

The Comparative Dynamics of Party Support in Great Britain: Conservatives, Labour and the Liberal Democrats

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ABSTRACT *Political leadership has long been established as a key determinant of party support. Yet the extent to which this may vary across parties in and out of government is less well understood. In fact, there are good reasons to expect leadership to matter less for “protest” parties. We demonstrate that the relationship between satisfaction with the Liberal Democratic leader and support for the British Liberal Democratic Party is fundamentally different from the relationships between the Prime Minister and the Leader of the Opposition and their respective parties. Using 28 years of monthly public opinion data, we develop models of the political and economic factors that determine support for each of the three major parties in Britain in each of the 1979–1997 and 1997–2006 periods. We find that vote intentions for the two major parties are closely related to the satisfaction levels of their respective leaders but that this relationship is substantially weaker for the Liberal Democrats. These findings are in contrast to individual-level studies that have shown the importance of leadership approval to vote choice for all British parties. More generally, we show the need to refine theories about the relationships between parties and their leaders.*

Introduction

One bit of conventional wisdom tells us that political leadership is an important determinant of party support (Butler & Stokes, 1974; Bean & Mughan, 1989; Norris, 1997). The growth of the mass media is often cited as a principal cause for a “presidentialization” of political systems in countries where the ties between leaders and parties have become seamless enough so that approval of a leader necessarily translates into a vote for his/her party (Nadeau & Mendelsohn, 1994; Mughan, 2000; Poguntke & Webb, 2005). What is often implicit in this framework is that the relationship between party and leader will be similar regardless of the political landscape and the party’s place within it. Yet how a party is positioned within a party system should greatly influence the extent to which leadership popularity can drive party support. Even within a single system, one party may encounter

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constraints that make it impossible for a popular leader to deliver party success. We study the three largest parties in British politics and find great asymmetries in the leader/party relationship. To begin, consider the history of the British Liberal Democrats.

In the British General Election of November of 1922, the Conservative Party won a majority government with Labour finishing second for the first time. The Liberal Prime Minister, David Lloyd George – “the man who won the war” – lost control of parliament and in the 85 years since, the Liberals have failed to win it back. Yet, despite its inability to break the duopoly held by the Tories and Labour, the party has persisted and won seats in every General Election since. This is especially interesting to political scientists, since the Liberals’ longevity is likely the foremost piece of evidence in the case against Duverger’s (1954) “law” that electoral systems like Britain’s will crush third parties and perpetuate two-party systems.

Although their name has varied, the Liberal Democrats have remained mainstays in the British party system despite nearly a century out of government. Certainly, other third parties in advanced democracies with similar electoral systems have long histories. In Canada, the New Democratic Party has survived by winning provincial elections from time to time and Quebec’s Bloc Quebecois enjoys strong regional support. The Scottish National Party likewise can count on regional support to keep its parliamentary presence. Yet the Liberal Democrats lack these traditional means of sustaining themselves as a third party – no ethnic minority upholds them, no strong sub-national level of government exists in which they have won majorities on a smaller scale, and they are relatively geographically dispersed.¹ Even at the height of their popularity, becoming a major force in parliament seemed out of reach. In 1983 the Liberal–SDP Alliance polled two points behind Labour in the national vote with 25.4%, but landed just 23 seats compared to 209 for Labour. As Russell and Fieldhouse (2005: 6) conclude: “In the eyes of many voters, the Liberals remained very much a third party in a two-party system.”

Over more recent elections, the Liberal Democrats have continued to have a strong presence but have still failed to make a major breakthrough. At the same time, other minor parties such as the Greens have experienced long-term growth. One explanation for the survival and growth of these parties is the long-term decline in party identification for the two major parties (Clarke *et al.*, 2004). With so many more voters “floating” one might expect the relative popularity of some of the Liberal Democrat leaders to have drawn more identifiers to the party and to have pushed them higher in the polls and toward more significant electoral victories.² This dynamic has not occurred, however. Despite the dissolving support for the two major parties, a second bit of conventional wisdom has remained true: the Liberals are still not much more than a party of protest and such parties rely mostly on the dissatisfaction of voters.

But can these two bits of conventional wisdom – that party leaders matter and that the Liberals are a protest reservoir – be true simultaneously? If a party is simply a reservoir of protest, the importance of its leaders must certainly be diminished. Thus, the importance of leadership to party success must be qualified.

Studies have looked carefully at the dynamics of the British Liberals over time, but have not studied the effects of Liberal leadership and are otherwise in need of updating. We use 28 years of monthly polling data from MORI to examine the determinants of Liberal (and Liberal Democrat) Party support and, in particular, the relationship between leadership satisfaction and party support. In doing so, we distinguish our research from previous studies by looking comparatively at the three main parties in Britain and find interesting asymmetries in the translation of support for the party leader into support for the party.

Below, we discuss the extant literature on Liberal Democrat Party support in Britain as well as studies that relate the dynamics of leader and party support. We then present separate time series models of party support for the Liberal Democrats as well as for the Labour and Conservative parties for the periods 1979–1997 and 1997–2006. These models serve to estimate the effects of leadership, politics and economics on voting intentions for each of the parties. Along with these results, we test for cointegration, error correction, and Granger causality to determine more precisely the relationships between leaders and their parties. Throughout, we find that party leader satisfaction is a strong determinant of vote intent for the governing and opposition parties but much less so for the third party, the Liberal Democrats. This helps explain how the Liberals have failed to make any long-term gains with leaders as popular as Paddy Ashdown and Charles Kennedy. We then summarize and offer thoughts on the fate of third parties in general and on the future of the Liberal Democrats.

Studying the Dynamics of Liberal Party Support

It is only in recent scholarship that the importance of leader popularity has taken its proper place among the traditional explanations of party support in Great Britain. For instance, it was long held that in the short term governing party support responded mainly to dynamic economic variables and that in the long term it responded to sociological variables, like class, that remain mostly fixed.³ Dynamic analyses in this tradition attempted to isolate *which* measures of economic performance best predicted vote intentions. Both objective (inflation, unemployment, interest rates) and subjective (personal and national “prospections” and “retrospections”) measures have been used, and a great deal of research has compared their predictive power for governing party support. For example, Clarke and Stewart (1995) compare the performance of various perceptions of economic performance, finding that personal expectations outperform, but not significantly, personal retrospections and perceptions of national economic performance (see also Nadeau *et al.*, 1996).

In the last 10–15 years, however, traditional variables have been complemented with variables more familiar to students of American political behavior. Specifically, ideas about the “presidentialization” of British politics have led to the use of leadership perceptions in models of party support. In addition, dynamic measures of party identification have become more available and researchers have become comfortable with the notion that leadership approval and party support are conceptually distinct.

Thus, leadership variables have quickly taken prominence in popularity functions of British politics.

For example, Stewart and Clarke (1992) found that leader images had strong effects on party choice. Clarke, Stewart and Whiteley (1998) found that both leadership perceptions and economic perceptions explained support for opposition Labour between 1992 and 1997 and, in a separate article (1997), the same authors profitably used leadership perception to explain the downward trend in Tory support since 1992. Clarke and Lebo (2003) found that governing party support was fractionally cointegrated with approval of the Prime Minister – that is, the two measures are so closely aligned that any gap that opens between them will only be short-lived. But should these effects be present when we look at all of the parties in the system? Leadership may take a backseat to other factors when a smaller party's fortunes depend more on the status of their major competitors.

What Determines Liberal Support?

A Reservoir of Protest

There is good reason to expect electoral support for the British Liberal Democrat Party to be of a different nature than support for the major parties. Over the last few decades, Liberal Democrat support has come to be seen by many scholars as lacking a stable base of partisan support (Norpoth, 1992) or as a reservoir of protest against the two larger parties. Whiteley *et al.* (2006) develop a theme of grassroots support as a major determinant of Liberal Democrat success, but nevertheless find that the Liberal Democrats must “wait for its main rivals to make political mistakes and lose support before it can profit by winning over voters”. Along similar lines, Clarke and Zuk (1989) have suggested that identifying with the Liberals is similar to the “independent self-identification of many American voters”. Opinion polls occasionally show the Liberal Democrats threatening the second place party, and they do quite well in by-elections. Yet conventional wisdom continues to regard an intention to vote for them as being, for many voters, more an expression of frustration with the major parties than a reflection of enthusiasm for the Liberal Democrats, their leaders or policies (which are not well known⁴). This notion has received some empirical support. Clarke and Zuk (1989) used autoregressive integrated moving average (ARIMA) techniques to analyze Liberal support over the years 1951 to 1979 and found that Liberal Party support peaks when elections are far off. This is consistent with their view that some voters are using the Liberals as a safe harbor of protest between elections while declining to “waste” their votes when the chips are down.

