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Economic Performance, Job Insecurity and Electoral Choice

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The existing literature on economic voting concentrates on egocentric and sociotropic evaluations of short-term economic performance. Scant attention is paid to other economic concerns people may have. In a neo-liberal economy characterized by global economic competition and a down-sized labour market, one widely-publicized economic concern – and one whose consequences political scientists have largely ignored – is job insecurity. Data from a survey conducted after the 1996 US presidential election show that job insecurity is a novel form of economic discontent that is distinctive in its origins and electoral impact from retrospective evaluations of short-term economic performance. In a multinomial probit model of electoral choice, performance measures offer little explanation of the Perot vote, but sociotropic job insecurity helps to explain why Americans rejected both major-party candidates, as well as abstention, in favour of the third-party alternative, Ross Perot.

It is a truism of democratic politics that the economy matters for voters at election time. This basic fact of political life is nowhere better highlighted than in Bill Clinton's now-reknowned formula for presidential election success: 'It's the economy, stupid'. His defeat of the incumbent president, George Bush, in 1992, and his re-election despite being enmeshed in scandal in 1996 would seem to provide powerful vindication of the importance of the economy for presidential victory. Indeed, the logic behind explanations of his 1996 re-election triumph is that the national economy was performing strongly, with inflation low and unemployment falling, so that a grateful electorate duly returned to the White House a president who readily accepted credit for these economic 'good times'.[1]

The starting point of our analysis is the observation that this perspective on the electoral impact of the economy in 1996 is incomplete since it ignores

* Department of Political Science, the Ohio State University, Columbus. The authors thank the Mershon Center at The Ohio State University for financial support and two referees and David Sanders for constructive and insightful comments. The data come from a *New York Times* telephone survey of 1,357 adults that was conducted between 8 and 11 December 1996, using random digit dialling. The data are weighted to take account of household size and number of telephone lines into the residence and to adjust for variations in the sample relating to geographic region, race, gender, age and education. The survey is available from the Roper Center at the University of Connecticut, archive number USNYT96-96012N.

[1] Michael R. Alvarez and Jonathan Nagler, 'Economics, Entitlements, and Social Issues: Voter Choice in the 1996 Presidential Election', *American Journal of Political Science*, 42 (1998), 1349–63; and Dean Lacy and J. Tobin Grant, 'Economic Voting in the 1996 Election: The Invisible Foot', in Herbert J. Weisberg and Janet Box-Steffensmeier, eds, *Reelection 1996* (Chatham, NJ: Chatham House, 1999).

structural change in the character of both the US economy and the economic forces moving contemporary voters. Put differently, the economy is not a static entity that moves voters for the same reasons at all times. New economic forces can emerge to push voters in directions that may or may not complement the short-term egocentric and sociotropic retrospective performance judgements that are the standard fare of the literature on economic voting. Moreover, failure to take account of the economy's multi-faceted character can lead to mis-specified models of economic voting. A case in point is the claim in the context of the 1996 US presidential election that 'third-party candidates do not benefit from a poor economy'.[2] We show that the economy did, in fact, matter for the Reform party candidate, Ross Perot, in 1996, but not by way of the usual short-term performance judgements. Instead, after account is taken of these judgements, people's beliefs about job security, operationalized as their expectations about the future of good jobs for Americans, exert a substantial influence on their turning out to vote, as well as on their voting for the third-party candidate.

ECONOMIC VOTING IN 1996: COMPLEXITY UNDERESTIMATED

A staple of candidate competition in presidential elections is the performance of the economy. Incumbents try to persuade voters that they have managed the economy well during their term in office, while challengers strive to convince voters that the opposite is the case. Accordingly, empirical research on voting behaviour has generally taken the position that economically driven voting results from voters' perceptions of short-term change in personal and national economic performance.[2] That is, citizens are more likely to reward an incumbent if they perceive, or expect, a favourable change in national (sociotropic)[3] than personal (egocentric) economic conditions over the last, or next, year or two.[4]

[2] Marc J. Hetherington, 'The Effect of Political Trust on the Presidential Vote, 1968–96', *American Political Science Review*, 93 (1999), 311–26.

[3] The term 'sociotropic' means concern for a larger group. The term is usually used in the economic voting literature to mean concern with national conditions, though, strictly-speaking, a sociotropic voter may care only about groups with which she identifies or sympathizes rather than about the nation as a whole. We use the term to refer to the nation so as to remain consistent with the bulk of the existing literature. For exceptions, however, see 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; and Pamela Johnston Conover, 'The Impact of Group Economic Interests on Political Evaluations', *American Politics Quarterly*, 13 (1985), 139–66.

[4] See Christopher Anderson, *Blaming the Government: Citizens and the Economy in Five European Democracies* (Armonk, NY: M. E. Sharpe, 1995); D. Roderick Kiewiet, *Macroeconomics and Micropolitics* (Chicago: University of Chicago Press, 1983); D. Roderick Kiewiet and Douglas Rivers, 'A Retrospective on Retrospective Voting', *Political Behavior*, 6 (1984), 369–93; Donald R. Kinder and D. Roderick Kiewiet, 'Sociotropic Politics: The American Case', *Brtish Journal of Political Science*, 11 (1981), 129–62; and Michael S. Lewis-Beck, *Economics and Elections: The Major Western Democracies* (Ann Arbor: University of Michigan Press, 1990). There have been some variations on this theme. One study, for example, has focused on the role of anger. See Pamela

Our model of economic voting is more elaborate in that it is predicated on the argument that the egocentric and sociotropic performance judgements that are the foundation of contemporary economic voting studies may well be suited to capturing the normal ebb and flow of support for the Democratic and Republican presidential candidates, but they do not always capture the totality of economic voting. More specifically, voting for third-party candidates in the United States is an altogether different reaction from throwing one's support behind the major-party challenger in a fit of passing economic dissatisfaction. The two forms of anti-incumbent voting – supporting the major-party opposition or supporting a third-party candidate – are not, and never have been, equivalent. Historically, Americans have opted for the third-party alternative when, among other things, their faith in both major-party candidates' capacity to govern effectively is eroded, when neither nominee appears to represent their concerns, or when neither appears capable of providing prosperity. 'When the two political parties violate their implicit pact with the people, citizens can either sit out the election or abandon the major parties to support a third-party alternative'.[5]

In short, third-party voting has been a distinctive form of anti-incumbent voting because it reflects a lack of confidence in both the Democratic and Republican parties and not just in the incumbent president from one or the other of them. This disillusion may be the product of any number of factors, not just the economy. Concern over race and urban unrest, for example, fanned popular support for George Wallace in 1968.[6] In 1996, though, it was the economy that did the same for Ross Perot and, importantly, the issue exercising large numbers of Americans had little to do with short-term economic performance and a lot to do with a widespread sense of job insecurity rooted in the perception that the free trade advocated by both the Democratic and Republican candidates was

(F'note continued)
Johnston Conover and Stanley Feldman, 'Emotional Reactions to the Economy: "I'm Mad As Hell and I'm Not Going to Take it Anymore" ', *American Journal of Political Science*, 30 (1986), 50–78. Most of the economic voting literature, however, has the focus described in the text.

