ACCOUNTABILITY AND GLOBALIZATION: DOES ECONOMIC OPENNESS PROMOTE RESPONSIBILITY? A CROSS-NATIONAL STUDY OF ECONOMIC VOTING IN LATIN AMERICA.

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Key words

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Resumen

¿Cuáles son las consecuencias electorales de la globalización? Existen indicios de que los votantes relacionan una mayor exposición al capitalismo global con una capacidad reducida de los políticos de influir en la política económica. Sin embargo, la cuestión de los efectos electorales de la globalización apenas ha sido abordada en la literatura. Por una parte, la literatura sobre la economía política de la globalización ha tendido a centrar la atención en los efectos de la globalización económica sobre un nivel de bienestar objetivo. Por otra, los teóricos del voto económico postulan una relación entre la economía nacional y el resultado electoral, obviando en gran parte los factores externos. Sin embargo, es razonable pensar que el voto se verá afectado por la percepción de que un gobernante tiene más o menos margen de maniobra

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económica. En países con mayor apertura económica, y por tanto, menos control sobre la política económica nacional, el votante tenderá a castigar menos a sus gobernantes que allí donde el grado de dependencia del exterior sea menor.

Economics moves political behaviour: such is the standard argument underlying a sizeable literature on economic voting. When economic conditions are bad (good), citizens vote against (for) the ruling party. Discussion, however, persists about the exact connection**.** Attempts to refine the relationship between the economy and the vote have sought to address questions pertaining to the individual or the collective nature of voter evaluations and to their temporal scope: do voters make their choice on the basis of their personal welfare, or do they take the national economy into account? Are such economic evaluations pre-eminently prospective or retrospective? Other research has sought to account for the influence of political institutions on electoral accountability. However, little attention has been paid to the potential role of external factors. Research on political variation has only scarcely been paralleled by similar efforts to account for variation in economic contexts. How does economic openness affect the relationship between the state of the economy and the vote? Does greater or lesser economic openness affect citizens' tendencies to reward or punish government performance? That is, to what extent is electoral accountability conditioned by global economic integration?

Traditional economic voting arguments are based on the assumption that governments have considerable control over economic outcomes – or at least that voters believe so. However, growing economic interdependence is likely to shape the relationship between economic performance and electoral outcomes, and as such alter the voting calculus. If voters perceive that governments are constrained by the international environment in the making of economic policy, is it reasonable to think that the tendency to hold their governments responsible for poor economic performance will diminish as well. Available evidence appears to support such arguments. A number of public opinion surveys point to increasing voter scepticism with respect to government policy control. A 2003 public opinion survey in 15 European democracies found that 54% of the electorate felt that their countries did not have sufficient influence to shape the globalization process (European Commission, 2003). On the other hand, a 2002 poll conducted in 17 Latin American countries found that although half of their respondents believed their government's

policy was partially responsible for their country's economic fortunes, many also pointed to globalization (16%) or the IMF (15%, Latinobarómetro, 2002).

This paper contends that growing (economic) interdependence is likely to play a role in shaping voter perceptions of government performance: the more exposed a country is to the global economy, the more constrained a government is likely to be in the management of the national economy, and the less economic evaluations are likely to affect voting choices. It seeks to address such issues by looking at survey data from 17 Latin American countries with differing levels of economic openness.

The paper is organised as follows. A first section reviews the theoretical background and derives the central hypothesis. A second section presents the data used and the methodology, and a third section analyses the results. A concluding section discusses the implications and points to possible directions for future research.

Elections and Accountability

Elections fundamentally serve as a means for the ruled to elect the rulers; they allow voters both to select from a range of candidates those they believe will best advance their interests, and to dissuade governments from behaving in a way that could elicit future punishment at the polls. For a government to be representative, it must be responsive and accountable (Manin et al. 1999).[2] Such features conform to the two main views underlying democratic theory on how elections induce representation. The first views elections as a prospective mandate, where voters select the "good types" (trustworthy candidates or good policy proposals), where voters delegate a set of specific instructions to the elected officials. The second views elections as instances of retrospective judgment by voters, where voters hold governments accountable for their past performance. Politicians, for their part, have incentives to be elected and

[2] According to the classic (and contested) definition of representation, a government is representative when it behaves in the best interests of the majority of its citizens. However, what people wish may not always coincide with what is effectively good for them (Pitkin, 1967). An uninformed electorate might unfairly punish a government acting in its best interest (and vice-versa, non-representative governments can be rewarded), and voters' may have subjective rather than objective preferences. Moreover, changing circumstances may lead a government to behave in a way that seeks to maximise voter welfare to the detriment of the electorate's wishes. The absence of a *mandate*, or a mechanism allowing voters to force governments to conform to their interests, in modern democracies responds to a desire to ensure that governments enjoy a degree of autonomy from their pre-electoral commitments; given the uncertainty regarding the connections between means and ends, and thus the possibility of changing circumstances, politicians should be free to implement the policies best adapted to changing circumstances (Pitkin, 1967; Manin et al 1999). Hence, in order to be re-elected, it is not enough for a government to be *representative,* and thus accountable, in the classic sense of the term; it must also be *responsive*, and aim to follow the preferences of the majority of the people it represents.

follow through the preferences of the majority of voters. Although such theoretical distinctions have been nuanced empirically (the voter is likely to combine prospective and retrospective evaluations at the polls, it is advanced), this paper shall adhere to the latter view of elections; democracy induces representation and thus control of the elected because governments are accountable to citizens.

