

# Local Economies, Local Policy Impacts and Federal Electoral Behaviour in Canada

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The distinctiveness of local and regional economies in Canada has had deep and enduring effects on Canadian political development.<sup>1</sup> From the National Policy of the 1880s to the National Energy Program of the 1980s, divergent interpretations of the federal government's impact on these regional economies have been one of the most prominent features of political debate. The effects of federal policy on different parts of the country have, at many important points, penetrated the consciousness of the public and become decisive election issues.<sup>2</sup> Accordingly, attempts to explain the geographic patterns of electoral support in Canada nearly always include references to different regional economic fortunes and the geographically varying impacts of federal pol-

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- 1 M. Janine Brodie, *The Political Economy of Canadian Regionalism* (Toronto: Harcourt, Brace, Jovanovich, 1990); Ralph Matthews, *The Creation of Regional Dependency* (Toronto: University of Toronto Press, 1983); and Roger Gibbins, *Regionalism: Territorial Politics in Canada and the United States* (Toronto: Butterworths, 1981).
  - 2 Richard Johnston, André Blais, Jean Crête and Henry Brady, *Letting the People Decide* (Montreal: McGill-Queen's University Press, 1992), chap. 2; and Harold Clarke, Jane Jenson, Lawrence LeDuc and Jon Pammett, *Absent Mandate* (Toronto: Copp-Clark Pitman, 1995).

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icy. In both federal elections in the 1990s, for instance, government losses in Atlantic Canada were widely attributed to the local impact of federal fiscal retrenchment and, more specifically, to changes in the unemployment insurance program.

This sort of explanation for the geographical patterns of electoral results, however, encompasses numerous plausible mechanisms at the level of the individual voter. They range from simple self-interest to strong subnational identities where citizens want their province or region to be treated fairly by the federal government.<sup>3</sup> If the mechanism is self-interested voting behaviour, any subnational economic effect on election outcomes would result from the geographic patterning of economic change: in one area many people experience hard times and vote against the government, while in another, times are good and few individuals have negative evaluations of the government's effect on their personal finances. But narrowly self-interested economic reasoning as a determinant of evaluations of governments has been all but dismissed.<sup>4</sup> Instead, the local, provincial or regional economic situation may affect those evaluations through individuals' greater concern for the fortunes of those nearby than for the nation as a whole. Or, by contrast with these explanations rooted in citizens' *locus of concern*, it may be that information on the local economy is easier to gather and interpret than information on the national economy. In this account, geographical variation in economic change would provide citizens living in different places with different information on which to evaluate the national government's economic performance.

This article assesses economic localism in Canadian voting by combining survey data with measurements of local economies and of local policy impacts.<sup>5</sup> This allows a test of the proposition that citizens punish governments for overall local economic change, as well as direct withdrawal of government funds to the locale. Subordinate questions are: How widespread is this localism? Is it only a default for the poorly informed, or is it found among the most politically sophisti-

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3 David V. J. Bell, *The Roots of Disunity: A Study of Canadian Political Culture* (Don Mills: Oxford University Press, 1992).

4 Donald R. Kinder and D. Roderick Kiewiet, "Sociotropic Politics: The American Case," *British Journal of Political Science* 11 (1981), 129-61; David O. Sears and Carolyn L. Funk, "The Role of Self-Interest in Social and Political Attitudes," *Advances in Experimental Social Psychology* 24 (1991), 1-91; and Donald R. Kinder, Gregory S. Adams and Paul W. Gronke, "Economics and Politics in the 1984 American Presidential-Election," *American Journal of Political Science* 33 (1989), 491-515.

5 In this study, "local" economy means the area in which a person lives and works, travel outside of which is considered "a trip." Provincial and regional economies obviously encompass larger areas.

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**Abstract.** The fortunes of local, regional and provincial economies have often been linked to geographical variation in electoral outcomes, and nowhere more so than in Canada. This article examines economic localism in Canadian voting behaviour by estimating a model of voters' decisions in the 1993 and 1997 federal elections. Individual-specific determinants of the vote measured in the Canadian Election Study are supplemented by measures of voters' local economies and of the local impacts of policy changes. Voters punish the federal government for bad times in their locale and for policy changes that hurt the local economy. This effect is independent of what voters think about their own finances and about the provincial and national economies. The electoral impact of the local economy does not depend on whether government is acknowledged as a potent economic actor, or on the voter's level of political information. However, the relevance of the local economy for national-level electoral behaviour can be "primed" by campaign events, just like any other criterion of voting choice. The response to local economic conditions is part of a broader explanation for geographic patterns of electoral support in Canada.

**Résumé.** La prospérité des économies locales, régionales et provinciales a souvent été reliée à la variation géographique des comportements électoraux, en particulier au Canada. Cet article évalue l'impact de cette variable sur le vote des électeurs canadiens lors des consultations fédérales de 1993 et 1997. Pour ce faire, il utilise un modèle qui tient compte, non seulement des déterminants du vote individuel mesurés par les études sur les élections canadiennes, mais de l'incidence de la situation économique locale et des impacts des changements de politique du gouvernement fédéral sur l'économie locale. L'analyse révèle que les électeurs désavouent le gouvernement fédéral lorsque leur économie locale est mal en point et qu'elle est affectée négativement par ses changements de politiques. Ce comportement est indépendant des perceptions qu'ont les électeurs de leurs finances personnelles et de l'économie de leur province et du pays. Le fait que l'électeur considère ou non le gouvernement fédéral comme un acteur économique important et le fait qu'il soit bien ou mal informé sur ses politiques n'influencent pas son vote. Cependant, la campagne électorale peut accroître l'importance de la variable économie locale ou de tout autre déterminant du vote individuel. L'influence réelle de l'économie locale sur le vote ne pourra être bien comprise que par des études supplémentaires sur la variation géographique des patterns de vote lors des élections fédérales canadiennes.

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cated citizens? Do citizens need to see the government as an effective economic player in order to punish it for a bad local economy? And can campaign events and discourse "prime" local economic conditions as a criterion for evaluation of the government?

These questions bear directly on democratic representation in Canada. If voters do respond to local conditions and policy impacts, parties and politicians may have an incentive to play different campaign tunes to different locales, and governments may adopt policies with geographically distributional impacts that maximize electoral success rather than overall welfare. One obvious case would be a self-perpetuating cycle where voters in an area with a troubled economy reject the governing party which, in turn, reasons that the area is lost and implements policies that favour other areas where it is more competitive. This story may ring true to western Canadians looking back on the period of Liberal dominance under Lester B. Pearson and Pierre Trudeau. Localism in economic voting may significantly contribute to

the kind of regional electoral patterns that can perpetuate a divisive federal politics.<sup>6</sup>

### “Intermediate-Level Collectives” and Economic Voting

The link between economics and electoral outcomes is now undisputed at an aggregate level—national governments suffer when their national economy suffers.<sup>7</sup> Numerous individual-level studies have shown that nearly all of the effect is due to citizens’ “sociotropic” judgments of the national economy rather than the aggregated effect of self-interested voters voting their pocketbooks.<sup>8</sup> Following the lead of researchers in the United States, individual-level research on economic voting in Canada has concentrated on settling this “pocketbook” versus “sociotropic” controversy.<sup>9</sup> That familiar dichotomy, however, obscures the fact that voters are embedded in many geographically and jurisdictionally defined economies that do not track the national economy perfectly—some do well and others badly, sometimes as a result of government policies. If voters either care about the fortunes of these subnational areas, or use information pertaining to these areas to stand in for national-level information, we will observe a link between local economic conditions and voting behaviour.

A few Canadian studies have suggested that subnational economic conditions may be relevant to government support.<sup>10</sup> Calum M. Carmichael, for instance, studied federal election outcomes aggregated to the regional level and related them to national-level economic con-

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6 Gibbins, *Territorial Politics*, chaps. 6-7.

7 For Canada, see Richard Johnston, “Business Cycles, Political Cycles and the Popularity of Canadian Governments, 1974-1988,” this JOURNAL 23 (1990), 483-97; Harold D. Clarke and Gary Zuk, “The Politics of Party Popularity, Canada 1949-1979,” *Comparative Politics* 20 (1987), 299-315; and Kristen Monroe and Lynda Erickson, “The Economy and Political Support: The Canadian Case,” *Journal of Politics* 48 (1986), 616-47. For the US, see Gerald H. Kramer, “Short-Term Fluctuations in U.S. Voting Behavior, 1896-1964,” *American Political Science Review* 65 (1971), 131-43; and Ray C. Fair, “The Effect of Economic Events on Votes for President—1980 Results,” *Review of Economics and Statistics* 64 (1982), 322-25.

8 Michael S. Lewis-Beck, “Comparative Economic Voting: Britain, France, Germany, Italy,” *American Journal of Political Science* 30 (1986), 315-46.

9 Harold D. Clarke and Allan Kornberg, “Support for the Canadian Federal Progressive Conservative Party Since 1988: The Impact of Economic Evaluations and Economic Issues,” this JOURNAL 25 (1992), 29-53.

