

## ECONOMIC SHOCKS AND DEMOCRATIC VULNERABILITIES IN LATIN AMERICA AND THE CARIBBEAN<sup>1</sup>

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SUMMARY: I. *Economic Conditions and Democratic Vulnerability: The Theory.* II. *Hypothesized Transmission Mechanisms.* III. *Support for Democracy.* IV. *Legitimacy of the Political System.* V. *Approval of Violent Participation.* VI. *Do Political Attitudes Matter for Political Behavior?* VII. *Conclusions.* VIII. *Cited Works.* IX. *Appendix.*

Hard times have often led to sharp political transformations (Gourevitch 1986). Dictatorships have been found to be especially brittle when confronted with severe economic downturns, occasionally opening the door to democracy, but more often than not yielding to yet another authoritarian regime (Przeworski 2009; Przeworski et al. 1996; Weede 1996; Haggard and Kaufman 1995; Mainwaring and Pérez-Liñán 2007). On the other hand, the downfall of many European democracies in the wake of the Great Depression of the 1930s suggests that democracies can be destabilized by severe economic crises (Bermeo 1999; Bermeo 2003). Our article focuses on the possible impacts of economic shocks on democratic consolidation in contemporary Latin America, a region of the world in which nearly all countries

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have at least nominally democratic regimes, but with widely diverse levels of polyarchy (Coppedge *et al.* 2008). We are prompted to investigate this issue, not surprisingly, by the world-wide financial and economic crisis that exploded in 2008 and that is still reverberating in the Latin American region. From our perspective the main lesson of the 2008 meltdown is that bubbles and busts remain a permanent feature of the economic landscape. We therefore look at and beyond this current crisis, and wonder more generally about the political impact of economic shocks on democratizing countries.

What do we know empirically about the impact of bad economic times and democratic stability in the post World War II period? In a wide-ranging study, young democracies have not fared well: “nearly 38 percent of the democratizations that occurred between 1960 and 2003 eventually underwent reversals, ceasing to be democracies for some period of time...”. The study found that, “countries in which democracy is ultimately reversed show a trend of stagnant or falling growth” (Converse and Kapstein 2006 39). This research then goes on to predict the future: “our analysis of the economic performance of new democracies strongly suggests that deteriorating or stagnant economic performance constitutes a red flag or warning signal that the country is at risk of political reversal”(Converse and Kapstein 2006 39). Unfortunately, despite this empirical finding, the mechanisms through which democracy can be put at risk and the role that citizens might have in this process have remained almost entirely underspecified. We try in this article to shed some light on those possible mechanisms.

Will bad economic times result in little more than having citizens’ punish incumbents at the polls, as occurred in the 2008 presidential elections in the United States (Lewis-Beck and Nadeau 2009), the country where the 2008 economic crisis originated, and in a number of elections world-wide? Or, in less wealthy countries with embryonic democracies, such as ones that predominate in Latin America, will a severe and protracted economic crisis have deeper effects, producing large numbers of individuals who lose their faith in democracy and its political institutions, and perhaps even boosting popular support for less democratic ways of expressing political interests?

Thanks to the availability today of regional barometer surveys that cover many developing democracies, political scientists are better-equipped than ever before to understand the mechanisms by which economic factors can influence political attitudes and behavior, and by doing so detect democratic vulnerabilities and the transmission belts through which they can emerge. Previous studies have demonstrated the utility of mass survey data for assessing the robustness of democracy (Booth and Seligson 2009; Inglehart and Welzel 2005; Bratton *et al.* 2005; Krishna 2008). Seligson and Booth

(2009), for example, using survey data for eight countries in Latin America show that, before the democratically elected president of Honduras was overthrown by political elites in June 2009, that country had the lowest score on citizens' satisfaction in three core dimensions of political support (support for democracy, support for national institutions, and evaluation of the government's economic performance) and high support for military coups. Evidence suggests that while many breakdowns of democracy are elite-initiated processes (Bermeo 2003), low support for the political system among the citizenry can create a permissive environment for elite-driven political instability.

The economic crisis that emerged in 2008 has been historically severe by any standard, and the expectation is that its social effects will be long lasting, irrespective of the speed of macroeconomic recovery. A 2009 World Bank study states that "the emerging [worldwide] evidence confirms that the crisis could potentially reverse progress to date toward achieving the MDGs [Millennium Development Goals], and that these adverse outcomes could persist long after the global economy rebounds" (World Bank 2009 8). In the case of Latin America, the reversal in social progress is clear; according to the latest estimates, from 2008 to 2009 the economic crisis has already increased the ranks of the poor in the region by 9 to 11 million people, including about half of whom have ended up in extreme poverty (ECLAC 2009b). Using even the most conservative figures, this means that today in Latin America about 189 million people are living in poverty.

Alarming for the consolidating democracies, the economic crisis emerged *after* a number of Latin American countries were already experiencing a "democratic recession" (Diamond 2008). According to Freedom House, in 2008 declines in freedom were registered in four countries: Colombia, Nicaragua, Mexico, and Venezuela. And, the June 2009 democracy breakdown in Honduras has added another case. Hence, the economic crisis exploded and evolved in a period when some Latin American democracies were already showing signs of stress.

As an initial, tentative first step in determining the mechanisms by which economic declines could lead to weakening support for democracy in Latin America, in this article we explore how economic conditions at both the individual and country levels shape citizens' confidence in their political system and support for democratic means of political participation. Our statistical analysis is based on 2008 survey data for twenty two Latin American and Caribbean countries from the AmericasBarometer survey by the Latin American Public Opinion Project (LAPOP). By assessing the importance of the economy on citizens' political attitudes, we identify core

democratic values that could be impacted under times of economic strain. We do so by mining the LAPOP data and implementing two main methodological strategies.

First, we adopt a regional approach and explore the impact of the macroeconomic environment where citizens live, while simultaneously accounting for individuals' traits; specifically, unlike much previous work, we utilize recently developed and refined multilevel modeling techniques that allow us to examine the impact of both country and individual level economic variables on political attitudes. Secondly, taking into account observed individual level patterns, we engage in subpopulation analysis and explore whether specific segments of the population may be especially vulnerable to anti-democratic appeals under conditions of hard economic times. Following this methodological strategy, we explore the weight of macroeconomic and individual-level conditions on three distinct political attitudes: support for democracy as the best form of government, confidence in the political system, and support for violent political participation. Our methodological approach and the richness of the data we use make it possible for us to investigate a number of research questions little studied until now:

1) At the country level, other things being equal, is there evidence suggesting that poor macroeconomic conditions in Latin America are linked to more negative attitudes for democracy?

2) At the individual level, other things being equal, is there evidence suggesting that subjective and/or objective adverse economic conditions are associated with more negative attitudes for democracy? If so, are political attitudes among individuals undergoing financial stress uniform irrespective of age and sex?

3) Is the effect of personal economic conditions on democratic attitudes mediated by the performance of the national economy? That is to say, is there evidence of "interaction effects" between country and individual level economic factors?

4) Are macroeconomic and individual adverse economic conditions equally powerful in affecting democratic values, or do they produce dissimilar effects across the three different democratic attitudes examined in this study?

5) Under conditions of hard economic times, are more negative political attitudes toward democracy likely to also translate into increased citizens' participation in protests, the form of mass behavior that historically has served as a frequent rationale for both military and executive coups in Latin America (Nun 1967)?

By exploring these questions empirically, this study proceeds to examine how personal and national economic conditions influence citizens' political beliefs in Latin America and the Caribbean. First, it provides a discussion of the literature, and outlines the methodological limitations of previous research. Second, the mechanisms through which economic declines can affect citizens' political attitudes are reviewed. Then, the results of our multilevel statistical analysis for each of the three political attitudes we considered are presented. The study concludes by summarizing likely transmission channels through which economic crisis can put at risk democratic beliefs and, ultimately, democratic consolidation in the region.

