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Polity and Economy under Extreme Economic Conditions: A Comparative Study of the Reagan and Thatcher Experiences

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While the literature relating public evaluations of presidential/prime ministerial performance to the state of the national economy (most frequently measured by inflation and unemployment) is by now voluminous, little of that literature is comparative, and most of it examines periods during which little was taking place in the way of exceptional economic developments. This paper addresses both issues by comparing the public approval records of President Reagan and Prime Minister Thatcher. Monthly data are examined using the ARIMA crosscorrelation and transfer function methodologies. With the exception of a negative reaction to unprecedented ("crisis-level") unemployment in the U.S. case, no effects are found for the state of the economy on executive approval ratings. The adoption of an alternative modeling strategy reveals the highly deterministic, self-explaining nature of the approval series. The paper concludes with a discussion of the regularity of the popularity series and of chief executives' abilities to divert attention from deteriorating economies.

Economies and Electorates in the U.S. and Great Britain

The revolving doors that seemingly have been installed at the offices of Western leaders in recent years have turned at an almost furious pace. At the same time there has been little consistency across Western democracies in terms of the ideological tendencies of those that have passed through those doors. Thus, for example, West Germany was ushering in the conservative Christian Democrats about the same time that France was putting out the welcome mat for the Socialists. Throughout the 1970s and into the 1980s, Norway, Denmark, and Sweden were traveling electoral paths that ran sometimes parallel, but other times perpendicular, to one another in terms of their alternating between liberal and conservative governments.

In view of the seemingly random pattern among Western nations of lurching between ideological poles when choosing their governments, the sometimes strikingly similar appearances of the concurrent, conservative administrations in the United States and Great Britain are all the more noteworthy. While the more superficial aspects of some of their policy packages may have belied a more fundamental divergence in content (see, e.g., Flickinger, 1985; Freyman, 1985; Robertson, 1985; Schier and Vig, 1985b), nevertheless President Reagan and Prime Minister Thatcher have been perceived as a highly concordant pair over the past half decade. The introduction of manifestly radical economic solutions to their inherited economic problems, the hawkish natures of their foreign and defense policies; the championing of trends toward deregulation and privatization, and the popular successes of their military excursions abroad (in Grenada and the

Falklands) have been only the most obvious examples of what has appeared, at times, to be an almost concerted attempt to bond their regimes in the view of the world.

Despite the similarities in both style and substance, however, there have been some pronounced distinctions between the two governments. Two of the more obviously discordant patterns relate directly to the focus of this paper: the relationship between economic conditions and ongoing, popular support for the incumbent president or prime minister. While a glance at Figure 1 quickly reveals that both Mr. Reagan and Mrs. Thatcher have seen inflation fall dramatically during their tenures in office, Figure 2 shows that the patterns for unemployment have not been so similarly heartening.

As Figure 2 demonstrates, both Mr. Reagan and Mrs. Thatcher presided over dramatic increases in unemployment during the worldwide recession of the early 1980s. In both instances unemployment reached levels not seen since the Great Depression. Over the course of the past several years, however, the unemployment situations in the two nations have diverged rather dramatically. While unemployment in the United States peaked in December 1982 at a 10.7 percent rate, from which point it has slowly but steadily declined, in Great Britain unemployment continued to rise—albeit at a much slower pace than during the initial years of the decade—past the 13 percent mark.

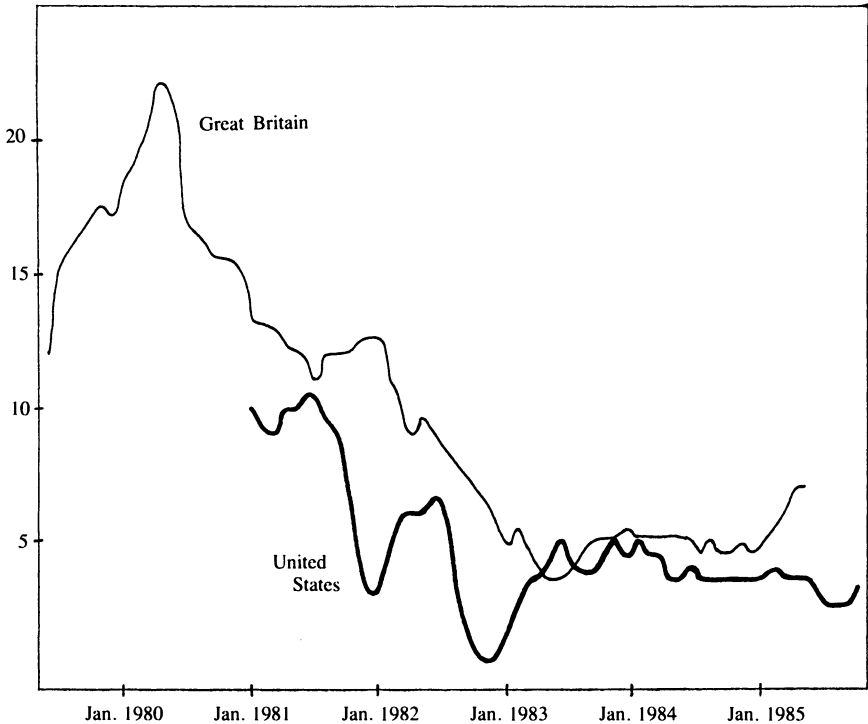
Accompanying the more recently oblique trends in unemployment have been similarly dissimilar directions in presidential and prime ministerial approval ratings.¹ Here the patterns are even more unlike one another than have been the unemployment measures. While President Reagan was experiencing the normal pattern of midterm decline in his public standing, Prime Minister Thatcher was seeing her approval ratings fluctuate: first, at a very low level and then, following the tremendous upsurge accruing to the Falklands War, at a much higher level. Nevertheless, since about mid-1984 the two leaders clearly have been moving in opposite directions insofar as popular approbation is concerned. Mr. Reagan has ascended to approval levels that are virtually unprecedented for a second-term president during the modern era. Mrs. Thatcher, on the other hand, has declined steadily in the public's eyes.