10 J. R. Happy, “Voter Sensitivity to Economic-Conditions—A Canadian-American Comparison,” *Comparative Politics* 19 (1986), 45-56; “Economic Performance and Retrospective Voting in Canadian Federal-Elections,” this JOURNAL 22 (1989), 377-87; and “The Effects of Economic and Fiscal Performance on Incumbency Voting: The Canadian Case,” *British Journal of Political Science* 22 (1992), 117-30.

ditions, concluding that after 1972 bad economic times hurt the incumbent party across all regions of the country.<sup>11</sup> Canadian Election Study surveys (1988, 1993, 1997) have acknowledged the potential relevance of subnational economies to national voting by asking respondents about their provincial economy and the federal government's impact on it, yet little use has been made of this variable in models of federal voting. More locally still, there has been no Canadian research that relates economic conditions in citizens' immediate life-spaces to their federal voting behaviour.

In the United States, M. S. Weatherford first called direct attention to the fact that the "egocentric-sociotropic dimension" of citizens' economic evaluations is a continuum occupied by what Mondak, Mutz and Huckfeldt subsequently termed "intermediate-level collectives."<sup>12</sup> Weatherford found that local unemployment conditions (but not inflation) influenced judgments of the US president's economic policy performance over and above perceptions of personal and national economic conditions. This demonstrated an indirect link from local economies to voting through *perceptions* of *national-level* economic management. But Weatherford failed to discuss voting based on citizens' concern for their local area independent of their concern for the national economy. Instead, he considers the effects a result of voters' confusion by equivocal, conflicting expert interpretations of national-level economic information which leads them to let information about their local economy stand in for information about the national one.

Subsequent research in this area has inherited the perspective of an indirect link to voting due to the use of information from subnational levels in national-level judgments. Both Pamela J. Conover and Kinder, Adams and Gronke found an influence from a person's "reference group's" economic fortunes to perceptions of national conditions, but not to vote choice.<sup>13</sup> Mondak et al. showed that perceptions

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11 Calum M. Carmichael, "Economic Conditions and the Popularity of the Incumbent Party in Canada," this JOURNAL 23 (1990), 713-26.

12 M. S. Weatherford, "Evaluating Economic Policy: A Contextual Model of the Opinion Formation Process," *Journal of Politics* 45 (1983), 866-88; Jeffery J. Mondak, Diana C. Mutz and Robert Huckfeldt, "Persuasion in Context: The Multilevel Structure of Economic Evaluations," in Diana C. Mutz, Paul M. Sniderman and Richard A. Brody, eds., *Political Persuasion and Attitude Change* (Ann Arbor: University of Michigan Press, 1996), 250. Mondak et al. argue that "the reason for the neglect of intermediate-level collectives does not rest in past null findings or in a theoretical rationale that these collectives should be less persuasive politically or inherently less important. Instead, it results largely from a lack of available data corresponding to judgments about the economic conditions of more local entities" (ibid, 250).

13 Pamela J. Conover, "The Impact of Group Economic Interests on Political Eval-

of the neighbourhood economy influenced perceptions of the president's economic management.<sup>14</sup> In a very different policy area, Gartner, Segura and Wilkening demonstrated that local losses in the Vietnam war—the local effect of a national policy—were “important predictors of individual opinion on the President's [national] policies” toward the war.<sup>15</sup> While all of these studies find sensible relationships between subnational conditions and national-level judgments, none suggests that voters may simply be localistic and use local conditions to assess their national government *independent of their judgment of the government's effect on the nation as a whole*. In general, the predominant theoretical approach holds that local conditions are useful to stand in for imperfect information about the national government's effect on *national* conditions.

In Canada, however, the notion of an unadulterated localism, provincialism and regionalism in political judgments is hardly a novelty. Students of regionalism have long known that Canada's fractious federal politics has deep roots in the electorate.<sup>16</sup> Nearly always, however, studies refer to a *regional or provincial* consciousness: a psychological identification with the *political* jurisdiction in which a citizen lives. This study complements that approach, suggesting that, first, Canadians display a virtually ubiquitous attachment to the immediate locale where they spend most of their lives.<sup>17</sup> Second, that the local economy and the local impact of national policies are therefore relevant to national voting decisions (even if perfect national information were available). And, third, that this phenomenon drives part of the geographical variation in electoral outcomes.

The information-based approach prominent in US research and outlined above would tell a different story: Voters are sociotropic and, therefore, want to judge the government's national economic management. They look for information on the state of the economy, and are faced with information applying to various social and geographic levels from the personal to the national. All voters have good information

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uations,” *American Politics Quarterly* 13 (1985), 139-66; and Kinder, Adams, and Gronke, “Economics and Politics.”

14 Mondak, Mutz and Huckfeldt, “Persuasion in Context.”

15 Scott S. Gartner, Gary M. Segura and Michael Wilkening, “All Politics Are Local: Local Losses and Individual Attitudes toward the Vietnam War,” *Journal of Conflict Resolution* 41 (1997), 669-94.

16 Mildred Schwartz, *Politics and Territory: The Sociology of Regional Persistence in Canada* (Montreal: McGill-Queen's University Press, 1974); and Gibbins, *Territorial Politics*, chap. 6.

17 Y-F. Tuan, *Segmented Worlds and the Self* (Minneapolis: University of Minnesota Press, 1982); David M. Hummon, “Community Attachment: Local Sentiment and Sense of Place,” in Irwin Altman and Setha M. Low, eds., *Place Attachment* (New York: Plenum, 1992), 253-78.

on their personal fortunes, but information pertaining to the national economy is obtained from the mass media. The more attentive and sophisticated citizens are, the more likely they are to obtain and effectively interpret national-level information. Thus, the less attentive, poorly informed citizens will be more strongly influenced by personal and, by extension, local information, in their national-level judgments. Mondak et al. interpret a number of studies as showing that “personal experience serves as a default source of political information, to be relied upon only in the absence of more abstract, national-level information. . . . All else being equal, people will rely on the social context most relevant to the judgment they are making (in this case, national-level conditions).”<sup>18</sup>

My analysis disputes that argument: National-level information may not be the most “relevant” to the national voting decision. In other work, Diana Mutz and Jeffrey Mondak suggest that voters are sensitive to economic contrasts—they want groups to be treated fairly.<sup>19</sup> Although these authors do not consider subnational political jurisdictions or geographical areas as groups, it is obvious that if people are attached to their locale they would be concerned that it is treated fairly by higher-level government(s). Thus, the motivation for attention to local conditions would not be the need for a default source of information but, rather, concern for the local area. One important implication of the latter account is that the well informed electors would be just as likely as the poorly informed to be influenced by local economic conditions in national-level voting behaviour. A voter’s responsiveness to local conditions would, therefore, depend on relative concern for subnational and national fortunes rather than on the level of national political information.

In all likelihood, the impact of local conditions on voting does vary across the electorate. Irrespective of whether it varies across levels of general political information, it should vary along two other dimensions. The first is the degree to which a person thinks government policy affects the economy. Kiewiet and Rivers concluded that “the assumption that economic conditions influence voting decisions only to the extent that voters attribute responsibility for these condi-

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18 Mondak, Mutz and Huckfeldt, “Persuasion in Context,” 254. These authors are then reluctant to admit that their results do support the theory that local information is likely to be a default source of information. They find that those attentive to politics, not the inattentive, are influenced by their perceptions of the neighbourhood economic situation.

19 Diana C. Mutz and Jeffrey J. Mondak. “Dimensions of Sociotropic Behavior: Group-Based Judgements of Fairness and Well-Being,” *American Journal of Political Science* 41 (1997), 284-308.

tions to incumbent politicians is ubiquitous in this literature.”<sup>20</sup> In a federal system, voting on the basis of economic conditions will only happen when voters attribute responsibility to the government being evaluated. Those who believe the government can affect the economy should be more responsive to local conditions than those who think it impotent.

The second source of variation is the *salience* of local economic conditions. Among many possible influences on voting decisions, evaluations of the government’s effect on the local economy can be made more or less prominent by campaign events and parties’ communication strategies. The local economy can be “primed,” like any other politically relevant object, when attention is called to it. Investigating variation in economic voting along these lines, both across individuals and over time, will provide a more complete picture of the mechanisms that drive the relationship between economic fortunes and election results.

The four hypotheses to be tested in this article are therefore:

- (1) Overall and directly government-induced local economic changes influence a voter’s probability of voting for the incumbent national (federal) government, independent of other economic perceptions. The more negative the change in the local economy, the lower the probability of voting for the government;<sup>21</sup>
- (2) irrespective of their level of political information or sophistication, citizens are to some extent localistic in their economic evaluations: Information about national conditions does not lead people to ignore the local economy in making voting decisions. Even voters who are well-informed about national politics and the national economy are economically localistic;
- (3) the connection between local economic conditions and voting depends on attributions of responsibility (or capability) to the government being evaluated;
- (4) the influence of the fortunes of the local economy on voting decisions can be made more salient (“primed”) by political campaigns.

The second, third and fourth hypotheses have a simple interactive character: Is the connection between local conditions and vote choice stronger for some voters than for others?

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20 D. R. Kiewiet and Douglas Rivers, “A Retrospective on Retrospective Voting,” in Heinz Eulau and Michael S. Lewis-Beck, eds, *Economic Conditions and Electoral Outcomes: The United States and Western Europe* (New York: Agathon, 1985), 369-91.

