

Promise voters to pad their wallets, and they will listen

By Henrik Jordahl



Do pork barrel politics really change voting behavior? IFN researchers measured the effect of high-profile pledges on child care in Swedish elections – with surprising results, writes Henrik Jordahl.

How do you tell that a politician is lying? His lips are moving. If this popular wisdom is true, why should voters listen? If political promises are just so much cheap talk without relevance after election day, voters have no reason to pay any attention to them.

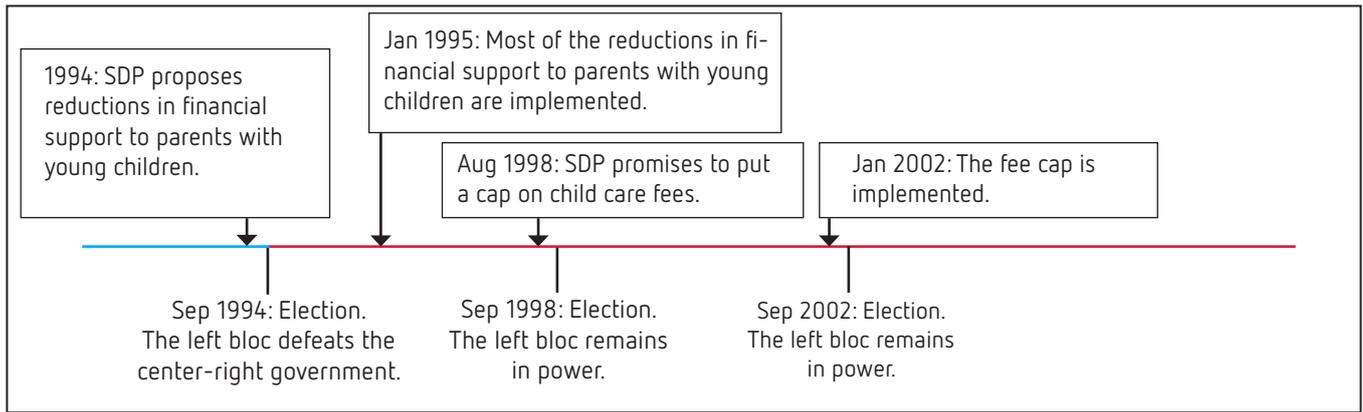
In new empirical research, Mikael Elinder, Panu Poutvaara and I demonstrate that Swedish voters do care about election promises – in particular when it comes to pledges that would pad their wallets (Elinder et al. 2015). And as it turns out, this finding is not as surprising as observed mistrust in politicians might suggest.

Our study focuses on pocketbook voting, that is, voting for the political candidate or party that benefits the voter the most financially. It distinguishes between prospective (or forward-looking) pocketbook voting, where voters respond to promises concerning future policies that would benefit them financially if implemented, and retrospective (or backward-looking) pocketbook voting, where voters respond to implemented policies.

The prospective part is the novel contribution. It is well established that targeted transfers increase a government's support among groups of voters who benefit, but all previous studies have investigated the response of voters to transfers that have already been implemented. To our surprise, we could not find a single empirical voting study of promises of targeted transfers.

The design of our study allowed us to compare voting responses to economic promises, and to the same policies after they were implemented. We found that Swedish voters with young children did indeed respond powerfully to

FIGURE 1



Timing of election promises and their implementation. SDP denotes the Social Democratic Party, the biggest party in the left bloc of parties (which also includes the Left Party).

two economic reforms that appeared as election campaign promises, but did not respond at all to the later implementation of the same reforms.

The case of Swedish child care reforms

In the early 1990s, the Swedish economy plunged into crisis with a surge in unemployment and huge budget deficits. In the 1994 election campaign, the center-left Social Democratic Party surprised pundits and voters alike when it suggested major cuts in financial support for parents with young children as a way to fight the budget deficit.¹ In

the next election campaign, in 1998, the Social Democrats came up with a sharp reversal of the policies they themselves advocated in 1994: a promise to put a cap on child care fees to reduce the child care costs of families with young children.² The party had been Sweden's largest for decades, usually forming a minority government supported by the Left Party. The child care reforms were at the center of these election campaigns and received extensive media coverage.