## I. ECONOMIC CONDITIONS AND DEMOCRATIC VULNERABILITY: THE THEORY

Unfortunately, we have little empirically-based ideas of how it is that democratic stability might be affected by economic crisis. One lesson all of us seem to have learned from the global meltdown, is that despite all that has been learned from the implementation of counter-cyclical policy, we have not yet found a vaccine to protect us against sharp, system wrenching crises (Krugman 2009). What, then, are the likely channels through which economic crises might expose democratic vulnerabilities in the Latin American region?

Research to date on the impact of the economy on democracy has had two distinct foci. One school has looked at the role of individuals, while the other has focused instead on national-level conditions. On the link between economic decline and citizens' political responses, Nancy Bermeo (2003 4) summarizes (and then disputes) the thinking in the field this way: "As individuals, ordinary people can be democracy's fickle friends... rather than being democracy's salvation, ordinary people can be democracy's undoing".<sup>2</sup> Theories that focus on the individual predict that in times of economic turmoil ordinary citizens will turn their backs on democracy. Moreover, this line of research suggests that in times of economic distress some segments of the population are at greater risk of supporting non-democratic political alternatives than others.

The poor, in particular, are thought by some, but certainly not all, to be more likely to become democracy's challengers. The extent to which the current or future economic crises produce more poor people in developing countries, the number of democracy challengers would also be predicted to soar. Indeed, as a recent study puts it, the notion that "poor people provide

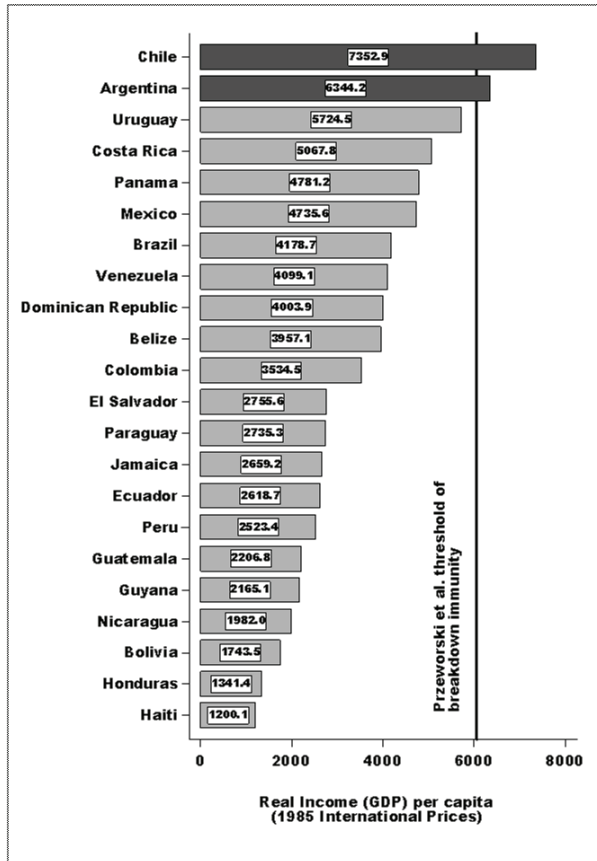
<sup>2</sup> Bermeo argues that in most cases it is elites who overthrow democracy.

poor support for democracy” has constituted “the conventional wisdom” in the literature (Krishna 2008). Paradigmatic is the classic work, *Political Man*, in which Seymour Martin Lipset (1961 161) states that “the lower one goes on the socioeconomic ladder, the greater economic uncertainty one finds... such insecurity will of course affect the individual’s politics and attitudes”. Since economic crises like the one that began in 2008 significantly increase poverty in Latin America, one would expect to see more poor people in a number of countries, and consequently greater dissatisfaction with democracy and its institutions.

Beside personal objective economic conditions, perceptions about the economy are also likely to influence citizens’ political predispositions. In this regard the economic voting literature is the most extensive and emblematic (Lewis-Beck and Stegmaier 2006), but other research has also found that perceptions of the personal and national economy are linked to political legitimacy and democratic values (Dalton 2004; Clarke *et al.* 1993). In the Latin American context, what types of perceptions of the economy might matter the most (*i.e.* current, retrospective, or prospective and/or personal or national)? If perceptions about the economy are important correlates of citizens’ political support, then we expect that as more Latin American citizens hold negative perceptions about the economy as a result of economic shocks, support for democracy and the political system may decline.

But not all research focuses on individuals. Country-centered theories of democracy suggest that economic crises will have adverse effects on Latin American democracies for at least three reasons. First, despite significant advances in living conditions in most Latin American countries in the past two decades, the region continues to be characterized by underdevelopment, a factor associated with democratic instability and even democracy collapse. Przeworski *et al.* (1996 41) for example, conclude that “no democratic system has ever fallen in a country where per-capita income exceeds \$6,055 (Argentina’s level in 1975).” However, according to our extrapolations, based on the same data source used by Przeworski *et al.*, in the Latin American and Caribbean region only two countries, Chile and Argentina, are currently above the threshold of “breakdown inoculation” (see Figure 1). While Chile and Argentina’s national wealth lie just above the threshold, and Uruguay and Costa Rica just below it, the majority of countries are substantially below, suggesting that most countries in Latin America entered the 2008 economic crisis without the level of economic development that has historically inoculated countries from democracy breakdowns, making poorer countries in the region especially vulnerable to democracy stagnation, reversals in democratic progress, and even democracy breakdown.

Figure 1



Second, both the level of economic development and the rate of growth have been shown to affect democracy (Przeworski *et al.* 2000; Converse and Kapstein 2006; Kapstein and Converse 2008). Przeworski and his co-authors (Przeworski *et al.* 2000 117) find that, “democracies never die in wealthy countries. But all the evidence we have examined also indicates that democracies in poorer countries are more likely to die when they experience economic crises than when their economies grow”. In the Latin American case, the 2008 economic crisis translated into a regional GDP decline of about 1.8 percent (ECLAC 2009a), although economic growth suffered the most in countries closer to the United States; Mexico showed the lowest rate, closing 2009 with a negative GDP growth of about 6.7 percent (ECLAC 2009a). In previous years, low and uneven long-term economic

growth characterized the region; for instance Dominican Republic experienced an average 3.4 percent growth in GDP per capita from 1990 to 2005, while its next door neighbor, Haiti, registered a negative growth rate of 2 percent during the same period (UNDP 2008).

Third, democracy declines may be more severe in countries with high levels of income inequality, which should especially affect Latin America, a region that historically has been characterized as having the highest levels of inequality in the world. Recent empirical evidence supports the hypothesized inverse relationship between democracy and economic inequality. In their study of young democracies in the period between 1960 and 2004, Kapstein and Converse (2008 61) theorize that “if large segments of the populace share only a sliver of the nation’s wealth, they may view the political order—even if ‘democratic’ in institutional form—as being unresponsive or even detrimental to their interests”, and find that “inequality was indeed significantly higher in democracies that eventually underwent a reversal” during this period. In Latin American democracies, higher levels of unemployment, labor informality, and poverty, all products of the 2008 economic crisis (ECLAC 2008, 2009b), may lead to higher income inequality and consequent increasing levels of political dissatisfaction in the region. In sum, there are multiple channels, individual and country-level mechanisms, through which economic decline may increase the vulnerabilities of democracy in Latin America.

Despite the growing widespread availability of multi-country survey data for most regions in the world, the majority of studies have relied on either individual or aggregate analyses, making it impossible to examine simultaneously the effect of individual economic traits and national economic conditions on citizens’ political culture. Individual and country level accounts have not “talked to each other” and therefore have largely remained as two distinct realms. Comparative analyses at the level of the individual can only speculate that poor macroeconomic performance in some countries might explain why citizens are unhappy with their political system, but cannot empirically demonstrate this association. In contrast, country-level analyses can show that economic contextual factors matter for democracy, but fail to account for the role that ordinary citizens play in democratization, and in particular cannot provide a satisfactory answer to the question of what kinds of individuals are more likely to become democracy’s friends or undertakers. In this study, by bridging levels of analysis using multilevel modeling techniques (Raudenbush and Bryk 2002; West *et al.* 2007; Franzese 2005), we hope to broaden our understanding about how personal and



national economic conditions shape citizens' political beliefs and in turn affect democratic consolidation.

