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Abstract

This paper offers additional insights on the interactions between economics and politics in Portugal. We use an unexplored data set consisting of monthly polls on vote intentions for the main political parties in Portugal, since 1986. Results indicate that: (1) socialist governments had less electoral support than social democratic governments; (2) social democratic governments enjoyed a honeymoon period with the electorate while socialist governments did not; (3) vote intentions for incumbent parties tend to decrease with time in office; (4) voters hold incumbents responsible for the evolution of the economy; (5) the socialists are more penalized for rises in unemployment than are the social democrats.

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Introduction

Although the literature analysing the interactions between economics and politics is quite extensive and has become one of the most active research areas in the last decades,[1] the number of studies investigating the Portuguese case is extremely reduced.[2] With this paper we try to provide some clues to this under-researched topic by investigating the determinants of vote intentions for the main parties in Portugal.

We use an unexplored data set consisting of monthly polls on vote intentions from 1986 to 2000. Results suggest that (1) socialist governments had less electoral support than social democratic governments; (2) honeymoon effects existed for social democratic governments but not for socialist governments; (3) time in office decreases vote intentions for the governing party; (4) economic outcomes, specially inflation and unemployment, negatively affect vote intentions on the governing party, providing evidence in favour of the responsibility hypothesis; (5) the socialists are more penalized by increases in unemployment than are the social democrats, but no distinction is made by the electorate between these two parties on what concerns inflation.

The paper consists of five parts. The first part provides some background on political parties in Portugal. The second describes the data set and the third models the determinants of vote intentions. The fourth presents the empirical results and, finally, the last part reports the conclusions.

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[1] See Nannestad and Paldam (1994) for a survey on vote-popularity functions and Person and Tabellini (2000) for a recent survey on political economics.

[2] Veiga (1998) estimated popularity functions for the Portuguese President of the Republic, prime minister, government and Parliament.

Political parties in Portugal

The military coup of April 25, 1974 re-established democracy in Portugal. It was followed by a two-year period of strong political instability during which the Junta of National Salvation and six temporary governments, ruled the country. Upon the approval of the new Constitution, which came into effect on April 25, 1976, legislative elections where held in the same day. Since then, four political parties have dominated the Portuguese political life. The Socialist Party (PS) and the Social Democratic Party (PSD) have always been the two major political parties, and alternated in power since 1976. The Communist Party (PCP) and the Social Democratic Center / Popular Party (CDS/PP) dispute the third position and were always in the opposition, except for a four-year period (1979-83) in which CDS/PP was a member of a government coalition led by PSD. Vote shares of these four political parties in legislative elections are shown in Table 1. A brief description of their history follows.

[Insert table 1 about here]

Portuguese Socialist Party (Partido Socialista Português - PS)

Center-left party founded in 1875, it was declared illegal during the dictatorship (1926-74). In the first legislative elections for the Assembly of the Republic, in April 1976, the Socialist Party was the most voted party, with 34,98% of the votes. Mário Soares led the first Constitutional Government, and the following two, all of which came short of completing their terms.

In July 1985, Mário Soares decided to run for the Presidency. In October, the PSD won the legislative elections and the PS became part of the opposition.[3] The party remained in the opposition until 1995, when it got 43,85% of the votes in the legislative elections. António Guterres, the party leader since 1992, became prime minister of a PS minority government. In the 1999 balloting PS had its best result ever, with 44% of the votes, which gave the party exactly 50% of the deputies in Parliament.

Social Democratic Party (Partido Social Democrata - PSD)

Center-right party, founded in May 1974, as the Popular Democratic Party (PPD), it adopted its current name in 1976. It remained in the opposition until 1979, when it formed the Democratic Alliance (AD) with the CDS and the Monarchic Popular Party (PPM). The AD won 42,24% of the votes, getting an overall majority in Parliament. Sá Carneiro, leader and founder of PSD, became the prime minister in January 1980. In the October 1980 elections the AD renewed its overall majority of deputies but, two months later, Sá Carneiro died in an airplane accident and Pinto Balsemão was elected head of PSD and became Prime Minister.

