Economic Performance and Political Outcomes:

An Analysis of the 1995 Turkish Parliamentary Election Results

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ECONOMIC PERFORMANCE AND POLITICAL OUTCOMES: AN ANALYSIS OF THE 1995 TURKISH PARLIAMENTARY ELECTION RESULTS

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Abstract: 1995 Turkish parliamentary election was held almost under the conditions of a controlled experiment. The unique cross-section data pertaining to this election and the economic and political conditions surrounding it were utilized to study the relationship between the government′s economic performance and the vote shares of political parties. Turkish voters are found to be myopic, not looking back beyond the election year in assessing the government's economic performance. A good performance is found to benefit the primary incumbent party at the expense of extremist opposition parties and a bad performance is found to benefit extremist opposition parties at the expense of the primary party in power. The junior party in a coalition government and the centrist opposition parties appear to be unaffected by the economic conditions. Evidence found is consistent with a strategic voting by the electorate, to diffuse power and/or to try parties and leaders that were not tried before or last tried a long time ago. These conclusions are essentially in conformity with the literature on other countries.

1.   INTRODUCTION

A well informed electorate, which holds governments accountable for their economic performance, is essential to a well functioning democracy and economic system. Of equal importance is whether the voters judge an administration on its entire tenure or just on its recent performance. If the latter is the case, then the governments will be provided with an incentive to undertake populist policies before an election and deal with their adverse long-run effects after the election. Also, the administrations then will be motivated to postpone, until after elections, the measures that are necessary for the long-run health of the economy, if their short-run effects include some hardships. Thus, understanding how voters vote, is not only important in predicting the election outcomes but is crucial to understanding the behavior of policymakers and so the stability and growth of the economy.[1]

Consequently, a considerable amount of research has been devoted to understanding the voter response to economic conditions.[2] Much of this research however is concentrated on a few countries. While the elections in industrialized democracies, especially those in the United States, are investigated extensively, studies on other countries are in short supply mainly, but not solely, due to lack of contested elections. Research in this area is very limited even in countries like Turkey where multi-party democracy and competitive elections have a history exceeding half a century. This is due to challenges posed by data related problems.

Researchers studying the impact of economic events on election outcomes face three basic data-related problems. First, time-series data is scarce. They are realized at the rate of one observation every four years or so. Second, elections and changes in government do not necessarily occur at the end of periods for which economic statistics are collected. Third, variables that are typically used to represent economic performance are often autocorrelated and crosscorrelated.

The first problem renders time-series studies in this area infeasible except for countries such as the United States where elections are held regularly, under the same rules and for centuries. For countries like Turkey on the other hand, although history of contested elections is not that short, due to military interventions, party closures and frequent changes in election laws, consistent time-series data of sufficient length are hard to come by. The second problem makes precise measurement of economic conditions corresponding to the tenure of a government or to the pre-election period, difficult. This problem is exacerbated when monthly or quarterly data is not available on economic variables. Consequently, it is more of a problem in less developed countries and in cross-section studies. The third problem creates

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[1] Whether the politicians cause Apolitical business cycles,@ acting on such incentives however is beyond the scope of our study.

[2] For a survey of these studies, see Lewis-Beck (1988), Nannestad and Paldam (1994), Norpoth (1996) and Lewis-Beck and Stegmaier (2000).

difficulties in estimating separate impacts of recent and distant economic performance and of different economic factors, on election results.

To remedy the first problem, non-U.S. studies have often resorted to pooling different types of elections involving multiple nations with different political systems, cultures and levels of development. While the findings of such studies can provide us with some insights on the significance and direction of the impact of economic variables on election outcomes, their applicability to individual countries is questionable, as the magnitudes of their estimates vary considerably from study to study. For a large country like Turkey which exhibits wide political and economic variation across its regions, a better approach to solving the first problem may be to use cross-provincial data for one or more elections, provided that the elections involved are fairly contested and are not held under the shadow of an extraordinary non-economic event.

Since controlled experimentation is not possible in this area, the solution to the second and third problems require some luck in finding suitable data. In this regard, the results of the 1995 Turkish parliamentary election, at the provincial level, provide us with a unique opportunity. This election was held on December 24th, almost at the end of the calendar year for which statistics are collected. The same coalition government, headed by the same prime minister, was in power during the election year and the year preceding it. The election was fairly contested, unlike the ones in 1983, 1999 and 2002 for example, when some parties and/or political leaders were banned from entering the election. In fact, the 1995 election not only resulted in transfer of power to a new coalition, a far-right pro-Islamist party emerged from it as the top vote-getter, a first in Turkish history. Also, unlike the election held in 1999, no major event such as the capture of the leader of the terrorist organization PKK dominated the voting in 1995. Most importantly, the economic conditions in the two years preceding the election were quite different from each other. The correlation coefficient between provincial growth rates in per capita real GDP in 1994 and 1995 is literally zero, as if the data were generated by a designed experiment.