Multilevel models take into account the nested nature of the problem we are studying; citizens live in countries with certain economic characteristics and the features of the national economy where individuals live are likely to mold their support for democracy and the political system. Moreover, multilevel modeling allows us to go further and examine whether the effects of the national economic context are different across individuals with dissimilar socioeconomic status or perceptions about the economy. In other words, it makes it possible for us to assess the possibility of interaction effects between levels of analysis.<sup>3</sup>

## II. HYPOTHESIZED TRANSMISSION MECHANISMS

We mine the most recent wave of the AmericasBarometer to attempt to provide some help in determining possible impacts of economic crisis on democratic values.<sup>4</sup> The AmericasBarometer is carried out every two years by the Latin American Public Opinion Project (LAPOP), a survey that covers all of the countries in North, Central and South America, and several countries in the Caribbean. The 2008 survey covered 22 Latin American and Caribbean nations. The 2008 project uses a stratified national probability sample design of voting-age adults, involving over 37,000 face-to-face interviews in Latin America and the Caribbean. The data allow us to explore in a systematic manner the individual and national economic determinants of citizens' political culture across 22 Latin American and the Caribbean nations and in this way envision some of the likely transmission channels of economic crisis on the consolidation of democracy.

We define three channels by which hard economic times might influence democratic values in the Latin American context. First, within countries, since "have nots" have been theorized since Lipset to be more likely to show negative attitudes for democracy and also almost certainly to suffer the most from sharp economic downturns, we hypothesize that they will be the ones more likely to be skeptical of what could be seen as hollow promises of democracy than groups less severely affected. Thus, at the individual level, we compare political attitudes across economic groups in order to as-

<sup>3</sup> All multilevel models presented in this article were computed using the command "xtmixed" in STATA 10.1.

<sup>4</sup> For more information on the AmericasBarometer survey and country studies visit [www.vanderbilt.edu/lapop](http://www.vanderbilt.edu/lapop).

sess whether the relatively poor are indeed more vulnerable to become, in Bermeo's terms, "democracy's fickle friends" under conditions of economic distress. Additionally, we take into account the effect of individuals' perceptions about their current and retrospective personal and national economic situation plus standard socio-demographic characteristics.<sup>5</sup>

Second, we expect that, regardless of individual economic characteristics, citizens in Latin America and the Caribbean living in countries experiencing the most severe setbacks in national macroeconomic and social conditions will show the greatest erosion in support for democratic principles, especially if those countries enter episodes of economic crisis with low levels of economic development, growth and/or economic equality. We expect that when national economic conditions deteriorate, even relatively better off citizens will show a decline in political support. Specifically, at the country level, we explore the impacts on democratic values of economic inequality, growth, and development.<sup>6</sup> Given that our focus is the Latin American and Caribbean region and consequently the number of "cases" we can analyze at the country level is relatively small (a total of 22), in our statistical analysis we evaluate the impact of each of these three variables one at the time.

Third, the possibility of "interaction effects" between country and individual level economic variables is also examined. We hypothesize that the strength of the impact of individual level economic variables might be conditioned by the characteristics of the economic context where citizens live. Individuals at the bottom of the economic ladder or those with more negative perceptions of the economy in economically dissimilar countries might have different sets of democratic values. For example, the poor in Haiti might show different levels of support for democracy than the poor in Argentina because of the vast differences in the level of development in these two countries. Indeed, comparatively, individuals at the bottom of the economic ladder in Haiti are likely to have much lower standards of living than individuals with similar characteristics in Argentina, which might explain some likely differences in the levels of political support by these segments of the population in these two countries.

<sup>5</sup> Survey items tapping into "prospective" evaluations of the economy are not available in the 2008 AmericasBarometer dataset.

<sup>6</sup> The national level data on economic growth and development are from the Human Development Report 2007/2008 by the United Nations Development Program (UNDP). The economic inequality data are from the "Socio-Economic Database for Latin America and the Caribbean" developed by The World Bank and the Centro de estudios distributivos y laborales at the Universidad de la Plata.

We look at the impact of these individual and national economic conditions on three core components of a healthy political culture supportive of democracy: the belief that democracy is the best form of government, belief in the political legitimacy of the system, and disapproval of violent participation as a form of protest, including attempts to overthrow the government by violent means. The question we pose is whether all, some or none of the economic variables considered in this study are associated in similar or different ways with these three distinct dependent variables. Our expectation is that certain national and individual economic characteristics will have varying impacts on political attitudes.

Lastly, in order to better understand the paths by which the economy may affect democratic stability, we examine whether approval of violent participation is linked to a higher likelihood of participating in protests, which in turn could set off a cycle of government repression and greater protests.

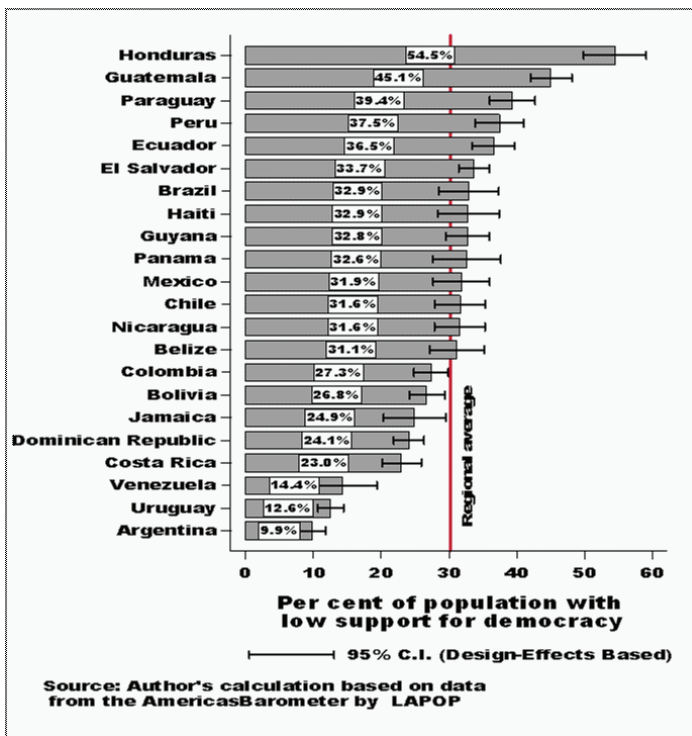
### III. SUPPORT FOR DEMOCRACY

If citizens do not believe that democracy is the best form of government, then they might be attracted by authoritarian alternatives, especially when the economy does not perform well in democratic systems. The AmericasBarometer measures support for democracy using the widely used “Winston Churchill” question. In the surveys of the AmericasBarometer the Churchillian question reads, “Democracy may have problems, but it is better than any other form of government. On a scale from 1 to 7, to what degree do you agree or disagree with this statement?” Although answers to this question are clearly contingent on what citizens’ understand by the word “democracy,” a subject that LAPOP has analyzed extensively elsewhere (Seligson 2008), in our analysis of the LAPOP data we find that the Churchill item is correlated in the expected direction with other measures of democratic attitudes in the survey that do not include the word “democracy,” thus helping to support the internal validity of the Churchill question.

As in other recently democratized regions of the world, particularly Africa and the former Soviet Union, citizens in Latin America and the Caribbean are committed to democracy when asked the Churchillian question. Support for democracy is widespread, with only about 30 percent of the population in Latin America and the Caribbean disagreeing with Churchill (see Figure 2). Looking more closely, however, the Americas Barometer data also reveal that in a number of countries a disturbingly large proportion of

the adult population do not agree with Churchill. In Honduras and Guatemala, for example, more than 40 per cent of voting age citizens express low support for democracy, providing scores between 1 and 4 (on a 1-7 scale) when the Churchillian question is asked; in Peru, Ecuador, and El Salvador about a third of the population disagree with Churchill. Moreover, as we show below, further statistical analysis indicates that support for democracy is not randomly distributed in Latin America and the Caribbean, but conditioned by specific individual and country characteristics.