Party Identification

The preceding discussion is not intended as a claim that there are no true Liberal identifiers. In the British Election Study, the percentage identifying as Liberal or Liberal Democrat has for over 40 years consistently tended to float around the lower

teens. In the 2001 BES around 10% of voters self-identified as Liberal Democrat (the party garnered 18.3% of the vote share that year). Clarke *et al.* (2004) find party identification to be a powerful predictor of vote share for all three of the Britain's largest parties. Russell and Fieldhouse (2005: 11) argue that "in recent times the Liberal Democrats have fashioned an identifiable collection of voters" and are even able to discern the profile of a typical identifier: close to Labour in policy position, close to the Tories in social and geographic background. But while there does appear to be a small core of partisan supporters, Clarke *et al.* (2004: 187) show that in panel studies since the 1960s, the stability of party identification is consistently lower for the Liberal Democrats than for the larger parties. This lends support to the contention that people move in and out of the ranks of Liberal identifiers more fluidly than for the major two parties.

Economic Variables

While the misfortunes of the larger parties are widely thought to benefit the Liberal Democrats, the expected effects of economic ups and downs are not entirely clear-cut. Clarke and Zuk (1989), studying the years 1951 to 1979, found that Liberal support waned significantly, rather than surged, in response to economic crises. This is an indication that when voters are seeking economic solutions they turn to the known policy alternatives offered by the larger parties rather than to a party whose ideology is less well known. But Norpoth (1992) uncovered evidence that something "had changed" by the early 1980s. During this period, poor economic performance under the Conservatives appears to have benefited the Liberals. Norpoth finds that rising inflation and unemployment helped the Liberals, which agrees with the "reward and punishment" model of Liberal support rejected by Clarke and Zuk. Our analysis, which includes much of the period studied by Norpoth, fails to find common ground with either of these studies on this issue. We find only very short-lived effects of the economy on support for the Liberal Democrats, and these appear only during the period of Tory rule.

Shifts in vote choice based upon parties' economic policies leads to the larger question of issue ownership (Budge & Farlie, 1983). In terms of economic issue ownership, the Liberals simply do not have any. A glance at the dynamics of British party support over time reveals, generally, that in times of national peril the electorate turns to the Tories and in times of economic hardship, particularly times of high unemployment, Britons turn to Labour. This further places the burden on party leadership as one way in which the Liberal Democrats may out-perform the other parties. As the salience of various issues has varied over time, no issue has thrust the Liberal Democrats into the spotlight as the party best able to address it. For example, in the pre-election wave of the 2001 British Election Study just 4% of respondents cited the Liberal Democrats as the party best able to handle the National Health Service, 2% saw them as best able to handle crime, and 3% saw them as best able to handle each of the economy and taxes (Clarke *et al.*, 2004). These numbers tell us that, at best, only one-third of Liberal Democrat identifiers (who were 9% of

the pre-election wave and 11% of the post-election wave) saw their own party as best able to handle the economy.

Leadership Approval

How should leadership approval affect Liberal Party support in the age of “presidentialized” British politics? In Clarke *et al.* (2004) leadership approval variables emerge as powerful predictors of electoral support for *all three* of Britain’s largest parties. Party leader effects are especially strong with regard to the 2001 election for which leader approval is significant in determining vote shares even when controlling for pre-election vote intention. Further, suspicious that votes (or intended votes) might simultaneously determine leadership approval, the authors conduct a test for simultaneity bias similar to a Hausman specification test⁵ and find no evidence of simultaneity. They conclude, “these results are consistent with the idea that feelings about party leaders are weakly exogenous to electoral choice,” again for all three parties (Clarke *et al.*, 2004 p. 69). Whiteley *et al.* (2006) also find a relationship between Liberal Democrat leader and party support in their cross-sectional analyses. Russell and Fieldhouse (2005: 2–3) assert that for the post-Alliance Liberal Democrats, their first leader, Paddy Ashdown, had come to have such a “grip” on the party that “for many, Ashdown had come to personify the party”. Contrary to these findings, we expect the leader–party connection to be far weaker for the Liberal Democrats than it is for the major parties.

Overlooked in this literature is a clear tension – or perhaps a clear contradiction. On one hand is the claim that the intention to vote Liberal Democrat (or for any minor party for that matter) is a response to contentment with the party’s leader. On the other hand, this same vote intention is explained as mainly a registration of protest, a reflection of dissatisfaction with the major parties. While we allow that monthly jumps in satisfaction with the Liberal leader may sometimes correlate with jumps in the intention to vote Liberal, our central hypothesis is that, consistent with the reservoir-of-protest view, the level of leader satisfaction will be a far weaker determinant of Liberal vote intent than is the case for the major parties. Thus, by comparing the parties, we highlight the *relative* importance of the Liberal leader, as well as his absolute impact.

We suggest that the Liberal Democrats’ lower volume of press coverage, position at the center of British politics and electorally unthreatening size make for conditions in which, for many British voters, there is nothing cognitively dissonant about being entirely satisfied with the Liberal Democrats’ leader – and even with the party itself – yet still not entertaining the first notion of voting for the party. This paves the way for a reservoir-of-protest dynamic to determine expressions of Liberal Democrat electoral support in a way that is relatively disconnected from perceptions of the leader. In fact, we expect Liberal electoral support may react just as strongly to perceptions of the other parties’ leadership as to the Liberals’. This hypothesis is important because, if true, it underlines the tremendous challenge the Liberal Democrats, and third parties generally, face if they hope to increase their own level of national support

through their own actions. Despite levels of expressed vote intent that sometimes (though not presently) top 20%, the Liberal Democrats nonetheless find themselves forced to target resources on rare winnable seats rather than raising their national profile to the level of a serious contender. Indeed, they might only ever hope to gain the upper hand by virtue of a spectacular and simultaneous stumble by both major parties.

An additional hypothesis is also consistent with the reservoir-of-protest view and the notion that the Liberals face an uphill climb if they hope to return to prominence. Like Clarke and Zuk (1989), we expect that “when it matters,” voters seek refuge in the two major parties. Empirically this means Liberal support should wane in the months of an approaching election, and, as Clarke and Zuk found, should be *positively* related to economic performance. This last point needs clarification, because it might be suggested that unhappy voters would protest poor economic performance by expressing support for the Liberal Democrats, as Norpoth (1992) found. However, under the reservoir-of-protest view, we see the changing expression of Liberal Democrat vote intent more as an expression of idle threat than as a declaration that voters earnestly seek a heretofore untried economic policy. We expect that it is when economic times are good that people can safely express support for the Liberals as a protest of general dissatisfaction against the other two parties rather than against economic performance itself. When there is sufficient economic hardship to drastically affect electoral fortunes, we expect the benefits would accrue not to an electorally irrelevant protest party, but to the opposition.

Data

To investigate differences in the determinants of party support among Britain’s three major parties, we employ monthly time series data collected by MORI for the period of September 1979 to July 2006.⁶ We are interested in three dependent variables: support (as expressed in vote intentions) for the Conservative Party, support for the Labour Party and support for the Liberals/Liberal Democrats. The first series is created by taking the monthly percentage of those naming the Tories when asked: “How would you vote if there were a General Election tomorrow?” Labour and Liberal Democrat support are created in a similar way. We use the questions “Are you satisfied or dissatisfied with the way _____ is doing his/her job as Prime Minister?”, “Are you satisfied or dissatisfied with the way _____ is doing his job as the Leader of the Opposition?” and “Are you satisfied or dissatisfied with the way _____ is doing his job as leader of the Liberals/Liberal Democrats?” to create series of leadership approval for each of the three parties.⁷ For our analyses we break our sample period in two parts so that we can compare the relationships between party leader satisfaction and vote intention for each party under the Tory (1979–1997) and Labour (1997–2006) regimes.

Figure 1 shows the movement of leader and party support for the Conservative and Labour parties over our 320-month sample period. Most noticeable is the close relationship between the two variables in each of the two panels with $r = 0.88$ for the