It is worth noting that, like our analysis, these works base their conclusions on the analysis of survey responses. There is a similar body of research that uses aggregate data and looks at the relationship between fluctuations in the macroeconomy (unemployment, inflation, and so on) and patterns of government support. Here there is more debate on whether it is personal or national economic judgements that are the more potent force in the short term. For the United States, compare Michael B. McKuen, Robert S. Erikson and James A. Stimson, 'Peasants or Bankers? The American Electorate and the US Economy', *American Political Science Review*, 86 (1992), 597–611; and Harold D. Clarke and Marianne C. Stewart, 'Prospections, Retrospections, and Rationality: The Bankers' Model of Presidential Approval Reconsidered', *American Journal of Political Science*, 38 (1994), 1104–23.

[5] Steven J. Rosenstone, Roy L. Behr and Edward H. Lazarus, *Third Parties in America: Citizen Response to Major Party Failure*, 2nd edn, revised and extended (Princeton, NJ: Princeton University Press, 1996), p. 126.

[6] Rosenstone *et al.*, *Third Parties in America*, pp. 110–15.

depleting the stock of good jobs for Americans. Perot was the only leading candidate to recognize these anxieties openly and, in speaking to them directly in his campaign, to profit from them electorally.

His political insight was to recognize that conditions were ripe to persuade American workers that their economic problems went beyond the questions of personal and national economic performance over the last twelve months. To put it simply, their economic problems were more deep-seated because they were caught in a spiral of decline that dated back to the mid-1970s. Among the manifestations of this decline were a fall in real wages despite productivity growth (from $12.14 per hour in 1989 to $11.82 in 1996), a jump in the average rate of unemployment (from 4.8 per cent between 1948 and 1973 to 6.8 per cent in the 1974–94 period), an increase in the average length of time unemployed (from 11.2 weeks between 1948 and 1973 to 14.7 weeks from 1974 to 1995), an increase in the rate of job loss (from an average 2.28 million jobs in the recession years of 1981 and 1982 to an average 3.35 million between 1992 and 1995), more hours spent working and less time spent on leisure, and, finally, growing inequality in the distribution of income and wealth.[7] This snapshot of US labour market conditions in the mid-1990s neatly captures the psyche of troubled American workers:

> As entire industries rise and fall much faster than before, as firms expand, shrink, merge, separate, 'downsize' and restructure at an unprecedented pace, their employees at all but the highest levels must go to work one day without knowing whether they will have their job the next. That is true of virtually the entire employed middle class, professionals included. Lacking the formal safeguards of European employment protection laws or prolonged post-employment benefits, lacking the functional families on which most of the rest of humanity still relies to survive hard times, lacking the substantial liquid savings of their middle class counterparts in all other developed countries, most working Americans must rely wholly on their jobs for economic security – and must therefore now live in conditions of chronic acute insecurity.[8]

Bill Clinton's signing in 1993 of the North American Free Trade Agreement provided the concrete event around which Ross Perot could mobilize this

[7] These figures come from Thomas L. Palley, *Plenty of Nothing: The Downsizing of the American Dream and the Case for Structural Keynesianism* (Princeton, NJ: Princeton University Press, 1998), pp. 49–69. See also New York Times, *The Downsizing of America* (New York: Times Books, 1996); and Juliet Schor, *The Overworked American: The Unexpected Decline of Leisure* (New York: Basic Books, 1991).

[8] Edward Luttwak, 'Turbo-Charged Capitalism and Its Consequences', *London Review of Books*, 2 November 1995, p. 7. See also Edward Luttwak, *Turbo Capitalism: Winners and Losers in the World Economy* (London: Weidenfeld & Nicolson, 1998); and John Gray, *False Dawn: The Delusions of Global Capitalism* (New York: The New Press, 1998).

insecurity for his own political ends in 1996.[9] The latter declared his opposition to free trade, saying,

What's wrong with shipping manufacturing jobs overseas and just becoming a service economy? Look around. We have done that for the last twelve years, and most of the jobs created here during that time were low-paying jobs. These jobs just can't support families, and they don't support our country'.[10]

By the time of the 1996 contest, the Democratic and Republican presidential candidates, Bill Clinton and Bob Dole, could not ignore the good jobs issue as it had come to be defined by Perot and other presidential hopefuls like Pat Buchanan. The essence of Perot's strategy was to set himself apart from both major-party candidates by blaming the loss of good jobs on the free trade they championed. Thus, given the opportunity to tell Americans why they should vote for his Reform party in the imminent 1996 presidential contest, he declared:

While most Americans are working harder and longer to make ends meet, the other two candidates and their political parties have worked hand-in-hand with the special interests to pass the North American Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade (GATT). These foreign trade deals export our good-paying [*sic*] jobs to countries that exploit low wage workers and employ child and prison labor ... [We] stand for intelligent international trade. We are against stupid, one-sided trade deals that ship our jobs overseas. We are dedicated to creating good-paying jobs here in the United States.[11]

Clinton and Dole, for their part, sought to avoid debating with Perot on terms set by him, preferring instead to find solutions to the jobs issue in the future rather than to accept that blame for it lay with their own and their parties' past policy decisions. For Clinton, the answer lay in 'balanc[ing] the budget while providing targeted tax cuts for education, child-rearing and home-buying. I will continue to insist on fair trade policies that open foreign markets to American goods. And, most important, I will continue to invest in the American people'.

[9] Ross Perot was not the only high-profile political figure to seek to make political capital out of economic insecurity. Pat Buchanan did so too in his quest for the Republican nomination for the presidency. Explaining Buchanan's unexpected victory in the New Hampshire primary in February 1996, for example, one newspaper claimed that 'Pat Buchanan revolted against Republicans to stake his claim on what could become the issue of the 1996 election: working Americans' fears for their jobs. Defying the GOP mainstream doctrines, Buchanan's key to victory came from bashing big business for greedily downsizing its work force and trashing free-trade treaties for sending good-paying [*sic*] jobs overseas' (Timothy Clifford, 'Pat Mines Workers' Worries, Finds Ballot Gold', *Daily News (New York)*, 21 February 1996). For a first-hand exposition of these views, see Patrick Buchanan, *The Great Betrayal: How American Sovereignty and Social Justice Are Being Sacrificed to the Gods of the Global Economy* (New York: Little, Brown, 1998).

[10] Ross Perot, *Not for Sale at Any Price: How We Can Save America for Our Children* (New York: Hyperion, 1993), p. 45.

[11] *USA Today*, 4 November 1996, p. 23A.

