

Perceiving the Unobservable

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Perceiving the Unobservable

How Partisanship and Everyday Life Influence Citizens'
Perceptions of the National Economy

PhD Dissertation

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Leonardo da Vinci once said that “art is never finished, only abandoned.” Other famous people who saw the truth to this claim later replaced “art” with “poetry;” “art” with “movies;” and it would not surprise me if at least one frustrated graduate student has taken the liberty to substitute “art” with “a dissertation.” If not the case, I think it is about time that someone does, because a dissertation is never finished; only abandoned. Of course, you finish smaller projects as you muddle your way through – some of those might even get published and cited – but the bigger project that motivated this work will never be finished.

I was slow to realize this and in particular, to realize the importance of steering towards a bigger project. Admittedly, I still have difficulty with this. But I was lucky to have two dissertation advisers, Rune Stubager and Rune Slothuus, who both knew if not *the* path forward, then at least that there must be and needs to be a route somewhere. Trying to find this path is a source of incredible frustration and in that process, Rune Stubager has always given the impression that he believed in me no matter how gloomy things might have looked at my end. This sounds like a cliché, but I always had the impression that Rune really meant it.

I cannot count the hours that Rune Slothuus has spent, sometimes wasted, on hearing new ideas out. We have many things in common which has made every meeting, professional or not, worthwhile. But one thing that I sometimes wish I had more in common with Rune is his profound sense of quality. Rune has a rare ability to stimulate critical thought by both encouraging and being deeply skeptic of new ideas. Even after a casual meeting at the doorstep you walk away with a clearer argument and a couple of extra pages for the appendices. I was lucky to have Rune and Rune as my advisers.

As a graduate student at the Department of Political Science at Aarhus University you are already in a privileged position. You are surrounded by very ambitious and supportive colleagues. I was fortunate to get to know Lasse Laustsen from the very beginning. We have spent many hours together and it

has always been joyful and meaningful in particular because Lasse is one of the most energetic and honest people I know. After almost five years as a graduate student, I have also been fortunate to have many officemates. Poul Aaes Nielsen was my first long term officemate and I was lucky to have Poul around during my formative years as a graduate student. Poul has many qualities and he helped me realize that you should only do few things, but you should do it well. Roman Senninger has also been my officemate for quite some time and I am not sure what it is, perhaps his sophisticated sense of humor, his ambition or ability to learn, but it is always extremely giving to chat with Roman. Other short term officemates also deserves mention, in particular Mira Lindner and Elias Götz. Many other good colleagues has also made my five years as a graduate student very rewarding, in particular Camilla Denager Staniok, Josh Robison, Rasmus Skytte, Thomas Leeper, Ulrik Hvidman, Marie Kjærgaard, Morten Petterson, and Troels Bøggild, just to mention a few.

I have spent a good deal of time thinking about research design and modeling. Considering how much I have thought about these issues it is quite embarrassing to see what has actually come out of it. To the extent that there has come at least something out of it, it owes to Kim Mannemar Sønderskov, Gaurav Sood, Ulrik Hvidman, Frederik Hjorth and Matt Loftis. Kim, whom I have also been fortunate to collaborate with, has always – even on a very short notice – been willing to set other things aside to explain things that were difficult for me to grasp.

I have also been lucky to have spent some time outside the department in Aarhus. Shanto Iyengar was kind enough to host me at Stanford University and, not least, to lend me his office at the political science department. While I was at Stanford, I met many helpful and very bright people; Erik Peterson, Gabor Simonovits and Gaurav Sood to mention a few. At various political science conferences, John Bullock, Kevin Arceneaux, and Howard Lavine have always taken the time to squeeze in a meeting in a schedule that was already too full. My fellow political science colleagues at the University of Copenhagen also deserves to be mentioned, in particular Martin Vinæs Larsen, Frederik Hjorth, Asmus Olsen, Kasper Møller Hansen, and Peter Thisted Dinesen. All of these, people and many others, have made it both fun and very inspiring to leave the safe surroundings at Aarhus University.

However, all of this work would not have been possible without an extremely supportive family. My own parents, Hanne and Tage, as well as my parents-in-law, Asta and Per, have always taken the time to help us out when things were challenging. And trust me, things do get slightly challenging with twins.

But the most supportive of all is my wife, Ane. I do not know anyone who is willing to take on the sacrifice that Ane does to make it all work out in the end. Without her, there certainly would not have been a dissertation – or two beautiful children for that sake.

Martin Bisgaard

Aarhus, September 9, 2016

Preface

This report summarizes my PhD dissertation “Perceiving the Unobservable: How Partisanship and Daily Life Influence Citizens’ Perceptions of the National Economy” which was written at the Department of Political Science, Aarhus University. The dissertation consists of this summary and the following self-contained articles:

- A. Bisgaard, Martin and Rune Slothuus. n.d. Partisan Elites as Culprits? How Party Cues Shape Partisan Perceptual Gaps. *In review*.
- B. Bisgaard, Martin. 2015. Bias Will Find a Way: Economic Perceptions, Attributions of Blame, and Partisan-Motivated Reasoning During Crisis. *The Journal of Politics* 77(3): 849-60.
- C. Bisgaard, Martin. n.d. How Do Partisans Respond to New Evidence? The Two-Step Process of Belief Revision and the Hydraulic Nature of Partisan Bias *Working paper*.
- D. Bisgaard, Martin, Peter Thisted Dinesen and Kim Mannemar Sønderskov. 2016. Reconsidering the Neighborhood Effect: Does Exposure to Residential Unemployment Influence Voters’ Perceptions of the National Economy? Forthcoming in *The Journal of Politics*.

The purpose of the summary is to motivate the questions that guide as well as tie together the articles above, to give a concise overview of the data, designs and results contained in the individual articles, and to present a discussion that cuts across the individual papers.

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Chapter 1

Introduction

Democracy rests on the notion that citizens hold elected politicians to account. While democratic accountability can be conceived of in different ways (e.g., Ashworth, 2012; Samuels and Hellwig, 2010), it requires, at least in one form, that citizens evaluate government performance and punish or reward the incumbent accordingly (Lenz, 2012). If the government's policies have led the national economy astray, citizens should "throw out the rascals" or at least punish the incumbent at the polls. If crime rates soar, citizens ought to reconsider their electoral support. In short, accountability forms the bedrock of modern democracies (Ferejohn, 1986; Fiorina, 1981; Key, 1966). This dissertation is about one (or perhaps *the*) electoral basis of democratic accountability: *the state of the national economy*.

An impressive literature has accumulated suggesting that voters judge governments and state leaders by how well they have handled the national economy (for recent reviews see Lewis-Beck and Stegmaier 2007; Linn, Nagler and Morales 2010). That is, when voters think national economic conditions have improved they vote for the incumbent; when they think the economic situation has worsened they vote for the opposition. This sanctioning mechanism has "taken on the ring of an incontrovertible social scientific fact" (Anderson, 2007, 271) and found its way into the vocabulary of pundits and parties (De Boef and Kellstedt, 2004; Vavreck, 2009; Wood, Owens and Durham, 2005; Wood, 2007). This idea is perhaps best captured by the popular version of the slogan that James Carville, Bill Clinton's campaign strategist in the 1992 presidential race, coined to focus the message of the campaign: "It's the economy, stupid!"

But the idea that citizens punish and reward the incumbent based on the performance of the national economy comes with an inherent paradox. On the one hand, it seems straightforward to punish the incumbent government

if its policies have failed. For example, all citizens have to do is “to vote for the government if the economy is doing all right; otherwise the vote is against” (Lewis-Beck and Stegmaier, 2000, 183) – a decision rule so simple that uninformed, undecided, and ambivalent voters can always resort to it in the absence of more complex ideological considerations (e.g., Zaller, 2004; Basinger and Lavine, 2005; Kosmidis and Xezonakis, 2010; Lenz, 2012).

On the other hand, while the state of the economy appears to be a simple determinant of political behavior, the same national economy seems intangible and abstract to most citizens. People appear to possess limited knowledge of pertinent macroeconomic facts (Aidt, 2000; Paldam and Nannestad, 2000), they formulate very different views of the same macroeconomic context (Kramer, 1983; Duch, Palmer and Anderson, 2000), and they have trouble perceiving economic performance in retrospect (Healy and Lenz, 2014; Huber, Hill and Lenz, 2012); often letting ostensibly irrelevant events like shark attacks and candidate appearances guide their vote (Achen and Bartels, 2004; Healy, Malhotra and Mo, 2010; Healy and Malhotra, 2013; Todorov et al., 2005; Laustsen, 2014). More fundamentally, when casting the “economic vote,” citizens are inescapably required to form perceptions of collective phenomena that they can never observe directly (Mutz, 1998; Stevenson and Duch, 2013). Questions about the state of the national economy and the government’s responsibility do not come with straightforward and predetermined answers. How do citizens then form perceptions of the national economy? How do they go about perceiving the unobservable?

Studying how citizens form economic perceptions is important. If citizens are to reward and punish the incumbent based on the performance of the economy, a crucial question becomes how these perceptions are formed in the first place. It is thus noteworthy that “[t]he sources of public perceptions of the economy are nevertheless not well understood” (Soroka, Stecula and Wlezien 2015, 457-58) and that the existing knowledge about the origins of economic perceptions stems “more from common sense than from overwhelming evidence” (De Boef and Kellstedt 2004: 633, also see Ansolabehere, Meredith and Snowberg 2009; Conover, Feldman and Knight 1986, 1987; Shah et al. 1999; Lewis-Beck and Stegmaier 2007: 531; Linn, Nagler and Morales 2010: 392). Thus, to reiterate: How do citizens form perceptions of the national economy?

This dissertation takes its point of departure in a finding that has become a central point of controversy: Citizens appear markedly more optimistic about the state of the national economy if their party is in office (e.g., Bartels, 2002; Bullock et al., 2015; Evans and Andersen, 2006; Evans and Pickup, 2010; Jerit

and Barabas, 2012; Parker-Stephen, 2013*b*; Prior, Sood and Khanna, 2015; Ramirez and Erickson, 2013; Tilley and Hobolt, 2011).¹ That is, citizens appear to use the state of the national economy not as an instrument of rough justice but rather as an instrument for rationalizing their party loyalties and preconceptions (but see Lewis-Beck, Nadeau and Elias, 2008). There is little need to labor the importance of this finding. If perceptions of the economy boil down to the question of whether “my party is in office” and not how the real economy is developing, then the notion of democratic accountability is clearly challenged. Citizens should not derive their perceptions of the economy based on whether their favored party is in office; at least not if they intend to hold the incumbent accountable for the national economic situation.

Despite the increasing attention to the question of how partisanship influences or *biases* citizens’ economic perceptions, existing work leaves a number of important questions unanswered. First, we still know little about the extent to which these partisan perceptual differences are driven by one of the most important actors in modern politics: *partisan elites*. Partisan elites are eager to portray economic reality in ways that serve their electoral interests (Vavreck, 2009; Wood, Owens and Durham, 2005; Wood, 2007), and these efforts might ultimately drive how citizens with different party commitments reason about reality. In this way, cues from partisan elites could play a much more important role in amplifying (and mitigating) the often-lamented perceptual gaps between citizens.

