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Effort Trumps Output in Predicting Satisfaction with Democracy

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Main Findings:

- Across the Americas, those in urban settings and with more years of schooling are less satisfied with democracy in their country
- For satisfaction with democracy, evaluations of personal and national economic *output* matter, but only at the margins
- Assessments of the executive's overall job performance and of the administration's *efforts* to manage the economy are even more substantively important predictors of individual satisfaction with democracy

For the latter part of the 20th century, the Latin America and Caribbean (LAC) region could be viewed as a success story with respect to democratic development (Puddington 2012). Yet, in recent years concern has been expressed that commitment to democratic principles in the region is “wavering” (Puddington 2012). One explanation lies in decreasing citizen satisfaction with what democracy has been able to deliver. Public satisfaction with democracy matters because it can be critical to state legitimacy and democratic stability (Norris 2011; Seligson and Booth 2009).

In this *Insights* report, we examine satisfaction with democracy in the Americas and assess some factors that predict this variable by using data from the 2014 LAPOP AmericasBarometer survey. Contrary to what some might expect, we find that evaluations of personal economic and national economic *output* are not strong predictors of satisfaction with democracy. Rather, evaluations of executive job performance and the perceived government’s *efforts* in managing the economy are substantively important, positive predictors of satisfaction with democracy.

The 2014 AmericasBarometer survey by the Latin America Public Opinion Project (LAPOP) allows us to evaluate satisfaction with democracy across 25 countries with survey responses based on the following question:

PN4: In general, would you say that you are very satisfied, satisfied, dissatisfied, or very dissatisfied with the way democracy works in (country)?

Figure 1. Mean Degrees of Satisfaction with Democracy (0 to 100 Scale), 2014

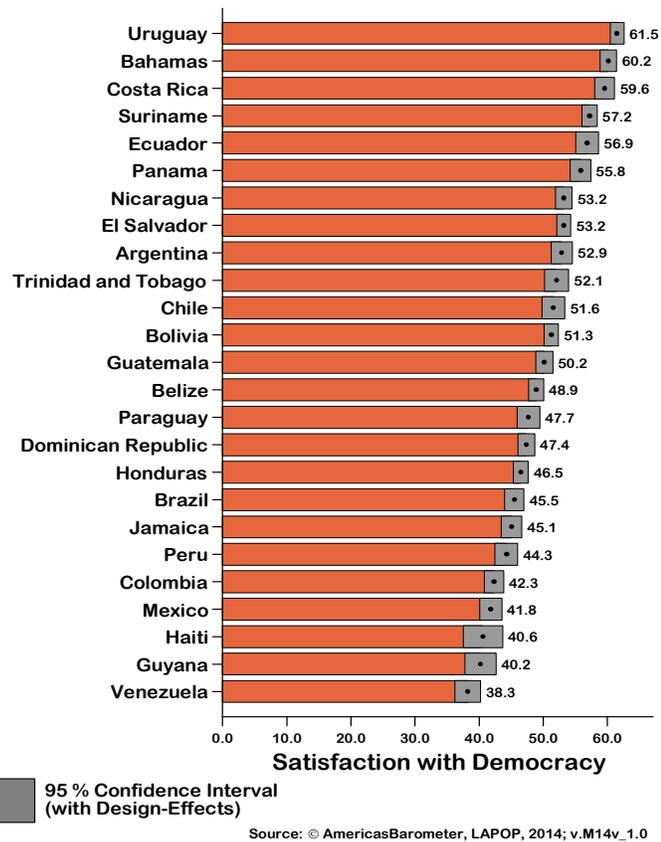


Figure 1 displays the national average scores with their confidence intervals. In the figure, responses to this question are coded so that higher values correspond to higher levels of satisfaction; the country average scores all lie between “dissatisfied” (33) and “satisfied” (66) on the 0 to 100 scale. More specifically, country mean levels of satisfaction range from a low of 38.3 in Venezuela to a high of 61.5 in Uruguay. Satisfaction with democracy is lowest in Venezuela, Guyana, and Haiti and highest in Uruguay, the Bahamas, and Costa Rica.