Dole's solution was economic growth: 'Washington can get the tax collectors out of our pockets and the regulators off our backs so the economy can grow faster and create more good jobs'.[12]

Since governments are commonly held responsible for economic fortunes, it follows that the perception of job insecurity should have political consequences. Our specific hypothesis is that job insecurity has implications for both turnout and vote choice since Perot represented for the insecure an alternative to abstention on the one hand and a pair of equally unresponsive major-party candidates on the other. Using what is, to the best of our knowledge, the only nationwide, post-election survey to speak systematically to the job insecurity issue, we first show that job insecurity is empirically as well as conceptually distinct from retrospective economic performance judgements. Then, in a multinomial probit (MNP) model of electoral choice, these performance judgements are shown to play no role in explaining why people voted for Perot rather than the Democratic and Republican candidates. Instead, job insecurity provides the economic underpinning of the third-party candidate's support at the polls. A necessarily prior task, however, is to clarify the meaning and measurement of job insecurity.

ECONOMIC PERFORMANCE AND JOB (IN)SECURITY

Our goal is not to question the importance of short-term economic performance judgements for voting for or against the incumbent in 1996. Rather, we hypothesize that in view of the recent debates about free trade, protectionism and the quality of the US job market, Americans' voting patterns in 1996 can be expected to be shaped by more than just perceptions of recent economic performance. If Perot's rhetoric did indeed strike a chord with Americans, job insecurity should also play a role.

Job (in)security itself is part of a larger economic (in)security syndrome, which, in turn, 'is a part of our total welfare, [and] can be defined as a state of mind or sense of well-being by which an individual is relatively certain that he or she can satisfy basic needs and wants, both present and future'.[13] People fear unemployment for its impact on their economic status and psychological well-being. Americans particularly fear the loss of a good job since it is their job that commonly provides health and retirement benefits, as well as vacation entitlement, social status, pleasant working conditions and a host of other benefits that fall outside the range of concerns traditionally tapped by questions asking whether the individual or the country as a whole are doing well economically in the short term. Thus, insecurity taps deep concerns not just about losing a job, but also about finding a replacement that provides for the

[12] Both quotations come from the *Houston Chronicle*, 'Perot, Dole, and Well-Paying Jobs', 18 October 1996, p. 10a.

[13] George E. Reida, *Social Insurance and Economic Insecurity*, 5th edn (Upper Saddle River, Conn.: Prentice-Hall, 1994), p. 5.

same satisfaction of their basic needs and wants like food, housing, education for children, and present and future health care, as well as, by extension, mental and physical health, marital stability, and ability to cope with life generally.[14] In this sense, a good job is defined as one that 'offers excellent wages and fringe benefits, healthy prospects of promotion, pleasant working conditions, and long-term job security'.[15]

Economic insecurity is not new to American political life; President Franklin D. Roosevelt appointed a Cabinet Committee on Economic Security in 1934. It is, however, a phenomenon that has come to the fore again as Democratic and Republican presidents from Ronald Reagan onwards have promoted free trade and retrenched the welfare state. Just as retrospective evaluations of the economy may be either egocentric or sociotropic, we believe that job insecurity has both personal and sociotropic dimensions. We conceptualize personal job insecurity as combining people's fear of job loss with their perception that good jobs are harder to find locally than they used to be. We also conceptualize job insecurity in sociotropic, or national, terms.

The norm in studies of job insecurity is to define it simply in terms of fear of job loss.[16] This alone was not the fear that Buchanan and Perot played upon, however, not least because President Clinton made much during the campaign of his administration's creation of 8.5 million non-farm jobs and of the consequent drop in unemployment from over 7 per cent in January 1993 (the month he became president) to 5.6 per cent in March 1996.[17] Rather, the fear exploited by protectionists was that if people lost their jobs, they would be unlikely to find another one as good. Among the many well-publicized examples of this predicament was the $130,000 a year plant manager who lost his job and ended up in temporary employment earning less than his $30,000 a year secretary-wife.[18] Thus, our measure of personal job insecurity is interactive, combining responses to the following two questions multiplicatively:

[14] Duncan Gallie, Catherine Marsh and Carolyn Vogler, eds, *Social Change and the Experience of Unemployment* (New York: Oxford University Press, 1993).

[15] Gary Burtless, Robert Z. Lawrence, Robert E. Litan and Robert J. Shapiro, *Globaphobia: Confronting Fears About Open Trade* (Washington, DC: The Brookings Institution, 1998), p. 51.

[16] Hans De Witte, 'Job Insecurity and Psychological Well-being: Review of the Literature and Exploration of Some Unresolved Issues', *European Journal of Work and Organizational Pyschology*, 8 (June 1999), 155–77. This whole issue of the journal is devoted to the topic of job insecurity. See also Jeff Dominitz and Charles F. Manski, 'Perceptions of Economic Insecurity: Evidence from the Survey of Economic Expectations', *Public Opinion Quarterly*, 61 (1997), 261–87.

[17] Council of Economic Advisers, *Job Creation and Employment Opportunities: The United States Labor Market, 1993–1996* (Washington, DC: Department of Labor, 1996). The issue for protectionists, though, was that these new jobs were not always good ones. A telling joke in this vein had President Clinton, during the 1996 campaign, in a McDonald's restaurant bragging to the middle-aged man serving him that his administration had created millions of new jobs for Americans. The server tartly replied, 'Yes, and I have three of them.'

[18] New York Times, *The Downsizing of America*, pp. 77–96.

How worried are you that in the next 12 months you or someone else in your household might be out of work and looking for a job for any reason – very worried, somewhat worried, or not worried at all?

In your community these days, how easy is it for someone who is trying to find a job to get a good job at good wages – very easy, somewhat easy, somewhat hard, or very hard?[19]

Our second innovation is to allow for the possibility that job insecurity, like economic performance, has a sociotropic dimension. That is, people may be moved by their perception that Americans as a whole are having a harder time finding good jobs as well as, or instead of, by their own sense of personal job insecurity. While the interaction variable described in the last paragraph is our measure of personal, or egocentric, job insecurity, collective or sociotropic insecurity is tapped by a question that emphasizes both the loss of good jobs for Americans generally and the apparently irreversible nature of this loss. The precise wording is, 'When it comes to the availability of good jobs for American workers, some say that America's best years are behind us. Others say that the best times are yet to come. What do you think?'[20]

Our survey also included traditional retrospective economic performance questions. Their wording is:

Do you think the economy is getting better, getting worse, or staying about the same?[21]

In the past couple of years, would you say you have been getting ahead financially, just staying even financially, or falling behind financially?

