseline: no party ID)			3.13* (0.50)	0.66 (0.59)
Party ID SPD			-0.29 (0.71)	2.56* (0.47)
Party ID opposition			-1.44* (0.57)	-2.06* (0.64)
Constant	0.01 (0.65)	0.31 (0.64)	-0.80 (0.96)	0.01 (0.96)
N	660		657	
Log likelihood	-652		-381	
McFadden R ² in %	4.3		44.0	
BIC	1407		930	

Notes: Assessments of policies and economic situation measured on a five-point scale ranging from (0) strongly disapprove/very bad to (4) strongly approve/very good. Cell entries are logit coefficients, standard errors in parentheses, **p* < .05 of a one-sided test for economic evaluations and assessments of policies of the null that beta > 0 and for a two-sided test of the null that beta = 0 for all other variables. Weighted data. Diagnostic tests for severe collinearity, empty cells and perfect prediction did not reveal any problems. Only respondents indicating a vote choice are included.

demographic control variables, whereas model 8 adds the traditional economic voting variables measuring evaluations of the personal and the national economic situation and party identification.⁵² To facilitate the interpretation of the magnitude of effects, Figure 2 shows the substantive impact of the two policy assessments in comparison with the substantive effects of respondents' ideological predisposition and retrospective evaluations of the economic situation based on model 8. This effect is calculated as the change in predicted probabilities of voting for one of the two incumbent parties when each independent variable is moved from the minimum to the maximum while holding all other variables at their medians.

The results suggest that voters do take policy-specific assessments into account when taking their voting decision, although not all policies feature prominently in this decision calculus, and not all incumbent parties are equally subjected to policy-specific voting. In our analysis, negative policy evaluations are always associated with a lower probability of voting for one of the incumbent parties, but once mediating economic voting and party identification effects are controlled for, this effect is only statistically significant for the car-scrap bonus and for predicted voting for the Social Democrats. The effect of evaluations of the banking guarantee, which also had a statistically significant impact on general government and party approval (models 1–6), can no longer be precisely estimated once alternative paths of vote choice are controlled for. In other words, parts of the policy evaluation effects are

FIGURE 2
CHANGE IN PREDICTED PROBABILITY TO VOTE FOR INCUMBENT PARTIES WHEN VARIABLE IS CHANGED FROM MINIMUM TO MAXIMUM



Note: Estimates based on model 8.

subsumed by the general ideological stance measured by the party identification and indicators of more general economic voting.

Substantively, the independent effect of policy evaluations on vote choice compares to the substantive effects of conventional economic voting. Figure 2 shows that a 'median' respondent evaluating the *Abwrackprämie* very negatively has a 9 (18) percentage points lower predicted probability to vote for the CDU/CSU (SPD) when compared with one holding a very positive view of this policy, whereas a similar comparison in the egotropic evaluation of the economy (from a negative to a positive view) leads to a change in predicted voting probability of 12 per cent. However, the effect of individual policy evaluations is dwarfed by the effect of party identification – a result that squares with our expectations and existing research.⁵³ Negative evaluations of the bank guarantees also depress vote intentions for both incumbent parties, but the effect is much smaller (3 and 7 percentage points, respectively) and not statistically significant. As in the analyses in the preceding section, the car-scrap bonus seems to have been a more divisive and electorally consequential policy than the less controversial public guarantees for banks.

Overall, our findings suggest that the government's crisis management did have an independent effect on the outcome of the 2009 federal elections in Germany. Those in favour of the anti-crisis policies rewarded the incumbent parties in government; those against these policies punished the incumbents, and this effect existed on top of voters' ideological attachments to the political parties and their more general evaluations of recent developments in the economy. The SPD was particularly hurt by a negative assessment of the car-scrap bonus, although it also benefitted disproportionately from positive evaluations of this programme.