In the 1983 legislative elections, PSD ran alone and was the second most voted party. It then formed a coalition government with PS. In May 1985, Cavaco Silva was elected head of the Party and in June the PSD broke the coalition with PS and called for earlier elections. The President dissolved the Assembly and called for elections on October, in which PSD was the most voted party, with 29,79% of the votes. Cavaco Silva formed a minority government, which ended in April 1987 as a consequence of a no confidence vote.

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[3] In February 1986, Mário Soares won the second runoff of the most disputed presidential elections so far, to become the first civilian President of the Republic since 1974. He was elected President for a second term in 1991. In 1996, Jorge Sampaio, also a former PS leader, succeeded him in the Presidency.

In the legislative balloting of July 1987, the PSD won the first one-party overall majority since the end of the dictatorship (with 50,15% of the votes), which was renewed in October 1991. In February 1995, Cavaco Silva abandoned the PSD leadership, and since the October 1995 elections the party has remained in the opposition.

Social Democratic Center-Popular Party (Centro Democrático Social-Partido Popular/CDS-PP)

Right-wing party, founded in 1974 as Democratic Social Center (CDS), it added the designation of Popular Party (CDS-PP) in 1993. In July 1979, it formed an electoral front with the PSD and the PPM called Democratic Alliance (AD), which won the 1979 and 1980 elections, giving CDS the opportunity to be part of the government. Since 1983, the CDS has remained in the opposition. In the January 1986 presidential balloting, the CDS candidate and former leader of the party, Diogo Freitas do Amaral, won 46% of the votes in the first run. He was, however, defeated in the runoff by Mário Soares (PS). Paulo Portas leads the party since March 1998.

Portuguese Communist Party (Partido Comunista Português - PCP)

The Portuguese Communist Party was founded in 1921. It was banned in 1926 and legalized again in 1974. Between 1979 and 1986 the PCP formed the Popular Unity Alliance (Aliança Popular Unida - APU) with the small Portuguese Democratic Movement (MDP/CDE). In 1987, the PCP formed a new alliance, known as Unitary Democratic Coalition (Coligação Democrática Unitária - CDU) with dissidents of the MDP, independent leftists and the Green-Ecologist Party (PEV). Since 1991 the PCP has ran with PEV. Alvaro Cunhal was the leader of the party from the later years of the dictatorship until December 1992, when Carlos Carvalhas replaced him. The PCP was never a member of a constitutional government.

Data

The period analysed in this paper begins in June 1986 and ends in September 2000. It includes three terms of social democratic governments and two terms of socialist governments. Table 2 describes the winning parties of legislative elections since the balloting of October 1985.

[Insert table 2 about here]

Vote intention data was obtained from a weekly national journal called *Expresso*. The data results from polls conducted on a monthly basis by *Euroexpansão* to a representative sample of about 600 Portuguese adults, by telephone interviews. Economic data consists of monthly unemployment rates, seasonally adjusted and standardized; consumer price indexes; and confidence indexes, all collected from OECD-Main Economic Indicators.

Explaining vote intentions

The model we propose to explain vote intentions includes the following elements: leader characteristics, time in office, evaluations of the incumbent performance, and partisanship. It can be summarized in the following equation:

$$VI_t = \boldsymbol{a} + \boldsymbol{b}(L)VI_{t-1} + \boldsymbol{f}LEADER_t + \boldsymbol{h}TIME_t + \boldsymbol{g}ECO_{t-1} + \boldsymbol{d}(PARTY*ECO)_{t-1} + u_t \qquad (1)$$

where VI_t, the dependent variable, is the percentage of vote intentions for the party under consideration at time t, and $(L)VI_{t-1}$ are lags of the dependent variable.

Leader characteristics are taken into account by including a vector of dummy variables for the party leaders (*LEADER*). In this way, we control for personality factors that may influence vote intentions. In fact, electoral scholars commonly accept that more popular leaders increase party vote intentions.[4] Table 3 describes the parties' leaderships during the period under consideration.

[Insert table 3 about here]

Time in office (*TIME*) can influence vote intentions in several ways. First, recently elected parties may benefit from a honeymoon period with the electorate. We control for honeymoon effects by including a variable that takes the value of six in the first month of each term, declines to one in the sixth month and takes the value of zero thereafter. Second, ruling is costly in terms of popularity and, therefore, we expect vote intentions to decline with time in office. This is controlled by including a variable measuring the number of months in office or dummy variables for each term in office.