[19] One per cent of respondents volunteered 'impossible' as a response, which we left as a separate category, creating a five-point response scale with a normal distribution. Our multivariate model includes the interaction of a person's responses to these two questions. If we simply multiply a person's response on the fear of job loss scale by her response on the availability of good jobs, the interaction term is correlated with the fear of job loss scale at 0.91, producing a problem in estimation for our multinomial probit model. To minimize problems of collinearity in the interaction, we centred responses to both the fear of job loss and availability of good jobs questions. The first takes on values of 1 (very worried about losing job), 0 (somewhat worried), and − 1 (not worried), while responses to the second question range from 2 (impossible to find good jobs) to − 2 (very easy). Therefore, the interaction term generates a value of 2 for both the insecure (positive values on both questions) and the secure (negative values on both), thereby breaking its collinearity with the fear of job loss variable. From our statistical models, the effect of the interaction for someone who is insecure will be 1*(coefficient for fear losing job) + 2*(coefficient for impossible to find good jobs) + 2*(coefficient for interaction). The effect of the interaction for someone who is secure will be − 1*(coefficient for fear losing job) − 2*(coefficient for impossible to find good jobs) + 2*(coefficient for interaction). Another method for breaking collinearity in the interaction is to drop it altogether, but we have theoretical reasons for believing that personal job insecurity is better captured by the interaction term than simply by fear of job loss.

[20] Those responding that the best times have passed are coded 1, and those responding that the best are yet to come are coded 0.

[21] We adjusted the coding so that 'staying about the same' is the middle value.

Conceptually speaking, job insecurity is distinct from evaluations of short-term economic performance. Insecurity judgements focus on the long-term loss of *good* jobs rather than on short-term changes in personal economic circumstances or in such national performance measures as inflation, unemployment or growth rates. The two sets of economic perceptions are simply different. It is perfectly possible, for example, for people to believe that their own or their country's economic fortunes took (or will take) a turn for the worse over the last (or next) year or so without at the same time concluding that their job security, and hence their ability to satisfy basic needs and wants, is threatened. Empirically as well, responses to the sociotropic job insecurity measure are distinct from responses to the questions about the performance of the economy, or one's own financial situation, as is evident in the differences in the kinds of people who hold them, as we shall now show.

TYPES OF ECONOMIC CONCERN COMPARED

To argue for the conceptual difference between job security and economic performance judgements is not to claim that the two are strictly independent of each other in the public mind. This is an unreal expectation. For example, negative assessments of short-term individual and collective economic performance, especially if compounded over time, may encourage some insecurity with regard to the future. Similarly, this sense of insecurity may colour one's perceptions of economic performance. It remains, though, that substantial independence, and not mutual exclusivity, is to be expected of the two types of economic judgement. Moreover, this expectation is borne out by an examination of their different distributions in the population at large. In our survey, only 21.5 per cent of Americans thought that the economy was getting worse, while 26.7 per cent of them believed that they themselves had fallen behind financially in the past couple of years. By contrast, a much larger 50.5 per cent were sociotropically insecure in the sense that they thought the best years for good jobs for American workers were in the past. Further, the insecure were not always pessimistic in the short term, or vice versa. For example, only 34.4 per cent of the sociotropically insecure (i.e., those thinking the best times for good jobs for Americans had passed) felt at the same time that the national economy was getting worse, and only 35.2 per cent of them felt that they themselves had fallen behind financially over the past couple of years.

An important reason why performance and insecurity concerns are imperfect reflections of each other is that different kinds of people are beset by them. Table 1 presents an analysis of the characteristics of the people responding pessimistically to the sociotropic and egocentric performance questions on the one hand and to their insecurity counterparts on the other.[22] Predictor variables

[22] Since the interaction of one's fear of job loss and belief that good jobs are hard to find is difficult to interpret given our coding, we present results for each component of the interaction rather than for the interaction itself.

TABLE 1 *Probit and Ordered Probit Estimates of a Model of Economic Perceptions*

	Personal finances worse	National economy worse	Fear job loss	Good jobs scarce	Insecure about national jobs
Constant or thresholds					
(1)	− 1.55* (0.16)	− 1.10* (0.16)	− 0.75* (0.18)	− 2.54* (0.19)	0.39* (0.18)
(2)	− 0.07 (0.15)	0.63* (0.16)	0.35 (0.19)	− 1.35* (0.17)	
(3)				− 0.09 (0.17)	
(4)				1.95* (0.21)	
Democrat	− 0.27* (0.09)	− 0.42* (0.09)	− 0.28* (− 0.09)	− 0.27* (0.08)	− 0.39* (0.10)
Republican	− 0.03 (0.08)	− 0.21* (0.09)	− 0.10 (0.09)	− 0.02 (0.08)	0.01 (0.10)
Union household	− 0.18* (0.09)	− 0.03 (0.09)	0.02 (0.09)	0.09 (0.08)	0.28* (0.10)
Female	− 0.06 (0.07)	− 0.25* (0.07)	0.13* (0.07)	0.10 (0.07)	0.16* (0.08)
White	− 0.13 (0.09)	− 0.03 (0.09)	− 0.35* (0.10)	− 0.13 (0.10)	0.05 (0.11)
High school graduate	0.16* (0.10)	0.01 (0.10)	− 0.35* (0.12)	− 0.15 (0.12)	0.26* (0.12)
Some college	0.20* (0.11)	− 0.24* (0.11)	− 0.29* (0.13)	− 0.28* (0.13)	0.09 (0.13)
College graduate	0.20* (0.12)	− 0.20* (0.12)	− 0.23 (0.13)	− 0.32* (0.13)	0.15 (0.15)
Income	− 0.25* (0.03)	− 0.10 (0.13)	− 0.19* (0.03)	− 0.14* (0.03)	− 0.14* (0.04)
Age 18–29	− 0.35* (0.11)	0.08 (0.12)	0.34* (0.14)	0.12 (0.12)	− 0.36* (0.14)
Age 30–44	0.14 (0.11)	0.28* (0.11)	0.53* (0.12)	0.21* (0.11)	− 0.24* (0.13)
Age 45–64	0.17 (0.11)	0.09 (0.11)	0.57* (0.13)	0.33* (0.11)	− 0.02 (0.13)
Values of Y	1,2,3	1,2,3	− 1,0,1	− 2, − 1,0,1,2	0,1
Mean of Y	2.04	2.01	− 0.43	0.06	0.51
Std Dev of Y	0.7	0.64	0.71	0.81	0.5
$\chi^2(12)$	109.53*	99.38*	91.94*	70.33*	60.65*
Number of cases	1,166	1,158	1,169	1,175	1,068

Note: Coefficients are maximum-likelihood estimates with heteroscedastic-consistent standard errors in parentheses. * $p < 0.05$, one-tailed.
Source: 1996 *New York Times* Survey.

include party identification,[23] age, race,[24] gender, and education. Party identification, age and education are measured as a series of dummy variables to allow for the possibility of non-linearity in their relationship to the economic perception variables. Age is a good example. People aged 65 and over will usually be retired and unconcerned about good jobs for themselves, while middle-aged people with the responsibility of providing for a young family may be greatly concerned about their own job security. The baseline categories are 'independent' for party identification, 'over 64' for age, and 'not a high school graduate' for education. The model also includes family income.[25]

Table 1 shows that identifying with the incumbent President Clinton's Democratic party and belonging to higher income groups are uniform in the direction of, and generally significant in, their impact on the five economic judgements in the table. That is, Democrats and high income groups are less likely to believe the economy has worsened and are less likely to be insecure. As expected, the effect of age on job insecurity is sometimes non-linear. The two age groups in the middle are more likely than both seniors and 18–29 year-olds to believe that good jobs have become harder to find in their community. However, it is the two youngest age groups who are the least insecure about jobs nationally. Education displays a different effect. Compared to the baseline group with no high school degree, respondents who have graduated from high school are more insecure about jobs for Americans generally. The two most highly educated groups are least concerned about the availability of good jobs in their community.