Second and perhaps more fundamentally, most studies of partisan perceptual bias employ an incomplete conception of how citizens revise or form political beliefs (Gaines et al., 2007; Kuklinski and Hurley, 1996). Specifically, existing work has focused primarily on whether partisans perceive real world conditions in the same way and respond similarly to events over time (e.g., Bartels, 2002; Bullock et al., 2015; Evans and Andersen, 2006; Evans and Pickup, 2010; Gerber and Green, 1999; Lavine, Johnston and Steenbergen, 2012; Parker-Stephen, 2013*b*; Prior, Sood and Khanna, 2015). Ultimately, however, politics is not merely about acknowledging whether real world conditions are improving or worsening. If citizens’ perceptions of the economy are to have any bearing on politics, they must also attribute responsibility to a political actor (e.g., Iyengar, 1991; Peffley, 1984; Rudolph, 2003).

¹Clearly, there are many different ways that citizens might arrive at a given conclusion about the state of the national economy, for example, one important source of economic information is the news media (e.g., Ansolabehere, Meredith and Snowberg 2009; Boomgaarden et al. 2011; Goidel and Langley 1995; Hetherington 1996; Nadeau et al. 1999; Soroka 2006; Soroka, Stecula and Wlezien 2015; but see Haller and Norpoth 1997).

This *two-step view* does not feature well in existing work (Tilley and Hobolt, 2011), which is unfortunate in that it dramatically changes how empirical patterns of updating should be evaluated. For example, the finding that partisans of different leanings appear to converge in their economic perceptions when economic conditions are unambiguously good or bad (Lavine, Johnston and Steenbergen, 2012; Parker-Stephen, 2013*b*; Stanig, 2013) or the finding that partisans, despite their initial disagreements, move in parallel over time (Gerber and Green, 1999) cannot be taken as straightforward evidence of unbiased learning. As partisans come to agree that the economic situation is dire, deep disagreement could emerge as to whether they think the incumbent is responsible. In short, partisans might simply find other ways of aligning their preconceptions with reality.

But do citizens' perceptions of the national economy simply boil down to mere rationalizations based on whether their party is in office? Although the national economy is an unobservable entity, citizens are still exposed to glimpses of the collective economy that are immediate and very *real*. Seeing friends, family and neighbors losing their jobs might leave impressions about the state of the national economy that are difficult to escape or explain away to preserve partisan identities. This view gets to the heart of a common assumption in existing work on economic voting: The national economy is a "doorstep issue" (Haller and Norpoth, 1997, 556) that people cannot avoid even if they tried. Due in part to data limitations, however, there is little direct evidence suggesting that citizens' perceptions of the state of the national economy are driven by these immediate experiences. Thus, if we could measure these phenomena – if we could get to people's respective doorsteps – would these experiences matter to how citizens form perceptions of the economy?

Taken together, I shed light on how citizens form perceptions of the national economy by asking the following overall research question: *How do partisanship and everyday experiences influence citizens' perceptions of the national economy?* In the following chapter, I will discuss these aspects in greater detail and outline how each of the articles in this dissertation relates to ongoing debates. Chapter 3 presents a brief overview of the research designs and data upon which this dissertation builds, and Chapter 4 gives a concise overview of the core results. Lastly, I discuss some of the broader implications of the results and offer a number of routes for future research.

Chapter 2

Previous Work and Contributions

In this chapter, I detail the theoretical background of the dissertation and explain it contributes to the existing literature. I begin by briefly reviewing the economic voting literature, the theoretical point of departure, and other existing approaches to studying how people form perceptions of the national economy. The second part of the chapter takes up the more symbolic origins of citizens' economic perceptions, namely, how and when citizens' identification with a political party directs their thinking about real-world conditions. Lastly, the chapter deals with how the dissertation contributes to the idea that citizens' perceptions of the national economy are driven by what they experience as a by-product of their everyday lives.

Theoretical Background: The Economic Vote

The idea that the state of the economy drives electoral behavior has its intellectual roots in the work of Anthony Downs (1957) and V.O. Key (1966). Setting aside theoretical differences, their work has simultaneously fueled the economic voting literature by bringing rational choice theory into the study of electoral behavior. At the time, this represented a different way of theorizing about the behavior of voters: Instead of seeing vote choice as the product of social belonging (Lazarsfeld, Berelson and Gaudet, 1944; Berelson, Lazarsfeld and McPhee, 1954) and/or psychological attachments to a political party (Campbell et al., 1960),¹ Key and Downs argued that voters seek to evaluate the incumbent's performance by, among other things, looking to how well the incumbent has handled the economy. "[V]oters, or at least a large number of them," Key (1966, 150) observed, "are moved by their perceptions and appraisals of policy and performance."

Armed with the intellectual insights of Downs and Key, scholars have formulated the *reward-punishment hypothesis* which simply states that voters reward the incumbent during economic booms and throw out the rascals during economic busts. From this simple outset an abundance of scholars have examined the reward-punishment hypothesis empirically, resulting in a voluminous literature. While there is no shortage of evidence demonstrating that coalitions, parties or presidents presiding over government power seem to be judged on the basis of economic conditions (for some recent reviews see Lewis-Beck and Stegmaier 2000, 2007; Linn, Nagler and Morales 2010), the proliferation of studies has also resulted in a view of economic voting that is conditional. As studies of economic voting mounted, it became clear that incumbents do not always lose elections during economic downturns and win elections in times of prosperity: The economy-vote relationship was characterized by considerable *instability* (Paldam, 1991). While the "instability problem" has led some scholars to fundamentally question the economic voting paradigm (see, e.g., Anderson, 2007), it has also led to several refinements of the simple reward-punishment hypothesis (for an overview see Sanders, 2000); for example, that economic voting appears more prevalent in contexts with a high clarity of responsibility (e.g., Anderson, 2000; Powell and Whitten, 1993; Hobolt, Tilley and Banducci, 2013).

¹It is worth mentioning that the classic work of Campbell et al. (1960) and Berelson, Lazarsfeld and McPhee (1954) (also Lazarsfeld, Berelson and Gaudet 1944) is often portrayed in a highly stylized fashion. The brief discussion of their work here is, by necessity, no exception.

However, an important development in the literature was to move from studying the economy-vote link at the macro-level, for example by explaining national election results with variation in real economic indicators (for some of the first studies see Fair, 1978; Kramer, 1971; Bloom and Price, 1975), to the individual-level. This development was important because it brought about a number of key insights concerning the nature of economic voting. In contrast to what was previously assumed, individual voters did not appear to vote based on their own pocketbooks (i.e. egotropic voting), but rather with an eye toward how the collective or national economy was doing (i.e. sociotropic voting) (Kinder and Kiewiet, 1979, 1981). Moreover, mounting evidence suggested that voters were primarily concerned with evaluating the performance of the incumbent retrospectively (Fiorina, 1981). Taken together, these two insights have formed what is still the current consensus about the micro-foundation of the economy-vote link: citizens' vote based on their *retrospective* perceptions of the *national* economy (Linn, Nagler and Morales, 2010).

The move from viewing the economy-vote link as a simple manifestation of economically self-interested citizens voting their pocketbooks to the idea of sociotropic voting – that is, citizens voting based on the country's situation – has raised the puzzle at the center of this dissertation: “How, in fact, do citizens arrive at such judgements?” (Kinder and Kiewiet, 1981, 157). Figuring out whether one is better or worse off financially today compared to one year ago seems straightforward (although see Huber, Hill and Lenz, 2012); at least citizens have plenty of information at their disposal. But how does one determine whether the economic situation in the country has changed for better or for worse? While there might be one “true state” of the national economy at a given point in time, it is inherently unobservable (Mutz, 1998). Macroeconomic statistics such as inflation, unemployment and growth rate are all estimates of the collective economy that are uncertain and bound to be revised considerably years after publication (Stevenson and Duch, 2013). Even if citizens were accurately informed about the exact macroeconomic facts, they would still need to assign meaning to those facts to arrive at an overall evaluation of the state of the economy (Gaines et al., 2007; Kuklinski and Hurley, 1996). For example, does a 2 %-point increase in unemployment mean that the national economy is doing “much worse,” “worse,” or just “stayed about the same”? So how do citizens form perceptions of the national economy?

One answer to this question is the news media. Clearly, the news media play an important role in communicating what the relevant macroeconomic trends are and how they impact the general economic situation in the country. A

sprawling research agenda is also concerned with how the news media report on trends in the macroeconomy and how this in turn influences citizens' economic perceptions (e.g., Ansolabehere, Meredith and Snowberg 2009; Boomgaarden et al. 2011; Eggers and Fourinaies 2014; Goidel and Langley 1995; Hetherington 1996; Nadeau et al. 1999; Soroka 2006; Soroka, Stecula and Wlezien 2015; but see Haller and Norpoth 1997).

However, one of the more controversial and debated sources of citizens' perceptions of the national economy is *partisanship*. In the following section, I briefly review this literature and outline how the dissertation contributes to it.

Partisan Bias in Perceptions of Economic Reality

Early on, scholars were aware of the possibility that national economic assessments “are only rationalizations for party identification” (Kinder and Kiewiet 1981: 150; also see Conover, Feldman and Knight 1986, 1987). Yet such worries have increased rapidly over the years. What started as a concern with how the order of economic and political questions could induce artificial correlations between the two (Wilcox and Wlezien, 1993) has snowballed into fundamental criticism of the idea that incumbents are held accountable for economic conditions (Anderson, 2007; Bartels, 2002; Duch, Palmer and Anderson, 2000; Evans and Andersen, 2006; Evans and Pickup, 2010; Evans and Chzhen, 2016; Jerit and Barabas, 2012; Ramirez and Erickson, 2013; Wlezien, Franklin and Twigg, 1997). These objections are perhaps best captured in the rather provocative conclusion reached by Evans and Pickup (2010, 1247): “perceptions of the macroeconomy do not explain their [voters'] political preferences, in fact the direction of causality is reversed: economic perceptions are derived from political preferences.” There is little need to emphasize the importance of this finding. If a vast majority of the electorate simply bends reality to make it fit with what they want to believe, it threatens the very foundation that holds together dominant theories of democratic accountability (e.g., Anderson, 2007; Shapiro and Bloch-Elkon, 2008).

But why do partisans reach such different conclusion about the state of the national economy? Many recent studies draw on the theory of motivated reasoning (for good reviews see Kunda, 1990; Jost, Hennes and Lavine, 2013; Leeper and Slothuus, 2014) when attempting to understand how individuals' identification with a party leads them to perceive reality through a partisan lens (e.g., Parker-Stephen, 2013^{b,a}; Jerit and Barabas, 2012; Lavine, Johnston and Steenbergen, 2012; Lebo and Cassino, 2007; Ramirez and Erickson, 2013).

Motivated reasoning theory represents an important turn in social psychology from understanding information processing as a result of “cold” and conscious cognitive processes to the idea that processing is “hot” and driven by forces out of our awareness; that is, directed by affect and a motivation, desire or goal to reach specific conclusions (Jost, Hennes and Lavine, 2013; Taber and Lodge, 2006; Lodge and Taber, 2013). While such goals may assume many forms (see Leeper and Slothuus, 2014), scholars have typically focused on how individuals process information in defense of a prior belief and identity, that is, with a “directional” or “partisan goal” in mind (Taber and Lodge, 2006).