Our purpose in this paper is to take advantage of the unusual opportunity provided by the 1995 Turkish election and circumstances surrounding it, in studying the relationship between economic performance and election outcomes, to see whether conclusions reached for other democracies also hold for the Turkish case. In particular we will investigate whether Turkish voters 1) take economic performance into consideration in casting their ballots and if so, 2) whether they place as much weight on the distant past as they do on recent past, 3) whether they hold major and minor parties in a governing coalition equally accountable, 4) whether they apportion the votes they switch to or from the incumbent parties due to economic performance, evenly among the opposition parties, 5) whether they vote strategically to provide checks and balances against concentration of power, and 6) whether they exhibit any bias in favor of or against a particular party or parties.

There are only a few studies on economic voting in Turkey and these have addressed only the first of the above questions. Most of them have relied only on descriptive statistics

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and considered only the impact of conditions in the agricultural sector.[3] By addressing the rest of the questions and considering a measure of economic performance encompassing all sectors of the economy, we hope to fill a gap in the literature on economic voting in Turkey. Actually, to our knowledge, the fourth question has not been investigated even for voters in other countries. So, we hope to contribute to the literature in that area as well.

2. THE MODEL

We base our analysis on vote equations of the following form:

$$V_{it} = a + b\, V_{it-4} + c\, G_t + d\, G_{t-1} + e_t \qquad i = 1, 2, \ldots\ldots,m \qquad (1)$$

where m is the number of parties taking part in the election. G_t is the growth rate in provincial real per capita GDP in the year of the election, measured in percentage points (henceforth referred to as the growth rate). Growth in real output or per capita real output is commonly used as a measure of economic performance and is found to be the most successful among economic variables in explaining election outcomes in other countries.[4] G_{t-1} is the growth rate lagged by one year and is included in the model to check whether voters look back beyond the
election year.[5] V_{it} represents the provincial vote share of party i in the election held in year t. V_{it-4} stands for the provincial vote share of the same party in the previous election held approximately four years earlier. The latter variable is included to capture the inertia in the political system. Our presumption is that the combined effects of other relevant factors, such

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[3] Bulutay and Yildirim (1969), Bulutay (1970), Özselçuk (1975), Çakmak (1985), Çarko□lu (1997) are the most notable studies on economic voting in Turkey. The first two of these, and to a large extent the third one, based their analysis on descriptive statistics and considered only agricultural prices and output as determinants of electoral outcomes. The last two utilized regression analysis and considered economy-wide variables as independent variables. However, none of them sought answers to the questions we have posed, except the first one.

[4] For example, Chappell and Suzuki (1993), Fair (1978, 1982, 1984, 1996 and 1998), Gleisner (1992), and Lewis-Beck and Rice (1984) use growth in per capita real GNP as a measure of economic performance in studying voter behaviour. Peltzman (1987) uses growth in per capita real income, instead. Alesina, Londregan and Rosenthal (1993 and 1996), Alesina and Rosenthal (1995) and Burdekin (1988) use growth rate in real GNP, and Chappell and Veiga (2000), Powell and Whitten (1993), Whitten and Palmer (1999), and Wilkin, Haller and Norpoth (1997) use growth rate in real GDP, for the same purpose.

[5] The reason why longer lags were not considered is that in the empirical results presented below, even the growth rate lagged one year turned out to have only small and statistically insignificant effects. Also, while the same two-party coalition was in power during the four years between the two elections considered, the last two years were under a different prime minister.

as the urbanization rate, ethnic composition, education level, income distribution and level, age distribution and ideological tendencies and partisan ties of voters, can be parsimoniously represented by this variable. While measuring the impact of each of these factors is of interest in itself, it is beyond the scope of our study. Reliable data on many of these variables are not available anyway. Our specification allows us to keep the model simple while avoiding the Amissing variables" problem. e_t is the disturbance term and a, b, c, and d are the parameters to be estimated.

We would expect c to be positive for incumbent parties and negative for opposition parties. In other words, good economic performance should favor incumbents at the expense of opposition parties. If the results obtained in other countries are any guide, d should be zero or at least less than c, in absolute value. This implies a decay in voters= memories with time.