Evaluations of economic performance show a very different pattern. Compared to the baseline seniors, 30–44 year-olds are the most negative about the national economy, while 18–29 year-olds are distinctive for their high evaluation of their personal financial fortunes. Perhaps most interesting of all, however, are those cases of conflicting views on performance as opposed to insecurity. Women, for example, are more likely to believe the national economy has performed well, but they fear for the loss of their own jobs as well as the loss of good jobs nationally. Similarly, union members think well of their personal financial situation, but are pessimistic about the future of good jobs for Americans. Eighteen to 29 year-olds are also content with their own finances, but they are different in that they are optimistic about national job security. Finally, 30–44 year-olds, like the younger age group, are optimistic about the future for good jobs, but believe that the national economy has not performed well.

[23] The party identification question in the survey asked respondents if they considered themselves Democrat, Republican or independent.

[24] Race is a dummy variable with white coded 1, which places all other racial groups in the baseline category.

[25] Respondents placed their family income into one of six categories: (1) under $15,000 per year; (2) $15,000–$30,000; (3) $30,000–$50,000; (4) $50,000–$75,000; (5) $75,000–$100,000; and (6) over $100,000. We also tested models with the log of income and with income as a series of dummy variables, and found no evidence that the effect of income is non-linear.

Different kinds of people, then, have different mixes of economic concerns. In terms of overall patterns, however, it is difficult to avoid the conclusion that job insecurity weighs disproportionately heavily on those Americans whose personal characteristics and qualifications leave them most vulnerable to the depletion of good jobs for which, in Perot's campaign rhetoric at least, free trade was responsible. These are women, racial minorities, union members, the less educated, the middle-aged and those with low incomes. The question now is whether job insecurity is also distinctive in terms of its effect on voting behaviour.

PERFORMANCE, INSECURITY AND BEHAVIOUR

Existing research on the 1996 election has concluded that voters' negative evaluations of economic performance contribute to the anti-Clinton vote, while these same evaluations are not statistically significant predictors of voting for Perot compared to Dole.[26] Such conclusions, however, miss the point of Perot's economic appeal. Like the Democratic and Republican candidates themselves, they ignore an additional and widespread economic concern in the 1990s: job insecurity. Offering himself as an alternative to the major-party candidates as well as to abstention born out of frustration with their unresponsiveness, Ross Perot spoke loudly and clearly to this concern, inviting the insecure to vote for him. Our expectation, therefore, is that conventional short-term performance judgements will do little to differentiate popular support for the third-party challenger from that for his Democratic and Republican counterparts, but that job insecurity will have considerable importance for two other crucial choices that Americans had to make in 1996: first, whether to turn out and vote at all, and, secondly, whether to vent disillusion with both major parties by rejecting them and voting instead for Ross Perot.

Tables 2 and 3 put these expectations to the empirical test. Both tables detail the results of a multinomial probit model of the 1996 presidential vote, and both provide strong support for our insecurity-based interpretation of the economic underpinnings of the Perot vote.[27] With support for the third-party candidate as

[26] Alvarez and Nagler, 'Economics, Entitlements and Social Issues,' p. 1353.

[27] For a discussion of the multinomial probit model and its advantages, see Michael R. Alvarez and Jonathan Nagler, 'Economics, Issues and the Perot Candidacy: Voter Choice in the 1992 Presidential Election', *American Journal of Political Science*, 39 (1995), 714–44; Dean Lacy and Burden C. Burden, 'The Vote-Stealing and Turnout Effects of Ross Perot in the 1992 US Presidential Election', *American Journal of Political Science*, 43 (1999), 233–55; and Dean Lacy and Barry C. Burden, 'The Vote-Stealing and Turnout Effects of Third-Party Candidates in US Presidential Elections, 1968–1996,' manuscript, Ohio State University, Columbus, Ohio. The primary advantage of multinomial probit (MNP) over multinomial logit is that the former allows one to estimate the correlations in the errors (ρ) across choices, thereby avoiding the restrictive assumption of 'Independence of Irrelevant Alternatives'. To obtain identified estimates from an MNP model, constraints must be imposed on the matrix of coefficients. This was achieved by assuming that 'Republican' would be non-zero in its effect only for Dole, 'Democrat' only for Clinton, and high school education or some college would be non-zero only for abstention, compared to the baseline of Perot. These assumptions were tested in a model with all error correlations set to 0 and error

TABLE 2 *Multinomial Probit Estimates of a Three-Choice Model of the 1996 Presidential Vote*

Predictors	Dole	Clinton
Constant	−0.45 (1.26)	1.79 (0.91)
Insecure about American jobs	−0.65* (0.31)	−0.69* (0.29)
Insecure about own job	−0.15 (0.21)	−0.17 (0.21)
(Good jobs scarce) ×	−0.19 (0.19)	−0.20 (0.20)
(Fear losing own job)	−0.08 (0.22)	−0.09 (0.21)
National economy worse	−0.07 (0.25)	−0.18 (0.26)
Personal finances worse	0.37 (0.20)	0.21 (0.20)
Disapprove of Clinton on economy	0.05 (0.34)	−0.65* (0.27)
Republican	1.01* (0.39)	0 (–)
Democrat	0 (–)	0.84* (0.30)
Conservative	0.59* (0.32)	0.30 (0.31)
Liberal	−0.42 (0.40)	0.26 (0.36)
Union household	0.58* (0.34)	0.70* (0.34)
Female	0.39 (0.29)	0.48* (0.27)
White	0.43 (0.44)	−0.28 (0.38)
High school graduate	0.59 (0.58)	0.06 (0.49)
Some college	0.33 (0.61)	−0.46 (0.51)
College graduate	1.09 (0.63)	0.36 (0.51)
Income	0.12 (0.11)	−0.04 (0.11)
Age 18–29	−0.84 (0.63)	−0.49 (0.61)
Age 30–44	−0.79 (0.57)	−0.62 (0.57)
Age 45–64	−0.71 (0.54)	−0.42 (0.53)
ρ (Dole, Clinton)	0.61* (0.29)	
Final log likelihood	−780	
$\chi^2(43)$	726*	
Number of iterations	45	
Number of cases	726	

Note: Perot coefficients normalized to zero. Coefficients are maximum likelihood estimates with heteroscedastic-consistent standard errors in parentheses. Parameters fixed at zero are indicated by 0.00 coefficients and (–) standard errors. * $p < 0.05$, one-tailed.
Source: 1996 *New York Times* Survey.

