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The Corrective Effect of Ministerial Resignations on Government Popularity

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Using data from the United Kingdom, we estimate the effects of ministerial resignation on government popularity. We test a counterfactual argument that resignations should have a corrective effect, that is, there is an increase in popularity following a resignation when taking into account the negative effect on popularity of the resignation issue. We get empirical estimates by using the age of ministers involved in resignation issues as an instrument. Our IV estimates provide empirical support for the corrective effect.

Why Do Ministers Resign?

Democratic governments take a keen interest in their popularity as shown in poll data. Whilst governments are prepared to push through policies that might seem unpopular in the short-term, they are loathe to behave in ways which court unpopularity in the long-term. Also, of course, governments try to produce and present policies which enhance their overall popularity. Nevertheless, most of the comparative literature treating government popularity as a function of fiscal performance views that popularity as being largely outside the control of governments (Anderson 1995; Kirschgassner 1985; Lewis-Beck 1986; Price 1993). The political-business cycle literature suggests that governments do attempt to tweak the economy to fit in with the cycle of elections, but the prevailing view is that no matter how much governments try to do this (and anecdotal and interview evidence suggests they do try) they are not very successful at doing so (see the essays in Alesina and Rosenthal 1989, 1995; Frey 1997). Similarly, the literature examining government termination in terms of exogenous shocks does not address how governments might recombine in order to shore up their popularity (Laver and Shepsle 1996, 1998; Lupia and Strom 1995). In short, surprising as it may seem, there is as yet no compelling evidence that governments can and do take actions which will affect their popularity. This lacuna is strange since there are variables which are directly controllable by governments and which could affect their popularity. In parliamentary democracies the composition of the government is directly controlled by the Prime Minister, albeit under constraints which may be imposed by coalition partners and party factions. Ministers thought to be failing in some aspect of their job can be replaced by other ministers which should have some effects on government popularity.

In this article we examine the effects on government popularity of individual ministerial resignations using data from the United Kingdom. We argue that although a government's popularity may fall due to some crisis or problem in the government machine, it is not powerless in the face of such difficulties, even when they arrive unexpectedly. Where failings occur, especially in a strong executive system such as the United Kingdom, accountability can be directed at specific ministries and ministers. The government as a whole can pin blame on individual ministers and deflect criticism and subsequent falls in popularity by sanctioning or removing the minister concerned. In the United Kingdom, as in other countries such as Australia, Canada, and South Africa, "individual ministerial responsibility" has a strong heritage and, according to constitutional convention, ministers are supposed to carry

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the can for personal or administrative failings within their departmental brief (Blick 1999; Bogdanor 1997; Finer 1956; Fry 1969–70; Jordon 1983; Marshall 1984, 1991, 1989; Scott 1996; Ventnor 1993; Weller 1999). Whether a minister should resign—a normative question—has received far more attention in the literature than explaining why they do resign (see, however, Dowding 1995 ch. 8; Dowding and Kang 1998a) or what the effects of resignations are.

We hypothesize that individual ministerial resignations in parliamentary democracies are designed to increase government popularity, or more precisely, to provide a corrective device against falls in popularity due to the government's perceived failings. At first the hypothesis may seem counterintuitive. In parliamentary democracies the resignation of a minister is big news. Certainly, when the minister is a full member of the cabinet, or the issue over which s/he resigns is controversial or scandalous, media coverage is ubiquitous. Governments' tend to batten down the hatches to weather the storm created by resignations and try to produce some good news or new policy initiatives to move media attention on to better issues. In other words resignations are usually viewed as bad news for a government. Indeed, in a recent paper McAllister (2001) finds a positive correlation between ministers resigning and the popularity of the Australian federal government, 1968–2001.

However, this first intuition regarding how the public should view resignations should be disregarded. Obviously, the resignation of a minister signals that there is a problem in the government machine but we should expect that it is the problem that causes the drop in popularity, not the resignation itself. Prime Ministers' should expect to be rewarded if they act decisively in firing a problem minister or remodeling a cabinet. Simply correlating resignations with popularity is not enough. The correct way to think about government popularity following a resignation is to imagine how popular it would have been had the same problem arisen and the minister not resigned. In that sense, it is the issue—be it a private or public scandal, a policy failure or bad performance, or an internal policy disagreement—which is bad for a government. A resignation acts as a corrective device to enhance popularity relative to what it would be without the resignation. Indeed, if that were not the case, then we might not expect to see resignations at all.[1]