The coefficient of V_{it-4}, b, is likely to be close to unity, demonstrating a strong political inertia. However, it is expected to vary across parties. This parameter should be lower than unity for incumbent parties and parties anticipated to take part in the post-election government, and higher than unity for opposition parties that are not given a chance to enter the government, if voters vote strategically to diffuse power. There are other reasons however for this parameter to be less than unity for incumbent parties. Parties in power are likely to alienate some of their supporters with the though decisions they make while in office. This is sometimes referred to as the Acost of ruling." Also, a regression to the mean may be in effect. Incumbents are incumbents because they have done well in the previous election. It is likely that they have received a positive shock at that time. In the current election, their shock is likely to be average (zero) rather than favorable, implying that their vote will decrease.

The constant terms are in the equation to capture any bias that may exist in favor or against any of the parties.

3.   THE DATA AND BACKGROUND

Turkey is a parliamentary democracy. Its election system is based on proportional representation. There are 550 seats in the parliament since the 1995 election. This figure was 450 during the 1983, 1987 and 1991 elections. The seats are filled through elections that take place in multi-member constituencies.[6] The president is elected by the parliament who in turn appoints the prime minister. The prime minister and the cabinet he or she heads, takes office only after receiving a vote of confidence from the parliament.

To fit our model, we have chosen the results of the 1991 and 1995 parliamentary

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[6] Usually each province constitutes a constituency. However, a few populous provinces are divided into several constituencies.

elections in Turkey. The former enter the equations as an independent variable and the latter as the dependent variable. The source of data for the vote shares of political parties are Tuncer (1996) and State Institute of Statistics (1998).

Major political parties which participated in the 1991 and 1995 elections and their vote shares in the nationwide totals are presented in Table 1. Henceforth, we will refer to these parties by their Turkish acronyms which are also given in the table. These parties include all of those that exceeded in 1995 the nationwide 10% threshold necessary to be represented in the parliament, plus MHP which came close to it and HADEP which, while falling quite below the threshold, ranked first in five provinces. Tuncer (1996) reports that MHP would have won 32 of the 550 seats in the parliament, and HADEP, 24 of them, if the nationwide threshold did not apply. The inclusion of the latter two parties in our analysis was necessitated also by the fact that they have entered the 1991 elections in partnership with other parties.[7]

Of the parties in the table, DYP and ANAP represent, ideologically, the center-right, CHP and DSP, the center-left, and MHP and RP, the far-right. Whereas MHP is Turkish-nationalist, RP which was closed in 1998 by the constitutional court for violating the secularism clause of the constitution, is believed to represent political Islam. HADEP has a leftist ideology and is considered to be Kurdish-nationalist. It is a regional party and receives its votes predominantly from ethnic Kurds living in some of the the less-developed Southeastern and Eastern provinces. Its support in the West however, where most of the Kurds are believed to live now, is much less. CHP, MHP and HADEP, which did not exist at the time of the 1991 elections, are generally considered to be continuation of People=s Social Democracy Party (SHP), Nationalist Work Party (MÇP) and People=s Labor Party (HEP) respectively, which existed then. SHP joined CHP after the reopening of the latter in 1995. CHP was closed shortly after the 1980 coup-detat. We have treated the votes cast for SHP in 1991 as if they were cast for CHP. MÇP changed its name officially to MHP after the 1991 elections. HEP was closed by the Constitutional Court in 1993 on grounds that it had advocated secession of a portion of the country. It reemerged later as HADEP which ended up being banned by the Constitutional Court as well in 2003 on the same grounds as HEP.

Between the 1991 and 1995 elections a DYP-CHP (earlier, DYP-SHP) coalition government was in power, with DYP as the major partner. In 1993, following the election of DYP leader Süleyman Demirel as president, prime ministership passed to the new leader of the party, Tansu Çiller.

MHP (then, MÇP) entered the 1991 election in partnership with RP and under the banner of the latter. Thus the votes cast for RP in 1991 should be thought of as the sum of the

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[7] While Turkish law does not allow two or more parties to enter elections in partnership, it occurs in practice. Usually, the largest of the partner parties enters the election officially and nominates an agreed upon number of other party=s candidates as its own. The latter rejoin their party after the election.

votes for the two parties. Likewise, CHP (then, SHP) and HADEP (then, HEP) entered the 1991 elections in partnership as well, under the banner of the former. Consequently, vote share of CHP (then, SHP) in 1991 is really the sum of the vote shares of the two parties in question.

