Southeast European University

Faculty of Contemporary Social Sciences



Third Cycle of Studies

Doctoral Dissertation Topic:Structural political

imbalances in Europe in the aftermath of the 2008

Economic Crisis

Candidate:

Supervisor:

Filip Kokotović, M.A.

Elena Andreevska, prof PhD

June, 2019

I certify that Iam the original author of this work.

Filip Kokotović

Filip Kakatović

Abstract

The 2008 Crisis has left a large amount of Europe in political and economic shock. Large parts of the electorate in many countries have once again started participating in elections and have begun upending the *status* quo. Political parties that have dominated their respected political systems for decades are now facing significant competition and are struggling to have their political messages heard. The 2008 Crisis has significantly contributed to the radicalization of the political sphere and the rise of extreme movements throughout the member-states of the European Union. The primary goal of the qualitative framework of the disertation will be to provide relevant theoretical arguments that will test the primary research hypothesis, which is: what is causing structural instability in the political system of EU member-states? These theoretical hypotheses will then be tested out in an empiric framework, by implementing both a standard Ordinary Least Squares (OLS) regression, conducting an analysis of a survey conducted in the Republic of Croatia, and by using Chow's test for a structural break.

The thesis aims to provide a theoretic contribution to the arguments considering the strong shift in electoral preferences in numerous memberstates of the European Union, as well as explain numerous other political structural abnormalities, such as the decision of the United Kingdom to leave the European Union. It will further contribute to the existing literature by devising regression models that will be able to predict the outcome of the election for several key political parties.

The key findings of the paper concerning the validity of the voting models confirm the overall relevance of proxy variables that account for political popularity. The use of lags of election results as political proxy variables is not consistent throughout the considered models. Additionally, the dissertation identifies relevant ARIMA models to forecast the results of the German Bundestag Elections for the CDU/CSU, SPD and FDP. There is a clear crisis of left-centred political parties in Europe as it is clear that populist and extremely right-winged political parties are capitalizing on a similar set of economic domestic policies. The paper finds that a reiterated focus on social and economic domestic policies, as supported by the survey results for Croatia, is necessary to ensure these parties do not become electorally insignificant.

Key words: European Union, structural abnormalities, populism Brexit, political radicalization.

1. Introduction

More so than ever before, there are elements of structural political instability in the memberstates of the European Union. This is evident in the choice of the United Kingdom to leave the European Union and the numerous economic crises in Spain, Italy, Greece, Portugal, Croatia and many other European economies that are struggling to achieve a larger level of economic growth. The relevance of this topic is understanding the key reasons why these structural changes are occurring and what can be done to ensure that the positive elements of globalisation and integration are not threatened. These positive effects include, but are not limited to, the establishing of a free zone of trade which allows for the freedom of movement of goods and services, labour and capital within the European Union, the rising level of democratic accountability and the raised awareness of the necessity of maintaining a sustainable economy. It is not exactly clear at what point this trend started, but it seems to be manifesting on a global level.

Perhaps the shock that was most felt on a global level was the United Kingdom voting to leave the European Union. Many expected that reason and economic benefits would prevail in favour of populism and ill-defined perceived ''taking back of sovereignty''. Similarly, many believed in the victory of Hilary Clinton in the United States, with very few credible surveys predicting her defeat in traditionally Democratic states such as Michigan, Pennsylvania or Wisconsin or her defeat in battleground states such as Florida and Ohio. Regardless of the perceived relevance of what a particular political actor represents, the clear trend that can be perceived as voter defiance of establishment politics. This can potentially result in candidates with democratic mandates to breach core principles of international law¹ or otherwise threaten founding principles of the international community's current development². The entire discussion is strongly intertwined with the understanding of the complex relationship between politics and economics. As suggested by Krugman (2009), the understanding of modern-day economics and political economics has far more to do with psychology, as he identifies that the key component to understanding market behaviour is identifying factors which impact investor confidence. The relevance of this matter will be further discussed in the explanation of the empirical proposal of this thesis. As a short introduction, it is possible to notice that several stock indexes move correspondingly with significant political events³. The link between perceived political instability and detrimental effects is logical from a qualitative point of view, but it is easy to prove a causal link using the breakpoint test originally introduced by Chow (1960).⁴

Throughout Europe, there is a rise of right-winged nationalist parties that are gaining more and more momentum. The National Front in France and the Alternative for Germany (AfD) represent a

¹During his presidential race, the Republican candidate for the highest office of the United States repeatedly advocated the use of torture against prisoners of war and offered numerous statements which breached various principles of international law.

² This mostly refers to the growing anti-trade settlement in the world, along with the fact that the Paris Treaty – which is necessary if the world is to have even a remote chance of implementing even part of the UN Agenda 2030, may be under threat as the upcoming U.S. administration is considering pulling out of the agreement. This conforms to wider, although so far unconfirmed reports that most of NASA's funding regarding sustainable development and climate change will be cut.

³Some of which are, but are not limited to: the Dow Jones index falling 500 points at the first sign of the victory of the Republican nominee, the significant fall of the FTSE index in the United Kingdom in the aftermath of Brexit or really at any point when the incumbent Prime Minister of the United Kingdom Theresa May utters the phrase "Brexit means Brexit". Perhaps as the most significant example, it is possible to note the (perhaps inflated) rise of the Down Jones index at the first sign that the Republican administration will not be as detrimental to the economy as investors originally feared. The value of the index comes from perception of threats and facts, rather than changes occurring due to quantifiable facts.

⁴While the Chow breakpoint test itself is not a causality test, but only a test of structural break of the data, one can observe that it in itself is not sufficient as proof of causality. As pointed out in Kokotović and Kurečić (2016), the accompanied qualitative evidence suffices to prove that there is a strong negative impact on the relevant stock indexes which not only strongly correlates, but is caused by activity which the market perceives as political instability.

clear indication of the fact that even the largest economies of the European Union are vulnerable to this trend. A deficit of ideas and an inability to get their message to voters has left traditional political parties without a clear plan of how to combat these alternatives. A large percentage of the electorate believe that partially the "political elite" is to blame for the 2008 Global Economic Crisis and they are seeking a way of radically changing the political field by electing radical alternatives.

This has created a significantly different political environment where voters seem to be more inclined towards the idea of voting for populist

2. Problem Statement:

There is a lacking both theoretical and empirical understanding of the aftermath of the 2008 Economic Crisis. These events have had a strong impact on the political system of the memberstates of the European Union. They are threatening the very stability of the European Union, as numerous right-winged parties are promoting referendums on either leaving the European Union or abandoning the Euro. These populist movements provide no reasonable alternative, but as it can clearly be seen from the Brexit phenomenon, their success is possible and they pose a certain risk to the stability of the European Union and to the current global economic order.

3. Research Question and Hypotheses:

This thesis will be guided by two research questions and three research hypotheses, as specified bellow:

3.1. Research Questions

What is causing structural instability in the political system of EU member-states?

Why are third-party alternatives challenging the *status quo* in EU member-states that have a stable economic growth?

3.2.Research Hypotheses:

Hypotheses 1: Many of the economies of south and southeast Europe are strongly dependent on government spending, which is financed through continuous increases in the public debt and which hampers their long-term economic growth, thus making them prone to political imbalances.

This makes these economies highly prone to shocks in the international market, as they depend both on foreign investment and relatively low interest rates for the maintenance of their debt regime.

Hypotheses 2: The alternatives, or structural abnormalities, caused by the 2008 Global Economic Crisis, do not have credible answers to modern-day political concerns, although there are many credible reasons why the electorate is susceptible to a populist approach.

This is perhaps best evident in two cases that will be extensively researched and discussed throughout the thesis. The first is the case of Syriza, where the radical left party ended up implementing mostly the same austerity measures it revolted against. Secondly, the "Brexit" phenomenon has so far failed to deliver on any of its key promises and presents a clear case of voter manipulation. All of these populist ideas do not provide sustainable solutions to the real problems that modern democracies face today. The issues of corruption, detachment from the middle class, a lack of democratic accountability and numerous other issues are relevant reasons why the ''establishment'' has suffered losses in numerous EU member-states. The issue is that populism is not the correct response to any of these issues and all of them require a consensus on the highest levels of political decision-making.

Hypotheses 3: The alternatives that have prospered in the aftermath of the 2008 Global Economic Crisis are still struggling to create a coherent set of policies and they strongly struggle with the issue of ideological positioning.

Many of these parties have started out as movements and have since gained a respectable position in the political system of EU member-states. Examples are MOST in Croatia, Podemos in Spain and Syriza in Greece. The underlying problem with all of these parties is both ideological positioning, as well as internal turnoil, as many of them have evolved from protest movements that have very little experience in actual governance. Irrelevant of their current position within the political system, they must work on organizing their own political infrastructure and position themselves on all of the key issues

Classification of populist movements

The roles of deeply entrenched political parties are being called into question and political ideas that have assumed roles equivalent to religious doctrines are now being called into question.⁵ A key example that can be seen in many of the recent election cycles is the significant role of globalization. Many considered globalization a process that is necessary and indeed beneficial to the well-being of individual economies, but there is increasing doubt in the feasibility of maintaining certain aspects of globalization. Even many critics of globalization such as the controversial former Greek minister of finance, Varoufakis (2016), while admitting its numerous faults, claimed that there is no realistic alternative to it. The question of globalization is now redrawing the political line in numerous European political parties. The opposition to globalization and more extreme capitalism in general usually grouped around the center left. This is no longer the case today.

Since Tony Blair and his New Labor, it has become generally acceptable that moderate left or left-leaning parties have accepted key globalist principles of the importance of free trade and migration. Johnson and Tonkiss (2002) point out that even before the occurrence of New Labor in the United Kingdom, the Australian Labor government conducted similar policies in the period of 1983 – 1996. This group of New Labor policies ultimately failed their key electorate in Europe and, especially Labor in the United Kingdom, have struggled to reposition themselves as a realistic alternative. This paper will start with a theoretic discussion concerning their political orientation and will then move on to a more practical discussion concerning the rise of third-party alternatives in Europe that have managed to profile themselves due to the failure of traditional or establishment parties.

⁵ This is, of course, a significant problem in itself because nothing should be so certain in the world of politics – where everything is derived from faulty human action, that it could be considered dogmatic and unquestionable. Many elements of the global system have become inert and are not properly reacting to challenges of the 21st century.

1. Theoretical discussion

This paper aims to address certain theoretical contradictions concerning the theoretic elements necessary to understand the current wave of third-party alternatives in European politics. Many of them are not aimed exclusively against globalization *per se*, but are aimed against establishment politics and the maintenance of the *status quo*. To start off, generally liberal/globalist politics are rooted from Smith's work in 1776 that strongly advocates an increase in free trade.⁶ Traditionally speaking, the logical opposition to such a concept would be right-winged conservatism, as a means of protecting the *status quo* and placing the emphasis on a stronger national economy. At some point in time, with an emphasis on the Cold War period, this was no longer the case.

The largest world superpowers, especially the United States after the rise of the Bretton Woods system, abandoned mercantilism and embraced free trade as a necessary element of the new global world order. Thus begins the shift of anti-trade sentiment to the left, as socialist parties throughout the world (despite having very little against the concept of free trade itself) started working against all things essential to the development, sustainability, and growth of capitalist systems. Thus opposition to the system of free trade gained some traffic and this increased as various forms of outsourcing displayed negative impacts of globalization throughout the world.⁷

⁶ To provide a short background, this was completely opposite to the predominantly mercantilist and protectionist policies of the time that advocated for the protection of the national economy by imposing tariffs and promoting domestic producers as a way of achieving increased economic growth.

⁷Including the so-called, race to the bottom in which many underdeveloped or developing countries eliminated all legal and administrative barriers to entry for foreign capital. This created a system where many were left without even the basic working rights, a damaged environment, as well as systems that were entirely dependent upon foreign

For quite some time, the natural opposition to free trade, capitalism, and many impacts that are comparable to modern globalism resided firmly on the left of the political spectrum. It is very difficult to understand when the complete shift happened and whether the failure of New Labor is responsible for these new trends, the 2008 Economic Crisis or just general lack of satisfaction of the electorate with their elected officials. The predominant trend in the aftermath of the 2008 Economic Crisis has been the rise of the far right-winged parties, anti-establishment sentiment and a strong wave of populism that is not so easily categorized.

2. Categorization of political responses

As was mentioned in the previous paragraph, there are some relevant political parties that are fairly easy to classify. While Marine Le Pen has attempted to turn her party into a ''party for the people'', rather than a revisionist party that has unacceptable pro-fascist elements as it did in the time of her father's leadership, it is by many elements still a typical far right-winged party. It is also a very good starting point for the analysis, as it can set out some criteria that will be used for classifying further parties. Nadeau and Lewis-Beck (2013) determined that the key variables for French presidential elections were ideological identification as a long-term variable and economic evaluation as a short-term variable. This paper argues that many third-party alternatives in Europe have based their political positioning by exploiting the weakness of current establishment options,

capital for sustained economic growth. For a more detailed discussion on the race to the bottom, see Brueckner (2000).

while not providing a firm position on how to resolve the economic issues and many of them not even providing a clear ideological agenda.

To begin the analysis, one needs to consider the policy implications of a National Front candidate being elected president. It would destabilize France, endanger the foundations of Western society by uprooting the European Union and NATO and seriously endanger the current *status quo*. If the current reporting of the media is to be believed, all of these elements are realistic threats (an example can be seen in Nougayrède, 2017). While such threats exist, there are many safeguards in place to make sure that there are limits to what one person or one party could do, even in a system that is semi-presidential such as the one in France.⁸ It is impossible to take France out of the European Union without support from both houses of Parliament, as well as a 60% majority of the French electorate in a referendum. The dangers of alternative facts are increasingly evident in the post-2008 political system and they can only be combatted with clear facts – not sensationalism.

Upon understanding the policy implications of the National Front, some elements of their program can quickly be identified and it can be used to identify similar right-winged alternatives throughout Europe. One quick note should be made in that the National Front and many other parties have existed prior to the 2008 Economic Crisis, yet most of them were fringe parties that had no real impact on day-to-day politics or had rare moments in the spotlight prior to receiving a clear defeat by establishment candidates. An obvious example is the rout that Le Pen's father,

⁸ There are clear limits to what even one person can do in a presidential system, as Donald J. Trump appears to be slowly learning in the United States. Despite many of his own controversial ideas being enacted into policy, some of his more radical policies, such as the immigration ban that targeted Muslim-majority countries, was stopped by a Federal court and clearly displays that a system of checks and balances still operates within the United States. The continued Congressional probe into the incumbent president's closest advisors and the appointment of a special coursel display that there is still a functional separation of power and system of checks and balances within the political system of the United States.

Jean-Marie Le Pen, where the highly unpopular Chirac won a landslide majority of 82% in the second round (Blais, 2004). Constant protests and a clear political consensus that Jean-Marie Le Pen needed to be defeated, as well as a clear disability of Le Pen himself to improve upon his shocking first-round result against a highly unpopular candidate, displays that this was not considered normal at the time and that the establishment rallied to defeat a dangerous candidate.

The political establishment's capacity to continue doing so is highly dubious. Marie Le Pen managed to achieve a far larger percentage of the vote than her father, the Brexit referendum displays that anti-globalist and anti-integration sentiment have found their ways into the heart of the Tory Party and nobody can be sure that independent candidates like Macron are certain paths to dissuading further anti-establishment political parties. The only element that is common to all third-party alternatives is working against the existing political parties, often calling them corrupt and accusing them for the negative state of the economy – regardless of what the objective state of the economy actually is. Some sentiments are clearly reserved for far-right parties, such as an antiimmigration, anti-integration, and anti-globalization sentiment, often including a view of history that is slightly revisionist and skepticism towards all forms of international cooperation. Sadly, many of these parties also hold a highly negative stance towards minorities. Several parties clearly fit all of the previously mentioned criteria, with prime examples being the United Kingdom Independence Party (UKIP), the Alternative for Deutschland (AfD), the previously mentioned National Front, Jobbik in Hungary, the Party for Freedom in the Netherlands, as well as Golden Dawn in Greece.

As can be linked to the theoretical discussion, many of these traditionally right-winged parties have adopted an anti-globalization stance and many of them are aiming towards a disenfranchised electorate that is disgusted by the status quo in politics and that no longer feels safe voting for policies that resemble New Labor. While the 2008 European Crisis has given rise to several radically leftist parties, many of these parties are struggling to achieve any form of electoral success or form a coherent set of policies. It is for the purpose of this paper that several of these parties are classified as populist, rather than traditionally leftist. The clear common ground for these interest groups is they have risen as an anti-establishment response to the 2008 Economic Crisis and many of them lack a cohesive set of policies that can be defined as clearly ''left'' or ''right''. Rising out of a protest group, many of them have gained a platform to voice their political opinions and these platforms rarely have a clear political message. Surprisingly, some of these political platforms have gained significant influence in several countries or have even assumed power.

Clear examples are Podemos in Spain, Most and ŽiviZid in Croatia, as well as Syriza in Greece. All of these parties have a set of policies that adopts populist proposals and that have not managed to establish a clear ideological background. Although Syriza rose to power as an anti-austerity party, it has followed IMF and EU austerity rules in an equal manner as the previous governments of Greece. The truly left parties of the European Union, such as Die Linke in Germany and other parties that advocate advancing social equality and increased participation of the state in resolving economic issues, have thus far not managed to achieve a greater level of political success and they may still strongly be impacted by the failure of New Labor and the complexity or perceived unfeasibility of their policy proposals – such as establishing a universal income for everyone.

3. Conclusion

The aftermath of the 2008 Global Economic Crisis has clearly paved to path to a rise of thirdparty alternatives that represent a systemic challenge to the existing order in Europe. As emphasized by Stiglitz (2006), globalization needs to continue to work and ensure social justice for the entire populace. Many reasons why globalization is currently struggling and many parties are promoting of criticizing it is its perceived lack of care for the middle class and for industrial workers. Proper policy proposals need to be identified and a rise of right-winged populism needs to be countered with facts and clear proposals, rather than needless sensationalism that only helps fuel the political and ideological divide.

References

Blais, A. (2004). Strategic Voting in the 2002 French Presidential Election in M.S. Lewis-Beck (Ed.), *French Politics, Society and Culture Series* (pp. 93 – 109), Basingstoke, United Kingdom: Palgrave Macmillan.

Brueckner, J.K. (2000). Welfare Reform and the Race to the Bottom: Theory and Evidence. *Southern Economic Journal*, 66(3), pp. 505-525.

Johnson, C. and Tonkiss ,F. (2002). The Third Influence: The Blair Government and Australian Labor. *Policy & Politics*, 30(1): pp. 5-18.

Nadeau, R. and Lewis-Beck, M.S. (2013). French Election Theory: Why Sarkozy Lost. *Parliamentary Affairs* 66(1): pp. 52 – 68.

Nougayrède, N. (2017). Don't be complacent about the risk of President Le Pen, Op-ed. Available from: <u>https://www.theguardian.com/commentisfree/2017/mar/08/french-presidential-</u> elections-marine-le-pen, retrieved 1.6.2017.

Smith, Adam. A Wealth of Nations, Blacksburg: Thrifty Books, 2009.

Stiglitz, Joseph E. Making Globalization Work, New York: Norton & Company, Inc., 2006.

Varoufakis, Yanis. *Trpite ono štomorate? :povijestEuropskeunijeinjezinabudućnost*, Zagreb : Sandorf, 2016.

Methodology and data

The dissertation will implement a multi-step methodological framework of approaching the existing data and also conducting forms of original research. In order to better describe the methodological approach, a detailed description will be defined based on whether the research is qualitative or quantitative in nature.

1. Qualitative analysis

This dissertation will attempt to use several forms of data analysis in order to draw relevant conclusions on the political trends currently occurring throughout Europe. In order to understand the existing literature and draw on existing research, this dissertation will perform a detailed literature review. The focus of the dissertation will be on relevant peer-reviewed journals, while also taking into account books, reports and other relevant publications. While the primary focus will be on sources that have been written after the 2008 Global Economic Crisis, some sources that can be used to develop a wider theoretic framework written prior to that period will also be used.

In addition to conducting a detailed review of the existing literature, case studies of relevant cases of structural and political abnormalities will be studied. The criteria for selecting a certain country depends on how relevant the changes in the country's political system are to the overall political order in Europe. In order to do so, the dissertation needs to consider the possibility of a spillover effect or a ''domino effect'' where significant changes in one political system can cause changes throughout Europe. Several elections and political occurrences will be studied in great detail, especially the Brexit phenomenon and relevant elections where voters have opted for choices that are significantly different from the traditional views of the electorate.⁹

With the goal of conducting a detailed approach that will include original analysis, a survey will be conducted in Croatia to determine voter preferences. This survey will attempt to be representative in terms of gender, age, region of birth, religious views, and the political

⁹ This can be somewhat difficult to determine in a ''fluid'' political system, such as the political system of Italy. In Italy, there is usually a coalition government and there are a multitude of options of how a group of political parties can gain power. On the other hand, countries such as the United Kingdom only have a relatively small number of parties where, in the past few decades, the Labour and Conservative Party have mostly been in control, sometimes in coalition governments with the Democratic Liberals.

preferences of the population¹⁰. The survey will be conducted on a sample of no less than 300 respondents online, using Google Docs. The primary goal of the survey will be to understand the reasons for voting for third-party alternatives, as well as understanding whether their stances towards the EU conform to similar trends in the EU.

1.2.Challenges in conducting survey

The dissertation will likely encourage a number of issues in implementing a detailed survey. One of the key aspects where an online survey will be challenging is reaching an older audience. The dissertation can attempt to mitigate this problem by conducting live surveys with members of an older age group. Another issue that will likely be encountered is the low number of respondents from people who vote in the conservative heartland¹¹, but are mostly not interested in participating in political polls. This issue cannot be fully resolved, but one of the key goals will be to place the survey in as many online locations as possible. Such an approach where the survey will be posted in the comments section of relevant news portals, as well as online forums and social media, will hopefully enable the survey results to ultimately be representative and for the survey to reach a wide audience.

Aside from the previously mentioned challenges, there are also methodological concerns in forming the survey questions themselves. Due to the fact that many people dislike identifying themselves as Eurosceptic, a baseline of several questions needs to be included to try to understand their opinion on the EU. Rather than predicting the results of future votes, the key

 ¹⁰ Based on the results of the previous general elections that may not fully reflect the current situation.
 ¹¹ An example would be Ličko-SenjskaŽupanija.

goal of this survey will be to understand whether there are any statistically significant differences between the people who vote for third-party alternatives in comparison to people who vote for traditional establishment parties. It can be asserted that, directly or indirectly, smaller antiestablishment and Eurosceptic parties have managed to include their opinions into the political mainstream.

An additional limitation will be the attempted application of the survey results to states outside of Croatia. Due to the fact that full membership in the EU was a strategic priority for both of the key parties in Croatia – the Social Democratic Party and the Croatian Democratic Community, becoming a EU member-state was a bipartisan effort. While this is not endemic to Croatia – several countries in Southeast and Central Europe had large parts of the political establishment agreeing on the necessity of EU membership, Croatia faces numerous issues that can be difficult to apply to the more developed EU member-states.

For example, Croatia faces significant difficulties regarding its public debt, political accountability and the so called "brain drain" phenomenon, as well as demographic challenges that question the sustainability of the overall long-term sustainability of the current Croatian pension system. Due to all of these issues and the sensitivity of the crisis concerning Agrokor, one of Croatia's largest companies, it is difficult to fully interpret the referendum results within a wider theoretical framework.

As many of the questions in the survey are relevant to the public confidence in the EU and the evaluation of the impact of the EU versus third-party alternative options, it will be useful to compare the results of the poll with other reputable surveys, such as those regularly conducted by Eurobarometer. By applying all of these methods, the final results will ensure that the

dissertation can provide relevant recommendations and policy recommendations on how to decrease the increasing populist sentiment in Europe and focus on developing more constructive and feasible policy options.

1.3.Description of survey

The survey will contain several questions which will help place the respondents within the adequate group based on their geographical location, political affiliation, the age group they belong to, their respected level of education and approximate monthly income. All of these are generally traits that are considered to be relevant factors in determining whom a particular individual will support in an election. This is especially supported by public choice theory, as described by Ciraki, which states that individuals will support politicians that clearly advocate for choices that are in their best interest and who will protect their interests when elected to office.¹²

As Croatia currently faces some highly specific changes, especially a decrease in the number of employed people in comparison to the total population and challenging demographic trends, it is to be expected that there will be some differences from usual results encountered in Europe and abroad. Based on many relevant factors, Croatia is a economy that has faced numerous difficulties arising from the post-transition period and the 2008 Global Economic Crisis. The survey will aim to capture numerous nuanced differences within the Croatian electorate.

¹² To provide some clarification and a rudimentary example, this means that a person who is unemployed is likely to support political options that advocate for expanding new educational and retraining programs, as well as providing more funding for unemployment benefits. Quite simply explored, each individual will support the party that most clearly advocates some specific interest he wants the government to focus on.

The survey will be analyzed in a manner to distinguish between two key groups – respondents who have participated in one of the previous 3 election cycles from the data when the survey took place and survey respondents who abstained from voting in these election cycles. Thus, one of the goals of the survey is to ascertain whether there are any statistical differences between the results of the respondents who regularly participate in political elections and those who decided to abstain from elections.

In regards to the relevance of these results to the investigative hypotheses, the survey will include several questions on how respondents view the relevance of the EU to both the economy and national political processes. Additionally, the survey will attempt to evaluate how the respondents believe the rise of third-party alternatives has impacted the overall political climate and whether or not this has positively impacted the quality of the political discourse.

Another relevant element will be what specifically is driving the anti-establishment vote. In order to determine this aspect, it will be important to note whether a certain region is more prone to vote for a particular political party or whether or not a certain age group supports a specific ideological position. Through understanding these differences, the survey will aim to evaluate whether there are any significant differences between voters who vote for mainstream political parties- anti-establishment voters and voters who decide to sit out elections.

Through understanding the general theoretical framework of voting, including the Theory of Rational Choice, this dissertation will seek to understand what motivates voters in Croatia to vote for a particular political party. Based on numerous surveys that have been conducted, this survey will aim to evaluate what is the primary motivator for every participant to vote for a particular party. By selecting the primary reason why survey voted for a particular party of decided not to participate in elections, it will be possible to assess whether there are any structural reasons that are encouraging members of the wider electorate in Croatia not to vote. For many young democracies, such as Croatia, the issue of low voter participation is a significant problem and this survey will aim to understand this phenomenon.

From a theoretical approach, voters take the time required to vote for a particular political party either out of a particular self-interest, or ideology. While there are numerous other possible options, such as being inspired by a particular candidate, such options are not considered by the survey. The survey will test the reasoning for voters' choices to select a particular political party in a two-staged approach.

The first aspect of the test will be to directly ask voters why they selected a particular political party. This will allow them to select from a multitude of reasons that include the party's ideological policies, the party's economic policies, foreign policy priorities, and other elements that are specific to Croatia. As both SDP and HDZ have struggled to gain a majority on their own in the past several elections, both have been forced to compromise with smaller parties.

In the case of MOST, the party has promised not to form a coalition with either of the two largest mainstream political parties. With a program that primarily emphasized enacting change and meaningful reform, this party eventually opted to form a coalition government with HDZ in two instances after protracted negotiations.

The Brexit phenomenon

The issue of Brexit is central to the discussion of political imbalances and the rise of third-party alternatives. In the interest of clarity, it should be stressed that third-party actors and actions that are outside of the political mainstream are not novel phenomena developed in the 2015s. Third-party alternatives such as Syriza in Greece or MOST in Croatia existed and rose to prominence quite a while before the Brexit referendum was formally announced. Brexit contains the most holistic rebuttal to claims such as those advocated by Rooduijn, de Lange and van der Brug (2012) that suggest that mainstream political parties do not consider or necessarily adapt positions advocated by populist third-party alternatives or other parties that do not advocate rational proposals and policies to relevant issues.

The specific reason why so much time within this dissertation is devoted to Brexit is because it is an example of a sovereign nation making a conscious decision to move in the direction which most of its institutions judged to be a danger to the country's economic wellbeing (Treasury of the United Kingdom, 2016). In no uncertain terms, the Treasury of the United Kingdom (2016) predicted that the short-term impact of leaving the EU may lead to a recession and may cause the country's GDP to decrease by 3.6%, cause a recession, increase unemployment by roughly 500,000, cause inflation and a decreased value of the country's currency.

As analyzed by the Theory of Rational Choice as understood by Ciraki (1996), this would mean that voters are behaving in such a manner due to several possible reasons. One hypothesis is that voters have such a mistrust of not only their own elected representatives, but also of the institutions of the country that are tasked with tracking the country's economic development and making forecasts of relevant macroeconomic indicators. Therefore, one of the hypotheses would be that the level of mistrust among the British electorate is so high that they openly ignore the forecasts made by the British Treasury.

Such behavior is also completely contrary to the perception of voting as described by Lewis Beck and Nadeau (2011) where they discuss voting primarily from the point of view of the classical economic theory of voting. If viewing voting for either a referendum or a particular political option, there is no reasonable explanation for Brexit even when considering the underdeveloped arguments of the Leave campaign that suggested that money that was used to pay for being a member-state of the EU could be used to finance the National Health Service. Even during the time of the referendum, this argument was repeatedly criticized by both the press and scholars for being completely misleading (Henley, 2016). As can be seen from numerous news sources at the time (Henley, 2016; Reuben, 2016), there were reputable sources at the time that clearly stated the figure was not only misleading but accused the Leave campaign of attempting to mislead the British electorate.

While the issue of funding the National Health Service will be discussed in greater detail in later parts of this chapter, it is clear that for many voters taking back control from the EU and limiting migration levels was an essential part of voting for Brexit. Based on these reasons, it is possible to make the argument that some voters perceive globalization and increases in immigration as threats to their economic livelihood. Such a perception is emphasized by social media bubbles that exist to both the left and right of the political divide.

The attack on migration levels and globalization as a phenomenon is not contained to the extreme right, as the Labour Party under Jeremy Corbyn has increasingly attacked globalization and international institutions for austerity measures and for advancing an agenda that they perceive as working against the interest of workers and only advancing the interests of large multinational corporations. Therefore, an initial overview of the topic could provide credence to the claim that, to the best of the understanding of a part of the electorate, they were voting in their own, perhaps long-term, economic self-interest as described by Beck and Nadeau (2011). If accepting the fact that echo chambers on social media and within certain political parties such as the United Kingdom Independence Party (UKIP), that advocate diversity and migration as existential threats to nation-states, it is even possible to argue that voting for Brexit is a rational choice in a conceptual model as proposed by Ciraki (1996).

This theoretical discussion has practical implications that are relevant to both researchers and pollsters. Asking voters if they are going to determine a vote based on their economic selfinterest may no longer be a sufficiently accurate question because voters may perceive the issue of migration and the danger of EU institutions as more damaging to their economic self-interest than the actual forecasts of economic growth provided by the country's own economic institutions (Treasury of the United Kingdom, 2016). An additional hypothesis can be included on the potential reasons for why the British electorate, in a referendum with such a high turnout, decided to exit the EU. Such reasoning is similar to the previously discussed hypothesis, but it includes a stronger element of intent from the British electorate.

There have been several articles, such as the research conducted by Galbraith (2017), that advocate the position that Brexit has caused a certain form of chaos and that the overall prospect for the UK is in a worse position than prior to the Brexit referendum. Based on such a view of Brexit and taking into consideration the perception of a significant part of the electorate that they were completely unsatisfied with the *status quo* of politics, their aim may have been to cause such chaos that would completely change the existing political situation. To clarify, their goal may have been to cause a structural change in the way in which politics was conducted because they did not perceive that they had something to lose through the UK exiting the EU.