Figure 2



Before presenting our results, a note on our methodology is necessary. In the statistical models presented in this study, all continuous variables were standardized, except dummy variables, so that the reported standardized coefficients allowed us to assess the relative impact of each independent variable. Additionally, we ran all the models using unstandardized variables with the intention of estimating mean predicted values, and in this way further gauge the impact of significant economic factors.

In all models, at the individual level we consider the effects of personal wealth,<sup>7</sup> perceptions of the current and retrospective personal and national economic situation, satisfaction with the performance of the national president, education, the size of the town or city in which the respondent lives, and sex. In addition to these individual level characteristics, at the national level we assess the effects of the level of economic development, inequality, and growth. Table 1 summarizes the main results of our statistical analysis for the support for democracy variable, taking into account both individual and country level variables.

	<i>Model I</i>	<i>Model II</i>	<i>Model III</i>	<i>Model IV</i>	<i>Model V</i>
<i>Individual Characteristics</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>	
Quintile of Wealth 1	-0.044* (0.02)	-0.044* (0.019)	-0.044* (0.019)	-0.044* (0.019)	-0.043* (0.02)
Quintile of Wealth 2	-0.031 (0.02)	-0.031 (0.018)	-0.031 (0.018)	-0.031 (0.018)	-0.030 (0.02)
Quintile of Wealth 3	-0.030 (0.02)	-0.030 (0.018)	-0.030 (0.018)	-0.030 (0.018)	-0.029 (0.02)
Quintile of Wealth 4	-0.026 (0.02)	-0.026 (0.017)	-0.026 (0.017)	-0.026 (0.017)	-0.025 (0.02)
Perception Personal Economic Situation	-0.003 (0.01)	-0.003 (0.007)	-0.003 (0.007)	-0.003 (0.007)	-0.003 (0.01)
Perception Retrospective Personal Economic Situation	0.014* (0.01)	0.014* (0.007)	0.014* (0.007)	0.014* (0.007)	0.015* (0.01)
Perception National Economic Situation	0.004 (0.01)	0.004 (0.007)	0.004 (0.007)	0.004 (0.007)	0.004 (0.01)
Perception Retrospective National Economic Situation	0.021** (0.01)	0.021** (0.007)	0.021** (0.007)	0.021** (0.007)	-0.158 (0.08)
Years of Schooling	0.064*** (0.01)	0.064*** (0.007)	0.064*** (0.007)	0.064*** (0.007)	0.064*** (0.01)
Satisfaction Performance Current President	0.076*** (0.01)	0.076*** (0.006)	0.076*** (0.006)	0.076*** (0.006)	0.076*** (0.01)

<sup>7</sup> Our quintiles of wealth variable were derived from LAPOP's Relative Wealth Index (RWI) developed using Principal Component Analysis (PCA) using ten items in the LAPOP survey on household assets. For a detailed discussion on the validity and reliability of the RWI, see (Córdova 2009). This and previous issues in the *AmericasBarometer Insights Series* can be found at [www.vanderbilt.edu/lapop/studiesandpublications](http://www.vanderbilt.edu/lapop/studiesandpublications).

	<i>Model I</i>	<i>Model II</i>	<i>Model III</i>	<i>Model IV</i>	<i>Model V</i>
<i>Individual Characteristics</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>	
Small City (=1; rural=0)	0.036* (0.02)	0.036* (0.018)	0.036* (0.018)	0.036* (0.018)	0.034 (0.02)
Large/Medium City (=1; rural=0)	0.000 (0.02)	-0.001 (0.015)	-0.001 (0.015)	-0.000 (0.015)	-0.003 (0.02)
Metropolitan Area (=1; rural=0)	0.002 (0.02)	0.001 (0.016)	0.001 (0.016)	0.002 (0.016)	-0.000 (0.02)
46-60 years old (=1; over 60 years old=0)	-0.039 (0.02)	-0.039 (0.020)	-0.039 (0.020)	-0.039 (0.020)	-0.040 (0.02)
31-45 years old (=1; over 60 years old=0)	-0.095*** (0.02)	-0.094*** (0.020)	-0.095*** (0.020)	-0.095*** (0.020)	-0.095*** (0.02)
16-30 years old (=1; over 60 years old=0)	-0.226*** (0.02)	-0.226*** (0.020)	-0.226*** (0.020)	-0.226*** (0.020)	-0.227*** (0.02)
Female (=1; Male=0)	-0.038*** (0.01)	-0.038*** (0.011)	-0.038*** (0.011)	-0.038*** (0.011)	-0.038*** (0.01)
<i>Contextual/National Characteristics</i>					
Economic Development (GDP per capita)		0.098* (0.046)			0.077 (0.05) 0.189*
Economic Development (GDP per capita)* Retrospective national economic situation					(0.08)
Economic Inequality (Income share of richest 10%)			-0.098* (0.043)		
Average Annual GDP per Capita Growth Rate (1990-2005)				-0.015 (0.049)	
Constant	0.180*** (0.05)	0.170*** (0.051)	0.174*** (0.050)	0.179** (0.055)	0.170*** (0.05)
N. of cases		32192	32192	32192	
N. of Groups		22	22	22	
* p<0.05, ** p<0.01, *** p<0.001 a. Models I-IV assume a random intercept; Model V assumes a random intercept and a random slope for "retrospective perceptions of national economy" variable.					

We begin with a discussion of our individual level findings (see model I in Table 1). What we find is that, as the literature suggests, support for democracy from the Churchillian perspective is linked to objective indicators of individual wealth or poverty. We find that only individuals in the first

quintile (*i. e.*, poorest) of wealth have statistically significant lower levels of support for democracy relative than ones in the fifth (*i. e.*, richest) quintile of wealth ( $p < 0.05$ ). However, these results should not be exaggerated since we also find that although personal wealth is statistically significant associated with support for democracy, the difference in the mean predicted value of support for democracy between the first and fifth quintile is only about 3 points on a 0-100 scale (see Appendix 1). Stronger evidence of the effect of the economy on support for democracy, however, emerges when we examine respondent *perception* of economic conditions. What we find is that those who perceive that their personal or national economic situation deteriorated over the year prior to the survey express lower levels of support for democracy, *ceteris paribus*. Individuals who perceived that their personal or national economy was “worse” had 5 and 8 points lower support for democracy, in comparison to those who perceived improvements.

The remaining individual level results conform closely to the standard model in political science. That is, individual level satisfaction with the performance of the president has a strong positive effect on support for democracy. Not surprisingly, we find that one of the strongest effects on support for democracy is years of schooling. On the other hand, one final individual variable, age, proved to have surprising results; we uncovered a strong impact on support for democracy such that the young express significantly lower support for it. This finding is certainly disturbing since it is often argued that the future of democracy rests on the shoulders of the young. We discuss the implications of this finding below.

Turning now to national level variables, we find that, as predicted, poor performance of the economy can undermine support for democracy. Table 1 shows that economic development and distribution are powerful determinants of that support (see models II and III in Table 1). The regression results show that once individual factors are taken into account, variations in the level of national wealth and the degree of economic inequality best explain differences across countries in average support for democracy based on the Churchill question. For instance, we find that, holding constant individual level variables, citizens living in the least developed country in the region, Haiti, show an average support for democracy of about 65 points on a 1-100 scale (see appendix 2), whereas individuals living in one of the most developed countries, Argentina, show an average support of about 76 points; this suggests that if a Haitian with a given set of socio-economic characteristics were to migrate from Haiti to Argentina, all other things being equal, and none of her individual characteristics were to change, that

person's support for democracy would increase by nearly 10 points on the 0-100 scale.

Similarly, we find that that low support for democracy in countries like Haiti and Honduras is also associated with the high levels of economic inequality found in those countries. At the other extreme, the relatively high level of support for democracy in Argentina and Uruguay is in part due to their lower levels of income inequality. The difference in average support for democracy between countries with the lowest and highest inequality rates is also about 10 points (see appendix 3).

Taken together, these empirical results are consistent with the well-known theoretical contention that economic underdevelopment and economic inequality foster discontent and with it political conflict, creating an atmosphere inhospitable for democratic values.