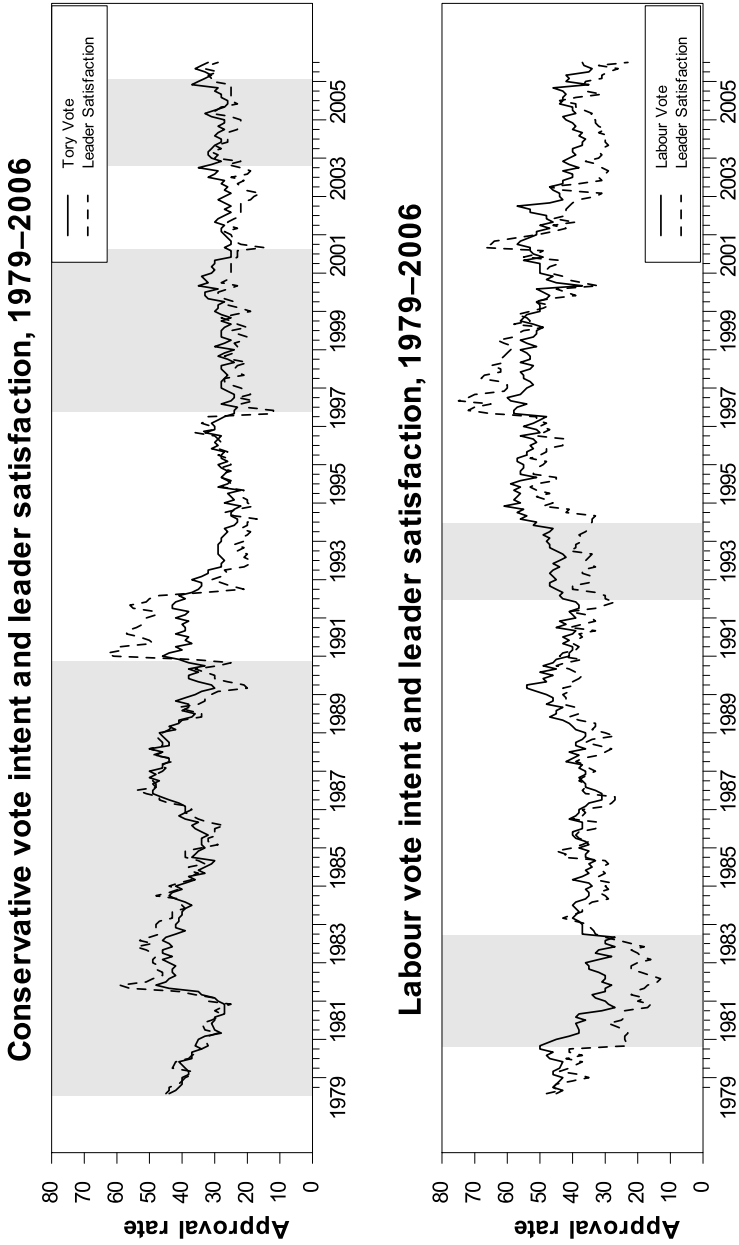


Figure 1. Party

governing party and $r = 0.85$ for the opposition. Indeed, for both parties, it is evident that the two series never get too far apart before they are drawn back together. Yet we can see that the two series are distinct. For example, the introduction of John Major as Prime Minister gave a big boost to PM approval but failed to move vote intentions for the Tories by any appreciable amount. Also, the support level for Labour while in opposition seems to consistently outpace satisfaction with the Labour leader.

In Figure 2, however, we see a different pattern. Obviously, vote intentions for the Liberal Democrats have never risen nearly as high as has the satisfaction level with their leaders, Mr. Steel, Mr. Ashdown or Mr. Kennedy (tenures separated by shading). These two series do seem to move together somewhat ($r = 0.36$), but not nearly to the same extent as is the case for the other parties. This point is best made by Figure 3 which shows the difference between leader and party approval for each of the three parties. For the two larger parties, we can see that leader and party support move apart for short- or medium-term periods but that ultimately the difference between them reverts to some stable mean. This type of relationship is referred to as *cointegration*, a concept to which we return soon. In such cases, the popularity of the party is inextricably bound to that of the leader so that the two are seemingly always in search of an equilibrium. Note, however, that for the third panel of Figure 3, no mean reversion is taking place. The difference between leader and party support meanders with no apparent goal. Thus, the level of electoral support for the party can be far more independent of its leadership.

Moving on to other variables in our analysis, we also include a subjective measure of economic performance collected by MORI which they refer to as the Economic Optimism Index (EOI). It is calculated as the percentage of people responding “improve” minus the percentage responding “get worse” to the question,

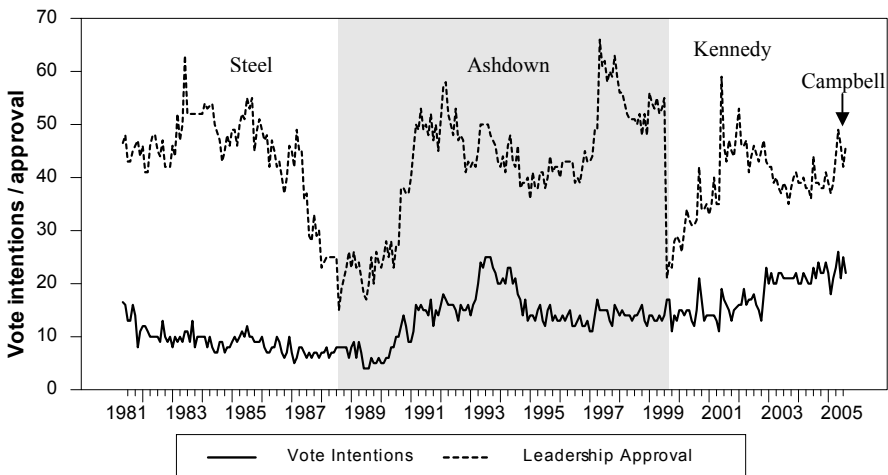


Figure 2. Liberal Democrats party and leader support, 1981–2005.

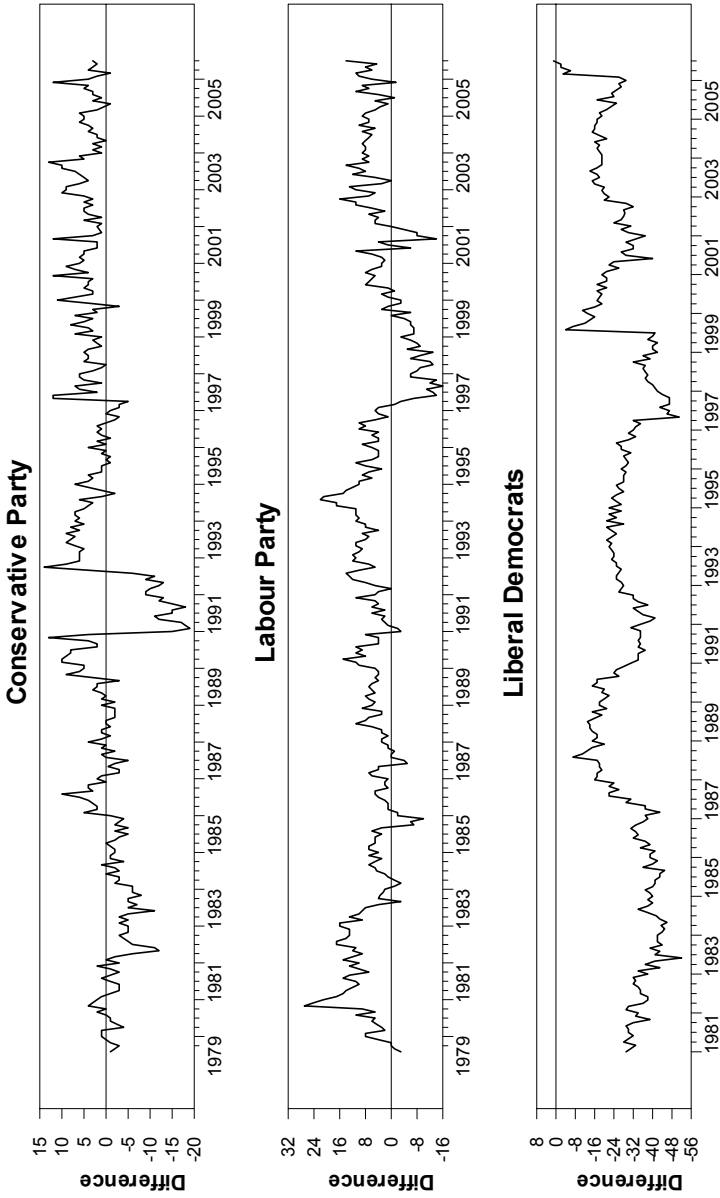


Figure 3. Party support minus leader satisfaction.

“Do you think that the general economic condition of the country will improve, stay the same or get worse over the next 12 months?” Thus, it is a suitable replacement for the sociotropic projections question asked by Gallup. We also use the unemployment and inflation rates as objective economic indicators.

In order to measure more precisely how the ups and downs of leader and party support variables relate to each other, we employ a series of intervention variables to capture the short-term effects of political and major news events. Political events include leadership changes in the three parties, Labour’s reelection in 2001 and the formation of the Liberal–SDP Alliance. Major news events are the Falklands War, Persian Gulf War of 1991, World Trade Center attacks and the recent Iraq War as well as the fall of the Berlin Wall, the introduction of the Poll Tax in early 1990, the currency crisis of 1992 and the fuel strikes of September 2000.⁸

Analyses

There are three ways we test the differences in party support for the three major parties. First, for each of the parties we develop a time series model of support for each of our two sample periods, the Conservative era from 1979 to 1997 and the Labour period from 1997 to 2006. These models include error correction mechanisms (ECMs) to investigate the possibility of long-run equilibrium relationships between leader approval and party vote intentions. Second, we separately examine tests of fractional cointegration to determine more precisely the relationships between support for the parties and their leaders. Third, in the Appendix, we use tests of Granger causality to study the direction of causality between these variables.