Although the graphic treatment in Figures 1–3 of the major economic and political developments in no way can be construed as systematic, it is nevertheless rather suggestive. What emerges from the just completed analysis is an indication that the American and British populations reacted similarly—although in opposite directions—to the states of their respective economies. It seems, first

¹ Although the literature on Britain in this area has tended to rely heavily upon the lead of the incumbent, governing party over its major party in opposition, for purposes of comparability I shall use throughout this paper the *personal* popularity ratings for both Mrs. Thatcher and Mr. Reagan.

FIGURE 1

British and American Inflation, June 1979–October 1985

INFLATION
(%)

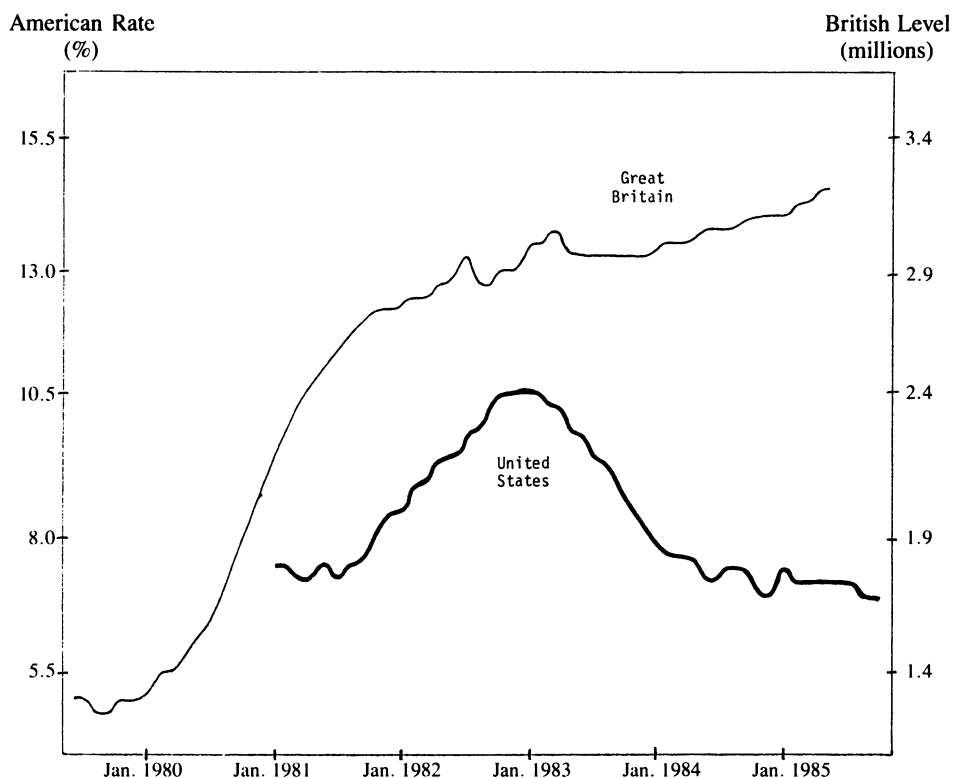
of all, that inflation became something of a nonconcern as prices became relatively stable in both countries. With the effects of inflation held constant, unemployment appears to have driven the public approval ratings of the two leaders along contrary paths. The purpose of the present analysis is to determine whether the impressionistic judgments just rendered can stand the scrutiny of a more rigorous kind of analysis. Before carrying out that analysis, however, a brief discussion is in order relating previous efforts at a comparative treatment of the question of a politico-economic connection.

Prior Findings

The literature concerning the effects of economic conditions on either approval ratings or voting has grown at an almost incredible rate since the first stud-