But our models can and do tell us more. We find a statistically significant interaction between the levels of analysis (see model V in Table 1). What we find is that at the individual level the effect of individuals' perceptions of the retrospective national economic situation is mediated by the extent of national economic development. Specifically, we find that individuals living in the most economically developed countries in Latin America and the Caribbean who also have more positive retrospective views of the performance of the national economy show the highest levels of support for democracy, *ceteris paribus*; this implies that citizens living in less developed countries are likely to show lower levels of support for democracy, even if they think that the economy is doing better than the previous year. Thus, if deteriorating economic conditions result in both more negative perceptions about the retrospective national economic situation and setbacks in development, then our models predict that support for democracy would significantly decrease. We did not, however, find other significant cross-level interactions.

#### IV. LEGITIMACY OF THE POLITICAL SYSTEM

Beyond the economic crisis' impact on belief in democracy *per se*, democratic stability rests, in Lipset's (1961: 64) words, on the ability of citizens to "maintain the belief that existing political institutions are the most appropriate or proper ones for the society". Poor economic performance has been extensively cited as an important depressor of citizens' belief in the legitimacy of political institutions, especially when economic declines are sharp (Booth and Seligson 2009; Dalton 2004). Thus, when the economy



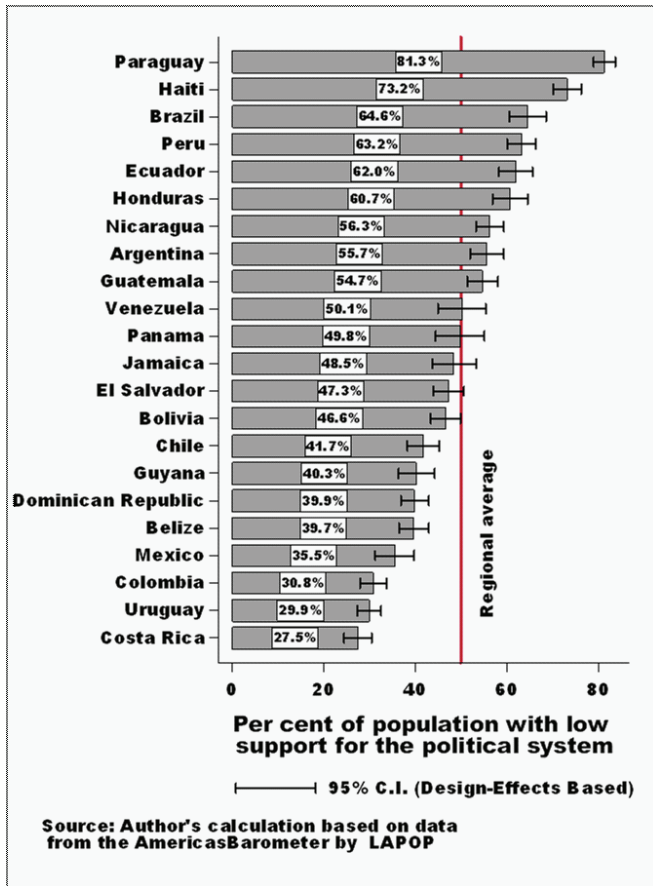
is not doing well, it is reasonable to predict that erosion of legitimacy may take place, even if the bulk of the population continues to believe in democracy as a system of government. We measure legitimacy by a scale based on Easton's (1975) notion of "system support," and is measured by LAPOP using an index based on the following five questions in the survey:<sup>8</sup>

- 1) To what extent do you think the courts in the country guarantee a fair trial?
- 2) To what extent do you respect the political institutions of the country?
- 3) To what extent do you think citizens' basic rights are well protected by the political system of the country?
- 4) To what extent do you feel proud of living under the political system of the country?
- 5) To what extent do you think one should support the political system of the country?

Figure 3 shows that in the Latin American and Caribbean region about 50 per cent of the population express low support for the political system, with an average system support across the five items lower than 50 on a 0-100 scale. However, there are important variations in system support across countries, with Haiti and Paraguay showing the highest percentage of the population with low system support (greater than 70 percent) and Costa Rica and Uruguay with the lowest percentage (below 40 percent).

<sup>8</sup> Respondents are asked to provide a number in a scale from 1 to 7, where 1 means "not at all" and 7 "a lot." Rotated factor loadings for these five items form a single factor with a Cronbach's  $\alpha$  (alpha) of 0.82, suggesting that a single index can be constructed from these five items.

Figure 3



What are the individual and country level characteristics that might explain citizens' low system support in the region? In the analysis of this data, we find that poverty, measured by our index of economic wealth does not threaten political legitimacy. We find rather that *perception* matters, such that negative views about the current and retrospective personal and national economic situation are likely to lower the legitimacy of the political system, suggesting that negative perceptions of the economy would translate into greater dissatisfaction with the political system. As shown in Table 2, these results hold even after controlling for citizens' level of satisfaction with the performance of the incumbent chief executive, a variable frequently found in the literature to strongly determine citizens' support for political institutions.

Table 2. Individual and Country Level Determinants of Political Legitimacy Multilevel Models <sup>a</sup> (Standardized coefficients; standard errors in parenthesis)				
	<i>Model I</i>	<i>Model II</i>	<i>Model III</i>	<i>Model IV</i>
<i>Individual Characteristics</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>
Quintile of Wealth 1	0.044 (0.02)	0.044 (0.02)	0.044 (0.02)	0.044 (0.02)
Quintile of Wealth 2	0.010 (0.02)	0.010 (0.02)	0.010 (0.02)	0.010 (0.02)
Quintile of Wealth 3	-0.022 (0.02)	-0.022 (0.02)	-0.022 (0.02)	-0.022 (0.02)
Quintile of Wealth 4	-0.011 (0.02)	-0.011 (0.02)	-0.011 (0.02)	-0.011 (0.02)
Perception Personal Economic Situation	0.039*** (0.01)	0.039*** (0.01)	0.039*** (0.01)	0.039*** (0.01)
Perception Retro- spective Personal Economic Situation	0.037*** (0.01)	0.037*** (0.01)	0.037*** (0.01)	0.037*** (0.01)
Perception National Economic Situation	0.066*** (0.01)	0.066*** (0.01)	0.066*** (0.01)	0.066*** (0.01)
Perception Retro- spective National Economic Situation	0.039*** (0.01)	0.039*** (0.01)	0.039*** (0.01)	0.039*** (0.01)
Years of Schooling	-0.022*** (0.01)	-0.022*** (0.01)	-0.022*** (0.01)	-0.022*** (0.01)
Satisfaction Per- formance Current President	0.256*** (0.01)	0.256*** (0.01)	0.256*** (0.01)	0.256*** (0.01)
Small City (=1; rural=0)	-0.033* (0.02)	-0.033* (0.02)	-0.033* (0.02)	-0.033 (0.02)
Large/Medium City (=1; rural=0)	-0.117*** (0.01)	-0.117*** (0.01)	-0.117*** (0.01)	-0.117*** (0.01)
Metropolitan Area (=1; rural=0)	-0.196*** (0.01)	-0.197*** (0.01)	-0.196*** (0.01)	-0.197*** (0.01)
46-60 years old (=1; over 60 years old=0)	-0.099*** (0.02)	-0.099*** (0.02)	-0.099*** (0.02)	-0.099*** (0.02)
	<i>Model I</i>	<i>Model II</i>	<i>Model III</i>	<i>Model IV</i>
<i>Individual Characteristics</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>

31-45 years old (=1; over 60 years old=0)	-0.114*** (0.02)	-0.114*** (0.02)	-0.114*** (0.02)	-0.114*** (0.02)
16-30 years old (=1; over 60 years old=0)	-0.119*** (0.02)	-0.119*** (0.02)	-0.119*** (0.02)	-0.119*** (0.02)
Female (=1; Male=0)	0.028** (0.01)	0.028** (0.01)	0.028** (0.01)	0.028** 0.01
<i>Contextual National Characteristics</i>				
Economic Development (GDP per capita)		0.075 (0.06)		
Economic Inequality (Income share of richest 10%)			-0.048 (0.06)	
Average Annual GDP per Capita Growth Rate (1990-2005)				0.112* (0.05)
Constant	0.170** (0.06)	0.163** (0.06)	0.168** (0.06)	0.174** (0.06)
N. of cases	33030	33030	33030	33030
N. of Groups	22	22	22	22
* p<0.05, ** p<0.01, *** p<0.001				
a. Models I-IV assume a random intercept.				