Such a hypothesis cannot be completely explained by most theories centered on forms of rational choice or ideology and neither Ciraki (1996) nor by Lewis Beck and Nadeau (2011) offer a suitable framework to analyze such a decision. This is because most theories that aim to analyze key reasons for why voters support a particular political party, individual, or ideology, are based on the understanding that the individual has some gain or perceived gain from making such a decision (Lewis Beck and Nadeau, 2011). Making a decision regarding electing legislative representatives or a wide-ranging decision in a relevant referendum with the intent of causing change and even chaos would be considered outside the mainstream of most political theories that analyze the electoral process. Such a decision conforms best to Blount's (2002) hypothesis that voters, while somewhat rational in making their choices, cannot be considered as individuals who make electoral decisions based on an objective overview of economic factors.

While not dismissing the relevant concerns that many have with the EU in advocating for a comprehensive reform of its institutions, decreasing its democratic deficit, and increasing the overall transparency of its political processes, most of these changes could be advocated while still being a member-state of the EU. The goal of the EU referendum was a clear attempt at a fundamental change of not only the position of the UK within the EU, but also in how domestic politics is conducted within the UK.

As will be seen further in this chapter, the hypothesis that British politicians have tied several negative phenomena to the EU will be explored. In addition, this chapter will provide a detailed background on how the concept of Brexit developed within the UK and how the debate on exiting the EU eventually led to the decision by a majority of the British electorate to leave the EU. This chapter will further consider the possible long-term implications of Brexit and provide relevant policy recommendations based on the existing literature and an empirical framework that will include a combination of both qualitative and quantitative research methods.

Background of the decision of the British electorate to leave the EU

The UK was not among the founders of the EU and it was, at first, blocked from participating in the integration when French President Charles de Gaulle believed the British to be a potentially disruptive factor that would advocate for American interests within the European integration process. The UK was not among the nations originally interested in a strong European integration despite the fact that former British Prime Minister Winston Churchill was among the strongest advocates of a stronger alliance of European states in the aftermath of World War II.

An integral point that should be considered is that, for many British politicians, entry into the European Union was a necessary requirement to advance British economic interests after it proved that membership in the European Free Trade Association (EFTA), co-founded by the UK, was not sufficient to advance the country's economic interests. While a significant benefit of being a member-state of the EU is benefiting from the trade not impacted by tariffs and other benefits, the UK did not perceive some of the other benefits of EU membership. It is indicative that of the original EFTA founding-states that were originally party to the agreement, only Norway and Switzerland are still parts of EFTA with the other founding-states joining the EU. Aside from participating in what British politicians often refer to as "frictionless trade", there are numerous other positive elements of the modern EU. All EU member-states abide by the rule of law and a set of basic market regulation principles that ensure that the investments of international companies or interested parties are safe. While the EU has administrative and bureaucratic hurdles like any other major country, participating in such a free market enables the member-states to develop far superior trade agreements to anything they could negotiate on their own.

Recognizing some of these benefits and, by

Galbraith, James. (2017). Europe and the World after Brexit. Globalizations 14(1): 164-167.

Henley, John. (2016). Why Vote Leave's £350m weekly EU cost claim is wrong. *The Guardian*. Available from: <u>https://www.theguardian.com/politics/reality-check/2016/may/23/does-the-eu-really-cost-the-uk-350m-a-week</u>, accessed 25th of February, 2019.

 Treasury of the United Kingdom. (2016). HM Treasury analysis: the immediate economic impact

 of
 leaving
 the
 EU.
 Available
 from:

 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file
 /524967/hm_treasury_analysis_the_immediate_economic_impact_of_leaving_the_eu_web.pdf

 ,accessed 22th of February, 2019.

Reuben, Anthony. (2016). Reality Check: Would Brexit mean extra £350m a week for NHS? BBC. Available from: <u>https://www.bbc.com/news/uk-politics-eu-referendum-36040060</u>, accessed 22th of February, 2019. Theoretical exploration of Croatian Politics

The political situation in Croatia has primarily been dominated by the Croatian Democratic Party, abbreviated HDZ in Croatia. The only other party to have held power in Croatia was the Social Democratic Party (SDP), albeit gaining power through two pre-election coalitions. In these two elections, the coalitions in question were clearly primarily headed by the center-left and could not have attained power without the SDP party. While the presidency has become a less significant office in recent years, no presidential candidate has managed to win the presidency without the backing of these two political parties with the exception of StjepanMesić in the 2000 Presidential Election. This was a highly specific election when none of the parties in question managed to fully conciliate and grasp the new political reality where the first Croatian President, FranjoTuđman, was no longer the defining political power of Croatia.

Background

Croatia declared its independence on the 25th of June, 1991. There is a strong theoretical debate on when Croatia fully gained its dependence, based on the concepts of a Constitutionalist versus a Declarative view of international recognition. Based on the view of Rudolf (2013), Croatia became a functional subject of international law when declaring its independence on the 25th of June, 1991. There is a separate legal discussion on whether the Brijuni Declaration, where Croatia agreed to an international arbitration, diminished the relevance of its declaration of independence. As emphasized by Rudolf (2013), the decision to accept the moratorium did not diminish the fact that Croatia had functional institutions as of the previously stated date. As a separate entity, Croatia also had the three elements required to be a subject of international law – territory, a sovereign government, and a population.

While this theoretical debate is relevant because there is an alternative date that can be considered as the day when Croatia gained its independence, the 15th of January, 1992, such a view would not conform to the majority of legal scholars (Rudolf, 2013). Proponents of the Constitutionalist view of international recognition would argue that Croatia was not a sovereign state until the 15th of January because that was the time when a large number of relevant actors in international relations recognized Croatia. Despite these debates and the war between Croatia and Serbia that followed, Croatia had a functional and sovereign government since the 25th of June, 1991 – marking the beginning of the country's independence.

During the period of conflict between Croatia and Serbia, a Government of National Unity was formed. Despite the fact that this government formally included all of the relevant political parties of Croatia, the Croatian President FranjoTuđman held the reigns of power in what can best be described as a system between a completely presidential system and the French semi-presidential system. Such a system is not uncommon for a time of clear crisis in a democracy that has yet to be fully established.

There were several examples where Tuđman and HDZ used, from a democratic viewpoint, questionable methods to ensure that they maintain a firm grasp on power. The government established a rule that, in the case of a coalition between two parties, the parties would have to surpass at least an eight percent threshold in order to be represented in Parliament. If more than two parties were to form a coalition, they would have to pass at least the 11 percent

threshold (Kulenović&Petković, 2016). The entire political system of Croatia at the time was highly gerrymandered in favor of HDZ.

During that time, President Tuđman maintained a firm grip on power as the Croatian political system slowly transitioned towards a semi-presidential political system. Several people held the post of prime minister and the position was largely overshadowed by Tuđman's strong grip on almost all political aspects of the country. There was a political shock in the country when Tuđman died on the 10th of December, 1999. With both a Presidential and a Parliamentary election soon to come in 2000, there was a huge power gap in HDZ. During the period of the aftermath of Croatia declaring its independence, SDP was largely an irrelevant factor in most elections as it won only 5.52% of the vote in 1992 and 8.93% of the vote in the 1995 Parliamentary Elections. Despite being the de facto successor of the Yugoslav Socialist Party, which held power in the entire Federal Republic of Yugoslavia since 1945 to 1991, SDP was largely weakened by constant attacks largely based on the party's decision to vote against the separation from the Federal Republic of Yugoslavia in 1991.

Largely due to SDP's poor electoral chances at the time, the centrist Croatian Social-Liberal Party, commonly abbreviated as HSLS, was seen as an equally significant factor and SDP promised to support the leader of HSLS, DraženBudiša, in his bid in the 2000 Croatian Presidential Election. Due to the power void in HDZ and the shifting political nature of Croatian politics of the time, several victories that were considered unexpected occurred. For the first time since Croatia gained its independence, the HDZ-backed candidate did not make the runoff. The runoff featured Budiša, backed by a part of the winning left-leaning coalition and StjepanMesić who was backed primarily by the also left-leaning Croatian National Party, commonly abbreviated as HNS. Mesić won the runoff with roughly 56 percent of the vote. Despite this win, HNS never again came so close to prominence in national politics.

Additionally, the power of the office of the president was severely limited by changes to the constitution. While the original Croatian system of governance under Tuđman was primarily a half-presidential system, the new system of governance was primarily parliamentarian. Unlike the wide authority that Tuđman held, Mesić primarily had some authority left in regards to security issues, foreign policy, and selecting people for positions such as ambassadors. Such a level of presidential authority is comparable to political systems such as Germany where the president is elected by the legislative body rather than through a popular vote.

In such a new political reality, the office of the prime minister became the most powerful executive office within Croatia. The role of prime minister under the coalition agreement was delegated to Ivica Račan who presided over the first non-HDZ cabinet in Croatian history. During that time, there was a cross-party agreement that entering the North Atlantic Treaty Organization (NATO) and European Union (EU) were essential to the long-term development of Croatia. While Račan faced constant pressure within Croatia and he had severe issues keeping the highly heterogenous group of left-winged and centrist parties in power. The key issue was a dispute between the centrist HSLS and the remainder of the parties. HSLS was close to fracturing for most of the functioning of the 2000 Parliament and many critics claimed that the President of HSLS, DraženBudiša, focused all of the party's efforts on challenging Mesić for the presidency in 2005.

In such a state of affairs, the coalition managed to survive unscathed until 2002 when a strong dispute erupted over the selection of new ministers for commerce. The HSLS leadership,

without the support a significant number of its own parliamentary representatives, made a strong shift to the right. HSLS leaders, led by Budiša, claimed that they will not accept the continuation of the post-war processes where they perceived that Croatia and Serbia were perceived as equal – where the country that was a victim of occupation and a foreign attack had its behavior evaluated as equal to a country that conducted the aggression. Budiša also refused to allow Croatian generals to be extradited to the Hague International Criminal Tribunal for the former Yugoslavia, formed by the United Nations Security Council.

In the end, HSLS fractured over several crucial votes and went from having 24 parliamentary representatives in 2000 to only 14 with 10 of its parliamentary representatives defecting and forming a new party by late 2003. One of the breaking points between SDP and the remaining left and centrist parties and HSLS occurred in 2002 when HSLS refused to support the bilateral treaty between Slovenia and Croatia on the construction of a nuclear power plant in Krško. Račan eventually maintained a grip over the remainder of the government and managed to finish his 4-year-long term as prime minister with support from HNS, defecting HSLS parliamentary representatives, and the centrist Croatian Peasants Party, commonly known as HSS. His promised attempts to make bold reforms in solving a slow judiciary and combating organized crimes never truly occurred. The Račan government is primarily remembered for relevant investments in infrastructure, especially the construction of new roads, and several missed opportunities and failed attempts at compromise.

Perhaps the best failed attempt to compromise was the so called Račan-Drnovšek Treaty of 2001 where Croatia would give up roughly 80 percent of the Bay of Piran in return for Slovenian backing of Croatian membership in the EU. History has largely judged such moves as strategic missteps made in a climate where both his party and the people expected significant changes from SDP and Račan. Unsurprisingly, the public was not satisfied with the government that was so frequently marked by fighting within its own ranks. This is perhaps best exemplified by HSLS having 24 parliamentary representatives in 2000, but having only two elected representatives in the 2003 Parliamentary Elections. These elections also firmly established the two most relevant political parties in Croatian politics in a dynamic that has largely remained unchanged up to the late 2010s.

The 2003 Parliamentary Elections

As much of the public was clearly dissatisfied with the infighting of the 6 party coalition government, HDZ received a majority of the vote and had 66 out of the 152 seats in the Croatian Parliament. SDP cemented itself as the second most powerful party with 34 seats, while HNS and HSS maintained relevant factors in Croatian politics that each had 10 seats in the 2003 Croatian Parliament. HDZ managed to gain support from HSS, the parties that were voted through the minority list and other smaller parties that ultimately helped HDZ form the government and allowed Ivo Sanader to become the Prime Minister of Croatia.

While there were individuals who had a profound impact on the electoral system of Croatia or individuals within parties who attempted to use political parties or movements to advance their own political ambitions, very few examples are as extreme as the example of Ivo Sanader. As emphasized by NikićČakar (2009), the early form of functioning for HDZ was to depend largely on the fact that they were associated with the independence movement. Until the first Račan government, it was difficult to distinguish between some aspects of Croatian government and the HDZ government that led the government. Despite this fact, no individual had ever taken such complete control over a political party in modern Croatian political history as Ivo Sanader had (NikićČakar, 2009). After defeating IvićPašalić in an intra-party election within HDZ, Sanader seized the reigns of power and aimed to eliminate most of his intra-party competition.

Sanader's government formally focused on decreasing taxes, increasing the company's business competitiveness, decreasing unemployment, and relevant foreign policy goals such as ensuring that Croatia becomes a member-state of NATO and the EU. The government was confirmed with 88 votes and several relevant events occurred under the first Sanader-led government. A significant event that happened largely without the government's involvement was the discovery of the runaway general Ante Gotovina. Due to the fact that the Hague International Criminal Tribunal for the former Yugoslavia accused the Croatian government of being non-cooperative and even suggested that the Croatian government helped finance the general's avoiding justice.

The remaining generals were already extradited to the Hague International Criminal Tribunal for the former Yugoslavia and were prepared to stand trial. With the location of general Gotovina, a significant issue was removed for Croatian entry into the EU as the general's trial began before the Hague International Criminal Tribunal for the former Yugoslavia. Despite this fact, the Hague International Criminal Tribunal for the former Yugoslavia was still not satisfied with the cooperation of the Croatian government and claimed that the government refused to hand over relevant documents related to the war. As a result, Sanader's government was unable to resolve either this issue or find a diplomatic solution to the stand-off with Slovenia that requested a large part of the Bay of Piran. Due to the fact that the Hague International Criminal Tribunal for the former Yugoslavia once again proclaimed Croatia to be non-cooperative in 2005, Croatia once again missed out on the opportunity to become a full member of the EU.

Due to the fact that Bulgaria and Romania had their attempts to become EU memberstates repeatedly delayed due to lacking progress in regards to the issue of the rule of law, there was a chance that Croatia could accede to EU membership with these two countries. All three of the mentioned countries missed the large 2004 enlargement of the EU took place and a large number of former Eastern Block states became part of the EU. These countries included Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia. This marked the largest single expansion of the EU in its history thus far.

A significant political event occurred in 2005 when most center-left parties backed incumbent President StjepanMesić and this allowed him to convincingly win the first run of voting. Mesić almost won the election in the first round with 48.92 percent of the vote. The candidate backed by HDZ, JadrankaKosor, managed to make the second-round runoff with 20.31 percent of the vote. In the runoff, Mesić managed to convincingly win almost 66 percent of the vote and a voter turnout of 51 percent. Despite the overall popularity of HDZ and the fact that they were the party in power, Sanader's deputy prime minister was easily beaten in the runoff. This is primarily due to the fact that since the 2000s, the party in power has frequently lost the presidential elections.

Additionally, Mesić was a popular president with a solid approval rating and the election did not attract a strong challenge from the center or the center-left. As a result, businessman Boris Mikšić carried more than 17 percent of the vote in the first round of voting. The political novice showed that it was possible to break the divide between SDP and HDZ and gain a
significant portion of the vote. Despite numerous setbacks, the country gained the status of a candidate for membership in 2005 and it begun formal negotiations with the EU.

All of these events were relevant for the 2007 Parliamentary Election that were primarily dominated by SDP and HDZ. The parties spared on numerous issues including the issue of implementing new taxes. SDP advocated for new taxes that would tax capital gains such as stock. On the other hand, HDZ led a campaign of promising to prevent new taxes. SDP advocated for a decrease of infrastructure spending. The new leader of SDP, Zoran Milanović, decided not to stand as a candidate for Prime Minister and SDP promised that, if elected, the businessman and SDP member LjuboJurčić would become Prime Minister.

The 2007 Parliamentary Election

HDZ remained the largest political party in the Croatian Parliament with 66 seats in the Croatian Parliament. SDP remained as the second largest party in the Croatian Parliament with 56 seats in the Croatian Parliament and a coalition of HSLS and HSU became the third largest party with eight seats in the Croatian Parliament. The fourth largest party became the center-left HNS with seven seats in the Croatian Parliament.

After the 2007 election, Ivo Sanader maintained hist post of Prime Minister when 82 members of the Croatian Parliament voted in favor of Sanader's government when he managed to largely gather the same coalition as in 2003 in the aftermath of the election. This exposed a significant issue for Croatian where neither of the two major parties could form a government

without the support of the minority representatives in Parliament. These representatives are selected on separate lists and there have been frequent attacks on whether or not minority representatives should have the power to determine who would be in power in Croatia. As emphasized by Koska (2011), the 8 minority seats in Parliament ensure that the minority representatives will often have the power to determine the winner in any closely-contested election. Such a state has sparked frequent criticism from the right, but despite the frequent right-winged criticism, the HDZ-led coalition governments supported by minority representatives and parties mostly functioned without significant difficulties.

During that time, one of the primary problems Croatia had in entering the EU, aside from the issue of its border with Slovenia, was lacking changes in regards to the rule of law. Corruption was rampant and many from the EU worried that the significant backlog of cases in front of Croatian courts was a clear example of the fact that the country was not prepared for membership in the EU. Despite the fact that several of Sanader's cabinet ministers were forced to resign due to accusations of corruption, he seemed to initially survive such a threat to his power.

The coalition government under Ivo Sanader had another significant victory as in early 2008 NATO agreed that Croatia was prepared for becoming a member. This was perceived as a significant step in Croatia's desire to become better integrated in global events and for the country to fulfill its goal of becoming a EU member-state. During the same time, the country began preparing for one of worst economic crises potentially since the Great Depression of the 1930s. It is unclear whether the Sanader-led coalition could have done more to prepare the country for the economic disaster that followed. Exports, consumer consumptions and industrial production decreased significantly in 2009 as Sanader and his ministers faced significant pressure to act.

Despite the government's initial reaction that all of the issues could be resolved as early as 2010 with a hope of shifting trends, the government did not fully understand the scope of the length of the economic downturn that occurred in Croatia and abroad. Despite the fact that NATO confirmed that Croatia would become a NATO member-state in 2009, most of the general public did not consider this as such a significant improvement. The numerous corruption scandals that plagued the Sanader government became issues of larger concern and Sanader abruptly resigned as Croatia's GDP decreased by almost 7 percent in comparison to the same quarter in 2008.

While there have been numerous attempts to determine why Sanader resigned, the reason for him stepping down was never fully cleared up. The former Prime Minister was later charged of leading a criminal chain with the goal of misusing and stealing public funds with the goal of enriching a circle of people close to him. One of the key scandals was providing numerous government funds to the company FimiMedija that never actually conducted any of the actions for which it was paid. Most of these scandals, despite the fact that Sanader's personal wealth was always an attack tactic from those left of the political spectrum, were not known during the time when Prime Minister Sanader resigned.

Deputy Prime Minister and former presidential candidate JadrankaKosor was thrust into the spotlight as she became Prime Minister in the wake of Sanader's unexpected resignation. Many believe that she was Sanader's preferred candidate and this essentially secured that there was no significant intra-party fighting amid the political and economic crisis. Sanader, who was initially named as honorary President of HDZ, slowly tried to phase out his involvement in the day-to-day political life of Croatia. Prime Minister Kosor attempted to combat an increasingly negative macroeconomic outlook by implementing extensive austerity measures. The Prime Minister pushed for a crisis tax of 4 percent that was highly unpopular in the wider electorate and increased the overall tax rate.

Despite implementing all of the mentioned reforms, the reforms failed to encourage economic growth and Kosor experienced an unexpected political attack from her former mentor. Sanader issued a series of statements that were highly critical of the new Prime Minister in what many saw as a move to raise a motion of no confidence. Due to the fact that Sanader still held significant sway among the legislative representatives and party establishment, most analysists predicted a protracted political argument. While the full extent of Sanader's legal problems was still not known at the time, many questioned his motivation. The dispute was resolved in January of 2010 when Kosor managed to gain a strong majority in the HDZ Presidency, the party's key organizational body, to expel Sanader from the party and strip him of his honorary presidentship. This was done despite the fact that Sanader's honorary presidency was supposed to be a life-long function – showing that the former Prime Minister perhaps hoped to continue influencing the day-to-day affairs of Croatian politics behind the scenes.

The full extent of the weaknesses and problems HDZ experienced at the time could be seen in the 2009 Presidential Elections. During that time, it was clear that the electorate was prepared to back the SDP-selected candidate in order to send a message to the HDZ-led government. Despite the fact that the President under the new constitution had limited authority, it was still a symbolic position and a relevant function within the Croatian system of governance.

A significant setback occurred for SDP when Milan Bandić, a long-time major of Zagreb and the leader of one of the largest SDP organizations, was frustrated for not being selected as one of the candidates that the wider membership could consider for a presidential candidate. In a two person race between LjuboJurčić and Ivo Josipović, Josipović gained a majority of the vote and became the candidate of SDP. Bandić became frustrated with the new leadership of SDP that had been in power since Račan and decided to run for President as an independent. In such a move that should have split the left-leaning electorate, HDZ was again had an opening to ensure that they have a strong showing in the presidential race.

The race was highly even as Bandić advocated for several centrist and populist positions which helped him take a significant part of the center-right electorate. Due to the strong energy on the left, Josipović managed to gain more than 33 percent in the first round of voting. For the second time since Croatia gained its independence, the HDZ-backed candidate failed to enter the runoff. The former minister of health, Andrija Hebrang, gained only 12 percent of the vote in the first round of voting and he failed to make the runoff. Milan Bandić and Ivo Josipović eventually made the runoff in what was seen as a sign of electoral problems for HDZ further along the road. Despite the fact that it was clear that Bandić managed to take a significant part of center-right voters from HDZ, it was on of the rare times when the traditional HDZ coalition of voters was split between several candidates.

While the left has traditionally had numerous parties and a larger problem of splitting the vote between numerous parties, Bandić managed to make then runoff with 2 percent of the vote more than the HDZ-backed candidate Hebrang. The unusual runoff was decided in a mostly clear vote as the majority of the left-leaning parties backed Josipović and he won the second-round runoff with more than 60 percent of the vote. The second round of voting was focused more on personality than substance as both candidates strongly criticized the moves of the HDZ-led government.

Josipović initially started arguing with Prime Minister Kosor on who would sign the agreement for Croatia to enter the EU. As Kosor managed to negotiate a compromise with the Slovenian Prime Minister BorutPahor, the path was clear for Croatia to become a member-state of the EU. Slovenia did not agree that the border dispute with Croatia would be solved in front of the International Court of Justice or the International Tribunal for the Law of the Sea in Hamburg. Despite the fact that Prime Minister Kosor managed to find a compromise that broke through the deadlock, her compromise was attacked from both sides of the political divide in Croatia (Bohutinski, 2011).

The entire negotiation between the two parties was complicated because of the Račan – Drnovšek agreement, that was never ratified by the Croatian Parliament, but which was agreed on by lead negotiators from both Račan and his Slovenian counterpart. Due to this reason, Kosor had to agree on an Arbitration Treaty where the dispute would be resolved by a panel of independent judges that would be named by both Croatia and Slovenia (Rudolf and Kardum, 2010). A part of the agreement that was controversial to many critics was that the tribunal that was supposed to resolve the conflict not only by taking into consideration international law, but also by considering equity and good neighbourly relationships (Arbitration Agreement between Slovenia and Croatia, 2009).

As has been noted by several experts in international law, this has not been commonly done in similar arbitration agreements (Rudolf and Kardum, 2010). It is difficult to understand what the principle of equity would mean in such a situation and many in the Slovenian political elite evaluated it as meaning that Slovenia would be given access to the open sea. Due to this fact, many Croatian politicians criticized the agreement despite the fact that it brought Croatia closer to being a EU member-state. Despite all of these issues, HDZ somehow managed to stay in power. The Croatian economy continued to stagnate and it became public knowledge that Sanader and parts of the HDZ political elite were accused of corruption (Toma, 2011). Aside from the FimiMedija issue, the former Prime Minister was also accused of accepting a 10-million-euro bribe from the Hungarian company MOL in return for the controlling rights of Croatia's privatized company INA. The wider public became even more suspicious as the former Prime Minister ran away to Austria. He was quickly captured and the Austrian authorities eventually agreed to extradite Sanader back to Croatia.

When all of the accusations against Sanader became public knowledge, HDZ dropped significantly in the polls. According to most polls held in the time, roughly 70 percent of the electorate believed that Croatia as a country was moving in the wrong direction (Sever Šeni, 2010). The center-left coalition led by SDP led most of the opinion polls and most analysts doubted that Kosor could win another term as Prime Minister (Sever Šeni, 2010). Despite the fact that numerous scandals engulfed not only Sanader, but significant high-ranking members of the HDZ establishment, HDZ never fell below second place in most opinion polls (Sever Šeni, 2010).

Due to the fact that there was not sufficient political will to remove Kosor from the leading position in HDZ, she was allowed to lead the party into the 2011 Parliamentary Elections. Kosor was strongly unpopular in many urban areas in Croatia, as more than 10,000 people protested in the Croatian capital of Zagreb in one of the largest protests since the Račan government (Žapčić, 2011). Many of the ministers that served in the government of Prime Minister Kosor were identical to those that served in the Sanader government and the party failed to make a strong distinction in either its political program or in the individuals who represented

it. This is largely because of the state of the Croatian economy that can be seen in Chart which shows the percentage change in the growth or decrease in the economy.



Chart: GDP Change of the Republic of Croatia

Source: Author's calculations based on World Bank data

The Croatian economy has largely experienced growth between 2000 and 2008 with an average rate of growth between 2 and 5.6 percent. Such growth has been comparable to the growth of other post-transition economies, but the rate of recovery in Croatia has been significantly different in Croatia compared to other countries. The decrease of 7.29 percent in 2009 was significant and Croatia's economy failed to recover from these issues. The Global

Economic Crisis caused an impact on most small open economies and Croatia was particularly vulnerable to foreign shock due to its dependence on tourism.

The 2011 Parliamentary Election

Due to the constant news or rising macroeconomic imbalances, it was clear that HDZ did not have a strong chance of maintaining power. SDP established a large coalition with HNS, the regional party called the Istrian Democratic Assembly, commonly abbreviated as IDS, and the Croatian Party of Pensioners, commonly abbreviated as HSU. This center and center-left coalition focused on assembling a joint program called Plan 21. Based on this plan, the coalition agreed to remove the unpopular tax increases (Selimović, 2011). In addition, the SDP-led coalition promised to ensure that the economy will recover by ensuring a significant inflow of foreign direct investments. The coalition also promised to focus on decentralizing power in Croatia by increasing the percentage of revenue counties can keep from 10 percent to 20 percent (Selimović, 2011). In an attempt to fend off attacks from HDZ, the coalition promised to avoid in any way decreasing the rights of war veterans and that they will not fire a significant number of government employees (Selimović, 2011).

After a highly negative campaign and HDZ's continued struggle to encourage economic growth, the SDP-led coalition won back power. This marked the second and, as of early 2019, the last time since Croatia's independence that HDZ was not in power. The SDP-led coalition had 80 representatives in the Croatian Parliament, meaning that they did not have to engage in any post-election coalitions to construct a stable majority. HDZ won only 44 positions in the new

Croatian Parliament – the party's worst performance in its history. During the early 2010s, Croatia still did not have strong credible third-party alternatives that refused to enter coalition governments with either HDZ or SDP. The Croatian Labor Party gained 6 seats, but never managed to establish itself as a reputable alternative to SDP on the left of the political divide and quickly lost most of its electoral support.

On the other hand, many traditionally strong political parties that had a strong tradition in Croatia barely crossed the electoral threshold of 5 percent or completely underperformed. HSS only received one representative in the Croatian Parliament, while HSLS was not represented in Parliament at all. A political party that appeared from the fracturing HSLS called the Democratic Center was a pre-election coalition partner of HDZ and received one seat in the Croatian Parliament due to that fact. This election showcases two relevant trends in Croatian electoral history. The first is the polarization of the political scene where the two large coalitions managed to obtain 123 of the 140 seats in the Parliament that they could obtain. While the Croatian Labor Party showed that some on the left were not satisfied with the position of SDP on some issues, the 2011 Parliamentary Election showed that HDZ had no credible challenger to the right of the political divide in the early 2010s.

A party that was highly significant historically in Croatia was the Croatian Party of Rights, commonly abbreviated as HSP. This party fractured several times and, due to the fact that it was not able to gain enough space on the right next to HDZ, was left as electorally insignificant as a fraction of the party that was to the extreme right of the political divide called HSP Ante Starčević gained only one seat in the Croatian Parliament. This trend shows that, while Croatian politics at the time was highly divisive on both ideological issues and between the two key political parties, extreme options to either the left or right of the political divide were rarely represented in the Croatian government.

The new SDP-led government led by Prime Minister Zoran Milanović experienced significant problems from the first months of the government taking office. The coalition quickly experienced several smaller and mostly self-inflicted political problems. An issue was the passing of what became commonly known as 'Lex Komadina'' based on the name of then Minister Zlatko Komadina who was in charge of the Ministry of Maritime Affairs, Transit and Infrastructure. The SDP-led majority passed a law that allowed members of local government to become members of the executive or legislative branch of the national government and, if it was up to two years of when regular elections were supposed to be held, the local executive's deputy could continue serving out the full term without the need for any elections to be held.

This was largely seen as a move done by part of SDP to allow a significant representative of the Croatian city of Rijeka, a SDP stronghold, to be allowed to hold power in the national executive without SDP having to go through election in that county. Due to the fact that SDP frequently accused HDZ of gerrymandering and actions that degraded the value of democracy, SDP seemed hypocritical for encouraging the passage of such a law. Amid the failure to encourage economic growth, SDP encountered several issues similar to "Lex Komadina". A scandal that was frequently mentioned in the early months of the SDP-led government was that the Deputy Minister and Minister of Commerce, RadimirČačić, was accused of causing a car accident in Hungary that led to two fatalities (Kukec, 2012).

The long and drawn-out court proceedings hurt the political rating of the SDP-led government as Čačić, who at the time was president of the largest junior member of the coalition,

HNS, refused to resign until the Hungarian courts provided a final verdict (Kukec, 2012). Despite the fac that court proceedings began prior to the 2011 Croatian Parliamentary Elections, the Hungarian verdict reached a final verdict in late 2012 and issued a sentence that included 22 months of prison for Čaić, with the possibility of parole after half of his sentence was served. Only when that decision by the Hungarian court was issued did Čačić finally decide to step down as Deputy Minister and Minister for Commerce, with his position as Deputy Minister assumed by the HNS Minister of Foreign Affairs Vesna Pusić.

Due to the fact that the electorate had critical views of corruption and redundant political scandals after numerous corruption scandals related to Sanader's government, these issues illustrated a disconnect between the SDP-led government and the electorate's desire for a stable government without constant political turmoil. Another issue where SDP failed to capitalize on a position to hold power in Croatia was the attempt of Prime Minister Milanović to consolidate power within the party and remove potential critics. Largely due to this reason, former SDP member of Parliament Mirela Holy was exiled from SDP and founded her own left-winged party called Orah that focused on environmental issues. In the aftermath of the 2011 Parliamentary Elections, most opinion polls found that only SDP, HDZ, and the Croatian Labor Party crossed over the required 5 percent threshold to be represented in the Croatian Parliament (Ban, 2012).