The Social Democrats won both elections and delivered on both promises. Most of the reductions in financial support to parents with young children were implemented in 1995; the cap on child care fees was implemented in 2002. This sequence of events allows us to test whether Swedish parents with young children responded mainly to the election campaign promises – that is, in the 1994 and 1998 elections – or only after the reforms had been implemented – that is, in the 1998 and 2002 elections.³ Figure 1 illustrates the sequence of events.

As a source of information concerning individuals' voting behavior and their socio-economic positions, we used data from the Swedish National Election Studies program, which include the party choice of parents and the ages of all children in their household. Of course, many factors influence voting, so to identify causal voting patterns we needed to filter out irrelevant effects – that is, we needed a control group.

A natural control group is parents with older children, since they are in many respects similar to parents with young children. The obvious difference between the groups – which we took into account – is that parents

Terminology of Economic Voting

Pocketbook voting: Voting for the political candidate or party that benefits the voter the most financially.

Prospective voting: Voting based on electoral promises.

Retrospective voting: Voting based on implemented policies.

Targeted transfers: Economic resources which are redistributed to a distinguishable group of voters, e.g. to parents with young children.

¹ The cuts had three components: 1) Abolition of the child allowance. 2) Reduction of parental insurance. 3) Introduction of a qualifying day for compensation when caring for sick children. A family with two children between 0 and 4 years old could expect to lose approximately 150 euros per month from all three proposals together.

² A typical family with two children in child care 33 hours per week gained a total of €113 per month in the municipality with median fees.

³ There could also be a smaller retrospective response in the 1994 election since the center-right government had introduced a child allowance earlier that same year.

with older children are a few years older than parents with young children.

What is particularly important about the parents with older children in this study is that they were largely unaffected by the reforms to child care. In addition, they had voted almost identically to the parents with young children in previous elections. Consequently, if parents with young children voted differently from parents with older children from 1994, the child care reforms were a likely explanation.

In order to identify voting responses, the two groups of parents also needed to have been treated similarly by the political parties in terms of other promises or policy changes. We went through the election manifestos as well as implemented policies during the period of study, to confirm that this was indeed the case. Voting differences between the two groups of parents should therefore not have been due to other types of policies.

More specifically, we compared how changes in support for the Social Democratic Party differed between parents with young children (aged 0–4) and parents with older children (aged 6–11) in the elections of 1994, 1998 and 2002. The last of these elections was included, since the 1998 election campaign promise to put a cap on child care fees was implemented only in 2002.

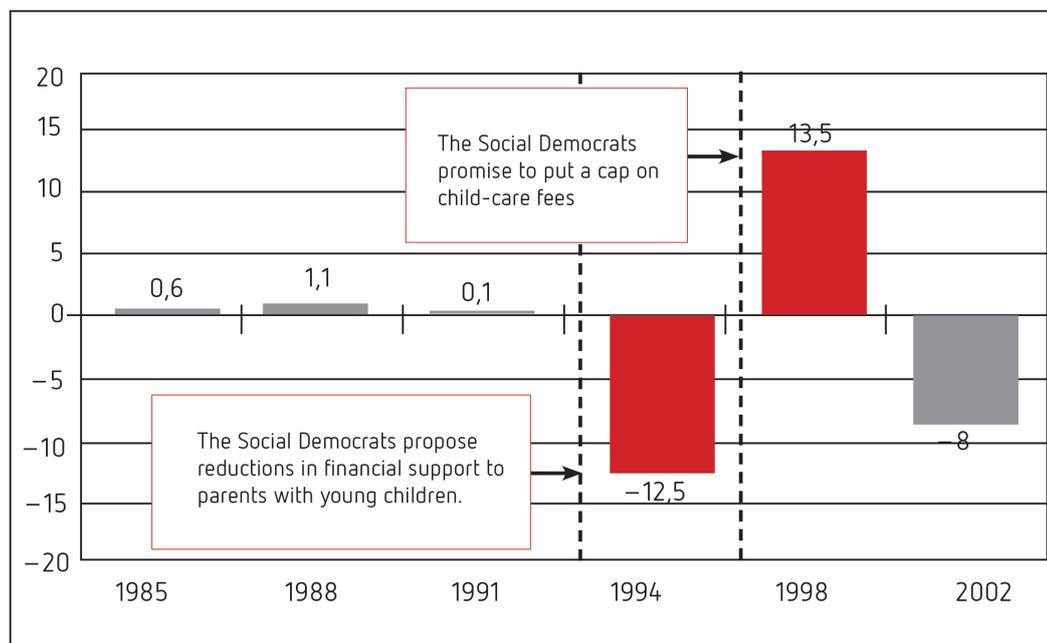
A pattern of prospective pocketbook voting