FIGURE 2

British and American Unemployment, June 1979–October 1985

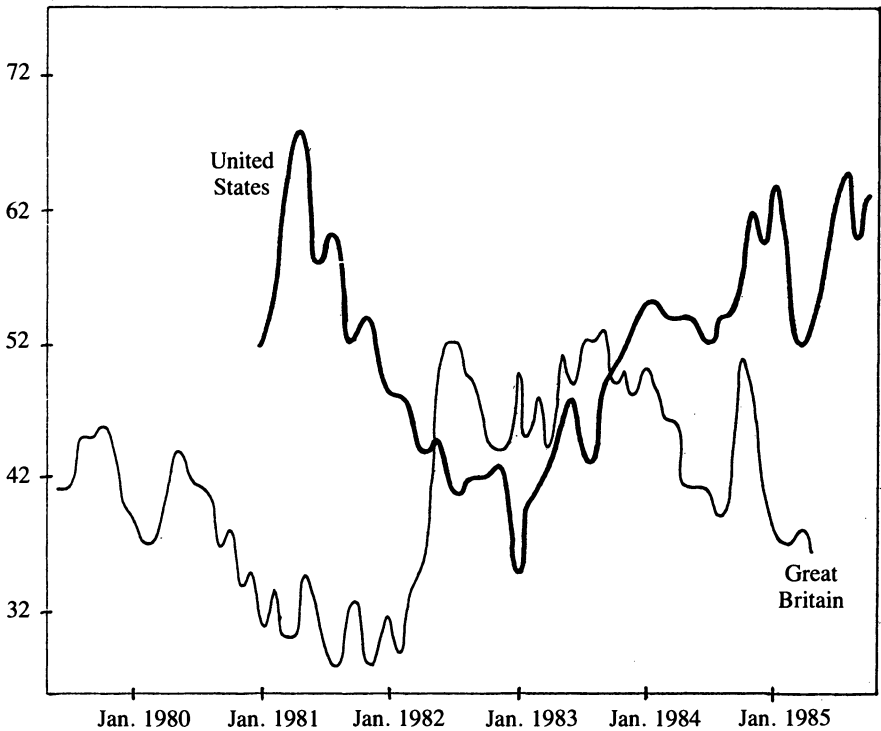


ies in this area appeared in the early 1970s.² Little of that literature has been of a comparative ilk, however. Schier and Vig's (1985a) study of the Thatcher and Reagan regimes is one exception to the more general tendency toward single-nation studies. Among their most noteworthy suggestions is the conclusion that most of the variation in government support scores during the first Thatcher term was attributable to *noneconomic* factors, specifically to the formation of the Social-Democratic alliance and, more important, to the Falklands War—"without question, the decisive event in Mrs. Thatcher's resurgence" (pp. 266–67).

²That literature is much too extensive to be reviewed here, nor is it necessary to do so in the present context. Instead, the reader is referred to the literature reviews provided in Norpoth and Yantek (1983) and Yantek (1985b). Note, however, that most of the studies cited concern a single nation only, rather than being comparative.

FIGURE 3

British and American Chief Executive Popularity, June 1979–October 1985

APPROVAL
(%)

A most interesting note in this regard concerns their finding that even *retrospective* judgments of the *economy* became more positive in the wake of the Falklands excursion. The implication is clear: while the economy may matter in people's judgments of executive performance, there are other—and frequently more important—considerations. Any conclusions drawn from Schier and Vig's study must be qualified, however, for their analysis is no more rigorous than that provided in the initial section of the present investigation.

A more exacting inquiry, also in the comparative vein, is provided by Whiteley (1984). Whiteley is concerned, and rightfully so, about prior efforts to estimate the impacts of economic conditions upon government popularity. At the risk of oversimplifying his arguments, his criticisms of those earlier efforts is primarily methodological in nature. After applying some necessary, statistical controls to his models of politico-economic effects, Whiteley finds that the eco-

conomic effects, previously found to be so strong, are actually weak and sporadic. So intermittent, in fact, are the economic effects that *are* uncovered that it is probably stretching the limits of credibility to attribute to them any *substantive* significance (despite their meeting the traditional, statistical criteria).

One problem with Whiteley's analysis may lie in the time frame he utilizes. Extending from 1950 through 1974, the period studied is almost remarkable, in retrospect, for the relative quietude marking economic affairs. If one of the requirements of a valid statistical analysis is a reasonable degree of variability in the measures used, then it may well be that the postwar, pre-OPEC economies of the Western nations fail to provide an adequate, real world "statistical design." Thus, while Whiteley's methodological critiques are right on the mark, his own analysis may fall short because it stops just as the kinds of economic conditions were being encountered that could rigorously test the effects of economic conditions on government popularity.

Testing for Economic Impacts upon Executive Popularity

The span of years covered by the Thatcher and Reagan governments are characterized by a high degree of economic variability. As discussed in the first section, the economies in both the United States and Great Britain reached stages not seen since the days of the Great Depression. If ever the proper conditions have existed for testing the political implications of economic developments, then surely the period available for study here—June 1979 through October 1985—contains those conditions.³

In previous studies of the type undertaken here the most common form of statistical model has been a simple "reward-punishment" type. Under the assumptions of such a model, voters reward the incumbent chief executive when the economy is improving and punish him or her when the economy deteriorates. While such models have been dismissed as simplistically naive by some critics (see, e.g., Chappell, 1983; Chappell and Keech, 1985; Clarke, Stewart, and Zuk, 1985), they have nevertheless the advantage of not ascribing too much rationality to the general public. Consequently, the analysis of the Reagan and Thatcher approval records will be undertaken initially via a simple reward-punishment model. To control for the statistical biases inherent in most time series, monthly data will be examined using the (ARIMA) crosscorrelation and transfer function methodologies developed by Box and Jenkins (1976).⁴

A second possibility worth considering holds that the electorate behaves

³The British series begins with the election of Mrs. Thatcher in June 1979 and ends in May 1985, the last month for which I could obtain the necessary data. The American series begins with Mr. Reagan's inauguration in January 1981 and runs through October 1985, the last month for which data were available.

⁴For an accessible treatment of the problems inherent in time series analysis, utilizing political science data, see Yantek (1985a).

only asymmetrically when it comes to evaluating presidents/prime ministers based upon economic grounds. The idea here is that governments are punished for economic downturns, but are not conversely rewarded when the economy improves (Bloom and Price, 1975). A second set of models to be tested here (again, using the methods developed by Box and Jenkins) will reflect this hypothesis of asymmetric evaluation. In searching for asymmetric effects, each month's value will be compared to the value for that variable during the previous month. If inflation or unemployment is up, the increase enters into the computation of the crosscorrelations. If the variables are declining, however, the economic change variable for that month takes on a value of zero.

It also must be considered that the electorate can become accustomed to even the most difficult economic conditions. Thus, for example, after unemployment has been on the increase for several consecutive years, a continued pattern of increases may no longer register with the public as just cause for recording dissatisfaction with the incumbent regime. The effect, of course, might also work in the opposite direction, so that after months of declining inflation, for example, any credit that might have accrued initially to the government is long past the point of being granted. Given such a public philosophy of "What have you done *to* me lately?" economic effects on regime support are attenuated quickly. Under those conditions only a fairly dramatic shock will register with the public as a reason for rewarding or punishing the incumbent chief executive.