For example, by avoiding, rejecting and counter-arguing information that does not fit with a pre-defined conclusion, individuals make new information or evidence fit with what they *want* to believe.² While people can indeed invest varying levels of effort into selective reasoning (e.g., Leeper and Slothuus, 2014; Petersen et al., 2013), the crucial and provocative point is that the mere wish to want to believe a pre-defined conclusion (e.g. “climate change is not caused by human activity” or “my party is capable of handling the national economy”) leads citizens with opposing views to see the same evidence as supporting their (prior) conclusions (Kahan, 2015). A 0.5 percentage point increase in unemployment might seem “negligible” if one’s party is in office, whereas the same increase might suddenly appear “dramatic” and “serious” if the opposing party presided over government control (Gaines et al., 2007). In this manner, processing new information in order to update prior conclusions about reality becomes a self-fulfilling prophecy (Lord, Ross and Lepper, 1979).

While few would dispute that partisanship serves as a “perceptual screen” (Campbell et al., 1960) that colors citizens’ perceptions of political reality (but see Bullock et al., 2015; Gerber and Green, 1999; Gerber and Huber, 2010), existing work raises at least two crucial questions. First, the role played by one of the most important forces in politics in driving or shaping partisan perceptual differences, *partisan elites*, remains unclear. Second, an under-appreciated puzzle of mass politics is that while partisans undoubtedly disagree, even over matters of fact such as the level of inflation (Bartels, 2002), the very same partisans still appear to change their pre-existing beliefs in the same direction over time (Gerber and Green 1999, also see Page and Shapiro 1992). In

²The deeper question of what purpose directional motivated reasoning serves, i.e. why humans reason in a selective manner, is debated (see especially Mercier and Sperber, 2011). At one end, people might reason in a selective manner to bolster the confidence in their own beliefs and self-esteem (Taber and Lodge 2006), their identification with specific groups (for a good overview see Jost, Hennes and Lavine 2013), or directional motivated reasoning could emerge due to be the strategic and adaptive benefit of being able to convince others (e.g., DeScioli et al., 2014; Mercier and Sperber, 2011).

some instances, partisans are even found to converge in how they perceive reality (Lavine, Johnston and Steenbergen, 2012; Parker-Stephen, 2013*b*; Stanig, 2013). This begs the questions: Are there no constraints on partisan-motivated reasoning? And how are we to understand these constraints in the context of politics? These core questions, and the contributions made in this dissertation, are detailed below.

Do Partisan Elites Shape Partisan Perceptual Gaps?

Article A “Partisan Elites as Culprits” (coauthored with Rune Slothuus) directly addresses the role of party elites in shaping partisan perceptual gaps. Clearly, citizens do not form economic perceptions in a vacuum. Due to the ubiquitous electoral importance of the national economy, partisan elites do not let facts about the economy go unattended and undisputed (Hart, 2013; Vavreck, 2009; Wood, Owens and Durham, 2005; Wood, 2007). These efforts create an unavoidable supply of potentially conflicting evidence about what the relevant facts are and how they are to be understood. Consequently, citizens may arrive at very different conclusions about the same reality not “because they make the interpretations themselves” but because they “let others – party elites for instance – do it for them” (Gaines et al., 2007, 959). Citizens may simply follow the cues provided by the parties that they trust or to which they feel attached.

The possibility that party elites might drive partisan perceptual gaps is crucial to our understanding of the nature of partisan perceptual bias. If citizens rely on party elites to form perceptions of economic reality, then party elites also bear responsibility for the often-lamented finding that partisans differ in their perceptions of the national economy. Furthermore, taking party elite cues into account also opens up for a more *dynamic* understanding of partisan perceptual bias: If polarized elites create a polarized electorate, then convergence in elite cues should mitigate partisan perceptual disagreement. In this vein, partisan perceptual differences should be highly sensitive to how party elites choose to talk about the issue at hand.³

The notion that party elites might drive partisan gaps in perceptions of economic reality has been acknowledged in existing work (e.g., Evans and An-

³It is important to underscore that the idea that party elites could drive partisan perceptual differences is not necessarily at odds with the notion of motivated reasoning outlined earlier (for the discussion of motivated reasoning and the role of party elites see also Druckman, Peterson and Slothuus 2013; Leeper and Slothuus 2014; Slothuus and de Vreese 2010; Petersen et al. 2013). Viewed from the perspective of elite influence, the crucial point is that while partisans may go to great lengths to try to defend a pre-defined conclusion, the party elites define these conclusions and supply the justifications that motivated partisans will need to get there.

dersen 2006: 194; Enns and McAvoy 2012: 632; Gaines et al. 2007: 971; Pardos-Prado and Sagarzazu 2015: 2; Peffley 1984: 289; Zaller 1992: 163-65, 269). Yet few studies are able to pin-point the causal impact of party cues on how citizens perceive economic reality. Most studies ignore what partisan elites are communicating (e.g., Parker-Stephen 2013*b*; Enns and McAvoy 2012) and the few studies that do measure how elite cues change over time (De Boef and Kellstedt, 2004; Pardos-Prado and Sagarzazu, 2015; Hellwig and Coffey, 2011; Wood, 2007) are either concerned with aggregate perceptions of the economy or face several methodological challenges. Therefore, the Article A in this dissertation contributes to existing knowledge by focusing directly on how party cues influence partisan economic perceptions. And to confront the methodological challenges involved in studying the influence of party cues, we draw on a quasi-experimental panel design as well as a randomized survey-experiment (these designs are presented in greater detail in Chapter 3).

Limits to Partisan-Motivated Reasoning? The Two-Step Process of Belief Revision and the Hydraulic Nature of Partisan Bias

The notion that elites might drive partisan perceptual gaps opens up for a more dynamic understanding of partisan perceptual bias. Partisan gaps vary over time and some of this variation likely owes to how partisan elites talk about reality. Yet the fact that partisan perceptual gaps appear to be variable also gets to the heart of an under-appreciated puzzle. Clearly, partisans disagree over how to perceive reality, but they nonetheless appear to change their beliefs in the same direction over time (Gerber and Green 1999, also see Page and Shapiro 1992), sometimes even converging in their perceptions of reality (Lavine, Johnston and Steenbergen, 2012; Parker-Stephen, 2013*b*; Stanig, 2013). For example, in utilizing a large collection of CBS News/New York Times polls (1981–2011), Parker-Stephen (2013*b*) finds that disagreement between Republicans and Democrats recedes when economic facts point in the same direction; that is, when the national economy is either unambiguously strong or negative at the time of interview. Experimental work also shows that partisan perceptual biases are reduced markedly when subjects are provided with small monetary payments for reporting accurate answers (Bullock et al., 2015; Prior, Sood and Khanna, 2015). Perhaps partisans aren't that hard-headed after all.

In Articles B “Bias Will Find a Way” and C “How Do Partisans Respond to New Evidence?,” I offer a more cautionary view. Building on prior work by

Gaines et al. (2007) and Tilley and Hobolt (2011), I develop a two-step view of belief revision. Specifically, most prior work has – rightly – been concerned with how partisans of different leanings form perceptions of real-world conditions. However, if these perceptions are to have any political consequences, citizens will also have to attribute responsibility to a political actor (Iyengar, 1991; Rudolph, 2003; Marsh and Tilley, 2010). In short, in order to fully understand how citizens respond to new information we need to study updating as a two-step process: One thing is how partisans revise their perceptions of how reality has changed, another is whether they attribute responsibility for these changes to the incumbent government.

Very few, if any, studies examine how citizens revise or fail to revise *both* of these beliefs in response to new evidence (Tilley and Hobolt, 2011). And this lack of attention is not because the two-step view of belief revision is a question of slight nuance. For example, the finding that partisans with different leanings revise their perceptions of reality as reality changes (e.g., Gerber and Green, 1999; Parker-Stephen, 2013*b*) cannot be taken as evidence that partisans “form the sort of opinions policy advocates hope for and democratic theorists expect” (Parker-Stephen, 2013*b*, 1087). If partisans simply nullify the implications of having changed their evaluations by attributing responsibility to their own party if conditions are improving or by blaming other actors if conditions are worsening (e.g., Malhotra and Kuo, 2008; Marsh and Tilley, 2010; Rudolph, 2003), partisans can hardly be characterized as responsive. In short, partisans might simply find other ways of aligning their preconceptions with reality. Two articles in this dissertation develop and test this view in a study of the Great Recession in Britain (Article B) and in four population-based experimental studies conducted in Denmark and the United States (Article C).

The National Economy as a Doorstep Issue?

Most of this dissertation grapples with the question of how partisanship influences citizens’ perceptions of the national economy. While partisanship does appear to be a powerful determinant of citizens’ perceptions of reality, there are obviously other influences. One important alternative source of information is citizens’ everyday experiences.

It might initially seem intuitive that individuals would rely on their everyday experiences when forming perceptions of economic reality. As Haller and Norpoth (1997, 556) put it, the national economy is a “doorstep issue” where “[a] person would trip over it trying to avoid it.” After all, most people ex-

perience various parts of the real economy as a “by-product” of their everyday lives: “shoppers learn about retail prices; home buyers find out the trends in mortgage-loan interest rates; owners of stocks follow the Dow-Jones averages” (Popkin, 1991, 24). And in what might be more dramatic cases, people who lose their jobs learn about unemployment.

Yet the idea that daily-life experiences influence how citizens perceive the political reality has a somewhat disappointing legacy. As noted already, early work in the literature on economic voting hypothesized that the relationship between leading economic indicators and election results was driven by citizens’ voting their “pocketbooks;” that is, punishing and rewarding the incumbent for changes in their personal financial situation (Kramer, 1971). Yet considerable evidence has mounted suggesting that an individual’s personal financial situation is often a poor predictor of voting behavior. Instead, perceptions of the national economy, i.e. sociotropic concerns, appear to drive the vote (Kinder and Kiewiet, 1981). Similarly, research has also suggested that perceptions of the national economy are not driven by citizens’ personal life experiences (Kinder and Kiewiet 1981; Haller and Norpoth 1997; but see Conover, Feldman and Knight 1986). “In short,” (Mutz, 1998, 66) summarizes, “there is little evidence that perceptions of collective problems are formed as generalizations or extensions of people’s personal life experiences.” People, it appears, do not relate the particularities of personal life to public life (Sniderman and Brody, 1977), instead daily-life experiences appear to be “compartmentalized” or “morselized” away from politics (Lane, 1962; Sears and Funk, 1991).