While variables associated with individual countries may matter, we see no obvious relationship between national GDP, GDP per capita, GDP growth, and satisfaction with democracy.¹ Therefore in this report, we examine individual-level predictors of satisfaction with democracy.

Socioeconomic and Demographic Factors as Predictors of Satisfaction with Democracy

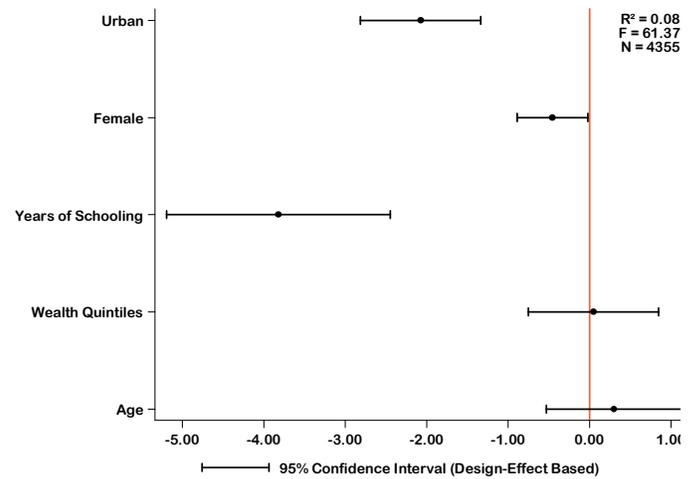
As a first step in our analyses, we model satisfaction with democracy as a function of a set of five socio-economic and demographic variables: urban (vs. rural) residence, gender (female vs. male), years of schooling, wealth, and age.² The results of this OLS regression analysis are shown in Figure 2. The independent variables included in the model are listed on the vertical axis (country fixed effects were also included, but are not shown). The maximum estimated impact of each of these variables on satisfaction with democracy is graphically displayed by a dot.³ Statistical significance is represented by 95% confidence intervals (horizontal bars) that do not overlap the vertical “0” line. Dots to the right indicate

¹ There are no obvious similarities between the order of countries in Figure 1 and the order of countries in the figures provided by the World Bank based on GDP (-0.2), GDP per capita (0.4), and GDP growth (0.04). For the data visit: <http://data.worldbank.org/>. It may be that other country-level factors matter, but we leave this for future research.

² Urban is coded as 1 if the respondent lives in an urban region, and 0 if the respondent lives in a rural area. The gender dummy variable takes the 1 value if the respondent is female. The wealth measure is a five-category variable that is generated using a series of items about household possessions; for more information see Córdova 2009 (<http://www.vanderbilt.edu/lapop/insights/I0806en.pdf>) Finally, age is measured by cohort, with respondents grouped into the following categories: 16-25, 26-35, 36-45, 46-65, and 65+.

³ Each independent variable is scaled from 0 to 1, which means that the coefficient represents the estimated effect on the dependent variable (satisfaction with democracy, on a 0 to 100 scale) of moving the independent variable from its lowest to the highest value.

Figure 2. Socioeconomic and Demographic Predictors of Satisfaction with Democracy



that the variable has a positive contribution, while dots to the left indicate a negative contribution.

The model shows that, at the individual level, urban residency and years of schooling are significantly and negatively related to expressions of satisfaction with democracy. Interestingly, the variable with the strongest maximum predicted effect is years of schooling: those with more schooling have less satisfaction with democracy. Also, individuals who live in urban locations are less likely to be satisfied with democracy. Since the confidence intervals for the coefficients on age, gender, and wealth quintiles intersect the red vertical line, they are not statistically distinguishable from 0. Therefore, we conclude they are not significant determinants of satisfaction with democracy in the Latin America and Caribbean region.

Economic Predictors of Satisfaction with Democracy

In what ways do economic factors matter for satisfaction with democracy? We consider two

possibilities: first, that assessments of economic *output* matter and, second, that assessments of government's performance *efforts* matter.