Statistically, such economic "shocks" can be modeled by utilizing the squared rather than the raw inflation and unemployment rates. Thus, a third set of models to be tested here, also utilizing the Box-Jenkins methodology, will examine the effects of economic "crisis" conditions upon president and prime minister approval.

In sum, a series of models based upon alternative theories of public evaluations of the state of the economy will be tested, using monthly data and the ARIMA methodology, the most rigorous statistical approach available. The period under study provides an excellent experimental design in that economic conditions varied greatly in both the United States and Great Britain. If, given the above conditions, little or no evidence is found of a systematic impact of the economy upon executive popularity, then there will be good reason for doubting the presence of such effects during more economically sedate, "normal" times.

Results of Model Estimations

Table 1 presents the crosscorrelations between the economic and political series for both the British and American cases. The crosscorrelation function (CCF) is simply the familiar, product-moment correlation coefficient, but with the independent (here, economic) series lagged one additional period at each subsequent stage of the estimation process. Hence the CCFs in this table repre-

TABLE 1

Crosscorrelation Functions for the Simple Economic Series and Executive Popularity

Great Britain, June 1979–May 1985							
Unemployment Level—Prime Minister Approval							
Lag on the economic variable	0	1	2	3	4	5	6
Value of CCF	.11	.01	.01	-.03	-.02	-.11	.15
Std. error, CCF	.12	.12	.12	.12	.12	.13	.13
Inflation Rate—Prime Minister Approval							
Lag on the economic variable	0	1	2	3	4	5	6
Value of CCF	.06	-.09	.13	-.16	-.02	-.01	.14
Std. error, CCF	.12	.12	.12	.12	.12	.12	.13
United States, January 1981–October 1985							
Unemployment Rate—President Approval							
Lag on the economic variable	0	1	2	3	4	5	6
Value of CCF	-.05	-.07	-.15	.03	-.17	.04	.07
Std. error, CCF	.13	.13	.14	.14	.14	.14	.14
Inflation Rate—President Approval							
Lag on the economic variable	0	1	2	3	4	5	6
Value of CCF	.07	.00	.07	-.00	.17	.03	-.14
Std. error, CCF	.14	.14	.14	.15	.15	.15	.15

sent the correlations between the economic series and the approval series, beginning with both series measured in the same month and concluding with approval measured in month t and the economic variable measured in month $t - 6$. The CCFs are computed to suggest possible structures for the lag functions that should be built into the subsequent transfer function models (essentially a regression model).⁵

In the present instances the data speak clearly and forcefully. After control-

⁵ Again, the reader is referred to the citation in n.4 for a more thorough treatment of the transfer function methodology.

ling for common, time-dependent movements in the dependent and independent series, the simple unemployment and inflation measures have no impact whatsoever on the approval ratings of Mrs. Thatcher or Mr. Reagan. Values for the various CCFs are both negligibly small (none come close to being twice their respective standard errors) and inconsistent in terms of the attached signs. While the generation of a CCF is intended, generally speaking, merely to suggest directions for further analysis, in cases such as these the data speak *against* any subsequent investigation. So stark is the evidence in Table 1 that one cannot even begin to discern any pattern of influence for the simple economic series upon executive approval. Instead, I shall turn my attentions to the first of the alternative hypotheses concerning the predicted politico-economic connection: the possibility of asymmetric, popular reactions to economic developments.

Table 2 exhibits the CCFS for the models of asymmetric, economic effects (measured, recall, in terms of monthly changes). In each case the value for the economic series enters into the analysis only when that value represents an increase over the previous month's score (i.e., only when either inflation or unemployment increases). If the variable remains steady or shows improvement, it takes on a value of zero for that month.

Once again the data are eloquently simple: at no time lag, for neither economic variable, in neither country, is there even a remote indication that a deteriorating economy enters into the public's evaluation of the incumbent chief executive. If economic effects on governmental popularity are to be found, they will have to surface in the third set of evidence to be considered in this paper: the occurrence of "crisis" conditions in the economy.

In Table 3 appear the crosscorrelations for the approval series and the squared values for the economic variables. By squaring the economic measures prior to computing the CCFs, any unusual (unprecedented) economic developments are accentuated. This is done, recall, to allow for the possibility that people become more tolerant of high levels of inflation or unemployment after prolonged exposure to those levels. Thus, for example, a 6 percent unemployment rate in the United States would have been cause for considerable concern in the mid-1960s. In 1986 that same rate would elicit a good deal of political boasting by the incumbent president for bringing about such an improvement on the employment front. In a temporally more limited context, the unemployment and inflation trends during the Reagan and Thatcher eras have produced unprecedented (during the postwar period) conditions—precisely the kind that can be modeled best by squaring the economic terms.