21 This relationship is hypothesized to be monotonic, but not necessarily linear. If there is some social version of the economic “multiplier effect,” we would expect increasing marginal negativity for increasingly negative economic change.



## Data and Methods

To test these hypotheses, data are taken from the Canadian Election Studies of 1993 and 1997. The analysis is based in a simple binary model of voting for or against the government. There is a major benefit from considering the Canadian federal elections of the 1990s in relation to economic voting. There were different parties in power (Conservative and Liberal), the economic fortunes of the country and most locales could hardly have been more different (negative in 1993; positive in 1997), and, accordingly, there is a narrow range of economic attitudes in 1993 but a wide range in 1997. In addition, before the election of 1993 there were major changes to the federal unemployment insurance programme which had particular local consequences.<sup>22</sup> These considerations make any common conclusions a great deal stronger than if either election were examined separately.<sup>23</sup>

To the survey data are added measurements of the dynamics of each respondent's local economy.<sup>24</sup> They are available from the records of the Unemployment Insurance program (UI)<sup>25</sup> and Statistics Canada's Labour Force Survey (LFS). These provide monthly data on the local impact of a government policy (unemployment insurance beneficiaries within the respondent's Census Division [CD]) and the general local economic situation (unemployment rate in the Sub-Provincial Economic Region [SPR]).<sup>26</sup> CDs are based around cities and major towns, and range in population from 10,000 to 2 million

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22 Even though the programme applied to individuals, the eligibility criteria varied according to the local unemployment rate. Also, because economic activity by sector is not randomly geographically distributed, and workers in a given sector were affected similarly, the policy changes had geographically identifiable impacts.

23 For general reviews of the elections and the determinants of individual voting behaviour for 1993, see Neil Nevitte, Richard Johnston, André Blais, Henry Brady and Elisabeth Gidengil, "Electoral Discontinuity: The 1993 Canadian Federal Election," *International Social Science Journal* 47 (1995), 583-99; and for 1997, see Neil Nevitte, André Blais, Elisabeth Gidengil and Richard Nadeau, *Unsteady State: The 1997 Canadian Federal Election*, (Toronto: Oxford University Press, 2000).

24 Merging the aggregate data to the survey data is possible because the CES obtained the first three digits of respondents' postal codes (the postal forward sortation area, or FSA). Statistics Canada provides a file that maps postal codes onto census geography, so that each CES respondent can be located in Census Divisions, Sub-Provincial Regions, and so on.

25 The name has been changed to Employment Insurance (EI) but the more familiar usage is retained here, since it denotes the economic quantity of interest: unemployment.

26 Statistics Canada, *Geography Guide Book*, 1991 Census of Canada catalogue no. 92-310E (Ottawa: Industry, Science and Technology Canada, 1993).

(Toronto).<sup>27</sup> The subprovincial region is often a larger physical area with a minimum population of about 100,000; there are 65 SPRs in Canada. These economic variables are operationalized with annual averages, taking the year-over-year percentage change in the quantities as independent variables.<sup>28</sup> For the 1993 election, four separate variables are defined: the one-year percentage change (1992-1993) and the percentage change over the previous years of the government's term (1988-1992) for each of the economic measures. The 1992-1993 change is the subject of the economic retrospection questions in the survey, and the 1988-1992 change measures the fortunes of the local economy during the mandate of the incumbent government.<sup>29</sup> For 1997, however, the changes are too highly correlated to use separately, since the economy was steadily improving and the Liberal term was short. Both the unemployment rate and the effect of changes to UI are objective measurements of the conditions people would observe in their local area and hear about through local media and social interaction.

The two measures—SPR unemployment rate and CD UI beneficiaries—must be used in combination in 1993 to isolate the effect of changes in government policy. The general economic measure is the change in the unemployment rate in the subprovincial region. It measures the state of the labour market in an area small enough that most people would consider commuting to work. The SPRs were defined by Statistics Canada specifically as economic regions, using criteria that make them more uniformly susceptible to economic change than other areas (especially political ones like counties).

By controlling for the change in the unemployment rate in the SPR, the UI measure shows the direct impact of a federal policy on the most sensitive members of the community—those who lose their

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27 There are no worries about heteroskedasticity here because the LFS is of equal size in each CD, and since it is so large (about 4,000 respondents per month, with a very good co-operation rate), the different population sizes will have a negligible effect on the sampling error across CDs. For a statistical explanation of the potential for heteroskedasticity in aggregate data, see Eric A. Hanushek and John E. Jackson, *Statistical Methods for Social Scientists* (San Diego: Academic Press, 1977), 143.

28 Richard G. Niemi, John Bremer and Michael Heel show that change in state unemployment is a far better predictor of state economic evaluations than the static unemployment rate, which compares one state with others cross-sectionally ("Determinants of State Economic Perceptions," paper presented at the annual meeting of the Midwest Political Science Association, Chicago, 1997).

29 Another model using the total 1988-1993 change was estimated as well, and the results were not as strong, so for theoretical reasons the two periods are used separately. They are not correlated at more than  $\pm .25$  in any of the measurements; most of the correlations are negative.

jobs.<sup>30</sup> Fortuitously for this study, it is a policy that can change and can affect communities differently, allowing us to see whether voters respond to government-induced economic change as well as to overall economic change. Major changes to UI that restricted eligibility and benefit periods were introduced in April 1993, six months before the federal election. Most locales suffered a substantial drop in the number of beneficiaries of this highly visible and popular federal programme. A drop in UI beneficiaries in a locale should provoke anti-government feeling, given that the economy was, in general, adding jobs through this period.<sup>31</sup> In 1997, only the unemployment rate is used because there was no one-time shock to the UI system, so they are essentially two measures of the same quantity.

These two geographical units are particularly good indicators of local economic conditions because the major source of information on those conditions, over and above observation and social interaction, is the local mass media. Diana Mutz has shown that there is a strong link between objective local economic conditions and the tone and direction of media reports of the local economy.<sup>32</sup> CDs correspond roughly to local newspaper markets, and SPRs correspond to the geographically larger local television and radio markets. So it is reasonable to assume that these are measures of the information available to voters about their local economy.

The other variables of interest are survey questions asking about *perceptions* of personal, provincial and national economic fortunes over the previous year, and for *judgments* of the federal government's impact on those three economies.<sup>33</sup> Because the link from objective conditions to voting comes through these perceptions and judgments, these are excellent controls that isolate the local economy. If there is an influence on voting from local economic conditions independent of these perceptions and judgments at other levels, it would be evidence for economic localism below the provincial level, where people conduct their everyday lives.

In both election years, the model includes control variables that are likely to influence support for the government: a dummy variable

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30 Used alone, however, it would confuse improving economic circumstances with stagnation, because if beneficiaries do not find work after about one year, their benefits end.

31 For the short-term CD UI measure, rather than using the full-year averages I compare the average monthly number of beneficiaries in the April-October period of 1993 to the same period the year before. This operationalization measures the changes to the programme specifically, and avoids problems of seasonality in the labour market by comparing the same period in both years.

32 Diana Mutz, *Impersonal Influence* (Chicago: University of Chicago Press, 1998).

33 These variables are coded -2 (much worse) to 2 (much better). For these and all other variable definitions, see the Appendix.

for government partisanship, a dummy variable for partisans of any other party, feeling thermometers for the leaders of the governing parties (Brian Mulroney and Kim Campbell for 1993; Jean Chrétien for 1997), the respondent's position on a number of issues,<sup>34</sup> and province and language dummy variables. The model is therefore a comprehensive, perhaps overly comprehensive, individual-level model of vote choice. To this are added the local economic measures in order to assess the independent impact of subnational economic change and subnational policy impacts on the likelihood that a person will support the incumbent government.

The vote choice is conceived as the first-level in a hierarchical choice problem: support the government or not; if not, then choose among opposition parties. The dependent variable is therefore binary: vote for the government (1) or vote for an opposition party (0). The models are estimated with a linear probability model (LPM), which is simply OLS regression applied to a dichotomous dependent variable.<sup>35</sup> Coefficients indicate the percentage change in probability of government support for a one-unit change in the independent variable.

In order to test the second hypothesis—that the possession of national-level information does not reduce voters' sensitivity to local economic conditions—measures of national-level information-holding interact with the measures of the local economy (simply multiplying a variable measuring information by the local economic measures). The underlying assumption is that local information is more equally distributed than, or at least independent of, national-level information. Even those without any national-level economic information are likely to have some sense of how things are going in their area: They have some local information to “default” to in forming national-level economic evaluations. The measures of information are simple eight- (1993) and ten-point (1997) indexes of factual political knowledge, rescaled to run from 0 to 1 (see Appendix).

For the third hypothesis, an agree/disagree dichotomy on the question of whether “governments are powerless to solve our economic problems” is interacted with the local economic measures. In

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34 These are, for 1993: the GST, how much “should be done” for Quebec, and whether the respondent prefers maintaining programmes or reducing the deficit; and for 1997: raise taxes versus cut spending, how much should be done for Quebec, immigration, leaving job creation to the private sector, whether government cuts were fair, whether the income gap is a problem, whether the respondent's province has been “treated well,” and for Quebecers, support for sovereignty.

35 See Johnston et al., *Letting the People Decide*, appendix B, for a justification of this approach. I also estimated binary logit and multinomial logit models and saw no significant differences in the substantive implications of the estimates, so the LPM is preferred for its ease of interpretation and accessibility.