Existing literature generally supports the notion that individual perceptions of personal and national economic growth are positive contributors to national pride, support for institutions, satisfaction with democracy, and support for democracy (Lockerbie 1993; Seligson and Booth 2009). Lockerbie (1993) suggests that citizens of a country generally believe that the government has a duty to improve not only individual financial situations, but also the financial situation of the nation as a whole. As a result, individuals with negative perceptions of personal and economic growth are likely to become dissatisfied with the way democracy is working (Lockerbie 1993). We test for this possibility by including measures that capture individuals' evaluations of whether their personal and their national economic situations have gotten better, worse, or stayed the same (the latter is the baseline/comparison category in the analysis).⁴

While evaluations of economic output may matter, we draw attention in this report to the notion that evaluations of government's attempts to deliver good performance can also matter. While the incumbent administration is often blamed for poor economic output, many also recognize that economic conditions can be influenced by circumstances outside the executive's control, such as the global economy

or domestic institutions (Anderson 2000; Hellwig 2014). At the same time, some scholars believe that a citizen's evaluation of his or her country's institutions and his or her broader political opinions largely stem from evaluations of the current administration (see Norris 1999). For these reasons, evaluations of the executive's general job performance and evaluations of the administration's efforts with respect to the economy may be important predictors of satisfaction with democracy.

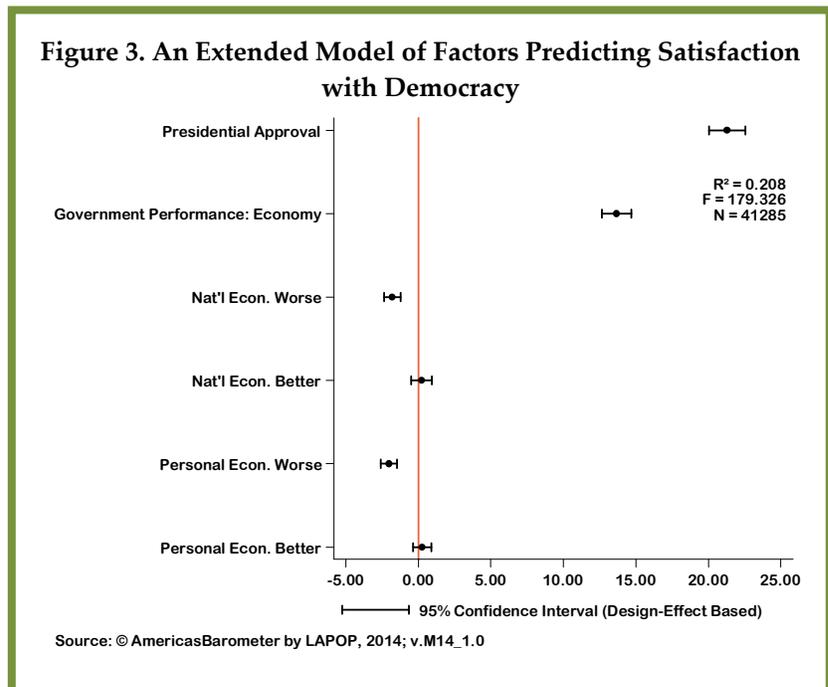


Figure 3 assesses perceptions of personal economic growth, perceptions of national economic growth, and evaluations of how the government is managing the economy, alongside the socioeconomic and demographic measures from the previous analysis. In addition, we also include a general measure of executive job approval.⁵ We also account for

⁴ The personal economic performance measure (IDIO1) reads, "Do you think that your economic situation is better than, the same as, or worse than it was 12 months ago?" National economic perceptions are measured using item SOCT1, which reads, "Do you think that the country's current economic situation is better than, the same as or worse than it was 12 months ago?" Responses to both items are measured using a three point scale, for analyses presented here the "same" category is used as the baseline.