Social Context and the Measurement Problem

However, everyday experiences come in different forms. This dissertation extends more recent work that has turned attention towards daily-life experiences that are more social in nature (Anderson and Roy, 2011; Ansolabehere, Meredith and Snowberg, 2014; Books and Prysby, 1999; Mondak, Mutz and Huckfeldt, 1996; Newman et al., 2014; Reeves and Gimpel, 2012). Motivated by theories of interpersonal communication (Lazarsfeld, Berelson and Gaudet, 1944) and social influence (Huckfeldt and Sprague, 1987; Huckfeldt, 2014), the driving force is not only what people learn about their *own* lives but also what they learn about *others*. People are routinely exposed to others as a by-product of everyday life, making such experiences highly accessible and easily obtainable (Mondak, Mutz and Huckfeldt 1996: 253; Weatherford 1983). When losing a job oneself, for example, it is perhaps not straightforward to infer that the national economy is contracting. But if you observe more people around you

losing their jobs, be they friends, neighbors or coworkers, such experiences might send a stronger signal about the health of the national economy.⁴

While the empirical evidence also seem to support the idea that social context influences citizens' economic perceptions (Anderson and Roy, 2011; Mondak, Mutz and Huckfeldt, 1996; Newman et al., 2014; Reeves and Gimpel, 2012; Weatherford, 1983), one challenge in particular impedes existing work: *measurement* (Dinesen and Sønderskov, 2015; Moore and Reeves, n.d.; Healy and Lenz, 2014; Wong et al., 2012). Capturing people's social experiences is notoriously difficult as people can potentially be exposed to others in various (and subtle) ways in their neighborhood, at the workplace, when shopping in the local grocery store and so forth. What impedes existing work, is that most studies are forced to rely on arbitrarily aggregate geographical measures of people's social contexts. For example, while the proportion of unemployed people living in a county, zip-code or census-tract area might give a hint as to whether individuals living in this area are exposed to unemployment in their everyday lives, such measures are also likely to capture alternative phenomena that have little to do with observing others. People may not be aware of the measured geographical area as "their neighborhood" (Wong et al., 2012), they might experience micro-residential areas that are very different from the county at large (Dinesen and Sønderskov, 2015; Moore and Reeves, n.d.), and aggregate geographical areas might simply reflect other phenomena varying at the same geographical level, such as local news media coverage (Books and Prysby, 1999).

⁴Work on correlational neglect in psychology and economics is also consistent with this prediction. Specifically, people generally tend to treat observations e.g. from their own social network as independently occurring events thereby over-emphasizing the amount of new information that is actually contained in each of the observations (Glaeser and Sunstein, 2009; Ortoleva and Snowberg, 2015). For example, people might take observations from their local neighborhood as a representative picture of the national situation, which is likely to be erroneous in many cases.

All in all, while it seems intuitive – perhaps even self-evident – that citizens would rely on their everyday experiences with the economy when forming perceptions of it, there is little direct evidence to support this notion. This is unfortunate, because the widespread notion of the national economy as an electorally decisive “door-step issue” requires that citizens are actually able to obtain meaningful information from their daily lives. In Paper D “Reconsidering the Neighborhood Effect” we exploit novel and highly detailed data to address this aspect. Specifically, we examine whether unemployment within a radius as little as 80 meters around an individual’s place of residence – a context where social exposure is almost inevitable (Baybeck and McClurg, 2005) – predicts perceptions of the national economy. Thus, we literally take the question of how people form perceptions of the national economy to their respective doorsteps (the data and design is described in greater detail in Chapter 3 and the article).

Chapter 3

Research Designs

The questions investigated in this dissertation are all causal questions; that is, claims about how one phenomenon causes another. Examining causal questions empirically is challenging and I provide a brief overview in this chapter of the strategies employed in the dissertation to do just that. Designing a study is about addressing the selection problem, and the first part of this chapter briefly outlines this problem in the context of this dissertation. In the following sections of the chapter, I discuss three approaches that, taken together, summarize the core ideas behind the research designs employed in each of the four articles. The last part of the chapter contains an overview of the four articles with respect to the data and designs being used.

The Selection Problem

One of the causal claims in this dissertation is that exposure to party cues influences citizens' perceptions of economic reality. Imagine, for example, that Party A suddenly promotes a more negative interpretation of the economy and we want to examine whether this message or cue influences citizens who identify with Party A. How can we go about this?

One possibility is to use a single cross-sectional survey collected after Party A changed its rhetoric. With this design, we could estimate the effect of the party cue by relying on variation between individuals in their propensity to be exposed to the cue, for example using self-reports of political awareness or knowledge of the event itself (e.g., Zaller, 1992, 162-66). More specifically, we could simply compare partisans who reported having heard of Party A's new message with partisans who have not heard of the message – the former being our treatment and the latter our control group. The difference in means between these two groups would be our estimate of the causal impact of the party cue.

Today, most scholars would greet this design with skepticism, which is certainly warranted: There are many unobserved differences between our control and treatment groups that could explain any difference in observed outcomes. For example, voters who are already very pessimistic about the state of the economy could be more aware of what party elites want to do about the problem. These individuals would be over-represented in the treatment group. In this instance, our estimate of the effect would be seriously misleading. One could think of many potential differences between the control and treatment groups that would raise serious doubts about our causal estimate. More generally, these differences give rise to *selection bias* in that other outcome-related factors lead respondents to select disproportionately into the control or treatment groups. Thus, how can we be sure that any difference between the control and treatment groups is really caused by the treatment?

Because we never get to observe what would have happened had Party A not changed its message or had individual *i* not been exposed to it, we can never know for sure whether the changing cue really caused any change for a given individual. In what is sometimes labeled the “the fundamental problem of causal inference,” (Holland, 1986) there are always two possible states or two *potential outcomes* – one where an individual is treated and one where the individual is not – and for each individual we only get to observe one of them. We can therefore only hope to get a glimpse of causal relationships through

the comparison of *different* units¹ and this is what opens up the problem of selection bias.

The core purpose of a research design is to provide a transparent and plausible way to address the possibility of selection bias. In this context, this dissertation draws on the three approaches described in the the following sections.

Exploiting Space: Fine-Grained Spatial Variation

In Article D “Reconsidering the Neighborhood Effect,” the central research question is whether unemployment in respondents respective residential contexts affect how they perceive the national economy. Here, the core selection problem is that people who are exposed to contexts with high unemployment as opposed to low unemployment are likely to be different on other characteristics that also affect perceptions of the national economy.

Previous work has utilized aggregate geographical measures of the residential setting to approximate the social context in which people live (Anderson and Roy, 2011; Newman et al., 2014; Reeves and Gimpel, 2012). The aggregate nature of these measures opens up the possibility that the observed relationship between measures of context and citizens’ economic perceptions may come about due to reasons other than social influence occurring in the residential setting, such as local news media coverage or other differences between the geographical areas. In this sense, the aggregate nature of previously employed measures renders it impossible to separate the influence of social context from other phenomena occurring within the same geographical space.

Employing a much more disaggregate and precise measure of the residential context makes it possible to analyze how individuals living within the same political jurisdictions and the same broader contexts – but differing in the proportion of unemployed people living in their immediate residential area (i.e. down to an 80 meter radius) – form perceptions of the national economy. Thus, by design it is possible to go much further in ruling out leading alternative explanations.

However, while highly disaggregate data on respondents’ residential settings represents a marked improvement over existing approaches it does not solve the selection problem. While it is plausible that differences in micro-contextual unemployment are not confounded by exposure to media coverage or other characteristics of the broader context, people still do not choose where to live

¹This should be understood in an abstract sense, that is, even if the same unit or individual is observed multiple times, we do not hold everything constant by simply just comparing these multiple observations. In a strict sense, comparing the same individual over time is still a comparison of different units.

at random. Thus, the identifying assumption that we have to make is that after adjusting for the imbalance on a large number of observable characteristics, e.g. a respondent's own unemployment status, income, partisanship and so forth, micro-contextual unemployment is independent of other unobserved factors that also explain perceptions of the national economy. While further robustness tests suggest that this assumption is likely reasonable,² it is still an assumption that we, as well as other studies of context, are forced to make.

Exploiting Time: Quasi-Experiments

Articles A “Partisan Elites as Culprits?” and B “Bias Will Find a Way” draw on what can be loosely termed quasi-experimental designs. These designs exploit that individuals are exposed to some sudden event occurring over time, thereby creating a pre- and post-treatment period. This event-centered logic is not only important because it speaks directly to many research questions about how public opinion changes in response to outside stimuli, i.e. the *formation* of public opinion. It is also important because it deals with a major part of the selection problem. Following the earlier example, instead of trying to estimate the causal impact of party cues on citizens' economic perceptions by simply comparing people who reported that they were (not) exposed to the cue, we can now approach the problem in a much more persuasive and dynamic manner: How do perceptions change from the pre- to the post-treatment period; that is, when individuals are suddenly exposed to a party cue? In other words, with pre- and post-treatment measures it is possible to rule out time-invariant factors that are observed as well as unobserved. For example, if citizens identifying with Party A become more pessimistic about economic conditions *after* Party A advances a more negative message, this change is unlikely to be caused by factors that do not change over time.

While the exploitation of time grants these quasi-experiments their strengths, time also constitutes its Achilles' heel. We can be confident that time-*invariant* phenomena are not confounding the results, but plenty of time-*varying* alternatives remain. How can we be sure that the only relevant event occurring between

²In Paper D we test whether patterns of relocating and staying put in a given residential area are correlated with prior economic perceptions and unemployment within the immediate residential setting (see Section D in the Supplemental Information for Paper D). If the people who select out of deprived neighborhoods - as opposed to wealthy neighborhoods - are significantly different with respect to their optimism or pessimism about economic conditions, this would indicate that some unobserved phenomenon is influencing residential choice *and* perceptions of the national economy. Fortunately, this does not seem to be the case.

the pre- and post-treatment surveys is what we define as our treatment, for example changing party cues or an economic recession? How well-defined is our treatment and did it really occur as well as attract sufficient attention? How can we be certain that different individuals do not select in or out of the study over time and that different individuals simply identify with a given party at t_1 compared to t_2 ? Is it not possible that pre-existing time trends could explain the observed patterns? All of these concerns revolve around the same basic – and unobservable – counterfactual: How would the treated individuals change their perceptions had the event not happened?

While it is impossible to provide a definite answer to this counterfactual question, it is not impossible to provide critical tests of the robustness to time-varying confounds. Therefore, throughout the relevant articles in the dissertation, we try to assess the robustness of the quasi-experimental designs within the confines of the data. A more detailed discussion of these robustness tests can be found in the individual articles and their respective appendices, but three general features are common to all of the articles. First, all of the quasi-experiments in this dissertation exploit survey data with closely spaced interviews; that is, instances where the survey data is collected just around the onset of the key event. This feature is important, because it reduces the chances of conflating the treatment, e.g. changing party cues or changing governments, with other alternative events that could also explain the outcome (Gerber and Huber, 2010).

Second, all of the relevant articles draw on survey data with more than two waves, specifically from 5 (see Article A) to 71 waves (see Article B). This allows for more critical assessments of whether the shift in public opinion occurring immediately around the event is simply an artifact of pre-existing time trends. Lastly, all of the articles rely on panel data either for the main analysis or for supporting information. With panel data – that is, repeated measurements of the same individuals over time – it is possible to get at the concern that the onset of the key event could affect the independent variable, i.e. partisanship, and that the causal relationship between partisanship and perceptions could be the reverse. When partisanship is measured *before* the occurrence of the event, this event as well as future changes in perceptions cannot have caused (prior) partisanship.

Taken together, while the quasi-experiment certainly has its limitations, it presents a unique opportunity to study public opinion formation in a real-world setting.