There are a number of reasons why we chose the 1991 and 1995 election data to fit our model. The fact that both elections were fairly contested and were not surrounded by any extraordinary events, played an important role in our choice. These elections were the third and fourth parliamentary elections since the return to democracy following the 1980 military take-over and the fifth and seventh elections since that time if the local elections, which are held simultaneously in Turkey, are counted as well. As a sign of their fairness, in both 1991 and 1995 elections, incumbent parties have lost substantial amount of votes, and in each one, an opposition party emerged as the top vote-getter. In the case of the 1995 election, a far-right religious-oriented party came first which was an unprecedented occurrence in Turkish history. Furthermore, in the 1991 and 1995 elections, unlike the ones in 1983, 1999 and 2002 for example, no political leaders or parties were banned. Unlike the 1999 election, no major event such as the capture by government of long-sought Abdullah Öcalan, the leader of terrorist organization PKK, dominated the voting.

Another factor influencing our choice of the sample was the great variation exhibited by vote shares across provinces, parties, and elections. The same holds true also for growth rates. The latter, computed from the provincial per capita real GDP figures reported by the State Planning Organization (2002), vary considerably not only between the provinces but also between the two years preceding the 1995 election. 1994 was a recession year. As a matter of fact, in that year, the Turkish economy experienced its severest contraction to date since 1945, with a 6.1 percent reduction in GNP and 7.1 percent drop in real per capita GDP.[8] In 1994, two-thirds of the provinces had negative growth rates. In contrast, real GNP and real per capita GDP grew at rates of 8 percent and 5.3 percent respectively in 1995, when less than one-fifth of the provinces experienced negative growth rates. The correlation coefficient between provincial growth rates in 1994 and 1995 is literally zero. Also, since the 1995 election was held on December 24th, the growth rates reported for 1995 and 1994 correspond almost exactly to the two years preceding the election. Thus the sample gives us a unique opportunity to measure independent effects of economic performance during the election year and during the one preceding it.

Some minor rearrangement of the data was needed due to changes in the administrative division of the country between 1991 and 1995. At the time of the 1991 elections the country was divided into 74 provinces. However one of these was partioned into three in the following year and three of them into two shortly before the 1995 election. Because the 1993-1995 GDP data are not available for the provinces created in 1995 but they

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[8] Since then similar and worse recessions occurred in 1999 and 2001 when real GNP dropped 6.1 percent and 9.4 percent respectively (State Institute of Statistics, 2002).

are for the original provinces from which these emerged, we recomposed the latter and pretended as if the 1995 election took place in 76 provinces instead of 79.[9]   Since the necessary GDP and vote share data exist for the parts of the province partioned in 1992, we disaggregated the vote data for the province and acted as if the 1991 election was also held n the 76 provinces we had assumed for 1995.[10]

Lack of separate vote data in 1991 for RP and MHP which entered the election in partnership, forced us to aggregate their votes in 1995 as well and treat them as if they were one party which we denoted as RP+MHP. However, treating CHP and HADEP (earlier, SHP and HEP) which also formed a partnership in 1991, in a similar manner, would defeat the purpose of our study, as CHP was an incumbent party and HADEP, an opposition party in 1995. Consequently, we were forced to use the vote share of SHP in 1991 as a proxy for V_{it-4} for both parties in question. Of course, this would make CHP appear to have lost votes between 1991 and 1995 in provinces with significant HADEP presence. As most of these are also the ones where growth rates were negative or low in 1994 and 1995, this approach would bias the results in favor of finding a strong positive relationship between economic performance and vote share of CHP.   Also, as some HADEP (HEP) voters may have not voted or voted for other parties in 1991, this approach may effect the estimation of vote equations for other parties as well. To remedy the situation, we have estimated the equations also using a subsample which excluded 14 provinces in which HADEP received more than 8 percent of the vote in 1995.[11] Of these, nine had negative growth rates in 1995. In contrast, only five out of remaining 62 provinces had negative growth rates in the same year. The corresponding figures were 9 out of 14 and 41 out of 62 in 1994. The subsample excludes 7 out of 8 provinces in the Southeast and 7 out of 14 provinces in the East.[12] The descriptive

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[9] We recomposed Karabük and Zonguldak, Yalova and İstanbul, and Kilis and Gaziantep.

[10] We partioned Kars into Kars, Ardahan and Iğdır.

[11] Eight percent is about twice the national vote share of HADEP in the 1995 election.

[12] The fourteen provinces eliminated from the full sample according to this criterion are the following: Adıyaman, Ağrı, Bitlis, Diyarbakır, Hakkari, Mardin, Muş, Siirt, Tunceli, Şanlıurfa, Van, Batman, Şırnak and Iğdır.

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statistics for the full sample and its subsample are given in Tables 2 and 3, respectively.

