Citizen Responses to the Global Financial Crisis

A Comparative Study of Participation and Democratic Support

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Declaration

I, Sarah Cameron, declare that this PhD thesis entitled *Citizen Responses to the Global Financial Crisis: A Comparative Study of Participation and Democratic Support* contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work.

A preliminary draft of Chapter 4 was a collaboration between Jeffrey Karp and I for a conference paper presented at the Midwest Political Science Association Conference in 2014, entitled ‘The Global Financial Crisis and Economic Voting’. I was the lead author of the paper, and have substantially revised the material for inclusion in this thesis. All other chapters are entirely my own work, except where due reference is made in the text.

Sarah Cameron
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Abstract

The global financial crisis was the greatest economic crisis since the Great Depression of the 1930s. The crisis, which had its origins in the United States’ housing market crash of 2007, led to global impacts including rising unemployment and underemployment, home foreclosures, fewer opportunities for young people, and a loss of retirement savings. Previous research has examined the role of economic conditions in influencing various types of political behaviors and attitudes, however this has primarily pertained to fluctuations in economic performance during ordinary times. The magnitude of the recent crisis presents an unprecedented opportunity to examine how citizen political engagement in democratic societies is affected by a major economic shock. This thesis investigates how the global financial crisis has affected citizen political behavior—including voting behavior, civic engagement, and political protest—as well as democratic attitudes.

To investigate the impact of the crisis, the study uses cross-national survey data fielded before and after the crisis in countries affected by the crisis to varying degrees. This enables a comparison both over time and across countries. Data from the previous two waves of the World Values Survey in 18 democratic countries is used to investigate the crisis impacts on civic engagement, political protest, and democratic support, while data from the Comparative Study of Electoral Systems in 13 countries facilitates an analysis of electoral behavior. Multilevel modeling and other quantitative methods are used to assess how factors at the country and individual level affected citizen political engagement before and after the crisis hit.

The thesis tests a number of theories regarding the relationship between economic conditions and political behavior, including grievances and resources approaches. The analysis finds that countries harder hit by the crisis were more likely to experience declines in voter turnout, civic engagement, political protest and democratic support, suggesting the crisis had a demobilizing effect on participation. Similarly, at the individual level there was no evidence of a mobilization amongst those most vulnerable to the crisis, rather it continued to be those with resources that were most likely to participate in politics. The study contributes to our understanding of how economic conditions influence political attitudes and behaviors, and more broadly speaks to the political ramifications of major economic shocks.
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Abbreviations

CDO  Collateralized debt obligation
CSES  Comparative Study of Electoral Systems
ESS  European Social Survey
EC  European Commission
ECB  European Central Bank
EFSF  European Financial Stability Facility
ESM  European Stability Mechanism
EU  European Union
EVS  European Values Study
GDP  Gross domestic product
HDI  Human Development Index
ICEWS  Integrated Crisis Early Warning System
IDEA  Institute for Democracy and Electoral Assistance
IMF  International Monetary Fund
MBS  Mortgage-backed security
OECD  Organisation for Economic Co-operation and Development
OLS  Ordinary least squares
PIIGS  Portugal, Italy, Ireland, Greece and Spain
PR  Proportional representation
UK  United Kingdom
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The recent global financial crisis, or Great Recession, is widely considered the greatest economic crisis since the Great Depression of the 1930s. The crisis, which began in 2007, led to severe recessions across a range of nations. In OECD countries annual GDP growth dropped to 0.2 percent in 2008, and -3.5 percent in 2009 (OECD, 2014). The economic crisis resulted in a range of social repercussions including rising unemployment, loss of retirement savings, home foreclosures, and decreasing opportunities for young people. The exact nature, timing, and magnitude of the crisis varied across countries. Some nations, such as Australia, emerged virtually unscathed, or weathered the crisis well, such as Germany, while in others the effects were both severe and long-lasting. In the United States over eight million people lost their jobs, millions more homes were foreclosed each year (U.S. Department of the Treasury, 2012); in Spain youth unemployment rose to over 50 percent (OECD, 2016); in Iceland the economy contracted by almost ten percent over 2008 to 2010 (Ólafsson, 2011, p. 6). The severity of the crisis presents questions regarding the political repercussions. This thesis investigates these political repercussions.

Existing research demonstrates a strong relationship between economic conditions and various aspects of politics, ranging from how citizens participate in the political process to the overall process of democratic consolidation (see for reviews, Duch and Stevenson, 2008; Lewis-Beck and Stegmaier, 2007; Przeworski and Limongi, 1997). Our understanding of how political behavior is conditioned by a major financial crisis, beyond regular fluctuations in economic performance, is however limited as we have not experienced a crisis on this scale since the 1930s. What we do know from the Great Depression suggests a major economic crisis can have wide-reaching political impacts. The depression triggered the end of the Weimar Republic and the rise of the Nazis in Germany (King et al., 2008). In the United States it led to a shift in political support from the Republicans to the Democrats, which lasted another twenty years (Bermeo and Bartels, 2014, p. 1).

With advances in survey data collection over the past few decades, the global financial crisis provides an unprecedented opportunity to re-examine the relationship between the economy and political behavior under crisis conditions. This thesis investigates how the recent financial crisis has affected citizens’ engagement in demo-
ocratic politics. Firstly, it examines the impact of the global financial crisis on three forms of political behavior: voting, civic engagement and protest. Secondly, the thesis considers the impact of the crisis on support for democratic governance. There are several reasons for taking this approach. Citizen engagement in democratic politics is not confined to the electoral arena (Barnes and Kaase, 1979; Dalton, 2014; Norris, 2002). By investigating political engagement across the different modes of participation, from the most to least conventional, it is possible to develop a comprehensive understanding of how citizen participation is affected by a major crisis. Extending the analyses to incorporate support for a democratic political system, provides an attitudinal, in addition to a behavioral, barometer as to the health of democratic society in the context of a major economic shock.

This project contributes to our understanding of the political ramifications of the global financial crisis—the greatest economic crisis since the 1930s. The social impacts of the crisis were immense, including rising unemployment – particularly among young people, home foreclosures, declining house prices, and reduced social services under austerity policies. We have little understanding of how citizens responded politically to these massive social changes. How did the crisis affect their vote choices? Were citizens more or less likely to participate in protest and voluntary associations? And was support for a democratic political system shaken given its failure to deliver economic prosperity? This project seeks to answer these questions and more in a cross-national comparative study of democratic countries, shedding light on theories regarding economic conditions and politics, and helping make sense of one of the most significant occurrences in recent world history.

This thesis proceeds across eight chapters. The first three chapters set the scene in terms of the context of the global financial crisis, the theoretical framework, and the methodological approach. Chapters four to seven seek to test the theories identified across three dimensions of political behavior, and an attitudinal measure of democratic support. Chapter 8 concludes with a discussion on the implications for democratic governance. What follows here is an overview of each of the chapters.

The first chapter provides the detailed context of the global financial crisis. It begins with a summary of the crisis origins in the United States’ subprime mortgage crisis. The chapter then unpacks how a crisis of the US housing sector turned into a global financial and economic crisis, hitting different countries at different times and in different ways. It covers the government responses to the crisis from bank bailouts and fiscal stimulus packages, through to austerity policies. The second part of the chapter discusses the social and economic impacts of the crisis, including implications for citizens in terms of housing, employment and retirement. Understanding the

\[\text{Although a growing body of literature is examining similar questions (see Bermeo and Bartels, 2014; Lewis-Beck et al., 2012).}\]
economic and social impacts of the crisis sets the stage for examining the political consequences of these effects.

The second chapter outlines the theoretical underpinnings of this thesis, in terms of how citizens might be expected to respond to a major financial crisis. This incorporates potential political behavior responses, including voting, civic engagement and political protest, in addition to attitudinal shifts regarding support for a democratic political system. The theoretical approach draws heavily on extensive existing research on the connection between economic conditions and political behaviors and attitudes, seeking to test these theories in the context of a major crisis.

The third chapter outlines the methodological approach to the study. This includes the sources of evidence employed, the selection of cases, operationalizations of key variables at the country and individual level, and the methods of analysis. The World Values Survey (WVS), particularly the fifth and sixth waves which respectively precede and follow the onset of the economic crisis, provide data for the majority of analyses conducted herein across 18 democratic countries. Complementing this analysis, the Comparative Study of Electoral Systems (CSES) provides a source of evidence for questions of electoral behavior, both turnout and vote choice, in 13 democracies. Additional to these two datasets, where necessary to test certain hypotheses or to provide variables at the contextual level, data from a range of other sources is incorporated. This includes aggregate turnout data from the International Institute for Democracy and Electoral Assistance (IDEA), protest event data from the Integrated Crisis Early Warning System (ICEWS), and additional data on democratic satisfaction and support from the European Social Survey (ESS).