According to this view, the electorate decides on a standard of what they consider good performance, and rewards the incumbent if such a standard is achieved. Retrospective judgment operates in the following way: politicians wish to be re-elected, they anticipate voters' evaluations of their performance and implement policies that are likely to meet the standards set by the voters. Fear of rejection at the polls becomes a good incentive for the incumbent to behave in the best interests of the people (Key, 1966). Elections are thus about sanctioning the incumbent's performance on the basis of a retrospective judgment of its past behaviour. In line with this view, the economic voting paradigm posits that the incumbent will be rewarded for sound economic performance and punished for poor performance. Both retrospective and prospective accounts present a number of strengths and limitations.

Advocates of retrospective voting have argued that such a view allows for more reliable representation on the grounds that it provides clearer and more credible causal mechanisms conducive to representative government; incumbents' anticipation of voter reactions on its performance will induce him or her to promote citizens' general interest so as to avoid electoral defeat (Riker, 1982). In addition, the mechanisms through which prospective evaluations are applied appear far too complex; retrospective voting, it is argued, involves lower decision-making costs, as the informational demands required to vote prospectively exceed those required to vote retrospectively. Arguably, however, the information issue appears no less problematic in prospective models.

Both models present caveats. On the one hand, prospective models are limited by the lack of mechanisms designed to ensure fulfilment of electoral promises by politicians; on the other, voters have no way of avoiding problems of adverse selection – and cannot make sure they distinguish between the "good" and the "bad" types. Retrospective models, for their part, are limited by the absence of a "differentiated" vote, allowing voters to judge on the basis of different issues – in what Ferejohn adequately described as a blunt instrument; where the voter is expected to judge a whole range of actions on the basis of one vote. Other problems include the need for politicians to have incentives to be representative, the risk of

moral hazard resulting from the existence of asymmetric information and the capacity of voters to assign responsibility. The latter is discussed below in greater detail.

In addition, certain mechanisms underlying retrospective voting are not exempt of ambiguity. It is reasonable to think that voters think about the future when they cast their vote. Voters effectively choose between candidates and their alternative proposals (Manin et al., 1999) and aim to select the good types (Fearon, 1999). Empirical research has tended to confirm such inconclusiveness. Fiorina's study of national (congressional and presidential) elections in the US found evidence of both prospective and retrospective evaluations of the economy, while Lewis-Beck's research of economic voting found mixed patterns of voting in six European countries (Fiorina, 1981, Lewis-Beck, 1988). Importantly, both considered that voters' expectations about future economic performance were extrapolations of the past: "retrospective judgements have direct impact on the formation of future expectations" (Fiorina, 1981: 200). More generally, some studies have provided evidence that voting is driven mainly by expectations (Kuklinski and West, 1981; MacKuen, Erikson and Stimson, 1992), while others have questioned the very existence of economic voting on the grounds of its inconsistency (Paldam, 1991, 2000). Stokes (1996) convincingly argued that future expectations are likely to have an effect on voters' evaluations of past performance; poor performance can thus be "forgiven" if voters expect good results in the future – and vice versa, where a government can be punished because voters expect a bleak future. However, the debate on the role of the past in shaping future expectations is far from settled. Past performance is not always used to anticipate the future; according to some authors, citizens cast their vote on the basis of previous political considerations – deciding first who to vote for and subsequently choosing the arguments that support the pre-established vote (Maravall and Przeworski, REIS: 87).

More pertinent to the discussion is the question of how the alleged standard of welfare is effectively defined. Standard arguments revolve around the sociotropic vs. egocentric or pocketbook voting hypothesis. The latter posits that such a standard would be calculated on an individual basis, while the former assumes that people vote on a national basis, that is, on the state of the national economy (Kiewiet, 1983, Ferejohn, 1986). The debate between pocketbook/sociotropic voting seems to be largely settled; empirical research has largely demonstrated the prevalence of the latter (Fiorina, 1981, Kinder and Kiewiet, 1979, Lewis-Beck, 1988).[3] The reasoning

[3] This should not be read as evidence of altruistic behaviour; rather, individuals are more likely to consider the state of the national economy as a better predictor of their personal welfare and a good

behind sociotropic voting is driven by the consideration that other factors besides the government's economic policies (besides the standard "what the government has done for me" question) are likely to contribute to an individual's personal economic welfare; certain life-cycle conditions such as marriage (Kramer, 1983) or extreme cases of an individual winning the lottery would likely not lead the individual to attribute responsibility to the government.