Although Table 3 is nearly as barren as its two predecessors in terms of evidence favoring a politico-economic nexus, there is, for the first time in the analysis, an indication of a significant relationship. In the case of the U.S. unemployment rate, there appears a single, statistically significant value at the two-month lag of the CCF. The presence of significant values in the CCF is merely indica-

TABLE 2
Crosscorrelation Functions for the Asymmetric Economic-Change Series
and Executive Popularity

Great Britain, June 1979–May 1985							
Unemployment Level—Prime Minister Approval							
Lag on the economic variable	0	1	2	3	4	5	6
Value of CCF	-.01	-.05	.03	-.14	-.08	-.19	-.02
Std. error, CCF	.12	.12	.12	.12	.12	.12	.12
Inflation Rate—Prime Minister Approval							
Lag on the economic variable	0	1	2	3	4	5	6
Value of CCF	.02	.15	.03	-.03	-.09	-.17	-.05
Std. error, CCF	.12	.12	.12	.12	.12	.12	.12
United States, January 1981–October 1985							
Unemployment Rate—President Approval							
Lag on the economic variable	0	1	2	3	4	5	6
Value of CCF	.07	-.06	-.14	-.14	-.22	-.16	.01
Std. error, CCF	.13	.13	.14	.14	.14	.14	.14
Inflation Rate—President Approval							
Lag on the economic variable	0	1	2	3	4	5	6
Value of CCF	.00	-.03	-.15	-.06	-.05	-.15	-.07
Std. error, CCF	.13	.13	.13	.14	.14	.14	.14

evidence can come only with the estimation of a transfer function model of the implied relationship. Results of that model's estimation are as follows:

$$\text{APPROVAL}_t = -0.234(\text{UESQR})_{t-2} + a_t \quad (1)$$

(0.112)

$$R^2 = 0.829 \quad N = 55 \quad \text{LBQ} = 17.1 \text{ (12 d.f.)}$$

where APPROVAL and UESQR are the presidential popularity and (squared) unemployment series, respectively; the number in parentheses is the standard error

TABLE 3

Crosscorrelation Functions for the Squared Economic Series and Executive Popularity

Great Britain, June 1979–May 1985							
Unemployment Level—Prime Minister Approval							
Lag on the economic variable	0	1	2	3	4	5	6
Value of CCF	.12	.02	.02	-.05	-.03	-.08	.12
Std. error, CCF	.12	.12	.12	.12	.12	.13	.13
Inflation Rate—Prime Minister Approval							
Lag on the economic variable	0	1	2	3	4	5	6
Value of CCF	.11	-.07	.14	-.12	.06	-.06	.17
Std. error, CCF	.12	.12	.12	.12	.12	.12	.13
United States, January 1981–October 1985							
Unemployment Rate—President Approval							
Lag on the economic variable	0	1	2	3	4	5	6
Value of CCF	.05	.11	-.39	.07	-.05	-.01	.05
Std. error, CCF	.15	.15	.15	.16	.16	.16	.16
Inflation Rate—President Approval							
Lag on the economic variable	0	1	2	3	4	5	6
Value of CCF	-.06	-.03	.10	-.06	.06	.23	-.19
Std. error, CCF	.14	.14	.14	.15	.15	.15	.15

for the regression coefficient; R^2 is the coefficient of multiple determination; and a_t is a series of uncorrelated (white noise) residuals.⁶

The substantive interpretation of the results requires a few words of comment. A one-unit change in the unemployment measure translates (approximately) into a one-quarter-point change in the president's popularity. Because the independent variable is a *squared* term, however, the overall impact on presi-

⁶ An unusual aspect of this model's estimation is that the residual series requires the fitting of no autoregressive nor moving average components. That is, the residuals from the first pass of the estimation procedure are already a white noise (random) series, as indicated by the Ljung-Box Q statistic (12 d.f.) of 17.1 ($p > .10$).

dential popularity depends upon where in the possible range of unemployment rates the change occurs.

Consider, for example, the situations when unemployment peaked and bottomed out during the Reagan years. The former occurred in November 1982, when the unemployment rate went from 10.4 percent to 10.7 percent, a change of 0.3 percent. The latter occurred (as far as the present analysis is concerned) in October 1985, when the unemployment rate declined from 7.3 percent to 7 percent, also a change of 0.3 percent. Although the changes were identical in magnitude (while opposite in direction), they affected the president's popularity differently, according to the model's estimates. Specifically, the topping-off of unemployment, when the squaring of the variables is taken into account, predicts a decline in the president's popularity of approximately 1.5 points, while the latest decline in unemployment translates into an improvement in popularity of only one point.⁷

Thus, in substantive terms the significant coefficient for the economic variable indicates that *extraordinary* increases or decreases in the unemployment rate have affected President Reagan's public standing—negatively when unemployment has risen, and positively when it has declined—after a two-month lag. While the magnitude of the discovered relationship is not overwhelming, it is realistic in that it indicates *moderate* monthly changes in popularity—changes, recall, which are likely to accumulate over a period of months when unemployment is trending either upward or downward.

A question arising out of the estimated transfer function model concerns the nature of the lag structure detected. The CCF in Table 3 indicates quite clearly that only the two-month lag is significant. What that means in substantive terms, however, is that the public, in assessing Mr. Reagan based upon the national unemployment rate, ignores the most recently available data and instead judges the rate from two months earlier. Such a delayed reaction to economic developments seems, upon reflection, entirely appropriate. The economic developments for any given month never become known until a week or two into the following month (as they are reported in the media). Following that, a period of public gestation may be required before the public is willing to form a political opinion which takes into account the economic changes. One of the reasons for such a delay might be a desire for subsequent information either confirming or negating the initially observed change. Thus, for example, a one-month jump in unemployment may figure in the public's judgment only if it is subsequently reinforced

⁷ A move up from 10.4 percent to 10.7 percent unemployed is equivalent to a change of 6.33 units—from 108.16 to 114.49—when those rates are squared. Multiplying that change by the coefficient (-0.234) translates into a decline of 1.5 points in presidential popularity. The move downward from 7.3 percent to 7 percent, on the other hand, represents a decline of only 4.29 units—from 53.29 to 49.00—which translates into a gain of only a single point in presidential approval.

by a continued, upward trend in that measure. If unemployment instead turns back downward in the ensuing month, the initial “blip” is likely to be dismissed as an aberration, with no attribution of responsibility required. In sum, the two-month lag discovered here seems quite reasonable.*

