

DIVIDE AND RULE:
ECONOMIC VOTING IN ETHNICALLY-
DIVIDED SOCIETIES –
THE CASE OF BOSNIA AND HERZEGOVINA

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ABSTRACT

While it is generally acknowledged that the economy has an effect on voting behaviour, there has been little work done on that subject in multi-ethnic societies. Ethnic divisions provide incentives for political participation along ethnic lines. This paper investigates the extent to which unemployment affects both voter turnout and the electoral success of incumbent parties in a multi-ethnic environment. Using data based on national electoral results in Bosnia and Herzegovina, the empirical analysis shows that the effect of unemployment on voting behaviour is moderated by the level of ethnic division in the municipality. Economic voting is present in more homogeneous areas, in which unemployment seems to account for more electoral mobilization and less vote for the incumbent parties. However, the mechanism is not working in more ethnically heterogeneous areas. These findings suggest that ethnic divisions are encouraging lack of accountability from the incumbent parties and exculpate them for poor economic performance.

KEY WORDS: Economic voting, unemployment, ethnic divisions, political accountability

1. INTRODUCTION

*'When you think economics, think elections;
When you think elections, think economics.'*

(Edward R. Tufte, Political control of the economy, 1978)

The fundamental rationale behind elections is simple. 'Through elections, citizens can choose their representatives, control their govern-

ments and make their preferences heard' (Sundström and Stockemer 2015, 4). Once in office, political representatives are expected to respond to citizens demands and address them through appropriate policy outcomes. Voters' evaluations of the government's performance are usually mirrored in their political decisions whether to vote or not and their vote choice. Thus, besides political representation, the question of accountability is central to empirical research in any democracy. Based on the context, it can be measured along different dimensions. Nevertheless, the reward – punishment hypothesis has prominently been examined with regard to economic performance. 'In order to ascertain whether the incumbents have performed poorly or well, citizens only need to calculate the changes in their own welfare' (Fiorina 1981, 5). Hence, the link between economic performance and electoral outcomes, known as 'economic voting', became very popular in research on retrospective (performance) voting (Rosenstone 1982; Lewis-Beck and Paldam 2000). Economic voting refers to the influence of the economy, at a given time point, on voting patterns. Put simply, it posits that 'when the economy is doing well, voters will vote for the political party in power; but when the economy is performing badly, voters will vote against the incumbent party' (Lewis-Beck and Stegmaier 2000, 183). Indeed, there is a firm consensus within the academic literature regarding the link between high or rising unemployment (as an macro-economic indicator) and 'anti-incumbent' voting (Anderson 2000; Downs 1957; Bengtsson 2004; Jonathan Rogers, Marcelo Tyszler 2012).

However, while there is a consensus that vote shares received by the incumbent depend heavily on economic conditions, scholars disagree on the effect of economic factors on voter turnout. Notably, two rival set of explanations have emerged from the literature. The first set of explanations argue that unemployment reduces voter turnout, because economic hardship makes citizens less likely to vote (Radcliff 1992, 1994; Rosenstone 1982; Southwell 1988). In marked contrast, the second set of explanations contends that economic hardship, and especially high levels of unemployment, strongly encourages voter turnout. As citizens are more responsive to difficult economic circumstances and negative news, economic hardship has a mobilizing effect (Bloom and Price 1975, Kernell 1977, Fiorina and Shepsle 1990). It is worth noting at this point, however, that a limited number of studies have asserted that there is no relationship between the economic situation and turnout (Arcelus and Meltzer, 1975, Fiorina, 1978).

To date, studies of economic voting have predominantly focused on the cases of established democracies—and notably, the United States of America (USA) (Lewis Back and Stegmaier (2000, 184), where economic issues are

often of central importance for the general population. Much less attention has been paid to the distinct experience of ethnically-divided societies, despite their inherent suitability as a test-case. Ethnically-divided societies are frequently characterized by the prevalence of ethnic parties and ethnic voting patterns, even in the face of significant and publically-recognized economic challenges. But to what extent do ethnic voting patterns supersede economic voting? Is there a relationship between unemployment rates and voter turnout in multi-ethnic societies? This paper analyses whether unemployment affects both voter turnout and incumbents' vote share in a context in which it has not been analyzed before: divided ethnic societies with elements of consociationalism, which aims at fair representation of different ethnic groups, but provides further incentives for political participation along ethnic lines.