Yet the question of the precise mechanisms by which responsibility is attributed remains inconclusive. That conventional retrospective voting appears to be mainly sociotropic does not imply that people effectively attribute responsibility for economic outcomes to the actions of the incumbent. A relatively recent body of research has attempted to account for institutions as mediating factors in the relationship between economic outcomes and the vote. Importantly, research has shown that institutional factors affect the capacity of voters to attribute political responsibilities. Powell and Whitten (1993) argued that voters' capacity to reward or sanction elected officials declines when they cannot discern responsibility for government performance. The authors develop a broadly encompassing "clarity of responsibility" index to measure the influences of institutional arrangements on economic voting. Using data from 17 countries from 1969 to 1989, they show that electorates with minority governments, strong upper houses and weak internal party cohesion are likely to exhibit weaker propensities of economic voting. Such conclusions have been widely ascertained, with scholars finding that coalitions tend to obscure any one party's responsibility for government outcomes (Anderson 1995, 2000). Issues which have received little attention include the extent to which the media disseminate information and voters' rely on experts' views of economic functioning (Nadeau et al., 1999, 2000) and the extent to which the setting of the minimum standard may be influenced by level of social protection provided by the government or the existence of a credible opposition party (Fraile, 2001).

Critically, however, the process of sociotropic attribution is likely to be conditioned by external variables such as international economic crises or, simply put, the state of the global economy. As first pointed out by Kramer (1983), the economic voting paradigm implicitly assumes that governments are effectively responsible for economic results, or at least that voters believe so. And yet instances exist where governments blame external factors for the state of the economy. Under certain circumstances, voters may be more willing to forgive the incumbent for poor economic

indicator of the government's economic competence.

performance; Stokes' discussion of the role of international economic crises, legacies of the past or policies that must be implemented over the long-run in order to be effective is of particular relevance here (Stokes, 1996). In addition, as one expert has argued, "the notion of good or bad economic performance seems to be inherently relative, and to vary significantly over time and space" (Fraile, 2001: 34). The process of attributing responsibility critically hinges on the association between voter perceptions of government capacity and the vote: do voters really think that economic results are determined by government action? If they do not, the attribution of responsibility becomes difficult, if not blind; voters would reward bad politicians who enjoyed favourable external conditions and punish "good types" who faced an adverse economic context. If, on the other hand, voters believe that governments are limited in their capacity to affect economic outcomes, they may behave more benevolently towards them.

Available evidence suggests that voters are increasingly aware of the limits governments face to affect the economy. A 2001 public opinion survey from 15 European democracies found that nearly half of those asked believe that governments cannot control globalization (Christensen, 2003), while a 2002 poll conducted in 17 Latin American countries found that although half the respondents said their government's policy was at least partially responsible for their country's economic problems, they also pointed to globalization (16%) or the IMF (15%, Latinobarómetro, 2002).[4] Although limited in scope and depth, such voter scepticism may arise because voters gradually adjust their beliefs about the competence of national politicians in response to growing interdependence. It may also be influenced by the strategic behaviour of elites; the increased (economic) interconnectedness associated and brought about by globalisation allows politicians to divert blame for poor performance to "global processes". Politicians could thus be expected to be more willing to escape responsibility in more open economies. Interestingly, the emergence of voter scepticism on government capacity begs the question of why voters choose to focus mainly on economic results and not on policies when casting their vote. If, as argued by Lewis-Beck (1988) and at the risk of simplification, economic performance is a function of government policy and an error term including those factors lying beyond the control of governments, voters could be expected to judge governments on the basis of the policies they implement rather than on effective outcomes.

[4] Christensen, T., 2003, *Eurobarometer 55.1: Globalization and Humanitarian Aid*, April-May 2001 (Version 2), quoted in Hellwig & Samuels, 2007, p. 284.

Such considerations have been fundamentally overlooked by the theory on retrospective voting. The assumption, present in a number of retrospective voting models, that voters are not perfectly informed, or that the government holds an informational advantage over the electorate, is indicative of such an omission. Ferejohn's model of pure retrospective voting thus assumed imperfect information, where politicians had infinite horizons and voters could only observe outcomes. (Ferejohn, 1986).[5] As in previous models, the control of governments depended on an intertemporal trade-off by politicians – specifically, on whether or not incumbents prefer to limit their rents today and be re-elected, rather than maximise their rents today and face reversal in the future. Similarly, the welfare threshold set by the voters (high enough to promote efforts on the part on the incumbent, but low enough to ensure the latter's compliance and avoid the anticipation of defeat) depended on the effort of the government and on random exogenous conditions beyond its control. Under conditions of imperfect information, therefore, voters can only observe the outcome, and are unaware of the influence of both the effort and exogenous conditions on the latter.

However, the assumption of imperfect information and the implication that voters are not aware of the influence of government effort or exogenous conditions on economic results constitute important limitations to accountability. If voters lack the information required to objectively evaluate government action up to the election day – that is, if voters cannot observe the relative influence of government effort and that of exogenous conditions on the outcome – elections will not induce representation. Voters cannot set a welfare threshold and subsequently assign responsibility in the absence of information on either the effort carried out by the government or the external conditions (Maravall, 2006; Przeworski, 2003). Setting the threshold, and thus allowing voters to hold the government to account, requires that voters observe exogenous conditions. That is, it requires that voters be aware of the limitations imposed by economic globalisation on governments' capacity to affect economic outcomes. Hence, voters should exhibit a more benevolent or exonerative behaviour towards governments who are less capable of influencing economic outcomes, that is, whose economies are highly exposed to and dependent on exogenous (international) economic forces. This leads to a central hypothesis: *economic voting should be more prevalent in countries that are less exposed to global market forces*. The greater the degree of economic openness of a domestic economy, the less economic voting should

[5] Initial models of accountability assumed a world of perfect information, where voters were able to know everything at election time and politicians were not constrained by future elections (Barro, 1973).

be observed. Previous studies have focused on the degree of economic openness as an indicator of economic dependence on outside factors; the present paper shall follow suit and relate the level of economic openness of the domestic economy to a government's capacity to influence domestic outcomes.