1993, 28 per cent of the sample agreed; in 1997 it was 27 per cent. The fourth hypothesis, priming of local economic conditions, is more complicated. As was suggested above, it is possible that certain campaign events could “prime” voters to evaluate governments on the basis of the local economy. Or media coverage might “frame” economic voting in relatively more local or more national terms. Events of the 1997 election campaign and media coverage of them makes a test of this hypothesis possible, just as the fortuitous timing of the revelations in the Iran-Contra affair did for Krosnick and Kinder.<sup>36</sup>

On the thirteenth day of the 1997 campaign, a crowd of angry unemployed Newfoundland fishermen surrounded and rocked a bus that they thought was carrying Prime Minister Chrétien. They demanded a meeting with him to ask for an extension of a federal assistance programme, but they eventually left when it became clear that he was not aboard the bus. This incident received a tremendous amount of news coverage because the bus was occupied almost exclusively by journalists waiting to go to a campaign event at which the prime minister was to arrive by helicopter.<sup>37</sup> On the same day, Statistics Canada released data showing that the Newfoundland and the national unemployment rates had increased the previous month. A wire story on the incident noted that “the figures seem to contradict the claim Chrétien has been making at every stop on his tour—that his government has turned the economy around and created new hope.” It is exactly this kind of confusing, contradictory information that might lead voters to discount the national-level information trumpeted by the government and turn to other sources. Three days after the incident, the crucial leaders’ English-language television debate took place. During the debate, the prime minister’s claim of an improving economy and greater fiscal responsibility was attacked from four sides, all with specific examples of groups or locales that seemed to be bearing the brunt of government cuts. This, too, was likely to make information about the national economy less reliable to voters. It might also have primed judgments about the relative fairness of the government’s economic policies to distinct places and groups. A reasonable assumption would be that for those who attended to the campaign, the incident and the debate would make the state of the local economy both more relevant and more reliable information relative to national-level information. Therefore split-sample estimations are conducted for

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36 Jon Krosnick and Donald R. Kinder, “Altering the Foundations of Support for the President through Priming,” *American Political Science Review* 84 (1990), 497-512.

37 Also, the Red River flood was beginning to recede, both literally and from the attention of the national news media.

those interviewed before and after May 13 and a model with a debate-viewership interaction is also estimated.

## Results

The first hypothesis, that there is economic localism in Canadian voting, is evaluated in Tables 1a and 1b. Recall the expectations for the two local economic variables: the SPR unemployment rate should have a negative sign, with rising unemployment decreasing the likelihood of support for the government; the change in CD UI beneficiaries should have a negative sign prior to the changes in the programme, and then a positive sign starting six months before the 1993 election. Independent of the unemployment situation, with changes to UI, fewer local beneficiaries should decrease support for the government, implying a positive relationship and a positive coefficient.

These expectations are borne out in Tables 1a and 1b; there is economic localism in Canadian voting. Consider 1993 first (Table 1a). The first and third coefficients (rows) measure the local impact of national policy—changes in local UI beneficiaries. The first has a significant impact while the third does not, indicating that the influence of the policy comes from changes made to the programme in the six-month period before the election.<sup>38</sup> The coefficient of .00356 means that for every 10 per cent drop in UI beneficiaries in the Census Division in the six months before voting day, a voter's probability of supporting the Conservative government fell by 3.5 per cent. Worst-hit was a rural area southwest of Winnipeg, where there was a drop of 37 per cent in UI beneficiaries, while the least-affected area was less than 100km away in the southeast corner of Manitoba where there was an increase of nearly 10 per cent. Therefore the maximum difference in government support as a result of the local impact of the UI policy changes is estimated to be 16.6 per cent—from one side of the Red River to the other!

Turning to the influence of unemployment in the subprovincial region (SPR), measured by the second and fourth coefficients, the significant influence comes from the change in unemployment over the period of the incumbent government (1988-1992). Voters appear to have had a fairly long memory. The coefficient in the second row is

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38 This is unlikely to be a geographically varying variable measuring something other than what it claims. The CDs hit hardest are a tremendously varied group, and appear to have nothing else in common. The worst five CDs were: Altona/Winkler/Morden, Manitoba (-37%), Peace-River/Liard, BC (-26%), Grande Prairie/Peace, Alberta (-25%), Baie Verte, Newfoundland (-24%) and Shefford, Quebec (-24%). Nor are they all primary industry communities: Peterborough and Medicine Hat were eleventh and twelfth worst-hit.



TABLE 1A & 1B (CONTINUED)

	1a (1993 Conservative Government)					1b (1997 Liberal Government)				
	Variable	ROC (full sample)	ROC Before May 14	ROC After May 13	ROC Quebec	ROC (full sample)	ROC Before May 14	ROC After May 13	ROC Quebec	ROC Debate Inter-action
	All Canada									
		(0.01)	(0.03)	(0.03)	(0.03)	(0.02)	(0.03)	(0.03)	(0.03)	(0.02)
	Conservative partisan	<b>0.44</b>	<b>0.49</b>	<b>0.48</b>	<b>0.49</b>	<b>0.48</b>	<b>0.49</b>	<b>0.48</b>	<b>0.49</b>	<b>0.48</b>
		(0.03)	(0.03)	(0.03)	(0.04)	(0.02)	(0.03)	(0.03)	(0.04)	(0.02)
	Other partisan	<b>-0.09</b>	<b>-0.11</b>	<b>-0.14</b>	<b>-0.04</b>	<b>-0.12</b>	<b>-0.11</b>	<b>-0.14</b>	<b>-0.04</b>	<b>-0.12</b>
		(0.02)	(0.03)	(0.03)	(0.03)	(0.02)	(0.03)	(0.03)	(0.03)	(0.02)
	Mulroney therm. (-1 to 1)	<b>0.05</b>	<b>0.27</b>	<b>0.28</b>	<b>0.22</b>	<b>0.28</b>	<b>0.27</b>	<b>0.28</b>	<b>0.22</b>	<b>0.28</b>
		(0.02)	(0.04)	(0.03)	(0.03)	(0.03)	(0.04)	(0.03)	(0.03)	(0.03)
	Campbell therm. (-1 to 1)	<b>0.17</b>	<b>-0.02</b>	<b>-0.01</b>	<b>0.00</b>	<b>-0.02</b>	<b>-0.02</b>	<b>-0.01</b>	<b>0.00</b>	<b>-0.02</b>
		(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
	GST opinion (-1 to 1)	<b>0.03</b>	<b>-0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
		(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
	Do for Quebec (-2 to 2)	-0.01	<b>-0.06</b>	<b>-0.03</b>	<b>-0.05</b>	<b>-0.06</b>	<b>-0.03</b>	<b>-0.08</b>	<b>-0.05</b>	<b>-0.05</b>
		(0.01)	(0.02)	(0.03)	(0.03)	(0.02)	(0.03)	(0.03)	(0.03)	(0.02)
	Keep programmes (1) vs cut deficit (0)	<b>-0.03</b>	<b>-0.04</b>	<b>-0.03</b>	<b>-0.03</b>	<b>-0.04</b>	<b>-0.04</b>	<b>-0.03</b>	<b>-0.03</b>	<b>-0.04</b>
		(0.01)	(0.02)	(0.03)	(0.03)	(0.02)	(0.03)	(0.03)	(0.04)	(0.02)
	Income gap a problem	<b>-0.02</b>	<b>0.01</b>	<b>-0.04</b>	<b>-0.01</b>	<b>-0.02</b>	<b>0.01</b>	<b>-0.04</b>	<b>-0.01</b>	<b>-0.02</b>
		(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
	Cuts were fair	<b>0.07</b>	<b>0.11</b>	<b>0.03</b>	<b>0.03</b>	<b>0.07</b>	<b>0.11</b>	<b>0.03</b>	<b>0.03</b>	<b>0.07</b>
		(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
	Immigration level	<b>0.00</b>	<b>-0.01</b>	<b>0.00</b>	<b>-0.01</b>	<b>0.00</b>	<b>-0.01</b>	<b>0.00</b>	<b>-0.01</b>	<b>0.00</b>
		(0.01)	(0.02)	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)	(0.02)	(0.01)



Quebec				<b>0.04</b> (0.01)	0.02 (0.02)	<b>0.06</b> (0.02)	0.01 (0.02)	<b>0.04</b> (0.01)
Province treated well								
Leave to private sector create jobs	0.00 (0.04)			-0.01 (0.01)	<b>-0.02</b> (0.01)	0.00 (0.01)	-0.01 (0.01)	-0.01 (0.01)
Francophone	<b>-0.07</b> (0.04)		Opposes Quebec sovereignty (-2 to 2)				<b>0.03</b> (0.01)	
British Columbia	<b>-0.13</b> (0.05)		British Columbia	-0.01 (0.03)	0.02 (0.04)	-0.04 (0.03)		-0.02 (0.03)
Alberta	<b>-0.11</b> (0.04)		Alberta	<b>-0.06</b> (0.02)	<b>-0.05</b> (0.04)	<b>-0.08</b> (0.03)		<b>-0.07</b> (0.02)
Saskatchewan	<b>-0.17</b> (0.05)		Saskatchewan	-0.03 (0.03)	-0.03 (0.04)	-0.02 (0.04)		-0.03 (0.03)
Manitoba	<b>-0.17</b> (0.04)		Manitoba	-0.02 (0.03)	-0.02 (0.04)	-0.03 (0.04)		-0.02 (0.03)
Atlantic	<b>-0.08</b> (0.03)		Atlantic	<b>-0.06</b> (0.03)	-0.04 (0.03)	<b>-0.07</b> (0.04)		<b>-0.06</b> (0.03)
Constant	<b>0.36</b> (0.05)		Constant	<b>0.28</b> (0.03)	<b>0.21</b> (0.04)	<b>0.33</b> (0.04)	<b>0.15</b> (0.04)	<b>0.29</b> (0.03)
N	1873		N	2162	999	1163	794	2162
F	34.2		F	104.14	55.66	57.43	48.85	98.36

OLS estimates. Standard errors in parentheses below coefficient estimates. Estimates more than 1.64 times their standard errors in bold.