In this paper, I argue that economic voting does exist in ethnically-divided societies. Appreciative of the fact that deciding for which political party to vote is much more complex and voting behaviour is a result of multiple factors, the aim of this paper is to fill in a small part of the 'funnel' showing that unemployment level influences voting behaviour and turnout even in a multi-ethnic context, where ethnic parties form a basis for the political system, *per se*. However, I hypothesize that the effect of unemployment on voting behaviour is influenced by the level of ethnic divisions. As such, economic voting patterns should be more likely to be discernible in areas characterized by a homogenous ethnic makeup. In this scenario, high levels of unemployment should mobilize citizens to turn out to vote against the incumbent political parties. Thus, unemployment should have a positive effect on voter turnout and a negative effect on vote share for the incumbent parties. In contrast, in ethnically-heterogeneous areas I expect the effect of unemployment on voting behaviour to vanish: I predict no economic voting in these areas. This is because voters in areas where no ethnic group has majority status are more likely to refrain from punishing incumbent politicians for poor economic performance out of fear that the political representatives from other ethnic groups may gain relative political advantage. In short, areas characterized by an ethnically diverse population are more likely to display ethnic, rather than economic voting patterns. Consequently, I expect unemployment rates to have little to no effect on voter turnout and vote share for incumbent parties.

Economic voting in this study is evaluated on the basis of aggregate level data, by looking at the link between the unemployment rate, as the country's macroeconomic indicator, and national election results at the local level. The study focuses on the case of Bosnia and Herzegovina, as a 'least likely' case (Levy 2008; Rohlving 2012) for non-ethnic (economic) voting. Building on earlier work (Bieber 1999, 2003, 2011; Horowitz 1985),

this paper generates insights on the existence of alternative voting patterns in an ethnically-divided society. In this way, the paper adds to contemporary scholarship by enlarging the evidence base—and in particular, by reinforcing the link between the economy and electoral outcomes in ethnically-divided societies.

2. PREVIOUS RESEARCH

Prior research on voting behaviour has shown vote intention and vote choice to differ due to disparate resources, interests and incentives on the individual level, related with socio-economic, political and institutional characteristics at the aggregate-level (Geys 2006; Verba, Schlozman, and Brady 1995). More specific discussion regarding the effects of economic conditions on vote choice emerged within the literature in the mid-twentieth century (Downs 1957). Many scholars have argued that voters' perception of their government's economic performance directly and consistently affects their voting patterns (for an overview see: Lewis-Beck and Paldam 2000). The common standpoint is that, voters will cast a vote and reward the government if the economy is strong and vote against (punish) the government if the economy deteriorates (Rowe 2013). Earlier studies of economic voting have confirmed that incumbent governments are held responsible for the success or stagnation of the economy, and are accordingly punished or re-elected. As Lewis-Beck and Stegmaier (2000, 211) have argued, 'citizens' dissatisfaction with economic performance substantially increases the probability of a vote against the incumbent'. This type of economic voting is known as 'incumbency-oriented' voting (Dassonneville and Lewis-Beck 2013).

The literature has refined its initial simplistic argument to include two conditions for the existence of economic voting. First, the attribution of responsibility to the government for economic performance (Anderson 2000; Nadeau, Niemi, and Yoshinaka 2002; Powell and Whitten 1993). Second, the existence of political alternatives, which offer citizens the opportunity to express their discontent by voting for another party (Lewis-Beck, 1988; Anderson, 2000, 2007). According to Williams et al. 'in the case of cabinets controlled by one party, voters can easily identify which party or leader is responsible for the country's economic situation', whereas 'coalition governments can make it more difficult for voters to assign credit or blame' (Williams, Stegmaier, and Debus 2017, 1,3). Different levels of government and coalition formations (Anderson 2007), i.e. when there is no clear-cut incumbent government, add additional complexity towards this research. Thus, with regard to the first condition, many studies analyzed economic voting in countries with multi-level systems, where potentially different responsibility attribution applies. For such cases which

are complicated by coalition governments and assume weaker economic voting for the coalition as a whole, recent research showed that voters do still engage in economic voting by targeting the major party in the coalition, i.e. the party of the Prime minister (Williams, Stegmaier, and Debus 2017; Debus, Stegmaier, and Tosun 2014). Furthermore, even in cases when coalition formations show an obstacle for the evaluation of the government's economic performance, the literature found that voters are expected to hold the national government accountable for local (municipal) unemployment conditions when local and national economic conditions are correlated and when unemployment is a socially-centered and politicized issue, which is the case in high-unemployment contexts such it is in Bosnia and Herzegovina (Incantalupo 2011), but also in cases where parties in local leadership and national government overlap.

However, the link between economic hardship and electoral turnout has been less studied in the literature. The idea that the economy affects voter turnout was initially developed by Rosenstone (1982) and Radcliff (1992). In their seminal works, the authors found that individual economic downturns have a demobilizing effect on voting behaviour and people are less likely to vote. The withdrawal from the political system is predominantly explained by reduced resources, feelings of alienation and greater attention given to the individual's own personal circumstances. The dominant message conveyed through the scholarly literature is that economic hardship has a discouraging effect on citizens, making them less active on the political scene. Later on, further scholarly contributions confronted these results with different findings. One of the central developments refers to the finding of a mobilizing effect of unemployment on voter turnout. The mobilizing effect of economic hardship on electoral participation is partially linked to empirical findings which show that voters reactions to negative changes are more intense than reactions towards positive changes (Alvarez, Nagler, and Willette 2000). This is known as the 'grievance asymmetry' (Lewis-Beck and Paldam 2000). Rowe additionally contributed to this debate by claiming that the 'decision to vote or not is also contingent upon who there is to vote for, and not solely upon whether the macroeconomy is good or bad, or whether a person is better off now rather than six months ago' (Rowe 2013, 806). Lack of alternatives for which citizens could cast a vote, could undermine the economic vote and result in abstention (Rowe 2013).