The importance of perceptions of the economy for political legitimacy is depicted by the changing mean predicted values of political legitimacy at different perceptions of the economy (see appendix 4). Individuals who described their current personal or national economic situation as “very good” show an average predicted political legitimacy of about 58 points for their personal situation and 62 points for the national economic situation on a 1-100 scale. On the other hand, those who described their personal or the national economy as “very bad” show an average of about 44 and 42 points, respectively. This represents a drop in system support due to negative perceptions of the personal economy of about 14 points, and a decline of about 19 points due to negative perceptions of the national economy. Negative retrospective perceptions are also damaging to political legitimacy. On average, individuals who perceived that their personal finances are doing “worse” than the prior year show 10 points lower system support than those who perceived that their economy improved. Likewise, citizens who hold negative retrospective perceptions of the national economy have about

13 points lower system support than those who are more optimistic about it. Besides these economic individual level variables, as with support for democracy, the young also show the lowest levels of system support in Latin America and the Caribbean.

Moving beyond individual level factors, our country-level variables once again are found to matter (see model IV in Table 2). Specifically, we find that individuals living in nations that have experienced poor macroeconomic performance, measured by the average annual growth of GDP per capita, in the period between 1990 and 2005, express significantly lower average levels of system support. For instance, once individual level variables are taken into account, negative growth rates in Haiti seem to explain in part why this country shows one of the lowest levels of system support in the region, while the higher levels of system support in Chile and Dominican Republic can be at least in part attributed to these countries' better economic performance in past decades. Specifically, once individual level factors are considered, on average, in Haiti political legitimacy is about 45 points on the 1-100 scale, while in Chile and Dominican Republic it is about 56 points (see appendix 5). Thus, if economic growth declines sharply in Latin America, system support is likely to wither.

Finally, unlike support for democracy, we do not find evidence suggesting that the impact of individual economic factors on system support is mediated by national economic characteristics.

## V. APPROVAL OF VIOLENT PARTICIPATION

Since setbacks in democracy in Latin America in the past have often been associated with mass protests that have provoked violent counter measures by the regime and its security forces, the AmericasBarometer asks citizens to what extent they approve or disapprove of the use of violence as a form of protest, including the overthrow of an elected government. The AmericasBarometer survey asks individuals to what extent they approve or disapprove the following actions that people can take to achieve their political goals:<sup>9</sup>

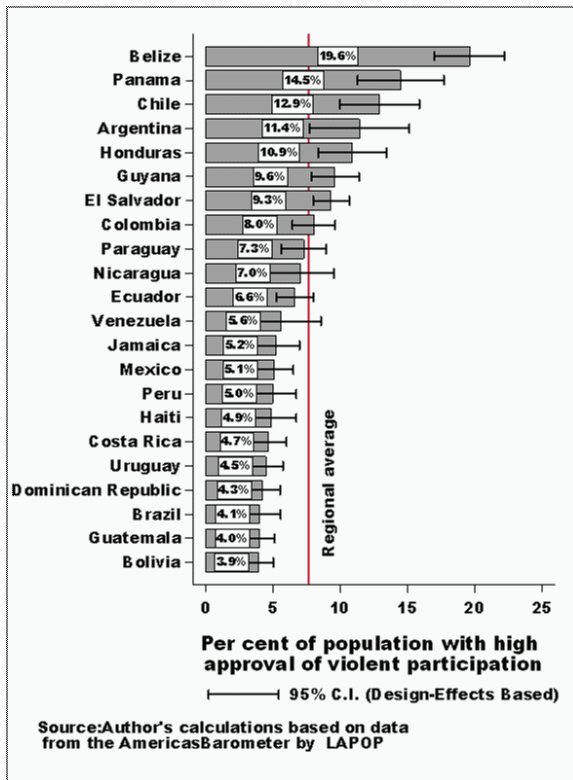
- 1) Of people seizing factories, offices and other buildings
- 2) Of people seizing private property or land
- 3) Of people participating in the blocking of roads
- 4) Of people participating in a group working to violently overthrow an elected government

<sup>9</sup> Respondents are asked to provide a number between 1 and 10, where 1 means "strongly disapprove" and 10 "strongly approve."

An index of “approval of violent participation” that goes from 0-100 was generated from these four items in the survey.<sup>10</sup> Those who approve violent participation may not, of course, take part in violent acts themselves, but their approval creates a permissive atmosphere for those who would do so, and can create an unstable political environment in which the normal functioning of democracy is difficult to maintain. Our initial findings are reassuring. As shown in Figure 4, we find that in 2008 most citizens in Latin America and the Caribbean strongly rejected violent participation. Indeed, only a relatively low percentage of the population shows high support for violent participation (with average scores across the four survey items above 50 points on a scale from 0 to 100).

Figure 4

A closer look shows that these initial findings are not entirely reassuring. We find that approval of violent participation is primarily contingent



<sup>10</sup>Rotated factor loadings for these four items form a single factor with a Cronbach's (alpha) of 0.79, suggesting that a single index can be constructed from these four items.

on individuals' economic and demographic characteristics (see Table 3), indicating some specific venues through which economic turmoil might increase approval of violent participation among the citizenry. As with support for democracy, what we find is an indication that poverty does matter for approval of violent political participation. Should economic downturns sharply increase the numbers of the poor, our results suggest higher support for violent participation. We do not want, however, to overstate this finding, as the main effect is found between the richest 20 percent and the rest of the population. We find clearer evidence of a strong age cohort effect. The young, especially individuals between 16 and 30 years of age, show significantly higher levels of approval of violent participation than older individuals, other things being equal.

Table 3. Individual and Country Level Determinants of Approval of Violent Participation Multilevel Models <sup>a</sup> (Standardized coefficients; standard errors in parenthesis)				
	<i>Model I</i>	<i>Model II</i>	<i>Model III</i>	<i>Model IV</i>
<i>Individual Characteristics</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>
Quintile of Wealth 1	0.146*** (0.02)	0.146*** (0.019)	0.146*** (0.019)	0.146*** (0.019)
Quintile of Wealth 2	0.095*** (0.02)	0.095*** (0.018)	0.095*** (0.018)	0.095*** (0.018)
Quintile of Wealth 3	0.100*** (0.02)	0.100*** (0.018)	0.100*** (0.018)	0.100*** (0.018)
Quintile of Wealth 4	0.088*** (0.02)	0.088*** (0.017)	0.088*** (0.017)	0.088*** (0.017)
Perception Personal Economic Situation	-0.003 (0.01)	-0.003 (0.007)	-0.003 (0.007)	-0.003 (0.007)
Perception Retrospec- tive Personal Economic Situation	-0.032*** (0.01)	-0.032*** (0.006)	-0.032*** (0.006)	-0.032*** (0.006)
Perception National Economic Situation	0.018** (0.01)	0.018** (0.007)	0.018** (0.007)	0.018** (0.007)
Perception Retrospec- tive National Economic Situation	-0.008 (0.01)	-0.008 (0.007)	-0.008 (0.007)	-0.008 (0.007)
Years of Schooling	-0.043***	-0.043***	-0.043***	-0.043***
	<i>Model I</i>	<i>Model II</i>	<i>Model III</i>	<i>Model IV</i>
<i>Individual Characteristics</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>	<i>Coef./ (se)</i>