Exploiting Randomization: Survey Experiments

A significant portion of the dissertation is also based on randomized survey-experiments (see Articles A and C). The randomized experiment often represents the gold standard in studies aimed at causal inference because the treatment is fully controlled and randomized. In other words, because assignment to treatment is random, the control and treatment groups are – in expectation – similar on all observed as well as unobserved characteristics. For the purpose of making causal claims, this is a strong feature because it rules out the selection problem by design. To return to the previous example about the causal impact of party cues, we can identify this effect under very reasonable and mild assumptions: if the exposure to a given party cue is random, it follows that treatment assignment will be independent of any other events that could be correlated with changing party cues over time (i.e., a potential threat we cannot rule out in the quasi-experiment above) as well as individual-level characteristics that could be correlated with exposure to party cues.

However, survey experiments also come at a cost: While the controlled setting of the experiment has the potential to circumvent the selection problem, it is the same controlled setting that also embodies the criticism of the design. In the attempt to study opinion formation in a fully controlled environment, the situation that participants often find themselves in can be very remote from real world politics. When a causal relationship is identified in a survey experiment, the next question then becomes whether this effect will travel to a real, politicized environment. Some of this worry can be countered by carefully designing the experiment and conducting it on a diverse subject pool, but this will always be a lingering concern if survey experiments stand alone. Thus, the survey-experiments employed in this dissertation build on the conviction that they tell us most about public opinion formation when supporting and supplementing studies that are carried out in a real-world setting (see for example Article A).

Overview of Data and Designs

Table 3.1 gives an overview of the articles, research questions, data and designs that are used to answer these questions. As can be seen from the table, the four individual articles draw on a diverse set of data from different national contexts (Great Britain, Denmark and the United States) as well as different empirical strategies for examining the research questions. The strengths and limitations posed by these differences are discussed in more detail in Chapter 5.

Table 3.1: Overview of data and research designs employed in the dissertation

Article	Core Research Question	Data Sources	Research Design
A	Do partisan elite cues shape partisan perceptual disagreement?	<ul style="list-style-type: none"> • A closely-spaced five-wave panel survey with two waves collected before and three waves collected after a decisive change in party cues in Denmark (N = 2,850). • Media content analysis to validate that the shift in party cues attracted public attention. • A randomized survey experiment conducted on in Denmark where subjects were randomly exposed to different party cues (N = 417). 	Quasi-experimental panel study combined with a randomized survey-experiment, i.e. random assignment of party cues
B	How does a sudden macro-economic shock influence partisans' economic perceptions and attributions of responsibility?	<ul style="list-style-type: none"> • The Continuous Monitoring Survey from the British Election Study (BES): a Rolling Cross-Section (RCS) collected with monthly intervals from 2004 to 2010 in Britain (71 rounds, N between 18,503 and 32,828 depending on coding of outcome variable). • A nine-wave panel survey from the BES to check critical assumptions in the analysis (N = 12,274). 	An Interrupted Time-Series Design where two groups of individuals are exposed to a sudden economic collapse (the financial crisis).
C	How does new economic evidence influence partisans' economic perceptions and attributions of responsibility?	<ul style="list-style-type: none"> • A randomized survey experiment conducted in Denmark where subjects were exposed to positive/negative mock newspaper articles about the economic situation and asked to report their economic perceptions and attributions of responsibility in closed-ended questions (N = 796) • A randomized survey experiment conducted in the United States with random assignment to positive/negative mock newspaper articles, closed-ended questions (as above), open-ended questions, and an argument rating task (N = 1,310). • A randomized survey experiment conducted in Denmark with random assignment of positive/negative economic information and an open-ended question measuring attributions of responsibility (N = 653). • A randomized survey experiment conducted in Denmark with random assignment of positive/negative economic information and an open-ended question measuring attributions of responsibility (N = 499). 	Random assignment of either positive or negative evidence about the state of the economy.

Table 3.1 continued...

Article	Core Research Question	Data Sources	Research Design
D	Does residential unemployment influence citizens' perceptions of the national economy?	<ul style="list-style-type: none"> • Five rounds from the Danish part of the European Social Survey (N = 6,101). • The survey data are merged with detailed administrative data from Denmark where we obtain the exact proportion of unemployed people residing within 80 to 2,500 meters of the respondent's place of residence. 	Comparison of individuals living in different micro-contexts but within the same broader contexts (municipality and time/year). Adjustment for selection on observables through (fixed effects) regression.

Notes: The sample sizes above refer to the total effective sample used in the analyses (i.e. excluding missing data). In the case of panel survey data, the sample sizes refer to the number of observations, not units. All of the survey experiments listed above were collected via YouGov's online panel (both in Denmark and the US) with quota sampling to approximate the demographic makeup of the target population.

Chapter 4

Overview of Core Results

This chapter gives an overview of the results contained in the dissertation. Below I focus on the *core* results from the individual articles. For more elaborate analyses, robustness tests, and so forth, the reader should consult the respective articles and the Supplemental Information appendices.

Party Cues Shape Partisan Perceptual Disagreement

In Article A “Partisan Elites as Culprits,” we investigate whether the way partisan elites talk about economic reality influences how citizens perceive it. Specifically, we expect citizens to follow cues (i.e., signals about whether the economy is performing well or poorly) from *their* party while ignoring cues from other parties with which they do not identify. Ultimately, this selective response to party cues on the part of citizens will lead them to form different perceptions of economic reality when partisan elite cues diverge; and will conversely lead partisans to form similar perceptions when partisan elites converge in how they portray economic reality.

We test these expectations using a quasi-experiment and a randomized survey experiment from Denmark. The quasi-experiment exploits a marked change in how the, at the time, Center-Right government in Denmark (“Venstre” and “Konservative”) changed its portrayal of whether the public budget deficit posed a problem to the economic situation in the country. As in many other countries, the budget deficit had been growing in Denmark in the wake of the financial crisis, but a focusing event happened in May 2010. On May 18, the Center-Right government launched the so-called “Restoration Act” which aimed at cutting public expenses to contain the public debt. In proposing this legislation, the government was forced to take a different stance on whether public debt posed a problem to the national economy: While budget deficits were not portrayed

as a problem earlier by the government, it suddenly became the chief problem to combat.

Fortunately, for our purposes, a five-wave panel was in the field at the time which included questions about how respondents perceived the budget deficit. Specifically, the question read: “Do you think that the size of the budget deficit is a problem in the current situation?” where respondents were provided with the five options “A very big problem”, “A big problem”, “Somewhat of a problem”, “Not a big problem”, “No problem at all”, as well as a don’t know option. In the results presented below the variable has been rescaled to a 0-1 scale (1=a big problem) and respondents answering don’t know were dropped from the analysis.

Did the change in party cues lead partisans to reconsider their perceptions of the budget deficit? That is, did the change in how the Center-Right government portrayed the deficit influence how citizens who identified with the incumbent parties perceived the budget deficit?

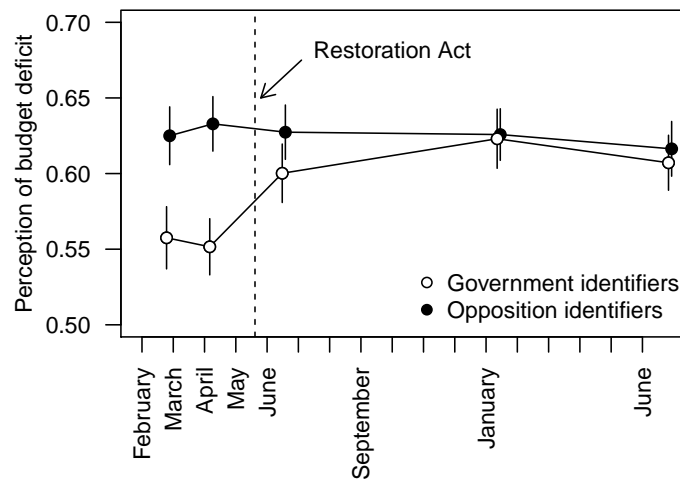


Figure 4.1: Government identifiers' perceptions of the budget deficit change in response to the Restoration Act. Perceptions of the budget deficit conditional on partisanship measured in wave 1 and month of interview. Vertical lines represent 95 % confidence intervals and the dots are the naive, conditional means. Dependent variable is scaled from 0-1 where 0 is “not at all a problem” and where 1 is “a big problem.” Question: “Do you think that the size of the budget deficit is a problem in the current situation?” Reprint from Bisgaard and Slothuis (2016).

Figure 4.1 gives the main result from Article A. As the figure shows, partisans of different leanings disagree over whether the budget deficit posed a problem to the national economy: At the outset, incumbent identifiers perceived the deficit as less of a problem than did opposition identifiers. However,

when the Center-Right government started portraying the budget deficit differently in May 2010, incumbent identifiers followed suit, effectively eliminating the partisan perceptual gap. In Article A we present various robustness tests that try to rule out that the over-time change for incumbent identifiers is not merely an artifact of pre-existing time trends or co-occurring events. These tests further our confidence in the result.

However, the strongest robustness test is the fact that the pattern in Figure 4.1 replicates in a controlled experimental setting where respondents are randomly exposed to party cues, thereby ruling out, by design, that exposure to party cues is confounded by time-trends and alternative events. Moreover, the experimental study was carried out in a situation where the partisan makeup of the government had changed (from a Center-Right to a Center-Left coalition government) and, in addition to the issue of the public budget deficit, the study also included a similar experiment on the more familiar issue of unemployment. The results from the experimental study correspond to those found in the quasi-experimental panel study. Thus, these results present strong support for the expectation that party cues drive partisan perceptions of economic reality.

Overall, the evidence from Article A suggests that partisan elites play a direct role in shaping partisan perceptual gaps among citizens. This is an important result, because it forces us to think about partisan perceptual bias, not as a phenomenon arising solely due to citizens' own dogmatic reasoning, but as a phenomenon that is highly contingent on partisan elite rhetoric. In this sense, partisan elites should also be seen as "culprits" behind the oft-lamented partisan perceptual gaps and, perhaps more importantly, partisan cues have – at least in the case documented above – the capability of not only creating but also eliminating partisan perceptual differences.

When Partisans Update their Economic Perceptions in a Similar Fashion, They Attribute Responsibility Selectively

Articles B and C dig deeper into the question of how citizens with different partisan leanings update their political beliefs. Many studies have shown that partisans with different predilections often update their beliefs in a parallel fashion, sometimes even converging in how they perceive reality (e.g., Gerber and Green, 1999; Lavine, Johnston and Steenbergen, 2012; Parker-Stephen, 2013*b*). Article A that was discussed above also found a clear pattern of convergence in perceptions but traced this pattern to how partisan elites talk about reality.

Regardless of whether the impetus is party elites or an undeniable reality, all of these findings raise the question of whether convergence or parallel movements in how partisans perceive reality can – as has often been the case – be taken as evidence that partisans have escaped the pull of their priors (see Lavine, Johnston and Steenbergen, 2012; Parker-Stephen, 2013*b*). Here, Articles B and C add a more cautionary perspective.

Articles B and C develop and test the idea that in order to understand fully how partisans respond to new evidence and whether they do so in an unbiased manner, it is not enough simply to look at how they revise (or not) their perceptions of reality – it is imperative to also take into account how partisans attribute responsibility. As argued in the two articles, there is reason to believe that when partisans revise their perceptions of reality, this change is likely to be counterbalanced by a highly selective change in how partisans apportion credit and blame. For example, if partisans move in parallel or even converge in how they perceive the state of the economy, these movements might simply be counterbalanced by polarization in whether partisans attribute responsibility to the incumbent.