Nonetheless, the literature on economic voting received an overwhelming empirical confirmation for advanced industrial democracies (Dassonneville and Lewis-Beck 2013; Lewis-Beck and Stegmaier 2000; Lewis-Beck and Paldam 2000; Nadeau, Niemi, and Yoshinaka 2002;

Rowe 2013; Powell and Whitten 1993; Alvarez, Nagler, and Willette 2000; Weschle 2013). So did the investigations of the economy and turnout (Burden and Wichowsky 2014; Southwell 1988; Rosenstone 1982; Wolfinger and Rosenstone 1980; Kinder and Kiewiet 1979). Even though the literature has evolved and covered more and more countries, it has paid almost no attention to ethnically-divided countries. Research has thus neglected the link between economy and vote choice in ethnically-divided societies, where ethnicity is a salient issue and ethnic representation is commonly a more important aspect than accountability. Similarly, little attention has been paid to the relationship between economic hardship and voter turnout in such societies. Indeed, ethnically-divided societies represent a least likely case for economic voting patterns, as economic concerns are likely to be overtaken by ethnically-motivated matters. Representation of ethnic groups and their empowerment through democratic institutions often receive priority in these contexts. The aim is to guarantee these ethnic groups to peacefully cohabituate without ethnic conflict and not to underestimate, it is often the only solution for keeping a divided country together. Moreover, ethnically-divided countries are under-researched with regard to economic voting due to the fact that government responsibility is more easily assigned in two-party political systems than in collective governance systems (power sharing coalitions), which are frequently in place in these societies which are divided along ethnic lines. This lack of 'clarity of responsibility' (Anderson 2000) may also account for the limited research. The incumbent government is commonly composed of the main and most popular ethnic parties representing each ethnic group. This is the case in Bosnia and Herzegovina, but certainly this selected case study is no exception. To defect and vote for the opposition, would mean for the voter to vote for a less ethnic, multi-ethnic or non-ethnic party. Some authors consider this contrast to be more appropriate and precise to measure economic voting, rather than the contrast between incumbents and non-incumbents. However, as regards the theory of economic voting in classic terms, it is incumbency oriented so that the 'elector judges past economic performance, and on the basis of that assessment votes for or against the political incumbent' (Lewis-Beck and Stegmaier 2008, 303). Lack of alternatives for which citizens could cast a vote or present alternatives which the voter does not perceive sufficiently ethnic in their nature, could thus undermine the economic vote and result in abstention (Rowe 2013).

For these reasons, previous research on voting behaviour in ethnically-divided societies has focused primarily on ethnic voting patterns and existing incentives for such behaviour, such as institutional factors (i.e. PR electoral systems and consociationalism), strong ethnic identifica-

tion, ethnic antagonisms, fear and anxiety (Bieber 1999, 2003, 2011; Barry 1975; Bogaards 1998; Andeweg 2000). To a large extent, ethnic voting has been attributed to the presence of the consociational elements, which are embedded in their democratic structures (Hulseley 2010; Manning 2004; Caspersen 2004). Arend Lijphart (1977, 1975) coined the concept of consociational democracy, as an archetypal interpretation of power-sharing. It aims at fair representation of different ethnic groups, but ironically provides further incentives for political participation along ethnic lines (Lijphart 1975, 1977, 1997, 1999). Consociationalism is envisaged as a guarantee for a solid democratic future, by offering political representatives from different ethnic groups equal share of political power: that is to say, proportional representation (Touquet 2011). The rigid institutional design promoted by consociationalism is mostly visible through highly decentralized state structures. As noted by Touquet, 'each group must legally be represented in a grand coalition government' (p. 452). Public administration is also based on the principle of proportionality (Touquet 2011). The whole political system is basically built on ethnic divisions and ethnic parties, aiming primarily to offer equal representation for each ethnic group. Ethnic voting is consequently mostly practiced in such divided societies, due to the fear of underrepresentation of one's own ethnic group and regardless of the government's economic performance. Thus, accountability is perceived to be of second priority in these contexts. Ethnic representation comes first. Many consider consociationalism to be a good characteristic because the minorities are given collective rights and equal representation in the government (Cohen 1997; Lijphart 1977, 1999). Nevertheless, proportional representation (as an important consociational feature) has been criticized by many scholars for mobilizing voters along ethnic lines (Horowitz 1985; Reilly et al. 1999; Rokkan 2009; Sisk and Reynolds 1998; Wilkinson 2006) and for exculpating incumbent governments for poor performance, including but not limited to the aspect of economy.

