

Happy voters briefing

by Federica Liberini, Michela Redoano and Eugenio Proto

“It’s the economy, stupid”. Or is it? The mantra of Bill Clinton’s strategist James Carville has become something of an orthodoxy for politicians and political commentators, but is the economy really the key issue in voting behaviour?

Carville’s mantra has its basis in the idea of retrospective voting - the idea in the economic and political science literature that says that voters will examine their personal situation and reward - or punish -- politicians for the performance of the economy. Like Carville, most of the academic work in this field looks at the effect of financial and economic outcomes on voting decisions.

At a glance, this might well spell bad news for the incumbent Conservative government.¹ After all, even though employment is reaching record levels, real wage growth in the UK has, since the financial crisis, lagged behind major EU economies. As inflation has picked up recently and wage growth remains, and is expected to remain, restrained², this means that the UK goes to the polls on June 8 with living standards falling: many voters are getting poorer.

But what if the economy is not the decisive factor in voting behaviour? Recently published research by Liberini, Redoano and Proto (2016) supports the idea of retrospective voting using **subjective wellbeing** (SWB) measures. Using measures of voting intentions and subjective wellbeing from the British Household Panel Survey³ the key finding is that an individual voter with a high level of subjective wellbeing will be more likely to support the incumbent party; voters who are satisfied with their lives are 1.6 percentage points **more likely** to support the incumbent.

As a comparison, individuals who feel that their financial situation has improved with respect to last year are 1.2pp more likely to support the incumbent. A 10% increase in family income makes an individual around 0.2pp more likely to support the incumbent party. In other words, happiness matters more for a person’s voting decision than money.

¹ This is true even if most of the causes for the squeeze in real incomes is not, directly at least, under the control of the government. As Achen and Bartels (2004) point out, “retrospection is blind”.

² Chartered Institute of Personnel and Development (CIPD) and Adecco Group survey (Monday 15 May).

³ An annual survey of over 10,000 British households

If individual disagreement with the government's policy decisions were a source of life dissatisfaction, one might worry that respondents who have allegiances with the incumbent party, and so greater agreement with the policy choices, would report greater life satisfaction and that this drives the results. But this is not the case. Looking only at politically unaffiliated respondents, the results continue to hold. In fact, for non-partisan voters, the importance of wellbeing is even greater: for such voters, the wellbeing effect increases from 1.6pp to 2.4pp

The researchers also examine whether the effects are *caused* by the variation in life satisfaction, even if such variation is not the result of government policies.

To capture a drop in wellbeing that is unrelated to policy, the researchers considered the voting intentions of people who had suffered the death of a spouse.⁴ The results suggest that **becoming a widow or widower makes individuals less likely to support the party of the incumbent government**. This effect is larger for women; in the two years after becoming a widower, a woman is around 11% less likely to be pro-incumbent.

The paper is not written to try to predict voting behaviour in any particular election. But in the context of the coming British general election on June 8th, 2017, it is interesting to look at the current assessments of life satisfaction in the UK.

Using the latest ONS data,⁵ shown in figure 1, we see that average levels of life satisfaction, happiness and worthwhileness (all SWB indices) have steadily increased since 2011.

Table 1 shows that the percentage of respondents reporting high or very high levels of life satisfaction has overall increased for the UK between the 2014/15 surveys (which capture the effects before the last election) and the 2015/16 survey.

Comparing Figures 1 and 2, we note that SWB and voting intention for the incumbent parties both follow an increasing trend. On this basis, the fact that SWB is more important for voting decisions than financial circumstances might explain what the Carville mantra would suggest is a paradoxical trend in British politics: strong and rising support for an incumbent party at a time when living standards are flat or falling.

⁴ The death of a partner is widely documented as having a deep, negative impact on the subjective well being (e.g. Clark and Oswald, 2002).

⁵ Office for National Statistics (2017).