(F'note continued)
variances set to 1, and none of the assumptions could be rejected. We then imposed these restrictions on the model and estimated the three error correlations we found most substantively important. We constrain the error correlations between abstention and all other choices to be zero, but this is merely a normalization. In this model we found that estimating more than three elements of the error variance–covariance matrix resulted in estimates that were unstable across different runs. We estimated the model using LIMDEP 7.0 (NLOGIT 1.11) on a Pentium-II-233mhz. Each model converged in approximately one hour.

the baseline, they show how a range of political variables, socio-demographic characteristics and economic perceptions affect the probability of choosing each of the alternatives in the election. In order to subject our hypothesis concerning job insecurity to the most stringent test possible, our analysis proceeds in two stages. First, in Table 2 we estimate a model in which the dependent variable is a vote for Bush, Clinton or Perot. We estimate the model using only the respondents who reported voting in the 1996 election. We then in Table 3 estimate a four-choice model that includes abstention as a choice, and we include in the estimation all respondents who were eligible to vote. Abstention's possible sensitivity to job insecurity is tested in a separate model for two important reasons. First, it allows for the detection of selection biases that might follow from excluding abstainers from the three-choice model. Secondly, and more importantly, our major point is that Perot tailored his appeal to the insecure, and the efficacy of this strategy is illustrated all the more strongly if we can show that job insecurity explains the choice of Perot over abstention as well as over the Democratic and Republican candidates.[28]

Focusing briefly on the three-choice model in Table 2, it is clear that the effect of both insecurity variables is in the expected negative direction, with the personally and sociotropically insecure preferring Perot to both Clinton and Dole. Of the two insecurity measures, however, only the sociotropic one has a statistically significant effect. For the choices of Clinton or Dole, its coefficients are roughly equal in size, albeit there is a slightly stronger effect on the choice of Perot compared to Clinton. For personal insecurity, the effects of the interaction term as well as of its components are all in the same negative direction, but none of them crosses the threshold of statistical significance.

Table 3 replicates Table 2, except that abstention is included as a fourth option.[29] Choosing not to vote, in other words, is an alternative to voting for one or other of the three candidates, and it can be seen immediately that the results are basically the same as those in Table 2. The results, therefore, are robust

[28] The abstention option has usually been taken into account by specifying a selection, or nested, model in which the first choice a person makes is whether to vote or not and the second choice, conditional on deciding to vote, is among the competing candidates. This voter decision-making model has been challenged recently, however, by one that takes abstention to be a non-nested choice that can be explained by many of the same variables that explain candidate choice. See, for example, Lacy and Burden, 'The Vote-Stealing and Turnout Effects of Ross Perot'. Because they are not contained in the survey that we use, our model does not include some of the variables that have been used to explain abstention. Missing, for example, are strength of party identification, anticipated closeness of the election, and personal efficacy. Nonetheless, our results can be taken at face value since the model does contain the most important predictors of turnout, e.g., age, gender and education. We have operationalized education as a series of dummies to allow for its non-linear impact on turnout. We also estimated the model with a dummy variable for residents of the South and border states, finding no effect on either vote choice or turnout.

[29] In order to obtain identified parameter estimates for abstention, we must constrain the effects of some variables to 0 for all choices other than abstention. Since the parameters on 'High school graduate' and 'Some college' are not statistically significant in the three-choice model, we constrain these to 0 for the choices of Dole and Clinton in the four-choice model.

TABLE 3 *Multinomial Probit Estimates of a Four-Choice Model of the 1996 Presidential Vote*

Predictors	Dole		Clinton		Abstain	
Constant	0.23	(0.69)	1.68*	(0.79)	1.59*	(0.85)
Insecure about American jobs	−0.44*	(0.26)	−0.58*	(0.27)	−0.46*	(0.26)
Insecure about own job	−0.11	(0.15)	−0.11	(0.17)	−0.22	(0.19)
(Good jobs scarce) ×	−0.13	(0.13)	−0.18	(0.16)	−0.23	(0.17)
(Fear losing own job)	−0.07	(0.14)	−0.06	(0.17)	0.13	(0.18)
National economy worse	−0.08	(0.16)	−0.13	(0.18)	0.02	(0.18)
Personal finances worse	0.22	(0.13)	0.09	(0.15)	−0.16	(0.15)
Disapprove of Clinton on economy	0.04	(0.20)	−0.68*	(0.26)	−0.53*	(0.23)
Republican	0.72*	(0.21)	0	(–)	0	(–)
Democrat	0	(–)	0.89*	(0.19)	0	(–)
Conservative	0.33	(0.22)	0.09	(0.24)	0.51*	(0.25)
Liberal	−0.20	(0.26)	0.36	(0.28)	0.57*	(0.27)
Union household	0.42	(0.26)	0.64*	(0.29)	0.15	(0.29)
Female	0.26	(0.19)	0.37*	(0.22)	0.47*	(0.22)
White	0.10	(0.32)	−0.51	(0.32)	−0.15	(0.32)
High school graduate	0	(–)	0	(–)	−0.36*	(0.19)
Some college	0	(–)	0	(–)	−1.11*	(0.21)
College graduate	0.43*	(0.25)	0.34	(0.27)	−0.56*	(0.32)
Income	0.08	(0.08)	−0.01	(0.08)	−0.19*	(0.09)
Age 18–29	−0.47	(0.35)	−0.35	(0.39)	0.93*	(0.40)
Age 30–44	−0.39	(0.33)	−0.47	(0.38)	0.70*	(0.39)
Age 45–64	−0.26	(0.33)	0.13	(0.37)	0.27	(0.38)
Full effect of insecure about own job	−0.30	(0.41)	−0.27	(0.47)	−0.57	(0.51)
ρ (Dole, Clinton)	0.64*	(0.18)				
ρ (Dole, Perot)	0.54	(0.38)				
ρ (Clinton, Perot)	−0.47	(0.57)				
Final log likelihood			−956			
$\chi^2(52)$			1,033*			
Number of iterations			69			
Number of cases			1,058			

Note: Perot coefficients normalized to zero. Coefficients are maximum likelihood estimates with heteroscedastic-consistent standard errors in parentheses. Parameters fixed at zero are indicated by 0.00 coefficients and (–) standard errors.
* $p < 0.05$, one-tailed.
Source: 1996 *New York Times* Survey.

across model specifications and provide a more complete picture of voting patterns in 1996. Due to the richer picture of electoral choice in Table 3, we focus on the results from the four-choice model.