3. AN ALTERNATIVE ARGUMENT

The aim of this paper is to challenge the dominant standpoint that in an ethnically-divided society there is only ethnic voting behaviour. I argue that in an ethnically-divided society higher levels of unemployment stimulate more people to vote and despite the inducing factors for ethnic voting patterns (i.e. elements of consociationalism), economic voting is present even in such societies. Specifically, this article aims to show that the effect of unemployment on both voter turnout and vote share for incumbent parties is moderated by the level of ethnic divisions at the municipality level. What is expected is that in more homogeneous areas with less ethnic divisions, economic voting behaviour should be more present. Unem-

ployment is expected to have a positive effect on voter turnout and a negative effect on the vote share for incumbent parties in homogeneous areas. Building upon the 'responsibility hypothesis', which presumes that the 'voter observes the economy, judges its performance and alters his/her vote accordingly by rewarding or punishing the incumbent' (Lewis-Beck and Paldam 2000, 119), citizens are supposed to hold the representatives accountable for the economic downturn and the economic hardship is expected to mobilize them to a higher degree in order to express their discontent and punish the responsible ones.

By contrast, in more heterogeneous areas the effect of unemployment on voting behaviour and turnout will vanish. I predict no economic voting in these areas. The reason is that economic voting in mixed ethnic communities could lead to an unfavourable zero-sum situation. In these areas where no ethnic group is the majority, it is more risky and costly to punish the members of government which you hold responsible for the high unemployment because this may help representatives of the other group to grow more powerful. Consequently, in more heterogeneous areas I expect unemployment to have no effect on both turnout and vote share for incumbent parties.

4. CASE SELECTION

Following the theory based case selection strategy, Bosnia and Herzegovina was chosen as a *least likely* case for non ethnic (economic) voting. Besides being economically undeveloped, institutionally divided and inefficient, religiously and ethnically heterogeneous, it is mainly a suitable case study due to the 'politicized ethnicity' (Weber, Hiers, and Flesken 2015), which makes ethnicity a cornerstone of politics and the party system, itself (Hulsey 2010; Manning 2004; Caspersen 2004). Thus, determining if Bosnian voters evaluate economic performance of the incumbent parties or if they rather take primordial alternatives based on ethnicity, poses a valuable task. Bosnia and Herzegovina is considered a deeply divided society. Ethnic divisions are omnipresent and ethnicity is a salient issue. According to Kapidžić 'in Bosnia and Herzegovina we may talk about segmented multi-party system with four party subsystems based on ethno-political social cleavages' (Kapidžić 2017). Annex 4 of the Dayton Agreement functions as the country's Constitution, which sought to freeze ethnic divisions and introduced a model of consociational democracy (power sharing). Ethnic groups in Bosnia and Herzegovina have been given constitutional significance, being described as 'constituent peoples'. Significantly, 'a large autonomy for each ethnic group is guaranteed through the highly decentralized state structure' (Touquet 2011, 453). The first article of the consti-

tution addresses the composition of the country, stating that ‘Bosnia and Herzegovina shall consist of the two Entities, the Federation of Bosnia and Herzegovina and the Republika Srpska (hereinafter ‘the Entities’)’. Bosniaks, Croats, and Serbs are referred to as constituent peoples (along with Others). According to Kivimäki at al. ‘the prime division of the conflict appears to be the disagreement on the form of the state, that is, whether it should continue to be a unitary state with the borders as they are today, or whether the door to territorial secession of the entities and/or ethnic groups should be opened’ (Kivimäki, Kramer, and Pasch 2012, 19). Furthermore, it is important to note that the ethnic differences are the crux of the fragmented political party system. Almost all parties represent and appeal to one certain group. Party competition does not exist in Bosnia across ethnic lines. One main reason for that are the strict implications of the consociational elements. Consociational elements, such as proportional representation, grand coalition, segmental autonomy and veto rights are incorporated in the constitution of the country and institutionalized. All the basic state-political institutions in Bosnia are structured according to the principle of proportionality and parity (Kasapović 2005). By and large, Bosnia is institutionally designed to accommodate ethnic divisions, promoting and aiming rather for representation, than for accountability. However, it is worthwhile to ask if the importance of ethnic identity does necessarily translate into ethnic voting and what role do economic conditions play? Unemployment is a social phenomenon and one of the greatest public concerns in Bosnia and Herzegovina. This ‘Unemployment-in-Context’, as framed by Incantalupo, makes the Bosnian electorate an interesting target group (Incantalupo 2011). Bosnia and Herzegovina is a newly democratized country, held captured by its overemphasized ethnic divisions which are embedded in the institutional framework. Therefore, considerable attention has been put on explaining the influence of ethnic identity, state structures and institutions on existent voting patterns. By testing the hypothesis of economic voting behaviour in a party system where ethnic parties are dominant and institutional factors conducive for ethnic voting behaviour, the empirical analysis of Bosnia and Herzegovina deepens our understanding of the role played by consociational elements, including other, similar cases in which ethnic voting would also have been more likely to assume. Furthermore, the case study under observation allows for the testing of the economic voting theory with regard to the level of ethnic divisions within the country. In this way, it is possible to identify variations of voting behaviour and voter turnout on the basis of different levels of ethnic divisions.