With the winning coalition losing support of a large part of the electorate within a year of taking power, it was clear that the SDP-led government had made a series of public relations and political mistakes that jeopardized their ability to maintain a strong grasp on power in Croatia (Ban, 2012). Despite the fact that HDZ faced the largest electoral setback in the 2011 Parliamentary Elections, SDP managed to lose roughly 8 percent within only one in most opinion polling within a year of being in power (Ban, 2012).

While HDZ remained as the only viable option on the right of the political spectrum, SDP encouraged the emergence of several left-winged alternatives largely due to implementing similar patterns of behavior for which it blamed HDZ since Croatia declared its independence. While HDZ has managed to maintain a strong hold on the right-winged electorate despite holding some liberal stances on trade and social policy, SDP contributed to the forming of several left-winged opposition parties by attempting to stifle intra-party discussions and by enacting rushed legislation to enact short-term political goals.

On the other hand, the HDZ membership quickly decided that former Prime Minister JadrankaKosor was not suited to lead the party and they elected a more right-winged candidate, Tomislav Karamarko, who had a background in domestic security and intelligence, to lead the party (Mehkek and Kovačev, 2012). Kosor never even made it to the second-round runoff, showing that HDZ delegates had little patience for allowing high-ranking members a second chance in front of the Croatian electorate. Such a pragmatic viewpoint that kept figures such as former Prime Minister Sanader in power even as the scope of his crimes became evident has been judged as highly controversial. Despite the fact that the right-winged Karamarko was elected as president, Drago Prgomet was selected as vice-president and was generally considered to be a moderate on a position where he did not have significant political power (Mehkek and Kovačev, 2012).

While SDP enacted some reforms in 2012 that were mostly judged as insufficient or not sufficiently in the interest of encouraging government growth. Much like the Prime Minister's dispute with his former Minister of the Environment Mirela Holly, 2012 was a year of numerous self-inflicted difficulties for the SDP-led government. The coalition encountered a problem that, while the country was on the verge of joining the EU after the breakthrough Kosor-Pahor talks,

the decision to join the EU would have to be ratified in a referendum. While public opinion was generally in favor of joining the EU, the problem was encouraging voters to go participate when the outcome seemed predetermined as both of the major parties supported joining the EU.

In the end, the threshold for the referendum to be considered valid was lowered. In January of 2012, the referendum took place and a majority of 66 percent of voters who participated in the referendum was in favor of joining the EU, but only 43 percent of registered voters participated. Due to this reason, if the rule concerning the requirement of 50 percent plus one vote of elected representatives taking place in the referendum were in place, the referendum would not have been valid. This fact illustrates that, in general, there was not a strong positive euphoria for joining the EU, but the overall civic consensus was that this would be a positive occurrence. Criticism of the referendum was primarily based on the way in which it was held – some criticized that it was held to quickly and that there was not a sufficient debate on the positive and negative aspects of EU membership (Ivkošić, 2011). On the other hand, a significant number of voters that did not support entering the EU were on the far right and the far left of the political divide and for the first time provided a joint platform for anti-institutionalist who opposed both of the major political parties in Croatia.

Such a view of anti-institutionalism combined with an increase in skepticism towards banks contributed to the rise of ŽiviZid, that formally existed since 2011 as the Coalition for Change led by Ivan Pernar, one of the organizers of the Facebook protests against the government of JadrankaKosor. While Pernar failed to initially capitalize on the strength of the protests, the impact of the social and political climate that encouraged a lack of faith in the political process and the large political parties favored the rise of third-party alternatives. These problems were reiterated as a large part of the Croatian political elite spent large amounts of time debating topics that many in the electorate perceived as out-of-touch and irrelevant to the lives of everyday Croats. One of those topics was a law enacted by the SDP-led majority commonly known as Lex Perković where Parliament limited the ability of other countries to summon Croatian citizens who were involved in the functioning of Croatia's intelligence agencies. The law was criticized by the EU and HDZ for allegedly protecting Josip Perković, a former leader of the Yugoslavian and Croatian security agency (Palokaj, 2016). Germany demanded he stand trial in front of German courts due to the murder of Croatian dissidents during the times of Yugoslavia. The SDP-led majority wanted to use a procedural loophole to claim that Perković planned the crimes from Croatia and should therefore stand trial there (Palokaj, 2016). The EU insisted that European law had to be upheld and that Croatia was not entitled to enacting restrictions in such a manner (Palokaj, 2016). In the end, the SDP-led majority decided to avoid focusing on such a law and Perković eventually stood trial in Germany.

The occurrence of the first elections for the European Parliament did not spark a strong public interest. HDZ formed a coalition that included a coalition with the highly right-winged party HSP Ante Starčević, while the SDP-led coalition tried to repeat its success and was favored by most opinion polls at the time. Most of the electorate was not interested in the issues debated and only 20 percent of the electorate participated in the elections for the EU Parliament. Largely due to the low turnout, the results of the opinion polls predicting a win for the SDP-led coalition were not correct and HDZ led by its new president Tomislav Karamarko was considered one of the victors of the European elections despite the fact that the candidate that received the largest number of preferential votes on the HDZ list was the candidate of HSP Ante Starčević called RužaTomašić. While this can be considered a proof or the radicalization of the overall electorate, it should also be pointed out that this was a very low turnout election where it was easier for the candidate of the right-winged party to garner such a margin of votes.

While the SDP-led coalition was less than a percentage point behind the HDZ-led coalition in the European elections, HDZ used this victory as an example of how the media was against right-winged parties and how the SDP-led government was taking Croatia into the wrong direction. A large part of the debate in regards to the European elections was not centered on issues that were central to voters and another such issue occurred in 2013 when a citizens group managed to receive a sufficient number of votes to secure that marriage was an institution between a man and a woman. While the phrasing of this right-winged non-governmental group clearly had an element that opposed LGBTQ right, this political debate consumed a significant amount of time and energy as the ''In the name of family'' group that initiated the referendum received the endorsement of the Catholic Church that still had a significant amount of political influence in Croatia.

In the end, the referendum passed with a majority of voters supporting the claim that marriage is primarily a union between a man and a woman. Despite there being no real threat to the institute of heterosexual marriage in Croatia, the groups closely aligned to the Catholic Church ensured the eventual passage of the constitutional question. Due to the fact that referendums are commonly not perceived as areas of strategic concerning and the strong influence of right-winged media and propaganda on the issue, roughly 65.87 percent of the people who voted on the issue voted in favor. An additional factor that should be considered is that many in Croatia, as is the case in numerous countries in Southeast Europe, tend to consider the position of the Catholic Church when voting on such issues. The turnout was 37.9 percent,

meaning that the referendum would not have been valid had the law dictating that 50 percent plus 1 vote was required for the validity of referendum results.

During the same year, HDZ decided to remove then Parliament Representative JadrankaKosor from HDZ for alleged breaches of party policy (Šurina, 2013). The former Prime Minister and presidential candidate stood up to the new more right-winged policy under Karamarko and was expelled for criticizing party leadership on an array of issues. This was a significant step in ensuring that Karamarko had no real intra-party opposition and that the party conformed to the views of its leadership.

ŽiviZid, while still avoiding some of Pernar's more extreme views, successfully participated in the 2014 Presidential Election. Despite the fact that the popularity of the incumbent president, Ivo Josipović, was at times roughly 70 percent in the year prior to the election, he faced several significant difficulties (Pavletić, 2014). Despite his solid approval numbers, the SDP-led coalition faced significant problems and failed to enact any of the meaningful reforms or encourage significant economic growth. After the public perception that HDZ did not field strong candidates in several of the previous elections, HDZ and the recently-elected president Karamarko wanted to portray the elections as a referendum on the SDP-led government.

Due to such a turn of events, HDZ managed to recruit a strong candidate, former Minister of Foreign Affairs who after that was a high-ranking NATO official, Kolinda Grabar Kitarović (Pavletić, 2014). A key problem in the presidential race was that, aside from his relatively high polling ratings, President Josipović could not point out specific accomplishments while he was in office and he was frequently criticized by Grabar Kitarović and other candidates for enabling the SDP-led coalition and not being sufficiently critical of them. While a large part of the criticism by these candidates was factually accurate, their ideas and solutions on how they would act were they in the place of President Josipović frequently exceeded the Constitutional authority that the President of Croatia actually has. Aside from being charged with maintaining the overall stability of the political system, recommending ambassadors, and co-authoring foreign policy, the President of Croatia does not have any specific authority where he could impact key aspects of domestic or economic policy that was essential to voters at the time.

Both Grabar Kitarović and ViliborSinčić, the candidate of ŽiviZid, made a series of promises of how they would make substantial changes to Croatia if they were to be elected president. While the President of Croatia does not have any authority to ask for a legally binding referendum on Croatian membership in the EU nor can he unilaterally withdraw Croatia from NATO, as Sinčić had suggested, such bold policy proposals made the campaign of Josipović seem insufficiently ambitious in comparison to the other candidates. While the proposals of Grabar Kitarović were within the mainstream of Croatian politics in comparison to those of Sinčić, they also far exceeded the Constitutional authority granted to the President of Croatia.

What Grabar Kitarović lacked in the substance of change in comparison to Sinčić, she compensated with strong rhetoric. One of the more memorable claims made on the campaign trail was that the approach of the SDP-led government where they failed to fully utilize the European funds equated to ''high treason'' (Hina, 2014). While President Josipović was effectively forced to use a more ambitious approach, he faced several difficulties in doing so. Due to his criticism of the SDP-led coalition government in managing the economic crisis, he did not have a strong base of support among the SDP elite and any kind of more ambitious package

of reforms that Josipović needed to counter Sinčić and Grabar Kitarović would likely have only received normative backing without any substance from the SDP-led coalition government.

Even in such a case of affairs, it is not clear why President Joispović decided to propose such an ambitious package as his "New Republic" project was. Many of the recommendations advocated by Josipović, while intuitively logical, were highly divisive in the political realm. Several of Josipović's proposals were unacceptable even to the SDP-led government, as he proposed cutting down the number of units of local governance in Croatia to 5-8 regions instead of the system where 21 counties exist (Hina, 2014). While such a proposal would save a significant sum of money on costs, many counties that felt as if their cultural tradition was attacked and viewed the proposal critically.

Other elements of the incumbent President's "New Republic" included a package of referendum laws that would require Parliament to consider all proposals that gathered 10,000 votes (Hina, 2014). The recommendation that was least likely to pass was the idea of President Josipović that half of all Parliamentary Representatives would be elected directly, while only the other half would be designated by party leadership. Despite the fact that preferential voting was introduced in Croatia with the first elections for the European Parliament, high-ranking party officials were still in charge of selecting which candidates were on the lists and determining the order in which they were positioned. The fact that SDP sent highly mixed signals concerning the overall reform proposal meant that the "New Republic" would likely never be implemented (Hina, 2014). With strong rhetoric from all sides, Josipović faced constant criticism from both the right and the left of the political divide.

The Presidential Election was essential to the rise of ViliborSiničić and the antiestablishment and anti-institutionalist rhetoric of ŽiviZid. Despite many of the party's policy proposals being highly unclear, unconstitutional or not possible to implement in practice, many in the wider electorate welcomed the activist approach of ŽiviZid that constantly attempted to prevent policy and other elements of the internal security system of Croatia from evicting people from their only real-estate. Due to the constant emphasis on social security and the problem of evictions, Sinčić pushed Josipovićfar further to the left while also holding anti-institutionalist opinions that have usually been advocated by far-right parties in Croatian politics (Hina, 2014). The resulting anti-establishment party managed to gain a significant 16.4 percent of the vote, something that was considered a representable showing in an election where HDZ managed to ensure that many political parties on the right endorsed Grabar Kitarović for the presidency due to the perceived symbolic relevance of the vote (Lukić, 2014).

While Sinčić gained roughly 16 percent of the vote, the incumbent President and Grabar Kitarović were essentially tied despite a number of opinion polls showing that Josipović had a solid advantage (Lukić, 2014). With 38.46 percent of the vote in the first round, Josipović's result was only roughly 1 percentage point in front of that of Grabar Kitarović (Lukić, 2014). The political arithmetic did not bode well for the incumbent president in the second-round runoff due to the fact that the left-leaning electorate frequently sits out non-parliamentary elections and due to the fact that a part of Grabar Kitarović's vote on the right was siphoned off by Milan Kujunčić, who gained roughly 5 percent of the vote in the first round (Lukić, 2014). Based on Ciraki's (1996) approach to Public Choice Theory, it is clear that Josipović perceived the Croatian electorate as a rational actor and believed that by offering a more ambitious approach to that was comparable to that of Sinčić or Grabar Kitarović, he could address the lack of support

he faced from even members of his own party. Perhaps the key problem was that President Josipović attempted to shape his image and policies based on what he believed the electorate rationally wanted to see, instead of focus on the policies that helped him maintain a steady approval rating of more than 70 percent throughout most of his presidency (Lukić, 2014).

Understanding the urgency of his situation, President Josipović attempted to adjust his rhetoric and he became more critical of the SDP-led government and he attempted to attack a number of positions by Grabar Kitarović. His attacks were not effective and Grabar Kitarović narrowly defeated him in the second-round runoff, making Josipović the first President of Croatia to not be elected to two terms. While the defeat for SDP was largely symbolic because the party did not fully back Josipović or his ambitious reforms, the symbolic effect was noted as HDZ claimed that SDP was unable to either lead the country in the right direction or win a relevant election (Hina, 2014).

The 2015 Parliamentary Elections

The SDP-led coalition faced steep challenges coming into the 2015 Parliamentary Elections. Both the leader of SDP, Prime Minister Zoran Milanović, and the leader of the opposition Tomislav Karamarko were the two most unpopular politicians in the country. This reflected a deeper divide within the country as a significant part of the electorate demanded an alternative to both HDZ and SDP. The SDP-led government spent most of 2014 and 2015 in a constant dispute with a group of veterans that enacted a tent on Zagreb's SavskaUlica in a

constant reminder of the overall dissatisfaction with the government of Zoran Milanović and his inability to compromise.

The electorate was deeply unsatisfied with a year focused largely on the problems of specific interest groups such as veterans, NGO-s connected to the Catholic Church and similar members of a coalition that frequently attempts to disrupt any left-leaning government in Croatia. While this was a specific issue the SDP-led government of Prime Minister Zoran Milanović faced, that does not serve as rationale to support their lack of action in regards to the economy or to ending the issue of corruption and nepotism in Croatia. Due to the fact that Prime Minister Milanović more frequently attempted to stifle opposition within his own ranks and quarrel with the right than he attempted to find a path to an economic recovery, the electorate was deeply divided in the 2015 Parliamentary Election.

The success of MOST derived from a bottom-up approach where several local and largely independent political factions banded together to form a political party.¹³ The messaging of the party was focused on a strong emphasis on anti-corruption and a desire for increased transparency in Croatian politics. A relevant element was the distaste of MOST politicians with the *status quo* of Croatian politics and their electoral promise that, if elected, they would serve as a check and balance to either HDZ or SDP. Aside from these technical political promises, MOST advocated for changes to the functioning of the Croatian National Bank, a stance that perhaps best illustrates that despite having many mainstream political views, MOST has some relevant elements of populism and anti-institutionalism. Additionally, MOST managed to position itself on the unoccupied center of the political spectrum. With HDZ attempting to boost turnout from

¹³ Many MOST members were mayors or county leaders that largely built their success on defeating SDP or HDZ candidates in local elections. The general goal of MOST was to advocate for an increase in political accountability and transparency in the overall governance of the country.

the right and SDP mainly relying on its center-left voters, the political center was largely ignored by both of the major parties in the 2015 Parliamentary Elections.

Both of the strongest political parties were highly unpopular and several previous elections, dating back to the elections for the European Parliament, showed a trend in the increased casting of intentionally invalid votes which showed a general dissatisfaction of the electorate with the behavior of the political class of Croatia. Due to such a trend, it was clear that there was a favorable political climate for the rise of third-party alternatives. The results are summarized in Chart, showing the rise of MOST and the surprisingly weak showing of ŽiviZid that did not capitalize on its strong showing in the Presidential Election and only the party's 2014 presidential candidate being elected as a Parliamentary Representative.



Chart: Result of 2015 Croatian Parliamentary Election

Source: Result summarized from <u>https://www.izbori.hr/arhiva-izbora/#/app/parlament-</u>2015

As can be seen in Chart, MOST won a far larger number of votes than most surveys anticipated. MOST capitalized on the frustration many voters felt with the existing two options and provided an alternative to the status quo. When observing such a choice from a viewpoint of relevant political theories, it remains clear that voters wanted to send a resounding message to the political class that their previous behavior while in office was not acceptable. As perceived by Ciraki's (1996) view on Public Choice Theory, it can be argued that voters were so unsatisfied with the existing political options that they were prepared to vote for an option that claimed that, if elected, would work with neither of the two strongest parties on the Croatian political spectrum.

The way each of the strongest parties branded itself and the names of their respected coalitions shows a strong emphasis on which part of the electorate they were targeting. The HDZ-led coalition branded itself as the 'Nation-loving coalition'', while the SDP-led coalition branded itself as 'Croatia Grows''. The 2015 Parliamentary Elections were marked by the use of very simplified branding messages by both parties. These elections also marked another election where opinion polls were not accurate, as they failed to account for the strong showing of MOST. This election also showed a significant problem of a high 5 percent threshold required to enter the Croatian Parliament. Despite ŽiviZid wining almost 100,000 votes, they only won one position in the Croatian Parliament, while MOST won 19 seats in the Croatian Parliament with a little below 300,000 votes (Turčin, 2016).

In order to understand the Croatian political system, a voting model that predicts the votes cast for SDP and HDZ was constructed based on the performance of these two parties in

parliamentary elections between 1990 and 2016. While a large majority of political models, including those developed by Lewis Beck and Nadaeu (2011) and Lewis-Beck and Tien (2016) are based on measuring the political popularity of parties based on opinion polls, such an option was not possible for Croatia due to the lack of availability of polling data for most of Croatia's elections prior to the 2000s. The total value of votes measures the percentage of votes gained by one of the parties in the parliamentary election. The model is based on an ordinary least squares (OLS) regression where the dependent variable will be the percentage of the vote gained by the political parties. The basic model considers the following equations:

(1)
$$HDZ \ votes = \alpha * HDZ \ votes(-1) + \beta + \mu$$

(1.1)
$$SDP \ votes = \alpha * SDP \ votes(-1) + \beta + \mu$$

Where α is the coefficient indicating the relevance of the lag of HDZ and SDP votes, β is the constant and μ is the error term. Due to the fact that this is a model regressed on a lag of the variable itself, it clearly has some autoregressive qualities, but it does not depend on ARIMA functions as used in stock market modeling as they are primarily suited for situations where researchers have a much larger number of observations which is not the case for political elections in a young democracy such as Croatia. From a theoretical viewpoint, lags of dependent variables are often included when the previous result can have an impact on the current levels of the dependent variable.

While this is not commonly used in election projections due to the use of political polling that is far more up-to-date, this is a commonly used method in economics. Additionally, without the use of the lag, which can best be defined as a t-1 time period-removed version of the dependent variable, there is no variable to account for the political popularity of the party. This is a significant problem in itself and not including such a variable may lead to omitted variable bias where the overall predictability value and statistical significance of the model may not be high due to the researcher avoiding or discarding variables that are essential to the model.

This basic function substitutes the traditional use of political popularity as the measure of political popularity and increases the overall predictability value of the function. Through the use of such a model, it is likely that it will have a stronger predictability value for HDZ due to the consistency of its support among the HDZ electorate while the early weak results in parliamentary elections will likely cause some problems for the model for Croatia. This approach is fundamentally similar to the approach used to predict the vote of swing states in the US Presidential Election in Kokotović and Kurečić (2017) that also explored whether including measures of economic growth contributed to the predictability value of voting models.

While the data for the number of votes was extracted from the Croatian National Election Commission, the data for the GDP was extracted from the World Bank (2018), thus leading to an expanded model as follows:

(2)
$$HDZ \ votes = \alpha * HDZ \ votes(-1) + +\gamma * economic \ growth + \beta + \mu$$

(2.1)
$$SDP \ votes = \alpha * SDP \ votes(-1) + +\gamma * economic \ growth + \beta + \mu$$

Where α is the coefficient indicating the relevance of the lag of HDZ and SDP votes, γ is the coefficient relevant to determining the relevance of GDP, as measured in billions of US dollars, β is the constant and μ is the error term. Either using a log transformation or observing the change of GDP in billions should help avoid concerns regarding heteroscedasticity. To further consider relevant factors, data concerning the unemployment rate was extracted from Eurostat and Index Mundi, leading to the third version of the function as follows:

(3)
$$HDZ \ votes = \alpha * HDZ \ votes(-1) + +\gamma * economic \ growth + \pi *$$

unemployment rate + β + μ

(3.1)
$$SDP \ votes = \alpha * SDP \ votes(-1) + +\gamma * economic \ growth + \mu *$$

unemployment rate +
$$\beta$$
 + μ

Where α is the coefficient indicating the relevance of the lag of HDZ and SDP votes, γ is the coefficient relevant to determining the relevance of GDP, as measured in billions of US dollars, μ is the coefficient measuring the relevance of the unemployment rate, β is the constant and μ is the error term. The final model will consider whether SDP or HDZ has previously held power by including a dummy variable that will simply indicate who has previously held power. The final model will thus be compromised of the following elements:

(4)
$$HDZ \ votes = \alpha * HDZ \ votes(-1) + +\gamma * economic \ growth + \pi *$$

 $unemployment \ rate + +\Omega + \beta + \mu$

(4.1)
$$SDP \ votes = \alpha * SDP \ votes(-1) + +\gamma * economic \ growth + \mu *$$

unemployment rate $+ + \Omega + \beta + \mu$

Where α is the coefficient indicating the relevance of the lag of HDZ and SDP votes, γ is the coefficient relevant to determining the relevance of GDP, as measured in billions of US dollars, μ is the coefficient measuring the relevance of the unemployment rate, Ω is the dummy variable indicating whether or not HDZ was in power, β is the constant and μ is the error term. For all of the variables aside from the percentage of votes, a moving average was constructed. This may

cause some minor issues concerning the model because it causes the model to consider an expanded time frame and, due to the elections of 2016 caused by the rupture of the HDZ-MOST coalition, it was impossible to consider 4-year moving averages and it was required for manual calculations to be made for all of the averages based on available data from the previously mentioned sources.

Based on the finding as previously made in Kokotović and Kurečić (2017), Lewis Beck and Nadeau (2011) and Lewis Beck and Tien (2017), as well as the previous discussion in this dissertation, the following hypothesis are constructed:

Research hypothesis 1: The addition of variables that account for economic growth and macroeconomic factors such as the unemployment rate will not contribute to the predictability value of the models due to the fact that voters are not fully economically rational.

Null hypothesis: The inclusion of variables that account for economic growth and macroeconomic factors such as the unemployment rate will positively contribute to the predictability value of the model.

Research hypothesis 2: Voters in Croatia tend to negatively evaluate incumbents, meaning that the dummy variable that accounts for which party is in power will be statistically significant at the 5 percent level of statistical significance and will negatively impact the overall vote count.

Null hypothesis: There will be no relevant connection between the dummy variable that includes which party is currently in power and the overall number of votes gained by either HDZ or SDP.

Research hypothesis 3: Due to the fact that SDP voters tend to rate economic policies as more relevant that HDZ voters, based on the findings of the empiric segment of this dissertation, the

impact of economic variables will be more relevant in the model that considers the overall number of SDP votes than that of HDZ votes.

Null hypothesis: There will be no statistically significant difference between how economic variables impact the dependent variable of either model.

Research constraints

Prior to implementing the analysis, some research constraints should be considered. First of all, numerous researchers including research considered by Lewis-Beck and Nadeau (2011) frequently construct models that are based on aggregating data for all elections, including presidential and local elections.¹⁴ While such an approach was considered, several specific factors make such an approach inadvisable for Croatia. Most of Croatia's local elections and the elections for the European Parliament have a very low turnout, meaning that the overall factors that impact the number of votes cast is substantially different from factors impacting the number of votes cast in parliamentary elections. Additionally, HDZ did not have a candidate in the second-round runoff in two of Croatia's Presidential elections, while there was no candidate in the second-round runoff that used to be a SDP member in several presidential elections.

Another research constraint is that, based on voting models used in several examples of existing research such as Lewis Beck and Tien (2016), issues such as the stationarity of variables are not considered in the interest of maximizing the predictability value of the model. Models

¹⁴ This is usually done by considering the votes cast for the candidate for president in the same manner as the number of votes cast in parliamentary elections and by aggregating data.

based on non-stationary variables can lead to what is commonly referred to as a "spurious" regression which questions the validity of the overall results and should not be used to interpret the relevance of coefficients nor to predict long-term values.

Using lags to measure the political popularity of the party is also not an ideal approach. Due to the low availability of polling data for Croatia, this seemed as the only suitable proxy variable for political popularity, despite the fact that it measures the popularity of the party four years prior to that election. A common problem with including lags of the dependent variable, especially if including several lags, is that this can hamper the stability of the model and cause other independent variables to be statistically insignificant. This paper will primarily aim to assess the relevance of one lag of the dependent variable without including additional lags. Tests will be made to the models to ensure that the use of the lagged version does not cause the remaining variables to be statistically insignificant.

While the use of lags to measure political popularity is a significant research constraint, the use of lags in general regressive model is not problematic as long as the predictability value of the model does not depend only on the lag or it does not cause the remaining variables to become statistically insignificant. As the primary motivation for conducting these regressive models is to maximize the potency of the predictability value of the models, the use of lags as a starting point seems to be the most prudent approach.

Another research constraint is the issue of using moving averages to measure the relevance of variable which may lead to issues concerning not capturing the potency of certain factors. For example, using four-year moving averages will decrease the perceived impact of the 2008 Global Economic Crisis. Such an approach is still preferable as it captures the changing

trends of the macroeconomic environment and Croatia has not experienced an economic crisis that only lasted for a short period of time. In the aftermath of the 2008 Global Economic Crisis, despite the fact that there was a strong decline of the value of Croatia's GDP by 7.29 percent, the stagnation of the economy continued for several years. (World Bank, 2018). Therefore, while the use of trends is imperfect it is still the best possible alternative to analyze the changes in the macroeconomic environment of Croatia.

An additional factor that may be problematic is the inclusion of the 1990 elections. These elections took place prior to when Croatia declared its elections and these were elections for the Yugoslav legislative body. Due to the fact that both parties participated in the election and the situation is comparable due to the fact that the Yugoslav one-party system was terminated by 1990, these elections were also included. To ensure the overall clarity of the research framework, Table summarizes the key information on the variables used by the model.

Variable	Abbreviation in statistical	Measurement	Source
	calculations		
Number of	HDZvotes	Percentage of the	Croatian National
votes cast for		popular vote	Election
HDZ			Commission
Number of	SDPvotes	Percentage of the	Croatian Election
votes cast for		popular vote	Commision
SDP			
Economic	GDP	Billions of dollars	World Bank

Table: Variables considered for voting models

growth			
Unemployment	Unemployment	Percentage of labor	Index Mundi
rate		force unable to find	
		employment	
rate		force unable to find employment	

Results of voting models

Prior to considering the voting models for the percentage of votes obtained by HDZ and SDP, summary statistics for all of the variables, excluding the dummy variable, are provided in Table.

Table: Summary statistics

Va	riable	Mean				
		wieali	Median	S.D.	Min	Max
HD	Zvotes	37.9	41.0	7.36	23.5	45.2
SD	Pvotes	27.4	28.9	13.8	5.52	47.6
GD	P	36.4	28.6	19.4	10.3	64.2
Un	employment	12.9	12.3	2.48	9.40	16.9

Source: Author's own calculation and GRETLE output

As has already been determined in the theoretical analysis, the support for HDZ is far more consistent than it is for SDP. During the mid-1990s, SDP's popularity was as low as 5.52

percent while HDZ never had election results lower than 23.5 percent. Due to that fact, the standard deviation is much higher for the percentage of SDP votes than that of HDZ votes. It is also interesting to note that, despite the fact that the SDP-led coalition won by a majority of roughly 60 percent of the vote, neither party has ever won even a simple majority of the popular vote on its own. The models from 1 to 4 are constructed based on the previously explored equations. The key results for model 1 are summarized in Table.

	Model for HDZ votes	Model for SDP votes
R-squared	0.007	0.12
F-statistic of model	0.044	0.817
	(0.84)	(0.4001)
Equation	-0.084*HDZvotes(-1)+40.559	0.338*SDPvotes(-
		1)+17.196
Constant t-ratio	2.619*	1.506
	(0.0396)	(0.1829)
Coefficient t-ratio for	-0.21	0.904
the lagged variable	(0.8406)	(0.4009)

Table: Model 1 for SDP and HDZ summary of key findings

Source: author's own calculation and GRETLE output

Note: P-values are in the parentheses, * and ** indicates relevance at the respected 0.05 and 0.001 levels of statistical significance.

Based on the initial results, it is clear that the value of the models with only one lag are not statistically significant and unsuitable for making any relevant predictions. Additionally, the model for HDZ has an R-squared value of only 0.007 meaning that the predictability value of the model is statistically completely insignificant. This finding is confirmed by the fact that the only statistically relevant aspect of the model was the constant. For SDP, the value of the R-squared is slightly higher. With a R-squared value of 0.12, a simple interpretation would be that the model interprets roughly 12 percent of the results correctly. This model, while slightly improved in comparison to the HDZ model, is still not statistically significant with an F-statistic of 0.817 that is not statistically significant.

An initial analysis of Model 1 shows that previous the lagged versions of the dependent variable do not have a high explanatory value. Unlike the models as presented in Kokotović and Kurečić (2017) where political factors, as measured by political popularity in opinion polls close to the elections, it appears that observing the lagged results on their own is not sufficient to understand the trends of electoral results in Croatia. These initial results, while they do not completely rule out *Hypothesis 1*, as it may be that the low predictability value of the model will be consistent even as additional variables are included, it appears likely that the initial low explanatory value of the model is caused by omitted variable bias. This error, made largely based on previous findings where models only considered political popularity as a factor such as Kokotović and Kurečić (2017) and Lewis-Beck and Tien (2016), was based on existing research and the incorrect conclusion that lags of the dependent variable could serve as an equally correct predictor of election results. Further analysis will be made upon considering the impact of additional macroeconomic variables in Models 2 and 3. In Table, Model 2 that has included economic growth as a second independent variable has been included.

Table: Model 2 for SDP and HDZ summary of key findings

Model for HDZ votes	Model for SDP votes

R-squared	0.57	0.87
F-statistic of model	3.25	18.09**
	(0.124)	(0.005)
Equation	-0.48*HDZvotes(-1)-	-0.1898*SDPvotes(-
	0.324*GDP+67.89	1)+0.731*GDP+3.8
Constant t-ratio	4.363**	0.7314
	(0.0073)	(0.4973)
Coefficient t-ratio for	-1.459	-1.053
the lagged variable	(0.2405)	(0.3404)
Coefficient t-ratio for	-2.535	5.589**
economic growth	(0.0052)	(0.0025)

Source: author's own calculation and GRETLE output

Note: P-values are in the parentheses, * and ** indicates relevance at the respected 0.05 and 0.001 levels of statistical significance.

The results for Model 2 clearly indicate that, in the case of *Hypothesis 1*, this paper has failed to reject the null hypothesis. It is clear that the addition of economic growth to the model substantially improved its predictability value in the case of the model for HDZ. While Model 1 was statistically completely insignificant with an R-squared value of only 0.007, Model 2 in the case of HDZ has a solid R-squared of 0.57. The constant remains the only variable to be statistically significant, despite the fact that the coefficient for economic growth is statistically significant at the 10 percent level of statistical significance. As such a level of statistical significance was not considered in the development of the empiric framework, it is only possible

to note that the overall predictability value has been highly improved by the addition of the variable that accounts for the change in economic growth.