Article B evaluates these expectations in the context of the economic collapse in Britain during the financial crisis. Figure 4.2 shows the result, as documented by others, that although partisans differ markedly in their perceptions of the state of the economy – i.e. being more positive if their party holds office – they still take account of a changing reality. Specifically, Figure 4.2 shows that Labour and Conservative party identifiers in Britain converge in their retrospective perceptions of the national economy in response to the crisis (marked by the first bank run to hit the British bank Northern Rock in September 2007).

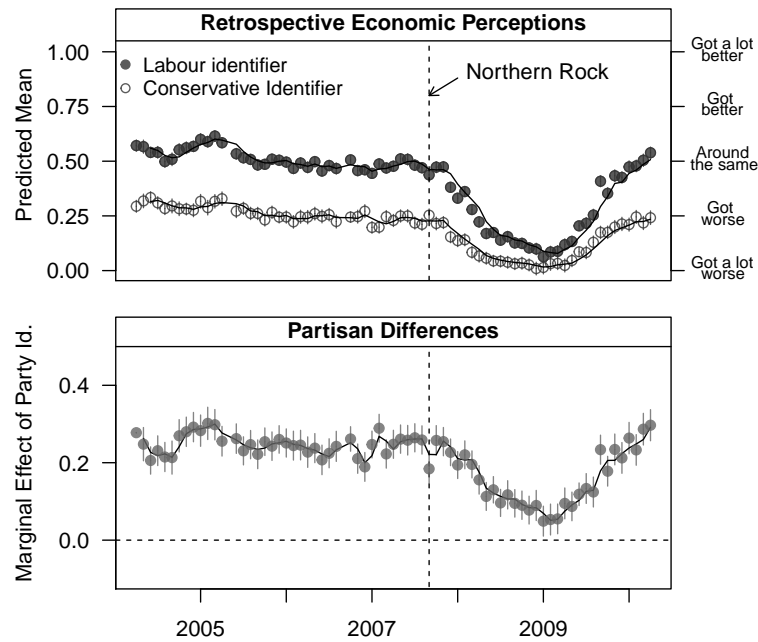


Figure 4.2: Partisan differences in retrospective economic perceptions evaporate in response to the economic meltdown. Predicted means (upper panel) and the difference in Labour and Conservatives' retrospective perceptions of the national economy (lower panel) plotted with 95 % confidence intervals. Controls are held at their median or mean value. Lines are simple moving averages with a 3-period bin. Question: How do you think the general economic situation in this country has changed over the last 12 months? (0 = Got a lot worse; 1 = Got a lot better). Model fit statistics: $\sigma = .2$, adj. $R^2 = .42$, $N=32.892$. Figure is a reprint from Bisgaard (2015).

This pattern of responsiveness is replicated experimentally in Article C (results are not shown here). Here, it is shown that partisans also incorporate even conflicting economic information into their perceptions of the national economy when randomly presented with either negative or positive information about a specific economic indicator (growth in the Gross Domestic Product, GDP). This pattern is surprisingly consistent across both the Danish as well as in the highly polarized American setting. Taken together, this fundamentally challenges the idea that partisans simply reject information if it does not fit with what they want to believe – partisans of all stripes appear willing to change their economic perceptions in response to new information, even when it is not flattering to their own party.

But how do partisans then attribute responsibility? In the case of the financial crisis in Britain (Article B), Labour and Conservative partisans simply polarize in their attributions of responsibility. As shown in Figure 4.3, Conser-

vative partisans suddenly think that the British government is *more* responsible for the British economy than just before the crisis, whereas the direct opposite pattern appears evident for Labour partisans. More importantly, this core pattern of polarization is also replicated experimentally in Article C. Across both the Danish and American cases, incumbent and opposition partisans polarize in whether they think the incumbent is responsible when exposed to new information about the state of the national economy. This is strong support for a “hydraulic model” of partisan bias: When partisans move in parallel or converge in their perceptions of the national economy, they conversely polarize in whether they think the incumbent is responsible.

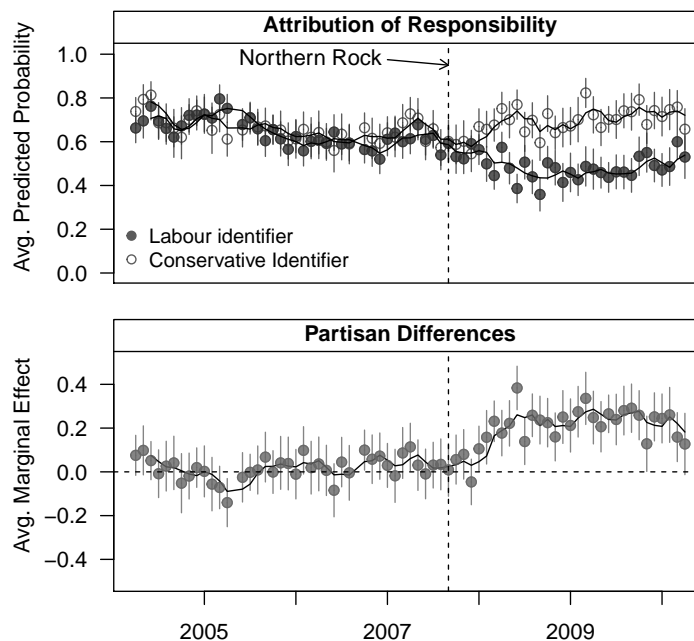


Figure 4.3: Party identifiers polarize in how they attribute responsibility in response to the economic meltdown. Average predicted probability of blaming the government for economic conditions across partisan groups (upper panel) and the average marginal effect of party identification on attributions of responsibility (lower panel). Point estimates are plotted with a 95 % confidence interval obtained through simulation (1000 iterations). Lines are simple moving averages with a 3–period bin. Question: Which one of the following do you think affects the general economic situation in this country the most? (1 = the British government, 0 = else). Model fit statistics: Nagelkerke $R^2 = .15$, AIC = 22,476, N= 18,503. The figure is a reprint from Bisgaard (2015).

In addition, Article C takes these findings further in two crucial ways. First, I show how partisans also polarize in whether they apportion credit or blame to the incumbent in open-ended questions. This result is important, because it rules

out that the pattern of polarization documented above is merely an artifact of asking partisans directly about the culpability of the incumbent; that is, asking respondents to consider directly whether the incumbent is responsible might in itself prompt partisan-motivated reasoning. Especially in the American case (but also the Danish), incumbents spontaneously mention other actors than the incumbent when the economy is portrayed negatively and are conversely eager to assign credit to the incumbent when the economy is portrayed positively. This pattern is the exact opposite for opposition identifiers.

Second, Article C also provides direct evidence that the polarization in the attribution of responsibility is likely due to the fact that partisans reason about the question of responsibility in a highly opportunistic fashion. The pattern of polarization might simply occur because partisans, in the absence of any information about who is responsible and why, simply impute what they would expect based on their priors and the information at hand: For example, if you think your party is capable of handling the economy, you do not expect your it to be responsible, when the economy is performing badly. This would be an alternative explanation of polarization that has little to do with the idea that partisans are fundamentally motivated to defend their party identities. But Article C provides evidence from the United States showing that partisans evaluated the effectiveness of the same set of arguments very differently depending on the conclusion that these arguments supported. For example, the argument that President Obama is responsible “because the President can easily increase or decrease government spending” is rated as a markedly better argument among Democrats when the economy is portrayed in a positive as opposed to a negative light – and vice versa for Republicans. In other words, what counts as a good argument in one instance is suddenly deemed a weak argument in another because it now supports the “wrong conclusion.”

Taken together Article B and C provide ample evidence that while partisans are capable of acknowledging new evidence by updating their economic perceptions, they conversely apportion credit and blame in a highly selective and opportunistic fashion. This is strong evidence for the hydraulic model of partisan bias.

Unemployment Within the Immediate Residential Setting Influences Citizens' Perceptions of the National Economy

Article D (co-authored with Peter T. Dinesen and Kim M. Sønderskov) moves beyond the focus on partisanship and more closely examines the widespread belief that the national economy is a “doorstep issue” (Haller and Norpoth, 1997). While existing work suggests that local economic conditions do appear to influence citizens' perceptions of the national economy (e.g., Anderson and Roy, 2011; Newman et al., 2014; Reeves and Gimpel, 2012; Weatherford, 1983), scholars have been unable to pin-point whether this correlation arises because people are attuned to what happens in “their own communities and among their friends and neighbors” (Reeves and Gimpel, 2012, 531). Rather, scholars have been forced to use arbitrarily aggregate measures of citizens' local surroundings raising concerns as to what these aggregate containers actually capture (Dinesen and Sønderskov 2015; Books and Prysby 1999; Wong et al. 2012; also see Healy and Lenz 2014).

In Article D we extend a study design that Dinesen and Sønderskov (2015) previously used to examine the relationship between ethnic diversity and social trust. Specifically, we exploit highly detailed administrative data from Denmark to measure the official share of unemployed people living in a respondents' immediate residential area. The Danish administrative data contain highly detailed longitudinal information on all of the individuals legally residing in Denmark, including the exact geographical location of their residence and a range of other characteristics such as employment status. This allows us to identify how far any given resident lives from other residents and, importantly, we can determine how many of those “other residents” are officially unemployed, yielding the exact share of unemployed people living within any given distance of a respondent. Specifically, we calculated the share of unemployed adults residing within contexts varying from 80 to 2,500 meters in radius (262 to 8,202 feet) discounting the individuals themselves (see Article D for more information). This information is then merged with survey data (in our case, five waves of the Danish part of the European Social Survey) in order to examine whether individuals who are exposed to different unemployment levels in their micro-residential area form different perceptions of the national economy.

Two core findings are made in Article D. First, results suggest that the skepticism towards highly aggregate measures of individuals' residential contexts is warranted: the level of unemployment to which individuals are exposed in their most immediate residential area (i.e. within an 80 meter radius) is

often very different from what would be predicted if one used a more aggregate measure of the residential context. Aggregate geographical measures are poor proxies for the residential context. Second, unemployment within the immediate residential area (between an 80–250 meter radius) consistently predicts respondents' perceptions of the national economy when controlling for a host of individual-level characteristics, municipality and time fixed effects, as well as unemployment within the household. This is not the case for more aggregate measures of residential unemployment (i.e. > 250 meters) providing evidence that there is something unique about the immediate residential setting. In other words, how people perceive the state of the national economy does appear to be influenced by social cues emanating from in their residential settings. Thus, there seems to be some credence to the idea that the state of the economy is, at least to some degree, a “doorstep issue.”

Chapter 5

General Discussion

The state of the national economy plays an important role in our understanding of why citizens vote the way they do. On its face, the idea of “the economic vote” also seems straightforward: When the national economy is waning, citizens punish the government electorally; when the economy is expanding, citizens reelect the government. Underneath this simple reward-punishment logic of electoral behavior, however, lies a puzzle that has been the core focus of this dissertation: How do citizens arrive at a given conclusion about the state of the national economy, for not to mention the government’s responsibility? While the applicability of a simple reward-punishment schedule is straightforward when citizens hold firm beliefs about how the national economy is performing and whether the incumbent is responsible, it is much less straightforward how citizens arrive at these beliefs in the first place.