Consociational features like those present in Bosnia and Herzegovina, are also present in many other countries, which are also facing similar

challenges. As a result, this research has implications for other ethnically-divided societies.

5. DATA

The ideal data set for this study would be a comprehensive survey of individuals immediately after an election, in order to gather information on the evaluation of government economic performance, whether they had voted, for which party they voted and if they did not, why not. However, unlike in many democratic countries, pre- and post-election surveys do not exist in Bosnia and Herzegovina. Funding, resource and access issues have meant that I have not been able to gather individual data of the population to provide an accurate, reliable and unbiased account of voting patterns.

In order to overcome the absence of reliable survey data regarding Bosnia and Herzegovina, and for the purpose of the analysis, I have created a dataset that includes: the 2014 national election results disaggregated by municipality; municipal unemployment rates computed with data obtained from the Agency for statistics of the Federation of Bosnia and Herzegovina and the Republika Srpska Institute of Statistics; and data available on ethnic composition of municipalities from the 2013 population census in Bosnia and Herzegovina.

Whilst recognizing the limitations of drawing inferences about individual behaviour from aggregated data (ecological fallacy (Kramer 1983)), individual level data are perhaps not even necessary for the purpose of this study. Namely, economic factors could have an impact on voting behaviour, even if citizens as voters are not aware of those. Ultimately, this would hinder them to express their genuine motives at the ballot box.

6. OPERATIONALIZATION

As an indicator of the state of the economy, I use the unemployment rate, broken down by municipality. Unemployment is considered to be the most tangible measure of national economic performance. Previous research indicates that while voters show to have a limited knowledge of the macro-economy, they are relatively well informed on the issue of unemployment (Aidt; Paldam and Nannested in Lewis-Beck and Paldam 2000). The unemployment rate is calculated as the total number of unemployed citizens out of the total number of working age population.

Official electoral results at the municipal level were obtained from the Central Election Commission of Bosnia and Herzegovina for the year 2014. Two variables are constructed. The first variable is *voter turnout* which is operationalized as the percentage of citizens who

voted out of the percentage of registered voters. The second variable is the *incumbents' vote share*. This variable is operationalized as the percentage of votes received by the parties that were in office during the previous political term (2010–2014) out of the total valid votes. Out of the 65 parties, 24 independent candidates and 24 coalitions that were eligible to run for general elections in Bosnia and Herzegovina, six political parties were part of the coalition government at that time¹, namely: the Alliance of Independent Social Democrats (SNSD), the Serbian Democratic Party (SDS), the Social Democratic Party (SDP), the Party of Democratic Action (SDA) the Croatian of Independent Social Democrats (SNSD), the Serbian Democratic Party (SDS), the Social Democratic Party (SDP), the Party of Democratic Action (SDA) the Croatian Democratic Union of Bosnia and Herzegovina (HDZ), and the Croatian Democratic Union 1990.

Data from the 2013 census has been used to determine the ethnic composition of the population. I estimate the level of ethnic divisions by a variable ranging from 1–3. Value 1 is attributed to the municipality if one ethnic group is the majority representing more than 80 percent of the total population; value 2 is endorsed to the municipality if one ethnic group accounts for more than 60 percent of the population; and value 3 is used if none of the ethnic groups represent a majority in terms of the number of inhabitants. Bosnia and Herzegovina is divided into 141 municipalities. Nevertheless, as figures on unemployment are not available in six municipalities², the total number of units of analysis is 135.

7. RESULTS

Due to the small number of units of analysis (N=135 municipalities), I use bivariate analysis for the purpose of determining the empirical relationship between unemployment and election results. Table 1 presents the basic descriptive statistics of the computed variables, providing a preliminary summary of the data.

1 Data obtained through Central Election Commission of Bosnia and Herzegovina, www.izbori.ba

2 Istocni Drvar, Kupres, Vukosavlje, Donji Zabar, Istocni Stari Grad and Istocni Mostar.

Table 1

	N	Minimum	Maximum	Mean	Std. Deviation
Unemployment rate	135	1.25	38.00	18.72	6.76
Turnout rate	135	19.18	76.33	51.03	9.82
Incumbents' vote share	135	29.08	97.50	63.39	15.49
Level of ethnic division	135	1.00	3.00	1.50	.81
Valid N (listwise)	135				

Descriptive Statistics

The large differences in unemployment rates between municipalities could have various causes. They may be a result of the supply side, since in many rural municipalities work is in short supply and accessing the job market is for many very difficult. It is even more difficult for reasons of patronage practices. Political patronage as a trade of public sector jobs in exchange for votes is very common in such ethnically-divided and economically under-developed societies. Thus, not being close to the patron (political party), results in fewer employment chances. With regards to the private sector, there are fewer opportunities and certainly a mismatch between smaller and bigger municipalities, as well as poorer and more developed municipalities, which can account for the existent discrepancy in unemployment rates. Political patronage and voter disenchantment are to a certain extent also reasons for the different turnout rates.