With an R-squared value of 0.87, Model 2 for predicting the total results of SDP in Parliamentary Elections is statistically significant. The high value of the F-statistic indicates that the model is statistically significant even at the 1 percent level of statistical significance. Of the key variables, the lag of the dependent variable does not seem to be statistically significant, while the coefficient for GDP is statistically significant even at the 1 percent level of statistical significance. While it would be possible to make projections based on the results of Model 2, it is possible that some of the additional models will have an even higher predictability value and the comparison of the values of the fitted versus the actual values will be made for each political party with the model that has the highest predictability value. By further introducing the unemployment rate in Model 3, as shown in Table, it is possible that this variable will help increase the predictability value in the case of HDZ.

Table: Model 3 for SDP and HDZ summar	y of	fkey	findings
---------------------------------------	------	------	----------

	Model for HDZ votes	Model for SDP votes
R-squared	0.857	0.898
F-statistic of model	7.96*	11.72*
	(0.0367)	(0.0189)
Equation	0.31*HDZvotes(-1)-	0.012*SDPvotes(-
	0.106*GDP+2.65*Unemployment	1)+0.62*GDP-
	-4.93	1.24*Unemployment+18.74
Constant t-ratio	-0.179	1.043
	(0.8663)	(0.3557)
-------------------------	----------	----------
Coefficient t-ratio for	0.8910	0.04
the lagged variable	(0.4233)	(0.9696)
Coefficient t-ratio for	-0.9465	3.354*
economic growth	(0.3975)	(0.0285)
Coefficient t-ratio for	0.9318*	1.043
the unemployment	(0.046)	(0.3557)
rate		

Source: author's own calculation and GRETLE output

Note: P-values are in the parentheses, * and ** indicates relevance at the respected 0.05 and 0.001 levels of statistical significance.

Based on the results in Table, it is clear that the initial Research Hypothesis 1 has not been confirmed by the calculations conducted in the first 3 models. The inclusion of macroeconomic variables has significantly contributed to the overall predictability value of the models. In the case of predicting the HDZ vote share, the value of R-squared increases from 0.007 to 0.857. With an R-squared value between 0.857 and 0.898 and both models being statistically significant at the P=0.005 level of statistical significance, the models will able to provide a rational comparison between the fitted values of the regression model and the actual voting results.

While the first models showed some troubling signs, with an unnaturally large value of the constant with most of the other coefficients being statistically insignificant, the results provided in Model 3 are generally satisfactory. Aside from the satisfactory value of the Rsquared, the F-statistic of both models is statistically significant at the 5 percent level of statistical significance with respected values of 7.96 and 11.72. While it appears that the initial ability of the lagged variable to better predict the dependent variable led to the fact that the model for SDP consistently had a slightly higher predictability value, the difference has somewhat decreased in Model 3 and is not as pronounced as it was in Model 1 and Model 2. The remaining hypotheses will be discussed following the interpretation of the results for Model 4 as shown in Table.

	Model for HDZ votes	Model for SDP votes
R-squared	0.8665	0.937
F-statistic of model	4.87	11.159*
	(0.112)	(0.038)
Equation	0.557*HDZvotes(-1)-	0.17*SDPvotes(-
	0.078*GDP+2.54*Unemployment-	1)+0.463*GDP-
	4.53*dummy variable -10.56	3.404*Unemployment-
		11.02*dummy variable+56.54
Constant t-ratio	-0.3220	1.76
	(0.7686)	(0.176)
Coefficient t-ratio for	0.8910	0.602
the lagged variable	(0.8603)	(0.589)
Coefficient t-ratio for	-0.565	2.279
economic growth	(0.6113)	(0.107)
Coefficient t-ratio for	2.396	-1.664

Table: Model 4 for SDP and HDZ summary of key findings

the unemployment	(0.0962)	(0.1946)
rate		
Coefficient t-ratio for	-0.475	-1.366
the dummy variable	(0.667)	(0.2654)

Source: author's own calculation and GRETLE output

Note: P-values are in the parentheses, * and ** indicates relevance at the respected 0.05 and 0.001 levels of statistical significance.

Based on the results of Model 4, it is clear that there are significant differences between predicting the results for the two largest political parties. In the case of HDZ, it is clear that including a dummy variable that accounts for whether or not they are in power in the previous term decreases the overall value of the model. Despite the fact that the R-squared is increased by a negligible difference in comparison to Model 3, a significant problem arises as the P value of the F-statistic decreases below even the 10 percent level of statistical significance. Based on these results, it is clear that the statistically most valid and relevant model in making these projections is Model 3 for HDZ.

While this is quite clear for predicting the results for HDZ, the situation is not as clear when predicting the overall results for SDP. Including a dummy variable clearly increases the predictability value of the model from R-squared=0.898 to R-squared=0.937. The overall model is still statistically significant as the overall P value of the F-statistic is still far below the required level of 5 percent. While the F statistic has a comparable size in both models, it is clear that the overall stability of the Model is slightly higher in Model 3. While the use of these models was initially designed to maximize the predictability value, it is clear that both Model 3 and Model 4 for predicting the SDP vote have a sufficiently high level of accuracy. On the other

hand, Model 3 seems to have a slightly more stable basis with at least one of the coefficients of the independent variables being statistically significant at the 5 percent level of statistical significance. Due to this reason, the predicting model for both political parties will be considered by using Model 3 as a basis.

Discussion of theoretical hypotheses

In regards to the theoretical hypotheses set before implementing the regressive models, the dissertation clearly fails to reject the null hypothesis in the case of *Research hypothesis 1*. The results indicate that the null hypothesis cannot be rejected due to the fact that the predictability value of the models that only include lags of the dependent variable. This hypothesis should be considered again, based on existing research in sources such as Lewis-Beck and Tien (2016), if the lagged variable can be replaced with the use of more up-to-date polling data.

In the case of *Research hypothesis 2*, the paper clearly fails to reject the null hypothesis. The hypothesis was devised in a way that it takes into account the electoral trends since HDZ regained power after the government of Prime Minister Račan in 2004. Despite this fact, only two governments since Croatia's independence have not been led by a HDZ-selected Prime Minister and it seems that the use of a regressive model cannot capture such a recent trend. A possible solution to capture this short-run trend could be to divide the regressive period to test whether there is a structural break, but the small sample size makes such form of testing inconclusive.

On the other hand, in regards to *Research hypothesis 3*, the overall results do not provide sufficient evidence that the null hypothesis can be rejected. This is due to the fact that in the final specification as selected in Model 3, the unemployment rate was a statistically significant variable for the model that predicted the parliamentary results for HDZ, while economic growth was statistically significant in the case of SDP. Despite the empiric framework failing to reject any of the null hypotheses as previously set, there is still some interest in the positive association between the coefficient for GDP in the case of SDP. The most simple interpretation would be that an increase in GDP leads to an increase in the number of votes cast for SDP.

While this would be an interesting conclusion, the dissertation could find no corroborating evidence in the existing literature. Additionally, until further research determines it so, this seems to be a case of correlation that is not equal to causation. The general percentage of SDP in the popular vote was low in the 1990s and it has mostly grown, with some minor exceptions, throughout that time period. Similarly, Croatia's economic growth has consistently grown since Croatia gained independence, if excluding the period when Croatia entered a recession and period of stagnation in the aftermath of the 2008 Global Financial Crisis.

Therefore, while this paper does find that these variables have at certain times had a high correlation, there is no relevant theoretical or empiric evidence that could help corroborate the claim that a higher economic growth encourages voting for center-left political options such as SDP.

Analysis of fitted versus actual results

Upon failing to reject the null hypothesis for any of the theoretical hypotheses regarding the voting models, this does not invalidate the statistical significance of the regressive models themselves nor does it limit the predictability value of the models. Table considers the actual and the fitted values of the Model 3 in predicting the results for SDP. Aside from predicting the results and then deducting the actual values from the values fitted by the regression model.

Year	Difference between	Outcome
	actual and fit value (in	
	percentages)	
1992		Correct
	-1.06	
1995		Correct
	-5.52	
2000		Inconclusive
	8.06	
2003		Correct
	1.31	
2007		Correct
	-1.17	
2011		Correct
	0.35	
2015		Correct
	3.86	
2016		Correct
	-5.83	

Table: Difference between actual and fit values for SDP

Source: Author's own calculations and GRETLE output

Based on the analysis of the results, it is clear that there is only a minor difference between the actual and fit values for SDP. One of the rare issues for the model is that it fails to predict the victory of the SDP-led majority where it predicts that SDP would only gain 20.42 percent of the vote. Due to the fact that SDP was only part of the coalition and HDZ had only 30.46 percent of the vote, it is inconclusive whether or not HDZ would manage to gather a majority with some alternative partners. On the other hand, the results for the differences between the fit and actual values for HDZ are shown in Table below.

Year	Difference between fit	Outcome
	and actual values (in	
	percentages)	
1992		Correct
	-2.74	
1995		Inconclusive
	5.57	
2000		Correct
	-4.03	
2003		Correct
	1.29	
2007		Correct
	1.5	
2011		Correct
	-0.37	
2015		Correct
	-0.37	
2016		Correct
	-0.85	

Table: Difference between actual and fit values for HDZ

Source: Author's own calculations and GRETLE output

The errors between the fit and actual percentage of HDZ's votes are mostly acceptable with the exception of 1995 and 2000. It is not conclusive whether HDZ would have managed to form a majority in 1995 with only 40 percent of the vote. Due to the overall structure of politics

in Croatia at the time, it is likely that HDZ would still have managed to form a majority. On the other hand, while there is a significant difference between the fit and actual value for 2000, HDZ would still resoundingly lose the election as the difference in the value of the predicted variable is not enough to change the outcome of the election.

For both SDP and HDZ, the predictability models were able to accurately predict the outcome of 7 out of the 8 elections for which they were used to forecast the data. In the case of 1995 for the model that predicted the HDZ votes and in the case of the 2000 Parliamentary Election, the results are not conclusive as the differences are significant enough to change the margin of victory or defeat, but it is likely that, due to the remainder of the Parliamentary arithmetic, that HDZ would still likely have managed to form a coalition government in 1995 much like the fact that the SDP with its coalition partners would have managed to form a majority. Despite the fact that the use of the models failed to reject the null hypothesis in all three of the considered research hypotheses, the model still managed to achieve a high predictability value and correctly predict almost all of the Parliamentary Elections held in Croatia since Croatia's independence in 1992.

Relevance of AfD and the History of German Electoral Results

Especially after the Brexit referendum, Germany and France are generally considered the core countries in terms of their influence in devising EU policies. While UKIP was not significantly represented in the Parliament of the UK, its policies helped divide the Conservative Party and such a division eventually led to the Referendum. On the other hand, both Germany

and France have strong Eurosceptic and anti-migration parties. The National Front has connected several right-winged policies on migration with an unclear economic policy and criticism of the status quo. In a very similar way, the AfD has begun taking a significant percentage of the vote from the Christian Democratic Union (CDU) in Germany. As a result, the country has governed through a large coalition between the center-left Social Democratic Party of Germany (SPD). Such a form of government has been challenging for both parties and has led to the growth of challengers to both the left and the right of the political divide.

While the CDU and SDP have long been the two dominant forces in German politics, their limited ability to find suitable smaller coalition partners with a similar ideological program now threatens the party's electoral prospects. As can be shown in Chart, the SPD has declined in the past several elections while the CDU has mostly maintained consistent results since the first German elections after World War II. The results of the elections for the two largest parties and for the liberal Free Democratic Party (FDP) are shown below.



Chart: Election results for largest German political parties 1949 – 2017

Source: <u>https://www.wahlrecht.de/ergebnisse/bundestag.htm</u> , accessed 15th of December, 2018

The CDU has historically been the party with the strongest independent showing with SDP matching or overtaking CDU in several instances. For both parties, coalition with the FDP as a smaller liberal party has been a theoretical option for most of their history. In 2013, the FDP gained less than 5 percent of the vote and was left without a single seat in the Bundestag for the

first time since 1949. Despite the fact that the FDP had slightly recovered in 2017, both SDP and CDU/CSU declined significantly in the 2017 Parliamentary Elections. To consider the changes and shifts in the German political system, a two-staged methodological approach that will consider polling data will be considered.

There have been numerous new methods of predicting the results of elections, with several papers during the early 2010s relying on the number of mentions on social media. Cbung and Mustafaraj (2011) found that such methods, if taking social media mentions as the lone indicator, may not be reliable in the US Senate Elections where they observed the relevance of social media mentions on the final election outcome. Due to the limited predictability value of such methods, this paper will implement a more traditional approach based on political popularity and macroeconomic variables. Most of the models employed by researchers are based on considering some impact of political popularity. While the approach of this paper will consider the party's performance in previous elections, Norpoth and Gschwendb (2010) considered a model of predicting the election results by using the popularity of the incumbent German chancellor a proxy variable for political popularity. Due to the model's precision of predicting the 2002 and 2005 election, it is clear that short-term changes in political popularity are one of the most significant aspects of ensuring a larger predictability value for the model (Norpoth and Gschwendb, 2010).

The dissertation will consider elections from 1972 to 2017, due to the limited availability of macroeconomic data for the period of the aftermath of World War II. The first approach will largely resemble the methodological approach to considering the changes in electoral trends in Croatia. The approach will be constructed based on the following three equations:

(5)
$$CDU \ votes = \alpha * CDU \ votes(-1) + \beta + \mu$$

(5.1) SPD votes =
$$\alpha * SPD$$
 votes $(-1) + \beta + \mu$

(5.2)
$$FDP \ votes = \alpha * FDP \ votes(-1) + \beta + \mu$$

Where the model will depend only on the explanatory value of the lag of the dependent variable itself, while also including a constant and error term. If the values for Croatia present any indicator, the predictability value of these models will be limited. Due to the fact that there is more data available and the election results are slightly more consistent in Germany, the lagged version of the variable may be more relevant to predicting the overall value than it was in the case of Croatia. After considering such an initial model, with the data for elections extracted from Walracht.de (2018), an initial model that considers economic growth will be considers as specified:

(6)
$$CDU \ votes = \alpha * CDU \ votes(-1) + +\gamma * \log (economic \ growth) + \beta + \mu$$

(6.1) SPD votes =
$$\alpha * SPD$$
 votes(-1) + + $\gamma * \log (economic \ growth) + \beta + \mu$

(6.2)
$$FDP \ votes = \alpha * FDP \ votes(-1) + +\gamma * \log (economic \ growth) + \beta + \mu$$

Where the α and γ coefficients are considered and the OLS model has a constant and an error term. By using data from the Federal Reserve Economic Data (FRED), the inclusion of economic growth, as measured by the output approach of measuring the GDP, will indicate whether or not economic growth will enhance the explanatory value of the model. Due to the fact that the economic growth of Germany is measured in constant dollars, such a specification may lead to heteroscedasticity errors and to avoid them a natural logarithm (log) transformation will be applied to the data for economic growth. By applying such a transformation to the data set,

the changing trends of the value of economic growth will still be captured while avoiding to make any specification errors. Similar to the approach for Croatia, the third voting model for Germany will also include the unemployment rate as follows:

(7)
$$CDU \ votes = \alpha * CDU \ votes(-1) + +\gamma * \log (economic \ growth) + \pi *$$

unemployment rate + β + μ

(7.1) SPD votes = $\alpha *$ SPD votes(-1) + + $\gamma * \log (economic \ growth) + \mu *$ unemployment rate + β + μ

(7.2.) $FDP \ votes = \alpha * FDP \ votes(-1) + +\gamma * \log (economic \ growth) + \mu *$ unemployment rate + β + μ

Where α is the coefficient indicating the relevance of the lag of CDU, SDP and FDP votes, γ is the coefficient relevant to determining the relevance of GDP, as measured in US dollars, μ is the coefficient measuring the relevance of the unemployment rate, β is the constant and μ is the error term. In the same manner as the log transformation was applied to Germany's GDP in Model 2, the same transformation will be made in Model 3. Due to the fact that the unemployment rate is in percentages, there is no need to apply such a statistical transformation. Data for Germany's unemployment rate was extracted from FRED (2018) manually and then calculated to measure quarterly averages. Such an approach carries the same difficulties and research constrains as it did in the model for Croatia where it is an imperfect approach to capturing the overall change in economic growth. The same averaging method is used to transform the annual data for the unemployment rate into 4-year-average values.

The final model includes a dummy variable that considers the first elections where the Green Party and the AfD first participated in the election. The inclusion of such a variable will determine whether there is any statistically significant break in electoral trends in the three separate election cycles these parties started engaging in German Parliamentary Elections. These years are 1980, when the Green Party first participated in federal elections, and 2013, when the AfD first participated in a federal election. Based on such an idea, the final model for Germany will have the following specification:

(8)
$$CDU \ votes = \alpha * CDU \ votes(-1) + +\gamma * \log (economic \ growth) + \pi *$$

unemployment rate $+ +\Omega + \beta + \mu$

(8.1) SPD votes =
$$\alpha * SPD$$
 votes(-1) + + $\gamma * \log$ (economic growth) + $\mu *$
unemployment rate + $+\Omega + \beta + \mu$

(8.2)
$$FDP \ votes = \alpha * FDP \ votes(-1) + +\gamma * \log (economic \ growth) + \mu *$$

unemployment rate $+ +\Omega + \beta + \mu$

Where α is the coefficient indicating the relevance of the lag of CDU, SPD and FDP votes, γ is the coefficient relevant to determining the relevance of GDP, as measured in US dollars, μ is the coefficient measuring the relevance of the unemployment rate, Ω is the dummy variable indicating whether or not the Green Party and the AfD first participated in the elections for that year, β is the constant and μ is the error term, Such a specification will then be used to determine what model has the highest predictability value and such a model will be used to predict the actual values versus the fitted values for all of the elections this model considers. In the concern of clarity, Table displays all of the variables and abbreviations used by the model.

Table: Variables considered for voting models

Variable	Abbreviation in statistical	Measurement	Source
	calculations		
Number of	CDU/CSU	Percentage of the	Wahlrecht.de
votes cast for		popular vote won by	
CDU/CSU		CDU/CSU	
Number of	SPD	Percentage of the	Wahlrecht.de
votes cast for		popular vote won by	
SPD		the SPD	
Number of	FDP	Percentage of the	Wahlrecht.de
votes cast for		popular vote won by	
FDP		the FDP	
Economic	GDP	Billions of dollars	FRED
growth			
Unemployment	Unemployment rate	Percentage of labor	FRED
rate		force unable to find	
		employment	

Based on such a specification, the model will first consider the summary statistics of the variables used and provide a brief interpretation of the variables that are presented in Table.

Table: Summary statistics

Variable Mean Median S.D. Min Max

CDU/CSU	41.0	41.5	5.46	32.9	48.8	
SPD	35.3	37.0	7.87	20.5	45.8	
FDP	8.79	8.40	2.56	4.80	14.6	
GDP	1.87e+012	2.00e+012	1.22e+012	2.54e+011	3.62e+012	
Unemploymentrate	6.86	7.20	3.03	0.725	10.9	
1 2						

Source: Author's own calculations and GRETLE output

The summary statistics indicate that it is important to conduct a log transformation, as has been previously planned by the dissertation, on the variable that accounts for economic growth over time. A model that would not have such a transformation conducted could have significant drawbacks in terms of the normality of the distribution and heteroscedasticity. Of the three political parties considered, CDU/CSU has historically had the most stable base of support with a mean value of 41 percent of the popular vote. On the other hand, the SPD has the largest standard deviation which indicates that the popularity of the party has significantly changed over time. This can be seen from the fact that the range between the maximum and minimum value is 24.7, while it is only 15.9 in the case of CDU/CSU.

Throughout the entire observed period, neither CDU/CSU nor the SPD managed to win an outright majority of the popular vote. The closest in almost achieving this accomplishment was CDU/CSU when the party won 48.8 percent of the vote. On the other hand, the FDP oscillated between 4.8 percent, a result that kept the party without any seats in the German Bundestag, and a maximum of 14.6 percent of the vote. Values for the German unemployment rate and GDP show a significant number of shifts that are likely caused by different measurements in periods of recession and economic growth. The unemployment rate was as low as 0.725 and as high as 10.9 percent in the observed time period. After this quick interpretation of the summary statistics, a detailed analysis of the voting models is presented. Results of voting models

Based on the economic framework of the paper, the first model only considers the relevance of lags of the dependent variables, as the proxy measurement of political popularity, as the only independent variable in the model. The specification and key statistics concerning such a model are shown in Table.

	Model for CDU/CSU votes	Model for SPD votes	Model for FDP
			votes
R-squared	0.344	0.676	0.118
F-statistic of model	5.246*	20.9**	1.333
	(0.04)	(0.001)	(0.274)
Equation	0.064*CDU/CSUvotes(-	0.914*SDPvotes(-	-
	1)+13.98	1)+1.02	0.352*FDPvotes(-
			1)+11.86
Constant t-ratio	1.19	0.1374	-1.156
	(0.2614)	(0.8934)	(0.2747)
Coefficient t-ratio	2.29*	4.572**	4.336**
for the lagged	(0.045)	(0.001)	(0.0015)
variable			

Table: Summary of key findings for Model 1 for German Elections

Source: author's own calculation and GRETLE output

Note: P-values are in the parentheses, * and ** indicates relevance at the respected 0.05 and 0.001 levels of statistical significance.

There appear to be considerable differences in estimating the model for Germany in comparison to the results for the voting models for political parties in Croatia. While an R-squared value of 0.344 that was achieved for CDU/CSU is not enough to make reliable projections, this model is relevant at the 5 percent level of statistical significance with the value of the F-statistic at 5.246. The coefficient that indicates the relevance of the lagged variable is also relevant at the 5 percent level of statistical significance.

Similar results were achieved for Model 1 that projected votes for SPD, as the model had an R-squared of 0.676 and a value of the F-statistic relevant even at the 1 percent level of statistical significance. The solid results that show the potential potency of the model are further confirmed by the statistical relevance of the coefficient for the lagged version of the variable even at the 1 percent level of statistical significance. While the results for Model 1 for SPD and CDU/CSU differ significantly from the model for Croatia, Model 1 for FDP has many structural similarities when compared to the two models for predicting the results for SDP and HDZ. The model is statistically insignificant with a relatively low predictability value with an R-squared of 0.118. In addition, the F-statistic of the model is not significant at the 5 percent level of statistical significance.

From the point of view of examining the stability of the voting models, this shows that merely the fact that the voting models for Germany were estimated on a larger number of observations was not a crucial fact in determining what the predictability value of the lagged independent variable will be. There seems to be quite a large impact of random chance and the overall stability of a party's performance when it comes to taking into account the statistical relevance of such an indicator of political popularity. The dissertation further considers Model 2 after performing a log transformation on the data for economic growth, with the estimated regression model summarized in Table.

	Model for CDU/CSU votes	Model for SPD votes	Model for FDP
			votes
R-squared	0.75	0.701	0.134
F-statistic of	13.349**	10.54**	0.697
model	(0.00197)	(0.0044)	(0.523)
Equation	-0.178*CDU/CSUvotes(-1)-	0.688*SPDvotes(-1)-	-0.363*FDPvotes(-
	7.519*log(GDP)+259.536	2.65*log(GDP)+83.877	1)+0.47*log(GDP)-
			1.288
Constant t-ratio	4.007**	0.864	-0.04
	(0.0031)	(0.409)	(0.9688)
Coefficient t-ratio	-0.6316	2.07	-1.139
for the lagged	(0.5434)	(0.0689)	(0.2842)
variable			
Coefficient t-ratio	-3.817**	-0.856	0.4119
for economic	(0.0041)	(0.4140)	(0.6901)
growth			

Table: Summary of key findings for Model 2 for German Elections

Source: author's own calculation and GRETLE output

Note: P-values are in the parentheses, * and ** indicates relevance at the respected 0.05 and 0.001 levels of statistical significance.

While the Model 1 specification provided stronger initial results when comparing the results to those for the voting models devised for the Croatian political parties, there seem to be significant differences in regards to the impact of Model 2. While the minimal value for the R-squared of the Croatian political parties was 0.57, the model for the German FDP is still close to being statistically insignificant. With an R-squared value of 0.134, it is clear that, thus far, none of the variables selected have a statistically significant impact in determining the number of votes cast for the FDP. The F-statistic of the model is still insignificant, as are all of the coefficients in the model.

While the model for FDP still has a very low predictability value, the models for SPD and CDU/CSU have a satisfactory predictability value are satisfactory for a model with only two independent variables. The model for CDU/CSU has a R-squared value of 0.75 with a F-statistic value that indicates that the model is more statistically significant than the models for HDZ and SDP with the same specification. On the other hand, the inclusion of economic growth has not significantly increased the explanatory value for SPD. Taking into account that the initial explanatory value of the model had a R-squared value of 0.676, the increase in the predictability value is not as significant as it was for the Croatian political parties. It is clear that economic growth correlates more in the case of the large Croatian political parties than it does in the case of the three observed German parties. These changes will be further observed when considering how the inclusion of the unemployment rate impacts the three models in Table.

Table: Summary of key findings for Model 3 for German Elections

	Model for CDU/CSU	Model for SPD votes	Model for FDP
	votes		votes
R-squared	0.764	0.769	0.226
F-statistic of	8.65**	8.93**	0.777
model	(0.0068)	(0.0066)	(0.539)
Equation	-	0.316*SPDvotes(-1)-	-0.451*FDPvotes(-
	0.182*CDU/CSUvote	8.439*log(GDP)+1.33*Unempoy	1)+1.52*log(GDP)
	s(-1)-6.72*log(GDP)-	ment rate +250.39	-
	0.36*Unemployment		0.45*Unemployme
	rate +239.82		nt rate -26.76
Constant t-	3.32*	1.786	-0.04
ratio	(0.0105)	(0.112)	(0.9688)
Coefficient t-	-0.628	0.807	-1.139
ratio for the	(0.547)	(0.4428)	(0.2842)
lagged			
variable			
Coefficient t-	-2.895*	-1.791	0.4119
ratio for	(0.02)	(0.1111)	(0.6901)
economic			
growth			
Coefficient t-	-0.7097	1.552	-1.357
ratio for the	(0.4981)	(0.4428)	(0.2119)
unemployme			

nt rate		

Source: author's own calculation and GRETLE output

Note: P-values are in the parentheses, * and ** indicates relevance at the respected 0.05 and 0.001 levels of statistical significance.

While the models for CDU/CSU and SPD have followed some general similarities prior to the inclusion of the unemployment rate, it is clear that a different set of variables is relevant to determining the vote in Germany. The inclusion of the unemployment rate did not significantly enhance the explanatory value of any of the three observed models for the German political parties. Based on the results provided thus far, it is highly unlikely that any reliable predictions can be made from the model that considers the number of FDP votes. With an R-squared of only 0.226, such a predictability value is very low for a model that has two independent variables and a lagged version of the dependent variable. With the F-statistic of the model still being statistically insignificant and none of the coefficients being statistically significant, it is clear that this model suffers from omitted variable bias where the variables selected fail to correctly account for any of the changes in the dependent variable.

On the other hand, the model for CDU/CSU is acceptable with an R-squared of 0.764 and a value of the F-statistic that is statistically significant even at the 1 percent level of statistical significance. In the specification for Model 3, the constant and the coefficient that considers economic growth are statistically significant. Due to the fact that the explanatory value of the model has increased with each new variable, even though they may not independently be statistically significant, the increase in the predictability value of the model suggests that they are jointly significant. The regression model for SPD has mostly satisfactory statistics, but it is clear that even here alternative macroeconomic variables should be considered to enhance the predictability value of the model. Despite the fact that the model has a higher predictability value than the identically specified regression model for CSU/CDU, none of the variables are individually statistically significant. It may be possible that alternative macroeconomic variables should be considered or that they may not be relevant to determining the number of votes for the major parties in Germany. The final model specification, with the key findings summarized in Table, will consider whether the addition of the dummy variable increases the statistical significance of the considered regression models.

	Model for CDU/CSU	Model for SPD votes	Model for FDP votes
	votes		
R-squared	0.785	0.841	0.259
F-statistic of	8.65**	9.26**	0.6103
model	(0.0068)	(0.0063)	(0.668)
Equation	-0.159*CDU/CSUvotes(-	0.429*SPDvotes(-1)-	-0.37*FDPvotes(-
	1)-7.16*log(GDP)-	8.7*log(GDP)+1.8*Un	1)+1.8*log(GDP)-
	0.115*Unemployment	empoyment+6.018*Du	0.57*Unemployment
	+2.4*Dummy +249.1	mmy+248.3	-1.56*Dummy -33.7
Constant t-ratio	3.335*	1.992	-0.04
	(0.0123)	(0.087)	(0.9688)
Coefficient t-	-0.537	1.212	-1.139

Table: Summary of key findings for Model 3 for German Elections

ratio for the	(0.6075)	(0.2649)	(0.2842)
lagged variable			
Coefficient t-	-2.953*	-2.069	0.4119
ratio for GDP	(0.0213)	(0.077)	(0.6901)
Coefficient t-	-0.193	2.224	-1.357
ratio for	(0.8253)	(0.0615)	(0.2119)
unemployment			
Coefficient t-	0.834	1.797	-0.963
ratio for dummy	(0.432)	(0.1201)	(0.3672)

Source: author's own calculation and GRETLE output

Note: P-values are in the parentheses, * and ** indicates relevance at the respected 0.05 and 0.001 levels of statistical significance. The unemployment rate and dummy variable were abbreviated to unemployment and dummy in the table in the interest of clarity.

Based on the improvements to the regression model, it is clear that Model 4 is the most accurately specified model for CDU/CSU and the SPD. In the case of CDU/CSU, the R-squared value increased slightly to 0.785 and the F-statistic is still statistically significant even at the 1 percent level of statistical significance, while the coefficient for economic growth and the constant are statistically significant independently at the 5 percent level of significance. On the other hand, the results for SPD show that the inclusion of the dummy variable has also significantly improved the specification of the model.

Not only has the R-squared value of the model increased, which would likely have happened with the inclusion of most relevant variables, but the overall stability of the model has improved. While none of the variables were close to being statistically significant in the way the regression model was specified in Model 3, two of the variables are now significant at the 10 percent level of statistical significance and it is clear that Model 4 is the most suited specification of the considered variables for the SPD.

Based on the findings in Table, it is clear that it is not possible to make any predictions from the regression models designed for the FDP from this dissertation thus far. The inclusion of the dummy variable has slightly increased the predictability value of the model, but the F-statistic remains statistically insignificant and it is clear that any predictions that would be considered would be a result of a spurious regression. Based on these findings, it is clear that it is necessary to consider an alternative specification for the model for FDP. On the other hand, the value of the fitted versus the actual results of the regression models for the SPD and CDU/CSU can be considered from the specification as identified by Model 4.

Fitted and actual values of regression models for German political parties

Based on the specifications as shown in equations 8 and 8.1, the model will be tested to see how accurately it would have worked on previous German Parliamentary Elections. The results for CDU/CSU are shown in Table. Aside from calculating the fitted values and the difference between the fit and actual value, it is also significant to take note of the average difference between the results forecasted by the model and the actual values.