According to the responsibility hypothesis, vote intentions depend on *evaluations of the incumbent performance,* with both national ("sociotropic" voter) and personal conditions ("egotropic" voter) being influential. The vector of variables (*ECO*) we use to measure economic conditions includes the unemployment rate, the inflation rate, and the confidence index. The first two reflect national conditions while the latter considers both.[5] All variables are one month lagged since it takes time for economic data to be released and for individuals to realise changes in economic conditions.

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[4] See Lanoue and Headrick (1994) for a study focusing on Great Britain.
[5] The confidence index is a weighted average of consumer responses to a set of five questions regarding personal and national, present and future, economic conditions.

Because individuals' vote intentions may depend upon *partisan considerations* (Swank, 1993), the economic variables are multiplied by dummy variables indicating which party was in office (*PARTY*ECO*). The underlying idea is that since left-wing incumbents concentrate in improving real conditions, while conservative parties are more concerned with controlling inflation (Hibbs, 1977), the demand for the type of policies each party advocates increases when the economic variables they are more concerned with (unemployment, growth, etc.) get worse. Therefore, we expect left-wing oriented parties to benefit from increases in unemployment, and right-wing parties to gain support when inflation rises.

Results

In this section we present OLS estimations of the model described above. We start by considering as dependent variable the vote intentions for the governing party. Then, we consider the government lead over the main opposition party and, finally, the vote intentions for the opposition parties.[6]

Vote intentions for the governing party

Since June 1986, our first observation, only two parties have been in power (the PSD, from 1985 to 1995; and the PS, since 1995), and all governments were single party. Results for our first set of estimations, which uses as dependent variable the percentage of vote intentions for the party in government, are shown in table 4.

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[6] Unit-root tests performed for these series indicate that all of them are stationary.

[Insert table 4 about here]

In the estimation reported in column 1, we use as independent variables the first lag of the dependent variable (*VI_GOV*),[7] a dummy (*Guterres*) that takes the value of one when Guterres is Prime Minister and zero otherwise, two variables accounting for honeymoon effects for the two parties (*H_PS* and *H_PSD*), the number of months in office (*Time_Gov*), and the one-month lagged values of the inflation rate (*Inflation*),[8] the unemployment rate (*Un_Rate*), and the confidence index (*Conf_Index*). Results show that vote intentions for the party in office are positively affected by their value in the last month and by honeymoon effects (only for the PSD). They also suggest that vote intentions are smaller when Guterres is Prime Minister (PS is in office), and that they tend to decrease with time in office and with increases in inflation or unemployment. Results regarding inflation and unemployment clearly support the responsibility hypothesis. As the confidence index does not seem to influence vote intentions, it was excluded from the following estimations.[9]

Then, we use alternative variables to control for the effects of time in office. Separating time in office for the PS and the PSD (*Time_Gov_PS* and *Time_Gov_PSD*) reveals that only the latter is statistically significant (column 3). When using dummy variables for terms in office (column 4), there is clear evidence of vote intentions decreases over consecutive terms, and that both PS mandates were less popular than the first two PSD mandates.[10]

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[7] The number of lags of the dependent variable was chosen according to their statistical significance, in order to minimize the Schwarz Bayesian Information Criterion (SBIC), and to avoid problems of autocorrelation.

[8] The inflation rate is defined as the percentage change in the Portuguese consumer price index since the same month of the previous year (homologous inflation rate).

[9] When the confidence index is excluded from the estimation of column 1, t-statistics for the other variables and the F-statistic of the equation rise and the SBIC falls (see column 2).

[10] The term left out of the regression was PSD's first (*Term1_PSD*). The dummy variable *Guterres* was not included in this estimation because it is equal to the sum of *Term1_PS* and *Term2_PS.*

Partisan effects are taken into account in the estimation of column 5 by multiplying the economic variables by a dummy variable that takes the value of one when PS is in office.[11] Results indicate that voters do not tend to distinguish between PS and PSD governments when penalising them for higher inflation, whereas there is weak evidence that PS governments tend to be more penalised for increases in unemployment. Therefore, we do not find support for Swank's partisan (1993) hypothesis. Alternatively, we think that since the socialist political program attributes higher priority to improvements in real economic conditions than the social democratic program, Portuguese voters interpret a rise in the unemployment rate during a socialist government as revealing more government incompetence than if it had occurred during a social democratic incumbency. They, therefore, penalise more PS governments than a PSD governments for increases in the unemployment rate.[12]

Government lead over the major opposition party

Table 5 shows the results of four estimations using as dependent variable the difference between the percentage of vote intentions for the party in office and that for the major party in the opposition.