As mentioned in the previous sections, unemployment is expected to have a positive effect on voter turnout and a negative effect on the vote share for the incumbent parties in ethnically homogeneous municipalities. By contrast, in heterogeneous areas the effect of unemployment on voting behaviour should vanish. Therefore, in ethnically heterogeneous areas I expect no effect of unemployment on turnout and vote for the incumbent parties. I argue that in more divided areas citizens of one ethnic group fear the growing power of the representatives of the other group, and so will not punish the incumbent even if the economy is struggling.

The relation between unemployment rate and election results is assessed using Pearson's correlation analysis. Municipalities have been classified in three groups from less to more ethnic heterogeneity (see section 6) and correlation coefficients have been computed taken each group separately. The results are showed in table 1. The coefficients in the first column show the relation between unemployment rate and voter turnout. The coefficients in the second column show the relation between unemployment rate and incumbents' vote share.

Table 2: Pearson's correlation coefficients for relation between unemployment rate and voter turnout, and for unemployment rate and incumbents' vote share, by level of ethnic division

Level of ethnic division	Voter Turnout	Incumbents' Vote Share
1 (low)	0,207*	-0,479**
2 (medium)	-0,132	-0,291
3 (high)	-0,006	0,570**

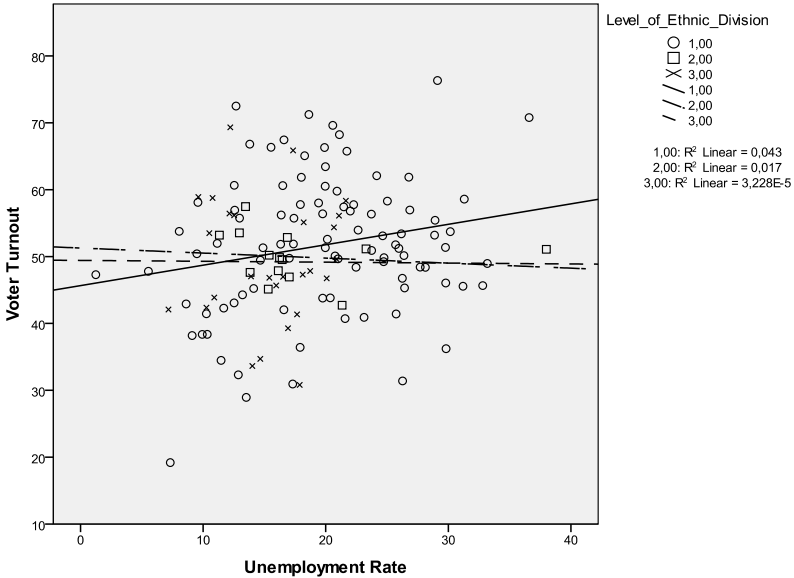
* $p < 0,05$, ** $p < 0,01$, *** $p < 0,001$

7.1. UNEMPLOYMENT RATE AND VOTER TURNOUT

Starting with the first column of table 2, the Pearson's correlation coefficient for the relation between unemployment rate and voter turnout is 0,207 for the municipalities with low levels of ethnic division. Although the correlation is low, is statistically significant ($p < 0,05$). The higher the unemployment rate, the more voter turnout in municipalities with less ethnic heterogeneity. I interpret this finding as evidence suggesting that in more ethnically homogeneous areas, unemployment has a mobilizing effect. Abstention decreases in municipalities with high unemployment rates. However, in municipalities with medium and, specially, high levels of ethnic division, the correlation between unemployment rate and voter turnout is almost non-existent and the coefficients are not statistically significant. In ethnically heterogeneous areas, economic conditions seem to be independent from voter turnout. These data confirm my expectations. While unemployment mobilize voters in ethnically homogeneous municipalities, citizens in more divided areas do not react to economic conditions.

Another way to identify the type of relation between economic conditions and voter turnout is graphically. Figure 1 shows a scatter plot for unemployment rate and voter turnout. Trend lines at the different groups of municipalities according to the level of ethnic division (low, medium and high) have been added.