-.0137, indicating that an increase of 1 per cent in the SPR unemployment rate resulted in a drop in the probability of Conservative voting of 1.37 per cent. The unemployment rate change ranges from a drop of 2.6 per cent (Okanagan Valley, British Columbia) to an increase of 7.59 per cent (Southwestern Ontario), so the maximum difference in government support would be 14 per cent.

Two places with very different economic fortunes in 1993 provide a concrete illustration of the results. The southwest corner of New Brunswick (St. Stephen, St. Andrews) saw no change in the unemployment rate over the Conservative mandate and a small *increase* in UI beneficiaries after the changes to the programme; meanwhile Peterborough, Ontario's SPR unemployment rate increased by 5.8 per cent and the number of local UI beneficiaries declined by over 20 per cent. Because all voters in a given place saw the same local economy, the effects in Table 1 apply to *all voters* in that place. The results in Table 1a imply that all Peterborough voters would be 15 per cent less likely to vote for the government than voters in St. Stephen. In other words, the government would have garnered 15 per cent less of the popular vote in Peterborough than in St. Stephen if the electorates were identical on the other variables in the model. In the event, the Conservatives held on to only 20.1 per cent of the vote in Peterborough (down more than 20% from 1988), while in Carleton-Charlotte in the southwest corner of New Brunswick they came very close to winning a third seat, getting 40.6 per cent of the vote (down only 6.6% from 1988) and losing to the Liberal candidate by only 2.5 per cent. The evidence from 1993 strongly supports the idea that both local conditions and the local impact of a national policy have a direct influence on approval of the government.

These results come to life in the maps presented as Figures 1a and 1b. These figures shade census divisions with the expected probability of voting for the Conservative government in 1993, for a hypothetical resident of that CD whose other characteristics would predict a 30 per cent chance of supporting the government. Or, perhaps, imagine 100 Canadians identical on the other determinants of voting living in each of the 290 census divisions. The only determinant of Conservative support that varies in these maps is the local economic situation: The UI situation in the CD and the unemployment situation in the subprovincial region. The patchwork of economic effects, and particularly *within provinces*, is clear. The maps show a 30 per cent range in predicted support for the government: from a low of 7 per cent in the Burin peninsula of Newfoundland, to 37 per cent along the Icefields Parkway from Banff to Jasper. Yet in Calgary and the adjacent Red Deer area, the model predicts the local economy severely cutting into government support: The predictions are 22 and 21 per cent, respectively. The map indicates, for one thing, that the claim that the Conservatives' losses in Atlantic Canada were due to local economic

problems is too general; there was significant variation in the local unemployment situations and in the local impact of the changes to unemployment insurance.

Other variables in the 1993 estimation conform to popular and scholarly wisdom about the 1993 election. Partisanship, thermometer ratings of Brian Mulroney and Kim Campbell, and opinion on the Goods and Services Tax are powerful influences. Especially notable is the impotence of economic retrospections (*perceptions*) and the corresponding potency of *judgments* of the government's effect on personal and provincial finances.<sup>39</sup>

The results for 1997 appear in Table 1b. For 1997, separate "Rest of Canada" (ROC) and Quebec estimations are shown. In 1993, separate estimations produced nearly identical results on the local economic measures. However, it is common practice to estimate separate models because the dimensions of political competition have been so different.<sup>40</sup> In 1997, local economic conditions only affected the vote in the ROC; the Quebec estimation appears separately in column 4. The fact that the effect disappears in Quebec in 1997 is probably due to the strong association between the provincial government (Parti Québécois) and the federal opposition party (Bloc Québécois) that would receive the support of most of those unhappy about the federal government's economic impact. Since the provincial government had made unpopular spending cuts, it would have been hard for those who were unhappy about the state of the economy to vote for the Bloc Québécois. In fact, the worse the economy in Quebec, the angrier people may have been about the *provincial* government in 1997, because the media were reporting that the federal government had had economic success everywhere else in the country. Voters unhappy about the local economic situation may, therefore, have been just as likely to *support* the federal Liberal party because it appeared to be bringing prosperity to the rest of the country.

In Table 1b, there is little effect evident in the full sample over the full campaign (column 1). But scanning across the table in the row measuring the effect of the SPR unemployment rate, and comparing columns 2 (pre-debate) and 3 (post-debate), suggests that the local economy only took on importance after the televised debate and the bus-shaking incident.<sup>41</sup> This is *prima facie* evidence in favour of the

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39 The only exception is the lack of an effect from judgments of the government's impact on the national economy. This is likely due to low variance in the independent variable: Nearly everyone except government partisans was critical of the government's economic stewardship.

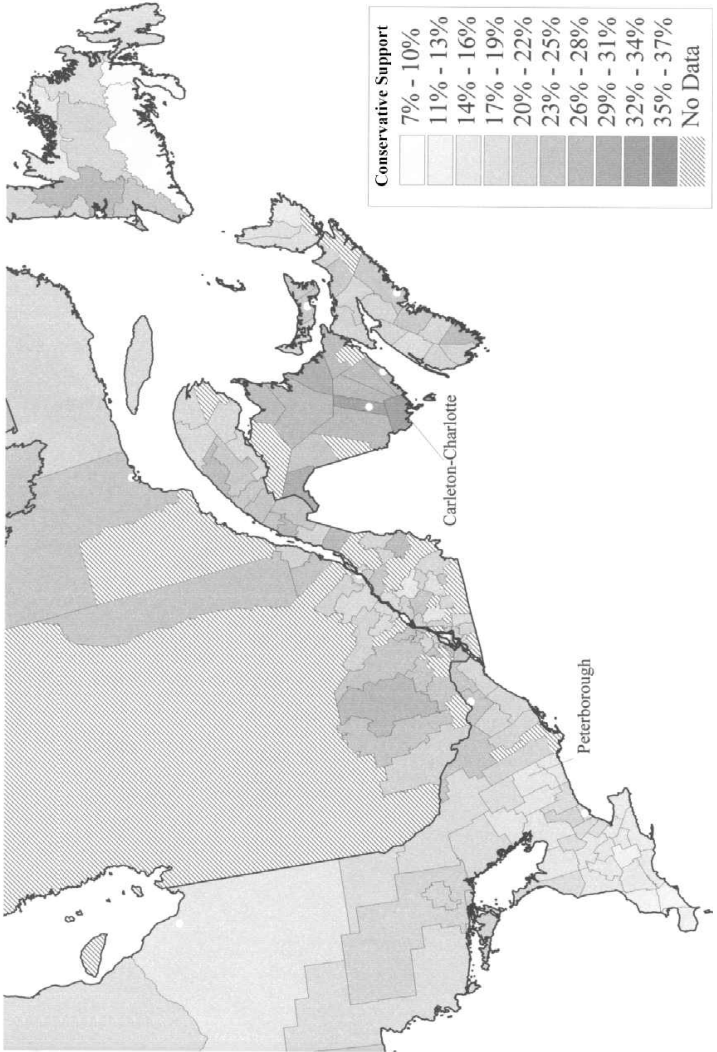
40 See Johnston et al., *Letting the People Decide*; Nevitte et al., *Unsteady State*.

41 The UI measure does not produce statistically significant effects, even when the SPR measure, with which it is highly correlated ( $r = .48$ ), is left out. The simple

**FIGURE 1a**  
**Local Economies and Conservative Support, 1993**  
(identical citizens living in different places)



FIGURE 1b  
Local Economies and Conservative Support, 1993  
(identical citizens living in different places)



priming hypothesis (hypothesis 4), evaluated in the next section. Once it kicked in, however, the effect was stronger than that observed in 1993: the coefficient in column 4 of  $-.021$  indicates that a 1 per cent increase in SPR unemployment reduced the probability of voting Liberal by 2.1 per cent. Since the change in unemployment over the period ranges from a drop of 3.4 per cent (Cape Breton, Nova Scotia; Richmond, BC) to an increase of 1.5 per cent (La Côte-de-Gaspé, Quebec; Îles-de-la-Madeleine, Quebec), the maximum difference in government support is over 10 per cent. Note, however, that most places experienced a drop in unemployment over the Liberal term, so the effect does not appear to be asymmetrical: Voters look like they are rewarding the government when times are good as much as punishing it when times are bad. As in 1993, partisanship, ratings of the prime minister and evaluations of government performance and policy were strong determinants of voting for the government.