We provide an empirical test of what we call the "corrective effect" of ministerial resignations based on data on individual ministers in the United Kingdom from 1955 to 1998. The United Kingdom is an ideal test case for a number of reasons: first, the country has a strong executive with parliamentary system of government; secondly the United Kingdom has cabinet government with a strong prime minister who is *primus inter pares*. Empirical evidence from the United Kingdom suggests that the support of the Prime Minister is a critical factor in determining whether a minister does or does not resign (Dowding and Kang 1998a,b). Finally, single-party government is the rule in the United Kingdom (only single-party governments were formed during the time period we analyze, 1955–1998). The Prime Minister does not have to worry about placating other parties in government if s/he chooses to fire a minister. Given these features of the political system, it is the responsibility of the Prime Minister as *de facto* chief executive to ensure ministers perform well. In the United Kingdom we should expect that there is a link between cabinet ministers' performance and the level of government support; moreover, there should be a direct effect between the Prime Minister's decision either to support or to fire a minister in trouble and the level of government popularity.[2]

To analyze our counterfactual claim that resignations have a corrective effect on government popularity we have used newspaper sources to identify when a "resignation issue" such as financial or sexual scandal, policy failure, bad performance, or internal policy disagreement has occurred. We define a resignation issue as an issue deemed serious enough for a call to be made for the minister to resign (or "consider his position" or some such phrase). We have also included cases where a minister was severely criticized for some action by a member of Parliament (ignoring ritual catcalls), by organizations

[1]An analogy between electoral markets and equity markets may help illustrate this point. Suppose that a management shake-up takes place in a company in seemingly good health. Equity markets may interpret such actions as a signal of underlying problems and respond negatively. If, however, the management shake-up occurs after a damning report on the company's finances, the markets may respond positively. Investors will make their decisions based on the information they have which will color their attitude to remedial actions.

[2]One might query the use of the word "fire" together with the term "resignation." In the British case at least, the proper term for a minister being "fired" is a "resignation." Constitutionally a minister holds his position at the pleasure of the Crown and is appointed on the recommendation of the Prime Minister (Jennings 1959). A minister can be dismissed on the recommendation of the Prime Minister where a minister had refused to resign and in that case the term "resignation" would be inappropriate. However, such cases are almost unknown, and Prime Ministers prefer an amicable exchange of letters where the minister proffers her resignation (Alderman and Cross 1985). Earlier research has demonstrated that the Prime Minister is the key actor in resignations. Prime Ministers' tend to publicly support ministers and when they do not actively support the minister s/he is almost eight times more likely to resign than when that support is not forthcoming (Dowding and Kang 1998a, b).

outside parliament, or by the media (see the appendix for details).[3] From our set of "Resignation issues" we code as "Resignations" those where the minister resigns immediately following these calls or as a "Nonresignation" if s/he does not. There are a few cases in our data where ministers resign without an explicit call being made for their resignation, but in each of these cases the issue over which the minister resigns is public knowledge and so we can still estimate a corrective effect. For example, no minister can vote against the government under collective responsibility. A minister who plans to vote against the government must resign. Although no explicit call is made in such a case we can still estimate the corrective effect since the resignation issue, in this case policy disagreement within the cabinet, is known to the public at the time of the resignation. In such cases our counterfactual argument still holds—resignations should have a corrective effect since they adjust for what the popularity of the government would have been without the resignation (that is, had the troublesome minister remained in the cabinet). Correspondingly, we have removed from our data all cases where we cannot identify a corresponding resignation issue. For example, where a minister resigns citing personal reasons and where no explicit call has been made for the resignation then it is not possible to identify any corrective effect of the resignation.[4]

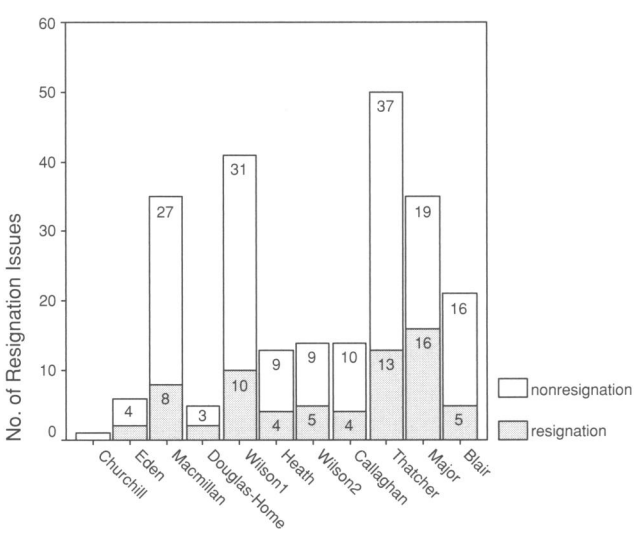
Empirical identification of the corrective effect is not straightforward. We believe that a resignation will correct for the effects of scandal, dissension, policy failures, and/or bad performances. This implies that the Prime Minister has a greater incentive to fire a minister when support for the government has fallen due to the impact of these factors. As such, empirical estimates of the corrective effect are likely to be biased if there is indeed a causal relationship which runs from the level of support to the likelihood of a resignation. In order to identify the corresponding correction in support leading from a resignation, we use Instrumental Variables (IV) estimation. As instruments we use the average age of the ministers involved in resignation issues. There are good reasons to suppose that age will be correlated with resignations. Young ministers, particularly junior ones, may be more willing to resign in the belief that they can resurrect their ministerial career later. Indeed sometimes a resignation at an early stage in one's political career may bring political advantages later. Famous examples of such resignations include Winston Churchill, Anthony Eden, and Harold Wilson who all later became prime ministers. The latter two almost certainly gained prestige in their party from their earlier principled resignations. The first-stage regressions in our empirical model indicate that the relationship between these variables is correctly identified when we include a term for age and a quadratic term for age also. Although there is a negative relationship between age and resignations, the strength of this negative relationship grows weaker as ministers get older.