⁵ Executive approval is measured using variable M1, "Speaking in general of the current administration, how would you rate the job performance of [President]? Very good, good, neither good nor bad (fair), poor, or very poor." The variable has been recoded so that higher values mean higher executive approval. Government performance with respect to the economy is measured using item N15, which reads, "To what extent would you say that the current administration is managing the economy well?"

the impact of unmeasured factors related to the differences between individual countries by including country fixed effects not displayed in the figure.

The results in Figure 3 show that presidential approval is a significant and, among the variables we examine, the strongest predictor of satisfaction with democracy. Moving from the minimum to maximum rating on executive approval yields a predicted increase of 21.7 degrees of satisfaction with democracy.

We also find that evaluations of the economic situation – personal and national – matter, to at least some degree. This fits with scholarship suggesting that macroeconomic and microeconomic conditions not only influence evaluations of incumbent administrations, but also of the performance of a country’s political system (Clarke, Dutt, and Kornberg 1993; Lockerbie 1993). Specifically, while substantively quite small, the significant results depicted in Figure 3 for negative personal and national economic evaluations are in accord with scholarship suggesting that when people experience declines in their economic wellbeing, their belief in the ability of the current political system to satisfy their expectations is eroded (Clarke, Dutt, and Kornberg 1993).

We do not find that positive perceptions of personal and national economic growth are significant predictors of satisfaction with democracy. Rather, only negative perceptions of personal and national economic growth are significant negative contributors to satisfaction with democracy, which suggests that citizens are more reactive to negative conditions in the economy rather than positive conditions when

it comes to evaluating how democracy functions in their respective countries.⁶

At the same time that negative evaluations matter, we find that they are relatively weak predictors for satisfaction with democracy, when compared to evaluations of how the government is working to manage the economy. Evaluations of government *efforts* to delivery good economic output are significant and very strong predictors of satisfaction with democracy.⁷ Moving from minimum (lowest) evaluations of government performance on the economy to maximum (highest), the model predicts an increase of 13.7 degrees of satisfaction with democracy.

“...[C]itizens are more reactive to negative conditions in the economy than positive conditions...”

These results for evaluations of government performance support Lockerbie’s (1993) notion that citizens place a heavy emphasis

on their government’s responsibility to at least attempt to improve economic conditions. Lockerbie (1993) rationalizes this phenomenon by stating that individuals who are dissatisfied with how their government is managing the economy are also very likely to become dissatisfied with how democracy works in their country because “short-term evaluations of the government’s performance hold considerable sway over levels of political alienation” (Lockerbie 1993, 291). We take this as

⁶ The fact that we find an effect for negative, but not positive, evaluations is supported by some scholarship on emotions, which suggests that people pay more attention to or are more motivated by negative emotions, specifically anger (Valentino et al. 2011).

⁷ While multiple factors are considered in regard to democratic satisfaction, other factors are likely also important, for example, government performance in areas such as corruption and crime, but investigating these topics lies outside the scope of this report. We did consider whether diffuse system support is related to satisfaction with democracy in an analyses not reported here and we find a significant relationship; other results remain the same, and so we focus on the more parsimonious model here.

Responses were recoded from a 1-7 scale to range from 0 to 1, with 1 indicating better performance.

suggesting that perceptions that the government is not effectively working to manage the economy can cause individuals to believe that the system itself – democracy – is failing to function adequately. While outside the scope of this report to assess in more detail, this finding raises a key concern that such dissatisfaction could, in turn, cause individuals to become distrustful of democratic principles and processes more generally.

Conclusions

Previous studies in political science have suggested that citizen satisfaction with how a certain regime functions in a country is strongly influenced by individual perceptions of personal and national economic conditions (Clarke, Dutt, and Kornberg 1993; Lockerbie 1993). This study of public opinion data from the Latin America and Caribbean region clarifies this relationship. We find that positive perceptions of personal and national economic growth are not significant predictors of satisfaction with democracy, while negative perceptions are significant, but only relatively weak, predictors.⁸ At the same time, presidential approval and evaluations of how the government is managing the economy are very strong predictors of satisfaction with democracy. In short, when it comes to factors that determine satisfaction with democracy, we find that individuals are more concerned about the government's recent *efforts* in general and with respect to improving the economy than they are with assessments of actual economic conditions.