All told, the 1993 and 1997 effects are very large indeed, considering the other factors accounted for in the model.<sup>42</sup> According to these results, economic voting is not limited to the national and provincial levels in Canada and is therefore a cause of geographical variation in election results. The electoral consequences (the aggregate effect) can be estimated as equal to the individual-level effect within an SPR or CD under the assumption that no one prefers rising unemployment or loss of benefits. All residents of a federal electoral district (FED) would be exposed to the same local economy so that an individual difference like those simulated above applies roughly to the outcome, not just to specific voters as with individual-level characteristics.<sup>43</sup> In a multi-party Westminster system, a difference of 5 per cent can be the difference between winning and finishing third. Thus geographic variation in economic change has the potential to change

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reason is that the changes to the UI programme were gradual over the Liberal mandate, a continuation of the changes of April 1993 that affected support for the Conservatives in that year (see the Human Resources Development Canada website: <http://www.hrdc-drhc.gc.ca>). Thus in the 1997 models, the CD UI variable is omitted from the estimations. Including it gives negligible coefficients and does not affect the estimate for the SPR measure, but the multicollinearity reduces the latter's precision.

- 42 A multinomial logit model gives the same general conclusions but suggests the anti-government effect of a less positive local economy redounds to the benefit of the Liberals in 1993 and the Conservatives and the Reform party in 1997.
- 43 It would have to be averaged over all voters' probabilities, with their other characteristics fixed. Setting other variables at their means in simulating the change in probability uses national means; a reasonably accurate constituency-level forecast of the effect of contextual characteristics would have to set the variables at constituency means. An exact estimate would require simulating individual probabilities and aggregating at the constituency level.

markedly the geographical bases of party support, even from one election to the next. In Canada, it surely has.

### Local Economic Conditions and Policy Impacts: Mechanisms of Influence

The next step is to investigate whether some individuals are responding more strongly to local conditions than others. For both 1993 and 1997, the method is simple interactions of the economic measures with political information and with the response to the “government is powerless to solve economic problems” question.<sup>44</sup> If the influence of local conditions is not stronger among voters with lower levels of national information, the prevailing theory of local information as a “default source of information” will be called into question (hypothesis 2). If the influence is strengthened by disagreement with the government powerlessness assertion, it will be clear that the link between real conditions and political behaviour comes through the attribution of responsibility to governments, which varies across voters and possibly over time.

#### *Political Information*

Given the strong results obtained by Mondak et al., their approach can be replicated by interacting the measures of the local economy with a measure of national-level political information. In a result that ran counter to their “default source” theory, they found that the better informed electors used local perceptions more than the least informed in their judgments of the US president’s economic stewardship.<sup>45</sup> In general, however, the better informed are more sociotropic, so we are left with conflicting expectations. Here, this study controlled for judgments of the federal government’s effect on the three economic worlds (personal, provincial, national); net of this, if local information is a default source of information, the better informed ought to look to local conditions *less* than the poorly informed. Reinforcing this effect, the better informed are probably less likely to attribute responsibility to governments because they better understand the power of market influences on the economy. For the indicator of the impact of government policy, however, the effect may be different, since more sophisti-

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44 In 1997 the question asked about solving “unemployment.”

45 Mondak, Mutz and Huckfeldt, “Persuasion in Context.” They used a multi-indicator index of political involvement but call it an “information index.” This study employs eight- and ten-question measures of national-level political facts, which is a true information index recommended in John Zaller, *The Nature and Origins of Mass Opinion* (New York: Cambridge University Press, 1992).

cated citizens do a better job noticing the results of government programmes, realizing that the government is the cause of the change, and applying this to evaluation of government.

Tables 2a and 2b present results from models identical to those in Tables 1a and 1b, but with additional interactions between national-level political information and the local economic data that was found to influence government support. Only the local economic variables and their interaction with information are reported in the tables because other coefficients were statistically indistinguishable from those in Tables 1a and 1b. In these two elections there is no difference across levels of political information in voters' response to the local economy. The coefficients on the interaction of information and the influential local economic data are not significantly different from zero.<sup>46</sup> Voters judge the government on the basis of how the economy has fared in their home area, irrespective of their level of general political information. This suggests that local information is relatively equally distributed through the population, and that higher-information voters still consider this local information relevant to a national decision. Voters are localistic—they are sociotropic in the sense of their immediate community as well as the “imagined community” that is the nation.<sup>47</sup>

### *Government Effectiveness*

Next, the interaction of local conditions with views on government's economic potency is the way to evaluate the theory that this attribution of capability to the government is a necessary condition for localism in economic voting (hypothesis 3). This is an important question, since governments in bad economic times try to argue that they are powerless in the face of the economic cycle. In a federation, governments at all levels try to claim that they were hamstrung by the actions of other governments to explain bad times. Estimating identical models of the vote but adding interactions of the “government is powerless” assertion with the economic variables tests the hypothesis. Tables 3a and 3b give the results.

A difference between the two groups, however, appears only for the local measure of *government-induced* change (the UI changes), and is therefore only visible in 1993. The difference is of marginal statistical significance in a one-tailed test (because we do not expect the powerless group to respond *more heavily* to local economic changes)

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46 Other functional forms for the interaction were investigated, including quadratic terms, three- and four-category breakdowns of knowledge, and attentiveness to media. None produced any statistically or substantively significant effects.

47 Benedict Anderson, *Imagined Communities* (London: Verso, 1983).



TABLE 2A &amp; 2B

## Local Economic Impact by Political Information, 1993 &amp; 1997

2a (1993 Conservative Government)		2b (1997 Liberal Government)		ROC Before May 14	ROC After May 13
<i>All Respondents</i>					
CD% $\Delta$ UI (Apr-Oct) '92-'93	0.003 (0.004)	SPR $\Delta$ Unemp. rate '94-'97		0.015 (0.011)	<b>-0.027</b> (0.012)
CD% $\Delta$ UI (Apr-Oct) '92-'93 *Information (0-1)	0.001 (0.007)	SPR $\Delta$ Unemp. rate '94-'97 *Information (0-1)		0.002 (0.002)	0.001 (0.002)
SPR $\Delta$ Unemp. rate '88-'92	-0.013 (0.009)				
SPR $\Delta$ Unemp. rate '88-'92 *Information (0-1)	-0.003 (0.016)				
N	1873	N		816	968
F	29.98	F		46	59.22

(OLS estimates. Standard errors in parentheses below coefficient estimates. Estimates more than 1.64 times their standard errors in bold.)

Full Model as in Tables 1a & 1b – non-economic coefficients not shown, all other coefficients statistically equivalent to Tables 1a & 1b

at traditional levels. Those who disagree that the government is powerless have a coefficient estimate of .005 (.002), but this effect is virtually wiped out among those who agree with the proposition (their combined estimate is .001 (.001)).<sup>48</sup> It might be considered tautological that only those who think government is economically potent would respond to the withdrawal of a government programme designed to protect individuals from the economic cycle, but if all citizens were localistic, even those who think the government impotent would punish it. What is important is that those who think the government powerless to solve economic problems either do not notice or do not care that the government withdraws this income support. The latter is more likely, since this view alone is unlikely to make a person oblivious to the local economy. Sensibly, localism seems to depend on a citizen's view that the government's provision of the programme is worthwhile, effective, and thus legitimate. So, if governments want to make changes that affect places differentially and avoid blame for imposing unfair burdens on these areas, they should try to convince the public that the programme was not an effective means for the government to intervene in the economy. Not surprisingly, this is exactly

48 Although the interaction coefficient is not significantly different from zero (-.004 (.003)), the total effect for those who agree that the government is powerless to solve economic problems is indistinguishable from zero.

TABLE 3A &amp; 3B

## Local Economic Impact by Government Potency, 1993 &amp; 1997

3a (1993 Conservative Government)		3b (1997 Liberal Government)		ROC Before May 14	ROC After May 13
<i>All Respondents</i>					
CD% $\Delta$ UI (Apr-Oct) '92-'93	<b>0.005</b> (0.002)	SPR $\Delta$ Unemp. rate '94-'97		0.010 (0.009)	<b>-0.018</b> (0.009)
CD% $\Delta$ UI (Apr-Oct) '92-'93 *Government powerless	-0.004 (0.003)	SPR $\Delta$ Unemp. rate '94-'97 *Government powerless		-0.015 (0.013)	0.012 (0.013)
SPR $\Delta$ Unemp. rate '88-'92	<b>-0.013</b> (0.006)				
SPR $\Delta$ Unemp. rate '88-'92 *Government powerless	0.000 (0.007)				
N	1873	N		999	1163
F	28.96	F		52.12	53.99

(OLS estimates. Standard errors in parentheses below coefficient estimates. Estimates more than 1.64 times their standard errors in bold.)

Full Model as in Tables 1a & 1b – non-economic coefficients not shown, all other coefficients statistically equivalent to Tables 1a & 1b

what the Conservative government attempted to do in 1993, and how the Liberal party justified its acquiescence in, and reinforcement of, the changes.