We find that for cases where the resignation issue has received a lot of media attention, there is indeed evidence of a corrective effect: quarterly support for the government adjusts upwards if a resignation occurs. Where the issue receives less attention we find the opposite effect: resignations which receive little attention lead to a decrease in quarterly support for the government. We find further that resignations which lead to a decrease in support for the government tend to be over policy disagreements within the government and tend to involve lower ranking cabinet ministers.

Empirical Evidence

From the full set of resignations we have removed cabinet reshuffles and some retirements (where there was no resignation issue). Figure 1 looks at the aggregate number

FIGURE 1 Resignation Issues by Prime Minister 1955–98



[3] In the push and pull of party politics in the United Kingdom, most actions of ministers are praised by some and criticized by others. We concentrate on those criticisms which are serious enough to raise the issue of the minister's resignation.

[4] It is of course possible that a minister who cites personal reasons for resignation may be involved in a scandal which only comes to light after the minister has left the government. In such a case the resignation cannot have a corrective effect since the information about the minister's deeds was not available at the time of resignation.

of cases within each administration. Margaret Thatcher's long administration has the largest number of resignation issues overall. However, on an annual basis the number of resignation issues has increased over the past three administrations. John Major's administration (1990–97) is notable in that the number of resignations is only slightly lower than the number of nonresignations (16 resignations, 19 nonresignations). All other Prime Ministers have a far lower resignation to nonresignation ratio.

A resignation issue may be of greater or lesser significance. A call for resignation which comes from the opposition. Moreover some calls for resignation receive very little attention from the media; the first the public may know about a particular issue is when a minister actually resigns. To distinguish the effects of these different cases we have coded all cases in terms of their media coverage. We classify an issue as one of high coverage that has been featured on the front page and/or editorial of *The Times* newspaper, the main source for our data (see appendix for more detail). Figure 2 shows the number of high coverage resignation issues which arose in each parliament and how many of these lead to resignation.

Intuition suggests that a resignation issue will affect the government's popularity, but we do not believe that this is constant; rather it will vary with the corrective effect of a corresponding resignation(s). In order to ensure unbiased estimates of this corrective effect we include a relatively rich set of variables which take into account prevailing economic and political conditions. To take account of objective economic and political conditions, we follow Pissarides (1980) who estimates the effects of current objective economic indicators on the government's lead over the opposition. We include variables for the percentage change in consumption expenditure, for the first difference in the spot dollar exchange rate, for the number of claimants of unemployment benefit, for inflation measured by the percentage growth in the GDP deflator, and for the total revenue from income and expenditure taxes. Following Pissarides we also include a term to measure the time in quarterly periods to the nearest election. We also control for other political effects: we include a dummy "Labour in power" measured 1 when there is a Labour government and 0 otherwise; a variable "Terms in power" which measures the number of consecutive terms a single party has been in power; and a dummy "At war" measuring 1 for the periods of the Falklands and the Gulf wars and 0 otherwise. These data are explained more fully in the appendix. Although Figures 1 and 2 show the data aggregated within each parliament, for statistical purposes we require higher frequency data. We estimate the corrective effect of ministerial resignations on quarterly government popularity and the descriptive statistics are provided in Table 1.