Taking the socio-demographic characteristics first, apart from party identification, the only one of them that differentiates Dole and Perot supporters is being a college graduate, which makes a person more likely to vote for the Republican candidate. As would be expected, union members and women are more likely to vote for Clinton than Perot. The explanation of abstention, however, is more complex. Again as might be expected, being young and being female are positively associated with abstention instead of voting for Perot, while higher levels of education and income encourage voting for Perot in preference to staying away from the polls. Political ideology also plays a role in explaining abstention, and it is an intriguing one. Seeing oneself as conservative or liberal rather than moderate is not related to major-party voting, but it is related to abstention. Respondents placing themselves at the extremes of the ideological spectrum are no more likely to vote for the major-party candidates than for Perot, but they are more likely than moderates to abstain rather than vote for the third-party candidate.

The economic variables have their own pattern. The model includes traditional retrospective judgements of economic performance as well as responses to the question, 'Do you approve or disapprove of the way Bill Clinton is handling the economy?' As anticipated, when compared to the baseline choice of Perot, the standard egocentric and sociotropic performance measures are not statistically significant predictors of voting for Clinton, for Dole, or for abstaining.[30] Disapproval of Clinton's handling of the economy is another story, however. Those who disapprove are more likely to vote for Perot than to abstain or to support Clinton, but they are no more likely to prefer Dole to Perot. Disapproval of Clinton's handling of the economy does not compel voters to choose Dole over Perot. More to the point, however, the results show that, even in a model containing a host of other economic and socio-demographic indicators, national job insecurity is the only independent variable to be a statistically significant predictor of voting for Perot compared to all three of the other alternatives – Clinton, Dole and abstention. The magnitude of the effect is even stronger in Table 2, which does not include abstention as a choice. Including abstention as a choice appears to dilute somewhat the relationship between sociotropic insecurity and the choice among the competing candidates.

The interactive measure of egocentric insecurity is less straightforward in its interpretation since the full effect of the interaction will vary depending on the values of the component variables. The effect of the interaction for someone who fears losing his or her job and believes good jobs are scarce is shown at

[30] It must be emphasized that this conclusion is based on a comparison of Perot with the two major-party candidates. If we estimate the model with Clinton as the baseline, performance judgements are, as usual, statistically significant for the other major-party challenger, in this case Bob Dole.

the bottom of Table 2, where the coefficient is 1*(coefficient for fear losing job) + 2*(coefficient for impossible to find good jobs) + 2*(coefficient for interaction), and the standard error is calculated from the variances and covariances in the coefficients.[31] While this effect is not statistically significant, the relationship is in the expected direction: the egocentrically insecure are more likely to vote for Ross Perot than to abstain or to vote for either the Democratic or Republican presidential candidate. Thus, not only is job insecurity a powerful force in shaping the distribution of the 1996 presidential vote, but also, and in line with the conventional wisdom regarding short-term performance judgements, sociotropic insecurity judgements have more pronounced implications for electoral behaviour in the United States than their egocentric counterparts do.[32]

The importance of sociotropic job insecurity for electoral behaviour is only reinforced when attention is turned to the explanation of abstention. Following Hirschman's typology of institutional support, [33] Rosenstone and his colleagues argue that American voters unhappy with both major parties have three options at election time, 'loyalty' (continue to vote for one or other of them), 'voice' (show their discontent by voting for a third-party candidate) and 'exit' (show their discontent by abstaining from voting in preference even to voting for a third-party candidate).[34] An important conclusion to be drawn from Table 3 is that the voice and exit options are not equally likely responses to the conditions that promoted Perot's third-party candidacy. If they were, then national job insecurity would not differentiate between abstention and voting for Perot; the variable would not, in other words, register a significant effect in the third column of the table. It is apparent, however, that it does register such an effect and that it is negative in direction, meaning that the insecure are more likely to vote for Perot than to abstain. This observation suggests that voting for the third-party represents a more intense form of voter disaffection than simple abstention, which in turn suggests an important codicil to our understanding of the role of third-parties in contemporary presidential politics.

A more easily interpreted picture of the results is presented in Table 4. This details the effects on the probability of supporting each presidential candidate or abstaining of holding different perceptions on the same economic evaluation. More specifically, the table entries represent the probability that a hypothetical

[31] See Robert J. Friedrich, 'In Defense of Multiplicative Terms in Multiple Regression Equations', *American Journal of Political Science*, 26 (1982), 797–833.

[32] In other countries, the evidence is that egocentric performance judgements are more important than sociotropic ones. For Great Britain, see David Sanders, 'Conservative Incompetence, Labour Responsibility and the Feelgood Factor: Why the Economy Failed to Save the Conservatives in 1997', *Electoral Studies*, 18 (1999), 251–70; and 'The Real Economy and the Perceived Economy in Popularity Functions: How Much Do Voters Need to Know? A Study of British Data, 1974–97', *Electoral Studies*, 19 (2000), 275–94.

[33] Albert O. Hirschman, *Exit, Voice, and Loyalty* (Cambridge, Mass.: Harvard University Press, 1970).

[34] Rosenstone *et al.*, *Third Parties in America*.

TABLE 4 *Impact of Economic Judgements on Vote Probabilities*

Predictors	Dole	Clinton	Perot	Abstain
Not insecure about American jobs	0.21	0.19	0.18	0.42
Insecure about American jobs	0.17	0.14	0.29	0.39
Not insecure about own job	0.23	0.20	0.17	0.41
Insecure about own job	0.13	0.11	0.25	0.51
National economy better	0.21	0.22	0.15	0.42
National economy worse	0.22	0.17	0.18	0.45
Personal finances better	0.14	0.18	0.18	0.50
Personal finances worse	0.30	0.19	0.14	0.37
Approve of Clinton	0.15	0.27	0.13	0.45
Disapprove of Clinton	0.32	0.12	0.18	0.38

Note: Entries are predicted probabilities from multinomial probit estimates of model. Baseline calculated as 'National job insecurity', 'Insecure about own job', 'Fear losing job', 'National economy' (stayed same), 'Personal finances' (stayed same), 'Approval of Clinton' 0.5, 'Independent', 'Moderate', 'White', 'Male', 'Not union household', 'High school graduate', 'Income' $30–50K, 'Age' 30–44. First differences represent the following changes in variables: 'Personal economy' (better to worse), 'National economy' (better to worse), 'Insecure about own job' (− 2 to 2, along with components of interaction), 'Insecure about jobs nationally' (0 to 1).

individual with the characteristics listed at the bottom of the table will choose each of the four alternatives when he or she holds an extreme view – optimistic or pessimistic – on each economic variable. For the sake of simplifying the presentation, the effects of holding moderate views are ignored. These variables may not always cross the threshold of statistical significance in Table 3 because of their large standard errors, but their substantive effect on a typical person's probability of choosing, say, Bob Dole, may still be non-trivial. By way of example, take the entry under the Republican candidate's name in the first two rows of the table. Comparing the two coefficients tells us that the sociotropically secure were four percentage points more likely to vote for Dole than were the sociotropically insecure.