The fourth chapter tests theories of voting behavior under crisis conditions, including voter mobilization and vote choice. Existing research leads to competing predictions as to how voter turnout might be affected by a major financial crisis. On the one hand, salient elections tend to mobilize voter turnout (Franklin, 2004). Given the salience of economic issues it could be expected that the crisis would mobilize turnout. However, other research suggests that economic globalization depresses turnout (Steiner, 2010; Steiner and Martin, 2012), which would lead to the prediction that voters would be demobilized in the context of a crisis enabled by economic globalization. The analyses find support for the latter hypothesis that the crisis would depress turnout, although the individual level data shows that the profile of voters remains similar. The second part of the chapter explores vote choice, testing theories of economic voting in the context of a major economic crisis. The expectation that voters would punish incumbents for the crisis is supported by the data, which shows that incumbent vote shares declined to a greater extent in countries that were hit harder by the crisis. Analyses of the individual level data suggests that voters punished incumbents based on the economic performance of the country,
rather than their personal financial circumstances.

The fifth chapter investigates the impact of the crisis on civic engagement. Civic engagement, defined here as participation in voluntary organizations, plays a number of important roles in a democracy. It provides checks and balances on power, plays a role in the political socialization of citizens, creates social capital, allows for interest articulation, and aids democratic consolidation (see for instance Diamond, 1994; Putnam, 2000; Schlozman et al., 1999). Yet, previous studies have shown that there is a bias in who participates in civic groups; those with greater resources, including education and income, tend to have more influence in civic affairs (Schlozman et al., 1999; Dalton, 2014, p. 73). The chapter investigates how the financial crisis has affected civic engagement, including participation in old social movement organizations, new social movement organizations, and recreational groups. Competing hypotheses suggest the crisis may have mobilized participation in civic associations, or led to a retreat as people turn their focus to meeting material needs during a time of resource scarcity. The results show support for the latter, as civic engagement declined in countries hit harder by the financial crisis. This decline was evident across the various types of association.

In the sixth chapter the impact of the crisis on protest behavior is explored. On the one hand, the world saw a number of popular protest movements, linked to economic issues and inequality, gain traction during the global financial crisis—from Spain’s indignados (indignants) to Occupy Wall Street, which spread from New York to hundreds of other cities worldwide (Calhoun, 2013; Castañeda, 2012). This might suggest the crisis had a mobilizing effect on protest participation. Yet it is well established that it is disproportionately those who are better off in society, with higher incomes, and higher education levels, who participate in all forms of politics, particularly protest, due to the time, skills and resources required to take part (Dalton, 2014; Rucht, 2007). This would suggest that as more citizens faced material hardship during the crisis, fewer may have the time and resources to protest. This chapter examines trends in protest behavior from before and after the financial crisis and finds that the crisis had a demobilizing effect on protest participation in countries harder hit by the crisis. Whilst overall participation declined following the crisis, there is evidence that the introduction of austerity policies led to an increase in protest demonstrations.

The seventh chapter examines the effect of the financial crisis on support for democracy. Public support for democracy is what gives legitimacy to political regimes and helps ensure their survival (Linz and Stepan, 1996a). Support for a democratic political system tends to be relatively stable over time, compared to more specific aspects of political support such as satisfaction with how democracy works in practice (see Easton, 1975; Norris, 2011). Moreover, democratic support is
expected to be resilient to economic shocks in established democracies, but fragile in consolidating democracies (Linz and Stepan, 1996a). For these reasons, democratic support is a good indicator of how well democracy has fared in the crisis. The chapter investigates how the global financial crisis affected support for a democratic political regime across new and old democracies. It finds that countries harder hit by the crisis were more likely to experience declines in democratic support, across both old and new democracies. Younger people and those with lower levels of education became less supportive of democracy since the crisis. The IMF and EU bailouts during the Eurozone crisis led to a decline in democratic satisfaction in the affected countries, although the findings on democratic support in this context are more mixed.

The final chapter provides an overview of the study findings and reflections on the implications for democratic governance. The thesis finds that the crisis had a demobilizing effect on participation. In countries harder hit by the crisis, turnout, civic engagement and protest were more likely to have declined. Support for a democratic political system also declined in countries affected to a greater extent by the crisis. At the individual level, there was no evidence that those aggrieved by the crisis were mobilized to engage in politics, those with fewer resources remained less likely to participate and less supportive of democracy. We know a citizenry active in political life has tangible benefits for democratic society (Almond and Verba, 1963). Moreover, a wellspring of public support for democracy is what sustains the legitimacy of the democratic political order (Linz and Stepan, 1996a). What then are the consequences of the changes identified in political behavior and democratic support? This final chapter contemplates the broader ramifications and significance of the study’s findings for the health of democratic societies.
Chapter 1

The Global Financial Crisis

The global financial crisis had a huge impact on the economic circumstances of countries, and on the lives of individuals. This chapter outlines how the crisis unfolded over time and across countries. It begins with the housing crisis in the United States which triggered a financial, and then economic, crisis, that affected every corner of the globe. The chapter then explores the policy responses of governments, including bank bailouts, fiscal stimulus and austerity measures. The final section of the chapter investigates some of the social and economic impacts of the crisis, in particular with respect to homeownership, unemployment, retirement, health, and broader impacts in developing countries. Within these overall trends, the chapter touches on research that explores how these impacts affected some within society more than others, whether by race, gender, socio-economic status or age group. In examining how the crisis came about and what the repercussions were, this chapter provides a foundation for the following chapters that will investigate how citizens responded politically to this major economic shock.

1.1 Understanding the Global Financial Crisis

Origins of the Crisis

The global financial crisis had its origins in the United States. In the summer of 2007 problems in the housing market became apparent following a rise in sub-prime lending. The housing bubble burst, millions of Americans faced home foreclosures, and the shock reverberated throughout the economy, which had become heavily reliant on the mortgage market. The causes of the crisis are many, and blame has been pointed towards, among others: regulators for lax regulation of the financial sector; the Federal Reserve, for keeping interest rates low; mortgage originators, for pushing loans onto those that could not afford them; borrowers, for taking on loans they could not afford; bankers, for creating innovative financial instruments...
which obscured risk; and the rating agencies, for giving subprime mortgage products triple-A ratings (see Stiglitz, 2010, pp. 6–12).

The seeds of the crisis were sown in the aftermath of the dot-com crash in 2000 (Fligstein and Goldstein, 2011, pp. 39–40; Stiglitz, 2010, p. 4). Interest rates were lowered to support the economic recovery by encouraging investment. Banks could borrow money from each other at low interest rates, 1 percent from 2001 to 2004 (Desai, 2011), and then lend it out at much higher rates (Fligstein and Goldstein, 2011, p. 40). This sparked investment in the mortgage market, which over subsequent years led to another bubble.

The early 2000s saw a dramatic transformation in the mortgage market. The rate at which new mortgages were created increased by 400 percent over four years while house prices kept on rising (Fligstein and Goldstein, 2011, p. 40). Not only had investment increased in the mortgage market, but this investment shifted from conventional home loans to unconventional subprime loans. To qualify for a conventional mortgage an applicant needed to place a 20 percent deposit and have a good credit rating, whereas subprime loans were provided to those who did not meet these requirements and thus were considered at higher risk of defaulting on their loans (Fligstein and Goldstein, 2011, p. 37). Between 2003 and 2005 origination of unconventional or non-prime mortgages almost doubled, from 1.1 million to 1.9 million (Mayer et al., 2009, p. 28). By 2006, 70 percent of the mortgages given out were unconventional (Fligstein and Goldstein, 2011, p. 37). There were a range of subprime mortgage products on offer, which typically involved higher interest rates due to the greater level of risk. This included 100 percent mortgages where borrowers did not put down a deposit. The flexible rate fees were high, and the greater the house value the higher the fees, so mortgage originators had incentives to encourage borrowers to take on homes larger than they could possibly afford to maximize their profits (Stiglitz, 2010, p. 86). There was also growth in ‘low-doc’ or ‘no-doc’ loans where applicants’ income details were not subject to the usual verification processes to ensure stated incomes and assets were reflective of reality. These were also known as ‘liar loans’ as applicants were encouraged to inflate their stated incomes to increase the likelihood of approval (Blackburn and Vermilyea, 2012, pp. 151–152).