4.   EMPIRICAL RESULTS

We have estimated the six equations represented by (1) in two ways: individually, using the method of Ordinary Least Squares and as a system of "Seemingly Unrelated Regression" equations.   The latter approach usually yields more efficient estimates. However, it also has the disadvantage of contaminating the estimation results of other equations when some of them are misspecified. This is the case here as the lagged vote share variable used in CHP and HADEP equations are just proxies. The results obtained under the two methods were very similar though, and for brevity, we have presented in Tables 4 and 5, only the former. For the reasons given in the previous section, parameter estimates in Table 5, should be considered more reliable than the ones is Table 4. Although we have presented here both tables for the sake of completeness, we will base our conclusions on Table 5.

All equations fit the full sample reasonably well, except the one for CHP. The R5 for CHP regression improves substantially, as we had suspected, when the provinces with large HADEP vote shares are eliminated from the sample. For that matter, fits of the DYP and ANAP equations also improve while those of DSP and RP+MHP does not worsen, from a switch to the smaller sample.   The fit of the HADEP equation of course worsens when provinces with substantial HADEP votes are eliminated from the sample.

The coefficient of G_t is estimated to be positive and significant for DYP, the major incumbent party, in both samples. The estimated coefficient of G_{t-1} for this party however is only marginally significant and substantially smaller. Thus, the evidence supports the view that Turkish voters take economic performance into account in casting their ballots but that they place more weight on recent past than on distant past. For each percentage point increase in the election year growth rate, the primary incumbent party is expected to receive an additional 0.36 percent of the total vote. On the other hand, the estimated coefficients of G_t and G_{t-1} for CHP, the junior partner in the coalition, are insignificant regardless of the sample used. Therefore, it appears that it is the primary incumbent party that voters hold responsible for economic performance. The estimated parameter of the growth rate is negative and significant only for HADEP in the full sample and only for HADEP and RP+MHP in the subsample. Thus, it seems that it is the extremist opposition parties that benefit from a poor performance by the government. The government=s performance does not appear to impact the vote shares of the opposition parties in the center. The estimated parameter of the lagged growth rate turns out to be insignificant also for all opposition parties, confirming once more that the voters are myopic in assessing economic performance. For that reason we have reestimated and presented in Tables 4 and 5, the equations (1) after

dropping the lagged growth rate variable.

Our finding that a government=s economic performance more than a year before the election does not matter in the election=s outcome, is in conformity with the findings of Fair (1978, 1982, 1984, 1996 and 1998) who studied this issue in U.S. presidential elections extensively. He concluded that the growth rate only during 2-3 quarters preceding the election matters in incumbent party=s vote share.[13] In fact, studies that use the growth rate in output or in per capita output during the election year as the main economic determinant of the incumbent government=s electoral success, either finding or assuming growth in earlier years to be irrelevant, abound in the literature. Besides Fair (1978. 1982, 1984, 1996, and 1998), these include time-series studies by Lewis-Beck and Rice (1984), Burdekin (1988), Gleisner (1992), Chappell and Suzuki (1993), Alesina, Londregan and Rosenthal (1993, 1996), and Lewis-Beck and Tien (1996) on U.S. presidential elections, by Kramer (1971), and Grier and McGarrity (2002) on U.S. congressional elections,[14] by Lewis-Beck (1997) on French presidential elections, by Çarko□lu (1997) on Turkish parliamentary and local elections, pooled cross-section time-series studies by Powell and Whitten (1993) on 102 parliamentary elections in 19 industrialized countries, Pacek and Radcliff (1995) on 52 presidential elections in 8 developing countries, Wilkin, Haller and Norpoth (1997) on 38 parliamentary and presidential elections in 38 developed and developing countries, and Chappell and Veiga (2000) on 136 parliamentary elections in 13 Western European countries. In other words, the answers we obtained for the first two questions listed in the Introduction exhibit great conformity with the literature on other countries.

However, the estimates obtained by the studies cited above, the vote gain by the incumbent government due to a percentage increase in the election year growth rate, ranges from 1.0 to 1.8 percent of the total vote, when the growth rate is measured as the percentage change in real GDP or real GNP, and ranges from 0.2 to 1.4 percent, when the growth rate is measured as the percentage change in per capita real GDP or per capita real GNP. Our coefficient estimate of 0.36 is in the lower end of this spectrum but it is almost the same as the estimate of 0.35 obtained by Çarko□lu (1997) using time-series data concerning 21

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[13] Due to lack of quarterly GDP data at the provincial level, we were unable to measure voter=s memories as precisely as Fair.