FIGURE 2 Resignation Issues (High Press Coverage) by PM 1955–98

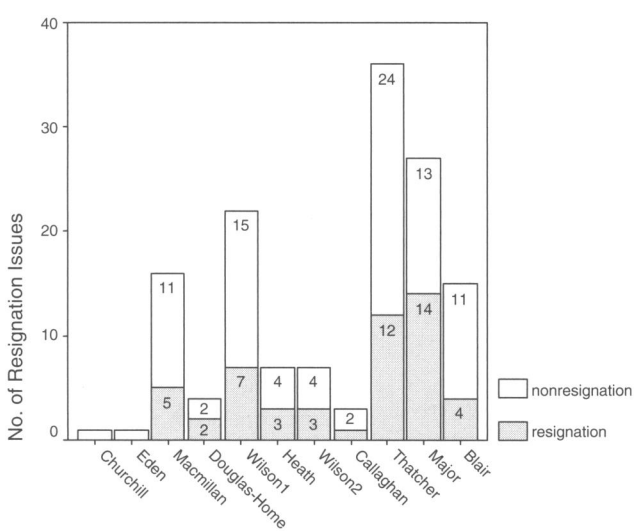


TABLE 1 Descriptive Statistics

Variables	Measure	Mean	St. Dev.
Political			
Resignations	No. in quarter	0.419	0.719
Resignation issues	No. in quarter	1.430	1.593
Economic			
Inflation	% change in deflator	−0.004	1.410
Unemployment	Increase in claimants	1.334	0.970
Total Revenue	Ratio of revenue to GDP	99.745	0.254
Exchange Rate	Difference in spot dollar ER	− 0.003	0.074
Consumption	Difference in expenditure (seasonally adjusted)	0.633	1.196
Instruments			
Age	Average age of minister	52.562	4.507
Age squared		2783.00	448.346

We can estimate the corrective effect of ministerial resignations on quarterly government popularity with the following ordinary least-squares regression

$$\begin{aligned} L_q = {} & \alpha_1 + \alpha_2(ECON_{iq}) + \alpha_3(POL_{iq}) + \alpha_4(RES_q) \\ & + \alpha_5(RES.ISSUE_q) + \alpha_6(HCRES.ISSUE_q) \\ & + \alpha_7(RES_q * RES.ISSUE_q) \\ & + \alpha_8(RES_q * HCRES.ISSUE_q) + u_q. \end{aligned} \quad (1)$$

Here L_q is the government's quarterly lead, $ECON_{iq}$ a vector for the economic effects of inflation, the exchange rate, unemployment, total revenue, and consumption in the quarter; POL_{iq} a vector of the political effects of the dummy variables for "Party in Power," "Consecutive Terms in Power," and "At War"; RES_q the number of resignations in the quarter; $RES.ISSUE_q$ the number of resignation issues in the quarter; and $HCRES.ISSUE_q$ is a dummy indicating whether a resignation issue receiving high coverage has occurred in the quarter. Our main concern is with the interaction terms involving RES_q on the right-hand side of (1). These indicate whether the effect of a resignation issue on government popularity is constant or whether there is a corrective effect due to resignation as hypothesized. Equation (1) is estimated in model 1 in Table 2 below. The estimated variance of the coefficients in this model will be biased if lags of the endogenous variable are correlated with the error term. To control for first-order serial correlation $L_{q,t-1}$ can be added to the RHS of Equation (1), and this is the second model in Table 2. The third model estimated in Table 2 is the most fully specified, including the variables "At War," "Labour in Power," "Nearest Election," and "Consecutive Terms in Power."

The Durbin Watson statistic for model 1 would lead us to reject the null hypothesis of no serial correlation in the error terms. However, with the $L_{q,t-1}$ term in models 2 and 3, the Durbin h statistic would lead us to fail to reject the null hypothesis of no first-order serial correlation and so the estimates of these models should not be biased due to correlation in the error terms. The significant effects of "Labour in Power" and "Consecutive Terms in Power" in model 3 leads us to suspect, however, that the estimates in model 2 may be biased due to the omission of these variables. Model 3 then provides the best OLS estimates we have for the hypothesized corrective effect. The results are encouraging. We observe a positive corrective effect through the term $RES_q * HCRES.ISSUE_q$. For resignation issues which receive front page or editorial coverage there is a negative effect on government support of around 5% which is offset by a 6.4% point increase if there is a corresponding resignation.

The estimates in Table 2 may understate the true effect of resignations if, as intuition suggests, ministers are more at risk when the relative support of the government is low. If the government is polling poorly in comparison to the opposition or its lead is narrowing, the replacement of one minister by another may be seen as a short-term remedy. If this is so then the terms involving resignations in (1) will be correlated with the error term leading to inconsistent estimates of the effects of resignations on government popularity. If there is a negative relationship between the level of support for the government and the likelihood that a resignation occurs, the direction of the bias in the estimates will be downwards. Since we wish to estimate the short-term incentive for the Prime Minister to fire, IV regression presents a framework within which we can address this issue. We estimate an endogenous resignations model consisting of the following equations:

$$\begin{aligned} L_q = {} & \beta_1 + \beta_2 ECON_{iq} + \beta_3 POL_{iq} + \beta_4 RES_q \\ & + \beta_5 RES.ISSUE_q + \beta_6 HCRES.ISSUE_q \\ & + \beta_7(RES_q * RES.ISSUE_q) \\ & + \beta_8(RES_q * HCRES.ISSUE_q) + \hat{u}_q; \end{aligned} \quad (2)$$

$$RES_q = \gamma_1 + \gamma_2(Z_{iq}) + k_q; \quad (3)$$

$$RES_q * RES.ISSUE_q = \delta_1 + \delta_2(Z_{iq}) + w_q; \quad (4)$$

$$RES_q * HCRES.ISSUE_q = \eta_1 + \eta_2(Z_{iq}) + z_q. \quad (5)$$

Here Z_{iq} is a vector of instruments which affect resignations and the interactions with resignations. To identify Equation (2) we include in the vector of instruments the average age of the ministers involved in resignation issues as well as a term for average age squared. The options outside of a ministerial career should, one suspects, be correlated with age, whereas age should not have an effect on the governments's popularity. Hence in addition to the exogenous variables on the RHS of (2) we include the following terms in Z_{iq}: the average age and average age squared of all ministers involved in a resignation issue in each quarter; interaction term between average age and $RES.ISSUE_q$ and average age squared and $RES.ISSUE_q$; and interaction terms between average age and $HCRES.ISSUE_q$ and average age squared and $HCRES.ISSUE_q$. Thus Equations (3–5) each have six overidentifying restrictions.

In order for IV to provide consistent estimates they must be correlated with the RHS variables in the structural equation, but uncorrelated with its error term. This precludes the use of $L_{q,t-1}$ as an instrument. To overcome this problem we follow a three-stage procedure. We first-estimate Equations (3–5) with unadjusted variables

TABLE 2 OLS Estimates of Resignation Effects on Government Popularity

	(1)	(2)	(3)
Government support ($t-1$)		0.240	0.146
		(0.099)**	(0.092)
Resignation effects			
Resignations	−8.609	−8.111	−7.213
	(2.543)***	(2.279)***	(2.418)***
Resignation issue	1.907	1.544	1.342
High coverage resignation issue	(1.298)	(1.265)	(1.033)
	−3.906	−5.132	−5.053
	(2.902)	(2.711)*	(2.507)**
Resignation * Resignation issue	−0.584	−0.452	−0.501
	(0.553)	(0.522)	(0.462)
Resignation * High coverage	6.989	7.413	6.373
resignation issue	(3.288)**	(2.997)**	(2.950)**
Political effects			
Nearest election	−2.092	−1.838	−1.549
	(0.337)***	(0.298)***	(0.298)***
Consecutive terms in office			−3.133
			(1.322)**
Labour in power			12.733
			(4.927)**
Country at war			7.060
			(4.278)
Economic effects			
Unemployment	−1.331	−0.408	5.925
	(1.798)	(1.679)	(2.527)**
Inflation	−0.713	−0.477	−0.408
	(0.499)	(0.438)	(0.441)
Exchange rate	−3.561	−1.638	4.964
	(12.591)	(13.704)	(14.737)
Consumption growth	1.334	1.294	0.964
	(0.644)**	(0.646)**	(0.705)
Total revenue	3.265	0.080	4.050
	(7.295)	(7.042)	(6.836)
Durbin Watson	0.491		
Durbin Watson h		0.782	0.741
R^2	0.30	0.34	0.43
Observations	172	171	171

Notes: Robust standard errors in parentheses. *significant at 10%; **significant at 5%; ***significant at 1%. Quarterly dummies included in each model. Dummies for Change of government included in each model.

using IV procedures. From this regression we then get an estimate $\hat{\rho}$ of the first-order serial correlation from the regression of $\hat{u}$ on $\hat{u}_{t-1}$, $t = 2, \ldots, n$. We then construct the differenced variables by multiplying the values of each variable using the Prais-Winston transformation $(1-\hat{\rho}^2)^{\frac{1}{2}}$. We then estimate Equations (3–5) using the differenced variables to obtain consistent and unbiased IV estimates (Greene 2000, 688–89).