Part of the reason for the upsurge in subprime loans had to do with change in the structure of the mortgage market. Previously when banks provided home loans they would assess whether the buyer would be able to repay the loan, and would only provide loans to those who demonstrated the ability to repay. If the banks loaned to someone who would not repay, the losses would be entirely on the bank, so they had stringent requirements in place to ensure this would not happen. By the 2000s this process had transformed beyond recognition. Mortgage originators negotiated
mortgages with homebuyers for a fee. They then sold on the mortgage to a third party, a substantial portion went to Fannie Mae and Freddie Mac, government-sponsored enterprises tasked with encouraging home ownership by providing finance to loan originators (Frame and White, 2005). As mortgage originators did not hold onto the risk of the buyer defaulting on their loan, and received a fee for each mortgage generated, there were incentives in place for these mortgage originators to issue as many mortgages as they could, irrespective of borrowers’ ability to repay. Moreover the riskier subprime loans generated higher fees for the mortgage originator so it was in their interests to steer borrowers towards these riskier loans, even if they qualified for a mortgage with lower rates (Stiglitz, 2010, p. 89).

After being sold onto a third party, the mortgages were packaged up into mortgage backed securities (MBSs) and sold on to investors. A further level of complexity was then added with the creation of collateralized debt obligations (CDOs), consisting of mortgage backed securities bundled together and sold on again. As described by Crotty ‘several thousand mortgages may go into a single MBS and as many as 150 MBSs can be packaged into a single CDO’ (2009, p. 566). Continuing the convoluted process, bundles of CDOs could also be sold on as another collateralized debt obligation (Allen, 2013a, p. 106). Alongside the increase in subprime mortgages, CDO issuances also rose rapidly, reaching to over $500 billion issuances in 2007, up from $157 billion in 2004 (Crotty, 2009, p. 566). Tett explains ‘the chain that linked a synthetic CDO of ABS [a collateralised debt obligation of asset-backed securities], say, with a “real” person was so convoluted it was almost impossible for anybody to fit that into a single cognitive map—be they anthropologist, economist or credit whizz’ (2010, p. 299). These complex mortgage backed financial products served to obscure the risk inherent in the underlying mortgages. Meanwhile everyone along the chain was making money, from the mortgage originators through to the investment banks.

The rating agencies also played a role in this, providing triple-A ratings to these inherently risky mortgage products. No less than 90 percent of mortgage products received the triple-A rating (Allen, 2013a, p. 106). To understand why the major rating agencies such as Standard & Poor’s, Moody’s, and Fitch were handing out triple-A ratings in spite of the underlying risk of subprime mortgages, it is important to understand how the rating agencies generated their income. Financial institutions paid the rating agencies to provide the ratings and if they did not provide the desired rating they risked losing business to a competitor (Allen, 2013a, p. 107; White, 2009). For the rating agencies the threat of a large investment bank switching all of their business over to another rating agency was enough for them to remain compliant (White, 2009).¹ Despite their shaky foundations, the triple-A

¹A recent lawsuit uncovered internal emails from Standard & Poor's executives which revealed
ratings provided reassurance to those buying mortgage products that these were solid investments, oiling the wheels of mortgage based finance.

These rapid changes in the mortgage market over a short period of time are frequently attributed to a lack of government regulation over lending practices (Bhidé, 2009; Crotty, 2009; Stiglitz, 2010). As to why the government would fail to adequately regulate to avoid financial crises, existing research suggests the role of money in politics may be to blame. Financial institutions invested $2.2 billion in political campaign contributions and $3.5 million in political lobbying (Center for Public Integrity, 2009, p. 42). Lobbying activities went specifically towards avoiding legislation over the predatory lending practices that came to flourish in the early 2000s which underpinned the crisis towards the end of the decade (Igan et al., 2012, p. 95).

As long as house prices continued to rise, there was little risk. The sub-prime model was based on the assumption of ever-increasing house prices. Borrowers took on flexible rate loans with a view to refinancing their loan based on the increased equity from rising house prices. On taking out the loans borrowers thought they had nothing to lose. As property prices started to decline in 2007, however, it was no longer possible to refinance the loans, rates jumped, and many defaulted on their loans leading to foreclosures. Walking away from their homes was a viable option for many given they had often avoided putting down a deposit, and as prices declined the mortgage was greater than the value of the house—exacerbated by mortgage originators’ practices that led to systemic overvaluing of homes in the first place (Stiglitz, 2010, pp. 87-89). The number of foreclosure filings in the US more than doubled between 2005 and 2007, rising to over one million properties; by 2008, there were over two million properties with foreclosure filings (see Figure 1.1). Over the course of the crisis from 2007 to 2011 there were over 8.2 million foreclosure starts and over 4 million completed foreclosures (Blomquist, 2012).

The Global Financial and Economic Crisis

As foreclosures mounted, ramifications for the financial sector gradually became apparent from 2007 onwards. New Century Financial, the US’ second largest originator of sub-prime loans, filed for bankruptcy in April 2007 (Lindquist et al., 2015). By July 2007 investment bank Bear Stearns announced that two of their hedge funds which had heavily invested in mortgage-backed securities had lost virtually all their value (Reuters, 2008a). That a major investment bank was so close to collapse hinted at the fragility of the financial system to what had up to that point the shady operation underpinning ratings issued by the agency (see Taibbi, 2013).
been a housing crisis. The credit rating agencies were next to show signs reflecting the impending crisis. In July 2007 Standard and Poor’s downgraded $7.3 billion in asset-backed securities, followed by Moody’s and Fitch in subsequent weeks (Crouhy et al., 2008). As the year progressed the agencies continued to downgrade ratings on mortgage-backed securities (Crouhy et al., 2008). Meanwhile the banking sector continued to show signs of stress, in October Citigroup announced a 57 percent drop in quarter three profits (Reuters, 2008b) and the CEO of Merrill Lynch resigned following losses of $8 billion (BBC News, 2009).

From mid-2007 the problems in the United States mortgage market also came to be felt by the banking sector outside its borders. Foreign banks had heavily invested in the US mortgage market as it was considered a safe investment, aided by the triple-A ratings. In August 2007 French Bank BNP Paribas suspended funds for three of their mutual funds which invested in mortgage backed securities. In September 2007 there was a run on UK bank Northern Rock after it emerged that the bank had received emergency assistance from the Bank of England (Goldsmith-Pinkham and Yorulmazer, 2010; Shin, 2009). The bank run continued until the government agreed to guarantee deposits. A few months later in early 2008 the bank went into national ownership—a move to save the troubled bank. Swiss bank UBS announced losses in the order of $3.4 billion in October 2007 (BBC News, 2009).
In light of the mounting crisis, in December 2007 the Central Banks from the United States, the European Union, England, Canada and Switzerland announced unprecedented coordinated action to provide banks with billions of dollars in loans (Chailloux et al., 2008, p. 51). Yet the crisis continued to escalate in early 2008. In March, JPMorgan Chase took over a collapsing Bear Stearns for just one percent of what it had been worth a year earlier; the rescue was financed in part by the Federal Reserve (Longstaff, 2010; Reuters, 2008). IndyMac, a California based bank and one of America’s largest mortgage originators, went bankrupt over the summer (Fligstein and Goldstein, 2011).

The worst was not to come until the fall of 2008. On the 7th of September Fannie Mae and Freddie Mac went into US government conservatorship. The government justified the bailout by arguing that these government sponsored enterprises, which owned or guaranteed around half of American home loans, were critical to the functioning of the U.S. economy (Dumontaux and Pop, 2013; Swagel, 2009, p. 34). A week later investment giant Merrill Lynch agreed to be taken over by Bank of America for $50 billion. On the 15th of September, in a watershed moment that came to define the crisis, America’s fourth largest investment bank Lehman Brothers filed for bankruptcy after an unsuccessful search for a buyer. The collapse of Lehman, which held assets of $639 billion, was the largest bankruptcy in US history, demonstrating that no bank was too big to fail (Dumontaux and Pop, 2013). The collapse brought about immediate panic in financial markets, hitting stock markets and particularly affecting other financial institutions exposed to subprime mortgage products (Dumontaux and Pop, 2013, pp. 276-279).

Whilst Lehman Brothers had been allowed to fail, insurance giant AIG was not allowed to fail when it faced collapse the following day. The Federal Reserve provided an emergency $85 billion loan to keep the company afloat fearing calamitous impacts for the U.S. economy if it did not given AIG’s position as the nation’s largest insurance company with over $1 trillion in assets (Swagel, 2009, pp. 41-42). The government took an 80 percent stake in AIG in exchange for the bailout. Towards the end of the month, following a bank run on Washington Mutual, the savings and loan bank was shut down by regulators and promptly purchased by JPMorgan Chase, forming the largest bank failure to date in the United States (Grind, 2012). Wells Fargo purchased financial services firm Wachovia in early October to avoid another failure. In the midst of the rapidly escalating crisis pressure was on the US government to respond. On the 29th of September a $700 billion rescue package was put before the US House of Representatives and was rejected. Failure to pass the legislation led global stock markets to plummet. The Dow Jones index dropped over 770 points in one day, or by 7 percent, the greatest one day drop in history (BBC News, 2009).
The crisis was causing turmoil in European banks as well. On the 17th of September Lloyds TSB took over HBOS, Britain’s largest mortgage provider (BBC News, 2009). Fortis, financial services giant of the Benelux region, was partially nationalized in late September to avoid collapse, in early October the Belgian part was sold to BNP Paribas (Fassin and Gosselin, 2011). British bank Bradford & Bingley was nationalized on the 29th of September, with its savings arm sold on to Spanish banking giant Santander. Iceland’s three biggest banks collapsed in October 2008, during which time Iceland’s stock market index lost over 75 percent of its value (Benediktsdottir et al., 2011, p. 196). The crisis as it manifested in Iceland is considered the greatest banking collapse in history relative to the size of its economy (The Economist, 2008).