Finally, however, there is the problem of incomparability of the demonstrated effects for the two nations. While the intent of the present investigation is, admittedly, to determine whether there *are* similarities in the ways the American and British publics evaluate their leaders, nevertheless finding significant results for the United States but not for Britain in the present context is rather puzzling. The U.S. political culture is, by all accounts, the more individual based, so that governmental responsibility for joblessness should be *less* pronounced in the United States than in Britain. Further, Mrs. Thatcher seems to have been less concerned with softening the impact of her economic policies than Mr. Reagan was with overcoming the poor public perception of his program (Schier and Vig, 1985b). Finally, the cross-national differences in familiarity with (and therefore, presumably, tolerance for) continued high unemployment—with unemployment historically much higher in the United States—coupled with the much more extreme nature of the problem in Britain⁹ point toward an expectation that if the effects of rising unemployment are to be felt anywhere it should be in Great Britain. And yet precisely the reverse pattern is revealed in this analysis. Instead of looking for more evidence as to how the economy may influence political evaluations, it may be more fruitful to turn our attentions to the opposite direction.

An Alternative Approach to the Political-Economic Question

With all of the many different angles from which researchers have launched their assaults on the question of a politico-economic connection, it is noteworthy that the most consistent finding concerns the significant, sizable explanatory power of a lagged, endogenous term when one is included in the analysis (see, e.g., Kernell, 1978; Ragsdale, 1984). In other words, the thing that best explains monthly movements in presidential popularity is *popularity itself*. This is true even when both economic and noneconomic variables are also included in the analysis (Norpoth and Yantek, 1983).

Few would want to claim, I think, that this month's level of presidential approval actually “causes” next month's level. Rather, the strong, explanatory power

*Lawrence Kudlow, former chief economist at the Office of Management and Budget, confirms the likelihood of the two-month lag, noting, “The pollsters tell us that the public perception of a weak economy is six to eight weeks in forming” (quoted in Rasky, 1986).

⁹Unemployment in Great Britain rose—almost monotonically—from 5.5 percent in June 1979, Mrs. Thatcher's first month in office, to 13.3 percent in May 1985, the last month for which data is available here on her tenure. In contrast, Mr. Reagan started out with unemployment at a 7.5 percent level, from which point it climbed to 10.7 percent before falling gradually to 7 percent in October 1985, the last month analyzed for his term.

accruing to the lagged value of the popularity variable is simply a reflection of the highly autocorrelated nature of the series. Mueller (1973, pp. 205–08) was the first to observe the regular, cyclical pattern of decline in presidential support scores. He termed the phenomenon the “coalition-of-minorities” effect, ascribing it to the steady alienation of more and more groups within the population because of unfavorable presidential decisions. Stimson (1976) takes Mueller’s analysis one step further by applying to recent cycles in executive popularity a geometric model that confirms the regular nature of the pattern.

Perhaps the most satisfying treatment of the phenomenon is provided by Sigelman and Knight (1983), who explicitly test Stimson’s expectation/disillusion hypothesis. The idea here is that the public’s expectations for any new administration are unrealistically high. The subsequent, prolonged slide in popularity that has been observable for every president since Kennedy is simply a recognition that those expectations cannot be met. Sigelman and Knight confirm the simultaneous decline in expectations and popularity, but reject the idea that the former accounts for the latter. Instead, the authors conclude that both declines are attributable to a mounting, public perception of presidential ineffectiveness.

Whatever the title applied to the phenomenon—coalition of minorities, expectation/disillusion, or perceived ineffectiveness—it is impossible to overlook the regularity of the past two and a half decades. Across periods of deep economic recession and sustained economic growth, across one major war and a series of lesser military entanglements, across a range of personality types from Johnson and Nixon through Kennedy and Reagan—still, the pattern persists: presidents start out enjoying the great goodwill of the people but inevitably lose it.

Recognizing the recurrence of the presidential popularity decline syndrome and trying to account for that phenomenon, I realize it is time to let the evidence speak for itself. What I suggest here is a somewhat radical reconsideration of the very way in which the problem is treated. Rather than try to come up with a laundry list of “explanatory” variables, let us determine first whether the series can “explain” itself. Once the *internal* process that drives the series is controlled, how much variation in the series is left to be accounted for?

The methodology for answering that question is straightforward. It involves the estimation of a univariate ARIMA model (Box and Jenkins, 1976) for the popularity series. The residuals—the variation left unaccounted for by the model—represent the movements that the autocorrelated nature of the series cannot explain.¹⁰

As it turns out, the popularity series for both Mr. Reagan and Mrs. Thatcher are simple difference processes. In other words, each series is best described as a collection of random month-to-month movements about a deterministic trend.

¹⁰See Granger (1969) for a more thorough discussion of this theoretical notion of causality.

TABLE 4
Univariate Model Estimation for President and Prime Minister Popularity

	United States	Great Britain
Model	$(1 - B)\text{APPROVAL}_t = a_t$	$(1 - B)\text{APPROVAL}_t = a_t$
Ljung-Box Q (12 d.f.)	10.4 ($p > .50$)	11.5 ($p > .25$)
Standard deviation of residual series	3.35	3.36
R^2	.810	.761
N	57	71

Taking the first differences of the series (i.e., subtracting from each month's approval rating its value during the immediately preceding month) produces a series of uncorrelated (white noise) residuals. So pronounced is the built-in trend of the series, however, that an impressively large portion of the variance in each series is accounted for. As Table 4 reveals, more than 75 percent of the variation in each of the president and prime minister approval variables is accounted for by the internal mechanisms (i.e., autocorrelation) of the series themselves.¹¹

The important point here is not any claim that a new, alternative explanation has been discovered for the movements in public evaluations of executive performance. Rather, the implication of this analysis is that not much else in the way of additional explanation is even *needed*, for the two popularity series pretty much explain themselves. For whatever reason, one month's approval score is simply a random variation on the previous month's theme. Looking to economic cycle variables, or to war-related incidents, or to rally around the flag effects, or to personality quirks of the incumbent may add marginally to the ability to track popularity scores across time, but the emphasis must be on the word "marginally." In the next section I develop a theory to account for the regularity just documented. While the theory is laid out specifically with regard to the U.S. case, its application to the British case (as well as to other countries) will, I hope, be obvious.