[14] Although the two studies cited on U.S. congressional elections found significant effects for growth rate on House of Representative elections, Erikson (1988), Alesina and Rosenthal (1989, 1995), Alesina, Londregan and Rosenthal (1993), Chappell and Suzuki (1993), and Lynch (2002) have found insignificant coefficients for growth rate in their models for House elections. Radcliff (1988) and Lynch (2002) have argued that the influence of macroeconomy on House elections has fallen over time, especially after 1913, to the point of being non-existent now. Grier and McGarritty (2002) however showed that once the advantage to incumbent congressmen rerunning for office is controlled, growth in per capita real income exhibits a strong influence on the outcome of House elections, even after 1916.

parliamentary and local elections in Turkey covering the 1950-1995 period.[15] In making a comparison with the studies in other countries, one has to take into consideration the fact that in the Turkish case the vote shares of parties are smaller. For example, according to our model, if the election was held at the end of 1994, when the growth rate was -7.1 percent, instead of at the end of 1995, when the growth rate was 5.3 percent, DYP=s vote share would have been 4.46 percentage points less. That corresponds to a 23.3 percent reduction in the party=s vote share.

Our other main finding, namely that voters distinguish between major and minor parties in a governing coalition and hold only the primary incumbent party accountable for economic performance, is also supported by the few studies that examined this issue on other countries. Wilkin, Haller and Norpoth (1997) who analyzed 38 presidential and parliamentary elections in 38 developed and developing countries, and Tucker (2001) who analyzed data from 10 post-communist parliamentary elections in 5 Eastern European countries, have reached the same conclusion we have in this regard.

The estimated coefficient of the V_{it-4} is found in both samples to be significant for all of the parties. The coefficient is estimated to be below unity for both incumbent parties as expected. Holding other factors constant, in four years time, these parties are anticipated to lose 36 to 43 percent of their previous vote share. This translates to about 9-10 percent of the total vote per party or 19 percent for both incumbents. For ANAP, the party which was in power from 1983 to 1991, the estimated cofficient of lagged vote share variable is also less than unity but not as low as the incumbent parties. In interpreting this coefficient for HADEP, one should realize that the lagged vote share variable used in that case includes not only HADEP=s but also CHP=s vote share in 1991. Thus it is not surprising and it should not be attached any significance that this coefficient is estimated to be less than unity in the HADEP equation. For DSP and RP+MHP, which were given little chance of being successful in the election, this parameter is estimated to be above unity. This is consistent with a strategic voting on the part of some voters to diffuse power. However this finding, combined with the less than unity estimate obtained for ANAP, can also be attributed to a desire by the voters to try new parties or retry leaders that have not been tried in a while. In 1995 the leaders of DSP, RP and MHP were all out of power for at least 15 years. This view is also supported by the fact that in each of the last four elections in Turkey (in 1991, 1995, 1999 and 2002), a party never tried before, with a leader out of government at least since 1980, has emerged as the top vote-getter.

An erosion in the votes of incumbent parties is not unique to Turkey but well-established in the literature. The magnitude and speed of the erosion however varies from study to study. Controlling for other variables, Alesina and Rosenthal (1989, 1995), and Alesina, Londregan and Rosenthal (1993) estimated that the incumbent party=s U.S. House

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[15] However, our estimate is statistically significant whereas his was not.

vote decreases by 5 percent between a midterm and an on-year election, and by 14 percent between an on-year and a midterm election. A bigger drop in the latter case is attributed by these authors to strategic voting by the electorate in an attempt to establish better checks and balances against the administration in power. In either case however, the vote losses estimated are much smaller than what we have found for Turkey, even after considering the fact that elections are seperated by two years in the U.S. case and by four years in the Turkish case. On the other hand, the same studies found that a 36 percent reduction occurs in the incumbent party=s presidential vote share relative to the party=s vote share in the previous House election. Lynch (2002) found a drop of 28 to 41 percent, depending on the period examined, in the incumbent party=s midterm House election vote share relative the party=s previous presidential vote share. The latter findings indicate about the same amount of vote erosion in two years time as that occurs in Turkey over a four year period. Whitten and Palmer (1999), analyzing a pooled data involving 142 elections in 19 industrialized democracies, measured the vote loss of incumbent parties between two elections to be 47 percent when the clarity of government=s responsibility is high, 25 percent when it is mixed and only 11 percent when it is low. Chappell and Veiga (2000), studied a pooled data involving 136 parliamentary elections in 13 Western European countries and found the vote loss by incumbent parties between elections to be typically about 30 percent. These estimates are not too different than ours. Another study which obtained a comparable result to ours is a cross-section study by Çakmak (1985) on Turkish 1957 parliamentary election. In an equation similar to ours but one involving performance indicators for the agricultural sector rather than for the whole economy, he estimated the incumbent party=s vote loss between that and the previous election (held about 3.5 years earlier) to be 43 percent.[16]