The table contains a number of interesting findings. For a start, contrary to common assumption, the economic judgement variables are not symmetrical in their effects on voting for the majority-party candidates. Respondents who believe that their personal finances have worsened are about twice as likely to vote for Dole as those who believe they have improved. These same egocentric performance judgements, by contrast, barely affect the probability of choosing Clinton. Instead, the incumbent president's vote is more susceptible, and his Republican challenger's less so, to changes in the national economic performance judgements.

Table 4 illustrates three other, more pertinent, conclusions. First, and most

importantly, Table 3's message that insecurity judgements are far more potent than performance ones in explaining the Perot vote is strongly confirmed. The greatest changes in the probability of voting for the third-party candidate are produced by the two insecurity measures – an increase of 11 percentage points in the case of national insecurity and of 8 points for personal insecurity. To be sure, insecurity judgements also produce some change in the probability of supporting the Democratic and Republican candidates, but their effect is much smaller than it is for Perot. Secondly, the biggest changes in the probability of voting for the major-party candidates generally result from approval or disapproval of Clinton's handling of the economy, whereas this variable barely affects the choice of Perot. Thirdly, the probability of a person's abstaining from voting is barely affected by sociotropic measures of either insecurity or performance, but egocentric evaluations of both types are a different story. The decision to abstain or not to abstain, in other words, would seem to be more a function of egocentric than sociotropic economic evaluations. Even here, however, the distinctive impact of egocentric insecurity is clear. The egocentrically insecure are more likely than the egocentrically secure to abstain, perhaps out of protest. The opposite relationship holds for short-term performance judgements, where abstention is more likely among optimists, i.e., those who think that their personal finances have improved in the last couple of years or who approve of Clinton's handling of the economy. Personal insecurity, perhaps out of a sense of frustration or anger, encourages staying at home on election day, while pessimism about the national economy encourages going to the polls and voting for the non-incumbent major-party candidate – a classic case of punishing the president for economic bad times.

The most important overall conclusion to be drawn from the empirical part of this anaysis remains, however, that Perot's support in 1996 was closely tied above all to voters' concerns about the future of good jobs for themselves and, more importantly, for other Americans. Relative to the major-party candidates, and Bob Dole in particular, Perot drew relatively little support from voter evaluations of national and personal economic performance. Thus, the Perot vote cannot even begin to be understood in terms of retrospective performance judgements alone; job insecurity is its economic core and deserves to be recognized as such.

CONCLUSION

The basic lesson of this analysis of presidential choice in the 1996 election is that there can be more about the economy to move voters than short-term egocentric and sociotropic performance judgements. The political reaction that these judgements represent are likely to be an ever-present consideration in elections where the contestants for office have accepted some responsibility for managing the economy. However, other cross-cutting and often relatively transient concerns can arise as national economic circumstances change – for

example when highly publicized trade deficits get still bigger; when corporations move their operations overseas to take advantage of cheaper, perhaps non-unionized labour; or when foreign governments are accused of 'dumping' goods and commodities on the American market and forcing companies to lay off employees. Such concerns need to be incorporated into accounts of economic voting for two reasons. First, job insecurity taps into popular hopes and fears that transcend the last year or two and may even shape perceptions of the economic prospects and living standards of future generations. Secondly, representing qualitatively different stimuli for voters, job insecurity has electoral and political consequences that are different from those for retrospective performance judgements. Not to take account of job insecurity therefore risks mis-estimating three things; the aggregate importance of the economy for election outcomes; the scope and complexity of the economic forces driving individual choices; and the conditional nature of the relative impact of these forces.

An obvious counter to our argument is that a booming economy and low levels of unemployment in the United States since 1996 have served to remove job insecurity from the political agenda. Suffice it to say for the moment that the available evidence does not suggest that job insecurity's importance is a thing of the past. Rather, anecdotal evidence for its persistence as a pressing concern for many Americans is plentiful. A year after the 1996 contest, for example, the US Congress refused to renew President Clinton's 'fast-track' authority to negotiate trade deals, making him the first president to be denied this prerogative since it was first granted to Gerald Ford in 1974. A good part of the reason for this denial was opposition within the president's own Democratic party. The Democratic House Minority Leader, Dick Gephardt, believed that American workers had become caught up in a 'race to the bottom'. As a result, he openly opposed Clinton and advocated a very different trade policy of protectionism and economic nationalism.[35] The issue of job insecurity also remains a prominent theme in the speeches of America's leading government economist, Alan Greenspan, Chairman of the Federal Reserve Board. In January 1997, for example, he observed that 'workers at present, to a greater extent than usual, trade aspirations for higher levels of earnings for job security'.[36] The same theme is found in a speech of July 2000: 'But one less welcome byproduct of rapid economic and technological change, and the necessary heightened level of potential job dismissal that goes with it, is the evident insecurity felt by many workers despite the tightest labor market in decades.'[37] Finally, fear over the loss of good American jobs has been an

[35] Peter Beinhart, 'The Nationalist Revolt', *The New Republic*, 1 December 1997.

[36] Alan Greenspan, 'Central Banking and Global Finance', speech delivered at the Catholic University, Leuven, Belgium, 14 January 1997. Available at www.federalreserve.gov/boarddocs/speeches/1997/19970114.htm.

[37] Alan Greenspan, 'Structural Change in the New Economy', speech made at the 92nd Annual Meeting of the National Governors' Association, State College, Pennsylvania, 11 July 2000. Available at www.federalreserve.gov/boarddocs/speeches/2000/200007114.htm.

important force driving the opposition to the US government's free trade policies since 1996. This opposition has ranged in character from the violence on the streets of Seattle on the eve of the new millennium to the peaceful, highly organized resistance to the granting of permanent most-favoured-nation trading status to China in mid-2000. One reason why this opposition has sometimes spilled over from normal democratic channels is that, as in 1996, the major-party candidates, George W. Bush and Al Gore in 2000, were indistinguishable in their unequivocal commitment to free trade. Nonetheless, the protectionist cause found standard bearers in Pat Buchanan and Ralph Nader in the 2000 contest. Buchanan left the Republican party and built a new political identity for himself, becoming the Reform party presidential candidate for 2000. Nader, focusing on the problems caused by free trade, probably drew enough support away from Gore to cost him an Electoral College majority.

In sum, then, the national economy is a complex entity and voter evaluations of it can be equally complex. To reduce the electoral implications of these evaluations to short-term performance judgements alone risks missing important dimensions of people's perceptions of the economy that help to explain facets of political behaviour for which the economy's importance might otherwise go unnoticed. Our example is the role of job insecurity in boosting electoral support for the third-party candidate, Ross Perot, in the 1996 US presidential election. To the extent that the free trade policy underpinning this insecurity remains the preferred policy of the winner of the 2000 presidential race, job insecurity is unlikely to disappear from the American political agenda.