Our main finding is that the voting pattern in the elec-

tions of 1994, 1998 and 2002 is well in line with prospective pocketbook voting. The Social Democrats did poorly among parents with young children in 1994, but did well among the same group in 1998. This is exactly what one would expect if parents were voting with their pocketbooks in response to election promises. If parents would have responded to implemented policies instead, the expected responses would have been delayed for one election. Since the group of parents with young children is made up of new individuals in each election year, there is no reason to believe that their estimated voting responses include responses to previous child care policies.

At a more technical level, by subtracting the changes in votes in the control group of parents with older children from the changes in votes among parents with young children, we are left with the changes in votes that can be attributed to the reforms – a “difference-in-differences” estimation. We estimate that in response to the promised child care reforms, the left bloc of parties (the Social Democrats and the Left Party) lost 12.5 percentage points in the 1994 election and gained 13.5 percentage points in the 1998 election, among parents with young children. In 2002, we estimate a negative reform response of 8 percentage points. The 2002 election is not as clear cut as a test, but the smaller response could be due the fact that two of the four center-right parties had now accepted the fee cap reform, making them more attractive to parents with young children relative to the Social Democrats. Figure 2 illus-

FIGURE 2



Estimated voting responses among parents with young children to promises of child care reforms, in percentage points. Positive responses imply an increase in the vote share of the left bloc, which includes the Social Democratic Party and the Left Party. The elections of 1985, 1988 and 1991 are included as “placebo elections” to demonstrate that there were no voting responses before the first reform appeared in the 1994 election campaign.

trates the sequence of estimated voting responses.

Since parents with young children made up 12 per cent of all voters, the promised reforms changed the support for the left bloc by about 1.5 percentage points in the 1994 and 1998 elections. Although an effect of this size could be decisive in a close race, it did not tip the scales in 1994 or in 1998. We have also calculated the cost of one vote – around €4,300 per year, which is somewhat more than in the U.S. according to a previous study of federal spending (Levitt and Snyder 1997).

Why do we care?

To conclude, we find evidence that Swedish parents vote prospectively in response to election campaign promises. This is a new finding, which squares nicely with studies demonstrating that politicians in Sweden – and in other western countries – do in fact keep a majority of their promises (Naurin 2014; Mansergh and Thomson 2007). It therefore makes sense to regard election promises as reasonably credible, and our finding is not as surprising as it might first appear. This is academically relevant, as theoretical voting models either assume that election promises are fully credible or not credible at all. Our results support using the former type of models, or even to allow for both prospective and retrospective voting with different weights depending on the credibility of promises.

As mentioned, our results also support pocketbook voting, i.e. voting for the political party that benefits the voter the most financially. Until recently, there was only weak evidence for pocketbook voting, despite its use as a cornerstone in several theoretical models of electoral politics. For instance, Lewis-Beck and Stegmaier (2007) concluded in a review of about 400 studies that there was

not much support for the hypothesis. But more recently, a number of studies have pointed to such voting behavior. In particular, several studies of poverty reduction programs in Latin America have established that targeted public spending increases government support among recipients (e.g. Manacorda et al. 2011).

A different approach to identify pocketbook voting was taken by Carlsson and Johansson-Stenman (2010), who asked a representative sample of Swedes about their voting motives. It turned out that 33 percent admitted that they voted mainly out of self-interest. This a remarkable figure considering that no less than 60 percent in the same study judged such voting to be unethical. Given that people are probably more inclined to err on the side of reporting nobler personal motives, the share of 33 percent could well underestimate the share of pocketbook voters. In fact, 59 percent of the respondents believed that other people voted mainly out of self-interest.

Our findings are thus in line with the most recent evidence on pocketbook voting. In our study, it is also quite suggestive that the share of parents who stated that family policies were important for their vote choice was twice as high in the affected group of parents with young children as in the unaffected group of parents with older children.

Finally, there is a practical twist to our study. The former prime minister of Sweden, Göran Persson, claimed that the Social Democrats did not gain much from the promise of a fee cap in the 1998 election but that the implementation of this reform was instrumental to the party's victory in the 2002 election. We demonstrate that it was more or less the other way around, exemplifying how conventional wisdom can be questioned by a scientific study.

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