The instruments are valid only if there is indeed a strong correlation with the resignation terms. We show the first-stage regressions in Table 3. The sign of the estimated effects is expected. There is a negative correlation

TABLE 3 First-Stage Regressions of Age Effects on Resignations

	Resignation	Resignation * High Coverage Issue	Resignation * Resignation Issue
Age of minister involved	−0.006	−0.163	−0.934
	(0.164)	(0.151)	(0.595)
Age of minister * High coverage resignation issue	0.089	0.047	0.623
	(0.246)	(0.228)	(0.893)
Age of minister * Resignation issue	0.060	0.275	1.064
	(0.115)	(0.106)**	(0.418)**
Age^2	−0.000	0.002	0.009
	(0.002)	(0.002)	(0.006)
Age^2 * Resignation issues	−0.001	−0.003	−0.001
	(0.001)	(0.001)***	(0.004)**
Age^2 * High-coverage resignation issue	−0.000	−0.000	−0.006
	(0.002)	(0.002)	(0.009)**
Resignation issues	0.563	−5.547	−21.512
	(2.887)	(1.988)***	(17.422)
High-coverage resignation issue	−2.745	−0.847	−10.137
	(5.036)	(3.963)	(14.097)
R^2	0.49	0.53	0.62
Partial R^2	0.18	0.15	0.16
F-test	F(6,146) = 5.28	F(6,146) = 4.41	F(6,146) = 4.60
	Prob > F = 0.00	Prob > F = 0.000	Prob > F = 0.000
Observations	(172)	(172)	(172)

Notes: Robust standard errors in parentheses significant at 10%; **significant at 5%; ***significant at 1%. Additional instruments (Nearest Election, At War, Terms in power, Labour in power, Unemployment, Exchange Rate, Consumption, Inflation, Total Revenue, Dummies for quarter, and Dummies for quarter where change of government) included in each model.

between age and resignations in each of our first-stage estimations. The effect of the quadratic–age term is positive indicating the existence of a smaller second-order effect. The strength of the negative effect of age on resignations is decreasing with the age of the minister. The overall R^2 of each of these models is reasonably high and the F-tests on the variables which are excluded in the second-stage regression indicate that it is very unlikely that the age terms are not significantly correlated with resignations. Bound et al. (1995) also suggest that, to be valid as instruments, the variables which are excluded from the second-stage regression should improve the overall correlation; hence we also show the partial R^2, (the squared partial correlation between the instruments which are excluded in the second equation and the endogenous regressor). In addition to ensuring that the instruments are correlated with the endogenous terms in Equations (3–5) we also require that they are orthogonal to the error term in the popularity equation. Under the null hypothesis of valid instruments the Sargan test statistic, which is N times the R^2 from the regression of the residuals of the popularity equations on the instruments, follows the Chi-square distribution with degrees of freedom equal to the number of overidentifying restrictions which in this case equals 6. We also report Hansen's J statistic which unlike the Sargan statistic does not rely on the assumption of conditional homoskedacity (see Hayashi 2000). The Sargan and Hansen J statistics are presented in Table 4, and both would easily lead us to accept the null hypothesis of valid instruments.

Table 4 also presents the IV estimations. We find that if the resignation issue receives front page or editorial coverage support will adjust downwards (22%) with a corresponding upward adjustment of 37% if there is a resignation giving a corrective effect of around 15% if there is a single resignation issue in the quarter which is both high coverage and which leads to the resignation of the minister concerned. However, with the IV estimates we find that a resignation issue which does not receive front-page or editorial coverage has a *positive* effect on government support

TABLE 4 IV Estimates of Resignation Effects on Government Popularity

	(OLS)	(IV)
Government popularity ($t-1$)	0.146	
	(0.092)	
Resignation effects		
Resignation issues	1.342	9.084
	(1.033)	(3.361)***
High coverage resignation issue	−5.053	−21.857
	(2.507)**	(10.226)**
Resignation in quarter	−7.213	0.979
	(2.418)***	(12.300)
Resignation * High-coverage resignation issue	6.373	37.273
	(2.950)**	(18.971)**
Resignation * resignation issue	−0.501	−11.383
	(0.462)	(5.337)**
Other political effects		
Nearest election	−1.549	−1.23
	(0.298)***	(0.490)**
Country at war	7.060	5.567
	(4.278)	(8.555)
Terms in power	−3.133	−5.355
	(1.322)**	(1.656)***
Labour in power	12.733	8.754
	(4.927)**	(5.765)
Economic effects		
Unemployment	5.925	5.550
	(2.527)**	(3.772)
Exchange rate	4.964	−22.039
	(14.737)	(23.967)
Inflation	−0.408	0.803
	(0.441)	(0.931)
Consumption Growth	0.964	3.642
	(0.705)	(1.446)**
Total revenue	4.050	−1.291
	(6.836)	(9.101)
Sargan statistic for overidentification		1.190
Hansen J statistic for overidentification		0.000
Observations	(171)	(172)

Notes: Robust standard errors in parentheses: *significant at 10%; **significant at 5%; ***significant at 1%. Dummies for quarter are included in each model. Dummies for quarter in which change of government are included.

with a corresponding resignation having a downward effect. Indeed if the resignation issue has not received high coverage then the effect of a corresponding resignation reduces support overall by 2%. The IV estimations of the corrective effect are larger than the corresponding OLS estimate. Whilst these estimates are consistent they are not efficient, but nevertheless we can easily reject the null hypothesis at the 5% significance level. So our results suggest that a resignation more than corrects for the downward effect of a high-profile resignation issue.