We are unable to compare our findings concerning how the votes lost by incumbent parties, due to their economic performance and through typical vote erosion, are distributed among the various opposition parties, as this question has not been addressed in the literature,

If we ignore the unreliable CHP regression fitted to the full sample, the estimate of the constant term is significant only for RP+MHP, in either sample, pointing to a voter bias in favor of these parties in 1995. In addition to multiplying their previous vote share by 1.1, these parties appear to have captured an additional 13 percent of the vote. This may have been viewed as a precursor of future election surprises. Indeed MHP surprised everyone in the 1999 election by emerging as the number two party, raising its vote share from 8.18 percent to 17.98 percent. Another right-wing party, Justice and Development Party (AKP), which has roots in RP, created yet another surprise in 2002 election, by coming first with a vote share of 34.28 percent, highest any party has received since 1987.

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[16] Çakmak (1985) however has treated his finding as a special case rather than part of a typical pattern.

5. CONCLUSIONS

Our statistical analysis of the 1995 Turkish election results and the economic and political conditions surrounding it, leads us to conclude that 1) Turkish voters take changes in economic conditions into consideration in casting their ballots. However, 2) they seem to not look back beyond the election year in making their assessments and 3) they seem to hold only the primary party in a coalition government responsible for their economic well-being. 4) Only the extremist opposition parties appear to benefit from a poor performance by the government and suffer from a good one. The evidence also supports the view that 5) at least a part of the electorate vote strategically in favor of parties and leaders that have not shared in the power in the recent past and/or not likely to share in it in the future. 6) There appears to be some bias in favor of extreme right parties on the part of the electorate.

Although the above conclusions need to be replicated in studies on other Turkish elections before they can gain full credibility, they are essentially in conformity with the findings of studies on other countries.

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Table 1

Vote Shares of Political Parties in Turkey (%)

Political Parties	1991	1995
True Path Party (DYP)	27.03	19.18
Republican People's Party (CHP)	20.75 (*)	10.71
Motherland Party (ANAP)	24.01	19.65
Democratic Left Party (DSP)	10.75	14.64
Welfare Party (RP)	16.88	21.38
Nationalist Action Party (MHP)	(**)	8.18
People=s Democracy Party (HADEP)	(***)	4.17
Other Parties and Independents	0.58	2.09

(*)   Vote share of Social Democratic Populist Party (SHP), which merged in 1995 with CHP following the recreation of the latter party.
(**)   MHP, then named Nationalist Work Party (MÇP), entered the election under the banner of RP.
(***) The predecessor party to HADEP, People=s Labor Party (HEP) entered the election under the banner of SHP.
Source: Tuncer (1996).

Table 2

Descriptive Statistics: Full Sample (76 Provinces)

Variable	Mean	Standard Deviation	Minimum	Maximum
Vote Shares				
V_{it} (1995):				
DYP	19.40	6.77	8.15	40.35
CHP	9.71	5.26	1.74	26.73
ANAP	19.88	6.83	5.46	54.47
DSP	11.51	8.78	1.04	33.69
RP+MHP	31.11	12.24	8.14	56.98
HADEP	6.26	10.55	0.62	54.21
V_{it-4} (1991):				
DYP	26.89	8.93	3.43	62.61
CHP (*)	22.48	11.59	4.97	61.23
ANAP	23.51	6.30	10.72	47.55
DSP	8.43	6.18	0.91	25.35
RP+MHP	17.92	9.92	2.54	40.55
HADEP (*)	22.48	11.59	4.97	61.23
Growth Rates				
G_t (1995):	3.36	4.64	-8.31	16.90
G_{t-1} (1994):	-2.67	8.71	-25.59	27.48

(*) Social Democratic Populist Party (SHP) Vote Share.

Source : Authors= computations.

Table 3

**Descriptive Statistics: Sample including only Provinces
with less than 8% HADEP Vote Share (62 Provinces)**

Variable	Mean	Standard Deviation	Minimum	Maximum
Vote Shares				
V_{it} (1995):				
DYP	20.02	6.88	8.15	40.35
CHP	10.54	4.80	3.31	26.73
ANAP	19.71	7.00	9.91	54.47
DSP	13.39	8.56	1.04	33.69
RP+MHP	32.17	12.42	9.11	56.98
HADEP	2.09	10.55	0.62	7.87
V_{it-4} (1991):				
DYP	28.27	8.93	6.57	62.61
CHP (*)	19.12	11.59	4.97	35.27
ANAP	23.86	6.30	12.15	47.55
DSP	9.85	6.18	1.30	25.35
RP+MHP	18.48	9.92	3.74	40.55
HADEP (*)	19.12	11.59	4.97	35.27
Growth rates				
G_t (1995):	4.47	4.64	-4.15	16.90
G_{t-1} (1994):	-2.13	8.71	-14.24	27.48

(*) Social Democratic Populist Party (SHP) Vote Share.