Table: Comparison of fitted and actual values for CDU/CSU

Year	Actual value	Fit value	Error	Evaluation of model

1976	48.6	50.2	-1.6	Correct
1980	44.5	47.7	-3.2	Correct
1983	48.8	44.9	3.9	Correct
1987	44.3	44	0.3	Correct
1990	43.8	40.7	3.1	Correct
1994	41.4	38.4	3	Correct
1998	35.1	37.2	-2.1	Correct
2002	38.5	39.4	-0.9	Within margin
				of error
2005	35.2	36.7	-1.5	Correct
2009	33.8	36	-2.2	Correct
2013	41.5	38.3	3.2	Correct
2017	32.9	34.8	-1.9	Correct
	Average erro	r		2.241667

Source: Author's own calculations and GRETLE output

Based on the calculations provided, it is clear that the model for CDU/CSU, despite not having the predictability value of the Croatia models, provides mostly accurate results. The overall range of errors is larger than for that in the models for the Croatian political parties, but the minimum maximum outliners are actually smaller than those in the model for the Croatian political parties. When viewing the largest outlier, the difference between the actual and the fitted value for 1983 is 3.9 percent which is still not enough to overturn the election results for that year due to the fact that both the predicted and the actual values for SPD for that year are significantly lower.

The value of the average error was conducted by calculating the average of the absolute values of the difference between the fitted value of the regression model and the actual value. By only calculating the average of the difference between these two values, without taking into account that they can be both positive and negative, it would lead to a misleading result that the average error is only 0.08. The correctly calculated error is roughly 2.24, which can be significant enough to overturn a close election but which is not a large difference concerning the time period considered. In the case of the 2002 Bundestag Election, it is difficult to provide a complete evaluation of the model due to the fact that the two parties were tied. Despite the fact that, with the exception of the 2002 elections, the model appears to be fairly solid in predicting the outcome of the past elections, any model that would consider future elections should have a much larger margin of error. The goal should be to keep the average error lower than 1 percent as anything that doesn't accurately account for previous election results will have highly limited success in predicting the value of future elections.

Year	Actual value	Fit value	Error	Evaluation of model
1976	42.6	41.3	1.3	Correct
1980	42.9	42.2	0.7	Correct
1983	38.2	39.3	-1.1	Correct

Table: Comparison of fitted and actual values for SPD

1987	37	41.3	-4.3	Correct
1990	33.5	34.1	-0.6	Correct
1994	36.4	31.5	4.9	Correct
1998	40.8	35.9	4.9	Correct
2002	38.5	37.7	0.8	Within margin of error
2005	34.2	36.1	-1.9	Correct
2009	23	27.7	-4.7	Correct
2013	25.7	26.4	-0.7	Correct
2017	20.5	19.9	0.6	Correct
Avera	ge error		2.21	

Source: Author's own calculations and GRETLE output

The model for SPD also has a similarly stable ability to predict most of the election results, which is a solid result based on the overall long period considered by the model. Similarly to the model for CDU/CSU, it is impossible to verify whether the model is fully accurate for 2002 due to the fact that both of the political parties gained such a similar percentage of the popular vote. On the other hand, the model accurately predicts most of the other elections with an average error that is almost identical to the value of the error for the CDU/CSU model. While this regression model can have its uses in forecasting and observing long-run trends, it is clear that such an approach is not fully suitable for forecasting the results of next elections.

The key finding from both the regressive research framework for Croatia and Germany has been that short-term political variables are essential to predicting the political popularity of politicians. While opinion polls have their significant drawbacks, they are still the most essential tool in predicting the outcome of the election. Another significant error is that taking the results of the national elections on their own frequently leaves researchers with an insufficient number of accurate observations to conduct more advanced statistical techniques for forecasting such as ARIMA models. Therefore, one of the first conclusions in regards to how these models can be used for real-world forecasting is that the predictability value of models that do not contain some data which captures the short-run tendencies closely before the elections taking place will likely not be accurate.

While researchers have considered numerous variables to capture the short-run political popularity of parties, including considering the number of mentions on social media platforms such as Twitter, opinion polling is likely the most accurate predictor of short-run preferences of the electorate (Chung and Mustafaraj, 2011). It is clear that the inclusion of these variables is necessary to enhance the predictability value of the model. While a complex regression model with numerous variables that account for the changes in economic growth and political popularity may be a solution, the second solution is to consider an ARIMA model with different specifications. This appears to be even more significant in the case of Germany where, in the first estimation of the long-run models, none of the variables that accounted for macroeconomic factors were statistically significant with the exception of GDP for the prediction of CDU/CSU.

ARIMA forecasting using polls that consider political popularity

ARIMA models, an acronym for autoregressive integrated moving average models, use different levels and lags which primarily depend on regressing the dependent variable on itself or on different dependent variables with the goal of forecasting future values of the dependent variable. The goal of the ARIMA model is to maximize the predictability value and the predictability of ARIMA models with only a few values would be very disputable. On the other hand, as monthly political polling is regularly conducted, it can be considered as a valid alternative to considering election results as the only valid political variable. Aside from considering an ARIMA model, an additional approach will be considered that attempts to forecast the popularity of four German political parties – CDU/CSU, SPD, FDP and the Green Party with the use of relevant social and economic variables.

The initial approach suggested that there is little to no connection between macroeconomic variables and the changes in political popularity, especially in the case of the FDP, but perhaps a larger number of variables will be able to properly specify the model and decrease the chance of an omitted variable bias. In order to determine whether such a specification of the regressive model is correct, a stepwise regression will be used. The stepwise regression is a method used to maximize the predictability value of the model based of a set of considered variables. The only requirement is to set what criterion should the stepwise regression focus on and to provide whether or not any of the variables should be considered regardless of their predictability value to the model.

In order to estimate the ARIMA models, it is important to ensure that the models are stable by conducting the relevant statistical tests. In order to test the models, prior to considering their predictability value, the paper will test for the normality of the distribution, autocorrelation and the presence of the ARCH effect that is based on the research of .Engle (1982) In case any of these statistical occurrences are present, the model is not statistically stable nor reliable. The first model is devised with the specification of AR (1,0,1). The additional model that was considered is AR (1,1,1), while all of the models with a higher or lower specification were either statistically unstable or had lower accuracy in predicting the dependent variable with a forecasting error between the fitted and actual values higher than 1.5 percent. The table below shows the relevant statistical indicators that indicate that the model is statistically stable.

	ARIMA	ARIMA (1,1,1)
	(1,0,1)	
LM statistic for autocorrelation	17.3032	17.084
	(0.0671)	(0.0725)
LM statistic for ARCH effect	19.6488	18.552
	(0.074)	(0.0992)

Table: Key statistics for ARIMA models for CDU/CSU

Source: Author's own calculations and GRETLE output

The values for the LM statistic indicate that both models fail to reject the null hypothesis of no autocorrelation at the 5 percent level of statistical significance. Additionally, neither of the models has an ARCH effect present due to the fact that the values of the LM statistic are 19.649 and 18.552 which indicate failure of rejecting the null hypothesis of the ARCH effect being present. Based on the following values, it is possible to consider the reliance of the forecasts

made by both of the ARIMA models for CDU/CSU. The difference between the actual and the fitted values, as well as the other relevant statistics regarding forecasting, can be seen in Table.

	ARIMA (1,0,1)	ARIMA (1,1,1)
Mean error	-0.00012131	4.1047e-007
Root mean squared error	0.014962	0.015
Mean absolute error	0.011557	0.011355
Mean percentage error	0.19552	-0.086011
Theil's U	0.98666	1.0006

Table: Prediction statistics for CDU/CSU ARIMA models

Source: Author's own calculations and GRETLE output

Based on the two ARIMA models that had the best fit in the difference of the fitted against the actual values and when considering that both models are stable in regards to the ARCH effect and autocorrelation, it would appear that ARIMA (1,1,1) is a slightly better specification because it has a slightly lower mean absolute error. On the other hand, ARIMA (1,0,1) has a lower value of Theil's U indicating that there are smaller differences in absolute values between the predicted and actual results. Therefore, the results of the ARIMA (1,0,1) model for CDU//CSU are shown in the Chart below with a three-month forecast based on the available data.



Chart: ARIMA forecast for CDU/CSU Source: Author's calculations and GRETLE output Note: the shaded area indicates the 95 percent confidence interval.

To clarify Chart that shows the forecasted values for CDU/CSU, further analysis of the forecast for CDU/CSU is shown in Table below.

Table: Analysis of predicted three-month forecast for CDU/CSU

Time period	Forecast	Standard error	Theil's U
March, 2019	0.313	0.0148	0.9824
April, 2019	0.317	0.0209	
May, 2019	0.32	0.0251	

Source: Author's calculations and GRETLE output

Based on the ARIMA model, the model forecasts that CDU/CSU popularity will be 31.3 percent with a standard error of 1.48 percent, meaning that it can be as high as 32.7 percent or as low as 29 percent. While this model may not be significant in forecasting values for early 2019, simply monitoring the values for political popularity can lead to a model that will then be able to forecast the German elections. With some degree of accuracy with a standard error of roughly 2.5 percent, the model will be able to make a prediction 3 months in advance. After considering the ARIMA model for CDU/CSU, a similar estimation is considered for SPD first by determining the correct lag length. Upon considering several possible estimations of the ARIMA model, two options are considered that proved to be the statistically most stable options with a sufficiently high predictability value. The indicators of statistical validity and stability of the model are provided in Table below.

Table: Key statistics for ARIMA models for SPD

	ARIMA	ARIMA (1,1,1)
	(1,0,0)	
LM statistic for autocorrelation	9.772	13.159
	(0.5510)	(0.2149)

LM statistic for ARCH effect	9.6488	8.4075
	(0.707)	(0.7525)

Source: Author's own calculations and GRETLE output

One of the model specifications that is structurally sound is ARIMA (1,0,0), which is basically an AR(1) model. Both of the models fail to reject the null hypothesis of no autocorrelation and the presence of the ARCH effect does not impact either of the ARIMA models for SPD. After ensuring that the models are statistically stable, it is necessary to consider their predictability value when predicting the existing results concerning the political popularity of the SPD.

Table: Prediction statistics for SPD ARIMA models

	ARIMA (1,0,0)	ARIMA (1,1,1)
Mean error	-0.00044982	1.8177e-007
Root mean squared error	0.017567	0.01635
Mean absolute error	0.012336	0.011857
Mean percentage error	-0.59931	-0.22533
Theil's U	0.9901	0.9939

Source: Author's own calculations and GRETLE output

Overall, both of the models seem to have acceptable values in forecasting the results of previous elections. A factor that can be used to distinguish them is that the AR(1) model has a lower value of Theil's U. This shows that while the mean absolute errors may be higher in that

error, it is more consistent over time and therefore the AR(1) model is better suited for making statistically relevant predictions that are then shown in Chart below.



Chart: ARIMA forecast for SPD Source: Author's calculations and GRETLE output Note: the shaded area indicates the 95 percent confidence interval.
It is clear from Chart that the function has a strong ability to correctly predict the past results of political popularity for SPD and more detailed estimates of the ARIMA forecasts are shown in the Table below.

Time period	Forecast	Standard error
March, 2019	0.166	0.0164
April, 2019	0.171	0.0225
May, 2019	0.176	0.0251

Table: Analysis of predicted three-month forecast for SPD

Source: Author's calculations and GRETLE output

Thus, the AR(1) model specifies that the value of SPD's popularity will be 16.6 percent in March, 2019. It is important to note that the model predicts the values exclusively on existing trends and there are numerous factors, including different political events, scandals or decisions made by government or party officials, that could interfere with the accuracy of the model. The standard error for March is satisfactory and shows that SPD's political popularity will be between 15 and 18.27 percent, with the model specifically identifying that the standard error increases as the AR(1) model attempts to forecast values further in the future.

For the FDP, it was slightly more difficult to estimate a significantly sound model. All of the attempts to estimate an ARIMA model without additional regressors led to the variable exhibiting the ARCH effect. In an attempt to remove such an effect, two additional regressors were added – the interest rate and the unemployment rate. With such a new specifications, two statistically stable models were found with the following ARIMA specifications as can be seen from the Table below where neither model fails to reject the null hypothesis of no autocorrelation and no ARCH effect.

	ARIMA (1,1,0)	ARIMA (1,1,1)
LM statistic for autocorrelation	10.407	17.08
	(0.4942)	(0.0828)
LM statistic for ARCH effect	20.385	20.9104
	(0.062)	(0.0514)

Table: Key statistics for ARIMA models for FPD

Source: Author's own calculations and GRETLE output

After initial estimation errors, the specification of ARIMA (1,1,0) and (1,1,1) that also regresses the political popularity against the increase in the unemployment rate and the interest in the interest rate both appear to contribute to the stability of the model despite the coefficient for neither variable being individually statistically significant at the 5 percent level of statistical significance. After ensuring the statistical stability of the values for both models, their predictability value is considered in Table below.

Table: Prediction statistics for FPD ARIMA models

	ARIMA (1,1,0)	ARIMA (1,1,1)
Mean error	-5.8785e-007	-7.5387e-005
Root mean squared error	0.0092505	0.0093282
Mean absolute error	0.0070673	0.0070592
Mean percentage error	-0.98048	-1.6634

Theil's U	0.96302	0.9679

Source: Author's own calculations and GRETLE output

Due to the fact that the mean absolute error is almost identical, it is logical to decide on the validity of the model based on Theil's U which clearly specifies ARIMA (1,1,0) as the slightly better fit. Aside from the slightly lower value of Theil's U, an additional factor in favor of the ARIMA (1,1,0) specification was the joint statistical relevance of the unemployment rate and interest rate in model, while no evidence of even joint significance at the 5 percent level was found at the ARIMA (1,1,1) model. Based on these conclusions, the ARIMA forecast is shown in Chart below.



Chart: ARIMA forecast for FPD

Source: Author's calculations and GRETLE output Note: the shaded area indicates the 95 percent confidence interval.

Based on the values in the Chart, a more detailed breakdown of the values for the threemonth forecast is provided in Table below.

Table: Analysis of predicted three-month forecast for FPD

Time period	Forecast	Standard error
March, 2019	0.091	0.0092
April, 2019	0.09	0.0119
May, 2019	0.09	0.0139

Source: Author's calculations and GRETLE output

The forecast seems to suggest, with a fairly certain degree of certainty, that FDP's level of political support will stagnate around 9 percent in the three forecasted periods. The standard error for the first observed period is significantly lower than the value of the forecast for the CDU/CSU and SPD ARIMA models. This indicates that, should the current trends persist, the model for FDP is slightly more accurate in predicting the short-term results.

WorldBank.(2018).GDP.Availablefrom:https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=HR, accessed15th ofDecember, 2018.

Index Mundi. (2017). Croatia Unemployment rate. Available from: <u>https://www.indexmundi.com/croatia/unemployment_rate.html</u>, accessed 15th of December, 2018.

Engle, Robert F. (1982). Autoregressive Conditional Heteroscedasticity with Estimates of the Variance of United Kingdom Inflation. *Econometrica*, 50(4): 987–1007.

Federal Reserve Economic Data. (2018). Registered Unemployment Rate Germany. Available from: <u>https://fred.stlouisfed.org/series/LMUNRRTTDEA156N</u>, accessed 20th of December, 2018.

Results of German Federal Elections. (2018). Available from: https://www.wahlrecht.de/ergebnisse/bundestag.htm , accessed 15th of December, 2018.

Kokotović, Filip and PetarKurečić. (2017). An Empirical Analysis of Voting Patterns in four Battleground States of the 2016 US Presidential Election. *Teorija in Praksa*, 54(5): 747-764.

Lewis-Beck, Michael S. and Charles Tien (2016): The Political Economy Model:2016 US Election Forecasts. *PS: Political Science and Politics*, 49(4): 661–663.

Norpoth, Helmut & ThomasGschwendb. (2010). The chancellor model: Forecasting German elections. International Journal of Forecasting, 26(1): 42-53.

Chung, Jessica & Eni Mustafaraj. (2011). Can Collective Sentiment Expressed onTwitter Predict Political Elections? *AAAI Conference on Artificial Intelligence*: 1770-1771.

Arbitration Agreementbetween the Government of the Republic of Sloveniaand the Government of the Republic of Croatia. (2009). Available from: http://www.assidmer.net/doc/Arbitration_Agreement_Croatia_Slovenia.pdf , accessed 24th of February, 2019.

Ban, Josipa. (2012). Unatočpadu SDP idaljeimaizraženuprednostpred HDZ-om.Poslovni, available from: <u>http://www.poslovni.hr/hrvatska/packe-sdp-u-i-vladi-laburisti-popularniji-</u>223504, accessed 16th of March, 2019.

Bohutinski, Josip. (2011). Trakošćan 2009.: PrvisusretKosor – Pahororganizirala je Fimimedija. *Večernji list*. Available from: <u>https://www.vecernji.hr/vijesti/trakoscan-2009-prvi-susret-kosor-pahor-organizirala-je-fimi-medija-326812</u>, accessed 20th of February, 2019.

Hina. (2014). Kolindazaoštrilaretoriku 'Ova bešćutnaVladapočinila je veleizdaju, a Josipovićsamošuti'. *Jutarnji list*, <u>https://www.jutarnji.hr/vijesti/hrvatska/kolinda-zaostrila-retoriku-ova-bescutna-vlada-pocinila-je-veleizdaju-a-josipovic-samo-suti/589027/</u>, accessed 15th of March, 2019.

_____. (2014). Josipovićpredstaviosvojprojekt 'DrugeRepublike'. Tportal, available from: <u>https://www.tportal.hr/vijesti/clanak/josipovic-predstavio-svoj-projekt-druge-republike-</u> 20141129/print, accessed 15th of March, 2019.

Ivkošić, Milan. (2011). Referendum o EU – sprdačina! *Večernji list*, available from: https://www.vecernji.hr/referendum-o-eu-sprdacina-359301, accessed 14th of March, 2019.

Koska, Viktor. (2011). Slučajsrpskemanjine u Hrvatskoj. Političkeanalize 2(5): 50-54.

Kukec, Tomislav. (2012). NadvještačenjeSpašavaČačića: Moždai je voziomalobržeoddopuštenog, ali to nijeutjecalonafatalniishodsudara. Jutarnji list, available from: https://www.jutarnji.hr/vijesti/hrvatska/foto-nadvjestacenje-spasava-cacica-mozda-i-je-voziomalo-brze-od-dopustenog-ali-to-nije-utjecalo-na-fatalni-ishod-sudara/1634760/, accessed 10th of March, 2019.

Kulenović, Enes&KrešimirPetković. (2016). The Croatian Princes:Power, Politics and Vision (1990-2011). *Croatian Political Science Review* 53(4): 105-131.

LukićSlavica. (2014). Kakoosiguratipobjedu u drugomkrugupredsjedničkihizbora. Jutarnji list, <u>https://www.jutarnji.hr/vijesti/hrvatska/velika-analiza-jutarnjeg-kako-osigurati-pobjedu-u-</u> <u>drugom-krugu-predsjednickih-izbora/4044696/</u>, accessed 15th of March, 2019.

Mehkek, Goran & Boris Kovačev. (2012). Tomislav Karamarko je četvrtipredsjednik HDZ-a najvećigubitniciKosor, ŠeksiMilinović.

https://www.slobodnadalmacija.hr/novosti/hrvatska/clanak/id/167714/tomislav-karamarko-jecetvrti-predsjednik-hdz-a--najveci-gubitnici-kosor-seks-i-milinovic , accessed 13th of March, 2019.

NikićČakar, Dario. (2009). The Presidentialisation of Croatian Parties: the CDU's Case. AnaliHrvatskogpolitološkogdruštva :časopis za politologiju 6(1): 29-49.

Palokaj, Augustin. (2016). Što je pozadinaslučaja Lex Perković. *Jutarnji list*, available from: <u>https://www.jutarnji.hr/komentari/sto-je-pozadina-slucaja-lex-perkovic/4584065/</u>, accessed 15th of March, 2019.

Pavletić, Nel. (2014). Josipovićnijezabrinutzbog pada popularnosti. *T-portal*, available from: https://www.tportal.hr/vijesti/clanak/josipovic-nije-zabrinut-zbog-pada-popularnosti-20141107, accessed 15th of March, 2019.

Rudolf, Davorin. (2013). Attainment of international legal status on the part of the Republic of Croatia (25th june 1991). *ZbornikradovaPravnogfakulteta u Splitu* 50(1): 51-80.

Rudolf, Davorin and Kardum, Irena. (2010). Arbitration Agreement Between Croatia and Slovenia. *Poredbenopomorskopravo* 164(49): 3-18.

Selimović, Šenol. (2011). PLAN 21 Kukurikukoalicijapredstavila program za izbore: Ukinutćemopovlaštenezastupničkemirovine. *Jutarnji List*, <u>https://www.slobodnadalmacija.hr/novosti/hrvatska/clanak/id/142968/plan-21-kukuriku-koalicija-predstavila-program-za-izbore-ukinut-cemo-povlastene-zastupnicke-mirovine-foto</u>, accessed 21th of February, 2019.

Sever Šeni, Nikola. (2010). Prepolovljenaprednost SDP-a pred HDZ-om, za Kukuriku 40,5 posto. *Večernji List*. Available from: <u>https://www.vecernji.hr/vijesti/prepolovljena-prednost-sdp-a-pred-hdz-om-za-kukuriku-405-posto-172990</u>, accessed 22nd of Febuary, 2019.

Toma, Ivanka. (2011). SuđenjeSanaderumoglo bi početi u listopadu, otvorenošestistraga. *Večernji List.* Available from: <u>https://www.vecernji.hr/vijesti/sudjenje-sanaderu-moglo-bi-</u>poceti-u-listopadu-otvoreno-sest-istraga-311474, accessed 21st of February, 2019.

Turčin, Kristina. (2016). HDZ je dobio 64 tisućeglasovamanjenegonaizborima u studenom 2015., ali je zato SDP izgubiočak 106 tisućaglasova!Jutarnji list, available from: https://www.jutarnji.hr/vijesti/hrvatska/hdz-je-dobio-64-tisuce-glasova-manje-nego-na-izborimau-studenom-2015.-ali-je-zato-sdp-izgubio-cak-106-tisuca-glasova/4691132/, accessed 27th of February, 2019. WorldBank.(2018).GDPGrowth.Availablefrom:https://data.worldbank.org/indicator/ny.gdp.mktp.kd.zg?end=2011&locations=hr&start=1996,accessed 25th of February, 2019.

Žapčić, Andreja. (2011). 10.000 ljudimarširaloZagrebomtražećismjenuJadrankeKosor. *T-portal*, available from: <u>https://www.tportal.hr/vijesti/clanak/10-000-ljudi-marsiralo-zagrebom-trazeci-smjenu-jadranke-kosor-20110304</u>, accessed 24th of February, 2019.

Discussion and results

As has been previously stated, the Republic of Croatia is one of the countries that strongly conforms to the trend of having an increasing number of third-party alternatives rise as a result of the 2008 Economic Crisis. While it has already been mentioned that it may be difficult to place all of these results within a wider context within the EU, the results of the survey themselves are highly relevant to discussing several of the dissertation's original research hypothesis.



Chart: Age distribution of survey sample

Source: survey conducted by the author.

While the age distribution of respondents is generally satisfactory, there are a few indicators that some improvements could be made in regards to the survey implementation. The age group of 18-30 year is not typically the group that is most active in Croatian parliamentary elections. Despite this fact, this group contains the largest relative number of respondents in comparison to the other groups. This may have been due to the fact that the survey was conducted online and younger age groups tend to be more familiar with the technology required to conduct such a survey.

Younger age groups are also more likely to view online publications and social media to inform themselves on daily events. On the other hand, the data for the average monthly income is generally representative of the population of Croatia during the time the survey was implemented. This can be seen in Chart



Chart: Average monthly income of survey representatives

Source: survey conducted by the author.

During the time the survey was conducted, the Croatian Bureau of Statistics (2017) indicated that the average monthly pay for employed individuals was 5960 kn. Considering that some people that earn between 2500 and 5000 kn may receive this money as unemployment or other social benefits,¹⁵ these results mostly conform to the expectations of other studies and other relevant publications conducted during the same time period. The data concerning the gender of the respondents can be seen in Chart

¹⁵ An additional option is that they may receive pensions which are not accounted for in the data by the Croatian Bureau of Statistics (2017).



Chart: Gender distribution of survey sample

Source: survey conducted by the author.

As can be seen from Chart, the number of male respondents is slightly higher than female respondents. Overall, this means that the percentage of female respondents is 49.28%, while the percentage of male survey respondents is 50.73%. Based on the last population count in Croatia, conducted in 2011, the ration between males and females in Croatia is that there is 1.06 male for every female. Based on these results, the slightly higher number of male respondents is representative of the wider Croatian electorate and does not represent a statistically relevant factor when analyzing the validity of the survey results. The results regarding the region where the voters were born can be seen in Chart.



Geographical Representation

Chart: Geographical representation of survey

Source: survey conducted by the author.

As can be seen from Chart, a vast majority of survey respondents were from Grad Zagreb. As this is by far the largest urban area that accounts for roughly 18 percent of Croatia's population, this is not such a significant problem. Many surveys suffer from an issue that urban areas are slightly too significantly represented in comparison to the general Croatian electorate. The positive aspect is that, to a significant degree, all of the counties in Croatia are represented and 21 respondents who were not born in the Republic of Croatia, but have the right to vote, were also surveyed. While there are some discrepancies between the survey respondents and the general Croatian electorate in terms of geographical representation, they are mostly within acceptable margins. The survey also considers the religious affiliation of survey sample respondents, as can be seen in Chart.

These results would indicate that roughly 64% of the survey sample identified itself as Catholic. On the other hand, 16.5% of the survey sample identified themselves as agnostics while 15.4% of the survey sample identified as atheists. Of the 11 respondents, some identified themselves as Orthodox Catholics, Protestants, Buddhists. There were also 2 responses where respondents identified that their religion was Dinamo, a football club from Zagreb and a single respondent who identified himself as ''Jedi''. Such results are mostly consistent with responses in larger



Chart: Religious affiliation of survey sample

Source: survey conducted by the author.

The one problematic aspect is based on the data of the Croatian Bureau of Statistics (2011), roughly 85% of the population self-identifies as Catholic in the past population census. There are several reasons why this is not particularly worrisome. Primarily, the time span between the last population census and the survey is 6 years. In addition, it is much easier to identify oneself as a non-believer in an online survey in comparison to being asked the same question in face-to-face questioning. The Croatian identity is strongly connected to the Catholic faith and self-identifying as either atheist or agnostic in a census survey may seem controversial. Due to these reasons, the difference between the population that self-identifies as Catholic in the survey sample and in the

last population census does not hamper the overall validity of the survey results. There are also some minor discrepancies in regards to the level of education, as can be seen from Chart.



Chart: Education level of survey representatives

Source: survey conducted by the author.

In the survey sample, more than 61% have at least obtained a Bachelor's Degree. Some clarification should be provided on the technical terminology used in the survey. High expertise describes a person who has finished at least a 3-year-long university program. On the other hand, higher expertise is used to describe a person who has finished a technical school ('veleučilište'') program. The actual ratio of people who have attained a higher education degree is actually

closer to 30%. Based on the analysis provided by Vican (2013), most of the employed people in the public and the private sector in Croatia are actually employed based on their secondary education qualifications. In addition, the last statistical data has shown that there is 6% of the population that has received no education whatsoever (Vican, 2013:92). The survey sample contains no such respondents and this is a slight problem when comparing the education level of the survey sample and the general Croatian electorate.

The one aspect that is slightly problematic is the participation rate of the survey respondents. Of the percentage of people that responded to the survey, 50 respondents of the total 345 respondents have abstained from voting in the 3 previous election cycles. Placed in a statistical context and projected to a general election scenario, this would mean that the turnout in Croatia was approximately 85%. Based on data from the National Election Commission of the Republic of Croatia (2017), the turnout in major metropolitan areas such as Zagreb was much closer to 40% in the 2016 Croatian Parliamentary Election. The participation rate was mostly between 35% and 40% for most of Croatia's electoral regions in the 2016 Croatian Parliamentary Election (National Election Commission of the Republic of Croatia, 2017).

Such a discrepancy between the survey respondents and the actual population of Croatia can be explained through several relevant factors. First of all, turnout was generally low in the 2016 Croatian Parliamentary Election because a parliamentary election was held the year before. The previous year, the turnout for the election region that includes the Croatian capital of Zagreb was 51.62% (National Election Commission of the Republic of Croatia, 2017). In general, people who respond to surveys on political preferences are much more likely to be interested in politics and participate in elections. While this is perhaps the most significant discrepancy between the survey sample and the general electorate in Croatia, the aforementioned reasons provide some

context on why this particular discrepancy occurred. Further information can be seen based on how the respondents described their political affiliation.



Chart: Political ideology of survey respondents

Source: survey conducted by the author.

Based on a quick analysis of the survey results, it would appear that the survey sample is slightly more left-leaning than the actual Croatian electorate. Roughly 42% of the survey respondents self-identify either as liberal or center-left. On the other hand, only 30% of the population self-identifies as being right of the political spectrum. This is incompatible with most Croatian electoral results and identifies that the survey sample clearly leans slightly more to the left than the actual Croatian electorate.



Chart: Key issues identified by survey respondents

Source: survey conducted by the author

Most of the survey respondents have identified that demographic and economic issues are the primary concern of Croatia. Based on this data, it would be logical that Croatian voters vote based on economic concerns. Croatia, in general, suffers from both the brain drain phenomenon and also many young people find it difficult to find employment in Croatia than can sustain their needs. Issues such as selection of Supreme Court justices were identified as a key concern by only four survey respondents. Despite the fact that the issue of people being evicted from their homes is the key issue identified by ŽiviZid, only six survey respondents identified that this is the primary concern Croatia is currently facing. Most of the survey respondents who voted for ŽiviZid identified some economic issues as the key issue the country is currently facing.

Surprisingly, issues such as the Slovenian border dispute or similar political and ideological issues were not identified as relevant concerns by most of the survey sample. Only 38 participants believe that the issue of education reform, a key concern for the future of the country that has been highly politicized, is the most important issue. While 16 survey respondents believe that the Agrokor crisis is the largest issue Croatia currently faces, a much larger number of people believe that the public debt is a much more significant issue.

In general, 30% of the survey respondents identified that some aspect of the economy is the key issue that Croatia is currently facing. As the changing demographics also have a dimension relevant to economics, it can be concluded that 63% of the survey sample identifies that some issue concerning economics are the key issue that Croatia is currently facing. The issue of changing demographics is primarily an economic issue because, in the very near future, it is possible that the percentage of population that is working in Croatia will be smaller than the number of people in retirement, students, and other groups without income. Such a small participation rate is primarily will mean that people currently employed in Croatia will be eligible for retirement at a significantly larger age. Thus, the issue of your people migrating from Croatia and the overall demographic structure of the country definitely have an economic dimension that should be considered.

Based on this data, it would be logical that most voters decide to vote for a particular political party based on the party's economic policies. This conclusion, while intuitively logical

and supported by what voters identify as the primary problem in Croatia, may not be supported by the survey results.

Analysis of survey results

Based on the general analysis of the survey sample, it can be deducted that while there are some significant differences between the survey sample and the broader Croatian electorate, it is still possible to gain relevant insight into the decision-making of Croatian voters based on these results. The discrepancy in education attained and the fact that the survey sample has a significant portion of voters than non-voters compared to the general Croatian electorate is taken as a significant factor in the analysis.

The respondents were also asked several questions concerning their knowledge of politics and their subjective evaluation on how politics impacts social, economic, and political issues. The questions are as follows:

Q1: How would you rate your knowledge of political events in Croatia?

Q2: How would you rate the efficiency of politicians in the Republic of Croatia?

Q3: How would you rate the impact of politics on the economy?

Q4: How would you evaluate the impact of politics on the quality of social discourse?