Such concerns have been shared by political economists, where the relationship between international and domestic politics has been a longstanding focus. Although research abounds on the effects of increasing economic interdependence on a number of areas – including the dismantling of the welfare state and the bolstering of the interests of capital at the expense of labour (Frieden and Rogowski, 1996) – little has been done to relate economic interdependence and democratic politics. Discussion has revolved around whether economic globalization – the integration of national markets for goods, labour and money – affects policy outcomes. A number of scholars have argued that increasing market integration has lead states to compete with one another for capital investment, which in turn has prompted policy convergence and a weakening of the state's productive and redistributive capacity – and hence decreased independence in the making of national policies (Simmons, 2006; Wibbels and Arce, 2003). Others have questioned such convergence at the global level and have emphasised the persistence of national policies. Some point to particular path-dependent trajectories (Pierson 2001, 2007) whilst others argue that domestic institutions of welfare-production regimes diffuse global economic forces and produce specific policy outcomes (Iversen, 2000). Although the debate provides insights into the effects of globalization on general measures of social well-being, it does not provide an understanding of how and to what extent economic globalization affects voter perceptions of policy efficacy and vote outcomes. Admittedly, such considerations raise questions pertaining to the central hypothesis behind this paper. The existence of a number of policy options in the face of increasing openness arguably increases government margin and dampens voter willingness to exonerate. Voters could thus choose not to exonerate governments as a whole, but rather to judge on the basis of different policies. However, the ultimate result would likely depend on the extent of the effective or perceived interdependence; voters may behave benevolently despite the existence of policy alternatives if they perceive that the government is considerably constrained by external forces.

A number of studies have aimed to address this question. Hellwig (2001) finds that sophisticated voters in nine western democracies tend to exonerate incumbents in situations of high international economic openness. In a later article, Hellwig (2007)

uses data covering elections from 75 countries over 27 years and confirms previous results; exposure to the world economy weakens economic voting. Fernández-Albertos tests the hypothesis using survey data from 15 European countries and finds that the economy plays an exonerating role only under left-wing governments (Fernandez-Albertos, 2006). Using a different logic, Scheve (2004) argues that because greater exposure to the global economy is associated with lower levels of volatility (in growth) in advanced industrial democracies, voters in such countries can extract more information about their politicians' competence by evaluating economic outcomes. Contrary to the arguments by Hellwig and Fernandez-Albertos, therefore, the greater the level of economic exposure, the greater the role played by economic results in economic outcomes.

Albeit pioneering in their efforts, these studies are beset by limitations. With the exception of Hellwig (2007), Hellwig (2001), Scheve (2004) and Fernandez-Albertos (2006) focus on a limited set of advanced industrial democracies. This limits variation in terms of country exposure to global markets and level of development, both factors that may play a mediating role in the relationship between openness and electoral accountability. Attempts to gauge the extent of economic voting in Latin America, marked by differing levels of development, have been relatively scarce. Remmer (1991) shows that electoral volatility and anti-incumbent voting were highly correlated with economic performance and party system fragmentation in Latin American presidential elections during the 1980s. In the same line, Wibbels and Roberts (1999) show that electoral volatility is a function of short-term economic perturbations, the institutional weaknesses of party systems and cleavage structures.

Secondly, all three focus on parliamentary systems, with the exception of the United States, to the detriment of presidentialist systems. The extent to which accountability is observed under presidentialism – prevalent in Latin America – has thus remained largely unexplored. Although research has tended to focus on parliamentary democracies, debate persists on the relative merits of parliamentary versus presidentialism. Linz (1990, 1994) argued that presidentialism's dual democratic legitimacies confuses voters and presidential autonomy inhibits "party government" accountability. According to others, presidentialism obscures government responsibility generally, and coalition and divided government under presidentialism are particularly worse off in terms of accountability (Manin et al., 1999: 47). On the other side are those who question such arguments and posit that the separation of powers institutionalises conflicts of interest between branches of

government and thus encourages relatively greater information to be revealed than parliamentary systems, thus helping voters to discern responsibility (Persson, Roland and Tabellini, 1997; Shugart and Carey, 1992). More recently, Samuels (2004) has argued that electoral sanctioning is greater in presidentialist systems when executive elections concur.[6]

However, it is worth noting that such limitations as have been advanced by the critics of presidentialism are not limited to such systems. Manin, Przeworski and Stokes (1999: 48) suggest that limits on presidential reelection restrict voters' capacity to hold governments accountable. Although limits on reelection arguably prevent voters from rewarding or punishing a given incumbent, they do not stop voters from sanctioning the incumbent's party (Samuels, 2004: 426). The assumption, present in Manin et al., that incumbent presidents do not care about their legacy and have no interest in the continuity of their policies is perhaps somewhat strong; it is plausible to think that incumbents to some degree care about their successors and may attempt to convince voters that they share a personal affinity with their successor candidate. There are thus compelling arguments to explore the relationship between economic openness and accountability in an overwhelmingly "presidentialist" context such as Latin America.