The initial hit to the financial sector began to have broader economic ramifications. In October 2008 the Dow Jones Industrial Average fell 13 percent, dropping below 10,000 for the first time since 2004. Meanwhile, the average growth rate in the OECD region dropped to below -2 percent in late 2008 whilst unemployment began to escalate, increasing from 5.7 percent in the second quarter of 2008 to 8.2 percent a year later (OECD, 2016a,b). By late 2008 many OECD nations had fallen into recession, including the United States and the Eurozone, workers were being laid off, and a range of industries beyond the financial sector where the crisis originated had been affected, including the automobile industry and the construction sector.

The financial crisis had transformed into an economic crisis, and whilst its origins were in the United States, impacts were soon felt around the world. The manner and timing in which countries were affected varied considerably. Claessens et al. argue this is due to three distinct channels through which countries came to be affected by the crisis (2010). First hit were countries that were exposed to toxic U.S. financial products, second were those who had allowed their own bubbles to develop locally such as Ireland and Spain, finally the rest of the world came to be affected through a decline in global trade, particularly smaller economies heavily reliant on exports and trade (Claessens et al., 2010, p. 281). Stiglitz argued the crisis spread rapidly as ‘the United States had exported its deregulatory philosophy—without that, foreigners might not have bought so many of its toxic mortgages’ (2010, p. 21). Thus while developed countries were hit first, developing countries were also affected, albeit later and through different channels. The more connected to western financial markets, the harder countries were hit. Thus parts of Europe and Latin America were hard hit whereas the impact was less severe for sub-Saharan Africa (Stewart, 2012, p. 101).
Government Responses to the Crisis

With the financial sector in meltdown and the stock market plummeting, governments around the world recognized the need to act and sought to address the crisis through a combination of bailouts, to stop major financial players from going bust, and fiscal stimulus packages which aimed to keep the economy moving in difficult times. Later, austerity programs were introduced as a means to overcome mounting deficits. These approaches shall be covered in turn.

In order to prevent bankruptcies and systemic economic collapse, governments around the world continued to provide billions in bailouts to troubled financial institutions. The $700 billion US bailout package went before the House of Representatives again on the 3rd of October with some amendments and this time was passed. In November the US government provided a $20 billion bailout for Citigroup following a 60 percent drop in their shares over one week (BBC News, 2009). The UK government stepped in to save the Royal Bank of Scotland (RBS), Lloyds TSB, and HBOS providing 37 billion to keep them afloat (BBC News, 2009). Germany provided a €50 billion bailout to Hypo Real Estate in October 2008 (BBC News, 2009). Following the collapse of its major banks Iceland received a $2.1 billion loan from the International Monetary Fund (IMF), the first time a Western European country received an IMF loan since the 1970s (BBC News, 2009). There are many more examples of governments stepping in to bail out financial institutions in an effort to avoid further damage to the economy.

These bailouts were controversial as ultimately the taxpayer was covering the cost of the banks’ high risk activity. After receiving government bailouts banks continued to pay out large bonuses, in the case of some parting CEOs in the order of over a hundred million dollars (Kirkpatrick, 2009). While ordinary citizens suffered with foreclosures, unemployment, and many other negative consequences, they had effectively bailed out the banks, while bankers continued to receive multi-million dollar bonuses despite being party to the risky behavior that contributed to the crisis.

Alongside often massive bank bailouts many governments set about getting the economy going via fiscal stimulus packages. This approach was recommended at the time by the OECD and the IMF and was viewed as a revival of Keynesian economics—whereby rather than tightening the purse strings, governments increased spending in an effort to stimulate the economy (Allen, 2013b). At the G20 meeting in November 2008 major world economies agreed to collectively take a Keynesian approach, on the basis that in an inter-connected world countries acting alone could find their efforts offset should other connected countries fail to take similar measures.

Globally $1.98 trillion was spent on stimulus measures with the majority (almost
90 percent) coming from G20 countries (Khatiwada, 2009, p. 1). The most developed countries on average provided stimulus packages in the order of 1.4 percent of GDP (Allen, 2013b, p. 138). The largest stimulus packages relative to GDP came from the United States, China, and Saudi Arabia (Khatiwada, 2009, p. 1). Almost all G20 countries provided a stimulus, though their size and nature varied. In general stimulus packages were modest in comparison to the large bailouts provided to the banks (Allen, 2013b). Efforts were focussed on increased government spending, tax cuts, or most often some combination of both (Allen, 2013b; Prasad and Sorkin, 2009). The United States provided a larger stimulus than most developed economies, at 5 percent of GDP (Allen, 2013b, p. 138). France provided a €26 billion stimulus including support for the automobile industry. Germany was initially hesitant to provide a large stimulus, providing a modest €12 billion, however by February 2009 as the scale of the crisis became apparent the German government provided a further €50 billion (Vail, 2014, p. 76). Australia also provided a $42 billion stimulus which some credited with Australia coping exceptionally well through the crisis, as one of few developed nations to avoid falling into recession during the crisis (for example see Stiglitz, 2010, p. 62).

Stimulus measures varied considerably, including payments to societies’ poorest via disability and unemployment schemes, tax cuts—for example the United Kingdom temporarily reduced the VAT rate from 17.5 to 15 percent to encourage consumer spending, infrastructure projects (see Stoney and Krawchenko, 2012), and a range of ‘cash for clunker’ schemes to encourage purchase of new automobiles in the United States, Germany, France, Japan, and many other countries (Allen, 2013b, pp. 142–143). Stimulus packages were not limited to wealthy developed countries. China implemented a $586 billion stimulus targeted at infrastructure and social projects as well as corporate tax cuts (Khatiwada, 2009, p. 29). Indonesia had a $7.1 billion package incorporating poverty reduction programs, infrastructure projects, and VAT exemptions for a range of industries (Khatiwada, 2009, p. 33). India, Mexico, South Africa, and Saudi Arabia also had stimulus packages, though for many of the poorest nations large-scale fiscal stimulus simply was not an option (Stiglitz, 2010, p. 24).

Over time the initial Keynesian response to the crisis gave way to a new wave of austerity policies. A number of factors related to the crisis gave rise to a significant increase in public debt. The government had dipped into the public purse to bail out troubled banks, to provide fiscal stimuli, and to meet increased demand for social services such as unemployment benefits, all the while tax revenues had decreased as a result of heightened unemployment. This mix of heightened expenditure and lower tax revenues led almost all OECD countries to increase their deficits over the course of the crisis (Schäfer and Streeck, 2013, pp. 2–3). In some cases debt
more than doubled, with eight countries having deficits exceeding 100 percent of GDP by 2012 (Schäfer and Streeck, 2013, pp. 2–3). Austerity policies thus came to be viewed as a necessary measure to reduce public debt (Karanikolos et al., 2013). Some governments adopted austerity policies voluntarily, for example the UK following the election of David Cameron in 2010—albeit with significant public resistance evident through large public protests (della Porta, 2015; Peterson et al., 2015). Other governments, such as in Greece and Portugal, were required to adopt austerity measures as conditions for receiving loans from the International Monetary Fund and the European Union.

The implementation of austerity policies varied cross-nationally and included cuts to health care, social security, education, and a broad range of government services and programs. In the UK following David Cameron’s ascent to power, he proposed reducing government spending by 20 percent over subsequent years, by cutting almost 500,000 government jobs, eliminating a number of government programs, and restricting benefits provisions (Borges et al., 2013). This was all part of an agenda Cameron promoted as ‘the big society’ whereby increased voluntarism at the local level was to compensate for a reduction in public services. Greek austerity packages included tax rises, caps on government employee salaries and bonuses, and cuts to pensions, among other broad measures to reduce public spending (see Matsaganis, 2011, 2012).