The summary of average results is presented by first dividing the results into three different groups. The first group provides the average of the entire survey sample, the second group provides the average value for participants who have identified themselves as voters in the past 3 elective cycles, while the third group provides the averages for groups who have self-identified as non-voters in the past 3 election cycles.

	Q1	Q2	Q3	Q4
All participants	3.597	1.725	2.038	1.689
Voters	3.749	1.769	2.102	1.74
Non-voters	2.7	1.46	1.66	1.4

Table: Survey results based on voting in the previous election cycles

Source: Survey results and author's own calculations.

Based on the calculated value, where the survey respondents were able to evaluate each question on a scale of 1 to 5, it seems that there are some minor discrepancies between voters and nonvoters in the survey sample. In general, it seems that the survey sample has a more than average knowledge of events relevant to Croatian politics. In the group of non-voters, this is slightly less pronounced and they rate their own knowledge of politics as moderate with an average grade of 2.7. In general, this is far higher than expected for the part of the survey sample that has not participated in the previous 3 election cycles.

With an overall grade of 3.597, it can be established that the general survey sample establishes itself as highly interested and knowledgeful of political events in Croatia. Regarding the second question that addresses the efficiency of politicians in Croatia, it is possible to determine that all 3 groups have a negative view of Croatian politicians. While this is slightly more pronounced in

the group of non-voters who provided an average grade of the efficiency of politicians with 1.46, this is not significantly more extreme than the general survey sample that graded the efficiency of politicians with 1.725. This conforms to most studies of Croatian public opinion that show how the general Croatian electorate is highly dissatisfied with the efficiency and involvement of Croatian politicians. Therefore, this survey does not provide new evidence in that regard, but only confirms the existence of such trends.¹⁶

The average of all of the survey respondents shows that most respondents believe that the actions of Croatian politicians adversely impact the economy. With an average of 2.038, it is evident that most survey respondents are not satisfied with how the actions of Croatian politicians impact the economy. These results differ slightly between voters and non-voters in the survey sample. The survey respondents that self-identified as voters tended to have a slightly more positive view of how Croatian politicians impacted the economy with an average grade of 2.102. It should be noted that this is still a highly negative score for regular voters, but the result is even more extreme in non-voting survey respondents. There, the average score allocated to how Croatian politicians have a significantly negative impact on the economic environment.

In regards to the impact on societal discourse, it seems that all 3 groups seem to have a consistently negative view of how politician impact society. This is not surprising, as many opinion polls show that Croatian politicians are too divisive and many are not satisfied with how they frame certain debates. In Croatia, politicians frequently frame complex issues in a highly simplified manner and many issues are approached from a partisan viewpoint. Such an approach

¹⁶ The very confirmation of such a trend also assists the credibility of the survey results, as this means that the survey sample is highly representative of the general Croatian electorate in that regard.

has made the general electorate highly sceptic towards how politicians' impact relevant debates. This can be seen in how the Croatian parliament conducts its debate. For several years, it has been the lowest-rated branch of the Croatian government with grades frequently going below 2.0 on a scale to 5. The Croatian parliament is frequently accused of being dysfunctional and many politicians are targeted for rarely actually participating in parliamentary debates.

Perhaps the most important aspect of the analysis of voting preferences among the survey sample is understanding differences based on political popularity.

Table: Analysis of preferences based on affiliation to a particular political pa	ırty

Party	General	Satisfacti	Satisfacti	Credibil	Relevan	Impact	Impact	Impact of	Impact of
	satisfacti	on with	on with	ity	ce of	of third-	of EU	third-party	EU on
	on	economi	ideologic		post-	party	on the	alternative	implement
		c	al		election	alternati	econo	s on	ing
		policies	policies		coalitio	ves on	my	implement	reforms
					ns	the		ing	
						econom		reforms	
						у			
Živiz	3.067	2.8	3.267	2.93	3.2	7	3.533	5.47	3.6
id									
HDZ	3.204	2.75	3.484	2.925	2.44	2.903	4.95	2.94	4.95
SDP	2.053	2.095	2.64	2.157	2.69	4.179	5.54	3.67	5.4
MOS	2.533	2.47	2.97	2.8	2.83	5.733	5.5	5.6	5
Т									

Note: in the first 5 questions, the respondents were asked to rate how much they were satisfied with a trait of the option they voted for on a scale of 1 to 10; the final 4 questions are on a scale of 1 to 10. The results shown in the table display the mean value.

This table provides us with several relevant aspects that are central to the dissertation's research hypotheses. While the general satisfaction of voters from the survey sample will be analyzed in much greater detail later in the dissertation, it is highly important to note the difference in the final 4 questions mentioned in the table. For ŽiviZid and MOST voters, both of which have advocated a stance that can be described as anti-establishment or anti-elitist, their voters consider the issue of post-coalition voting as a much more significant factor than the voters of the two largest mainstream political parties. With a score of 3.2, on average, ŽiviZid voters consider the issue of post-election coalitions to be the most significant out of the 4 groups considered. MOST voters come as a close second with a score of 2.83.

Perhaps not surprisingly, voters of HDZ believe that this is not such a significant concern and, on average, rate this issue with 2.44 on a scale to 5. This clearly shows a level of satisfaction among HDZ voters and a belief that, even in the case of HDZ having to form a postelection coalition to govern, that HDZ will be the clear senior partner who will be able to dictate relevant policies. All of SDP's government were formed with the help of wider cross-party coalitions that were formed prior to the elections. Perhaps of the scale of these problems that were caused during the coalition government formed under Prime Minister Ivica Račan in the early 2000s, SDP voters rate the issue of post-election coalitions slightly higher than HDZ voters with a average grade of 2.66.

It is also possible that SDP voters among the survey sample believe this to be an issue more than HDZ voters due to the experience when SDP engaged in post-coalition negotiations with MOST. During these negotiations, SDP President Zoran Milanović was prepared to agree to a vast majority of MOST's demands. He even agreed to give up the position of Prime Minister – a role that has always traditionally belonged to the leader of the party with the largest number of seats in Parliament, and to participate in a three-way government with HDZ and MOST. While Croatia did have a government of national unity during the time when it was fighting for its independence, an idea of a great coalition between SDP and HDZ in Croatia is not realistic. As will be confirmed by survey results, both of the voters of these major parties primarily attract their voters by attacking the other side of the political divide, making a stable coalition government almost impossible

SDP entered these negotiations with a slightly smaller number of parliamentary seats than HDZ and the only realistic path was for either SDP or HDZ to form a coalition government with MOST. Even after SDP agreed to significant concessions to a potentially junior partner in government, MOST decided to form a coalition government with HDZ – despite the fact that it refused to enter into a broad coalition with SDP and MOST. It is also significant to note that this moment was crucial in MOST's transformation from a protest movement aimed against both political parties to a credible political party that made decisions in government. Despite the fact that the first MOST-HDZ coalition failed to last, MOST retained a similar number of seats in the Croatian Parliament in the following election and has maintained a relatively stable level of support among the electorate.

Despite the fact that they continue to present themselves as options against both of the mainstream political parties, the fact that they survived two coalitions with HDZ shows that they have managed to engage their voters sufficiently to make decision that run contrary to MOST's

initial public position – which was refusing to form post-election coalitions with either SDP or HDZ.

When viewing the impact of third-party alternatives, such as MOST and ŽiviZid, on the Croatian economy, it is clear that both SDP and HDZ voters do not believe that their policy proposals contribute to the overall benefit of the Croatian economy. With an average grade of 2.903, HDZ voters are the most skeptical to how policy proposals by MOST and ŽiviZid impact the Croatian economy. SDP voters are only slightly more optimistic in that regard, providing an average score of 4.179.

On the other hand, both MOST and ŽiviZid supporters believe that their party's policies are positive for the overall economic stability of the country. With an average grad of 5.77, MOST believes that the impact of third-party alternatives is moderate to positive. ŽiviZid voters have allocated the highest average grade – 7. ŽiviZid has often provided proposals that are outside the mainstream of Croatian political economic thinking. Both Croatian anti-establishment parties have been criticized for, in one way or another, advocating for policies that attack the stability and independence of the Croatian National Bank. As the central bank of Croatia, it is part of EU regulatory requirements to have its stability guaranteed by relevant laws. Neither HDZ nor SDP have advocated policies that would significantly impact the overall independence of the Croatian National Bank in recent electoral cycles nor has this been a significant part of their platform.

ŽiviZid has listed numerous policy proposals where they have accused the Croatian National Bank of working in the interests of the banking sector and that they have misused relevant instruments of monetary policy, such as the minimum required reserve and interest rates, to benefit the political elite. The policy recommendations of ŽiviZid on this issue are wideranging, but generally lack depth and assume that the Croatian National Bank can be used as a tool to police the banking sector and encourage development – the second of which is definitely not the role of the Croatian National Bank.

On the other hand, the attacks made by MOST on the independence of the Croatian National Bank are more nuanced. MOST attempted to pass a law in the Croatian Parliament where the state review agency could have access to the Croatian National Bank. After receiving some initial support for such legislation, HDZ eventually decided not to back it after sharp criticism from the European Commission.

A significant factor when reviewing the general state of anti-establishment parties is viewing the stance of their voters towards how the EU impacts the general state of the country. ŽiviZid is the only party that is currently seated in the Croatian Parliament that holds an openly Euroskeptic stance and aims to ask for significant reforms within the EU and, non-surprisingly, their voters evaluated the impact of the EU on Croatia's economy with an average grade of 3.53, the lowest average grade compared to other groups of survey respondents. This can be used as an argument to support the claim that ŽiviZid voters support the anti-institutional stance of ŽiviZid.

The second most negative grade was provided by HDZ voters, but it evaluated the overall impact of the EU on Croatia's economy with a relatively neutral average score of 4.9 on a scale to 10. Both of Croatia's major political parties advocated for Croatian membership in the EU as a strategic goal in Croatia's long-term political strategy and neither of them have expressed significant Eurosceptic views. MOST voters rate the overall impact of the EU on the economy as moderate to slightly positive with an average score of 5.5. While MOST frequently criticizes the

status quo in Croatia and has gained its initial political success as branding itself as an option that is against both SDP and HDZ, it has never significantly advocated any significant Eurosceptic policies. SDP voters among the sample of survey respondents have allocated a similar score of 5.54.

The overall low to moderate scores among the voters in the survey sample show the lack of enthusiasm that many Croatian voters have for the EU, but there are no signs of significant Euroscepticism amongst the general electorate. On the issue of implementing meaningful reforms, neither SDP nor HDZ voters have awarded third-party alternatives with a high average grade in this category. HDZ voters within the survey sample believe them to be the least effective with an average grade of 2.94, while SDP voters within the survey sample provided an average grade of 3.67.

Implementing meaningful reform and change, especially to the county's outdated administrative system, has long been a topic of fierce debate. Despite the fact that MOST had argued for the decrease in the number of administrative units in Croatia, seen among many economists as a drain of Croatia's budget, it has failed to implement any meaningful change on the topic. ŽiviZid's proposals in both the court of public opinion and in Croatian Parliament have, aside from the issue of evicting people from their only real-estate property, frequently been far outside the political mainstream. While this has helped them engage their core supporters, it has thus far limited both the effectiveness and reach of their proposals because they lacked the support of a larger segment of the general public.

As can be seen from the initial results of what the key problems of Croatia are, the electorate is expecting results on day-to-day affairs such as pension reform and ensuring

measures that will prevent a large number of well-educated young people from leaving Croatia. ŽiviZid's proposals are yet to gain traction among the wider Croatian electorate. Despite this fact, ŽiviZid voters provide a relatively high score to how anti-establishment parties impact implementing reforms with an average score of 5.47. While reducing redundant administrative taxes and the overall bureaucracy in Croatia are central to MOST's policies, they have not been particularly effective in ensuring such a process. They have failed to implement most of their policy proposals during two years of coalition governance with HDZ and have eventually resigned themselves to being one of the most relevant opposition parties. Despite this fact, MOST voters rate the contribution of anti-establishment parties within Croatia to meaningful reform with 5.6 – the highest among the parties considered.

On the other hand, the EU received a highly low score in contributing to the implementation of reforms in Croatia. This is particularly surprising because many crucial changes in Croatia's judiciary and economy, including programs that support self-employment and the employment of people with little or no work experience, have been supported by EU funds. Through the process of becoming a full member of the EU, Croatia has been forced to make numerous changes to ensure the overall transparency and accountability of its political class. It should be noted that many of these changes were perhaps not as effective in practice as they were intended, so it may be that the wider Croatian electorate and survey respondents are either unaware or unsatisfied with how the EU impacted the reform process in Croatia.

The lowest score by all of the survey sample respondents was allocated by ŽiviZid voters who provided an average score of 3.6. The second lowest score was provided by HDZ voters among the survey sample who provided a score of 4.9. This result, when taken into consideration with the results concerning the impact the EU had on the economy, show that HDZ voters are not

negative towards the EU. On the other hand, they also are not particularly enthusiastic about how it impacts the country either. In the absence of a polarizing issue such as migration, which is a significant concern in Hungary, HDZ has remained a country that has primarily supported the EU despite the fact that this is not an issue that their voters are particularly enthusiastic about.

Similarly to HDZ voters, MOST voters among the survey sample provided an average grade of 5. As has already been noted, MOST has not advocated significant Eurosceptic policies and this low score is more indicative of a general lack of enthusiasm for the EU among the wider Croatian electorate. The highest grade was provided by SDP voters within the survey sample with an average grade of 5.4. While this grade is significantly higher than the group of ŽiviZid voters, the difference between HDZ and SDP voters is only 0.55 on a scale to 10.

Another reason why many voters provide a relatively low grade concerning the implementation of reforms is that the term "reform" has been so commonly used in Croatian political jargon that many voters associate it with more meaningful and positive change within Croatian society as a whole. Despite the fact that implementing reforms have been a key factor in Croatian politics in the 21st century, it is often unclear what specific reforms political parties will implement. This partially explains why the slow gradual changes that are made primarily to conform with EU legislation and directives have gone unrecognized by the wider Croatian electorate and the survey sample.

It is possible to see how there are significant differences between the respondents based on a wider analysis of their preferences based on political affiliation. In order to illustrate this difference, Table identified the differences between voting preferences in the survey questions based on political affiliation.

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8
SDP	3.82	1.63	2.12	1.61	2.05	2.09	2.64	2.16
ŽiviZid	4.07	1.27	1.47	1.47	3.07	2.8	3.27	2.93
Bandic Milan 365	2.25	1.5	1.75	1.25	2.5	2.75	2.5	2.25
Pametno	3.82	1.47	1.65	1.41	2.41	2.53	2.59	2.71
HDZ	3.74	2.27	2.47	2.03	3.2	2.75	3.48	2.92
IDS	3.57	1.43	1.86	1.57	3	2.57	3.14	2.71
HNS	3.67	2	2.22	1.89	2.78	2.78	2.67	2.44
MOST	3.53	1.57	2.07	1.87	2.53	2.47	2.97	2.8
Intentionally invalidating	3.46	1.15	1.54	1.46	2.23	2	2.23	2
voting ballot								

Table: Average score to responses grouped by voter preference

Source: Survey results and author's own calculations.

It is possible to see that there is a wide range of results based on different voting preferences and that the group of actively voting survey respondents is by no means a cohesive one. In regards to Q1, voters of ŽiviZid self-identified as the respondents that had the most active tracking of events in Croatian politics, while the voters of Bandic Milan 365 self-identified as being the least knowledgeful on relevant political events. Aside from the group of voters in Bandic Milan 365, there is no large discrepancy between the results and the group of voters that interntionally invalidates their voting ballot or wrote self-rated lower in regards to how much they tracked events in Croatian politics.

It should be interesting to note that the voters of both of Croatia's large political parties, SDP and HDZ, both identified as actively following relevant events in Croatian politics. For HDZ voters within the survey sample, the average score was 3.74, while the score was only slightly higher for SDP voters within the survey sample with a 3.82 score. This means that, overall, the respondents of the survey that voted for either of the two political parties believe that they have a slightly more than average knowledge of events taking place in Croatian politics.

When grading the efficiency of politicians in Q2, it is perhaps intuitively logical that the group of voters who intentionally invalidated their voting ballot graded politicians with the lowest average score – only 1.15. Croatia has a significant number of actively voting citizens who intentionally invalidate their ballots as a form of civic protest.¹⁷ The second lowest score was allocated by ŽiviZid voters. This is logical from a standpoint of the policies of ŽiviZid that advocate for the need for a systemic change of the political environment and investigating or voting out the existing political class from office. ŽiviZid voters do not actually perceive their own elected representatives to be part of the same political class and they rarely perceive them as stereotypical ''politicians''. They perceive them more as political activists, which is partially correct as ŽiviZid representatives in the Croatian Parliament frequently partake in protests or attempt to prevent police from foreclosing on homes when these are the only asset an individual has.

While MOST voters also have a negative view of the political class in general with an average score of 1.57, it is not as pronounced as the 1.27 score provided by ŽiviZid voters. On the other hand, the most favorable view of politicians is among HDZ voters. The largest Croatian

¹⁷ For example, in a recent local election in Split – Croatia's second largest city, the turnout rate was roughly 38%. Of the 38% of people that participated in the election, 9.51% intentionally made their ballots invalid by writing in a non-existing write-in candidate, leaving the ballot blank, or rendering it invalid through some other method.

political party that has held onto power for all but two terms since Croatia first gained its independence seems to continue to have a significant positive perception amongst its voters within the survey sample. It should be noted that the question was posed in order to evaluate the political class as a whole and it is therefore clear that HDZ voters still have a relatively positive view of the political establishment in general despite the low economic growth that Croatia has suffered in the aftermath of the 2008 Global Economic Crisis.

Furthermore, it is clear that all voters are highly dissatisfied with the impact politicians have on the economy of Croatia. Such findings conform to findings from previous surveys and most previously written articles in relevant peer-reviewed journals. Amongst the survey sample, the largest dissatisfaction is associated with ŽiviZid voters. The perception of ŽiviZid survey respondents that politicians have an extremely negative and toxic impact on the economy of Croatia conforms to the statements made by ŽiviZid parliamentary representatives.

On the other hand, with a score of 2.47, the survey respondents that self-identify as HDZ voters have provided the largest score to how politicians impact the economy. Future surveys should aim to identify whether HDZ-identifying survey respondents would provide such higher scores had the party they affiliate with not been in power. While HDZ self-identified survey respondents have provided the highest rating, SDP self-identified voters are among the very middle of the survey sample, with an average score of 2.12. This is a +0.65 change in regards to the perception of ŽiviZid and IDS self-identified survey sample respondents, but also a -0.35 decrease in regards to the survey respondents that self-identify as HDZ voters. Thus far, this survey seems to have found a significant enthusiasm gap between self-identified SDP and HDZ voters.

In general, all voters seem to have provided a highly negative view of how politicians impact the social discourse. While there are some discrepancies, the only part of the survey sample that provided an average score higher than 2.0 were HDZ voters. Amongst all of the other voting groups, the grade was even more negative – thus leading to the conclusion that politics negatively impacts the political discourse of Croatia. The lowest grade average was a highly low 1.25 provided by voters who affiliate as Bandić Milan 365 voters. The survey respondents who have voted for Pametno also provided a more negative average score, 1.41, than the group of survey respondents who intentionally made their voting ballots invalid. It can be concluded that, in general, all voters have a highly negative view of how politics impacts the quality of the social discourse.

Most of the survey respondents have provided negative or moderate responses to how each party represents their economic interests. Even the highly enthusiastic HDZ voters have only provided the party with a 2.75 average grade

In countries where such a grade is so low, it can be expected that there is a larger level of *ad hominem* attacks and the avoidance and excessive simplification of relevant topics that contribute to voters having such a negative perception of politicians. SDP voters within the survey group provided a grade of 1.61, which is slightly higher than the general average of the voter group survey sample. It doesn't, from a statistical viewpoint, largely differ from most of the remaining dissatisfied voters. It is also a -042 lower score than the 2.03 grade provided by HDZ voters in the survey group.

When rating their general satisfaction with the selected political parties, the largest general enthusiasm can be found among the group of HDZ voters within the survey sample.

There is a large enthusiasm gap between HDZ and SDP voters within the survey sample where SDP voters, on average, rate their satisfaction with their respected political party with 2.05. On the other hand, HDZ voters within the survey sample rate their satisfaction with 3.2, that is by far the highest grade of survey group respondents. SDP is the party that has the lowest average score amongst the survey respondents.

There are some structural reasons why SDP voters continue supporting them despite being so dissatisfied with them. While there have been several left-leaning political parties in Croatian politics, most of them have not achieved significant electoral success or have declined to such a point that they are insignificant from an electoral viewpoint. Therefore, left-leaning voters have thus far tolerated the constant decline of the SDP and have voted for them despite the fact that they are not highly enthusiastic about doing so. Many have also opted to vote for SDP in order for there to be an effective check for the HDZ government, but it appears that many voters are still not satisfied with such an outcome.

Bandić Milan 365 voters and MOST voters are the second and third respectively in regards to how respondents from the survey sample rated their enthusiasm for voting for them. On the other hand, while HDZ voters within the survey sample have expressed the higher level of enthusiasm, there is a similar level of enthusiasm from ŽiviZid and IDS voters. While, in general, anti-establishment voters tend to be satisfied with expressing their dissatisfaction with the political class, IDS voters from the survey sample show a surprising level of enthusiasm. While IDS follows a left-leaning policy on the national level, especially in regards to social issues, it strongly advocates for the autonomy of the Istra County and has maintained a strong grasp on regional Istrian politics for the past two decades. Despite the fact that the party has been
accused several times of cases related to nepotism and corruption, it has managed to recover each time and remains a strong presence on the level of Istria.

Aside from the extreme dissatisfaction of SDP voters within the survey sample, the voters of Pametno and Bandić Milan 365 voters have provided the lowest average grades. In regards to Pametno, it is possible that many of their voters were dissatisfied with how they used their vote because Pametno failed to send a representative to Croatian parliament in all of the national elections observed by this dissertation. Bandić Milan 365 voters are a highly heterogenous group for a newly established party that only has elected representatives from Zagreb. Despite several attempts to nationalize his party and establish relevant coalitions, the long-time mayor of Zagreb has not managed to expand his influence. Similarly to many IDS representatives, Bandić and many of his political associates have been accused of corruption. While Bandić has spent quite a long period of time in prison while he was investigated, he has yet to be formally convicted for any of the crimes for which he has been charged. Despite this fact, it may explain why many of his voters within the survey sample are questioning their vote. None of the voting groups have, on average, provided a grade higher than 2.78 to any of the political parties. This would suggest that voters in Croatia do not base their vote on their economic self-interest or that they believe that none of the existing parties in Croatian politics acts in their economic interest and they therefore vote for the option that they believe will most serve their interests. It is also possible that economic issues are not a driving force for Croatian voters.

By far the lowest grade was allocated by voters who voted for SDP, with an average grade of 2.09. This would suggest that most SDP voters either vote for SDP because they see them as a potential check for HDZ or because they are satisfied with their social policies. SDP has only a slightly higher score in that regard, as the survey respondents that vote for SDP graded

them with 2.64 in regards to how well the party represents their ideological beliefs. Most of the parties that are considered to be left of the political divide have received lower grades compared to their right-winged counterparts. The only exception is the regional IDS that received a 3.14 score.

Otherwise, mostly right-winged political parties received far higher grades in regards to voter satisfaction in how they represent their ideological beliefs. This especially stands out in the case of HDZ that received by far the average highest grade – 3.48. This appears to suggest that most HDZ voters are generally satisfied with how the party represents the ideological beliefs of its voters. As SDP received a much lower score even in this category, it is clear that they have not managed to fully connect with their voters and this explains the constant rise of alternative left parties that have, at least thus far, not managed to achieve more significant electoral success. The average score for how well the political parties represents their voters' ideological beliefs is much higher than how they represent their voters' economic interests. It is therefore possible to conclude that voters in Croatia perceive ideology and similar questions as one of the key determinant when voting.

The lowest score was received by Bandić Milan 365 which has frequent shifts on ideological issues so it is not unusual that the score is relatively low. SDP has the second lowest score of all of the political parties, meaning that the party faces a crisis in regards to why their voters are motivated to vote for them. Similarly, both HNS and Pametno survey sample respondents were amongst the less satisfied in comparison to the voters of the other political parties. This would appear to suggest that left-leaning political parties mostly fail to properly represent their voters' ideological beliefs. Perhaps due to this reason, there have been several failed attempts at developing left-winged alternatives to all of these parties.

It should be important to note that both MOST and ŽiviZid received solid scores in regards to how they represent their voters' ideological beliefs. ŽiviZid received the second highest score – 3.27, while MOST was also among the better rated parties with a grade of 2.97. This is a slightly unusual result because MOST has long attempted to avoid addressing ideological issues. Especially during its primary phase of operations, MOST attempted to brand itself as a party that did not have an ideological orientation. Similarly, ŽiviZid has focused on economic concerns and is highly heterogenous in regards to the ideological orientation of its members.

The final question focuses on do voters consider their preferred political party credible in fulfilling their political program. This is such a major concern in Croatia that in a recent parliamentary election, HDZ ran a campaign that was branded simply as "credible". SDP received by far the lowest average score -2.16. This suggests that a majority of their own voters from the survey sample consider them either unable to enact their program or that they are unwilling to follow up on their electoral promises. The highest score was 2.93 provided by ŽiviZid voters, while HDZ had a nearly identical score -2.92. Considering the general negative perception of voters surrounding Croatian politics, this is generally a high score and shows that respondents from the survey sample consider their political representatives to be credible. On the other hand, SDP consistently receives low scores from its own voters which illustrates the numerous difficulties this party faces in engaging voters. MOST as a party that is a third-party alternative and that received a lot of negative media coverage for some of their coalition decisions still received a solid score -2.8, showing that its voters within the survey sample are generally satisfied with their credibility.

Based on the results of the survey, it is clear that the downwards turn in SDP is highly problematic and that the party faces numerous challenges moving forward. Both of the relevant third-party alternatives, Most and ŽiviZid, have received scores in most of the categories that are higher than the average of the survey sample. Based on their perceived credibility and focusing on the concerns of their voters, they have become a relevant factor in Croatian politics and have partially stabilized their levels of political support.



Chart: Survey sample reasons for voting for their preferred political party

Source: Survey conducted by the author

Based on the data analyzing the key reasons for why voters support a specific political party, this largely does not conform to what survey sample respondents graded their selected

political parties. A large number of SDP and HDZ voters identified that they vote for these options due to their ideological policies, while a large number of voters who vote for third-party alternatives identified that they do so for the contribution of the political party to the quality of the public discourse. Furthermore, it is clear that the use of the slogan "credible" has had an impact on HDZ voters, as many HDZ survey sample respondents identified that they voted for HDZ due to the fact that is was credible in fulfilling its political program. ŽiviZid and MOST survey respondents also shared similar stances in voting for their preferred political option due to the fact that an answer that was not initially provided to the survey respondents was by far the most frequent write in option – 14 SDP voters from the survey sample identified that they voted for that political party simply because they did not want a new HDZ victory.

This illustrates that a significant number of respondents who self-identified as SDP voters only vote for that political party because they believe that it has the best chance of preventing HDZ from forming a stable majority. As the popularity of SDP continues to decline, it will be interesting to see whether or not SDP manages to maintain support from voters who are clearly not enthusiastic about voting for them and who only see them as a means of preventing a HDZ victory. As MOST and ŽiviZid both have made significant gains in political popularity, a time may come when these unenthusiastic voters consider other alternatives. The stable system of governance where every government since Croatia declared independence was led by either HDZ or SDP may be in question in the long-term. The very existence of two strong third-party alternatives clearly illustrates that voters are seeking new options and are not satisfied with the *status quo*. Perhaps a significant reason why political parties such as Orah and the Croatian Labor party did not make a significant impact on the Croatian election scene was because they were trying to fill the ideological gap left by unenthusiastic SDP voters. Based on the survey data, it seems that these are not the voters that ŽiviZid and MOST are dependent on. They have branded themselves as an alternative focused on core issues rather than ideology and it seems to have helped them in connecting to the Croatian electorate. While ŽiviZid continues to focus on the issue of personal debt and evicting of citizens from their homes, the popularity of this party has stabilized around 10% in the last two years. Similarly, MOST has focused on reorganizing the Croatian administration and it wants to provide a realistic alternative to the existing strong political parties. Such an approach that emphasizes competence ahead of political affiliation has resonated favorably amongst voters, despite the fact that MOST has also experienced some difficulties in implementing such policies where nepotism and political connections, an element that has long been central to Croatian politics, are no longer such a central element.

Another element that should be considered is that SDP is a party that has traditionally been associated with maintaining control over the left-leaning part of the Croatian electorate, while HDZ has maintained a firm grim over the right-leaning part of the Croatian electorate. The constant increase in the number of voters who have not participated in local, parliamentary, and presidential elections

Of the group of non-voters, 33% have indicated that the presence of anti-establishment parties such as Most and ŽiviZid has increased their interest in politics, while 67% of non-voters has identified that the presence of these parties has not increased their interest in politics. This differs strongly from the self-identified group of voters where 66% of the survey-respondents have identified that the presence of anti-establishment parties has contributed to making them more engaged in the political process in Croatia. While the majority of Most and ŽiviZid voters selected that the presence of these parties contributed to their engagement in the political process, they constitute only 15% of the survey sample that self-identified as a voter. This means that for roughly 50% of the survey respondents who voted and were not anti-establishment voters, the activities of these parties still contributed to their engagement in the political process.

There are some other fundamental differences between respondents in the sample of voters and non-voters. For example, a slim majority of the survey voting sample (53.6%) believe that the austerity measures implemented as a result of the 2008 Global Economic Crisis were necessary. On the other hand, a clear majority (63%) of non-voting survey respondents believe that these measures were not necessary. As these measures are commonly associated with international organizations, including the EU and the International Monetary Fond, this may imply that non-voter respondents have less faith in these organizations than survey respondents who do vote. This can somewhat be considered by viewing how the different groups consider the following 4 questions:

Question 1: How would you evaluate the contribution of MOST and ŽiviZid as a factor that positively impacts the economic policy of the Republic of Croatia?

Question 2: How would you evaluate Croatia's membership in the EU as a factor that positively contributes to the economic policies of the Republic of Croatia?

Question 3: How would you evaluate the contribution of MOST and ŽiviZid to the implementation of reforms in the Republic of Croatia?

Question 4: How would you evaluate Croatia's membership in the EU as a factor that helps in the implementation of reforms in the Republic of Croatia?

The results can be seen in the table below.

Table

	Q1	Q2	Q3	Q4
Non-voters	3.22	4.56	2.94	4.16
Voters	4.02	5.19	3.59	5.01

Source: Survey conducted by the author

Based on the results, it is clear that, on average, voters have a more favorable view of how EU institutions and anti-establishment parties impact the political climate in Croatia. It should also be noted that, aside for Q2, these are all mostly very low marks and indicate that non-voters believe that both the EU and anti-establishment parties are doing very little to contribute to the implementation of meaningful reforms in Croatia and that the EU is doing very little to contribute to positive economic policies and the reform process.

There is one similarity between these two highly different results. The highest score in both groups, on average, was when survey respondents evaluated the impact the EU had on the economy. While the scale was on a basis of 1 to 10 and 4.56 and 5.19 represent a neutral influence, this would imply that the general Croatian electorate does not have a negative view regarding the fact that EU membership has a negative influence on the Croatian economy. The most negative grade in this regard was, on average, provided by non-voters when rating anti-establishment parties. While it is clear that MOST and ŽiviZid have followed similar policies of many anti-establishment parties throughout Europe, there is clearly a significant number of non-

voters who do not believe that the policies being proposed by either party can lead to any form of meaningful change.