The following section will present the data used to address the question.

Data and Measurement

Testing the relationship between economic openness and electoral accountability requires including a number of countries with different degrees of economic openness, while at the same time relating such openness to individual voter perceptions. To do this, cross-country survey data from Latinobarometer will be used. Although it would undoubtedly be useful to pool different surveys to grasp variation over time, such a task is limited by the nature of the questionnaire; most questions change from survey to survey, limiting the issues to be addressed. The survey used here is the Latinobarometer 2004, which constitutes the most recent survey including the relevant economic voting questions.

The dependent variable is vote for the incumbent party, a dichotomous variable which takes value one if the individual intends to vote for the party in the next general

[6] Although in concurrent legislative elections institutional variables diffuse responsibility for economic performance.

election, and zero otherwise.[7] Table 1 shows the descriptive statistics of the variables used in the analysis.

Independent variables include a standard economic evaluation question, intended to capture the presence of economic voting, a number of relevant variables identified by the literature and a standard set of control variables. The economic evaluation question is an ordinal variable which takes values 1 if the evaluation is very bad and 5 if it is very good.[8] Control variables include ideology of the incumbent party, introduced as a dummy variable which takes value one when the government is centre-left oriented and zero when it is centre-right oriented. Controlling for incumbent ideology is important to avoid correlation between such two independent variables, as voters that are ideologically close to the incumbent could tend to better judge economic performance. To control for this effect, an interaction is included between government ideology and the ideology of the individual surveyed, where individual ideology is measured on a 10-point scale – value one being extreme left and value ten being extreme right. In line with the hypotheses identified in the literature, a political variable accounting for the effect of divided government is included. As argued by Anderson (1995, 2000), minority government might insulate presidents and legislative parties from vote swings due to economic performance. In unicameral presidential systems, minority government occurs when the president's party or coalition does not control more than 50% of the seats in the legislative chamber; in bicameral systems, minority government occurs when the president's party or coalition does not control more than 50% of seats in both chambers. In effect, when parties divide control over the branches of government, the incumbent president can claim that all parties must share responsibility for poor performance. For this reason, a proxy for government fractionalisation is included, which takes value one when government is divided and zero otherwise.[9]

Table 1. Descriptive statistics (Latinobarometer 2004)

[7] Incumbent parties at the time of the survey included the following: Partido Justicialista (Argentina), Movimiento Nacionalista Revolucionario (Bolivia), Partido Unidad Social Cristiana (Costa Rica), Partido por la democracia (Chile), Partido Sociedad Patriótica 21 de Enero (Ecuador), Partido Alianza República Nacionalista (El Salvador), Gran Alianza Nacional (Guatemala), Partido Nacional (Honduras), Partido Acción Nacional (Mexico), Partido Liberal Constitucionalista (Nicaragua), Partido Revolucionario Democrático (Panama), Partido Colorado (Paraguay), Convergencia (Dominican Republic), Frente Amplio/Encuentro Progresista (Uruguay), Movimiento V República (Venezuela).

[8] The exact wording of the question is as follows: "How World you evaluate, in general, the present economic situation of your country? Would you say it is very bad, bad, so so, good, very good?".

[9] Data for this variable were taken from the World Bank Political Institutions Dataset.

Variable and coding	N	Mean	Std. Dev.	Min.	Max.
Vote for incumbent (1=vote for an incumbent party, 0=otherwise)	15979	.1858	.3889	0	1
Economic evaluation (1=very bad, 5=very good)	19545	2.3609	.8872	1	5
Individual ideology (0=extreme left, 10=extreme right)	15391	5.0984	2.8404	0	10
Incumbent ideology (1=left, 0=right)	18405	.3805	.4855		
Openness (1=above-mean openness, 0=below-mean openness)	19605	.3978	.4894	0	1
Government fractionalisation (1=divided govt, 0=otherwise)	19605	.6327	.4820	0	1
Satisfaction with democracy (1=very satisfied, 4=very dissatisfied)	18420	2.8464	.8342	1	4
Sex	19605	1.5073	.4999	1	2
Age	19605	38.9492	16.2799	16	99
Education	19605	2.0965	.5277	1	3

To avoid potential variable omission bias, a variable measuring satisfaction with democracy, likely to affect the probability of supporting the incumbent, was also included: dissatisfied citizens could plausibly be less inclined to vote for incumbent parties.[10] The variable is such that it takes value one when the individual is very satisfied with democracy, and value four when he or she are very dissatisfied with democracy.

Lastly, a battery of sociodemographic controls were included that could be related to the propensity to vote for the incumbent (age, sex and education). Age has, according to some authors, an effect on the probability of incumbent support; Juan Jesús González (2004) showed that the young tend to support relatively "young" governments and punish "old" ones – the youth tend to evaluate government performance on the basis of their time in power.