Satisfaction Performance Current President	(0.01) -0.055***	(0.007) -0.055***	(0.007) -0.055***	(0.007) -0.055***
Small City (=1; rural=0)	(0.01) -0.038*	(0.006) -0.038*	(0.006) -0.038*	(0.006) -0.038*
Large/Medium City (=1; rural=0)	(0.02) -0.026	(0.018) -0.026	(0.018) -0.025	(0.018) -0.026
Metropolitan Area (=1; rural=0)	(0.02) 0.008	(0.015) 0.008	(0.015) 0.008	(0.015) 0.008
46-60 years old (=1; over 60 years old=0)	(0.02) 0.048*	(0.016) 0.048*	(0.016) 0.048*	(0.016) 0.048*
31-45 years old (=1; over 60 years old=0)	(0.02) 0.159***	(0.020) 0.159***	(0.020) 0.159***	(0.020) 0.159***
16-30 years old (=1; over 60 years old=0)	(0.02) 0.280***	(0.019) 0.280***	(0.019) 0.280***	(0.019) 0.280***
Female (=1; Male=0)	(0.02) -0.039***	(0.019) -0.039***	(0.019) -0.039***	(0.019) -0.039***
<i>Contextual National Char- acteristics</i>				
Economic Development (GDP per capita)		0.003 (0.042)		
Economic Inequality (Income share of richest 10%)			0.041 (0.039)	
Average Annual GDP per Capita Growth Rate (1990-2005)				0.023 (0.040)
Constant	-0.231*** (0.05)	-0.232*** (0.047)	-0.229*** (0.046)	-0.231*** (0.046)
N. of cases	33707	33707	33707	33707
N. of Groups	22	22	22	22
* p<0.05, ** p<0.01, *** p<0.001 a. Models I-IV assume a random intercept.				

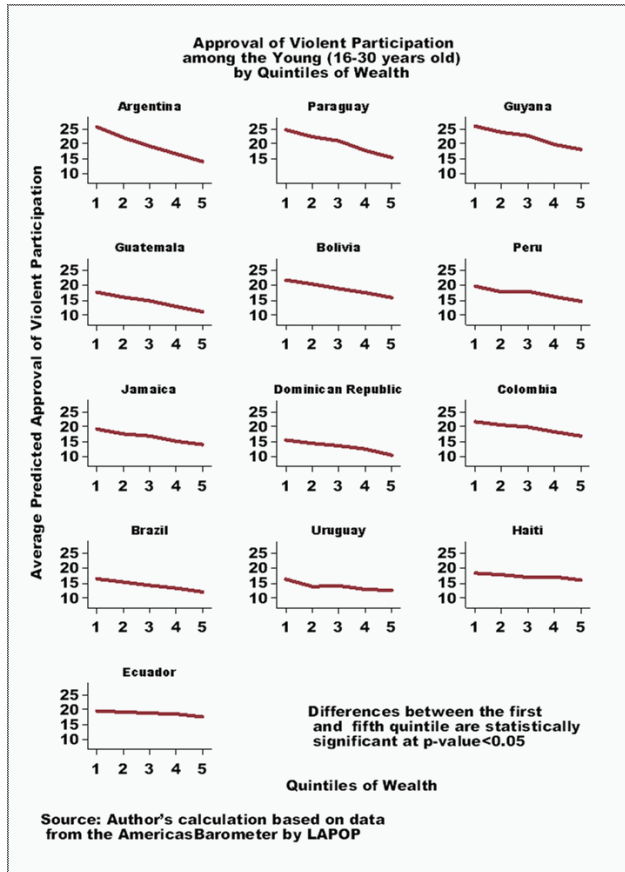
When we look even more closely at our data, what we find is that in 13 out of the 22 countries analyzed here, among the young those who are also poor have the highest average levels of approval of violent participation, in many



cases higher than the national average (see Figure 5). Specifically, after adjusting for individual level variables, our difference in means analysis shows that in each of these 13 countries, individuals between 16 and 30 years old who are part of the poorest 20 percent of the population show the highest levels of approval of violent participation.<sup>11</sup> Thus, being young and poor in many Latin American countries constitutes a “perfect storm” for high approval of violent participation. These results suggest that the young poor are particularly vulnerable to turning their backs on democracy as economic crises hit.

Figure 5

The young, often thought of as the best hope for the future, as citizens who were too young to have experienced the great wave of authoritarian regimes that ruled in much of Latin America in the 1960s and 1970s, are



<sup>11</sup> The full output of the difference in means analysis is available from the authors upon request.

in fact democracy's main challengers in Latin America. The young are significantly less likely to support democracy as a system of government, significantly less likely to believe in the legitimacy of the political system, and significantly more likely to approve violent political participation. We suspect that this has a lot to do with how they believe democracy has treated them; a recent study finds that the young in Latin America have fewer opportunities in society, reflected by higher unemployment rates and lower quality jobs (Cunningham 2008). Additionally, the same study finds that among the young, poverty often goes together with violence and crime. Our findings reinforce those results, suggesting that the greater propensity of violence among the young who lack economic opportunities is being reflected in their weak democratic values.

In the case of support for violent participation, although we find statistically significant effects linking individuals' perception of the economy and their extent of approval of violent participation, predicted values shown in appendix 6 suggest that these are not as important. Thus, by and large the finding that the young poor are more vulnerable to turning their backs on democratic principles is the most relevant one for this dependent variable. In addition, at the country level, we do not find evidence suggesting that the characteristics of the economy are important determinants of approval of violent participation.

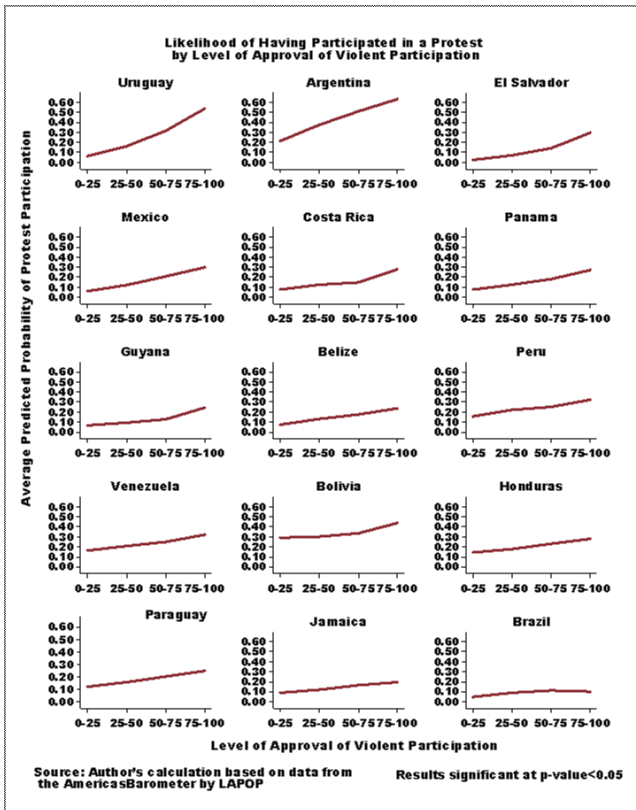
## VI. DO POLITICAL ATTITUDES MATTER FOR POLITICAL BEHAVIOR?

Attitudes alone, while important for creating an atmosphere supportive or resistant to democracy, can matter a lot for behavior. We wanted to determine if attitudes supportive of violent participation were actually linked to political behavior, since the real "payoff" of such attitudes is the impact they might have on system stability. What we find is that individuals who express higher levels of approval of violent participation do indeed exhibit a higher probability of protest participation.<sup>12</sup> Indeed, as Figure 6 shows, in fifteen countries there is clear evidence that those who approve the use of violence as a means of political pressure are also more likely to have taken

<sup>12</sup>A logistic regression model was estimated for each country. The index of approval of violent participation was included in the model as a predictor of protest participation; socio-economic and demographic characteristics and isotropic and sociotropic variables were also taken into account in the model. The full output of the statistical results is available from the authors upon request.

part in a protest march in the previous year, although the survey data do not allow us to know if the individual herself engaged in violent protest.

Figure 6



## VII. CONCLUSIONS

Evidence from the Americas Barometer suggests that there are multiple channels through which economic decline can affect democratic progress in Latin America, with some economic factors having a greater impact on some aspects of citizens' political culture. Our individual level results suggest that under hard economic times, more negative evaluations about the economy are likely to erode citizens' support for democracy and especially political legitimacy. In addition, our analysis indicates that the young poor, in particular, are among the populations with the highest risk of turning

their backs on democracy as in a number of countries they show higher approval of violent participation. Thus, if hard economic times translate into more young individuals falling below the poverty line, democratic vulnerabilities are likely to grow deeper.