[Insert table 5 about here]

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[11] The resulting variables are: (*Inflation*PS*), (*Unemp_Rate*PS*), and (*Conf_Index*PS*).

[12] Other economic variables for which monthly data is available, such as the change in the industrial production index or in the real exchange rate, were added to the estimations. Results, not reported here, did not change significantly.

Results further confirm those reported in table 4. As before, there is strong evidence supporting that the first lag of the dependent variable and the honeymoon variable for the PSD have positive effects on government lead. Furthermore, government lead is lower when Guterres is prime minister and tends to decrease with time (months) in office, inflation, and unemployment. It is also worth mentioning that the honeymoon variable for the PS governments and the confidence index[13] are not statistically significant, as happened in the estimations reported in table 4.

When controlling for partisan effects (columns 3 and 4), there is strong evidence that the government lead decreases more during socialist governments than during social democratic incumbencies when unemployment rises. There is also weak evidence that the government lead of PS governments tends to decrease when the confidence index increases. On what concerns inflation increases, voters do not seem to discriminate between PS and PSD governments.

Vote intentions for the opposition parties

Finally, we decided to analyse vote intentions for the opposition parties. First, using as dependent variable the vote intentions for the major opposition party,[14] and as explanatory variables those used in the estimations reported in table 4. As expected, the significance of the variables was the same as for vote intentions for the governing party, and the signs of the estimated coefficients were symmetrical.[15]

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[13] As happened in table 4, when the confidence index is excluded from the estimation of column 1, t-statistics for most of the other variables and the F-statistic of the equation rise and the SBIC falls (see column 2).

[14] From 1986 to October 1995, the Socialist Party and, since then, the Social Democratic Party.

[15] Since results are very similar to those of table 4 (with the inverse signs), they are not reported here. They are, however, available from the authors upon request.

Then, we performed estimations for the other two important opposition parties, CDS/PP and PCP. Recall that these two parties were never in office during the period under analysis. Therefore, their vote intentions were modelled as functions of previous values of the vote intentions, leader characteristics, and economic variables. Results are shown in table 6.

[Insert table 6 about here]

Two main conclusions are suggested by the analysis of these estimations. First, vote intentions on CDS/PP and PCP do not seem to be affected by their leaders' personality. Second, both parties get higher vote intentions when the economy gets worse: the CDS/PP benefits from decreases in the confidence index, while the PCP gains from inflation or unemployment increases. These results provide some additional evidence in favour of the responsibility hypothesis. Voters blame incumbent parties for bad economic results and, therefore, during economic hardships, opposition parties' proposals receive more support.

Conclusions

The main objective of this paper was to investigate the determinants of vote intentions in Portugal. Do vote intentions depend on who is leading the party? Do the Portuguese blame incumbents for the evolution of the economy? Does time in office influence vote intentions? These are some of the questions that provided the starting point for the research. Then, we used an unexplored data set consisting of vote intentions obtained from monthly polls performed since 1986 until present, to conduct a series of estimations of voting functions for Portuguese political parties.

Our results provide an additional light on the interactions between economics and politics in Portugal. In previous research, Veiga (1998) estimated popularity functions for the main political entities in Portugal: the President of the Republic, the Prime Minister, the Government and the Parliament. The results strongly favoured the responsibility hypothesis, with unemployment, and to a lesser extent inflation, affecting popularity levels. Results found in this paper corroborate this conclusion: vote intentions in the incumbent party increase when the economy is performing well, while vote intentions in the opposition rise in the reverse case. We also found evidence that a rise in the unemployment rate exerts a stronger influence on vote intentions than a similar rise in the inflation rate. On what concerns partisan considerations, results suggest that the socialists are more penalized for rises in unemployment than the social democrats, which contradicts Swanks (1993) partisan hypothesis.

Our analysis also reveals that: (1) PS governments had less electoral support than PSD governments; (2) PSD governments enjoyed a honeymoon period with the electorate during the first months of incumbency while PS governments did not; (3) vote intentions in incumbent parties tend to decrease with time in office.