Attempts to grasp the effect of economic openness on electoral support have varied substantially. On the one hand, international organisations such as the World

[10] Although it is also plausible to argue that dissatisfied citizens are as likely to abstain rather than vote less for the incumbent.

Bank or the IMF have used indexes measuring the degree of liberalisation of trade policy or the openness of the capital account. However, as one scholar argues, these indexes measure governmental policy towards foreign economies, rather than the impact of the external environment on the country's economy (Fernández-Albertos, 2006: 45). On the other, most studies to date have used as an indicator of economic interdependence the sum of a country's imports and exports over its GDP. However, unless multilevel analysis is used, the combination of macro-level and individual-level (survey data) variables can lead to underestimated standard errors and thus spurious results. The technique employed in this paper shall thus seek to avoid such problems by creating two samples, a first one comprising those countries with levels of openness above the mean value of economic openness (calculated for the 17 countries included in the survey), and a second one including those countries whose level of openness falls below the mean value. Mean openness for the 17 countries under study was computed as measuring imports plus exports over GDP over the period 1993-2003, based on the assumption that the effects of such openness are likely to be cumulative.[11] By dividing the sample and comparing individual observations in two groups, such a procedure dampens the effects of attributing or computing aggregate variables to individual voters and thus underestimating standard errors.

Analysis

The following section presents the statistical analysis undertaken on the basis of the theoretical arguments described above. Since the dependent variable is categorical, Maximum Estimation is employed using the probit estimation. The constraints on the probabilities of the dependent variable imposed by the probit procedure (the dependent variable is forced to take values one or zero) means that the linearity assumption present in OLS estimation is absent, thus making the interpretation of the coefficients slightly more difficult. Five statistical models were tested. Equation 1 estimates a simple economic voting model, a standard specification on the basis of economic evaluations. Equation 2 includes a set of country dummies, while equation 3 introduces trade openness in the analysis. Equations 4 and 5 include interaction terms

[11] Data on aggregate variables (imports, exports and GDP) were taken from the World Bank World Development Indicators dataset.

to account for institutional variables and economic openness and institutional variables, respectively.

Since the probability of voting for the incumbent may differ substantially across countries, country dummies are included in all of the specifications. Country dummies are particularly relevant in this analysis because they capture the effect of potential country-specific omitted variables such as institutional variables (electoral rules, federal government, etc) that may affect the probability of voting for the incumbent party. Country dummies tend to improve the fit of the model and the performance of the variables of interest – a finding which is apparent in the second model when such dummies are introduced. Lastly, a number of country dummies were excluded from the analysis due to data being incorrectly introduced in the survey (incumbent parties were absent in Brazil, Ecuador and Peru) and changing political circumstances not being accounted for in the survey – such was the case for Colombia, in particular, where incumbent president Alvaro Uribe created a new party slightly before the 2004 elections which was not computed in the survey.

The interaction terms introduced in equations 4 and 5 are designed to grasp the impact of economic evaluations on incumbent support under differing levels of economic openness and institutional conditions. A first interaction between trade openness and the economic evaluation variable seeks to capture the effect of economic judgments on electoral support under conditions of economic openness (OPENNESS*VAL_ECO). The coefficient of the economic evaluation variable should be positive (recall that it is a positive evaluation: the variable is ordered from "worse" to "better"), and the coefficient of the interaction between openness and (positive) evaluation should be negative; this would reflect a mitigating effect of trade openness on economic evaluations. A second interaction term between government fractionalisation and economic evaluations was introduced to grasp the impact of economic evaluations on electoral support under conditions of divided government (GOV_FRAC*VAL_ECO). According to the hypothesised argument, a negative coefficient of the second interaction term would reflect the mitigating effect of fragmented government on economic evaluations (to be expected). Finally, observations are weighted in all estimations so that they are representative of individual country populations.

Table 2. Dependent variable: vote for the incumbent

Independent	**1**	**2**	**3**	**4**	**5**

variables					
Economic evaluation	-.0303 (.0178)*	.0774 (.0186)***	.0896 (.0275)**	.2410 (.0297)***	.3149 (.0392)***
Individual ideology	.0770 (.0068)***	.0633 (.0070)***	.0634 (.0070)***	.0635 (.0071)***	.0639 (.0071)***
Govt ideology	1.1012 (.0658)***	.9418 (.1165)***	.9924 (.1101)***	.8877 (.1180)***	1.616 (.0848)***
Govt ideol*ideol	-.1617 (.0112)***	-.1551 (.0116)***	-.1555 (.0116)***	-.1544 (.0116)***	-.1557 (.0117)***
Satisfaction with democracy	-.1878 (.0192)***	-.1674 (.0196)***	-.1669 (.0196)***	-.1710 (.0196)***	-.1694 (.0196)***
Sex	.0264 (.0318)	.0106 (.0332)	.0108 (.0332)	.0108 (.0333)	.0118 (.0333)
Age	-.0028 (.0010)**	-.0024 (.0010)**	-.0025 (.0010)**	-.0022 (.0010)**	-.0023 (.0010)**
Education	-.1099 (.0310)***	-.0589 (.0335)*	-.0595 (.0336)*	-.0628 (.0336)*	-.0663 (.0336)**
Openness			.1047 (.1150)		.2754 (.1104)**
Openness*economic Evaluation			-.0233 (.0363)		-.1041 (.0372)***
Govt. fractionalisation				-.0467 (.1418)	.7646 (.1135)***
Govt frac*economic evaluation				-.2607 (.0374)***	-.2918 (.0381)***
N	9460	9460	9460	9460	9460
R^2/pseudo R^2	0.0491	0.1343	0.1343	0.1391	0.1399

Standard errors are in parenthesis. * Significant at the 0.1, ** significant at the 0.05 and *** at the 0.01 levels.