We now turn briefly to our results on other political and economic effects. Our findings on the impact of the electoral cycle are consistent with previous research. The expected lead of the government decreases the further away the nearest election, and this feature of the statistical model is consistent with the "mid-term blues" that pollsters often highlight. We also find support for a long-term incumbency effect. All things being equal the popularity of the government is affected significantly by the number of terms it has served. Of the economic variables included we find the strongest effect for consumption growth, supporting previous work which establishes a synergy between "feel good" effects in the economy and support for the government.

All things considered we find some support for the view that there are political and economic determinants of government popularity; more specifically we find support for the hypothesis that ministerial resignations will have a positive effect on popularity although not all of our results are consistent with the hypothesized corrective effect. Our results suggest some questions for which our theoretical framework does not provide answers. Why should we observe an increase in support for the government when there is a resignation issue which receives little press coverage? Moreover, why should a corresponding resignation in such cases lead to a fall in popularity?

The fact that we observe the opposite of a corrective effect for resignations over issues which have received relatively little coverage is surprising. In all there are 15 cases (just over a fifth of our sample of 72 resignations) where the issue has not received front-page or editorial coverage. As a first step we can then check whether resignations over particular issues and/or involving a particular type of minister are likely to get less coverage. We classify the resignation according to two criteria: first, whether the resignation is due to policy disagreement; second, whether the minister involved is in the Cabinet or not.[5]

[5]We have made the distinction between Cabinet Ministers and noncabinet ministers. Strictly speaking not all what we call noncabinet ministers are ministers, but they are appointed by the Prime Minister. "Noncabinet ministers" includes Ministers outside the Cabinet, Ministers of State, Junior Ministers, whips, and assistant whips.

TABLE 5 Cross-Classification of Coverage of Resignation

	LC	HC	Total
Policy resignation	11	9	20
Nonpolicy resignation	4	48	52
Total	15	57	72
Cabinet Minister	3	25	28
Noncabinet minister	12	32	44
Total	15	57	72

Table 5 shows the coverage of the resignations cross-classified into those concerning policy disagreement and those concerning other issues. Where the resignation occurs when a minister disagrees with the policy of the government (that is, with the policy of another minister) the resignation tends to receive low coverage. Of 20 resignations due to policy disagreement, 11 received low-coverage, whereas of the other 52 resignations only four received low coverage. This translates into odds of receiving low coverage roughly 15 times higher for resignations involving policy disagreement.[6] Table 5 also shows resignations cross-classified according to whether the minister involved was of cabinet rank or not. The odds of receiving low coverage are considerably lower for noncabinet ranked ministers. Of 44 resignations involving noncabinet ranked ministers, 12 received low coverage. Of 28 resignations by cabinet ranked ministers only three received low coverage. This translates into odds of receiving low coverage roughly 23 times higher for resignations of noncabinet ranked ministers.

We can then summarize our results as follows: there is a corrective effect of ministerial resignations but this corrective effect does not hold where there has been little press coverage. Indeed in such cases we find the opposite: resignations lead to falls in government popularity. In exploring this issue we find low coverage resignations tend to involve noncabinet ministers and often occur over policy disagreement. Junior ministers are much more likely to resign over a policy disagreement partly because they have less influence on policy formation and partly due to the belief that such resignations may not harm their career in the long-run (as we saw with Churchill, Eden, and Wilson). It is not obvious why we do not observe a "corrective effect" in these cases. We can conjecture that where a noncabinet minister is involved and the press does not give issue wide coverage then the first the public hears about it is when the minister actually resigns. As such the resignation cannot act as a corrective since there was nothing happening previously to correct. Furthermore, a minister resigning because s/he does not agree with government policy may ring alarm bells over the cohesiveness of the government as a whole. Hence one might expect to see the support for the government to waver. These conjectures may prove fruitful for further investigation.