⁸ The finding for negative assessments suggests public opinion with respect to how a democracy functions is more volatile in bad economic circumstances than good ones.

Satisfaction with democracy is crucial to maintaining democratic stability, especially in emerging democracies in the Latin America and Caribbean region (see discussion in Norris 2011). The findings we have presented here have implications for leaders and policymakers who seek to improve individuals' satisfaction with democracy. For example, this study shows that although overall national economic conditions may be improving, if the government is not perceived to be managing the economy well, citizens may still feel dissatisfaction with the way democracy functions in their country. Likewise, economic downturns may not necessarily be accompanied by substantial decreased citizen satisfaction with democracy as long as the government is perceived as working to manage the economy well.

"...[I]ndividuals are more concerned about the government's recent efforts ... than they are with assessments of actual economic conditions."

It would be interesting to assess the impact of evaluations of the government's management of crime and corruption on

satisfaction with democracy in order to further explore the relationship between perceptions of how the administration is combatting key problems within the country and citizen satisfaction with how democracy is working. Ultimately, our study suggests that the best way to improve satisfaction with democracy may be through changes in the government's management of the issues, more so than through the actual outcomes that are achieved.

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Appendix: Complete OLS Regression Output for Figures 2 and 3

VARIABLES	Figure 2	Figure 3
Personal Economy Better		0.266 (0.322)
Personal Economy Worse		-2.031*** (0.286)
National Economy Better		0.217 (0.370)
National Economy Worse		-1.791*** (0.291)
Government Performance: Economy		13.67*** (0.519)
Presidential Approval		21.29*** (0.636)
Female	-0.454** (0.222)	-0.157 (0.214)
Urban	2.073*** (0.377)	1.089*** (0.338)
Age (cohorts)	0.300 (0.423)	0.418 (0.401)
Education	-3.822*** (0.701)	-2.768*** (0.654)
Quintiles of Wealth	0.0120 (0.102)	-0.0135 (0.0927)
Guatemala	7.124*** (1.127)	5.643*** (1.038)
El Salvador	10.90*** (1.056)	3.434*** (0.983)
Honduras	3.792*** (1.081)	-2.190** (0.977)
Nicaragua	10.65*** (1.091)	2.364** (0.957)
Costa Rica	17.30*** (1.224)	18.83*** (1.120)
Panama	14.34*** (1.216)	7.375*** (1.064)
Colombia	0.600 (1.163)	-2.421** (1.069)
Ecuador	15.21*** (1.232)	3.610*** (1.044)
Bolivia	9.668*** (1.031)	1.212 (0.890)
Peru	2.825**	0.00156

	(1.270)	(1.171)
Paraguay	5.606***	1.641
	(1.220)	(1.110)
Chile	10.52***	3.318***
	(1.266)	(1.205)
Uruguay	20.06***	11.88***
	(1.041)	(0.933)
Brazil	3.607***	0.710
	(1.164)	(1.068)
Venezuela	-2.844**	0.241
	(1.358)	(1.119)
Argentina	11.87***	11.90***
	(1.189)	(1.061)
Dominican Republic	5.510***	-4.826***
	(1.113)	(1.009)
Haiti	-1.487	-6.877***
	(1.798)	(1.574)
Jamaica	3.164***	2.391**
	(1.212)	(1.100)
Guyana	-2.622*	-4.681***
	(1.525)	(1.212)
Trinidad and Tobago	11.07***	9.187***
	(1.284)	(1.162)
Belize	6.192***	4.185***
	(1.083)	(0.950)
Suriname	14.83***	5.594***
	(1.064)	(0.964)
Bahamas	19.73***	13.37***
	(1.090)	(0.965)
Constant	43.44***	31.14***
	(1.022)	(0.974)
Observations	43,555	41,285
R-squared	0.081	0.208

Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Note: For the country fixed effects in the model, the comparison (baseline) category is Mexico.