Whilst the public did give some recognition of the need to reduce the deficit (Borges et al., 2013; Stanley, 2014), there was tremendous opposition to austerity policies. In the case of Iceland a referendum was held on austerity and was rejected by 93 percent of the population (McKee et al., 2012, p. 347). Now that sufficient time has passed to be able to assess the impacts of austerity policies, many have considered the approach a failure. The IMF, which imposed austerity policies upon loan recipient countries, after witnessing the results of these policies has admitted that the policies were not entirely successful; a 2013 report on Greece recognizes ‘market confidence was not restored, the banking system lost 30 percent of its deposits and the economy encountered a much deeper than expected recession with exceptionally high unemployment’ (International Monetary Fund, 2013, p. 1). Others have pointed to countries that focussed more on stimulus than austerity, such as the United States, and then made better recoveries than countries focussed on austerity, as evidence in favour of the Keynesian approach (Krugman, 2015; McKee et al., 2012, p. 349).
The European Sovereign Debt Crisis

The events of the global financial crisis had far reaching consequences beyond the initial fall out in the financial sector over 2008 to 2009, affecting different countries and world regions in different ways. One such consequence is what has come to be known as the European Sovereign Debt Crisis, or Eurozone Crisis. European governments had provided large bailouts to banks during the financial crisis. The size of these banks, and thus the size of the bailouts, were much larger relative to the size of European national economies compared to bailouts taking place in the United States (Shambaugh, 2012, p. 162). As a result of these significant expenditures, combined with high spending from the boom period that preceded the crisis and in some cases poor fiscal management, government debt levels rose to unsustainable levels.

The group of countries most affected, concentrated mainly in Southern Europe, came to be known as the ‘PIIGS’—Portugal, Italy, Ireland, Greece and Spain. Each experienced the crisis at different times and in different ways (see Zamponi and Bosi, 2016). By late 2009, it became apparent that there were significant increases in the deficit to GDP ratio of a number of countries (Lane, 2012, p. 56). Ireland and Spain had suffered from a sudden halt to the construction boom that had preceded the crisis (Lane, 2012, p. 55). The situation in Greece caused the most concern when, in late 2009, the new socialist government reported that the deficit estimate for the year was, at 12.7 percent of GDP, more than double the previous estimate. It was later revised upwards again to 15.8 percent, and it became apparent that deficits from previous years were also higher than what had been reported (Matsaganis, 2012). Rating agencies including Standard and Poor’s and Moody’s downgraded Greece (Amini, 2015), making it difficult for Greece to be able to borrow funds which led to fears of the Greek government defaulting on its loans which had the potential to cause economic stress across the Eurozone as a whole.

Amidst the crisis leaders of EU member states debated the appropriate response. The European Financial Stability Facility (EFSF) was created in June 2010 as a temporary solution to provide emergency bailout funding to embattled member states. Greece was the first to require a bailout in May 2010, followed by Ireland in November 2010, Portugal in May 2011, and by June 2011 Greece required a second bailout (Lane, 2012, pp. 56-58). Loans were provided by the so-called troika – the International Monetary Fund, the European Commission and the European Central Bank. The European Union provided funding as the level of support required far exceeded what IMF would typically provide (Lane, 2012, pp. 57-58). In October 2012 a more permanent solution came into effect, the European Stability Mechanism (ESM), which would serve as the institution for dealing with requests for financial assis-
tance from member states (European Stability Mechanism, 2017). The ESM has so far provided finance to Spain, Cyprus and Greece (European Stability Mechanism, 2017). The loans were provided with conditions attached including the requirements to adopt austerity policies aimed at reducing the level of government debt, raise taxes, and make structural reforms.

Germany, as the wealthiest member state in the Eurozone and thus a large contributor to any bailouts, played a leading role in the response to the crisis. Whilst German citizens were not supportive of Germany providing bailout funds to Greece, the German government had an incentive to keep Greece from defaulting on its loans due to the potential contagion for other European economies, including Germany, in the case of a Greek default, and as a result of German banks’ heavy exposure to Greek debts (Fuhrmans and Moffett, 2010; Gocaj and Meunier, 2013, p. 244). France, as the second largest economy in the Eurozone, found itself similarly exposed to bad Greek debts through its major banks (Gocaj and Meunier, 2013, p. 244).

1.2 Social and Economic Impacts of the Crisis

Housing

The crisis had wide reaching ramifications with respect to home ownership. In the United States many were directly and indirectly affected by home foreclosures. From 2007 to 2011 there were over four million completed foreclosures and an additional four million foreclosure starts (Blomquist, 2012). Foreclosures were much more common among those who had taken out subprime loans which had much higher rates. As subprime loans had been disproportionately pushed on women generally, African Americans, Hispanics and in particular African American women, even when controlling for income and other factors, the foreclosure crisis had a distinct racialized and gendered dimension (Baker, 2014; Phillips, 2012; Rugh and Massey, 2010).

Those that did not suffer foreclosures themselves were affected in other ways. With housing forming a major component of household wealth, a decline in house prices meant a drop in household wealth. According to a Pew Recession Impacts study in the United States, 48 percent of homeowners said their home had declined in value since the start of the recession, compared to only 12 percent who thought their property value had increased (2010, p. 79). Moreover a fifth of homeowners reported that they were underwater, owing more on their homes than they could sell their property for in the current market (Pew Research Center, 2010, p. 81). The drop in house prices varied geographically, with proximity to foreclosed properties associated with greater declines in house value (Harding et al., 2009; Schuetz et al., 2008).
Rising foreclosures had other indirect impacts within neighbourhoods, including lowering the tax base for local government and increasing crime rates, particularly in areas where there was a high density of foreclosed properties (Ellen et al., 2013; Schuetz et al., 2008).

The United States was not the only country to suffer from problems in the real estate market. Spain too had allowed a property bubble to emerge and as a result faced ‘the near-total collapse of its real estate market’ (Stiglitz, 2010, pp. 21-22). As in the US, many were forced from their homes, though unlike the United States, borrowers were still required to make payments even after their homes had been repossessed by the bank (Sabaté, 2016). Following the crisis there was an oversupply of housing which reduced prices substantially, for instance prices dropped 12 percent in Barcelona, and over 17 percent in Valencia over 2007 to 2009 (García, 2010, p. 975).

Schelkle argues the United Kingdom and France had larger housing bubbles than the United States, though the fall out in terms of foreclosures was not as severe due to differences in social policy (2012). In the UK one in ten households were underwater by the first quarter of 2009, compared to one in six households in the United States at the end of 2008 (Schelkle, 2012, p. 62). Schwartz highlights that the crisis had impacts beyond home ownership to also affect the rental market and particularly low-income housing in the United States and United Kingdom, which suffered as funding sources were reliant on better market conditions (2011).

**Unemployment**

One major impact of the economic crisis was rising unemployment and underemployment. As credit dried up and spending decreased jobs were lost through a number of pathways. In the United States firms collapsing was the biggest initial hit to the labor market; surviving firms downsizing to remain afloat also took its toll (Hout et al., 2011, p. 60). Reinforcing feedback loops served to exacerbate the crisis, as Hout et al. describe, ‘job losses reduce spending, which kills more jobs, reducing spending even more’ (2011, p. 59). Average unemployment in OECD countries rose from 5.7 percent in the second of quarter of 2008 to 8.2 percent at the same time the following year (OECD, 2016b, see Figure 1.2). Unemployment remained over 8 percent throughout 2009 and 2010 before beginning a gradual decline, though at the time of writing in 2016 unemployment is yet to return to pre-crisis levels.

These unemployment trends were not uniform across countries. While some countries were particularly hard hit, such as Greece and Spain, others emerged virtually unscathed including Australia and Japan (see Figure 1.3). Not only the magnitude but also the timing of the unemployment crisis varied. The United
States was hit hard early on with unemployment rising from 4.7 percent in 2007 to 9.4 percent in 2009, then making a gradual recovery after peaking in 2010. In total 8.5 million jobs in the US were lost during the recession (Hout et al., 2011, p. 77). In Spain and Greece on the other hand unemployment kept on rising up to over 25 percent by 2012 to 2013 as problems increased in the Eurozone (Cazes et al., 2013; World Bank, 2016b).

Young people were disproportionately affected by the rise in unemployment (see Figure 1.4). In Spain and Greece youth unemployment levels have sat above 50 percent since 2012 (World Bank, 2016c). In the United States youth unemployment peaked at 18.7 percent in 2010, almost double that for all adults (World Bank, 2016c). Germany was the exception, with youth unemployment actually decreasing over 2007 to 2009 (World Bank, 2016c). Whilst youth unemployment has always been higher than the adult unemployment rate, the ratio between these figures in OECD countries increased to its highest level since the 1970s during the Great Recession (Bell and Blanchflower, 2011, p. 245).

The effects of the recession on unemployment were not uniform for men and women. Initially men were harder hit by job losses, as male-dominated sectors including construction, manufacturing, and finance were the first to be affected, prompting some to label the crisis a ‘mancession’ (Peacock, 2011). Over time however this trend reversed as cuts were made to the public sector where the majority of
workers are women, and to social services which play a key role in enabling women’s workforce participation through providing care services which are otherwise more likely to be taken on by women (Karamessini and Rubery, 2014). Albelda finds in the United States the crisis reinforced inequalities as African American women and women with lower education levels were affected to a greater degree by the rise in unemployment (2014). In Greece on the other hand, it was well-educated women who were most affected by job losses (Karamessini, 2014).