It is also important to take note that the causes of voting for a particular party are often very different among survey sample respondents. While it is true that a significant part of the survey sample voted for their preferred party based on ideological reasons, it is important to assess whether this is more pronounced among a certain part of the electorate. The following segment of the analysis will provide an assessment of general profiles of the voters for each of the following survey participants based on their political affiliation.

Political affiliation									
Anarchist	Left Centre	Political Centre	Apolitical	Liberal	Nationalist				
7.14%	21.43%	14.29%	28.57%	21.43%	7.14%				
Age and gender distribution									
18-30 years	30-45 years	45-55 years	55-65 years	Male	Female				
40%	20%	20.00%	20% 50%		50%				
Education									
Primary	Secondary	High Expertise	Higher	-	MSc				
education	Education		Expertise						
7.10% 28.57% 50% 7.10% 7.10%									
Average monthly income									

Table: Profile of ŽiviZid voters in survey sample

0-2500	2500 - 5000 kn	5000 - 7500kn	7500 - 10	10 000kn and more
			000 kn	
21.42%	35.71%	14.29%	7.14%	21.43%
Reasons for	Contributing to the c	uality of the public	The party's	
supporting the	disco	urse	credibility	
party	64.2	8%	21.42%	

Source: Survey conducted by the author

Based on the following data, it is clear that ŽiviZid voters primarily voted for the party's perceived credibility and due to their participating to the quality of the public discourse. Their perceived contribution to the public discourse was a primary motivator for 64.28% of the survey participants. A second reason was the party's credibility, as seen by 21.42% of survey respondents, while there was no consensus among the remaining respondents. Only a few of the respondents mentioned the issue of citizens being evicted from their only home as a problem in Croatia – an issue that many perceive as the main motivator of ŽiviZid voters.

It is also clear that ŽiviZid has managed to receive support from a broader political spectrum of the electorate. While anti-establishment parties such as ŽiviZid tend to receive support from apolitical or anarchist voters, these two groups account for only more than a third of their support. On the other hand, voters who identify as left center and liberals each account for roughly 21 percent of ŽiviZid's support among the survey sample. This shows that support for ŽiviZid among the survey sample has transcended the traditional divide in Croatian politics on right and left-leaning voters. Within the survey sample, there was no difference in the number of male and female voters, with 50 percent each. Most ŽiviZid voters are under the age of 45, with 40% of their voters being between the age of 18 and 30. 35 percent of ŽiviZid supporters

have only finished high school or primary school. On the other hand, more than 50 percent of their voters have obtained at least a bachelor's degree and roughly 7 percent of the survey sample has a Master's Degree. It may be correct that many ŽiviZid supporters among the survey sample support ŽiviZid for economic reasons – more than 50 percent of survey respondents earn less than the average median income in Croatia.

Table: Profile	of MOST	voters in	survey	samp	le
			2		

Political affiliation									
Right Centre	Left Centre	Political	Apolitical	Liberal	Anarchist				
		Centre							
23.33%	16.67%	20.00%	13.33%	23.33%	3.33%				
Age	Age								
18-30 years	30-45 years	45-55	55-65 years	65 ye	ars and above				
		years							
46%	17%	20.00%	14%	3%					
Education and ge	ender distribution		II						
Secondary	High Expertise	Higher	MSc	Male	Female				
Education		Expertise							
26.67%	50%	13.33%	10.00%	57%	43%				
Average monthly	Average monthly income								
0-2500	2500 - 5000 kn	5000 -	7500 - 10	10 000kn and more					
		7500kn	000 kn						
23.33%	13.33%	43.33%	10.00%	10.00%					

Reasons for	Contributing to the quality of public	The party's credibility
supporting the	discourse	
party	60%	26.67%

Source: Survey conducted by the author

Similarly to the profile of ŽiviZid voters, it is clear that MOST has gone beyond the traditional partisan divide in Croatia. Despite the fact that it supports several policies usually associated with the center right, more than 40 percent of its supporters among the survey sample self-identify as either left center of liberal. Only 13.33 percent of survey respondents self-identified as apolitical, while an additional 23.33 percent of survey respondents self-identified as being to the right of the political center.

Another similarity to ŽiviZid voters is the key reason why their voters support them – the same two reasons are present as in the case of ŽiviZid. The primary reason is the party's contribution to the quality of public discourse and opening up topics that have not been discussed. For 60 percent of the survey respondents, this was the key reason why they supported MOST, while an additional 26.67 percent supported MOST for their credibility. Also, many survey respondents that support MOST belong to a younger age demographic. 63 percent of MOST supporters are younger than the age of 45. Aside from the political affiliation, there are some other structural differences in the structure of voters when contrasting them to ŽiviZid. While most ŽiviZid voters tend to earn less than the Croatian median average income, only 36 percent of ŽiviZidvoters earn less than the Croatian median average income.

MOST voters in the survey sample are, on average, slightly better educated than ŽiviZid voters. 50 percent of voters have a Bachelor's Degree, while 10 percent of voters have obtained a

Master's Degree. Overall, while there are many structural similarities between MOST and ŽiviZid voters, it should be noted that overall, ŽiviZid voters tend to be slightly less educated, earn less, and are more likely to self-identify as apolitical or anarchistic. On the other hand, there are numerous structural differences between the general profiles of ŽiviZid and MOST voters in comparison to the voters of the two largest political parties.

Table: Profile of HDZ voters in survey sample

Political affiliation									
Right	Nationalist	Political	Apolitical	Left Centre	Liberal	Anarchist			
Centre		Centre							
70.97%	11.82%	8.62%	3.23%	2.15%	2.15%	1.07%			
Age and gender distribution									
18-30	30-45 years	45-55	55-65 years	65 years and	Male	Female			
years		years		above					
32%	11%	22.58%	14%	20.43%	52%	48%			
Education	<u> </u>		I	<u> </u>	<u> </u>				
Primary	Secondary	High	Higher	MSc		PhD			
education	Education	Expertise	Expertise						
15.66%	33.08%	33%	6.45%	9.68%	2	2.15%			
Average mo	onthly income	1	I	I	<u> </u>				
0-2500	2500 - 5000	5000 -	7500 - 10	10 00	00kn and r	nore			
	kn	7500kn	000 kn						
15.05%	40.86%	26.88%	9.68%		7.52%				

Reasons	Party's stance	The	The party's	Avoiding	The party's economic
for	on social	stability	credibility	new	policies
supporting	ideological	of the		elections	
the party	issues	country			
	39.78%	20.40%	12.90%	10.75%	8.60%

Source: Survey conducted by the author

Based on the data analyzed, there are numerous relevant differences between the average data on anti-establishment voters and HDZ voters. Roughly 82 percent of the survey sample that has voted for HDZ in previous elections identify themselves as being right of the political center or nationalist. This marks a significant difference in comparison to both MOST and ŽiviZid where political affiliation does not appear to be a crucial mark of support for these political parties. Despite the fact that HDZ has strived to make a turn towards the political center, it has failed to gain significant traction among this group of voters thus far. Less than 10 percent of the surveyed participants identify as belonging to the political center. These results conform to many other studies previously conducted that show the connection between strong political affiliation to the political right and left and a tendency of supporting one of the traditional Croatian parties – SDP and HDZ.

Furthermore, it is clear that there is a significant difference in regards to the demographics that support each party. More than 20 percent of HDZ supporters are 65 years old or older. For voters of MOST and ŽiviZid voters within the survey sample, which constitutes roughly 13 percent of the entire survey sample, only a few MOST voters were older than 65. This shows that the older demographic groups tend to favor the traditional political parties in Croatia and their support for the rising anti-establishment parties in Croatia has thus far been

limited. While some anti-establishment parties have managed to capture the attention of the older demographic groups with anti-immigration rhetoric and focusing on traditional values, such an approach is incompatible with the politics of Croatia where HDZ has dominated on the right of the political center since Croatia gained independence.

An additional reason why this approach has not been implemented is that Croatia does not have such a significant problem with migration and cultural difference as other countries where such parties have appeared. While countries where such issues have developed over time, including Germany, the Netherlands, France, and others, have strong levels of migration and frequent problems in assimilating certain minority communities, such problems are not as pronounced in Croatia nor are there significant migration inflows. While authors such as Gregurović (2011) have noted the increased inflows from non-EU member states to countries in Southeast Europe, this is still not an issue as widespread as the constant increase of migrants in better developed countries such as Germany.

Of the parties considered thus far, HDZ has roughly 15 percent of voters who have only finished primary school. The total number of the survey sample that has only finished high school is almost 50 percent – a value far larger than the figures for either MOST or ŽiviZid. On average, HDZ voters appear to be significantly older and frequently have had less formal education that the voters of anti-establishment parties. The majority of HDZ voters, roughly 55%, earn less than the Croatian average monthly salary. This value is less pronounced than the same values for ŽiviZid, where a far larger percentage of their voters within the survey sample earn between 0 and 2500 kn. To place these findings into context, the current minimum wage in Croatia for working a full-time job was 2752 kn in 2018.

Another significant difference between HDZ voters and voters of anti-establishment parties within the survey sample is the reason they supported the party. For both ŽiviZid and MOST, respondents primarily selected that party primarily for articulating new issues and contributing to the public discourse, while the second most significant response was the party's credibility. For HDZ voters, 39.78 percent of the survey sample support HDZ because of the party's position on ideological issues. Taking into account that Croatia is a country where the Catholic church still has strong influence on elections, it should be noted that such finding are not particularly surprising. On the other hand, the reasons for which HDZ voters support the party are much more diverse than the rationale provided by the supporters of anti-establishment parties in Croatia.

HDZ voters believe that their vote for their preferred party also helped support the overall stability of Croatia as a country, an answer choice selected by roughly 20 percent of the survey sample of HDZ voters. The party's credibility, part of their election slogan, was mentioned by 12.9 percent of the survey sample of HDZ voters. 10.75 percent of HDZ voters opted to vote for HDZ because they believed that selecting HDZ would help prevent new elections from taking place, while 8.6 percent of HDZ voters supported the party for their economic policies. Despite the fact that preventing the eviction of people from their only home is one of the key elements of ŽiviZid's platform, their voters have not selected the party's economic policy as a key reason for their support.

Despite the fact that HDZ has always occupied the center-right of Croatian politics, while SDP has portrayed itself as the strongest element of the center-left of Croatian politics, there is a certain inversion in regards to both political parties economic policies. HDZ has often argued for policies that protect the rights of veterans and has frequently argued for more government spending, while SDP has often implemented measures that, in Western countries, are associated with center-right economic policies. On ideological issues, the divide between the right and the left of Croatian politics can more clearly be seen and, in regards to those issues, Croatian politics conforms mostly to trends present in other developed countries.

Table: Profile of SDP voters in survey sample	
-----------------------------------------------	--

Political affiliation	L								
Left Centre	Liberal	Political	Apolitical	Anarchist	Soci	Socialist			
		Centre							
58.95%	21.05%	6.32%	7.36%	3.16% 3.16%					
Age and gender dis	Age and gender distribution								
18-30	30-45	45-55	55-65	65 years and above	Male	Female			
37%	29%	14.74%	7%	11.63%	46%	54%			
Education									
Secondary	High	Higher	MSc		PhD				
Education	Expertise	Expertise							
18.95%	50.53%	11.58%	15.79%	3.15%					
Average monthly i	ncome								
0-2500	2500 -	5000 -	7500 - 10	10 0	00kn and m	iore			
	5000 kn	7500kn	000 kn						
18.95%	23.16%	32.63%	11.58%		13.68%				

Reasons for	Party's	То	Avoiding	The	The	The
supporting the	stance on	prevent a	new	party's	party's	stability
party	social	HDZ	elections	economic	credibility	of the
	ideological	victory		policies		country
	issues					
	45.26%	11.58%	10.53%	8.42%	7.37%	5.26%

Source: Survey conducted by the author

Some relevant structural differences should be noted between SDP voters and the voters of the previously considered parties. While only MOST voters were slightly, on average, more likely male than female in any difference that could be outside the margin of error, SDP voters within the survey sample were 54 percent female and 46 percent male. This makes SDP the only major political party within the survey sample to be, on average, supported by more women than men.

While more than 80 percent of HDZ voters tend to lean right, a vast majority of SDP voters within the survey sample self-identify as left of the political center (58.95 percent), as liberals (21.05 percent) or as socialists (3.16 percent). Overall, roughly 83 percent of the survey sample that has voted for SDP self-identifies as politically affiliated the left of the political center. This shows that, for both HDZ and SDP voters, political affiliation and the traditional political divide on right and left, are highly relevant factors in their decision-making process.

Despite the fact that SDP has the second largest number of supporters that are older than 65, the party also has a stable number of supporters that are younger than 45. 66 percent of the party's supporters are younger than 45. For many political parties, this is a highly significant

statistic and SDP has the most supporters that are younger than 45 in comparison to both antiestablishment parties and HDZ. For HDZ, only 43 percent of the party's supporters are younger than 45. Such differences in demographics are significant for all parties and parties that have the support of primarily older demographics can count on more stable support, but these parties also frequently have to worry on how to ensure support among younger voters. 50.53 percent of survey respondents have obtained at least a Bachelor's Degree, 15.79 percent have obtained a Master's Degree, while 3.15 percent have a PhD.

The level of formal education of SDP survey respondents is significantly different to that of HDZ-voting survey respondents. None of the survey respondents who voted for SDP have finished only primary education and only 18.95 percent of the survey respondents who voted for SDP have only obtained a secondary education. Compared to the other large parties of Croatia, SDP has the largest number of surveyed voters who have participated in higher education. SDP voters also are, on average, a larger income than the survey respondents of the other political parties. This can be explained because most SDP voters tend to be situated in urban areas where average monthly income tends to be higher than in rural areas. Roughly 58 percent of SDP voters earn either the average monthly income or more.

Perhaps the largest difference, as has already been noted, between SDP voters and that of other parties within the survey sample, is the seeming lack of enthusiasm that SDP voters have in supporting the party. This has already been argued based on the respondent's lack of enthusiasm for the economic policies and ideological actions of the party, but further evidence can be found when evaluating the reasons why the survey respondents supported SDP. While a majority of respondents preferred voting for SDP due to ideological reasons, a majority opinion supported by roughly 45 percent of the survey sample that voted for SDP, the second most commonly answer

was a write-in option that can be summarized as the survey respondents voting for SDP only to prevent a HDZ victory. This was the second most frequently selected option and 11.58 percent of the survey sample that voted for SDP opted for such an option. The third most-often selected survey response was avoiding new elections, an option that existed within the poll and which was selected by 10.53 percent of SDP-voting survey respondents. Any options regarding the economic policies of the party or their credibility were endorsed by a smaller percentage of the survey sample. Similarly to HDZ, a percentage of voters mentioned the stability of the country as a key cause of their support for SDP.

Overall, there are many structural similarities in the rational for which SDP and HDZ voters within the survey sample support their preferred political parties. A majority of voters of both parties support their preferred party due to ideological reasons, while issues such as the foreign policy of either policy received a statistically insignificant number of votes. While a small percentage of both SDP and HDZ voters primarily decide on their parties based on the economic policy of each party, these voters seem to be in the minority. Based on the results, it is clear that there are significant causes of worry for both of the parties that have been in power in Croatia.

For HDZ, the key cause of worry is that a vast majority of their voters within the survey sample have identified as leaning to the right of the political center. Despite the repeated attempts of HDZ to court voters of the political center, their efforts thus far have yielded very limited results based on the survey results. HDZ also suffers another significant problem where, compared to the total number of its voters, it is most dependent on the support of the age group of voters who are 65 or older. It also has by far the smallest number of voters who are aged 45 or

younger. These structural problems that may not represent a future in the short-term may cost the party support in the long-term.

Similarly, both SDP and HDZ benefit from the fact that the majority of their voters seem to decide on their political preferences based on the party's position on social issues. While there have been other parties that have attempted to move both further to the left than SDP and further to the right of SDP, they have mainly been perceived as outliners and haven't managed to receive a larger percentage of political support. The Croatian Labor Party and Orah were parties that ran on political platforms to the left of SDP and that briefly managed to gain seats in the Croatian or European Parliament, but both of these parties currently have less than 1 percent of support based on available public polling.

Literature review

Firstly, it is important to provide a general definition of what traits certain populist parties have and how they are defined. There are numerous definitions provided by the existing literature, for example van Kessel (2013) identifies that populist parties:

"1. delineate an exclusive community of 'ordinary people';

2. appeal to these ordinary people, whose interests and opinions should be central in making political decisions;

3. are fundamentally hostile towards the (political) establishment, which allegedly does not act in the interest of the ordinary people."

The existence of such populist parties is not a new phenomenon. As there have been many changes and shifts within the electoral preferences of the European electorate, alternative options have mostly emerged as a response to the decreasing enthusiasms for existing political options. As emphasized by Betz (1993), one of these processes of political change started in the 1980s.

It was during that period that many right-winged parties began to gain traction within the broader electorate. As described by Betz (1993:413), their programs were: "They were right-wing in their rejection of individual and social equality, in their opposition to the social integration of marginalized groups, and in their appeal to xenophobia, if not overt racism." At the time, most of the extreme right-winged political parties advocated for a high level of market autonomy and eliminating barriers to trade. This also shows how some policies concerning social equality have been manipulated for different political purposes far proceeding modern events such as Brexit or the 2016 American Presidential Elections.

These parties existed prior to the 2008 Global Economic Crisis, but the long-lasting effects of the crisis fueled the argument that globalization has left many behind. It has also provided an example of how the wealthy class has benefited and how the politics of the *status quo* have allowed such astate to occur. Due to these reasons, many have abandoned traditional political parties and have favored extreme alternatives. As emphasized by van Kessel (2015), in Europe populism is primarily associated with right-winged politics and opposition towards migration and other forms of xenophobic behavior. Despite the fact that this is how populism is primarily perceived, there are many forms of populism and there is a limited consensus within the scientific community on its actual definition. As can be seen from both van Kessel's (2015) and Betz's (1993) argumentation, populism a concept does not necessarily have to have a negative impact on the political discourse.

There are many different forms of populism. As discussed by van Kessel (2015), there are many possible approaches to populism, but it can primarily be viewed as either an ideology or as a pragmatic strategy. While such an approach cannot be fully seen in Europe, the incumbent American president seems to have a populist approach that is largely based on a pragmatic strategy. Many of his positions, especially on social issues, run contrary to many of his own personally stated beliefs and a large segment of his policies seems to be devised by a desire to appeal to his political base. In Europe, there are limited examples of such an approach. Several authors have stated that populism is not an issue exclusive to the right (Baggini, 2016). There are numerous policy differences between Donald Trump, Bernie Sanders, Syriza in Greece and Podemos in Spain. There is one significant connecting factor – all of these are commonly classified as populists that have one strong message: they are fighting against the political elite and are not part of the establishment (Baggini, 2016).

Rooduijn, de Lange and van der Brug(2012) offer a different view of populism where they state that mainstream parties mostly have not focused too much on the activities of populist parties nor have they adapted their ideas into their programs. The authors also emphasize that populist parties largely adapt more ideas that can be classified as ''mainstream'' when they win some form of elected office (Rooduijn, de Lange, and van der Brug, 2012). While such a view is largely correct in the example of Greece where Syriza has mostly decided to continue implementing the policies of its predecessors, there are several significant examples of mainstream parties adopting populist ideas. Perhaps the most significant example is the Conservative Party accepting UKIP's idea to organize a referendum on whether or not the UK should remain in the EU. While it should be noted that Euroscepticism was a significant trait of the Conservative Party in the past several decades, the decision to openly advocate for the referendum likely would not have gone through had UKIP not so actively advocated for it.

There are other views on the relevance of populist parties. De Lange (2012) emphasizes that, while they are not frequently elected to govern on their own, there is a rising trend where mainstream parties have to form coalitions with radical right-winged political parties. This phenomenon can primarily be described through the increasing polarization of the electorate in general and by a slight shift of the general electorate towards the right (de Lange, 2012). Another area of concern is how sustainable the electoral success of populist parties actually is. For example, van Kessel (2011) provides the hypothesis that Geert Wilders' Freedom Party has managed to maintain several rather successful results due to the fact that he has had credible populist challengers that he has managed to overcome. While several authors have noted that the electorate in Europe is susceptible to populism (Oesch, 2008; Baggini, 2016; Schumacher and van Kersbergen, 2016), van Kessel (2011) specifically emphasizes the importance of populist parties facing challengers with similar ideas as keys to their electoral success.

For this literature review, it is highly significant to compare the existing literature that is similarly conducted surveys or other quantitative studies. For example, Oesch (2008) conducted a survey in Austria, Belgium, France, Norway, and Switzerland as countries that had the presence of extreme right-winged parties. After testing several theoretical hypotheses, Oesch (2008) determined that the factor that was most significant in the majority of the observed countries was that the electorate held a belief that the culture was being completely changed

through migration and other changes associated with globalization. His findings suggest that while economic grievances are a significant factor in supporting third-party alternatives, they are not as significant as the fear of a complete cultural change in society (Oesch, 2008).

Golder (2003) conducted a quantitative analysis of 19 European countries and found that, after observing 165 election cycles, that there was a definitive link between immigration and an increase of populist parties. Such a conclusion largely conforms to other theoretical studies and Golder's (2003) finding that the unemployment rate is only significant to the rise of populist parties when there is also a high migration rate, which also conforms to Oesch's (2008) survey results. In such a climate of high unemployment, the domestic population frequently resents the high immigration rate due to the perception that they gain employment possibilities that could otherwise be occupied by the domestic populace.

Contrary to the views of Rooduijn, de Lange, and van der Brug (2012), Schumacher and van Kersbergen (2016) analyzed the cases of Denmark and the Netherlands and provide arguments that mainstream parties slowly adapt to certain policies of populist parties. They especially noted that mainstream parties gradually adapt policies related to welfare chauvinism, although they emphasized that this varies significantly based on the party in question (Schumacher and van Kersbergen, 2016). Welfare chauvinism is a basic set of principles that establishes that certain welfare policies and benefits provided by the state are primarily based for natives of the country, rather than outside groups such as migrants. There have been many examples of such behavior in Europe in the mid-2010s with perhaps the most extreme example being the Migrant Crisis. During the crisis, several European countries openly defied the Europan Commission and rejected migrant quotas in favor of a far more isolationist approach.

While such an approach was primarily advocated by members of the Visegard Group, several other countries significantly backed decreasing the number of migrants to the EU. Countries that expressed skeptic views towards migration and minorities received a large share of the vote even in developed and generally liberal countries such as Sweden and the Netherlands. This is partially complementary to the views of Mudde (2012). During the time he conducted his research, he emphasized that the impact of radically right political parties was not excessively pronounced (Mudde, 2012).

He also further emphasized the diminished quality of the political discourse, the economic issues that occurred during the aftermath of the 2008 Global Economic Crisis, as well as the capacity of right winged populist parties to evolve all contribute to the increased possibility of the growth of radical right-winged populist parties (Mudde, 2012). While many authors have noted the radicalization of the electorate (de Lange, 2012), only few authors have gone as far as Mudde (2012), who believes that the occurrence of right-winged third-party alternatives is a normal event that is based on the radicalization of mainstream values.

Some authors, such as Van Hauwaert and Van Kessel (2018), have based their initial observations on testing their hypotheses on larger samples. In the case of Van Hauwaert and Van Kessel (2018), the authors observed a sample that derives from 9 countries that include the largest European countries that suffer from structural abnormalities, including the United Kingdom, France, and Germany, in order to determine the impact of political parties. Based on the opinion of Van Hauwaert and Van Kessel (2018), populist ideas are a central aspect of determining to vote for populist parties. Based on their analysis of the sample, each of which was representative of the country from which it was taken, Van Hauwaert and Van Kessel (2018) determined that left-leaning voters that focused more on social issues were more likely to vote

for left-leaning populist parties. Similarly, the authors determined that the issues of immigration and authority were central to voters who tended to vote for right-leaning populist parties (Van Hauwaert and Van Kessel, 2018).

Sources

Baggini, Julian. (2016). How Rising Trump and Sanders Parallel Rising Populism in Europe. *New Perspectives Quarterly* 33(2): 22-25.

Betz, Hans-George. (1993). The New Politics of Resentment: Radical Right-Wing Populist Parties in Western Europe. *Comparative Politics* 25(4): 413-427.

Croatian Bureau of Statistic. (2017). Average Monthly Net and Gross Earnings of Persons in Paid Employmentby Accounting Periods, 2017. Available from: https://www.dzs.hr/Hrv_Eng/publication/2017/09-01-02_01_2017.htm , accessed January 7th 2018.

Croatian Bureau of Statistic. (2011). 2011 Census Data. Available from: https://www.dzs.hr/hrv/censuses/census2011/results/htm/h01_01_12/h01_01_12.html, accessed January 8th 2018.

De Lange, Sarah L. (2012). New Alliances: Why Mainstream Parties Govern with Radical Right-Wing Populist Parties. *Political Studies* 60(4): 899-918.

Golder, Matt. (2003). Explaining Variation In The Success Of Extreme Right Parties In Western Europe. *Comparative Political Studies* 36(4): 432-466.

Gregurović, Snježana. (2011). Characteristics of Migration Flows and Integration of New Immigrant Groups in the Labour Market in Southern European EU Member States. *Migracijskeiethničketeme* 27(1): 57-75.

Mudde, Cas. (2012). Three decades of populist radical right parties in Western Europe: So what? *European Journal of Political Research* 52(1): 1-19.

National Election Commission of the Republic of Croatia. (2017). Archive – 2016 Parliamentary Election Results. Available from: <u>https://www.izbori.hr/arhiva-</u> izbora/index.html#/app/parlament-2016, accessed January 9th 2018.

Oesch, Daniel. (2008). Explaining Workers' Support for Right-Wing Populist Parties in Western Europe: Evidence from Austria, Belgium, France, Norway, and Switzerland. *International Political Science Review* 29(3): 349-373.

Schumacher, Gijs and Kees van Kersbergen. (2016). Do mainstream parties adapt to the welfare chauvinism of populist parties? *Party Politics* 22(3): 300-312.

Rooduijn, Matthijs, Sarah L de Lange, and Wouter van der Brug. (2012). A populist Zeitgeist? Programmatic contagion by populist parties in Western Europe. *Party Politics* 20(4): 563-575.

Van Hauwaert, Steven M. and Stijn Van Kessel. (2018). Beyond protest and discontent: A crossnational analysis of the effect ofpopulist attitudes and issue positions on populist party support, *European Journal of Political Research*57: 68–92.

Van Kessel, Stijn. 2015. Populist Parties in Europe: Agents of Discontent?. Pal grave Macmillan: London.

.(2011). Explaining the Electoral Performance of Populist Parties: The Netherlands as a Case Study. *Perspectives on European Politics and Society*12(1): 68-88.

.(2013). A Matter of Supply and Demand: The Electoral Performance of Populist Parties in Three European Countries. *Government and Opposition* 48(2): 175-199.

Vican, Dijana. (2013). Obrazovnastrukturaiobrazovnepotrebegrađana RH – platforma za promjeneprakseobrazovanjaodraslih (The Education Structure and Educational Needs of Croatian Citizens – A Platform for Change in Adult Education). *Andragoškiglasnik* 17(2): 87-99.

French Elections

There are several elections in 2017 that may profoundly impact the nature of the European Union and thus, have a profound impact on the current world order.¹⁸ With the decision of the British electorate to opt to leave the European Union, the structure, coherence, and sustainability of the European Union are now completely dependent upon their largest remaining member-states – France and Germany. Crucially, both of these countries are holding elections in 2017 and these

¹⁸ It is difficult to imagine the current European and world order without a functioning European Union. After the largely unexpected victory of Donald J. Trump in the United States, many are trying to find who may be the best possible candidate in defending the "liberal" order. Progress on climate change, trade deals, as well as cooperation on humanitarian aid, is being set back in the times of Brexit and a new focus on isolationism within the United States and United Kingdom. Currently, the European Union remains as a relevant actor that can continue to promote these values, but the elections that are taking place in 2017 could further destabilize it.

elections may well shape the course of European policy for decades to come. Though many have interpreted globalization as a positive phenomenon, others feel left behind, disenfranchised and scholars of international relations and political science are unable to fully provide meaningful reasons regarding how political parties should approach this part of the electorate (Farrell and Newman, 2017). This is especially evident in the Brexit phenomenon, where the British Prime Minister, David Cameron, failed to realize the mood of the electorate and placed party over country in preserving the coherency of the Tory party by shifting his 2015 campaign policies to the right and allowing the referendum to even take place.¹⁹ The internal divides within the Conservative Party, as well as Labour, further divided the electorate and Cameron failed to fully unite even his own party in support of Remain (Heppell, Crines and Jeffery, 2017).

The same anti-establishment sentiment that was visible in the Brexit referendum is now more pronounced in many of the election cycles of 2017. The elections in the Netherlands have had a minor impact in relieving fears of a ''domino effect'' of anti-establishment parties seizing power throughout Europe, but Geert Wilders still managed to increase the number of seats he holds in the Dutch Parliament.²⁰ While the fact that establishment parties managed to hold on to a majority, as well as the fact that all relevant parties ruled out a coalition with Wilders, this minor setback may not be enough to stop the spreading of the anti-establishment sentiment.²¹ There is nothing wrong with anti-establishment sentiment or with participating in a democratic election with new and

¹⁹ The policies that were on display in Cameron's 2015 manifesto were mostly designed to protect the Conservative Party from potential losses *vis-à-vis* the United Kingdom Independence Party (UKIP), that had managed to originally bring the potential question of exiting the European Union into the spotlight. The months Cameron had spent campaigning against the Brussels's bureaucracy could not be undone in the relatively short amount of time that was left for him to defend his position as head of the Remain Campaign.

²⁰ Many authors have analyzed how Wilders has managed to remain near the top of politics despite numerous statement that would discredit many regular mainstream politicians. Several years prior to these elections, Vossen (2010) described the form of populism encouraged by Wilders as both durable and noted its rising popularity.
²¹ Many have been openly critical of how the political campaign in the Netherlands was run and how Wilders

managed to drag many of the mainstream political parties to the right, much in the same manner as Nigel Farage managed to do in the United Kingdom. For further information see: https://www.theguardian.com/commentisfree/2017/mar/17/geert-wilders-racism-netherlands-far-right.

innovative ideas. The problem is not the anti-establishment sentiment itself, but the way extremist right-winged parties across Europe are exploiting this sentiment to fuel hatred, spread panic and fear, as well as create a climate of fear towards any group that does not share their political beliefs.

The possibility of Angela Merkel being unseated as chancellor in the 2017 election is definitely becoming less palpable, but her removal from power and a potential victory of the Social Democratic Party (SPD), does not present a threat to the stability of the European Union. The electoral chances of the Alternative for Germany (AfD) seem to be in the decline as the party continues to struggle with infighting and delivering a coherent message to the electorate. While Arzheimer (2015) notes that they have been highly successfully in the first two elections that they have participated in, they seem to have difficulties in establishing themselves as a party with a coherent set of ideological and economic policies.²² The situation is completely different in France. Of the four candidates that had potential to be elected to the presidency, two held strong anti-establishment views and openly talked about exiting the European Union or reforming it to the point where its purpose would have been lost. This paper aims to assess the relevance of the 2017 French elections and places these findings within the context of the rise of anti-establishment sentiment in many Western elections.