Since a majority of the population did not approve of the anti-crisis policies, this finding implies that the government lost votes not only because of the negative economic consequences of the global crisis. Voters punished the incumbents through conventional economic voting, but also specifically because its policy responses to the crisis were unpopular among voters.

CONCLUSIONS

What were the political consequences of governmental responses to the global financial and economic crisis of 2008/09? This article focuses on Germany where elections were held in September 2009, a timing of events that forced policymakers to combat the crisis during the election campaign. We concentrate on the micro-level repercussions of two of the most prominent policy measures against the crisis in Germany, the car-scrap bonus ('*Abwrackprämie*') and public guarantees for banks, and thus investigate how policy evaluations had political repercussions by influencing individual approval ratings of government and vote intentions.

The analysis yields two main insights: first, somewhat surprisingly, neither of the two policies was popular in the electorate: only minorities of one-quarter to one-fifth of respondents explicitly supported the policies. Given that the car-scrap bonus in particular was often criticised as a present to voters, this seems to be a meagre pay-off for the government. Second, the dynamics of party and government approval and of vote intentions suggest that the government's crisis management directly affected electoral

behaviour, especially for likely SPD voters. This effect existed in addition to voters' ideological closeness to individual political parties and in addition to their evaluations about the economic impact of the global financial and economic crisis. However, since a majority of the population viewed the measures implemented by the government to combat the crisis rather critically, this was not good news for the incumbent parties. Rather than enhance their electoral fortunes in the logic of an electoral present, this critical stance aggravated their electoral difficulties created by the economic crisis. Our results, which are based on data from June 2009, thus foreshadow the actual electoral losses realised by both incumbent parties, especially by the SPD, in the Bundestag elections in September 2009.

More generally, our analysis suggests that 'economic voting' is not just limited to voters' perceptions about the general state of the economy, be it their personal situation or the national economy, but extends to evaluations of specific economic policies. Evaluations of these policies can diverge from voters' general assessments of the economy, and are likely to be particularly influential when the attribution of responsibility for general economic outcomes is difficult. Unsurprisingly, easy-to-understand and controversial policies are more likely to have an impact on voting behaviour in such situations than complex and relatively undisputed policies. At the margins, such policies can make a considerable difference to the electoral fortunes of incumbent parties.

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No potential conflict of interest was reported by the author.

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 46. Variables a12a–c (approval ratings for CDU, CSU and SPD). The approval rating for the CDU/CSU is computed as the arithmetic mean of both parties' approval rating.
 47. T. Faas, *Arbeitslosigkeit und Wählerverhalten. Direkte und Indirekte Wirkungen auf Wahlbeteiligung und Parteipräferenzen in Ost- und Westdeutschland* (Baden-Baden: Nomos, 2010).

48. Based on variables a19 and a23, respectively.
49. Results are robust to measuring the ideological position as respondents' left–right self-assessment on an 11-point scale ranging from 1 ('left') to 11 ('right'), as well as the squared-term to allow for a curvilinear relationship.
50. We also tested interaction effects between the economic evaluations of the two policy assessment variables and party identification and between policy assessment on the three dependent variables. In most analyses, the interaction terms between policy evaluations and retrospective economic evaluations are not statistically significant. The interaction analysis regarding partisan identification yields that, unsurprisingly, individual policy assessments have the strongest effect for those with no party identification. Apart from that, no clear and consistent pattern arises across the analysis.
51. Anderson and Hecht, 'Voting When the Economy Goes Bad'; Beckmann and Walter, 'Die Wirtschaftslage Entscheidet Wahlen'; Zohlnhöfer, 'The 2009 Federal Election'.
52. We use multinomial logit analysis because our dependent variable is a categorical variable. This type of model allows us to model the choice between several options.
53. Note that changes for party identification are relative to having no party ID at all.