Looking at unemployment alone masks the full extent of the problem. Studies conducted in a range of countries demonstrate that underemployment also rose during the crisis, creating difficulties for individuals and families’ ability to get by. For example the United States’ Pew study finds 42 percent of those in employment experienced pay cuts, a reduction of hours, a transition to part-time work, or involuntary unpaid leave (Pew Research Center, 2010, p. 57). They also find 55 percent were affected by either unemployment or underemployment at some point during the crisis (Pew Research Center, 2010, p. 58). Whilst all demographics were affected, minorities and those with a high school education or less faced these difficulties in greater numbers than whites and the college educated (Pew Research Center, 2010, pp. 57–68).

Findings are similar from other OECD nations. Whilst Australia fared well during the crisis in terms of overall labor force participation rates, Jefferson and Preston
identified a shift from full time to part time work, a growth in long-term unemployment, and divergent outcomes for men and women in Australia in different types of work (2010). In the UK Warren finds, contrary to arguments of this being the first major crisis for the middle class, that it was the working class that was most affected in terms of the reduction in working hours (2015). Some sectors in the UK were particularly hard hit, with manufacturing and construction suffering the greatest losses (Gregg and Wadsworth, 2010, p. 6). The unemployment rate also does not account for those who have opted to engage in further study, take a disability pension, or retire early as result of the recession and decreasing opportunities for paid work (Gregg and Wadsworth, 2010, pp. 15–16).

Retirement

People’s retirement plans were also affected in several ways, particularly for those approaching retirement who had more to lose and less time to recover losses prior to retirement (Whitehouse, 2009). The household wealth of older workers declined substantially through a drop in both property prices and the value of pension funds. In 2008 pension investments in OECD countries lost 23 percent of their value, or US $5.4 trillion (Whitehouse, 2009, p. 536). Whilst, as Whitehouse describes ‘no pension scheme and no country is immune from the effects of the crisis’ (2009, p. 536), the citizens of some countries were affected more than others. Within the
OECD the pension funds of Ireland, Australia and the United States were hardest hit each losing over 25 percent of their value during 2008, 38 percent in the case of Ireland. Germany, the Czech Republic and Mexico fared better losing less than 10 percent (Whitehouse, 2009, p. 538). The differences between countries reflected the type of investments favoured by pension funds within each country, with greater exposure to equities increasing the losses (Whitehouse, 2009, p. 537). Both private and public pension schemes were affected (Natali, 2011, pp. 9–13). Women were harder hit than men as they had lower lifetime pension contributions to begin with, stemming from lower earnings and a greater likelihood of career breaks (Foster, 2014).

This rapid loss of wealth caused older workers to reconsider their retirement plans, with many preferring to work longer than they had planned so as to retire in a better position. This preference was met however with countervailing pressures on the employment market (Munnell and Rutledge, 2013). In many cases older workers were disproportionately affected by the rise in unemployment and thus whilst many hoped to work longer, not all were able to do so. The evidence as to whether older workers more often retired early or worked longer as a result of the crisis is mixed cross-nationally. In the United States Munnell and Rutledge find a slight drop in the proportion of older people working in the United States (2013, pp. 124-125). In England Crawford finds the crisis had little effect on the planned retirement age of those over 50 (2013). In Australia, where retirement funds were hit hard while the job market remained healthy relative to the United States and Europe, baby boomers increased their workforce participation (Kendig et al., 2013). In Poland and Greece there was an increase in workers claiming retirement benefits early (Natali, 2011, p. 11).

Health

A number of studies link the global financial and economic crisis with negative health outcomes, whether as a result of declining economic conditions or as a result of the government response in the form of austerity policies involving cuts to the health sector and other social services. Kentikelenis et al. outline a number of cuts made to the health sector in Greece, including a 26 percent cut in the public hospital budget, a reduction of one third in pharmaceutical expenditure, and cuts to programs on mental health and drug use (Kentikelenis et al., 2014). As a result of these cuts they identify negative repercussions including increases in the HIV and tuberculosis infection rates, and the reappearance of malaria for the first time in 40 years (Kentikelenis et al., 2014). Vandoros et al. find the magnitude of the crisis to be associated with negative self-reported health outcomes in Greece, through a
differences-in-differences comparison with Poland which did not fall into recession following the crisis (2013). Rising suicide rates were documented in Europe and particularly Greece following the onset of the economic crisis (Antonakakis and Collins, 2014; Karanikolos et al., 2013). Karanikolos et al. find declining health in Europe as a result of the crisis was not uniform across countries, the effects could be amplified by cuts to health services, or mitigated through adequate social protections (2013). Iceland, which rejected austerity policies, did not experience negative health effects following the financial crisis, unlike Greece, Spain and Portugal which implemented major cuts to health services (Karanikolos et al., 2013). This would suggest austerity policies played a greater role in negative health outcomes, than declining economic conditions and rising unemployment.

**Impacts in Developing Countries**

The crisis impact was not contained within the developed world, with the shock reverberating globally. Whilst developing countries were typically less exposed to the international financial markets, the crisis, centered in the United States and Europe, began to ricochet more widely. Stewart describes a number of channels through which developing countries were affected, including international trade, remittances, commodity prices, foreign direct investment, and aid (2012). Global trade volumes had dropped by 22 percent by early 2009 (World Bank, 2010, p. 36), and remittances were down by 6 percent or USD $28 billion in 2009, relative to the previous year (World Bank, 2016a). Budget cuts in donor nations also often meant a drop in aid for the poorest nations, for example over 2008 to 2009 Ireland announced cuts of 20 percent, Italy of 56 percent, and Latvia 100 percent (Hanfstaengl, 2010, p. 26).

Whilst the precise impacts of the financial crisis on poverty, health, and other outcomes are difficult to measure, a number of studies identify or predict negative consequences of the crisis in developing countries. Chen and Ravallion (2009) estimated that the crisis would increase the number of people living in poverty (under $2 a day) by 64 million. Friedman and Schady (2009) predicted that infant mortality would rise by 30,000 to 50,000 additional infant deaths in sub-Saharan Africa as a result of the crisis. Other impacts for developing countries as a result of crisis conditions include declining nutrition for mothers and children, and declining school enrolments (Darnton-Hill and Cogill, 2010; Ferreira and Schady, 2009).

**1.3 Conclusion**

The global financial crisis began with the United States housing crisis triggered by the bursting of the housing bubble. Ramifications were soon felt in the financial
sector which had heavily invested in complex financial products based on subprime mortgages. Major financial institutions in the United States and Europe lost billions, in some cases facing takeovers, government bailouts, or bankruptcy—culminating in September 2008 with the collapse of Lehman Brothers and a global stock market crash with 7 percent wiped off the Dow Jones index in one day. Whilst wealthy developed countries were the first to feel the impact of the crisis, albeit to varying extents, developing countries were hit a little later and through different channels. Developing countries faced falls in remittances, cuts to overseas development aid from donor countries feeling the pinch, declining international trade, and reduced private capital flows.

Governments responded through a number of measures including taxpayer funded bailouts of large banks, fiscal stimulus packages to get the economy going at a time where most developed economies were heading into recession, monetary policy to stimulate investment, and in subsequent years through austerity policies which involved considerable cuts to public spending.

This dramatic turn of events which shook world financial markets and sent many nations into recession had significant impacts for the lives of ordinary citizens around the world. Impacts varied between and within countries and included the loss of homes through rising foreclosures, rising unemployment and underemployment particularly amongst young people, a loss of retirement savings causing older workers to re-evaluate their retirement plans, deteriorating health as a result of public sector cuts, and increasing levels of poverty.

Subsequent chapters turn to how this major economic crisis, the most severe since the Great Depression of the 1930s, has affected citizen political action and democratic support around the world. On the one hand, it might be expected that the crisis would have a mobilizing effect on political participation. Everyday citizens bore the brunt of the crisis, while the financial institutions that engaged in the risky practices leading to the crisis received large bailouts from the government. On the other hand, after the crisis many citizens faced financial troubles and just getting by may have become a bigger priority than political activism. The next chapter develops the theoretical framework for this study, fleshing out potential citizen responses to the crisis.
Chapter 2

Theorizing Citizen Responses to Crisis

The severity of the global financial and economic crisis that began in the late 2000s raises questions regarding citizens’ political responses to the crisis. Did citizens decide to express their discontent over the greatest economic crisis of their lifetimes by altering the nature of their involvement in politics? Or did they merely carry on as usual? Moreover, to the extent that citizen political involvement changed following the crisis, was it a result of their efforts to directly influence the political process, or did changes manifest themselves indirectly as a result of increasing hardship, or some combination of the two?