Mediated Public Perceptions of Executive Actions

One of the verities of modern political life is that governments will try to control the images of themselves that are presented to their publics. Given such concerns, it is not surprising that presidents assume an active role in attempting to sway popular opinion to their favor (Edwards, 1983, ch. 2). The mass media

¹¹ It is worth noting in the U.S. case that whereas fully 81 percent of the variation in popularity is internally accounted for (see Table 4), the inclusion of an economic variable as a causal agent (see equation 1) accounts for only an additional 1.9 percent of the variation. Clearly, the economy matters much less than the regular, self-driven pattern (admittedly unexplained) of popularity decline.

are viewed, in this context, as the primary instruments in those efforts to influence public attitudes. This is particularly true given the essentially exclusive reliance, by the public, on the mass media for news concerning the president (Grossman and Kumar, 1981, p. 6). Kernell (1986) emphasizes precisely that point in his discussion of presidential leadership strategies: "What the public learns from national news about the state of the country and from the president's competitors about his performance will frequently be more relevant than personal experience in their evaluations of him. . . . If the public now pays closer attention to politics in Washington than before, it is not because citizens today are somehow cognitively processing political information differently. Nor has there been a national epidemic of "Potomac fever." Rather, the reason is simply that citizens are exposed to more, and to more critical, information about the president than ever before" (p. 179).

Such increased levels of public exposure to presidential news are not mere happenstance. Rather, the White House is deeply concerned with coordinating the news of the president that is received by the public.¹² Recent administrations have produced both increased levels of such activity (see, e.g., Grossman and Kumar, 1981, pp. 92–93; Kernell, 1986, ch. 4) as well as improved White House capabilities for directing the "slant" of presidential news (Hess, 1984, pp. 39–40). So important are those efforts at manipulating press coverage that top presidential aides meet literally on a daily basis in order to plan media strategies (Weisman, 1984).

That such image-driven, media-focused activities are now a dominant item on the White House agenda is no longer a point of dispute. Clearly, recent administrations have become preoccupied with "managing" the news. What has been much less in evidence has been a consistent pattern of success in such instrumental endeavors. As Grossman and Kumar (1981) point out, "The continuing character of the coverage of the White House can be seen in two important fluctuations that appear in almost every administration: the number of stories and their tone. The largest number of stories and the largest number of favorable stories appear during the first year. Rarely does the tone rise after that first year" (p. 259).

Although alarmists constantly are warning of the dangers of presidential control over media coverage of the White House, the record indicates that those concerns have been, for the most part, unfounded. In fact, given the amount of attention presidents have given to their media relations, coupled with the tremendous resources available to them in pursuing that quest, the question naturally arises as to why there has been such a history of failure. In other words, why

¹²Edwards (1983, ch. 3), for example, discusses the services provided for the media by the White House communications staff to aid in their dissemination of presidential news. Among those aids are background briefings, exclusive interviews, press releases, photographs, and "logistical support," including transportation and lodging arrangements during presidential excursions, installation of equipment for radio and television broadcasts, telephone banks for print journalists, and detailed schedules of, and information concerning, locations to be visited during the trip.

have presidents *not* been successful in gaining consistently favorable media coverage of their administrations?

One explanation comes from no less a White House insider than Henry Kissinger. Speaking on the erosion of executive popularity, Kissinger explains, "There is the problem that as the pressures of their electoral processes have increased, governments have become more and more tactically oriented. The more tactically oriented they are, the more short-term their policies. The more short-term their policies, the less successful they are. So we have the paradox that governments following public opinion polls begin to look more and more incompetent. As they look incompetent, confidence in government begins to disintegrate" (quoted in Kernell, 1986, p. 174).

Thus, we have the seemingly anomalous phenomenon of an ever-increasing attention to popular perceptions resulting in a steady disintegration of those same opinions. A second explanation of the White House's failure to manage the news is provided by Grossman and Kumar (1981), who argue that the combative nature of the press accounts for the unfavorable depiction of the president.

Although White House officials have retained the powers that led them to their traditional positions of advantage over the media, many organizational changes and alterations of the rules of reporting have worked in favor of the press. The enlargement and institutionalization of the White House publicity apparatus has provided the President with mechanisms to influence and at times control what news organizations present to the public. At the same time, the increased ability and willingness of news organizations to present an independent and critical version of White House activity to the public is one of the most important recent changes involving the status of the media in national political life. (p. 303)

Finally, Tatalovich and Daynes (1984) contend that, despite constant attempts to do so, we should not expect the president to be very successful in managing public opinion.