Figure 1a: Average life satisfaction, worthwhile and happiness ratings, year ending March 2012 to year ending September 2016

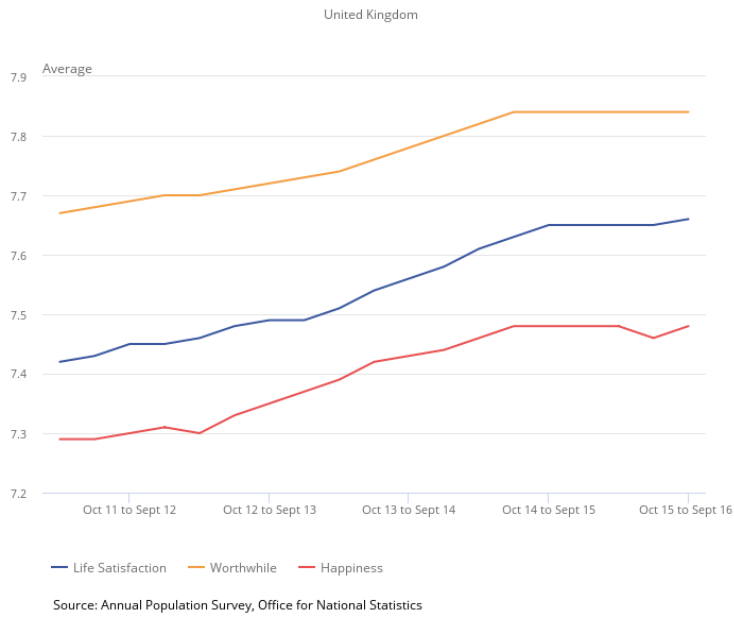


Figure 1: SWB indices (from the ONS statistical Bulletin , January 2017)

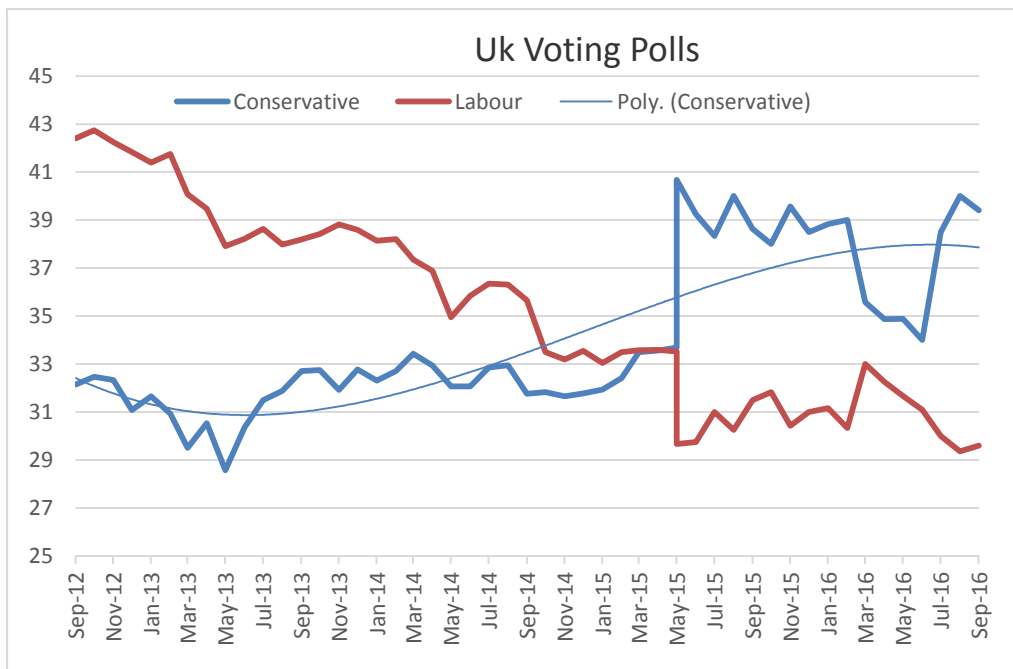


Figure 2: UK voting intentions for the main parties

Table 1 shows that the geographic breakdown of the percentage of respondents reporting high or very high levels of life satisfaction. Notably, this measure has been increasing since the UK started to measure subjective well-being in the 2011/12 year. Also, almost all regions of the UK, the exception being Northern Ireland, have seen an increase in the last year. Moreover, within England, some of the strongest increases have come from areas such as Yorkshire and the Humber. These are areas that are not often regarded as sympathetic to the Conservative Party, yet recent local election results and opinion polling suggests rising support for the party there.

Table 1: UK life satisfaction: Geographic breakdown

	2011/12	2012/13	2013/14	2014/15	2015/16
UK	76.1	77.2	78.5	80.5	81.2
Wales	75.0	76.3	77.9	78.7	80.5
Scotland	77.9	78.9	80.1	81.6	81.7
Northern Ireland	77.8	80.0	80.2	83.7	82.8
England	75.9	77.0	78.4	80.3	81.2
North East	75.4	74.8	77.0	79.5	80.0
North West	74.9	75.7	76.3	78.4	78.5
Yorkshire and the Humber	75.3	76.7	78.5	79.5	80.7
East Midlands	77.0	77.8	78.7	80.5	81.9
West Midlands	73.3	76.1	77.8	79.6	80.5
East of England	77.3	78.3	79.9	81.8	82.2
London	72.9	73.7	76.0	78.6	79.6
South East	78.6	79.8	80.9	82.9	83.5
South West	78.3	79.2	79.7	81.7	83.4

Consistent with the theory that SWB helps determine voting intention, rising life satisfaction in the Yorkshire and Humber region been accompanied by a rise in support for the Conservative Party, from 32.6 % in the 2015 general elections to 43% in a recent survey (table 2).