Figure 1: Scatter plot for unemployment and voter turnout by level of ethnic divisions



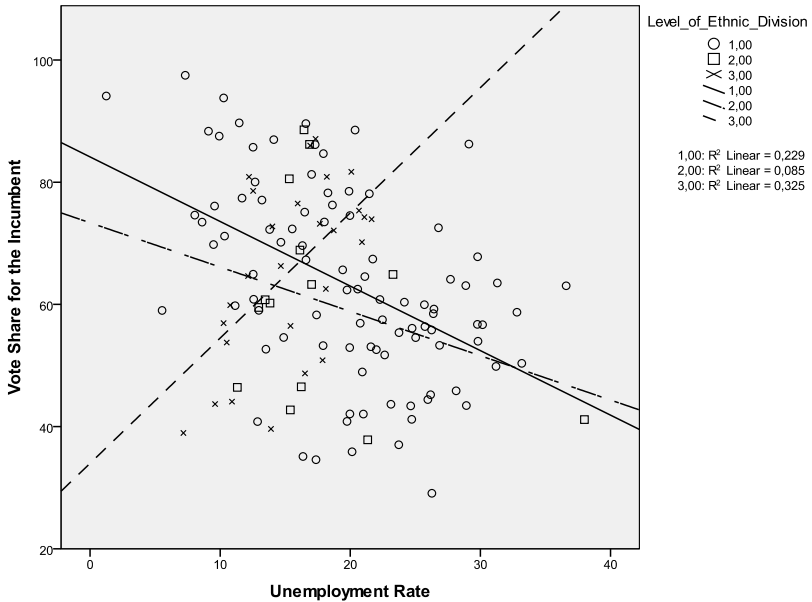
According to Figure 1, expectations regarding the effect of unemployment on voter turnout are confirmed. As hypothesized, there is a positive relation between unemployment rate and voter turnout with regard to homogeneous areas. As such, unemployment accounts for a mobilizing effect on turnout in municipalities where one ethnic group is numerically dominant representing more than 80 per cent of the total population. By contrast, the increase of unemployment has no effect on turnout in less homogeneous areas, as suggested by the almost flat trend lines for medium and high levels of ethnic division.

7.2. UNEMPLOYMENT RATE AND INCUMBENTS' VOTE SHARE

Regarding the relation between economic conditions and vote share for the incumbent parties, the second column of table 2 shows that the relation between unemployment rate and incumbents' vote share also depends on the level of ethnic division in the municipality. The Pearson correlation coefficient is negative and statistically significant for ethnically homogeneous municipalities. That means that the higher the unemployment rate, the less vote share for the incumbent parties in areas with low levels of ethnic divisions. This goes in the direction established by my expectations, which lays out that economic voting exists in such ethnically homo-

geneous areas and incumbent government is accordingly punished for poor economic performance with the loss of votes.

Figure 2: Scatter plot for unemployment and vote share for the incumbents by level of ethnic divisions



However, this is not the case in ethnically heterogeneous areas, where we observe the opposite scenario. I expected no relation between unemployment rate and support for the incumbent parties in non-homogeneous municipalities. In the light of the results of the Pearson correlation analysis, it is so in municipalities with medium levels of ethnic divisions, where the coefficient is not statistically significant. However, in municipalities with high levels of ethnic divisions the correlation coefficient between unemployment and incumbents' vote share is statistically significant and has a value of 0,57, which indicates a strong positive relationship ($p < 0,01$). Thus, again as initially expected, the higher the unemployment rate, the more vote share for the incumbent parties in ethnically heterogeneous municipalities. This finding seems contradictory, but may be explained by the concept of political patronage. Political patronage was shown to work better when ethnic divisions are more salient (Chandra 2007; Weingrod 1968; Kurtovic 2013). It creates 'an instrumental, benefit – seeking voter' (Chandra 2007:13) who is led by patronage benefits and economic security. Patronage benefits are mainly measured through public employment. The

positive correlation between unemployment and votes for the incumbent in heterogeneous areas can intuitively be explained by the expectations of the ethnic group members, that the electoral support of the incumbent will reward them with patronage benefits. In other words, if unemployment is high, the hope for public employment and benefits related with it, makes the citizens shut their eyes to the struggling national economy, as long as a 'strategic vote' for the incumbent can help them to improve their own financial security. The scatter plot showed in Figure 2 makes easier the interpretation of the relation between unemployment rate and vote share for the incumbent parties.

To sum up, analysis indicates that unemployment is positively associated with voter turnout only in municipalities with low levels of ethnic divisions, although correlation is low. The relation of unemployment and vote share for the incumbent parties seems to be stronger. Pearson coefficients are close or even above ± 0.5 . In ethnically homogeneous municipalities the more unemployment, the less vote for the incumbent. However, the relation is the opposite in municipalities with high levels of ethnic division. In ethnically heterogeneous municipalities, incumbents' vote share increases as the economic situation worsens.