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Table 1: **Legislative electoral results**

	PS	**PPD/PSD**	**CDS/PP**	**AD**	**PCP**
1976	34,98%	24,03%	15,89%	-	14,5%
1979	27,43%	-	-	42,24%	18,96%[2]
1980	27,13%[1]	-	-	44,4%	16,92%[2]
1983	36,35%	27,04%	12,38%	-	18,2%[2]
1985	20,82%	29,79%	9,74%	-	15,55%[2]
1987	22,3%	50,15%	4,34%	-	12,18%[3]
1991	29,25%	50,43%	4,38%	-	8,8%[4]
1995	43,85%	34%	9,09%	-	8,61%[5]
1999	44%	32,3%	8,4%	-	9%[5]

Notes: PS – Socialist Party; PPD/PSD – Popular Democratic Party / Social Democratic Party; CDS/PP – Social Democratic Center / Popular Party; AD - Democratic Alliance (PSD + CDS + PPM - Monarchic Popular Party); PCP – Portuguese Communist Party.

[1] Socialist Revolutionary Front (FRS): PS + small socialist parties.

[2] Popular Unity Alliance (APU): PCP + MDP/CDE (Portuguese Democratic Movement).

[3] Unitary Democratic Coalition (CDU): PCP + dissidents of MDP + PEV (Green-Ecologist Party).

[4] PCP + PEV

Table 2: **Legislative elections and parties in government**

Dates of elections	Winning party	Share in Parliament	Prime Minister	Form of government
October 5, 1985	PSD	34%	Cavaco Silva	One party, minority
July 19, 1987	PSD	59%	Cavaco Silva	One party
October 6, 1991	PSD	58%	Cavaco Silva	One party
October 1, 1995	PS	48%	António Guterres	One party, minority
October 10, 1999	PS	50%	António Guterres	One party

Note: PSD – Social Democratic Party; PS – Socialist Party.

Table 3: **Party leaders since June 1986**

PS		PSD		CDS/PP		PCP	
Leader	*Period*	*Leader*	*Period*	*Leader*	*Period*	*Leader*	*Period*
Victor Constâncio	6/86 - 12/89	Cavaco Silva	5/85-1/95	Adriano Moreira	10/1985-1/1988	Álvaro Cunhal	Until 11/92
Jorge Sampaio	1/89-1/92	Fernando Nogueira	2/95-3/96	Freitas do Amaral	2/88-10/91	Carlos Carvalhas	12/92-present
António Guterres	2/92 - present	Marcelo Rebelo de Sousa	4/96-3/99	Adriano Moreira	11/91-2/92		
		Durão Barroso	4/99 - present	Manuel Monteiro	3/92-2/98		
				Paulo Portas	3/98-present		

Table 4: **Vote Intentions for the Party in Government**

	1	2	3	4	5
Constant	33.41 (5.53)***	33.70 (5.69)***	31.73 (5.21)***	23.64 (5.15)***	34.50 (5.36)***
VI_GOV (-1)	.52 (9.13)***	.52 (9.21)***	.52 (9.21)***	.45 (5.80)***	.49 (8.55)***
VI_GOV (-2)				.15 (2.04)**	
Guterres	-5.56 (-2.85)***	-5.66 (-2.96)***	-6.28 (-3.20)***		-4.00 (-1.04)
H_PS	-.07 (-.27)	-.07 (-.30)	-.09 (-.36)	.01 (.06)	-.11 (-.49)
H_PSD	1.18 (5.35)***	1.20 (5.59)***	1.28 (5.76)***	1.60 (6.72)***	1.25 (5.62)***
Time_Gov.	-.08 (-3.93)***	-.08 (-4.48)***			-.09 (-4.63)***
Time_Gov_PS			-.04 (-1.32)		
Time_Gov_PSD			-.08 (-4.39)***		
Term2_PSD				-3.33 (-2.95)***	
Term3_PSD				-5.48 (-3.70)***	
Term1_PS				-4.21 (-2.14)**	
Term2_PS				-5.75 (-2.18)**	
Inflation (-1)	-.67 (-3.26)***	-.67 (-3.27)***	-.60 (-2.84)***	-.32 (-1.73)*	-.69 (-3.10)***
(Inflation*PS) (-1)					.91 (1.38)
Unemp_Rate (-1)	-.69 (-2.04)**	-.74 (-2.72)***	-.53 (-1.67)*	-.46 (-1.72)*	-.59 (-1.79)*
(Unemp_Rate*PS) (-1)					-.75 (-1.92)*
Conf_Index (-1)	.01 (.27)				
Adjusted R^2	.77	.77	.77	.74	.77
F-Statistic	70.5***	88.0***	71.5***	48.0***	64.7***
Schwarz B.I.C.	414.2	411.6	413.3	408.6	414.2
# Observations	164	164	164	160	164