Similarly in Wales, we observe the largest increase in SWB between 2015 and 2016. At the same time we observe a dramatic increase in Conservative support-- from 27.2% in the 2015 elections up to 41%.

Table 2: UK Voting: Geographic Breakdown

	2015 Elections	Polls Beginning of May 2017	Leave EU
UK			
Wales	27.2	41	52.5
Scotland	14.9	28	38
Northern Ireland	1.2		44.2
England			
North East	25.3	40	58
North West	32.2	42	53.7
Yorkshire and the Humber	32.6	43	57.7
East Midlands	43.5	54	58.8
West Midlands	41.8	51	57.7
East of England	43.5	54	56.5
London	34.9	36	40.1
South East	50.8	56	51.8
South West	46.5	52	52.6

More generally, increases in SWB seem to be matched by the levels of Conservative support according to recent polls, as figure 3 suggests.

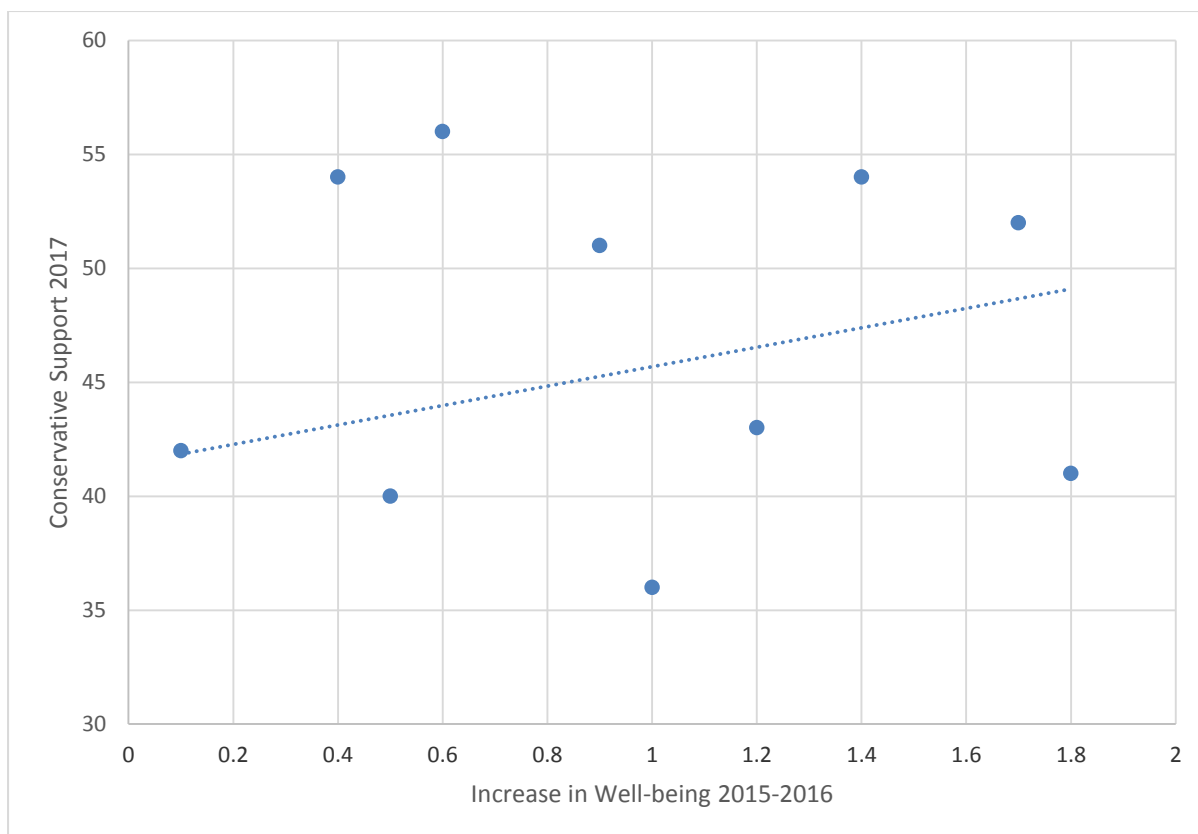


Figure 3: Support for conservative and SWB in the different regions

A similar analysis can be applied to support for leaving EU. The Brexit vote can reasonably be considered as a rejection of the status quo thus comparable to a vote against an incumbent. Hence we should expect that less “happy” regions would have supported Brexit more.