2. Theoretical discussion

This has not been the first time that a National Front candidate has made it to the second round runoff. As emphasized by Durand, Blais and Larochelle (2004), the circumstances of 2002, when Jean-Marie Le Pen made the second round runoff were entirely different, as none of the 12 polls that were published prior to Election Day predicted the correct outcome. At the time, all of the

²² As further emphasized by Berbuir, Lewandowsky and Siri (2015), the AfD also faces difficulties in being a populist, at times extreme, right-winged party in a country that strongly stigmatizes right-winged parties.

relevant political parties gathered around the incumbent president, Jacques Chirac. Despite achieving the weakest showing of a French incumbent in the first round, he went on to win the second round runoff with over 82% of the vote (Miguet, 2002). This is interesting in the context of the claim of Blais (2004) that the two round system permits the French electorate to vote strategically in both rounds of the election. Based on his opinion, the two-round system encourages voter turnout, as it decreases the fear of voters that their vote might be needlessly wasted (Blais, 2004:94).²³ The occurrence of Jean-Marie Le Pen seemed like a strange structural abnormality that happened due to the occurrence of a weak incumbent running for a second term while being plagued by accusations of corruption.²⁴ Another reason why right-winged candidates performed so strongly was the strong media coverage of security issues, but Kuhn (2005) does not believe that this was done to promote a partisan agenda or a particular candidate. While this scenario may appear strange or its reoccurrence unlikely, the political climate of 2017 has many general structural similarities.

The incumbent president, François Hollande, has approval ratings that have gone under 10% and does not even seek re-election. His Socialist Party, naturally, is struggling with creating a political platform that could somehow distance itself from the outgoing administration. Kuhn (2014) argues that a large segment of his unpopularity was caused by the low levels of economic growth, but he also emphasizes Hollande's lack of structural reforms and poor public

²³ To further clarify, Blais (2004) believed that it allowed the voters the ability to select the candidate they wished to back in the first round and have the option of once again express his preference.

²⁴ It should be noted that this happened in an election cycle where the ruling Socialist party pushed an election reform that made the presidential elections happen before the presidential elections. Based on the findings of Jérôme, Jérôme-Speziari, and Lewis-Beck (2003), this ultimately allowed them to increase their gains in both elections held in 2002.

appearances.²⁵ In a more traditional scenario, this would leave the political field wide open for the centre-right Les Republicains candidate to easily win the election. In a position that has many similarities to the 2002 candidacy of Chirac, the former Prime Minister, François Fillon, manages to win the candidacy of the Les Republicains and becomes the early front-runner. His candidacy is then plagued with accusation of corruption that he is unable to manage and in the resulting chaos, only candidates that have established themselves as independent of France's two ruling parties manage to remain serious contenders for the presidency.

In their analysis of elections from 1988 – 2007, Nadeau and Lewis-Beck (2013) determined that the key variables were ideological identification as a long-term variable and economic evaluation as a short-term variable. This general election predominantly displayed that the electorate feels completely disappointed with the performance of the large political parties. Such a state of affairs has left smaller political parties, as well as independent candidates, with an opportunity to ascend to the presidency. The mood of the French electorate in 2017 is relevant for a normative understanding of several theories that discuss voter behaviour. As presented by Ciraki (1996), public choice theory strives to explain two relevant aspects of politics. Primarily, it integrates the concept that man is both defined by economic choice (Smith), as well as Aristotle's concept of a political being (Ciraki, 1996). Equally interesting, Ciraki (1996:201) emphasizes that the goal of democracy and the political process is for individuals to make decisions based on the wishes of the majority of the electorate. It is interesting to take note on the key aspects of public choice theory when analysing the 2017 French election.

²⁵ Hollande, aside from having poor public appearances, also failed to gain traction from the left wing of his party and many considered that he did not include any ideological innovation to the party in his 2012 election run (Clift, 2013).

This can also be examined from the viewpoint of several other theories that analyse political elections. For instance, Lewis Beck and Nadeau (2011) emphasize the importance of the classical economic voting theory. This theory is intuitively logical, as it simply states that the incumbent's chances increase based on the economic performance of a country during his term. The distinctions the authors make is that they believe that a majority of research is focused on the economy as the valance issue, while Lewis Beck and Nadeau (2011) emphasize that voter perceive the economy through three ways: position, patrimony, and valance. The issue of valance or that each voter will support the overall welfare of the economy in case the incumbent is successful, no longer can even theoretically capture the mood of the electorate. The key problem is that many of these theories are based on categories that are sometimes difficult to categorize or understand.

A clear contemporary example is how white blue-collar voters supported conservative options in elections in the United Kingdom, as well as the United States.²⁶ This is strongly supported by the argumentation of Sen (1977), who examined the relevance of social choice theory and questioned even the validity of Arrow's (1950) theorem in discussing the problematic application of these theories. This should be noted in a wider discussion of voting rationality and in determining what variables are crucial in determining for whom voters ultimately select. Similarly to the criticism of Lewis Beck and Nadeau (2011), Blount (2002) emphasizes that the meaning of the unemployment rate is not unambiguous and that voters may be rationale to some degree, but they are not economically rational. Denver (1994) further considers another issue that, according to many authors, is not fully relevant to contemporary elections. This is so called issue voting, which is based on the assumption that voters actually select candidates based on the party's policies and the issues they stand for. Denver (1994) believes that voter alignment, rather than

²⁶ Despite the fact that they were highly dependent upon welfare programs that may be traditionally perceived as belonging to the left side of the political spectrum. Since the Brexit phenomenon, it has been increasingly difficult to explain and fully place into context the evolution of electoral support towards even extreme right-party options.

voters having a strong knowledge of the issues at stake, is the key determinant of contemporary elections. Rabinowitz and Macdonald (1989:93) emphasize that the key element of this theory are that: 1) a voter is presented or feels connected with a party or a certain segment of its policies; 2) the policy position of each candidate can be represented by a point in the same space; and 3) voters will select candidates that best reflect their positions on certain issues. This was especially not evident in numerous elections in 2016 and 2017, as candidates often took confusing or contradicting stances on policy issues and often did not substantiate their general stances with coherent policy proposals. This was especially evident in the case of the 2016 American Presidential Election and some similarities may be viewed in the 2017 French election.

Several researchers have provided evidence of these trends. Chommeloux (2017) notes the "Americanisation" of French politics in which there is an increase in the personalization of the campaign, stronger impact of lobbying groups and the difficulty of reforming the French system of governance. The lack of tangible reform was one of the primary generators of Hollande's highly low approval ratings. On a more practical note, it is clearly possible to distinguish that voters desire change and are prepared to vote for extreme options in order to upend the *status quo*. Voters are encouraging new ideas and new styles of expressing them, which can clearly be seen from Mélenchon's style of running his campaign. He clearly built upon his previous message that appealed primarily to the working class, which allowed him to have a 8% better showing than in 2012 (Hewlett, 2012).

Another new trend identified by Chommeloux (2017) is the extreme lengths to which alternative options will go in order to distance themselves from mainstream political opinions. He notes this in the decision of many far-right parties, including the National Front, to advocate closer ties with Russia and openly denounce the Americanisation of French politics (Chommeloux, 2017:34-35). The primary cause is the association of closer ties with the United States as a mainstream and traditional policy, despite the fact that there may be no political or economic reason to support such a policy. This is also the clearest policy position that is supported by both Mélenchon and Le Pen as they have both voiced strong anti-American sentiment (Chommeloux, 2017). Prior to proceeding with the quantitative analysis, a short overview of the candidates is provided, as well as several theoretical hypotheses that will be tested.

Chommeloux, Alexis. Exploring the "Americanisation" of French Politics. In *Contemporary* Voting

in Europe: Patterns and Trends. Chommeloux, Alexis, Gibson-Morgan, Elizabeth Eds. Palgrave Macmillan: Basingstoke, UK: 2017.

Chow, Gregory C. 1960. Tests of Equality Between Sets of Coefficients in Two Linear Regressions. *Econometrica* 28(3): 591-605.

Denver, David. 1994. *Elections and Voting Behaviour in Britain*. London: Harvester Wheatsheaf.

Hainsworth, Paul. 2004. The extreme right in France: the rise and rise of Jean-Marie Le Pen's front national. Representation 40(2): 101-114.<u>http://dx.doi.org/10.1080/00344890408523253</u> Hewlett, Nick. 2012. Voting in the Shadow of the Crisis: The French Presidential and Parliamentary Elections of 2012. *Modern & Contemporary France* 20(4): 403-420. http://dx.doi.org/10.1080/09639489.2012.721184
Rabinowitz, George and Macdonald, Stuart E. 1989. A Directional Theory of Issue Voting. The American Political Science Review 83(1): 93-121.

Hainsworth (2004) emphasizes the National Front's long standing anti-globalization and anti-Europe message. That particular policy has largely remained unchanged

Aside from the theoretical discussion and the qualitative analysis, this paper aims to provide certain conclusion based on quantitative methods of analysis. In order to do so, data was extracted from the Financial Times (2017) concerning the political popularity of the candidates in the period of December 2016 – April 2017. Opinion polls conducted by Ifop-Fiducial are used as a measure of political popularity of the candidates. The primary analysis will be the analysis of voting preference in the second round of voting the case that Le Pen and Macron are the candidates in the second round of voting. The secondary analysis will observe data in the same period in the case of which candidate voters would select in the first round of voting. This analysis will consider all of the candidates that had a significant amount of political support: Macron, Le Pen, Mélenchon, Fillon, and Hamon. Based upon the conducted qualitative analysis several events will be considered as potential breakpoints where the political popularity of the candidate was significantly altered. In order to do so, the breakpoint test originally introduced by Chow (

Prior to observing these events, summary statistics for the relevant candidates are provided in Table below.

Table . Summary statistics of political popularity

Variable	Mean	Median	Standard	Minimum	Maximum

	deviation				
Macron	0.230	0.237	0.0271	0.152	0.260
Le Pen	0.250	0.255	0.0139	0.220	0.265
Fillon	0.194	0.190	0.0211	0.170	0.278
Mélenchon	0.135	0.120	0.0333	0.0900	0.195
Hamon	0.115	0.133	0.0347	0.0400	0.180

Source: GRETLE output and author's own calculations

As can be seen from Table, Le Pen had, on average, the highest average political popularity when viewing the entire time period. Mélenchon and Hamon were the candidates that had the largest trouble of reaching a wider base and both had a rather large deviation throughout their presidential candidacies. The difference between Mélenchon's minimum and maximum political popularity is roughly 10 points, with his highest popularity being 19.5%. Mélenchon largely

A significant event was the discovery of the Fillon alleged scandal, which was first published on the 25th of January, 2017. Another controversial moment was the highly criticised Macron statement on the 15th of February concerning France's role in Algeria. Television debates often have a significant impact on presidential elections, which is why the 20th of March and the 4th of April will also be considered as possible breakpoints. Finally, the impact of the shooting on the 20th of April will be assessed, as several studies have found links between security issues and a rising support for right-party candidates.

Table 1. Chow Breakpoint Test for Responses Concerning Second Round Choice

Candidate	25 th of	15 th of	20 th of	4 th of	20 th of
-----------	---------------------	---------------------	---------------------	--------------------	---------------------

	January	February	March	April	April
Marine I e Pen	1,531	2,907*	4,098**	4,205**	1,9667
	(0,2417)	(0,063)	(0,022)	(0,0203)	(0,1551)
Emanuel	1,223	2,907*	4,098**	4,205**	1,9667
Macron	(0,3165)	(0,0629)	(0,022)	(0,0203)	(0,1551)

Note: values in the parenthesis represent the p value. *, ** and *** indicate statistical significance at the respected 0.1, 0.05, and 0.01 levels of significance.

The empiric results confirm the hypothesis that Le Pen did not get a boost in the number of votes based on the terrorist attack on the 20th of April. The controversial statement made by Macron on the 15th of February caused a minor structural break that was only significant at the 10% level of statistical significance. This clearly displays that parts of the electorate that supported Macron were not shocked by his critical views towards France's past colonial treatments. The results in Table 1 further suggest the relevance of televised debates for the French electorate, as structural breaks significant at the 5% level were detected for both candidates. The breaking of ''Penelopegate'' on the 20th of January did not cause an immediate structural break in the popularity of either Le Pen or Macron. This aspect will be further discussed after the results are presented for all of the candidates in Table 2. 29, 24, 12, 8,2

Table 2. Chow Breakpoint Test for Responses Concerning First Round Choice

Candidate	25 th of	15 th of	20 th of	4 th of	20 th of
-----------	---------------------	---------------------	---------------------	--------------------	---------------------

	January	February	March	April	April
Marine I e Pen	10.64***	5.77***	3.808**	3.62**	0.765
	(0,0005)	(0,0087)	(0,036)	(0,042)	(0,389)
Emanuel	4.19**	2,334	0.793	0.178	0.0146
Macron	(0,0268)	(0,1176)	(0,464)	(0,8375)	(0,905)
François Fillon	13.89***	5.889***	1.067	0.542	0.088
	(0,0001)	(0,008)	(0,359)	(0,588)	(0,769)
Benoit Hamon	87.79***	1.534	0.495	0.513	0.188
	(0,000)	(0,235)	(0,615)	(0,605)	(0,668)
Jean-Luc					
Mélenchon					

Note: values in the parenthesis represent the p value. *, ** and *** indicate statistical significance at the respected 0.1, 0.05, and 0.01 levels of significance.

The result display that there was significantly more volatility when viewing the first-round political preferences than when analysing how the electorate responded to potential second-round voting. In the case of Marine Le Pen, it is clear that there is a statistically significant structural break for every date with the exception of the 20th of April.

It is intuitively logical that the publishing of the alleged Fillon scandal concerning his wife caused a structural break for his political popularity. As this result was statistically significant for most of the politicians observed, it is clear that this was one of the defining moments of the race. In the case of Fillon, events that took place later on in the presidential race did not seem to have an impact on his own popularity. Despite his attempt to shift towards attacking the media and emphasizing the alleged corruption of the French political class and the ''establishment media'', his message failed to resonate with voters.

The entire concept of a ''law and order'' candidacy failed to work and many of Fillon's key promises, especially the one to cut down a significant number of public sector employees, seemed hollow in light of the ''Penelopegate'' scandal. Due to the fact that he was personally accused of enriching himself and his family through fictitious positions within the government, a large part of his key campaign policies failed to gain traction among the wider electorate. This caused right-leaning voters to consider other options and even drove them towards Marine Le Pen and the National Front as the only remaining right-leaning option. Many in France were completely unsatisfied with the Hollande presidency and this caused them to be dissatisfied with the Socialist Party as a whole.

Prior to the election, it was already established that prior to the "Penelopegate" scandal, Fillon was the frontrunner and it would have been difficult to picture a candidate who could have stood up to him. In a large number of initial opinion polls, the majority of them showed that he could defeat both Le Pen and Macron in a theoretical second-round runoff.

It is also interesting to take note of the correlation matrix between the political popularity of the candidates shown in Table. While this table does not provide us with a clear view of what candidate's loss caused the increase of popularity of another candidate, it provides us a relevant overview of how the political popularities of candidates tended to move over time. In case the level of statistical significance is relevant at the p=0.01 level of statistical significance, it is very likely that there is some connection that should be studied.

Macron	Le Pen	Fillon	Mélenchon	Hamon	
1	0.105	-0.625**	0.177	0.097	Macron
	1	-0.1354	-0.823***	0.6314	Le Pen
		1	-0.124	0.3592*	Fillon
			1	-	Mélenchon
				0.7857***	
				1	Hamon

Table . Correlation Matrix of the Popularity Between the Political Preference of Candidates

Note: *, ** and *** indicate statistical significance at the respected 0.1, 0.05, and 0.01 levels of significance.

Based on the results of the correlation matrix, it is clear that there is no statistically significant correlation between the results for Macron and Le Pen. On the other hand, there is quite a strong

negative correlation between the political popularity of Macron and the political popularity of Fillon. This can be interpreted as understanding that the political rise of Macron became fully evident as Fillon endured the aftermath of the "Penelopegate" scandal that pretty much ensured that Fillon could not reach the second round of voting. In a similar manner, the political popularity of Mélenchon and Le Pen are negatively associated. With a value of -0.823, this was the most significant negative result and it was relevant at the p=0.01 level of political significance. While there are some instances of statistically significant correlation between the popularity of the candidates, there is no underlying pattern that could explain the differences.

3. Key Election Events and Determinants

Two candidates in the race displayed clearly populist, anti-establishment and anti-EU sentiment. A second round runoff between Marie Le Pen and Jean-Luc Mélenchon would have been a nightmare scenario for Brussels. Taking into account the views of public choice theory, it is difficult to understand how two strongly Eurosceptic candidates managed to obtain over 40% of the vote, when over 70% of the electorate does not even want to reject the euro. This is one of La Pen's key campaign promises and both her and Mélenchon's programs have focused on renegotiating or even terminating France's membership in the European Union. Nearly all projections have shown that there is no economic benefit to such a move. Despite this fact, there is a trend where the electorate has placed the control of immigration and radical moves in government policy as better options than re-electing political parties that have already failed them in the past.²⁷

²⁷ It should also be mentioned that most analysist warned that there are no economic benefits to Brexit, yet the British electorate still decided to opt out of the European Union. Several authors, such as Coulter and Hancké (2016), have emphasized that it is impossible to understand whether there are any objective benefits of Brexit when aspects such as newly gained sovereignty are not quantifiable.

The French election also defies another trend in which the election is dominated by a far right candidate and where liberal ideas are simply not heard or irrelevant. While Jean-Luc Mélenchon advocated a strongly anti-EU sentiment, many of his ideas were to the far left of standard French politics. Despite the fact that the candidate of the Socialist Party, Benoît Hamon, entered the election with the perhaps left-winged program of a major party candidate in the past decade of European elections, he received a negligible level of support in comparison with the other candidates. A possible argument was not that his policies of a universal income, additional social security or lowering the age of retirement were not sufficiently ideologically linked with the left ideology, but that the issue is with that of identification. If Nadeau and Lewis-Beck's (2013) analysis is correct, identification is a key factor for French voters. Clearly, they have decided that membership in a major political party was not an identification that they could support. Despite Clift's (2013) analysis of Hollande as a leader who lacks any political or ideological innovation, it would seem that the French electorate opted for a safe and somewhat secure option in this election cycle. This would support the thesis that, rather than being a particular importance of a certain set of ideologies or even voter identification, that economic issues as identified by Lewis Beck and Nadeau (2011) are the key factor in determining the outcome of the 2017 French Election.

It is somewhat interesting that Emanuel Macron, an investment banker and a minister of finance in the government of François Hollande, has managed to establish himself as an independent candidate without a clear political stance on many social issues. He is certainly the candidate that has benefited most from François Fillon's legal difficulties. As several outlets reported, Fillon's legal problems escalated to a level where his own party even considered replacing him only 2 months before the election (Chazan, 2017). Fillon's own platform focused on clearing up corruption and cutting thousands public sector jobs. His alleged transgressions simply

made such a program impossible to defend and paved the path to Macron as the only mainstream candidate. Despite his time in the Hollande cabinet, he was perceived as a mostly independent candidate who managed to profile his own ideas. In order to understand the voting in the first round of the elections, a breakdown based on several relevant macroeconomic variables will be presented. The data concerning the election results per region was extracted from the French Ministry of the Interior (2017) and the Constitutional Counsel of France (2017).



Figure 1: First round outcome in regions with the highest GDP per capita

As can be seen in Figure 1, Macron was highly successful in the regions of France where the GDP per capita, as an imperfect measurement of the living standard, is high. Île-de-France is by far the region that has the highest GDP per capita in France, with a GDP per capita that is more than 70% larger than Auvergne et Rhône-Alpes (Eurostat, 2017). In this region, voters strongly rejected

Marine le Pen, where she was in fourth place behind both Fillon and Mélenchon. In the five regions of France that have amongst the highest GDP per capita, Le Pen managed to win only Provence-Alpes-Côte d'Azur. This is interesting in the context of a high migration rate present in the region, which may explain why Le Pen managed to have such a strong showing. Numerous studies have found a connection between the presence of stigmatized immigrants and voting for radically right political parties (Green et al, 2015). Despite the fact that that Provence-Alpes-Côte d'Azur is currently held by a Les Republicans local government, Fillon did not even manage to win that region. Another reason that may have driven Le Pen support is the high unemployment rate in the region, despite the fact that it has a high GDP per capita. The outcome of the first round of the French election for the regions with the highest unemployment rate is presented in Figure 2.



Figure 2: First round outcome in regions with the highest unemployment rate

It can clearly be concluded that regions in France with a higher unemployment rate favoured candidates that expressed either extreme left or right stances. Le Pen won all five of these regions and in the case of Hauts-de-France, Le Pen and Mélenchon won 50.6% of the vote. In all of the regions where unemployment is high, the lowest percentage that Le Pen and Mélenchon combined won was 43.1%. This implies a link between the unemployment rate and the rejection of mainstream political parties. Many researchers have attempted to establish a link between the unemployment rate and voting for a particular political party (Gibson, 1992; Bell, 1997; Kiewiet, 1981; Rink, Blount, 2002; Phalet and Swyngedouw, 2008). While some researchers have attempted to link the unemployment rate with a particular political party specific to one country (Bell, 1997), a more relevant conclusion can be derived from Cebula's (2017) research that identifies that a 1% increase in the unemployment rate also increases the participation rate by approximately 1%. While the regions in France that have higher unemployment rates did not have a significantly higher participation rate, they strongly voted against options they identified as those close to the establishment political parties. In a certain sense, this confirms Cebula's (2017) general hypothesis that increased uncertainty drives voter participation. Further evidence of this can be seen in the second round of voting. In the 2017 election, 11.5% of the ballots cast in the second round were not valid. This comes as evidence of an increased dissatisfaction with the political system. In comparison, the percentage of invalid votes in the 2002 election was only 5.4%. Such statistics further suggest that there is a serious concern regarding the perception of mainstream politicians within the French electorate. Thus far, a theoretical analysis provides several relevant hypotheses that can be tested using quantitative methods of analysis.

Hypothesis 1: the French electorate is trying to reject the status quo of mainstream political options and is prepared to place into power radical candidates to enact change.

Null hypothesis: there is no significant difference in the voting stance of the French electorate in the 2017 election in comparison with previous elections.

Hypothesis 2: the French electorate was not significantly impacted by several terrorist attacks and it did not shift the vote in favour of right-winged candidates. This is mostly due to the fact that voters were prepared for such events and there was a fear of whether right-winged candidates could credibly counter these threats.

Null hypothesis: the terrorist attacks had a statistically significant impact in the political popularity of the candidates and increased the popularity of right-winged candidates.

Hypothesis 3: voters based the election based on economic gain and, seeing the influence of Brexit on the short-term financial indexes and currency value of the United Kingdom, opted for an acceptable rational choice in electing Macron as both a figure *de facto* outside of mainstream political options, while knowing his election would not significantly impact the short-term economic stability of the country.

Null hypothesis: the election of Macron had nothing to do with rational choice theory and was determined exclusively based on a rejection of the current political elite and the *status quo* of the French political system.

These three hypotheses will be empirically tested based on the available data on the political popularity of the candidates and the financial indexes that are relevant to France's short-term macroeconomic stability. An explanation of how these hypotheses will be measured *via* quantitative analysis is provided in the Methods and Data section.

4. Methods and Data

Aside from the theoretical discussion and the qualitative analysis, this paper aims to provide certain conclusion based on quantitative methods of analysis. In order to do so, data was extracted from the Financial Times (2017) concerning the political popularity of the candidates in the period of

The 2017 elections are definitely vital to the long-term sustainability of the European Union. While the possibility of a Le Pen victory would not necessarily have meant that there would be a French referendum on membership in the European Union, it would have numerous other negative consequences. Primarily, the European Union would once again have a strong Eurosceptic member-state that would be working against further integration. Secondly, it would present another blow to mainstream or establishment candidates and further continue the worrisome trend of increased electoral success for populist right-winged parties. The third key conclusion is that such an outcome would be warmly welcome in London, where Theresa May's bargaining position would be much easier if Le Pen were one of the people on the other side of the negotiating table.

A victory for Macron in the 2017 election so far seems to have the symbolic consequences and a short-term boost for the global stock markets. Whether or not he will be able to navigate the complex political landscape of contemporary French politics is yet to be seen. The preferences of the French electorate clearly show some similarities that can be explained through public choice theory. An electorate that no longer feels that it can trust the two main political parties has opted to select candidates who have identified themselves as anti-establishment or independent, thus leading to the run off between Macron and Le Pen. The issue of identification was also correctly identified by Nadeau and Lewis-Beck's (2013) and the large political parties of France will have the position of being able to work with Macron or working as constructive opposition parties, while striving to find a path to a political message that the French electorate might recognize.

Perhaps the years to come of either Macron or Le Pen might convince the electorate that even alternatives are no better than the mainstream political parties and return the electorate to the dominant political parties. Since 2002, there have been political structural abnormalities in the French political system and this election will not silence the National Front nor remove them from the public scene. While their number of parliamentary seats remains highly low, no defeat they have suffered thus far has managed to stop their slight increase in support. The mainstream political parties need to develop a higher level of responsibility and, at the very least, make sure they develop an improved vetting process in order not to nominate a scandal-plagued candidate that will not resonate with the electorate. Beyond the superficial changes, they need to ensure that they develop a program that will fully address the complex modern issues that France currently faces. Only then will they once again be able to become fully relevant factors in major elections.

References

- Arzheimer, Kai. 2015. The AfD: Finally a Successful Right-Wing Populist Eurosceptic Party forGermany?WestEuropeanPolitics38(3):535-556.http://dx.doi.org/10.1080/01402382.2015.1004230
- Arrow, Keneth J. 1950. A Difficulty in the Concept of Social Welfare. *Journal of Political Economy* 58(4): 328-346.
- Bell, Janice. 1997. Unemployment matters: Voting patterns during the economic transition in Poland, 1990–1995. *Europe-Asia Studies* 49(7): 1263-1291.
- Blais, André. 2004. Strategic Voting in the 2002 French Presidential Election in Michael S.
 Lewis-Beck (Ed.), French Politics, Society and Culture Series (pp. 93 109), Basingstoke,
 United Kingdom: Palgrave Macmillan.
- Blount, Simon. 2002. Unemployment and Economic Voting. *Electoral Studies* 21(1): 91-100.
- Berbuir, Nicole, Lewandowsky, Marcel and Siri, Jasmin. 2015. The AfD and its Sympathisers: Finally a Right-Wing Populist Movement in Germany? *German Politics* 24(2): 154-178. <u>http://dx.doi.org/10.1080/09644008.2014.982546</u>
- Cebula, Richard J. 2017. Unemployment and Voter Turnout Revisited: A Brief Note. Electoral Studies 48: 149-152. https://doi.org/10.1016/j.electstud.2017.06.003
- Chazan, David. (2017, March 2). François Fillon's home searched by corruption investigators as Alain Juppé indicates he could replace the scandal-hit presidential candidate. The Telegraph, available from: <u>http://www.telegraph.co.uk/news/2017/03/02/francois-fillons-home-</u> <u>searched-corruption-investigators-alain/</u>, accessed 26th of April, 2017.
- Ciraki, Dario. 1996. Theory of Public Choice and Voting Paradoxes. *Političkamisao* 33(1): pp. 198–225.

- Clift, Ben. 2013. Le Changement? French Socialism, the 2012 Presidential Election and the Politics of Economic Credibility amidst the Eurozone Crisis. *Parliamentary Affairs* 66(1): 106-123. doi: https://doi.org/10.1093/pa/gss066
- Constitutional Counsel of France. 2017. Available from <u>http://www.conseil-constitutionnel.fr/</u>, accessed 7th of July, 2017.
- Coulter, Steve and Hancké, Bob. 2016. A Bonfire of the Regulations, or Business as Usual? The UK Labour Market and the Political Economy of Brexit. *The Political Quarterly* 87(2): pp. 148–156.
- Durand, Claire., Blais, André., and Larochelle, Mylène. 2004. The Polls in the 2002 French Presidential Election: An Autopsy. *Public Opinion Quarterly* 68(4): pp. 602 – 622.
- Green, Eva G.T., Sarrasin, Oriane, Baur, Robert and Fasel, Nicole. 2015. From Stigmatized Immigrants to Radical Right Voting: A Multilevel Study on the Role of Threat and Contact. *Political Psychology* 37(4): 465-480. doi: 10.1111/pops.12290
- Eurostat. 2017. Macroeconomic information on NUTS 2 Regions. Available from: <u>http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nama_10r_2gdp&lang=en</u>, accessed 7th of June, 2017.
- Farrell, Henry, and Newman, Abraham. 2017. BREXIT, Voice and Loyalty: Rethinking Electoral Politics in an Age of Interdependence. *Review of International Political Economy* 24(2): pp. 232 – 247.
- Financial Times. 2017. French presidential poll tracker 2017. Available from: https://ig.ft.com/sites/france-election/polls/, accessed 7th of June, 2017.

- Gibson, John G. 1992. The Effects of Unemployment on Voting in British Elections: A New Specification of a Political-Economic Model of Constituency Voting. *Environment and Planning C: Politics and Space* 10(4): 451-465.
- Heppell, Timothy, Crines, Andrew, and Jeffery, David. 2017. The United Kingdom Referendum on European Union Membership: The Voting of Conservative Parliamentarians. JCMS: Journal of Common Market Studies 55(4): 762-778.doi: 10.1111/jcms.12529.
- Jérôme, Bruno, Jérôme-Speziari, Éronique and Lewis-Beck, S. Michael. 2003. Reordering the French election calendar: Forecasting the consequences for 2002. European Journal of Political Research 42(3): 425-440. doi:10.1111/1475-6765.00091
- Kiewiet, Roderick D. 1981. Policy-Oriented Voting in Response to Economic Issues. *American Political Science Review* 75(2): 448-459.
- Kuhn, Raymond. 2005. 'Be Very Afraid': Television and l'Insécurité in the 2002 French Presidential Election. *European Journal of Communication* 20(2): 181-198. https://doi.org/10.1177/0267323105052297
- Kuhn, Raymond. 2014. Mister Unpopular: François Hollande and the Exercise of Presidential Leadership, 2012–14. Modern & Contemporary France 22(4): 435-457. http://dx.doi.org/10.1080/09639489.2014.957960
- Lewis Beck, S. Michael and Nadeau Richard. 2011. Economic voting theory: Testing new dimensions. *Electoral Studies* 30(2): 288-294.
- Miguet, Arnauld. 2002. The French Elections of 2002: After the Earthquake, the Deluge. *West European Politics* 25(4): pp. 207 220.

- Ministry of the Interior. 2017. Voting data. Available from: <u>https://www.interieur.gouv.fr/fr/Elections/Election-presidentielle-2017</u>, accessed 7th of July, 2017.
- Nadeau, Richard. and Lewis-Beck, S. Michael. 2013. French Election Theory: Why Sarkozy Lost. *Parliamentary Affairs* 66(1): pp. 52 68.
- Randrep, R. (2017, March 17). Geert Wilders was Beaten, but at the Cost of Fuelling Racism in the Netherlands. The Guardian, available from: https://www.theguardian.com/commentisfree/2017/mar/17/geert-wilders-racism-netherlands-far-right, accessed 20th of April, 2017.
- Rin, Nathelie, Phalet, Karen and Marc Swyngedouw. 2009. The Effects of Immigrant Population Size, Unemployment, and Individual Characteristics on Voting for the Vlaams Blok in Flanders 1991–1999. *European Sociological Review* 25(4): 411-424. <u>https://doi.org/10.1093/esr/jcn028</u>

Sen, Amartya. 1977. Social Choice Theory: A Re-Examination. Econometrica 45(1): 53-88.

Vossen, Koen. 2010. Populism in the Netherlands after Fortuyn: Rita Verdonk and Geert Wilders Compared. *Perspectives on European Politics and Society* 11(1): 22-38. <u>http://dx.doi.org/10.1080/15705850903553521</u>