Sources: OECD-MEI, Expresso, and National Elections Commission.

Notes: - t-statistics are in parentheses;
 - significance level at which the null hypothesis is rejected: ***, 1%; **, 5%, and *, 10%;
 - models estimated by OLS.

Table 5: **Government lead over the major opposition party**

	1	2	3	4
Constant	33.31	32.21	29.07	31.91
	(4.56)***	(4.66)***	(3.84)***	(4.12)***
Gov_Lead (-1)	.53	.53	.51	.48
	(9.13)***	(9.20)***	(8.70)***	(7.91)***
Guterres	-10.34	-10.01	-3.06	-3.82
	(-3.56)***	(-3.57)***	(-.55)	(-.69)
H_PS	-.38	-.36	-.48	-.39
	(-1.03)	(-.99)	(-1.30)	(-1.07)
H_PSD	1.56	.51	1.68	1.73
	(4.84)***	(4.91)***	(5.24)***	(5.12)***
Time_Gov.	-.16	-.15	-.16	-.17
	(-4.90)***	(-5.29)***	(-5.19)***	(-5.15)***
Inflation (-1)	-1.20	-1.19	-1.10	-1.23
	(-3.98)***	(-3.96)***	(-3.37)***	(-3.70)***
(Inflation*PS) (-1)			.44	-.17
			(.47)	(-.17)
Unemp_Rate (-1)	-1.68	-1.53	-1.09	-1.17
	(-3.25)***	(-3.71)***	(-2.23)**	(-2.13)**
(Unemp_Rate*PS) (-1)			-1.28	-1.71
			(-2.25)**	(-2.82)***
Conf_Index (-1)	-.03			.01
	(-.46)			(.25)
(Conf_Index*PS) (-1)				-.31
				(-1.95)*
Adjusted R^2	.81	.81	.81	.82
F-Statistic	89.9***	103.2***	82.4***	68.7***
Schwarz B.I.C.	474.6	472.1	474.6	477.5
# Observations	164	164	164	164

Sources: OECD-MEI, Expresso, and National Elections Commission.

Notes: - T-statistics are in parentheses;
- Significance level at which the null hypothesis is rejected: ***, 1%; **, 5%, and *, 10%;
- Models estimated by OLS;
- Government lead was defined as the difference between the vote intentions for the party in government and the major party of the opposition.

Table 6: **Vote Intentions on CDS/PP and PCP**

	CDS/PP	CDU
Constant	.98	1.49
	(.82)	(2.59)**
Vote Int. (-1)	.56	.17
	(6.87)***	(2.36)**
Vote Int. (-2)	.11	.33
	(1.36)	(4.59)***
Leader1	-.62	-.38
	(-.44)	(-.70)
Leader2	-.31	
	(-.33)	
Leader3	-.15	
	(-.17)	
Leader4	-.58	
	(-1.00)	
Inflation (-1)	-.01	.16
	(-.13)	(2.52)**
Unemp_Rate (-1)	.14	.16
	(.63)	(1.93)*
Conf_Index (-1)	-.04	.02
	(-1.99)**	(1.55)
Adjusted R^2	.61	.57
F-Statistic	29.4***	36.2***
Schwarz B.I.C.	289.6	256.7
# Observations	160	160

Sources: OECD-MEI, Expresso, and National Elections Commission.

Notes: - T-statistics are in parentheses;
- Significance level at which the null hypothesis is rejected: ***, 1%; **, 5%, and *, 10%;
- Models estimated by OLS.