In both elections, the response to the unemployment rate is no different for those who do and do not think governments are capable of affecting the economy, in spite of the question in 1997 specifically identifying unemployment as the problem to be solved. How can this be, given the previous result? One possibility is that a question worded “government is powerless to solve” does not say anything about the relative competence of parties competing for power. If that is the case, even those who think the government cannot *solve* problems could be responding to the disparity in the geographical distribution of economic costs and benefits. Those in areas doing poorly would be more likely to reason that another government would have a *different* effect on their locale, more likely positive, given that under the current government they have been worse off than other areas. The pertinent mediating attitude would be a response to an assertion such as: “governments can do nothing to affect the way the economy has different ups and downs in different regions of the country.” Without measurement of that attitude it appears that a response to the local economy is unaffected by judgments of governments’ economic capability. As such, local economic conditions are a more enduring and widespread cause of geographical variation in voting behaviour.

### Priming the Local Economy

The last question to be investigated is whether the local economic situation is a criterion for vote choice like any other, in that it can be stimulated or suppressed by the nature of campaign discourse.<sup>49</sup> The series of events around the fourteenth day of the 1997 federal campaign would have made economic concerns more accessible, in the psychological sense. The initial evidence, from columns 2 and 3 of Table 1b, was consistent with the hypothesis: The impact of local conditions in 1997 came after the debate and the bus-rocking incident.

A complementary test of the hypothesis is simply to interact the SPR unemployment change measure with the respondent's report of having watched the televised debate (46% of those interviewed after the debate in their language had seen it). If only those attentive to campaign communications respond to local economic conditions, it will be evidence in favour of priming.<sup>50</sup> Table 1b, column 5 shows the interactive model. Local economic conditions are influential in the voting decisions of debate viewers only: the coefficient for non-viewers is virtually zero, while for viewers it is  $-.026$  (or 2.6% for every 1% difference in the unemployment rate). There are other clues that subnational economic conditions were primed in mid-campaign. First, columns 2 and 3 show that the judgment of the federal government's effect on the province goes from no effect to a very strong one—equal to the national-level judgment (.09)—after the debate. Second, variables explicitly invoking comparative economic judgments—“Province Treated Well” and “Income Gap a Problem”—become important only after the televised debate. Thus subnational economic conditions are, like any other criterion for choice, subject to activation during the election campaign by the nature of campaign messages communicated directly by parties and politicians, or indirectly by the media. In the 1997 campaign, the Newfoundland incident, the release of economic data and the party leaders' debate primed the fairness of the impacts of the government's fiscal retrenchment and thereby invoked the local economic situation as a criterion for electoral choice.

One threat to this conclusion is that debate viewership is highly correlated with political knowledge, and it could be that political

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49 Shanto Iyengar and Donald R. Kinder, *News That Matters* (Chicago: University of Chicago Press, 1987); Krosnick and Kinder, “Altering the Foundations of Support for the President”; and Matthew Mendelsohn, “The Media and Interpersonal Communications: The Priming of Issues, Leaders, and Party Identification,” *Journal of Politics* 58 (1996), 112–25.

50 It is impossible to ascribe the effect to the debate alone, since debate viewers are, for the most part, news viewers as well. Suffice to say the debate viewership measure is a general measure of attentiveness to the campaign.

sophisticates are more likely to receive the relevant information and then have their attitudes and voting choices cohere more strongly than their fellow citizens. But since the non-viewers include sophisticates who could not see the debate because it had not yet happened when they were interviewed, the effect could only be very small, and it is not.<sup>51</sup> Furthermore, as was shown above, there is no interaction from the knowledge variable. The second threat is that as the campaign proceeded (a low-interest campaign with early-campaign media coverage subordinated to coverage of the Red River flood) *all* criteria became more closely tied to the voting decision. Comparing columns 2 and 3 in Table 1b shows that the only increases were for the comparative economic judgments mentioned above and attitudes to taxes and programmes.

Because of the consistency of the evidence on the question, we can confidently conclude that localism—comparing a feature of one’s locale with the general situation in the wider political community—like any other criterion for political behaviour, can be stimulated or depressed by political communication. This is further evidence that the use of local information is not a default for the poorly informed alone, but is at least as influential for knowledgeable and politically sophisticated citizens.

## Conclusion

Most scholars and political commentators in Canada have assumed a link between local economies and the patterns of election results. This article provides strong evidence for that view. Even with an exceedingly unpopular government in 1993, local economic conditions and the local impacts of national policy changes affected Canadians’ willingness to vote for that government. A strikingly similar influence was found for the general local economic indicator in 1997, but only after the priming effect of campaign events. Three potentially mediating factors were tested to provide insight into the mechanisms that drive this influence.

First, contrary to prevailing theory, the influence is not confined to citizens who are inattentive to national affairs and who therefore need to “default” to more local information sources. Second, the influence of local conditions does not depend on a belief that the government can shape the economy, but a response to the local effects of government policy changes does depend on that belief. A tentative reconciliation of these seemingly divergent findings can be made by suggesting that voters are sensitive not to government’s ability to solve economic problems,

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51 I thank one of the JOURNAL’s anonymous reviewers for this point.

but, rather, as Mutz and Mondak have shown,<sup>52</sup> to the ability to intervene in the economy so that whatever changes occur are “fair”—in this case, across geography. Citizens in generally hard-hit areas likely think the government could have cushioned the blow to their area, irrespective of whether it can come up with global economic solutions. By contrast, voters in areas where the effects of the withdrawal of a government income-support policy have been particularly severe will only object to that withdrawal if they see the government intervention as legitimate and effective in the first place. Third, local economic conditions are similar to other criteria for electoral choice in that they can be made more influential when messages in the communications environment bring them to the top of citizens’ minds. In 1997, the local economy only became important after a number of “priming” events.

This study, therefore, offers solid evidence of an omitted economic perceptions variable in national election studies. The conclusion comes despite having only measures of objective conditions, which must be filtered through attributions of responsibility before they can affect voting behaviour. And the measures, while of high quality, can only be imperfect indicators of the economically relevant information reaching voters. After all, most of the influential information must come from observation, media reporting of local events and subsequent discussion, because local economic statistics are rarely reported. So the findings here, as in Weatherford’s work in the US, are likely conservative estimates of the degree to which the local economy affects voting.<sup>53</sup> Most importantly, the influence is independent of personal, subfederal, and national retrospections and judgments of government’s stewardship of the economy. The implication is that measurement of perceptions of the local economy and judgments of governments’ local impact are necessary to gauge the effects of voters’ concern about their locale. Finally, the evidence presented in this study strongly confirms that geographically varying economic conditions are an essential element of an explanation for geographical variation in aggregate election results.

Much work remains on the general question of how features of voters’ local environments affect voting behaviour. One specific example of the complexity involved is how the local electoral context intersects with the local economy. Might voters with a sitting opposition MP who have seen a local economic downturn be tempted to vote *for* the government, hoping to benefit from government largesse in its members’ ridings? Are voters able to pin responsibility correctly on cabinet members as opposed to backbenchers, or are those in cabinet

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52 Mutz and Mondak, “Dimensions of Sociotropic Behavior.”

53 Weatherford, “Evaluating Economic Policy.”

insulated from strictly local concerns? And does the local economic situation affect campaign donors' intentions, so that in good times a government member receives plenty of contributions that help win the local campaign?<sup>54</sup> This article has only scratched the surface of a field of research that is complemented by attention to the nuances of the local contexts of Canadian electoral politics.<sup>55</sup>

Widespread and deep-seated localism among Canadian voters presents incentives to parties that contribute to Canada's geographically divisive politics. Certainly, the strategy of playing up any disparities between an area's economic situation and the national average (or "central-Canada") is exceedingly common among opposition parties and provincial governments. Nascent regional parties—prominent in, but not confined to, the early 1990s—have relied on this tactic; and some parties, especially the New Democratic party and the Conservative party recently, may have suffered to the extent they have tried to rise above it to deal with national issues. The purported nationalization of federal politics in general, and election campaigns in particular, has made surprisingly little incursion into parties' tendency to invoke localism in their appeals. The evidence presented here suggests that the combination of an electoral system that rewards local and regional appeals<sup>56</sup> and voters who care about the relative economic fortunes of their locale means that this kind of campaign discourse and its effect on electoral outcomes is likely to persist in Canada.

## Appendix

### *Operationalization of Variables*

Definition of Statistics Canada geographic areas can be found in the Statistics Canada, *Geography Guide Book* (Ottawa: Minister of Industry, Science and Technology, 1993).

<b>Individual Variables</b>	<b>Source (CES variable name) and Coding</b>
Party identification	A series of dummy variables: 1 = party-specific id, 0 = not that party or none

54 On local campaign spending, see Munroe Eagles, "Money and Votes in Canada: Campaign Spending and Parliamentary Election Outcomes, 1984-1988," *Canadian Public Policy* 19 (1993), 432-49; and R. K. Carty and Munroe Eagles, "Do Local Campaigns Matter? Campaign Spending, the Local Canvass and Party Support in Canada," *Electoral Studies* 18 (1999), 69-87.

55 Anthony M. Sayers, *Parties, Candidates, and Constituency Campaigns in Canadian Elections* (Vancouver: University of British Columbia Press, 1999).

56 Richard Johnston and Janet Ballantyne, "Geography and the Electoral System," this JOURNAL 10 (1977), 857-66.

1993: cpsm1 1997: cpsk1 “Thinking of federal politics, do you usually think of yourself as a Liberal, Conservative, NDP, Reform, Bloc Québécois, or none of these?”