The first step, developing separate models for each party, allows us to see the effects of many independent variables – leadership, economics and events – on party support. Controlling for the latter two types of effects allows the most precise estimation of leadership effects. In doing so, we must ensure that the effects we find are genuine and not merely artifacts of our time series data. Indeed, non-stationary data can wreak havoc on estimation results.⁹ Public opinion data such as ours have frequently been found to be non-stationary and, in more recent studies, fractionally integrated.¹⁰ Tests of our data indicate that vote intentions, leadership support, and our economic variables are all non-stationary and require differencing prior to modeling.¹¹ We difference these variables and estimate models of the following general form:

$$\Delta Party_{it} = \beta_0 + \beta_1 \Delta LeaderSat_{it} + \alpha_1 ECM_{it-1} + \beta_{2,3} \Delta OtherLeaders_{it} + \beta_{4,5,6} \Delta Economics_{t-i} + \beta_7 \dots \beta_k Events_t + \varepsilon_t$$

where *Party* is the monthly vote intention for party *i*; *LeaderSat* is the satisfaction level for the leaders of party *i*; the *ECM* is the error correction mechanism for party *i* derived from a two-step estimator as explained below; *OtherLeaders* are the satisfaction levels of the leaders of other parties;¹² *Economics* are economic variables that include MORI’s economic optimism index (at times *t*, *t*–1 and *t*–2) as well as

the *Unemployment* rate (at times t and $t-1$) and the *Inflation* rate (at times t and $t-1$);¹³ *Events* are the individual events named above, each of which has its own coefficient and standard error; ε is the error term $\sim N(0, \sigma^2)$; Δ indicates that a variable has been differenced; β_0 is a constant; $\beta_1 - \beta_k$ are regression coefficients; α is the ECM's adjustment coefficient.

The results of the analyses for the Conservative Party are presented in Table 1 with the 1979–1997 period presented on the left-hand side and the 1997–2006 period on the right. Of foremost importance in the earlier period is the statistically significant ($p < 0.001$) effect of approval of the Tory leader (Prime Ministerial approval). When satisfaction with the PM (Thatcher and then Major) improved by 1%, electoral support for the Tories increased by 0.438. This accords with the findings of Clarke and Lebo (2003) that a presidentialization of politics has occurred in the British parliamentary system. The negative and significant coefficient for the ECM indicates the presence of cointegration between the two variables so that they maintain an equilibrium relationship.¹⁴ Thus, any movements of one series away from the other will be short-lived as the two move back towards each other in subsequent periods. Once the Tories are out of government, the contemporaneous relationship between leader support and vote intentions weakens – the coefficient for Conservative leader satisfaction (opposition leader) is reduced to 0.309 ($p < 0.001$). On the other hand, opinions of Labour's leader (the Prime Minister) increase in their effects on Conservative vote intentions. While significant in both periods, the coefficient for Labour's leader is more than doubled in size when the Labour leader is the Prime Minister ($\beta = -0.138$, $p = 0.005$) compared to its value when Labour is in opposition ($\beta = -0.066$, $p = 0.020$). Thus, the importance of support for the Prime Minister is highlighted in its effects on both the party in power and the opposition.

Not surprisingly, the economy plays a larger role in the support level of the Conservatives when they are in government. When in power, increases in the economic optimism index are temporarily associated with increases in the support of the Conservatives,¹⁵ as are decreases in the unemployment rate (at $t-1$, $p = 0.061$).¹⁶ None of these effects are strong in terms of statistical significance, however. Indeed, a comparison of our study to those of others such as Clarke and Lebo (2003), suggests that our use of MORI's economic index hinders our ability to find effects on vote intentions due to subjective evaluations of the economy. With the Conservatives in opposition, these effects are even harder to find. The most noteworthy effect is that of unemployment, where contemporaneous increases hurt the Conservatives. This is noteworthy and points to the question of issue ownership: it appears that Britons are so sure that the Tories are not the party to help with employment that, even when they are the opposition, the Conservatives are initially punished when unemployment rises.

Many of the events specified had significant effects on the Conservatives and some of them are quite substantial. The Conservatives received boosts in their vote intentions with the Falklands War (1.658% per month for three months, $p = 0.017$), the fall of the Berlin Wall (4.768%, $p = 0.002$), and the Persian Gulf War (2.856%, $p < 0.001$). The Poll Tax appears to have hurt the Tories and, in particular, the popularity of

Table 1. Determinants of Conservative Party vote intent, 1979–2006

November 1979–March 1997 (in government)			September 1997–July 2006 (in opposition)		
Independent variable	Coefficient (s.e.)	<i>p</i> * value	Independent variable	Coefficient (s.e.)	<i>p</i> * value
Political variables					
Tory leader satisfaction (PM)	0.438 (0.030)	0.000**	Tory leader sat. (Opp.)	0.309 (0.070)	0.000**
Error correction mechanism _{<i>t-1</i>}	-0.095 (0.026)	0.000**	ECM _{<i>t-1</i>}	-0.419 (0.086)	0.000**
Labour leader (Opposition)	-0.066 (0.032)	0.020*	Labour leader sat. (PM)	-0.138 (0.053)	0.005**
Economic variables					
Economic optimism index	0.022 (0.014)	0.118	Economic OI	-0.014 (0.027)	0.607
Economic optimism index _{<i>t-1</i>}	-0.019 (0.014)	0.158	Economic OI _{<i>t-1</i>}	0.013 (0.024)	0.576
Economic optimism index _{<i>t-2</i>}	-0.003 (0.014)	0.826	Economic OI _{<i>t-2</i>}	-0.016 (0.024)	0.494
Unemployment	1.247 (1.526)	0.414	Unemployment	-4.500 (2.672)	0.096
Unemployment _{<i>t-1</i>}	-2.94 (1.56)	0.061	Unemployment _{<i>t-1</i>}	4.048 (2.448)	0.102
Inflation	-0.101 (0.202)	0.619	Inflation	0.484 (0.589)	0.413
Inflation _{<i>t-1</i>}	-0.181 (0.231)	0.368	Inflation _{<i>t-1</i>}	-0.014 (0.572)	0.980
Political events					
Major becomes PM	4.29 (1.182)	0.004**	Labour reelected	0.723 (2.030)	0.722
Blair becomes Lab. leader _{<i>t+1</i>}	-1.766 (1.52)	0.247	Cameron in as Tory Leader	7.230 (1.936)	0.000**
Kinnock becomes Lab. leader	0.631 (1.387)	0.649			
Major news events					
Falklands war	1.658 (0.689)	0.017*	9/11 attacks	5.494 (2.476)	0.029*
Berlin Wall falls	4.768 (1.499)	0.002**	2002 Labour Conference (related to Iraq War)	-1.116 (1.113)	0.318
Persian Gulf war	2.856 (0.631)	0.000**	Iraq invasion	1.486 (1.399)	0.291
Poll tax	-1.406 (0.912)	0.125			

(continues)

Margaret Thatcher (Clarke *et al.*, 1997). Again demonstrating the importance of issue ownership, the Tories get a huge bump following the 2001 terrorist attacks in the United States. In contrast to the United States where the attacks skyrocketed approval for the incumbent president to above 90%, in the UK, in a time of genuine distress, the British electorate did not rally around their Labour leadership (as measured by vote intentions) and it is support for the opposition Conservatives that rises instead.

The last two effects in the earlier period – the Currency Crisis and Black Wednesday – require some more careful explanation. Black Wednesday refers to 16 September 1992, the day the Conservatives chaotically withdrew the pound from the European Exchange Rate Mechanism. Clarke *et al.* (1997) found that the steady collapse of Conservative support during the early 1990s was strongly related to high-profile events beginning with the introduction of the Poll Tax and continuing with the currency and Maastricht Treaty difficulties of 1992. We do not dispute this conclusion and recognize that the positive coefficient for Black Wednesday (5.041, $p < 0.001$) looks odd. Indeed, Clarke *et al.* (1997) found the same event, labeled “currency crisis”, to have a very large and negative impact on Conservative support.

What explains this anomaly is that, in comparison with Clarke *et al.*'s (1997) Gallup series, our MORI data show Prime Ministerial satisfaction playing a much stronger role in determining vote intentions, leaving the event interventions the job of explaining deviations between the levels of vote intentions predicted by PM satisfaction and other variables and the actual levels of vote intentions. To be sure, our coefficient of 0.438 for Prime Ministerial “satisfaction” over the 1979–1997 period is larger than Clarke *et al.*'s (1998) coefficient of 0.26 for Prime Ministerial “approval” over their shorter time period. As Figure 4 shows, during these critical months the support level for both the PM and the government were plummeting but the vote intentions series was, by comparison, more stable. The huge drop in PM satisfaction – from the 40s to the low 20s – coupled with the importance to our model of that variable, leads to a prediction of a much greater decline in Conservative vote intentions than was actually realized.¹⁷ Thus, Conservative vote intent proved temporarily resilient given the hit to Mr. Major and his cabinet's credibility and this resiliency is picked up in the positive coefficient for Black Wednesday. Of course, over the months that followed, vote intentions for the Tories continued to decline and, to this day, the Conservatives' reputation as the party of careful fiscal policy may still not have recovered.