APPENDIX

TABLE A1
DESCRIPTIVE STATISTICS

	Obs	Mean	Std Dev.	Min	Max
<i>Dependent variables</i>					
Satisfaction with the national government Wie zufrieden oder unzufrieden sind Sie mit den Leistungen der Bundesregierung aus CDU/CSU und SPD in Berlin? -5 'vollständig unzufrieden', +5 'voll und ganz zufrieden'	1125	5.22	2.65	1	11
Approval of the CDU/CSU (mean of CDU and CSU value)	1047	5.31	3.13	1	11
Approval of the SPD Und nun zu den politischen Parteien. Was halten Sie ganz allgemein von den politischen Parteien auf der Bundesebene? Bitte beschreiben Sie dies mit einer Skala von -5 bis +5	1068	5.85	2.91	1	11
Projected voting choice in 2009 election (CDU/CSU, SPD, other party) Bei der Bundestagswahl können Sie ja zwei Stimmen vergeben. Die Erststimme für einen Kandidaten aus Ihrem Wahlkreis, die Zweitstimme für eine Partei. Was werden Sie bei dieser Bundestagswahl auf Ihrem Stimmzettel ankreuzen?	758			1	3
<i>Independent variables</i>					
Support for car-scrap bonus (see text)	1048	1.42	1.26	0	4
Support for banking guarantee (see text)	1030	1.72	1.30	0	4
Income Wie hoch ist das monatliche Nettoeinkommen in Ihrem Haushalt insgesamt nach Abzug der Steuern und Sozialversicherungen? - Unter 400 Euro - Über 400 bis 750 Euro - Über 750 bis 1250 Euro - Über 1250 bis 1750 Euro - Über 1750 bis 2500 Euro - Über 2500 bis 3250 Euro - Über 3250 bis 4000 Euro - Über 4000 bis 5000 Euro - Über 5000 bis 6500 Euro - Über 6500 bis 9000 Euro - Über 9000 bis 11,000 Euro - Über 11,000 Euro	1090	4.77	2.05	0	1
Left-right self-placement Und wenn Sie diese Skala von 1 bis 11 benutzen, wo würden Sie sich selbst einordnen?	963	5.76	2.39	1	11
Age	1073	42.49	14.54	18	80
Education no degree, Hauptschule, Realschule, (Fach)-Abitur	1133	1.94	0.80	0	3
Gender Bitte geben Sie zunächst Ihr Geschlecht, Ihr Alter und Ihren Schulabschluss an	1133	0.50	0.50	0	1
Unemployed Und nun weiter mit Ihrer Erwerbstätigkeit. Was von dieser Liste trifft auf Sie zu? Zurzeit arbeitslos	1116	0.11	0.31	0	1

(Continued)

TABLE A1
CONTINUED

	Obs	Mean	Std Dev.	Min	Max
Party identification with the CDU/CSU	1072	0.19	0.39	0	1
Party identification with SPD	1072	0.21	0.41	0	1
Party identification with other party	1072	0.28	0.45	0	1
In Deutschland neigen viele Leute längere Zeit einer bestimmten politischen Partei zu, obwohl sie auch ab und zu eine andere Partei wählen. Wie ist das bei Ihnen: Neigen Sie – ganz allgemein – einer bestimmten Partei zu? Und wenn ja, welcher?					
Sociotropic retrospective economic evaluation	1127	0.87	0.93	0	4
Was meinen Sie, ist die allgemeine wirtschaftliche Lage in Deutschland in den letzten ein bis zwei Jahren ...					
– wesentlich besser geworden					
– etwas besser geworden					
– gleich geblieben					
– etwas schlechter geworden					
– wesentlich schlechter geworden					
Egotropic retrospective economic evaluation	1126	1.43	1.11	0	4
Kommen wir nun zur wirtschaftlichen Lage					
Wie hat sich Ihre eigene wirtschaftliche Lage in den letzten ein bis zwei Jahren entwickelt? Ist sie ...					
– wesentlich besser geworden					
– etwas besser geworden					
– gleich geblieben					
– etwas schlechter geworden					
– wesentlich schlechter geworden					