Existing research presents a number of theories regarding the relationship between economic conditions and citizen engagement in politics, though we have relatively little understanding of how these relationships manifest in the case of a major economic crisis. This chapter builds a theoretical framework for understanding citizen responses to economic crisis, drawing upon existing theories regarding the economy as it relates to political behavior and democratic values, and theories regarding crises, more broadly defined.

Citizen political participation is conceptualized to incorporate two dimensions: electoral and non-electoral; as well as conventional and unconventional (Barnes and Kaase, 1979). This produces three categories of political behavior (see Table 2.1): voting behavior—both vote choice as well as turnout (conventional electoral), civic engagement (conventional non-electoral), and political protest (unconventional non-electoral). This draws upon Barnes and Kaase’s *Political Action* study that showed conventional and unconventional political activity were complementary means of influencing the political process (see Chapter 5 Kaase and Marsh, 1979b). Beyond political behavior the attitudinal dimension of democratic support is considered as an important indicator of the health of democratic societies (Linz and Stepan, 1996b).
This chapter first maps out the range of ways citizens might respond politically to a major economic crisis. Then each of these aspects of political behavior and democratic values are explored in turn; each of these sections first provides a general overview of the literature which seeks to explain that form of political engagement, and then connects these theories to what this might mean in the context of a major crisis, setting some overarching hypotheses to guide the study.

Table 2.1: Categorizing Political Behavior

<table>
<thead>
<tr>
<th>Electoral</th>
<th>Conventional</th>
<th>Unconventional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voting behavior</td>
<td>- Voter turnout</td>
<td>- Petitions</td>
</tr>
<tr>
<td>- Vote choice</td>
<td></td>
<td>- Public demonstrations</td>
</tr>
<tr>
<td>Civic engagement</td>
<td>- Voluntary association membership</td>
<td>- Boycotts</td>
</tr>
<tr>
<td>Non-electoral</td>
<td>Political protest</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

2.1 Citizen Responses to Crisis

How might citizens respond to a major economic shock? There are a range of potential avenues through which citizens may seek to express their discontent with government or influence policy responses to the crisis. This ranges from casting one’s vote in a national election, to protest activities such as occupying a building or public space. In this section I provide an overview of the different ways citizens might respond. In developing a model for the ways citizens might respond to a crisis, I draw upon work categorizing different types of political participation. Whilst initially political participation was considered synonymous with voting, conceptualizations soon began to reflect a wider range of activities citizens engage in to influence the political process. Verba et al. (1971, 1978) incorporated four modes of activity, including voting, campaign activity, cooperative activity, and citizen-initiated contacts. This categorization has since been broadened further, with Barnes and Kaase (1979) incorporating ‘unconventional’ protest activities, and Dalton (2014) adding internet activism. It is widely accepted these days that political participation includes both electoral and non-electoral forms of participation, and conventional and unconventional forms, to the point where it is often argued that ‘unconventional’ protest activities can no longer be classed as such, as a sizeable proportion of the population participates in these activities (Dalton, 2014; Norris, 2002).

Drawing upon these categorizations, or what Verba and Nie (1972) describe as the modes of participation, this study focuses on three main areas of political
participation—voting, civic engagement,¹ and protest. Verba et al. (1978) differentiate modes of participation across several dimensions, including: the type of influence exerted, incorporating both the level of pressure exerted and the information conveyed; whether partaking involves conflict with other actors; the level of initiative required to participate; and whether it is an activity that one undertakes in cooperation with others (p. 53). For the three modes of activity covered here, Table 2.2 shows the characteristics of these modes of participation across the different dimensions. I now turn to discuss the characteristics of each of these, and how citizens’ might use that form of participation to respond to a major economic crisis. After that, the characteristics of democratic support will be discussed, including the reasons for complementing these behavioral indicators with an attitudinal one.

Table 2.2: Modes of Political Activity

<table>
<thead>
<tr>
<th>Mode of activity</th>
<th>Type of influence</th>
<th>Conflict</th>
<th>Initiative required</th>
<th>Cooperation with others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voting</td>
<td>High pressure / low information</td>
<td>Partisan conflict</td>
<td>Little</td>
<td>Little</td>
</tr>
<tr>
<td>Civic Engagement</td>
<td>Low to high pressure / high information</td>
<td>Varies</td>
<td>Some or much</td>
<td>Some or much</td>
</tr>
<tr>
<td>Protest</td>
<td>High pressure / high information</td>
<td>Very conflictual</td>
<td>Some or much</td>
<td>Some or much</td>
</tr>
</tbody>
</table>


Looking first at voting, the most conventional form of political engagement, involving casting a ballot to choose between competing candidates or parties. A high degree of influence can be exerted through voting as voters determine who will govern. Whilst the collective influence of voting is great, the influence of any single voter is minimal as it is a rare case where a single vote is decisive in an electoral outcome. The level of information conveyed by voting is low as voters can only choose between candidates and parties, each of which represent policy positions across a range of issues (Verba et al., 1978, p. 53). The voter has no way of communicating which specific policies they do and do not support. Voting involves a degree of conflict between those supporting different parties or candidates, as gains for one group mean losses for another, particularly where an election is competitive (Verba and Nie, 1972, p. 52).

The level of initiative and other resources required to vote are relatively minimal

¹Civic engagement broadly reflects what Verba et al. (1971) refer to as communal activity.
compared with other forms of political engagement. One needs to be enrolled to vote, have a means of getting to the polling place on election day and the time to do so, and have the cognitive skills to be able to decide between the parties and candidates running for office. Voting is the lowest cost way for citizens to have an input into the political process—it does not require any ongoing commitment of time or effort, just that one periodically casts their vote when elections are held. Nor does it involve much initiative or skills on the part of the voter (Verba et al., 1971, p. 17). Voting does not entail cooperation with others, it is an activity where one acts alone (Verba et al., 1971, p. 17).

In the context of a crisis, there are a number of ways in which a person might seek to use their vote to exert influence. They might, blaming the incumbent for the crisis occurring in the first place, vote against them (retrospective economic vote). Alternatively they might have a view as to which party or candidate is better placed to handle the crisis and vote accordingly (prospective economic vote), whether as a result of the candidate’s policy position, or perceived competence in economic matters. If the voter perceives the major parties, both the incumbent and the major opposition party, to have contributed to the crisis, they might vote for a minor party, signalling their dissatisfaction with the major parties.

Another avenue through which citizens might respond to the crisis is through participation in a voluntary association, or civic engagement. This involves joining and participating in some type of association, whether it be a trade union, a political party, a humanitarian organization, or some other group. Through participation in civic associations citizens can, in groups, seek to influence the government on issues important to them. The degree of pressure exerted can vary depending on the activities of the group. The level of information conveyed tends to be high as a group focussed on a particular issue area can convey specific policy preferences in its attempts to influence the government. It is not normally a high conflict activity, though at times citizen groups’ may be advocating for interests that go against the interests of other groups in society (Verba and Nie, 1972).

Participating in an association requires a greater level of initiative and other resources than voting. Firstly, it requires the existence of a range of potential groups that one could join, or the initiative to start a group and recruit other members. There are also cultural prerequisites for joining, for example one must be trusting of others to participate in a collaborative association (Uslaner, 2003). One must have the time to participate in an association, such as attending meetings. At times participation may require financial resources, for example a membership fee. The level of initiative required can vary a good degree, depending on whether one is a participant or organizer of a group (Verba and Nie, 1972, p. 53).

There are a number of ways participation in civic associations may be used to
pressure the government, or respond in some other way to the crisis. One could join a labor union to advocate for workers’ rights at a time of increasing job insecurity. One could join a political party to have a say in the party’s response to the crisis. With rising levels of hardship in society, including unemployment, homelessness and poverty, one could seek to help during the crisis by volunteering with an organization providing services for the needy, such as a soup kitchen or homeless shelter. Or, say a recent college graduate is unable to find paid work, they might participate in a voluntary group to develop professional skills that may help in demonstrating experience when they apply for jobs.

Whilst all these indicate heightened reasons to join a voluntary group during the crisis, there might be other reasons one might be more likely to withdraw from a voluntary association during a crisis, or less likely to join one in the first place. This might be particularly true for the more leisure-based associations. Say one normally is part of a social sports group, or a book club, and then loses their job or home. One might expect that facing extreme hardship, participation in leisure associations becomes a lower priority than managing basic needs including an income and housing. Maslow’s hierarchy of needs indicates that people focus on higher level priorities, which would include participation in leisure groups, only once lower level priorities including basic survival are met (1962). The crisis brought hardship upon many so it might be expected that they turn their focus towards their own immediate needs, rather than participation in voluntary groups.