And indeed, from table 1, we note that Northern Ireland and Scotland are the happiest geographical regions, with a support for Brexit below national average. Even considering the English regions only, we note that West Midlands, Northeast and Yorkshire and the Humber, all below the UK average in terms of subjective wellbeing, had higher level of Brexit support.

An important exception in this respect is London, featuring low level of subjective wellbeing and low Brexit support. Clearly, London, as in so many other regards, is “different” from the rest of the UK.

Accordingly, the scatter plot in Figure 4 suggests a negative relationship between Brexit support and subjective wellbeing: the unhappier a region, the more likely it was to vote to leave.

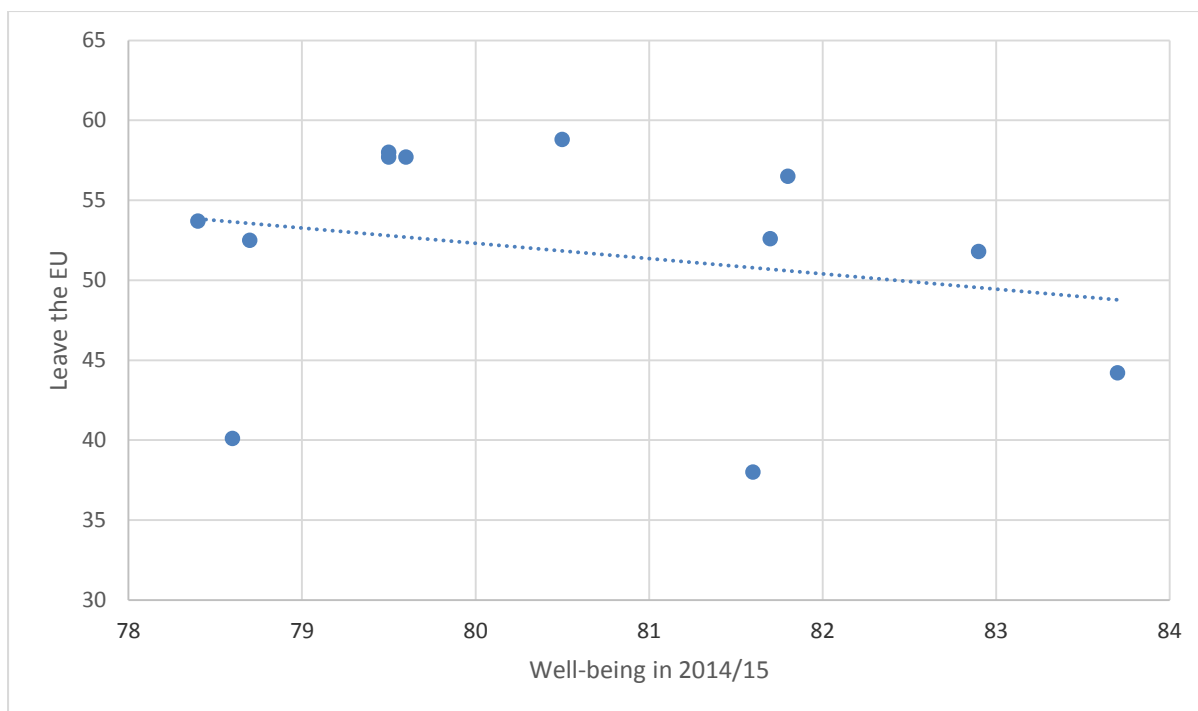


Figure 4: Support for Brexit and SWB in the different regions

Conclusion

The key message from this research is that “it may not always be the economy, stupid”. While economic trends typically have knock-on effects for life satisfaction and thus voting behaviour, they are not always decisive.

In spite of the living standards squeeze, the UK seems to have become more satisfied over the last few years. That may help explain what appear to be Theresa May’s rosy election prospects.

And looking beyond the 2017 general election, a wider lesson to draw from this research is that politicians would do well to pay greater attention wellbeing analysis and, especially, to support efforts to produce higher quality and more comprehensive measures of wellbeing.

References:

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