Table 6: **Vote Intentions for the major opposition party**

	1	2	3
Constant	-.751	.70	3.95
	(-.25)	(.24)	(1.23)
VI_Gov (-1)	.47	.49	.49
	(7.00)***	(7.53)***	(7.38)***
Guterres	5.54	4.86	-.31
	(3.79)***	(3.52)***	(-.11)
H_PS	.31	.28	.35
	(1.59)	(1.46)	(1.78)*
H_PSD	-.42	-.34	-.46
	(-2.50)**	(-2.16)**	(-2.74)***
Time_Gov.	.09	.08	.07
	(5.31)***	(5.50)***	(5.16)***
Inflation (-1)	.61	.58	.47
	(4.13)***	(3.95)***	(2.98)***
Inflation*PS (-1)			.38
			(.78)
Unemp_Rate (-1)	1.13	.87	.58
	(3.98)***	(4.06)***	(2.28)**
Unemp_Rate*PS (-1)			.55
			(1.83)*
Conf_Index (-1)	.04		
	(1.39)		
Adjusted R^2	.73	.72	.73
F-Statistic	56.1***	63.5***	50.7***
Schwarz B.I.C.	370.8	369.3	372.0
# Observations	164	164	164

Sources: OECD-MEI, Expresso, and National Elections Commission.

Notes: - t-statistics are in parentheses;
    - significance level at which the null hypothesis is rejected: ***, 1%;
    **, 5%, and *, 10%;
    - models estimated by OLS.

Table 7: **Vote Intentions for the two major parties (PS and PSD)**

	1 PS	2 PS	3 PS	4 PSD	5 PSD
Constant	8.40 (3.57)***	7.81 (2.85)***	7.75 (2.84)***	10.89 (4.95)***	9.59 (2.86)***
Vote Int. (-1)	.48 (5.92)***	.46 (5.59)***	.47 (5.76)***	.38 (4.88)***	.37 (4.63)***
Vote Int. (-2)	.19 (2.36)**	.19 (2.32)**	.17 (2.18)**	.17 (2.27)**	.17 (2.37)**
Government	2.41 (2.76)***	3.94 (1.46)	4.27 (1.59)	5.35 (2.89)***	7.21 (1.37)
Honeymoon	.27 (1.23)	.26 (1.18)	.27 (1.24)	1.52 (6.10)***	1.50 (5.83)***
Leader1				-2.19 (-1.02)	-2.79 (-1.03)
Leader2	-3.42 (-3.51)***	-3.79 (-3.36)***	-4.22 (-4.48)***	-4.71 (-2.68)***	-5.55 (-2.36)**
Leader3	-1.36 (-1.56)	-1.27 (-1.42)	-1.48 (-1.78)*	-.93 (-1.04)	-1.55 (-1.10)
Inflation (-1)	.20 (1.58)	.24 (1.70)*	.23 (1.62)	-.09 (-.63)	1.17 (1.45)
Inflation*Gov (-1)		.80 (1.41)	.55 (1.04)		-1.28 (-1.54)
Unemp_Rate (-1)	.23 (1.15)	.42 (1.39)	.55 (2.15)**	.74 (3.11)***	.80 (1.41)
Unemp_Rate*Gov (-1)		-.30 (-.75)	-.54 (-1.57)		.04 (.07)
Conf_Index (-1)	-.02 (-.66)	-.02 (-.69)		.11 (2.54)*	.25 (1.98)**
Conf_Index*Gov (-1)		.12 (1.42)			-.13 (-.99)
Adjusted R^2	.86	.86	.86	.82	.82
F-Statistic	109.8***	83.6***	100.1***	76.3***	59.0***
Schwarz B.I.C.	367.6	372.7	368.8	406.7	412.5
# Observations	160	160	160	160	160

Sources: OECD-MEI, Expresso, and National Elections Commission.

Notes: - T-statistics are in parentheses;
- Significance level at which the null hypothesis is rejected: ***, 1%; **, 5%, and *, 10%;
- Models estimated by OLS.