In terms of the resources available to the president, however, this role [of public opinion leader] is the weakest [of all the presidential roles]. This relative weakness is explained by the fact that opinion/party leadership evolved much later in our history [than did the other roles]. . . . Few presidents have been master of public opinion throughout their terms of office; clearly, success in this role depends a great deal on the incumbent's personal skills—influence rather than authority. The importance of personal prowess is not surprising, since the authoritative bases for opinion/party leadership are not well established. (p. 81)

The implication—for the larger argument of this investigation—of the preceding discussion is twofold and points precisely to the kind of declining popularity pattern that has been so much in evidence over the last few decades. On the one hand, presidents and their aides spend so much time grooming a consistent White House image that *at least* a limited agenda-setting capability is realized (Hess, 1984, p. 111). What is most noteworthy in this context is the *continuity* of the president-press relationship, for "in contrast to the view that they are adversaries whose relations recently have undergone dramatic change, . . . the White House and the news media are involved in a continuing relationship rooted in

permanent factors that affect both sides no matter who is president or who is doing the reporting. Continuing forces shape both sides more than specific incidents, however traumatic, or the impact of particular personalities, however unusual" (Grossman and Kumar, 1981, p. 14).

On the other hand, as has been noted already, presidents have been less successful in guaranteeing for themselves a consistently *favorable* press. Instead, we observe a regular pattern of honeymoon-estrangement-detachment. Early in a given administration, both media and White House personnel go through a learning process in which each attempts to discover what can be gained from the other and from whom it can be obtained. During this "honeymoon" phase the media tend to rely on human interest stories surrounding new White House personnel, with much less attention to the kind of substantive/analytic story that will come to dominate later phases of the relationship. Courtesy inevitably gives way to distrust, however, and is finally followed by a more removed state of presidential press relations (Tatalovich and Daynes, 1984, p. 93).

What we have, then, is a situation in which public perceptions of presidential performance inevitably arise out of media depictions of White House affairs. Because of the regular (consistent) nature of those images, public opinion can be expected to change only slowly (barring some momentous event), so that opinion poll ratings should appear, speaking statistically, as highly autocorrelated. At the same time, given the combination of White House mismanagement of media ploys and press antipathy toward those efforts, a pattern of steady erosion should be the norm. In fact, an examination of recent presidencies would reveal just such a pattern of autocorrelated decline.¹³ As the fifth section of this paper reveals, that structure applies as well to executive popularity ratings in the British context.¹⁴

¹³The Reagan presidency has been unusual in its ability to recover from the first two years of decline—having done so both more quickly and more vigorously than its predecessors—and to maintain that recovery well into its second term (refer to Figure 3). It is worth recalling in this regard, however, that the Reagan administration has also been unusual in its expertise in dealing with the media (Weisman, 1984).

¹⁴The just developed argument relating the erosion of presidential popularity to the pattern of coverage by the mass media can be extended (increasingly) to the British case, although some significant differences separate the two systems. British national politics, obviously, are much more focused on party while American politics tend to be personality dominated. Moreover, the public nature of the broadcast media in Britain results in coverage of national politics that is more evenly divided in its attentions to the major parties, unlike the American media, which tend to focus much more on the individual(s) holding power in the majority party only. Despite those distinctions, the British system seems to be slowly evolving to a state resembling the American. Sampson (1982, p. 30), for example, notes that television and the press have served, in recent years, to magnify the role of the party leaders, so that the system is now more nearly "presidential" in character. Similarly, Himmelweit, Humphreys, and Jaeger (1985, pp. 222–30) discuss the heightened electoral role of the mass media in terms that are identical to those used by others to describe the American situation. They, too, observe an increased attention to coverage of political *leaders* (at the expense of the parties). Thus, the media-based argument developed in this section clearly has application to the British situation.

Conclusions

This investigation was undertaken with the intention of discovering similarities with respect to the ways by which the American and British populations judge their political leaders. It was expected, given the nature of the economic times during the Thatcher/Reagan tenures, that an excellent opportunity was available for analyzing the effects of inflation and unemployment on executive popularity. That initial level of optimism has not been justified by the data. After controlling for common, time-determined movements in the economic and popularity series, only limited evidence was found to link variations in executive approval rates to changes in the economic measures. This is true even though several models of public judgments of the economy—a simple reward-punishment model, an asymmetric model, and a “crisis” model—were estimated. Thus, parallel patterns of public evaluations of president/prime minister performance *have* been found, but not in the way I had expected: in both countries (with one qualification for the United States), the economy is found *not* to matter in the month-to-month ratings.

An alternative, atheoretic approach to the study of executive popularity demonstrates that the two approval series are quite alike in that both are highly time-determined. After controlling for the *internal* momentum in both the president and prime minister approval series, there is not a great deal of variation that remains to be explained. With at least three-fourths of the variance accounted for by the dependent series themselves, the simple univariate models of executive popularity approach (or, in many cases, actually outperform) in explanatory power the complex, often exceedingly detailed, multivariate models that have been developed elsewhere.

None of this is to suggest that the economy never matters in public assessments of political affairs. Specifically, monthly opinion polls are different in kind from ballots cast for an incumbent government or its opposition during an actual election. In the latter case, it may well be that the rhetoric of the electoral process and the isolated (from one another) nature of elections focus sufficient attention on the economy so that economic judgments *are* made.

During the “normal” periods between elections, however, the rhetoric diminishes, and presidents and prime ministers are better able to control the public forums and to use them to their advantages (Ragsdale, 1984). With no sack of alternative, economic policies available for purchase by the consuming electorate, attributing blame to the government for the state of the economy is a less likely behavior for a large chunk of the population. As Ostrom and Simon (1985, p. 351) suggest, “It is noteworthy that high unemployment or inflation are not, in and of themselves, necessary conditions for the erosion of popular support. Instead, high levels of the two measures and a substantial degree of public concern with economic problems are required. . . . These results suggest that, insofar as

political economy is concerned, the president has at least one additional lever at his disposal. Namely, he can try to deflect attention away from the economy when things are bad.”

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