Table 2 displays the results of similar models of vote intentions for the Labour Party. Again, we can see the strong effects of the party's leader: when in opposition, a 1% increase in the satisfaction level of the Leader of the Opposition is met by a 0.290 percentage point increase in Labour Party support ($p < 0.001$). Curiously, this relationship is weaker when Labour is in government than out: over the 1997–2006 period, the effect of Labour's leader (PM Blair) drops to 0.238 ($p < 0.001$), an odd but perhaps not tremendously anomalous finding. As was the case for the Conservatives in Table 1, satisfaction with the Tory Prime Minister again plays a significant role ($\beta = -0.223$, $p < 0.001$) in determining support for the opposition

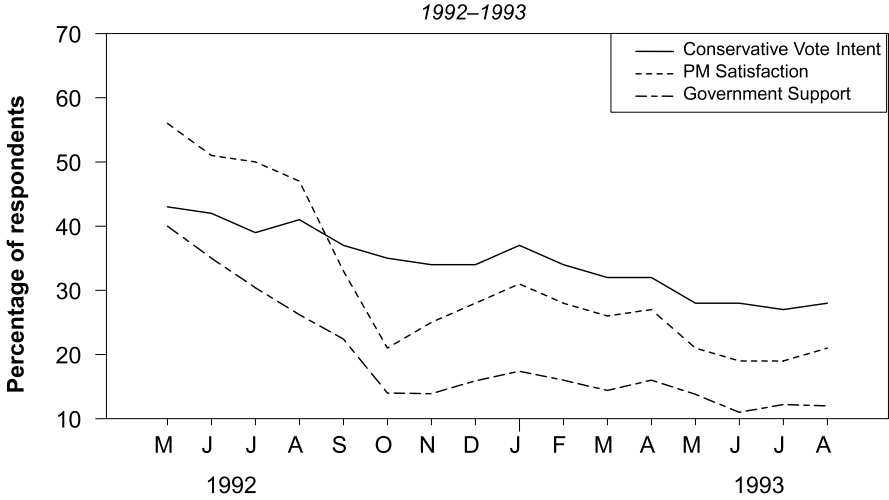


Figure 4. Tory vote, PM satisfaction and government support.

party. In line with other research, this highlights the importance of PM satisfaction for analyses of British politics.¹⁸ In addition, following the Conservative case, an error-correcting relationship exists between party vote intentions and leadership approval in both periods. Economic effects are not very strong for the Labour Party in either period.

With economics playing a more limited role in the dynamics of Labour Party support, the importance of events is evident. Leadership changes and the splitting off of the SDP from Labour (-8.667 percentage points over two months) had especially strong impacts. Most recently, the beginning of Mr. Cameron’s tenure as Leader of the Opposition took a hefty chunk (6.420 percentage points, $p < 0.001$) of support from Labour. Again, Labour’s poorer reputation in the area of national security is evident as the party’s support drops in response to both the 9/11 attacks and the invasion of Iraq. The latter is most likely due to a combination of general trepidation about the war and a preference for the Tories to lead the government during national crises. Now that we have seen the patterns in Britain’s two main parties, we turn to the analyses of the Liberal Democrats.

Table 3 presents the determinants of support for the Liberal Democrats for both the Conservative and Labour periods of government. Some very marked differences between the two periods are evident. To begin, in the early period Liberal leader satisfaction is an important determinant but the ECM is not statistically significant indicating that, unlike the case of the two major parties over this period, for the Liberals no equilibrium relationship existed between the two series. Also, looking closely at the coefficients we can see that the combined effects of leadership for the *other* parties (-0.081 for the PM and -0.093 for the Leader of the Opposition) are roughly as powerful as those of the Liberal leader. That is, the Liberal Democrats’

Table 2. Determinants of Labour Party vote intent, 1979–2006

November 1979–March 1997 (in opposition)		September 1997–July 2006 (in government)	
Independent variable	Coefficient (s.e.)	Independent variable	Coefficient (s.e.)
	<i>p</i> * value		<i>p</i> * value
Political variables			
Labour leader (Opposition)	0.290 (0.039)	Labour leader (PM)	0.238 (0.066)
Error correction mechanism _{<i>t-1</i>}	-0.068 (0.021)	ECM _{<i>t-1</i>}	-0.385 (0.091)
Tory leader satisfaction (PM)	-0.223 (0.036)	Tory leader (Opposition)	-0.021 (0.083)
Economic variables			
Economic optimism index	-0.020 (0.016)	Economic OI	-0.003 (0.033)
Economic optimism index _{<i>t-1</i>}	-0.006 (0.016)	Economic OI _{<i>t-1</i>}	-0.033 (0.029)
Economic optimism index _{<i>t-2</i>}	0.028 (0.017)	Economic OI _{<i>t-2</i>}	-0.027 (0.029)
Unemployment	-1.662 (1.847)	Unemployment	1.118 (3.357)
Unemployment _{<i>t-1</i>}	-0.277 (1.859)	Unemployment _{<i>t-1</i>}	-3.795 (3.036)
Inflation	-0.03 (0.242)	Inflation	-0.169 (.594)
Inflation _{<i>t-1</i>}	-0.222 (0.241)	Inflation _{<i>t-1</i>}	-0.063 (.590)
Political events			
Major becomes PM	-2.173 (1.742)	Labour reelected	5.349 (2.511)
Blair becomes Lab. leader _{<i>t+1</i>}	6.426 (1.897)	Cameron in as Tory leader	-6.420 (1.782)
Kinnock becomes Lab. leader	2.690 (1.668)	2002 Labour Conference August–October	4.372 (1.946)
SDP	-1.503 (2.017)	(temporary bounce for Iraq War)	
SDP _{<i>t+1</i>}	-7.164 (2.011)		
Major news events			
Falklands War May	2.635 (1.990)	9/11 attacks	-3.750 (3.038)
Falklands War June	-3.127 (1.958)		

(continues)

Table 2. (Continued)

November 1979–March 1997 (in opposition)		September 1997–July 2006 (in government)	
Independent variable	Coefficient (s.e.)	Independent variable	Coefficient (s.e.)
Berlin Wall falls	-1.448 (1.830)	Fuel crisis	-8.861 (2.580)
Persian Gulf War	-0.067 (0.772)	Iraq invasion	-2.040 (2.053)
Poll tax	2.335 (1.105)		
Currency crisis of Dec. 1992	3.775 (1.900)		
Moving average _{t-1}	-0.381 (0.077)	Constant	-0.024 (0.238)
Constant	-0.419 (0.299)		
Adjusted R ²	0.51		0.61
Durbin–Watson statistic	1.96		2.08
N	207		106

Notes: Significance testing: * $p < 0.05$, ** $p < 0.01$. Reported significance and p -values based on one-sided tests for leader satisfaction variables, as there was an obvious predicted direction for the coefficient. Otherwise based on two-sided tests.

Table 3. Determinants of Liberal Democrat party vote intent, 1981–2006

Independent variable	February 1981–March 1997		September 1997–July 2006		
	Coefficient (s.e.)	<i>p</i> * value	Independent variable	Coefficient (s.e.)	<i>p</i> * value
Political variables					
Liberal leader satisfaction	0.190 (0.030)	0.000**	Liberal leader satisfaction	0.076 (0.036)	0.041*
Error correction mechanism _{<i>t-1</i>}	-0.019 (0.017)	0.260	ECM _{<i>t-1</i>}	-0.054 (0.041)	0.191
PM satisfaction (Tories)	-0.081 (0.025)	0.001**	Opposition leader (Tory)	-0.161 (0.072)	0.028*
Opposition leader (Labour)	-0.093 (0.033)	0.005**	PM Satisfaction (Labour)	-0.020 (0.053)	0.702
Economic variables					
Economic optimism index	0.015 (0.012)	0.201	Economic OI	-0.027 (0.027)	0.310
Economic optimism index _{<i>t-1</i>}	0.024 (0.012)	0.038*	Economic OI _{<i>t-1</i>}	0.008 (0.024)	0.712
Economic optimism index _{<i>t-2</i>}	-0.024 (0.012)	0.036*	Economic OI _{<i>t-2</i>}	0.037 (0.024)	0.124
Unemployment	0.305 (1.320)	0.818	Unemployment	2.832 (2.869)	0.326
Unemployment _{<i>t-1</i>}	-0.817 (1.297)	0.529	Unemployment _{<i>t-1</i>}	-0.563 (2.585)	0.828
Inflation	0.124 (0.185)	0.505	Inflation	0.273 (.594)	0.647
Inflation _{<i>t-1</i>}	0.087 (0.183)	0.636	Inflation _{<i>t-1</i>}	-0.291 (.592)	0.624
Political events					
Election coming	-1.117 (0.582)	0.028*	Labour reelected	-0.798 (1.940)	0.682
Major becomes PM	-0.331 (1.199)	0.783	Election coming	-2.127 (1.217)	0.042*
Blair becomes Labour leader	-3.770 (1.325)	0.005**			
Blair becomes Lab. leader _{<i>t+2</i>}	-0.966 (1.341)	0.472			
Kinnoch becomes Lab. leader	-2.859 (1.327)	0.033*			
Ashdown bec. Lib. leader	2.590 (1.301)	0.048*			
Ashdown bec. Lib. leader _{<i>t+1</i>}	2.027 (1.365)	0.139			
Ashdown bec. Lib. leader _{<i>t+2</i>}	2.200 (1.361)	0.108			

(continues)

Table 3. (Continued)

Independent variable	February 1981–March 1997		September 1997–July 2006		
	Coefficient (s.e.)	p* value	Independent variable	Coefficient (s.e.)	p* value
Ashdown bec. Lib. leader _{t+3}	1.785 (1.270)	0.162			
SDP	-6.583 (1.314)	0.000**			
Major news events					
Persian Gulf war	-1.858 (0.549)	0.001**	September 11 th Attacks	-2.759 (2.212)	0.216
			Fuel Crisis	2.394 (1.883)	0.207
			Iraq Invasion	2.672 (1.508)	0.080
Moving average _{t-1}	-0.344 (0.082)	0.000**	Moving average _{t-1}	-0.420 (0.121)	0.000**
Constant	0.052 (0.066)	0.429	Constant	0.137 (0.186)	0.461
Adjusted R ²		0.50			0.41
Durbin-Watson statistic		2.00			2.00
N		194			106

Notes: Significance testing: * $p < .05$, ** $p < 0.01$. Reported significance and p -values based on one-sided tests for leader satisfaction variables, as there was an obvious predicted direction for the coefficient, and for “election coming” based on previous findings. Otherwise based on two-sided tests.

support responds as much to changes in perceptions of the other parties' leaders as it does to perceptions of their own leader.