A few results concerning control variables appear to be common to all equations.

Distance from incumbent ideology, captured by the interaction between incumbent and individual ideology (GOV_IDEOL*IDEOL), exerts a strong and statistically significant effect. The negative coefficient pertaining to this variable, apparent in models 1 to 5, confirms the (relatively) obvious expectation: the greater the ideological distance between the individual and the incumbent, the less likely the individual is to vote for them.[12] Other control variables such as satisfaction with

2

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[12] The specific interpretation is as follows: when the government is left-oriented, as individual ideology leans towards the right the (individual) probability of supporting the incumbent decreases – hence the

democracy work in the expected direction and are also statistically significant. The coefficient is negative in all models: the greater the dissatisfaction with democracy, the less likely the individual is to support the incumbent. Age and education appear to have a systematic effect on the probability of voting for the incumbent, although in the opposite direction to that expected. The negative coefficient, common to all models, appears to indicate that older people tend to support the incumbent less than younger people. A similar effect occurs with education; more highly educated people tend to support the incumbent less than the less educated. This result is arguably supportive of Zaller's argument on the effects of political knowledge on voting behaviour, by which poorly informed citizens are more likely to vote on the basis of performance or other currently salient issues, whereas informed electors will tend to vote on an ideological basis (Zaller, J., 1992, The Nature and origins of mass opinion, NY: CUP).[13]

Analysis of the impact of economic evaluations on electoral support in open economies appears to shed interesting – and expected – results. Table 2 summarizes these results. Equation 1 estimates a simple economic voting model, without including economic openness or country dummies. Surprisingly, results in this first equation do not conform to economic voting hypotheses; the coefficient of the economic evaluation variable is negative and statistically significant. It thus appears that positive evaluations of economic performance tend to lessen the probability of supporting the incumbent.

Equation 2 replicates equation 1 and includes a battery of country dummies. Results in this specification appear to confirm the economic voting hypothesis: general economic considerations affect voting behaviour. The coefficient of the economic evaluation question is positive and highly significant, indicating that positive evaluation of economic performance increases the probability of voting for the incumbent. The statistical significance of the country dummies included is indicative of the variation of incumbent support across countries; the negative (and significant) coefficient in some countries (Bolivia, Costa Rica, Chile, El Salvador, Guatemala, Mexico, Nicaragua and Venezuela) indicates decreased incumbent support, whereas

negative coefficient. If the government is right-oriented (individual ideology is not interacted with incumbent ideology), as individual ideology leans towards the right the probability of supporting the incumbent increases – hence the positive coefficient.

[13] This view is questioned by a number of scholars who contend that performance voting requires a considerable amount of political knowledge and thus that uninformed citizens (and thus presumingly uneducated voters) are less likely to vote on such a basis. Cf. Fearon, 1999, in Manin et al..

the positive coefficient for the Dominican Republic shows increased support for the incumbent.

Equation 3 introduces economic (trade) openness in the analysis, whilst maintaining country dummies and previous individual variables. Although not conclusive, the results in this specification tend to confirm the main hypothesis: support for the incumbent on the basis of positive economic performance tends to be greater in closed economies. The coefficient for the economic evaluation variable – where the dummy for openness is zero – is positive and significant as expected, whereas the interaction term sheds a negative and non-significant coefficient. The interaction term captures the effect of (positive) economic evaluations on electoral support in open economies; previously positive, the negative coefficient now indicates the mitigated effect of economic evaluations on incumbent support.