The country-level results indicate that characteristics of the economic context in which citizens live play an important role in shaping their democratic attitudes. Specifically, setbacks in development or national wealth are likely to result in widespread widening disappointment with democracy, particularly among those who perceive that the performance of the national economy has declined over the past year. Similarly, our results suggest that increased economic inequality can also erode support for democracy among the citizenry. On the other hand, falling economic growth might translate into a generalized lower support for the political system. Approval of violent participation, however, does not appear to be conditioned by economic contextual factors, but mostly by individual level characteristics.

Most troubling, the article finds strong evidence that one of the political attitudes we study here, violent participation, is associated in many countries with a higher probability of protest behavior, a form of participation that has historically proven to be destabilizing to democracy in Latin America, as militaries and police, often supported by elite groups have, in the past, become so fearful of citizen strikes and protest that they react violently to quell them. In short, the evidence suggests that there are different venues through which increased economic pain can put at risk the health of democracy in the region, sparkling new or increasing the risks of existing vulnerabilities.

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## IX. APPENDIX

Appendix 1. Mean Predicted Values Support for Democracy (on a 0-100 scale) (Results for statistically significant individual level economic variables)			
	<i>Mean</i>	<i>Standard Error</i>	<i>95% CI</i>
Personal Wealth: Quintiles of Wealth			
1	70.2	(0.19)	[69.82,70.56]
2	70.7	(0.17)	[70.41,71.06]
3	71.9	(0.23)	[71.50,72.38]
4	71.7	(0.22)	[71.28,72.14]
5	73.3	(0.21)	[72.87,73.71]
Perception Retrospective Personal Economic Situation: Do you think that your economic situation is better than, the same as, or worse it was 12 months ago?			
Better	74.7	(0.20)	[74.27,75.04]
Same	71.9	(0.17)	[71.53,72.19]
Worse	69.5	(0.17)	[69.14,69.79]
Perception Retrospective National Economic Situation: Do you think that the country's current economic situation is better than, the same or worse it was 12 months ago?			
Better	76.7	(0.21)	[76.28,77.12]
Same	72.1	(0.17)	[71.76,72.45]
Worse	69.1	(0.16)	[68.82,69.43]

Appendix 2. Adjusted National Mean Values of Support for Democracy: The Impact of Economic Development (Results derived from multilevel model)		
<i>Country</i>	<i>Country Ranking (based on UNDP's GDP per capita index for 2005)</i>	<i>Average</i>
Haiti	1	64.79
Bolivia	2	67.63
Guyana	3	68.51
Honduras	4	68.70
Nicaragua	5	69.06
Jamaica	6	69.90
Ecuador	7	69.96
Guatemala	8	70.25
Paraguay	9	70.35
El Salvador	10	71.00
Peru	11	71.74
Venezuela	12	72.26
Belize	13	72.64
Colombia	14	72.77
Panama	15	73.00
Dominican Republic	16	73.42
Brazil	17	73.55
Uruguay	18	74.45
Costa Rica	19	74.58
Mexico	20	74.88
Chile	21	75.46
Argentina	22	76.39



Appendix 3. Adjusted National Mean Values of Support for Democracy: The Impact of Inequality (Results derived from multilevel model)		
<i>Country</i>	<i>Country Ranking (based on SEDLAC's figures for the "Share of the Richest 10 per cent," the most recent data point available)</i>	<i>Average</i>
Haiti	1	66.17
Colombia	2	68.30
Chile	3	68.38
Brazil	4	68.38
Jamaica	5	68.38
Guyana	6	69.61
Ecuador	7	70.02
Honduras	8	70.52
Bolivia	9	70.52
Belize	10	70.85
Nicaragua	11	70.93
Paraguay	12	71.01
Panama	13	71.17
Dominican Republic	14	71.50
Mexico	15	72.24
Peru	16	73.72
Costa Rica	17	73.97
Guatemala	18	74.13
El Salvador	19	75.85
Venezuela	20	76.02
Argentina	21	76.02
Uruguay	22	77.58

Appendix 4. Mean Predicted Values Political Legitimacy (on a 0-100 scale) (Results for statistically significant individual level economic variables)			
	<i>Mean</i>	<i>SE</i>	<i>CI</i>
Perception Personal Economic Situation: How would you describe your overall economic situation?			
Very good	57.8	(0.68)	[56.41,59.09]
Good	55.6	(0.25)	[55.15,56.13]
Neither good nor bad (fair)	51.4	(0.18)	[51.08,51.80]
Bad	47.5	(0.19)	[47.15,47.90]
Very bad	43.8	(0.33)	[43.15,44.45]
Perception Retrospective Personal Economic Situation: Do you think that your economic situation is better than, the same as, or worse it was 12 months ago?			
Better	56.8	(0.22)	[56.38,57.24]
Same	52.0	(0.18)	[51.62,52.33]
Worse	46.3	(0.18)	[45.94,46.64]
Perception National Economic Situation: How would you describe the country's economic situation?			
Very good	61.6	(0.51)	[60.64,62.65]
Good	59.6	(0.23)	[59.12,60.02]
Neither good nor bad (fair)	53.7	(0.16)	[53.39,54.00]
Bad	47.9	(0.18)	[47.56,48.26]
Very bad	42.3	(0.29)	[41.68,42.83]
Perception Retrospective National Economic Situation: Do you think that the country's current economic situation is better than, the same, or worse it was 12 months ago?			
Better	59.2	(0.20)	[58.76,59.56]
Same	52.9	(0.18)	[52.51,53.21]
Worse	46.1	(0.18)	[45.78,46.49]

Appendix 5. Adjusted National Mean Values of Political Legitimacy: The Impact of Economic Growth (Results derived from multilevel model)		
<i>Country</i>	<i>Country Ranking (based on UNDP's average GDP per capita growth rates from 1990-2005)</i>	<i>Average</i>
Haiti	1	44.80
Venezuela	2	46.76
Paraguay	3	47.54
Honduras	4	49.69
Colombia	5	49.89
Jamaica	6	50.09
Ecuador	7	50.28
Uruguay	8	50.28
Brazil	9	50.87
Argentina	10	50.87
Guatemala	11	51.26
Bolivia	12	51.26
Mexico	13	51.65
El Salvador	14	51.85
Nicaragua	15	52.24
Panama	16	53.02
Peru	17	53.02
Costa Rica	18	53.22
Belize	19	53.22
Guyana	20	54.98
Chile	21	56.15
Dominican Republic	22	56.35

Appendix 6. Mean Predicted Values Approval of Violent Participation (on a 0-100 scale) (Results for statistically significant individual level economic variables)			
	<i>Mean</i>	<i>SE</i>	<i>CI</i>
Quintiles of Wealth			
1	19.9	(0.09)	[19.73,20.07]
2	18.8	(0.08)	[18.68,19.00]
3	18.7	(0.09)	[18.49,18.84]
4	18.3	(0.09)	[18.13,18.48]
5	16.3	(0.10)	[16.12,16.51]
Perception Retrospective Personal Economic Situation: Do you think that your economic situation is better than, the same as, or worse it was 12 months ago?			
Better	16.7	(0.09)	[16.51,16.86]
Same	18.3	(0.07)	[18.19,18.46]
Worse	19.5	(0.08)	[19.36,19.67]
Perception National Economic Situation: How would you describe the country's economic situation?			
Very good	18.3	(0.29)	[17.70,18.83]
Good	17.4	(0.12)	[17.21,17.67]
Neither good nor bad (fair)	18.4	(0.07)	[18.23,18.52]
Bad	18.9	(0.08)	[18.73,19.02]
Very bad	18.5	(0.10)	[18.30,18.68]
Perception Retrospective National Economic Situation: Do you think that the country's current economic situation is better than, the same, or worse it was 12 months ago?			
Better	16.5	(0.10)	[16.30,16.69]
Same	18.3	(0.08)	[18.20,18.49]
Worse	19.2	(0.07)	[19.11,19.39]