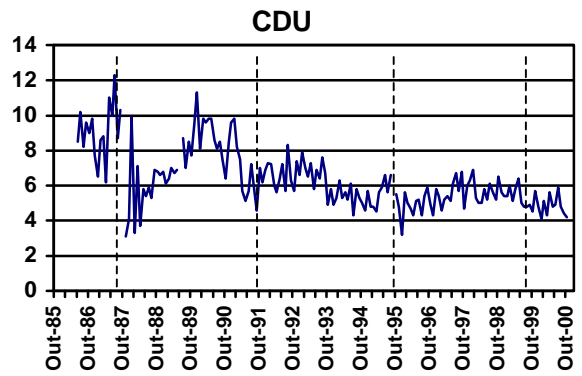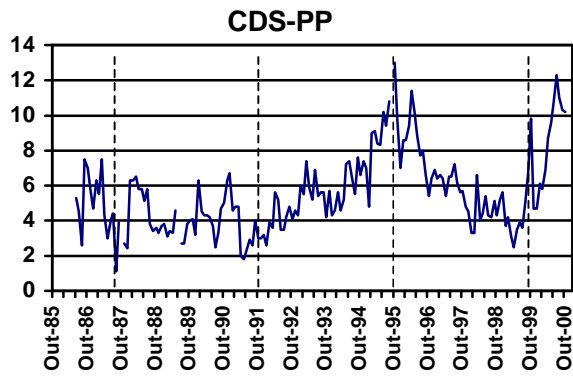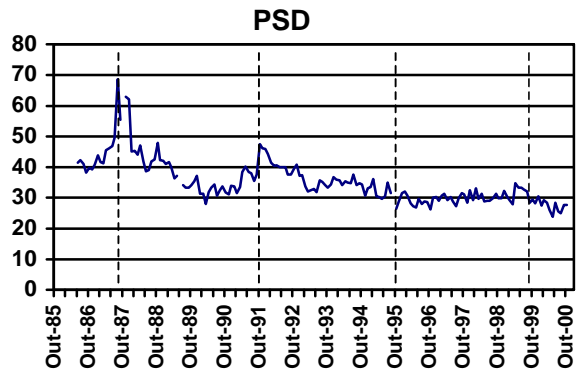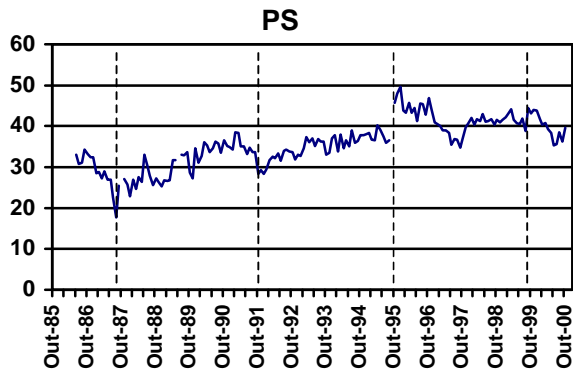### *Table 8:* Vote Intentions for CDS/PP and CDU

	1 CDS/PP	2 CDS/PP	3 CDU	4 CDU
Constant	.98 (.82)	1.41 (3.36)***	1.49 (2.59)**	1.42 (2.47)**
Vote Int. (-1)	.56 (6.87)***	.57 (7.06)***	.17 (2.36)**	.20 (2.79)***
Vote Int. (-2)	.11 (1.36)	.13 (1.64)	.33 (4.59)***	.35 (4.96)***
Leader1	-.62 (-.44)	-.23 (-.54)	-.38 (-.70)	.24 (.64)
Leader2	-.31 (-.33)	-.31 (-.96)		
Leader3	-.15 (-.17)	-.16 (-.22)		
Leader4	-.58 (-1.00)	-.45 (-1.44)		
Inflation (-1)	-.01 (-.13)		.16 (2.52)**	.10 (1.97)*
Unemp_Rate (-1)	.14 (.63)		.16 (1.93)*	.09 (1.28)
Conf_Index (-1)	-.04 (-1.99)**	-.05 (-2.95)***	.02 (1.55)	
Adjusted R^2	.61	.61	.57	.56
F-Statistic	29.4***	37.8***	36.2***	42.6***
Schwarz B.I.C.	289.6	285.2	256.7	255.4
# Observations	160	160	160	160

Sources: OECD-MEI, Expresso, and National Elections Commission.

Notes: - T-statistics are in parentheses;
- Significance level at which the null hypothesis is rejected: ***, 1%; **, 5%, and *, 10%;
- Models estimated by OLS.

Appendix 1

Vote intentions for the four main political parties

PS

PSD

CDS-PP

CDU

Economic data

Confidence Level

Monthly inflation

Monthly unemployment rate

Monthly growth of IPI