Source : Authors= computations.

Table 4
Ordinary Least Squares Estimation Results: Full Sample (76 Provinces) (*)

Equation	Const.	V_{it-4}	G_t	G_{t-1}	R^2		F
DYP	5.018(2.950)	0.511 (8.341)	0.265 (2.249)	0.090 (1.468)	0.553	0.534	29.66
DYP	4.772 (2.797)	0.511 (8.283)	0.263 (2.214)		0.539	0.527	42.74
CHP	6.181 (4.377)	0.140 (2.763)	0.207 (1.637)	0.112 (1.689)	0.139	0.103	3.87
CHP	5.923 (4.166)	0.138 (2.702)	0.204 (1.593)		0.105	0.080	4.20
ANAP	1.870 (0.800)	0.704 (7.401)	0.163 (1.269)	0.035 (0.506)	0.456	0.433	20.09
ANAP	1.666 (0.727)	0.709 (7.531)	0.162 (1.265)		0.454	0.439	30.31
DSP	0.267 (0.359)	1.256 (16.217)	0.157 (1.553)	-0.052 (1.051)	0.837	0.830	123.48
DSP	0.517 (0.730)	1.238 (16.374)	0.169 (1.678)		0.835	0.830	184.40
RP + MHP	10.482 (8.108)	1.150 (20.002)	0.025 (0.204)	0.021 (0.333)	0.860	0.854	146.89
RP + MHP	10.506 (8.189)	1.146 (20.513)	0.022 (0.185)		0.859	0.855	223.00
HADEP	-3.166 (1.377)	0.487 (5.926)	-0.602 (2.929)	-0.188 (1.743)	0.433	0.409	18.32
HADEP	-2.732 (1.179)	0.489 (5.872)	-0.597 (2.865)		0.409	0.393	25.26

(*) Dependent variable is V_{it} . For CHP and HADEP, V_{it-4} is the SHP vote share in
   1991election. In parenthesis are the t-statistics in absolute value.
  Source: Authors'computations.

Table 5

Ordinary Least Squares Estimation Results: Sample Including only Provinces with less than 8 Percent HADEP Vote Share (62 Provinces) (*)

Equation	Const.	V_{it-4}	G_t	G_{t-1}	R^2		F
DYP	0.217 (0.123)	0.650 (11.195)	0.371 (2.924)	0.111 (1.827)	0.703	0.688	45.85
DYP	0.360 (0.200)	0.639 (10.852)	0.356 (2.758)		0.686	0.678	64.55
CHP	0.153 (0.137)	0.568 (10.811)	-0.097 (1.034)	0.018 (0.414)	0.673	0.656	39.73
CHP	0.086 (0.078)	0.570 (10.987)	-0.100 (1.078)		0.672	0.661	60.36
ANAP	- 2.728 (1.071)	0.924 (9.201)	0.112 (0.756)	0.048 (0.680)	0.609	0.589	30.09
ANAP	- 3.055 (1.226)	0.934 (9.470)	0.105 (0.710)		0.606	0.592	45.32
DSP	- 0.055 (0.053)	1.268 (14.310)	0.161 (1.222)	-0.105 (1.704)	0.807	0.797	80.71
DSP	0.310 (0.302)	1.241 (14.011)	0.192 (1.418)		0.797	0.790	115.87
RP + MHP	13.043 (8.596)	1.106 (19.046)	-0.321 (2.151)	-0.060 (0.880)	0.888	0.882	152.79
RP + MHP	12.919 (8.567)	1.115 (19.596)	-0.305 (2.060)		0.886	0.882	229.68
HADEP	0.615 (0.896)	0.105 (3.263)	-0.132 (2.306)	-0.025 (0.909)	0.204	0.162	4.94
HADEP	0.706 (1.041)	0.102 (3.191)	-0.128 (2.244)		0.192	0.165	7.02

(*) Dependent variable is V_{it} . For CHP and HADEP, V_{it-4} is the SHP vote share in
1991 election. In parenthesis are the t-statistics in absolute value.
Source: Authors' omputations.