[6] $\omega = \dfrac{\text{odds of low coverage for policy resignations}}{\text{odds of low coverage for nonpolicy resignations}} = \dfrac{(11/9)}{(4/48)} = \dfrac{1.22}{0.08} = 15.25.$

Conclusion

When a government faces problems, be they of policy failure, incompetence in a department or by a minister, or when there are personal scandals surrounding a minister, we should expect the government's popularity to go down. Resignations should act as a corrective to this fall. We have found strong empirical support for the hypothesis that resignations will positively affect government popularity. Our results suggest that when there is an issue deemed serious enough for there to be calls for a minister's resignation and where this issue has received substantial media attention, then a corresponding resignation will correct for the effect the problem has on government popularity. Indeed, it will more than correct for it, suggesting that Prime Minister should welcome a certain number of resignation issues so that they can fire ministers thereby enhancing government popularity. We find the opposite relationship when it comes to issues which have little media attention. Here calls for resignations seem to increase government popularity, and resignations to lower it. Examining these cases more closely suggests that they they tend to involve policy disagreement and/or protest resignation which signals a split in the party of power. Since they involve cases where the public's attention is brought to the issue by the resignation itself they cannot act as a corrective device. Rather they a signal that a problem exists.

This article concentrates upon the effects of ministerial resignations in terms of government popularity. Given that prime ministers are concerned with the popularity of the government we should expect that these effects of resignation will also be causally related to resignations. The corrective effect may be found for other chief executives. Presidents' may dismiss cabinet ministers or agency heads, so might State Governors or perhaps more appropriately mayors in major cities. In more complex systems of cabinet government where multi-party coalition governments are the norm further considerations may cloud aspects of the corrective effect. In multi-party governments the corrective effect might be much weaker given the blurred lines of responsibility. Sacking ministers in coalition

governments often requires the cooperation of other coalition leaders, and failure to secure such cooperation may have unclear effects on the popularity of the various parties involved in the coalition. Nevertheless, even in coalitions we should expect prime ministers to react to scandal or policy problems centered on a particular ministry or minister in a such a manner to enhance support for the government as a whole. The UK is a particularly clear-cut case for the corrective effect of ministerial resignations. Demonstrating the corrective effect in other countries might prove more problematic.

Appendix

Government Popularity Data

Government Popularity is the government's percentage point lead over the main opposition party, reported by Gallup from answers to the question "if there were a general election tomorrow, which party would you support?" This was coded from King (2001).

Ministerial Resignation Data

The data on ministerial resignations was collected as follows

(i) All individuals who have served as ministers, junior ministers or whips. The data has been collected from Butler and Butler (1986, 1994, 2000) and official sources.
(ii) *The Times* index is consulted year-by-year noting all references to departments, ministers by job and ministers by name. These are cross-referred to events to build up a comprehensive picture of the major political events of each year.
(iii) All potential resignation issues are consulted in *The Times* on microfilm.
(iv) All the resignation issues are photocopied for the file. Some cross-reference to other newspapers, Hansard and through biographies, autobiographies and other historical sources have been used to check "reasons for resignation." (During the period of nonpublication of *The Times*, *The Daily Telegraph* was used.) In later years, from 1996, an online data source *FTProfile* was used. Two years were crosschecked against the old method to ensure compatibility.
(v) The data thus collected is then categorized according to the coding frame described below.

A resignation is easy to observe, but nonresignations not so. The method for identifying a "nonresignation" is simple. If someone in Parliament or the press, or from some nonpolitical organization (understood broadly) suggests that the minister should resign, or the press suggests that the issues is "seriously damaging" or some similar phrase then it is defined as a "potential resignation issue."

The data was coded in one of nine proximate reasons for resigning, and also coded for contributory factors. The role of the Prime Minister, Minister's own party, the opposition parties, and media was coded as For, Against, Not Involved.

The press coverage of the issue was coded into three categories: 3 if the issue made the front page of *The Times*, or an editorial, or substantial coverage on inside pages; 2 if the issue did not make the front page or an editorial but had a reasonable coverage on inside pages; 1 if the issue did not make the front page or editorial and had only a small coverage on inside pages. (For some issues, notably reshuffles excluded from this article, coverage on the front page is ignored if the report of a specific resignation is only minor and part of a bigger story.) For online sources, where it is difficult to establish on what page a report appeared, judgment was made on the amount of coverage. For the purposes of this article categories 2 and 3 were combined.

Economic Data

For economic variables we have followed as closely as possible the specifications of Pissarides (1980). Consumption is classified as twice $\frac{100(CE_t - CE_{t-1})}{\frac{1}{2}(CE_t + CE_{t-1})}$, where CE is consumption expenditure seasonally unadjusted, *source* ONS time series: ABJR. Inflation is estimated as the change in percentage growth in the GDP deflator, *source* ONS time series id: YBGB. Unemployment is the number of claimants of unemployment benefit *source*, ONS time series id: BCJB. Total Revenue is the ratio of the revenue from income and expenditure taxes to GDP defined by (Total Expenditure + GDP-disposable income)/GDP, *sources* ONS time series YBEX, YBHA, YBFP. Exchange Rate is the first difference in the spot dollar exchange rate, *source*, ONS time series AJFA.

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