(note: only the first PID question, not the follow up “a little closer” question is used)

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Personal economic retrospection

1993: cpsc1 & cpsc1a&b: “Would you say that you are *better* off or *worse* off financially than you were a year ago?” & “Is that *much* better off or *somewhat* better off?”

1997: cpsc1 & cpsc1a&b: “Financially, are you better off, *worse* off, or about the same as year ago?”

2 = Much Better to; -2 = Much Worse

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Federal impact on personal economy

1993 & 1997: cpsc3: “Have the policies of the *federal* government made you *better* off, *worse* off, or *haven't they made much of a difference* either way?” 1 = Better; 0 = no difference; -1 = Worse

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Provincial economic retrospection

1993: cpsel & cpsel1a&b: “What about economic conditions in [province]. Would you say that *over the past year* economic conditions in [province] have gotten better, stayed about the same, or gotten worse?” “Is that *much* better or *somewhat* better [worse]?” 2 = Much Better to 0 = stayed the same to -2 = Much Worse

1997: cpsg2 : “What about economic conditions in [province]. Would you say that *over the past year* [province]’s economy has gotten better, stayed about the same, or gotten worse?” “Is that *much* better or *somewhat* better [worse]?” 1 = Better to 0 = stayed the same to 1 = Worse

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Federal impact on provincial economy

1993: cpsc3: “Have the policies of the *federal* government made the [province] economy *better* off, *worse* off, or *haven't they made much of a difference* either way?” “Is that *much* better or *somewhat* better [worse]?” 2 = Much Better to 0 = no difference to -2 = Much Worse

1997: cpsg2a&b: "Have the policies of the *federal* government made the [province] economy *better off*, *worse off*, or *haven't they made much of a difference* either way?"

1 = Better to 0 = haven't made much difference to 1 = Worse

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Federal economic retrospection

1993: cps3: "Would you say that over the *past year* Canada's economy has *gotten better*, *stayed about the same*, or *gotten worse*?" "Is that *much better* or *somewhat better* [worse]?" 2 = Much Better to 0 = no difference to -2 = Much Worse

1997: cpsg1: "Over the *past year* Canada's economy has *gotten better*, *stayed about the same*, or *gotten worse*?"

1 = Better to 0 = stayed the same to 1 = Worse

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Federal impact on national economy

cpsc3: "Have the policies of the *federal* government made you *better off*, *worse off*, or *haven't they made much of a difference* either way?" 1 = Better; 0 = no difference; -1 = Worse

1997: cpsg1a&b: "Have the policies of the *federal* government made the [province] economy *better off*, *worse off*, or *haven't they made much of a difference* either way?"

1 = Better to 0 = haven't made much difference to 1 = Worse

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Francophone

1993 & 1997: cpslang: Language of interview. Dummy: French = 1, otherwise 0

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Provincial dummies

1993: cpsprov 1997: province

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Mulroney thermometer 1993

cpsd2f: "How would you rate *Brian Mulroney*?" 0-100. Recoded to run from -1 to 1. Rating = ((cpsd2f-50)/50)

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Campbell thermometer 1993

cpsd2a: "How would you rate *Kim Campbell*?" 0-100. Recoded to run from -1 to 1. Rating = ((cpsd2f-50)/50)

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Chrétien thermometer 1997	1997: cpsd1b “How do you feel about <i>Jean Chrétien</i> ?” 0-100. Recoded to run from -1 to 1. Rating = ((cpsd2f-50)/50)–average of all other leaders’ ratings.
Policy: French/ Quebec 1993	cpsf1a: “How much do you think should be done to promote French” or “How much do you think should be done for Quebec” -2 = “much less” to 2 = “much more”, 0 = “About the same as now” or “Haven’t thought much”
Policy: GST 1993	cpsg1: “In 1991 the federal government adopted a new tax on goods and services, the GST. All things considered are you <i>very much in favour; somewhat in favour; somewhat opposed, or very much opposed</i> to the GST?” -2 = Very Much Opposed, to 2 = Very Much in Favour. 0 = DK or Refused.
Policy: maintain social programs vs. deficit reduction 1993	cpsl5a & b: “On the deficit, which comes closest to your own view? <i>One</i> : Governments must maintain programmes even if that means continuing to run a deficit. Or <i>Two</i> : We must reduce the deficit even if that means cutting programmes.”  Maintain Programmes = 1, Reduce Deficit = 0
Policy: angry about GST 1997	cpsj2c: “How do you feel about this? Are you <i>very angry, quite angry, or not very angry?</i> ”  4 = Very Angry, 2 = Quite Angry / DK, 0 = Not Very Angry
Policy: supports distinct society 1997	cpsj3: “Should Quebec be recognized as a distinct society?”  1 = yes; 0 = depends/dk; -1 = no
Policy: difference from Liberals on taxes/cuts 1997	cpsel1a&b: “We face tough choices. Cutting taxes means cutting social programmes and improving social programmes means increasing taxes. <i>If you had to choose</i> , would you cut taxes, increase taxes, or keep taxes as they are?”  -3 = Cut taxes & programs <i>a lot</i> to 3 = Increase taxes & programs <i>a lot</i>

Policy: difference from Liberals on Quebec 1997	<p>Respondent: cpse3b&amp;c How much do you think should be done for Quebec: <i>more, less, or about the same</i> as now?</p> <p>Liberal Party: cpse3e&amp;f</p> <p>How much does the Liberal Party want to do for Quebec: <i>more, less, or about the same</i> as now?</p> <p>Both: 3 = much more; 2 = somewhat more; 1 = little more, 0 = same/dk</p> <p>Variable is absolute value of Liberal position subtracted from respondent's position</p>
Policy: income gap widened 1997	<p>Do you think the gap between rich and poor in Canada has <i>increased, decreased, or stayed about the same</i> over the last few years?</p> <p>2 = increased a lot, 1 = increased quite a bit, .5 = increased a little, 0 = stayed same/ dk, -1 = decreased</p>
Policy: cuts were fair 1997	<p>cpsj6: "Would you say the federal government's spending cuts have been <i>fair or unfair</i>, on the whole?"</p> <p>1 = fair, 0 otherwise</p>
Policy: immigration level 1997	<p>cpsj18: "Do you think Canada should admit more immigrants, fewer immigrants or about the same as now?"</p> <p>1 = more, 0 = about the same / dk, -1 = fewer</p>
Policy: leave to private sector to create jobs 1997	<p>cpsf6: "The government should leave it <i>entirely</i> to the private sector to create jobs."</p> <p>2 = strongly agree, to -2 = strongly disagree</p>
Policy: support Quebec sovereignty 1997	<p>cpsj3a: "Should Quebec be recognized as a distinct society?"</p> <p>1 = yes, 0 otherwise</p>

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**Contextual Variables**


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CD change in UI beneficiaries      CANSIM Matrix: 5735. Recoded to percentage change in number of beneficiaries. So a lower number (more negative) means a worse situation: The area is hard-hit by the changes. Variable is measured as a decimal.

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SPR change in unemployment rate      CANSIM Matrices: 3483-3492  
Variable is a percentage.

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**Interactive Variables**


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Political information 1993      Eight-point scale constructed from seven items:

High is >.4  
Low is <.5

- unemployment rate: correct if between 10 and 13%
- federal government budget deficit: correct if between 29 and 45 billion dollars
- Prime Minister Campbell's former cabinet job: correct if Justice or Defence minister
- "Which party supports the GST?": correct if Progressive Conservatives given (any mention)
- "What does the NDP want to do for unions?" correct if somewhat or much more
- "What are the chances of the Reform party winning in the whole country?": correct if less than 30%
- "Does the \_\_\_\_\_ party want Canada to have closer ties to the US": correct if r thinks PCs want closer ties with the US than the Liberals

Rescaled to run from 0 to 1

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Political information 1997      Eleven-point scale constructed from 10 items:

- High is >.4  
Low is <.5
- "Do you happen to remember which party is promising to lower personal income taxes by *ten* per cent?" correct if Conservatives, half point if Conservatives and another mention

- “Do you happen to remember which party is promising to cut unemployment in half by 2001?” correct if NDP, half point if NDP and another mention
- “Do you happen to remember which party is against recognizing Quebec as a distinct society?” correct if Reform
- “Do you recall the name of the President of the United States?” A: Clinton
- “Do you recall the name of the Finance Minister?” A: Paul Martin
- “Do you recall the name of the Premier of your province?”
- “Do you recall the name of the first woman to be Prime Minister of Canada?”
- “What are the Conservative party’s chances of winning the election in the whole country?” correct if less than 20%
- “What are the Reform party’s chances of winning the election in the whole country?” correct if less than 20%
- “What are the Liberal party’s chances of winning the election in the whole country?” correct if more than 50%

Rescaled to run from 0 to 1

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Saw debate

cpsl1 (English) cpsl2 (French): “Did you see the [language] TV Debate among the party leaders?”

1 = yes, 0 otherwise

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Government power-  
less

1993: cpsg7i 1997: cpsf4: “There’s not much *any* government can do these days to solve [our economic problems (1993)] [the unemployment problem (1997)]”