8. CONCLUSION

This paper builds on the academic literature that investigates how the economy influences voting behaviour, which has to date tended to focus on more developed democracies. By looking at an ethnically-divided society with different levels of ethnic divisions, this study has sought to test the economic voting theory in a new context. It is a context where ethnicity is a salient issue, ethnic representation is of primary importance and the whole political system was envisaged to accommodate ethnic divisions and avoid further ethnic conflicts, rather than to ensure accountability. This political context of an ethnically-divided society makes it appealing to examine whether voters in these circumstances hold incumbents to account for poor economic performance and if there is any relationship between unemployment and voter turnout. The paper argues that economic voting does exist in divided societies and that the unemployment rate mobilizes citizens to vote, rather than making them withdraw from the political realm.

The results reveal, however, that the effect of economic conditions on voting behaviour is moderated by the level of ethnic divisions in the municipality. Economic voting is present in more homogeneous areas, in which unemployment has a double effect. On one hand, it seems to account for more electoral mobilization (higher voter turnout). On the other hand, it decreases vote shares for the incumbent parties. Never-

theless, the results are not the same for more ethnically heterogeneous municipalities, in which there is not a numerically dominant ethnic group. In fact, in areas in which the level of ethnic divisions is high, unemployment rate does not affect voter turnout. In such scenario, the analysis has showed even higher support of the incumbent parties as unemployment rate increases. The higher support of the incumbent is assumed to be evident due to reasons of patronage benefits these voters may more easily acquire if the incumbent parties (representing their ethnic group) are in power. For the incumbent parties such a political setting is suitable and according to the concept 'divide and rule', this strategy enables them not to be responsive of citizens' preferences and needs, but to be reelected, nonetheless. They keep encouraging divisions among the different ethnic groups, in order to get exculpated for poor performance.

Taken together, these results tell a rather sad story. They show that ethnic divisions are encouraging lack of accountability from the incumbent parties, which reiterate other findings, also using municipality-level data although with a slightly different focus (Hulsey 2010; Manning 2004; Caspersen 2004). This study, however, relates to the economic dimension. Taking into consideration that governments can be held accountable along different dimensions, it may be a sign of accountability along the ethnic dimension. Nevertheless, the findings of this study show that the rational calculus of voting as seen by Downs (1957) is not entirely applicable in divided societies. Not all individuals do vote for the political party that provides them with the highest level of individual benefits—that is to say, out of self-interest. Remembering that ethnically-divided and conflicted societies lack ethnic safety, security and integrity of the state in general, voters give importance to these aspects, as well.

Despite the fact that the results of this study are inferred from aggregates to individuals and are open to ecological fallacy charges, a number of other studies have confirmed the analysis of aggregate data as a reliable and accurate method of data collection. Besides, individual level data are perhaps not necessary for the purpose of this study, because economic factors could be influencing voting behaviour, even if citizens as voters are not conscious of those. Ultimately, this would hinder them to express their genuine motives at the ballot box.

The present research reveals some interesting findings while testing the hypothesis that community-level ethnic diversity affects the magnitude of the economic vote and level of turnout. As far as economic conditions are concerned, which this research linked to voting behaviour, it used municipality level unemployment data for one time point.

By expanding the research and looking at unemployment rates over time, the argument would be highly strengthened.

This study has introduced the question of economic voting in a new setting, namely an ethnically-divided society. It encourages further research on this topic, both in terms of a wider pool of case countries, as well as further testing the argument for the same case by using different data sources and time series data.

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SAŽETAK

ZAVADI, PA VLADAJ: EKONOMSKO GLASANJE U ETNIČKI
PODJELJENIM DRŽAVAMA – SLUČAJ BOSNE I HERCEGOVINE

Uprkos opće prihvaćenom stajalištu da ekonomija ima značajan utjecaj na glasačko ponašanje, jako malo akademske pažnje je do sada posvećeno dubljoj analizi ovog pitanja u multietničkim državama. Etničke podjele daju poticaj političkoj participaciji po osnovu etničke pripadnosti. Ovaj rad se bavi pitanjem da li nezaposlenost utiče na izlaznost na izbore i izborni uspjeh vladajućih stranaka i u kojoj mjeri je to slučaj u multietničkim sredinama. Koristeći podatke o izbornim rezultatima na općim izborima u Bosni i Hercegovini, empirijska analiza pokazuje da je uticaj nezaposlenosti na glasačko ponašanje uvjetovan obimom etničkih podjela u lokalnim jedinicama. Tako je ekonomsko glasanje prisutno u homogenim sredinama, u kojima nezaposlenost podstiče glasačku mobilizaciju, ali doprinosi i smanjenju glasova za vladajuće stranke. Ipak, u etnički heterogenim sredinama to nije slučaj. Dobijeni rezultati ukazuju na to da etničke podjele doprinose nedostatku političke odgovornosti vladajućih stranaka i iste ekskulpiraju za loša ekonomska dostignuća tijekom njihovog mandata.

KLJUČNE RIJEČI: ekonomsko glasanje, nezaposlenost, etničke podjele, politička odgovornost.