Turning to the second period of Labour government, we see that this condition has become much more prominent. For the 1997–2006 period Liberal leader satisfaction is still a significant predictor of Liberal Democrat vote intentions although its coefficient is less than half the size of the previous period ($\beta = 0.076$ and $p = 0.041$). As well, the ECM is still not statistically significant and now we see that the importance of the Leader of the Opposition ($\beta = -0.161$, $p < 0.028$) dwarfs even that of the Liberal leader in the size of its effect on Liberal vote intentions. We interpret this as the apex of between-election “protest” voting – the data seem to be saying that among those who do not intend to vote for Labour, the satisfaction level of the Leader of the Opposition will determine whether they will entertain a vote for the Liberal Democrats. If the voters are unhappy with the Tory leader, the fortunes of the Liberal Democrats rise and if the Tory “alternative PM” becomes more popular, the Liberal Democrats’ fortunes fade.

To investigate this change more carefully, we use moving-window analyses to generate a time-varying coefficient for the effect of Liberal Democrat leader satisfaction on Liberal Democrat vote intentions over the entire time period of our Liberal data, 1981 to 2006. We begin by running the regression model of Table 3 on the 1st to 30th time points, then move on to the 2nd to 31st time points and so on until we use the last 30 time points.¹⁹ Figure 5 charts the evolution of the regression coefficient and its standard errors with vertical lines indicating dates of General Elections and the shading separating out periods of the different Liberal Democrat leaders. The same pattern seen in Table 3 is again evident – the importance of the Liberal leader to Liberal vote intent is greatly reduced during the Labour regime. It

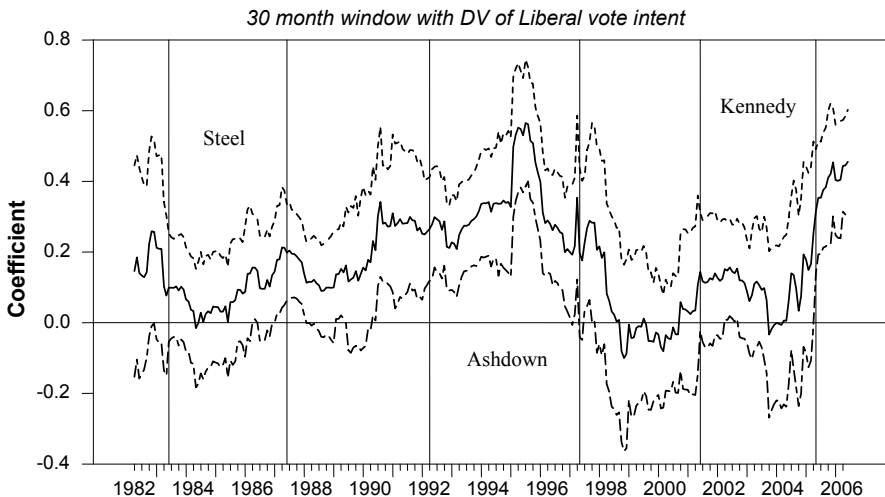


Figure 5. Coefficient for Liberal Democrat leader satisfaction.

peaks during the time Labour underwent its leadership transition from Mr. Kinnock to Mr. Blair and drastically declined following the 1997 change in government. A resurgence in the importance of the Liberal leader seems to be occurring since the 2005 election and the emergence of new leaders for both the Liberal Democrats and Conservative parties. Possible explanations for this resurgence are the great decline in Mr. Blair's satisfaction rating followed by the replacement of the two opposition parties' leaders. Beginning with frustration over the Iraq War and extending into the 2005 campaign, British politics has again placed a greater emphasis on leadership at the expense of a focus on the competition between New Labour and a floundering Conservative Party.

Turning to the economic effects, we do not find much support for Clarke and Zuk's (1989) contention that the Liberals fail to benefit from tough economic times overseen by their competition. Indeed, the only significant effects we find are for the EOI in the first period where the Liberals get a small but short-lived bump in months following improvements in the electorate's economic outlook. Thus, we have little evidence that a faltering economy helps or harms the Liberal Democrats. Beyond the EOI, the effects of unemployment and inflation are negligible and not statistically significant. This all puts the Liberal Democrats in a very unenviable position – if the economy performs poorly the electorate runs to the safe havens of the two major parties, yet in good economic times theories of retrospective voting would suggest that incumbents will be hard to beat.

The long list of political events in Table 3 is indicative of the Liberal Democrats' strong reactions to changes in the British political landscape. The first of these, *Election Coming*, is a variable coded 1 for the two-month period prior to a General Election and zero otherwise. The negative coefficients (significant only in the first period) tell us that the Liberal Democrats' support drops as campaigns begin. The size of the near-significant (two-tailed) effects – -1.117 in the first period and -2.127 in the second period – are small but do represent between 10% and 20% of the Liberal Democrats' overall base of support. Thus, the lament of Liberal Democrats is evident – people seem happy to park their vote *intentions* with them, but when intentions become actual votes, they are driven back to the major parties.²⁰

Leadership changes, whether their own or in the Labour Party, are also important to the fluctuations of the Liberal Democrats. The successions of both Mr. Blair and Mr. Kinnock to Labour's leadership knocked down support for the Liberal Democrats. In effect, it appears the reservoir of protest may have emptied somewhat with hopes that the new Leader of the Opposition would finally pull together an inept Labour opposition. Also, we can see the strong positive impact of Paddy Ashdown's assumption of the party's leadership. In four successive months beginning with his first as leader, the Liberal Democrats' support level grew 2.6%, 2.0%, 2.2% and 1.8%. To be sure, Mr. Ashdown's tenure began a resurgence of the party.²¹

Finally, the two wars in the Persian Gulf have opposite effects for the Liberal Democrats. In the Gulf War of 1991 the rally-round-the-flag pulled support (-1.858% , $p = 0.001$) away from the Liberal Democrats, though not from Labour. In contrast,

the Liberal Democrats were the main beneficiary of Labour's loss of support for the invasion of Iraq with a jump of 2.672% ($p = 0.080$) that month compared to a 1.486% increase for the opposition Conservatives ($p = 0.291$). Certainly, Labour's supporters who were against the war were not likely to shift their vote intentions to the Tories who supported the action.

A Closer Look at Cointegration

We now turn to a closer look at the question of whether or not cointegration exists in our models of support for Britain's three main parties. The central point of cointegration is that if two or more non-stationary series can be combined in such a way as to create a stationary series, a cointegrating relationship is said to exist. Thus, the combination of series will be *mean reverting* so that any differences between the two will be short-lived and they will exist in a long-run equilibrium. This type of relationship is a very close one and has proven to be quite useful in describing the relationships between leader and party support in Great Britain. For example, prior to the election of New Labour, Clarke *et al.* (1997) found cointegration between PM approval and Conservative vote intentions and in another article (1998), the same authors found such a relationship between the Leader of the Opposition and Labour Party support.

Traditional cointegration techniques have relied on the knife-edged decisions of unit root tests such as the Dickey–Fuller test (1979, 1981) to establish whether or not variables can be separately classified as unit roots and whether or not a linear combination of the variables is stationary. Examining the significance of ECMs in multivariate models can further establish the presence of cointegration and the rate of error correction. However, this methodology has been criticized as too rigid and has been relaxed to account for the possibility of *fractional* cointegration (FCI; Clarke & Lebo, 2003; Box-Steffensmeier & Tomlinson, 2000). With FCI, we expect that series of any level of integration can be combined in such a way as to create a series with a *lower* level of integration than any of the original series. Tests of fractional cointegration thus provide a test much more sensitive to the variety of equilibrating relationships that are possible.

We test for cointegration in two ways. First, we ask whether a combination of series is integrated of a lower order than the original series. The first column of Table 4 shows the exact equations for our cointegrating regressions for each party in each period. For each dependent variable (column 3) and each leadership variable²² (column 4), we estimate precise values of the fractional differencing parameter, d , and then estimate d for the residuals of the cointegrating regressions (last column).²³ The test for whether $d_{residuals}$ is significantly lower than $d_{independent\ variable}$ and $d_{dependent\ variable}$ is a simple t -test.²⁴ Second, we use the tests of whether an ECM is correctly signed and statistically significant in the traditional ECM models from Tables 1, 2 and 3.