This dissertation contributes theory and evidence in terms of how we should understand this puzzle. Granted, I do not present a grand theory of how citizens form economic perceptions and apportion credit and blame. But this dissertation zeroes in on two crucial impetuses of how citizens form these beliefs: partisanship and daily-life experiences. These two aspects are important because they speak directly to a number of core questions in the literature and hold a range of important implications for existing work.

The fifth and final chapter concludes the dissertation with discussion its broader contributions and implications. The first part of the chapter discusses each of the perspectives, i.e. partisanship and daily life, in turn. The latter part of the chapter discusses how these perspectives can be brought together more closely.

The Nature of Partisan Perceptual Bias

Public opinion scholars will hardly be surprised by the finding that citizen's identification with a political party influence their beliefs about reality. The often-sweeping influence of party identification only seems to confirm earlier characterizations of how people form political beliefs from the "spiraling effect of political reinforcement" (Berelson, Lazarsfeld and McPhee, 1954, 223), to the "partisan perceptual screen" (Campbell et al., 1960, 133), to Zaller's (1992, 44-48) "Rejection Axiom."

But scholarly discussion continues to revolve around the precise nature of this influence. Can partisan perceptual disagreement really be taken as evidence that people fundamentally see different realities (e.g., Bartels, 2002; Bullock et al., 2015; Gerber and Green, 1999; Gerber and Huber, 2010; Prior, Sood and Khanna, 2015)? That people process and respond to new information in a biased way (e.g., Bullock, 2009; Gerber and Green, 1999; Jerit and Barabas, 2012)? And are there no constraints on how far partisans go in reporting beliefs that are strongly tainted by their party loyalties (e.g., Lavine, Johnston and Steenbergen, 2012; Parker-Stephen, 2013*b*)? The theory and evidence presented in this dissertation contribute to this ongoing discussion in two important ways that also open up for new research agendas.

First, this dissertation demonstrates that *partisan elites* play a much more crucial role in amplifying (and mitigating) partisan perceptual gaps than what has been recognized, or at least shown, in extant work. This is not to say that existing work has been unaware of this possibility (see, for example, Evans and Andersen 2006, 194; Parker-Stephen 2013*b*, 1088, Zaller 1992, 163-65, 269), but partisan elite influence is usually treated as one of many ways that the partisan perceptual screen is put in place. Yet partisan elite influence, we have argued, is not just a matter of splitting hairs among a range of different explanations: The precise extent to which partisan elites shape partisan perceptual gaps and *how* these influences operate is crucial to our understanding of the nature of partisan bias. If citizens depend on party elites to delineate what the relevant facts are and what conclusions should be drawn from the facts at hand, then partisan elites bear an important responsibility for the oft-lamented finding that "even relatively "easy" factual questions can be gotten wrong by wide segments of the public" (Shapiro and Bloch-Elkon, 2008, 131). Crucially, the partisan perceptual screen cannot simply be understood as an amalgam of various psychological mechanisms such as selective perception and exposure (e.g., Lebo and Cassino, 2007; Taber and Lodge, 2006), these processes might

ultimately be set in motion by how party elites talk about reality. Consequently, the story of partisan perceptual bias is not solely a story about the failure of the electorate – it is also a story about the strategic behavior of partisan elites.

Furthermore, the focus on the behavior of party elites opens up a number of avenues for future research. To the extent that partisan elite communication causes dynamics in how partisans rationalize real world conditions, an important research agenda is documenting exactly how partisan elites talk about reality and whether they do so in an opportunistic fashion. For example, how do the opposition and the incumbent talk about real world developments and do these messages change when the opposition suddenly assumes office? With the proliferation of political text and the increased awareness of how to analyze large collections of text systematically (see Grimmer and Stewart, 2013) this agenda seems particularly ripe for future research. Thus, in extending work that considers the amount of attention *one* political actor gives to a given topic (e.g., De Boef and Kellstedt, 2004; Wood, Owens and Durham, 2005), the idea would be to examine how opposition and incumbent parties compete and *how* they talk (differently) about contemporary events such as new job reports, economic statistics, and so forth. If party elites really do drive partisan selectivity at the individual level, elite messaging in itself should be opportunistic and selective.

Second, the theory and empirical evidence advanced in this dissertation also have important implications for how scholars should study and fundamentally understand the phenomenon of partisan bias. As has been the core argument in Articles B and C the question of whether partisans respond to new information in an unbiased way is difficult if not impossible to answer if the researcher only considers whether partisans are willing to acknowledge the information at hand. Usually, if not always, politics is not only about acknowledging the problems that face the nation, it is also about assigning political responsibility. This two-step view of belief revision, i.e. how real world conditions have changed and whether the incumbent is responsible, is important because it changes how patterns of updating should be understood. According to this view, the crucial question is not so much whether citizens should have revised their perceptions of reality more to comply with a Bayesian ideal of learning; rather, the important aspect is what citizens *do* with the knowledge they have just acquired, that is, does it have any bearing on politics (Gaines et al., 2007)? It is in this context that the attribution of responsibility plays a key role.

The two-step view on belief revision is also important because it highlights a major paradox of voter responsiveness: the more partisans are (forced) to acknowledge new evidence, the more they might conversely rationalize their at-

tributions of responsibility. If economic conditions suddenly look extremely poor as opposed to just moderately poor, the political stakes are much higher and partisans might be even more inclined to engage in the selective attribution of responsibility. The evidence in this dissertation provides support for this notion. However, future work should scrutinize this pattern with research designs that allow for a more direct assessment of how increasingly negative or positive evidence cause more pronounced polarization in the attribution of responsibility. This would get directly at the paradox of voter responsiveness.

Furthermore, a central but perhaps implicit concept embedded in the two-step process of belief revision is *ambiguity*. For example, when partisans formulate widely different perceptions of the national economy they might do so precisely because different conclusions are plausible. There is a wide selection of plausible justifications for why or why not the incumbent is responsible for the state of the national economy, rendering the question of responsibility inherently ambiguous and, importantly, giving partisans ample opportunity to seize upon the justifications that fit with their preconceptions. Just as the concept of ambiguity has received attention in how voters perceive the policy positions of political candidates (e.g., Shepsle, 1972; Tomz and Van Houweling, 2009), so too might it be worthwhile to introduce the concept into studies of partisan perceptual bias; not least because doing so forces one to consider how this ambiguity as well as varying levels of ambiguity come about. Clearly, the question of responsibility is difficult and ambiguous in itself, but institutional characteristics (e.g., Powell and Whitten, 1993; Hobolt, Tilley and Banducci, 2013) and, importantly, partisan elite discourse might give rise to crucial dynamics in the ambiguity of responsibility as well as the performance of the national economy. For example, when partisan elites play the “blame game” (Hood, 2010), it naturally generates a wide selection of justifications for why or why not the incumbent is to blame. This way, the concept of ambiguity presents a way to integrate partisan elite behavior with the idea of partisan perceptual bias.

Daily Life and Collective Phenomena

This dissertation also provided evidence that citizens’ perceptions of the national economy cannot be reduced to mere partisan imagery. Even in some of the articles concerned with the influence of partisanship there was strong evidence of the fact that partisans, regardless of their predilections, responded to news about the state of the economy (see Articles B and C).

However, information stemming from the news media and partisan elites

inevitably depends on decisions about *what* information to convey – and in the case of the national economy there is plenty of conflicting material to choose from (e.g., Stevenson and Duch, 2013). Thus, there remains considerable room for “distortion on the part of media, and orchestration and manipulation by the politician” (Kinder and Kiewiet, 1981, 157). In this context, the question of whether citizens draw on information from their daily lives when perceiving collective phenomena becomes crucial. Of course, the particularities that people observe through the “slow drip of everyday life” (Baybeck and McClurg, 2005, 498) might just as well give a “distorted” or at least inaccurate picture of a collective phenomenon. But daily life observations are not as easily filtered and controlled by elites that have their own – in some cases strategic – interests in presenting reality in a given manner.

Article D in the dissertation provided evidence that citizens’ perceptions of the national economy do appear to be influenced by social cues emanating from an unavoidable social environment; specifically, the immediate residential setting. This is some of the most direct evidence that the state of the national economy really is a “doorstep issue” (Haller and Norpoth, 1997) and has a number of important implications for existing and future work.

First, while we have provided evidence that citizens living in residential areas characterized by varying levels of unemployment but who are otherwise similar on a host of observable characteristics form different perceptions of the national economy, the precise mechanisms linking residential unemployment and citizens’ perceptions cannot be established from the data. One possibility is that social influence in this case works through direct interpersonal contact with others. On its face, this appears intuitive considering the fact that characteristics such as unemployment do not seem as readily observable, at least not compared to other traits such as ethnicity. Yet unemployment and social deprivation more generally might still be noticeable on a more implicit and subtle level, for example in the material surroundings (e.g. home foreclosures) but perhaps also when observing people more casually. A fascinating finding that Paul Lazarsfeld and colleagues made from studying the consequence of large-scale layoffs in a small Austrian community in the 1930’s (Lazarsfeld, Jahoda and Zeisel, 1933) was that unemployment manifested itself in a subtle, but noticeable fashion: unemployed men simply moved more slowly and stopped more frequently when walking. There are likely many more of these subtle cues, and uncovering whether and how those cues matter to people’s conception of political issues might help advance our understanding of how exactly citizens social environments affect their political views and behaviors.

Second, a logical extension of the idea that the immediate neighborhood influences citizens' economic perceptions is to broaden the perspective to other forms of social connectivity. The residential setting only represents one part of a broader social environment in which any given individual is embedded. This will make it possible to assess whether different forms of social connectivity, such as relationships with friends, family, neighbors and coworkers, carry different weight when people form perceptions of collective phenomena and political opinions more generally. Moreover, opening up for various forms of connectivity presents a strong case for studying what may appear to be rather isolated and rare events. Viewed in isolation, only a minority of people experience unemployment first hand. But when opening up for how individuals experience unemployment indirectly or "vicariously" through their social networks, unemployment necessarily becomes a much more prevalent and widely experienced phenomenon.

Bringing it Together: Symbolic Identities and Immediate Experiences

In this dissertation I have offered two perspectives, partisanship and everyday life, on how citizens form perceptions of the national economy. In the individual articles these perspectives are treated separately and it thus raises the question of whether and how the highly symbolic influences of partisanship can be brought together with the more immediate economic cues that citizens experience in their social surroundings. At first glance, the two perspectives appear to hold quite different implications to the idea of democratic accountability and economic voting. One perspective suggests that citizens, even when they are faced with an unambiguous economic signal, will find ways to preserve their partisan loyalties and thus avoid, for example, to punish the incumbent for poor economic conditions if their party holds office. In contrast, the other perspective holds that citizens do take account of economic signals, albeit from their immediate social surroundings, and also intend to vote based on these signals (see section J in the Supplemental Information for Article D). How, if at all, can these perspectives be integrated?