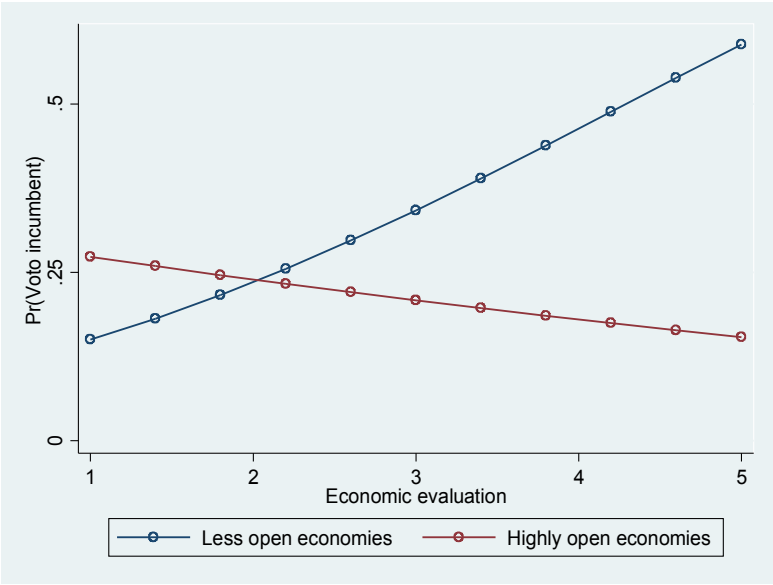
Equation 4 introduces an interaction term to account for different mechanisms in the attribution of responsibility – that is, different ways in which economic evaluations could affect voter propensity to support the incumbent. À la Powell & Whitten (1999), an interaction term between government fractionalisation and economic evaluations is included to capture the effect of political variables on electoral support. Results seem to conform to initial expectations: the effect of economic voting, captured by the positive and significant coefficient of the economic evaluation variable, is greater in countries where control of parliament is *not* divided. Where power is divided, the effect of economic voting is lessened: the coefficient of the interaction term (GOV_FRAC*VAL_ECO) is negative and significant. As in previous cases, the negative coefficient of the interaction term indicates the mitigated effect of economic voting where power over the branches of government is divided among parties.

To control for robustness, a final specification includes all previous variables and interactions. Equation 5 thus includes the two interaction terms meant to capture the mediating effect of openness and divided government, the country dummies and the individual variables. The results confirm the main hypothesis put forth by this paper: economic voting is less prevalent in relatively highly open countries. In line with previous specifications, the effect of economic evaluations on incumbent support in *less* open economies works in the expected direction and is significant: the better voter evaluations about economic performance, the greater the probability of supporting the incumbent. Economic evaluations in more *open* economies, in turn, have a lesser effect on the vote; the reduced effect of economic evaluations in open

economies is reflected in the negative coefficient of the interaction term (OPENNESS*VAL_ECO).[14] Similarly, the effects of divided government on economic voting are reproduced; (positive) economic evaluations have a negative effect on support for the incumbent in countries where control of parliament is divided among parties. Such results are sustained in the absence of country variables, and as such, appear robust.

To facilitate the interpretation of the probit coefficients, predicted probabilities of voting for the incumbent were estimated in the more open and the less open economies. Predicted probabilities are shown in Figure 1 below. The effect of openness is quite significant, and confirms the central hypothesis put forth in this paper. Economic openness reduces the impact of (positive) economic evaluations on the probability of supporting the incumbent.

Figure 1. Probability of voting for the incumbent.



[14] Subtracting the coefficient of the interaction term from that of the original variable produces a reduced coefficient: 0.3149-0.1041, indicative of the lesser effect of economic evaluations on voting choices.

Concluding remarks

The idea driving this paper was premised on an empirically apparent yet theoretically overlooked consideration, namely, that if voters perceive that politicians are more constrained by the dynamics of the global economy in the management of the national economy, it can reasonably be assumed that they will behave more benevolently towards them. Economic evaluations could thus be expected to have a greater impact on voting choices in less open economies – or, put simply, the effect of economic considerations could be expected to determine voting choices to a lesser degree in more open economies. The evidence uncovered in this paper provides strong support for this initial intuition, and suggests that globalization, or increasing economic interdependence, weakens the connection between the economy and voting choices. Voters in more open Latin American economies are thus likely to sanction incumbent politicians for poor performance to a lesser extent than in closed economies.

The findings reached in this paper need to be treated with caution. At the level of method, research survey has called into question the usefulness of using survey responses as unbiased measures of democratic accountability (Duch, Palmer and Anderson, 2000). Substantively, the validity of such results is likely to be conditioned on the particular political and economic trajectories of individual countries; any inference on the relationship between economic openness and electoral accountability in a relatively large sample of countries with different histories must be treated with caution and complemented with detailed historical analysis.

However, the findings discussed above raise a number of questions. Firstly, what drives voter perceptions? Does increased economic interdependence effectively reduce politicians' margin to affect economic outcomes? Or are economic shocks at the global level perceived as such by voters, and act as a mediating factor between economic interdependence and voter behaviour (Hellwig, 2007: 297)? Any answer to this question requires distinguishing between the two causal mechanisms, a task which is rendered difficult by aggregate and individual analyses of electoral data. This should motivate researchers to explore the relationships between voter perceptions and elite behaviour designed to avoid blame, on the one hand, and mass perceptions of globalisation, on the other. In particular, qualitative research should aim to complement micro-level studies by studying elite discourses in individual countries,

and the impact such strategies can have on voters; how do such discourses vary in terms of direction (blaming external forces) and intensity?

Secondly, the finding that economic interdependence affects electoral accountability should not lead one to assume that globalisation reduces democracy, understood as the retrospective control of politicians. Importantly, such findings should lead researchers to refine the question at hand. Does globalisation necessarily reduce democratic responsiveness? Or has globalisation shifted the bases of competition away from the economy and towards non-economic issues? Alternatively, and counter to previous claims, does increased interdependence imply gradual political disaffection on the part of national electorates? If so, is it plausible to think that the attribution of responsibilities has shifted onto other actors, subnational and supranational? Such questions appear as fundamental building blocks to a general theory of accountability, and merit further research.

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