All of these tests show a much closer relationship between leadership approval and party vote intentions for the major parties than for the Liberal Democrats. In the

Table 4. Summary of fractional cointegration tests

Cointegrating regression	coefficient (s.e.) for ecm (from Tables 1–3)	<i>d</i> for dependent variable	<i>d</i> for leadership independent variable	<i>d</i> for resulting error term
1979–1997, Conservatives in power				
Conservative v.i. = $\alpha + \beta^*(\text{PM satisfaction}) + \beta^*(\text{EOI}) + \beta^*(\text{unemployment}) + \varepsilon$	-0.095 (0.026)*	0.90	0.92	0.69*
Labour v.i. = $\alpha + \beta^*(\text{Opp. Leader sat.}) + \beta^*(\text{EOI}) + \beta^*(\text{unemployment}) + \varepsilon$	-0.056 (0.019)*	0.96	0.90	0.76*
Liberal v.i. = $\alpha + \beta^*(\text{Liberal leader sat.}) + \beta^*(\text{EOI}) + \beta^*(\text{unemployment}) + \varepsilon$	-0.019 (0.017)	0.86	0.97	0.83
1997–2006, Labour in power				
Labour v.i. = $\alpha + \beta^*(\text{PM satisfaction}) + \beta^*(\text{EOI}) + \beta^*(\text{unemployment}) + \varepsilon$	-0.385 (0.091)*	0.72	0.79	0.30*
Conservative v.i. = $\alpha + \beta^*(\text{Opp. Leader sat.}) + \beta^*(\text{EOI}) + \beta^*(\text{unemployment}) + \varepsilon$	-0.419 (0.087)	0.54	0.49	0.34†
Liberal v.i. = $\alpha + \beta^*(\text{Liberal leader sat.}) + \beta^*(\text{EOI}) + \beta^*(\text{unemployment}) + \varepsilon$	-0.054 (0.041)	0.60	0.73	0.51

Notes: Null hypothesis: the level of integration of the ECM is not lower than that of *both* parent variables.

* $p < 0.05$; † $p < 0.1$

first period, the ECMs are significant for the Tories and Labour. The tests of FCI also support the conclusion of equilibrium relationships for the two major parties. For the Liberals, there is no significant evidence of cointegration. The ECM from the full model of Liberal vote intentions is not significant and the level of integration for the residuals of the cointegrating regression is not appreciably lower than for the parent series.²⁵

For the period of Labour government, the same pattern holds. The ECMs for the major parties are again significant and indeed quite a bit larger than during the first period. The FCI tests also indicate a cointegrating relationship for these parties' vote intentions and their leaders' approval. In all, these tests demonstrate a much closer relationship in the collective minds of the electorate between leadership and party support for the Labour and the Conservative parties than for the Liberal Democrats.

The relationship between the Liberal Democrats and their leader is fundamentally different than for either the governing or opposition parties. Figure 3 can again be consulted to understand the differences in this relationship between the parties. For

Labour and the Conservatives the leadership and party support variables are seemingly tethered so that neither can become especially popular or unpopular without bringing the other with it.

Conclusion

The idea that support for the Liberal Democrats is, for many British voters of both leftward and rightward ideological tendencies, more a temporary act of protest than an expression of real policy agreement or partisan identity is not new. Political scientists have long suggested that Liberal Democrat support is a form of protest or is otherwise akin to voter independence. Duvergerian thinking implies that expressions of support for third parties in strongly majoritarian, first-past-the-post systems would be ephemeral. Clarke and Zuk (1989) provided empirical evidence that expressing support for the Liberals was a form of “safe” protest between elections during the 1950s, 1960s and 1970s. When support for the Liberals had real consequences (or at least had the perception of real consequences), such as at election time or when the nation was in economic crisis, voters sought refuge in more familiar territory. Elsewhere, Clarke *et al.* (2004) have shown that Liberal Democrat identification is less stable – a voter who calls himself Liberal Democrat today is quite likely to call himself Tory, Labour or something else tomorrow.

We have presented further and more nuanced evidence that this intuition about the Liberal Democrats is correct. We showed that, for the most part, the dynamics of Liberal Party support found for the 1950s, 1960s and 1970s by Clarke and Zuk (1989) continued through the 1980s and 1990s and into the present day. We replicated the Clarke and Zuk finding that approaching elections have adverse effects on Liberal support and, contrary to Norpoth’s (1992) suggestion that in the 1980s something had changed, found no significant economic effects for Liberal vote intentions during the period of Labour government.²⁶

What had not been sufficiently shown in previous studies, however, were the implications of being a protest party for the leadership–party dynamic. Here we add a new and important finding that, over time, perceptions of the Liberal Democrat leader have a weaker impact on Liberal Democrat support than perceptions of the incumbent and opposition leaders have on the larger parties’ electoral fortunes. This stands in direct contrast to the individual-level findings of Clarke *et al.* (2004) that leadership approval is powerfully determinative of party support as a general principle. Indeed, they find it to be the most powerful predictor of vote choice for *all* parties in the 2001 election. It is true that, thanks to recent research, there is no longer much doubt that leadership perception is important in determining party support in modern, presidentialized British politics, but it is clearly not equally important for all parties.

Why does leadership matter less for the Liberal Democrats? We can speculate on Duvergerian explanations that third parties cannot be taken seriously as electoral entities due to matters of issue ownership and the presence of media effects (Duverger, 1954). In terms of the latter, the Liberal Democrats cannot claim to own

any major issues in British politics and people are unfamiliar with Liberal Democrat policies. These, and the party's image as "centrist", or as they themselves would have it, neither left nor right and not in direct opposition to either the Conservatives or Labour, allows voters to project their own preferences onto the Liberal Democrats. That is, when they are dissatisfied with their own party, their ignorance of the Liberal Democrats allows them to imagine that perhaps they are exactly the party they had been hoping their own party would become. They are free, then, to "experiment" with the idea of voting Liberal Democrat. Yet, there is no issue that, once salient, thrusts the Liberal Democrats into the limelight. When the "chips are down", the Liberal Democrats are essentially an unknown quantity.

Perhaps most obviously, the lack of media coverage feeds Duvergerian processes, which are based on popular perceptions. A striking fact mentioned by Clarke and colleagues (2004) is that the average gap between British voters and various party policies is, for many issues, narrower with respect to the Liberal Democrats than to the major parties. Based on policy alone, it is arguable that the Liberal Democrats should in fact dominate British politics. But so long as they receive the least media coverage, the perception remains that they are electorally irrelevant. For a voter, the perception of the leader need not be factored into a decision of whether or not to vote Liberal Democrat because there is no chance their leader will become the Prime Minister.

Under the once and often popular Kennedy, the Liberals had pushed their seat count, in the May 2005 election, to its highest total in decades – 62, based on over 20% of the vote. But even this was disappointing to party activists who had hoped for over 100 seats, predicting that 2005 would be the Lib Dems' breakout year. Our findings make it seem unlikely that the replacement of the less popular Menzies Campbell with new leader Nick Clegg will be sufficient to break up the major parties' duopoly.

Lastly, why might our findings be so different from those of Clarke *et al.* (2004) and Whiteley *et al.* (2005) who show that, at a single point in time, people who like the Liberal leader are more likely to intend to vote for the Liberal Democrats? Showing that when people intend to vote for the Liberal Democrats, they also express approval of the party's leader is not the same as demonstrating that the Liberal leader can increase his party's fortunes by increasing his popularity. Our results suggest that this rather unsurprising correlation does not represent much of a causal relationship. There is much that can be learned from the dynamics of party support that cannot be seen in a snapshot of British public opinion. Our methodology, using error correction and differenced variables, shows that *changes* in major party leader approval are sometimes more closely related to Liberal vote intentions than are changes in Liberal leader support – a finding more in line with these authors' broader conclusions that the Liberals do not control their own destiny.

In the more general study of parties and leadership, theories need to be flexible enough so that the importance of leadership can vary within a party system. Minor parties aspiring to break through to the next level should give less attention to the

image of their leader and more to carving out issue niches and building the ties that can boost the size of their base. The findings here are most likely applicable to other party systems. In particular, the Canadian New Democratic Party has failed to finish in the top two parties in a federal election despite often having the most popular leader in the party system. Parliamentary elections may be won and lost on the basis of the popularity of the Prime Minister or even the opposition leader, but not based on the popularity of third party leaders. Perhaps the British case gives us the best example of how a third party can become a major party – the Labour Party’s base was wide and well established by 1922 when the party supplanted the Liberals. As Labour has shown, so long as a party establishes and maintains a stable base of support and ownership of key issues, it can survive even the most unpopular leaders.