First, it is important to acknowledge that not all citizens identify with a political party. In fact, evidence from the increasingly polarized American context suggests that disdain for the party establishments has increased even among voters who would normally be strong partisans (Klar and Krupnikov, 2016).

While a sizable share of the electorate self-identify with a political party, so too is a non-negligible and perhaps growing share of voters repelled by the political parties. Thus, the two perspectives covered in this dissertation are likely to apply with different force to different segments of the electorate. In the absence of strong partisan motivations, voters might look to alternative sources of information, specifically, information from their immediate social surroundings.

Second, one could also expect a more dynamic relationship between the two perspectives. Building on recent work concerned with the idea that partisans face a “reality constraint” when they form perceptions of real world conditions (Parker-Stephen 2013*b*, but see also Article B in this dissertation) one could also expect that partisans would be constrained by their immediate social surroundings. If an incumbent identifier, who wants to think that the economy is performing well, but nevertheless find him/herself in settings where signals suggest the direct opposite, e.g. in a neighborhood with high unemployment, this might equally well constrain judgments about the state of the national economy. Recent evidence from the United States suggests that partisan perceptual biases among incumbent partisans are tempered when state-level economic conditions are poor (Dickerson, 2016), but the evidence is only suggestive insofar as state-level phenomena are actually experienced by an individual (Bisgaard, Dinesen and Sønderskov, 2016; Moore and Reeves, n.d.; Wong et al., 2012).

Another possibility – consistent with the notion of the two-step idea of belief revision (see Articles B and C) – is that while economic signals from people’s social surroundings might force even committed partisans to acknowledge unpleasant facts, it might conversely lead them to attribute responsibility for these conditions in a highly selective manner. In fact, recent work by McCabe (2016) shows that while Democratic and Republican all adjusted their perceptions of the Affordable Care Act (ACA) in response to negative and positive changes in their health insurance status, partisans still remained highly polarized in their opinions towards the policy. Apparently so, because they assigned responsibility in a selective fashion. Democrats who experienced positive changes credited the policy whereas Republicans who experienced negative changes blamed the policy. Thus, this is a direct application of the two-step idea of belief revision: partisans, at least in the study just quoted, appeared to make even immediate cues from daily life fit with their preconceptions.

Integrating the idea of the two-step process with people’s immediate experiences further raises an intriguing possibility. Experiencing unemployment or losing a health insurance represent cases of extremely intrusive events that are likely to cause more personal involvement and emotion (e.g., Apsler and Sears,

1968; Petty and Cacioppo, 1979; Sherif et al., 1973; Thomsen, Borgida and Lavine, 1995) than more distant and collective events such as an increase in national unemployment. If these intrusive events on the one hand force people to see reality itself in a painstakingly clear light, but on the other hand are channeled to an attributional domain in a highly selective fashion, then these events might not temper but rather bolster partisanship. Thus in contrast to the idea that intrusive events would spark partisan ambivalence (Lavine, Johnston and Steenbergen, 2012) and anxiety (Marcus, Neuman and MacKuen, 2000; Redlawsk, Civettini and Emmerson, 2010) leading citizens to rely less on their partisan identities when processing information, it could be the direct opposite. Immediate and intrusive experiences might not serve to mitigate the influence of partisanship but rather to strengthen it.

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English Summary

Citizens' perceptions of the national economy are crucial to our understanding of why citizens vote the way they do. At least according to an impressive literature on economic voting, citizens "vote for the government if the economy is doing all right; otherwise the vote is against" (Lewis-Beck and Stegmaier, 2000, 183). On its face, the idea of "the economic vote" seems simple, but underneath this simple reward-punishment logic of electoral behavior lies a puzzle: "how, in fact, do citizens arrive at such judgements?" (Kinder and Kiewiet, 1981, 157). If citizens are to hold incumbents accountable for the state of the national economy in any meaningful way, a crucial question is how citizens form perceptions of the national economy, not to mention judgments about the government's responsibility, in the first place.

While there are obviously many ways in which citizens might form these judgments, this dissertation takes its point of departure in a finding that has become a key controversy in the literature: citizens might not use the state of the national economy as an instrument of "rough justice" but rather as an instrument for rationalizing their partisan preconceptions. Citizens who feel attached to the incumbent apparently see a markedly more rosy national economy than opposition identifiers. This raises doubts as to whether citizens really are able to form perceptions of the national economy without being biased by what "they want to see." In this dissertation, I expand on this conventional view in two important ways.

First, existing work has failed to take into account the extent to which partisan perceptual biases are *elite-driven*. Citizens do not form economic perceptions in a vacuum free of partisan elite messaging. Partisan elites are eager to portray real world conditions in a favorable way and these efforts might ultimately drive the extent to which partisans reach different conclusions about reality. For example, when partisan elites polarize in how they portray reality it might lead to polarization between citizens who identify with these parties; when partisan elites converge, it might similarly lead to convergence between partisan groups. We test these expectations in the context of Danish politics using a rigorous research design (a combination of a quasi-experimental panel study and a randomized experiment) and the findings show that partisan elite messaging should be taken seriously. Even a single and simple cue from the incumbent party, our results suggest, hold the power to dramatically change the partisan perceptual gap between citizens.

Secondly, I develop a new perspective on partisan perceptual bias. Most

work focuses on whether partisans revise or not their perceptions of how real world conditions have changed, but a crucial additional question in the context of politics is whether partisans allocate credit and blame for these changes to the incumbent. This two-step view on belief revision is important because it fundamentally changes the way empirical patterns of updating should be evaluated. The finding that partisans, regardless of their predilections, revise their perceptions of the economy in the same way or even converge in their perceptions cannot be taken as evidence that they are responding to new evidence in an unbiased way. When partisans are forced to agree on the state of the economy, they might conversely start to disagree over whether the incumbent is to blame for the current state of affairs. This way, partisan biases might be hydraulic in nature: Convergence and parallel movements in perceptions might offset polarization in the attribution of responsibility. Across a variety of studies from three different national contexts I find strong support for these expectations.

The last part of the dissertation moves beyond the focus on partisanship to investigate whether citizens are influenced by their daily-life experiences when forming perceptions of the national economy. The question of whether the economy is a “door-step issue” (Haller and Norpoth, 1997) is important because it tells us something about whether citizens have any other choice than falling prey to “distortion on the part of media, and orchestration and manipulation by the politician” (Kinder and Kiewiet, 1981, 157). With highly detailed administrative data on unemployment within an individual’s micro-residential area (specifically within a radius of down to 80 meters), we provide the first more direct test of whether citizens immediate social environment influences their perceptions of the national economy. It turns out that citizens are guided by their immediate experiences, which provides important evidence on how people form perceptions of the national economy beyond the highly symbolic influences of partisanship.

Danish Summary / Dansk Resumé

Borgernes opfattelser af, hvordan det går med landets økonomi spiller en central rolle i forståelsen af hvorfor borgerne stemmer, som de gør. En stor og stadig voksende litteratur omkring "økonomisk stemmeadfærd" peger netop også på det simple fund, at regeringer tilsyneladende taber valg, når landets økonomi skranter og vinder valg, når økonomien er i fremgang. Men bag dette simple mønster, ligger der et knap så simpelt spørgsmål: Hvordan danner borgerne egentlig deres opfattelser af landets økonomi, for ikke at nævne regeringens ansvar for den økonomiske situation?

I denne afhandling tager jeg afsæt i et fund, der er blevet omdrejningspunkt for en stor debat indenfor litteraturen: borgere, som er tilhængere af den siddende regering danner markant mere optimistiske opfattelser af nationaløkonomien end borgere, der er tilhængere af oppositionen. Dette fund rejser betydelig tvivl om hele grundlaget for "økonomisk stemmeadfærd:" hvis borgernes opfattelser af økonomien blot er efterrationaliseringer af om deres fortrukne parti er i regering, er det svært at forestille sig, hvordan vælgerne kan stemme ud fra deres økonomiske opfattelser. Men det er imidlertid omdiskuteret om borgerne danner deres opfattelser af den økonomiske situation ud fra det *de gerne vil tro*. Her præsenterer denne afhandling to centrale bidrag.

Først og fremmest retter afhandlingen fokus mod de politiske eliter. De politiske partier har en klar interesse i at fremstille den økonomiske virkelighed på en bestemt måde og disse signaler kan have stor betydning for den måde hvorpå borgerne opfatter økonomien. I to empiriske studier fra Danmark (et kvasi-eksperimentelt panel studie samt et randomiseret eksperiment) viser vi, at disse signaler har stor betydning for hvordan vælgere, som er tilhængere af disse partier, danner en opfattelse af den økonomiske virkelighed. Når et politisk parti eksempelvis ændrer sin fremstilling af de økonomiske fakta lader vælgere, som er tilhængere af det politiske parti, til at følge signalet, hvorimod vælgere som ikke bryder sig om partiet ignorerer budskabet. Dermed har budskaberne fra de politiske partier en stor betydning for, hvorfor vælgere med forskellige partitilhørsforhold, når frem til forskellige opfattelser af økonomien.

For det andet bidrager afhandlingen med et nyt perspektiv på debatten om, hvorvidt vælgerne bare ser den økonomiske virkelighed, de gerne vil se. De fleste eksisterende studier beskæftiger sig primært med, om borgere med forskellige partitilhørsforhold ændrer deres opfattelser af den økonomiske situation, når økonomien ændrer sig. Selvom dette perspektiv er vigtigt, så er et mindst ligeså vigtigt spørgsmål i politik, hvem borgerne i sidste ende holder

ansvarlig for den økonomiske situation. Dermed introducerer jeg i afhandlingen et todelt blik på, hvordan borgerne danner deres opfattelser af den økonomiske virkelighed: hvordan har økonomien ændret sig og er regeringen ansvarlig for denne ændring? Dette todelte blik er afgørende for vores forståelse af hvordan partiidentifikation påvirker vælgerens opfattelse af virkeligheden. Selv når alle borgere – uanset deres partifarve – er enige om, at økonomien har ændret sig i en given retning, kan der opstå dyb uenighed omkring hvorvidt den siddende regering bærer ansvaret. På tværs af fem forskellige (kvasi-)eksperimentelle studier fra Danmark, USA og Storbritannien finder jeg støtte til disse forventninger.

Den sidste del af afhandlingen retter blikket mod hvorvidt og hvordan borgernes dagligdagserfaringer påvirker deres opfattelser af den økonomiske situation i landet. Spørgsmålet om, hvorvidt borgerne trækker på information fra deres dagligdag, eksempelvis fra deres nabolag, arbejdsplads og vennekreds, er vigtigt, fordi det siger noget om, hvor uafhængige borgerne er af eliterne, såsom medierne og partierne, når de skal forstå sig på politiske emner. Ved hjælp af detaljerede data fra de danske registre, præsenterer vi i afhandlingen en af de første empiriske studier af hvorvidt arbejdsløshed indenfor en persons umiddelbare bopæl (indenfor en radius ned til 80 meter) påvirker hans eller hendes opfattelse af den økonomiske situation i landet. Resultaterne tyder på, at nabolaget er betydningsfuldt og det konstituerer en vigtig brik i forståelsen af, hvordan vælgerne danner en opfattelse af den økonomiske virkelighed udover påvirkninger fra eliter eller vælgerens egen hang til at efterrationalisere virkeligheden.