Notes

1. The Liberal Democrats have historically enjoyed dispersed pockets of support in the South West, Mid Wales, and more rural areas of Scotland. These areas have protected them from disappearing during their leaner years. Recently, the party has done well in outer London/Hants.
2. As of July 2007, 12% of the British electorate consider themselves Liberals and 15% would vote for the Liberal Democrats if there were a General Election tomorrow. This latter number will make it very difficult for the party to hold on to the 62 seats it won in 2005 with 22% of the vote.
3. Stewart and Clarke (1992) show the importance of leadership approval in explaining the ups and downs of dynamic measures of party support. These variables may play a lesser role in static individual-level models of vote choice where ideology and party identification play a larger role.
4. According to Russell and Fieldhouse (2005: 11), a frequently heard comment about the Liberals is that “No one knows what they stand for.”
5. For a good overview of the procedure, see Gujarati (2003: 754–756).
6. These are available at <<http://www.ipsos-mori.com/reportsandpublications/politicaltrends.ashx>>. British Gallup data end in 2000. Rather than splice together available Gallup data (with questions worded slightly differently) with more recent MORI data, we simply rely on the latter for our entire period. Economic data were taken from <<http://www.statistics.gov.uk/>>.
7. The Liberals’ leadership question has only been asked since January of 1981, thus making our analyses for them slightly shorter than for the other parties.
8. The choice of interventions follows the work of Clarke *et al.* (1997) and Clarke and Lebo (2003). All interventions are coded 1 for the month they occur and 0 otherwise except for the Falklands War (3 months of ones), the Gulf War (2 months of ones followed by 3 months of negative ones to account for the quick return to normal ratings), and the Iraq War (2 months of ones for the initial period of the war).
9. A series Y is considered stationary if it meets the following criteria: a) $E(Y_t) = E(Y_{t+\tau}) = \mu$, i.e. constant mean; b) $E(Y_t^2) = \sigma^2$, i.e. constant variance; c) $cov(Y_{t_1}, Y_{t_2}) = cov(Y_{t_1+\tau}, Y_{t_2+\tau}) = \gamma$, i.e. constant covariance.
10. This is because the series are created by aggregating individual-level behavior. Each individual may vary in the extent to which she relies on previous periods to inform current judgments. As Granger (1980) explains, a series $Y_{j,t}$ is fractionally integrated if its components are individuals $j=1 \dots n$ with various first-order autoregressive behavior such as: $Y_{j,t} = \alpha_j Y_{j,t-1} + \varepsilon_t$ where $\alpha_j \sim \beta(0,1)$ and $\varepsilon_{j,t} \sim N(0, \sigma^2)$. A fractionally integrated series has the form $(Y_t - Y_{t-1})^d = \frac{\phi_q}{\phi_p} \varepsilon_t$ with ϕ and ϕ representing moving average and autoregressive components of q^{th} -order and p^{th} -order, respectively. In traditional ARIMA techniques all individuals are assumed to follow the same autoregressive behavior and d

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holds only integer values. Autoregressive fractionally integrated moving average (ARFIMA) models generalize this so that d may take any real value (Box-Steffensmeier & Smith, 1996; Lebo *et al.*, 2000; Clarke & Lebo, 2003). Our tests indicate that our opinion series are fractionally integrated. For simplicity, we use the differenced versions of these series in our multivariate models instead of the fractionally differenced versions. In each case, the correlation between the differenced and fractionally differenced version is above 0.99.

11. To test stationarity we use Dickey-Fuller tests, Augmented-DF tests (with and without trends), Variance Ratio tests (Diebold 1989), and the KPSS (η_t), and the KPSS (η_μ) tests (Kwiatkowski *et al.*, 1992). We also examine autocorrelation functions (ACF) and partial autocorrelation functions (PACFs) of the variables.
12. We do not include Liberal Democrat leader support in the equations for Conservative and Labour support since there is no theoretical reason for doing so and the order of causation is questionable.
13. Much has been written about the relative efficacy of Gallup's evaluations of the economy in predicting party support. The usefulness of MORI's economic question, however, is relatively unknown. Rather than make *a priori* decisions about the timing of its effects and then constrain some parameters to zero, we follow an agnostic approach and also include objective measures and their lags to capture aspects of the economy that the EOI might miss.
14. We follow a two-step error correction method. We run a level-form regression and use the errors, lagged back one period as a regressor in an equation with the differenced variables. Thus, from $Y_t = \alpha + \beta X_t + \varepsilon_t$, an ECM is created: $ECM_{t-1} = Y_{t-1} - \alpha - \beta X_{t-1}$ and becomes a regressor in: $\Delta Y_t = \alpha_0 + \beta_1 \Delta X_t + \alpha_1 ECM_{t-1} + e_t$. The error correction hypothesis is that $-1 < \alpha_1 < 0$ meaning that any shock that separates Y and X at time t will be reversed in subsequent periods. We include in X leadership approval for the party of Y and also add the Economic Optimism Index and the unemployment rate. Although these variables do not prove to be cointegrated with any of the party variables, including them in our multivariate ECMs allows us to capture any return to equilibrium dynamics that can be accounted for by these economic factors. Note that because our variables are fractionally cointegrated instead of cointegrated, the ECMs in these models are not level-stationary. The consequences of this are bias in the coefficient and standard error estimates of the ECMs (Dickinson & Lebo, 2007). However, the significance tests are not biased, so we rely on them for our interpretation.
15. Note that the coefficients for the economic optimism index are small due to the construction of the variable. As a difference between the percentage optimistic and the percentage pessimistic the EOI can change by a great deal from month to month. We say 'temporary' because the positive effects felt in a month with an increase in the EOI are followed by a negative effect the following month.
16. The effects of unemployment are not instantaneous, but are lagged one month. This makes sense given that the public may take time in both receiving and processing economic news. Again, we followed an agnostic approach to whether effects operated at one or two month lags preferring not to constrain any parameters.
17. This separation of PM satisfaction from Conservative vote intent stands in contrast to our larger finding (and that of other studies) that the two variables are tethered together quite strongly. As a check on this relationship, we reran the regression without controlling for this month. The coefficient for the error correction mechanism drops in magnitude while the coefficient for PM satisfaction also drops, but both variables remain highly significant.
18. For example, Lebo and Norporth (2007) use a version of this variable as the sole predictor in their forecasting model of British General Elections.
19. This follows the time-varying estimation method of Sanders and Carey (2002).
20. Over the few weeks of a campaign, however, support for the Liberal Democrats has sometimes risen. This was the case in 2005.
21. The effects of Mr. Kennedy's ascension are quite different: an initial boost of 5.63% was very short-lived with a drop in Liberal Democrat support of 4.89% seen two months after the fact. These effects were not significant and were dropped from the final model.

22. That is, our independent variable of central interest. Following Clarke *et al.* (1997), we also include economic variables (the EOI and the unemployment rate) in the cointegrating regression. Neither are cointegrated with any of the vote intention variables.
23. Estimates of d are obtained using Robinson's (1995) semiparametric estimator in RATS 6.1. We check these values using Sowell's (1992) estimator.
24. We use values of d and standard errors from Robinson's (1995) procedure. The difference of means test is given in Wackerly *et al.* (2002: 371). Two tests are performed to establish that $d_{residuals}$ is significantly less than d_{dv} and d_{iv} separately, and then common principles of probability are applied to establish that the $d_{residuals}$ is simultaneously less than the other d s.
25. Nevertheless, the inclusion of an ECM is still permissible in the model (De Boef & Keele, 2005).
26. Ours is not necessarily a claim that Norpoth's finding is incorrect. Norpoth (1992) studies a shorter period, and one in which the Liberals and the Social Democrats had forged an "Alliance". Indeed because the profile of the SDP voter was similar to that of the Liberal voter, Norpoth includes support for the Alliance in his measure of Liberal support and suggests that the rise of the Alliance was in fact the reason for the change. Our analysis does not rule out the possibility that during the years of the Alliance, the (positive) relationship between Liberal support and economic performance may have been inverted, with the Clarke and Zuk (1989) relationships restored when the Alliance was disbanded later in the 1980s.
27. We regress party vote intent (fractionally differenced) on lagged values of itself and on leader satisfaction. Then, the causal order was reversed and the test was repeated. AIC and BIC indicated that tests with only the first lag were most appropriate. In other (unreported) tests, everything was kept in level form and similar findings were obtained.

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Appendix. Granger Causality Tests

A series Y is said to Granger cause X if Y can improve upon the forecasting of X one would get using only the past history of X . Thus, using the sequential nature of time series, it allows us to get beyond a discussion of correlation between variables and speak more specifically about which factors are causing which. In our first test, we find that for both periods Prime Ministerial approval Granger causes governing party intentions ($p = 0.017$ in Tory period and $p = 0.055$ in Labour period) but that governing party intentions do not Granger-cause PM satisfaction ($p = 0.322$ and $p = 0.156$).²⁷ These findings support the idea that leadership satisfaction is conceptually distinct from, and causally prior to, party support. That is, it is not the case that intending to vote for the government will translate into liking the Prime Minister.

In the cases of the opposition party and the Liberal Democrats, the only evidence of Granger causality in either direction is during the first period for Labour and the second period for the Liberal Democrats when vote intent seems to Granger cause satisfaction with the parties' respective leaders ($p = 0.010$ for first period Labour and $p = 0.069$ for second period Liberal Democrats). Here the relationship in the collective mind of the electorate between the PM and his/her party is quite different than the other parties. Increases in the vote intentions of the opposition parties can lead voters to view the leaders of those parties in a more favorable light. This result is quite different to those of the British Election Study team (Clarke *et al.*, 2004) who find leadership approval to be weakly exogenous to vote choice. The weakened link from leadership to party approval again points to the great difficulties the Liberal Democrats face in their efforts to improve their electoral fortunes.