Now turning to protest, which can take many forms, all characterized by an attempt to influence political decision making outside of the electoral process, and outside of traditional mobilizing agencies such as unions (Norris, 2002). Protest actions might include signing a petition, either in person or online, taking part in a public demonstration, boycotts, strikes, and occupying buildings or spaces. Protest actions can exert a high level of pressure and provide a high level of information, as protests are generally targeted at a particular policy (Dalton, 2014, p. 39). Protest is inherently conflictual, though as Dalton stresses this conflict falls within the scope of democratic politics, with incidences of violent protest extremely rare (2014, pp. 56–57). As Dalton stresses, ‘contemporary democratic citizens want to protest the actions of their government, not destroy them’ (Dalton, 2014, p. 57).

Different forms of protest vary in the amount of initiative and resources required to participate. The level of initiative is greater for those who organize protest actions, compared to those who join in. Signing a petition requires the least resources. One might be approached, via email, social media, or in person, and asked to sign a petition that they can then choose to sign or not to sign. In recent years petitioning has become increasingly professionalized online, with various platforms such as change.org enabling citizens to get their petitions out to a large number of people.
without the need to canvass in person.

Other types of protest, such as public demonstrations, require a good deal of initiative and resources. This is particularly so for organizers, who need to determine what actions to take, who to target, when a protest action will be most effective, and must have the skills to plan and promote an event for maximum attendance and impact on the policy area in question. There can be costs involved, such as hiring sound equipment for speakers, or printing banners. For attendees of protest demonstrations less is involved, though much more than the ordinary and expected act of voting. Attending a protest event, one must have the cognitive skills to determine whether the protest objectives align with one’s own policy views, the initiative to join in, the time to protest, and a means of getting to the protest location. Whilst in some cases joining a protest might involve attending a march for an hour on the weekend, protest can at times be much more time intensive—for example one protester lived for over a year atop a Tasmanian tree in her efforts to protect the surrounding forest from logging (Gibson, 2013).

In the case of a major economic crisis what pressures might be applied? Protest actions could be targeted against certain policy responses to the crisis, for example against an austerity response to the crisis. Citizens could protest against the institution one feels is responsible for causing the crisis, whether that be the government, Wall St, an international organization like the European Union, or some other actor. These protest actions, if successful, may influence policy responses to the crisis, or may more broadly influence public opinion on the crisis.

Whilst there may be reasons for heightened participation to directly respond to the crisis, there also could be reasons to retreat from some forms of protest. Say one had previously attended protest demonstrations advocating for action on climate change, or increased aid to developing countries, which were popular causes in the years’ preceding the economic crisis. If this individual were to lose their job or home, is protesting about climate change and international development still a priority, or is their focus turned to getting by? Moreover the organizations that mobilize such protest movements might be facing cuts to their funding and a reduced capacity to organize, not to mention a changed climate in which to advocate for issues like overseas development aid.

This summary of voting, civic engagement and protest covers the main dimensions of political participation that might be affected by an economic crisis. These behavioral measures provide important indicators to assess the health of democratic society, as it has long been established that democratic society is a participatory one. Participation is not the only component of a healthy democracy however, attitudinal

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2 For example the Make Poverty History campaign, or the environmental movement’s Global Day of Action on climate change, both of which held big protest events in 2005.
measures also underpin democratic society. Almond and Verba’s pioneering study, *The Civic Culture*, argued that ‘the development of a stable and effective democratic government depends upon more than the structures of government and politics: it depends upon the orientations that people have to the political process—upon the political culture’ (1963, p. 498). Further work has underscored the importance of democratic support. Linz and Stepan consider it the attitudinal pillar of democratic consolidation, the process by which democracy becomes embedded within a society (1996b).

Democratic support might be shaken in the case of a major economic crisis, as citizens may blame poor economic conditions on the political system. According to the existing literature, this would more likely be the case in newer democracies, where citizens might have favourable memories of good economic performance under a former non-democratic regime (McAllister and White, 2011). In older democracies on the other hand, citizens have no experience of an alternative political system, and thus are more likely to blame the incumbent party than they are the political system it operates within (McAllister and White, 2011).

### 2.2 Voting Behavior

There are two aspects of citizen voting behavior that could be affected by an economic crisis, the first is the decision of whether or not to cast a vote in the first place, the second is for which party or candidate a citizen chooses to cast their vote. Each of these will be discussed in turn.

A considerable body of work has examined what drives aggregate turnout cross-nationally.\(^3\) Across countries differences in the institutional set-up, level of economic development, and party system have been used to explain turnout (Blais, 2007, p. 625). Compulsory voting has been found to increase turnout by around 10 to 15 percent (Blais, 2007, p. 625; Franklin, 1999). In proportional representation (PR) systems voter turnout is higher (Blais and Carty, 1990; Jackman, 1987; Karp and Banducci, 1999). The explanation for this is that PR systems lead to fewer wasted votes. Citizens supporting minor parties have a greater chance of influencing electoral outcomes in a PR system, than in a majoritarian systems (Jackman, 1987). Economic development has been associated with higher levels of turnout (Blais and Dobrzynska, 1998; Norris, 2002). In terms of the party system, more competitive elections are expected to lead to higher turnout (Blais, 2007, p. 628; Franklin, 2004).

Individual level research has explored what motivates individuals to cast a vote, which is distinct from the contextual forces driving aggregate turnout. Explanations have been put forward concerning the *resources* of voters, to what degree citizens

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\(^3\)See Blais (2007) for an overview.
are mobilized to vote, and the instrumental motivations of voters (Franklin, 1999, p. 206). Those with greater resources are more likely to vote; particularly those with a higher level of education (Blais, 2000; Norris, 2002; Wolfinger and Rosenstone, 1980). Older people vote more than younger people (Blais, 2000; Wolfinger and Rosenstone, 1980). This is due to a combination of life cycle and generational affects, with younger people today less likely to vote than young people of previous generations (Franklin, 2004). Other work has argued that people turn out to vote because they are mobilized to do so, whether by campaigns, organizations or social networks (Rosenstone and Hansen, 1993). The decision to cast a vote has also been explained by the instrumental motivations of voters. In particular voters may cast a ballot so that they can influence policy in a direction favourable to them (Franklin, 1999). Although, rational choice explanations have their limitations as the likelihood of casting a decisive vote in an election is extremely small (Blais, 2000).

How might an economic crisis affect voter turnout? On the one hand, globalization reduces governments’ control over policy issues, which means that voters have less incentive to participate (Steiner, 2010). A range of studies have found evidence to support this assumption, identifying a relationship between economic globalization and lower turnout (Gray and Caul, 2000; Karp and Milazzo, 2016; Steiner, 2010, 2016; Steiner and Martin, 2012). Given that the global nature of the crisis can be viewed as a reflection of globalization trends, there are reasons to expect that the crisis could result in lower turnout (H1.1). Citizens may perceive that their votes have little impact on the economic condition of their country as the crisis spread through the forces of globalization. Other studies would lead to the opposite prediction (H1.2). Franklin (2004) argued that the ‘character’ of elections determines voter turnout, with higher turnout in elections that matter more. As economic issues are highly salient, an economic crisis may mobilize citizens to participate (Franklin, 2004).

There are also questions regarding the dynamics of electoral participation at the individual level. On one hand those experiencing the greatest personal disadvantage may be mobilized to participate, as they would have more reason to be invested in any policies to address the crisis (H1.3). This would align with instrumental explanations of voter turnout (see Blais, 2000). On the other hand those struggling with their personal financial circumstances may be less inclined to get involved in politics as they are focussed on just getting by during a difficult time (H1.4). This would align with resources explanations that demonstrate those with fewer resources participate less (Blais, 2000; Norris, 2002). Karp and Milazzo (2016) find support for the latter hypothesis—in a comparative study of 10 countries they discover that the crisis mobilized turnout, however demobilized those most vulnerable in society, increasing the inequality of participation in political life. In summary, the unique
conditions of a major international economic crisis point to a number of competing hypotheses about how citizens’ might respond. Divergent theories could point to either voter mobilization or demobilization, at the country and individual level.

\[ H1.1: \text{After the crisis voter turnout will be more likely to decline, particularly within countries harder hit by the crisis.} \]

\[ H1.2: \text{After the crisis voter turnout will be more likely to increase, particularly within countries harder hit by the crisis.} \]

\[ H1.3: \text{Individuals more vulnerable to the financial crisis, such as the unemployed, those on low incomes, and those with a lower level of education, will be more likely to vote after the crisis.} \]

\[ H1.4: \text{Individuals more vulnerable to the financial crisis, such as the unemployed, those on low incomes, and those with a lower level of education, will be less likely to vote after the crisis.} \]

Aside from the decision of whether or not to cast a vote, there is the question of which party or candidate to vote for. In the context of a major economic crisis, we might expect citizens to use their vote to respond. Economic voting theory assumes that voters are instrumental and predicts that they are more likely to punish governments by voting for opposition parties when economic conditions are bad (Lewis-Beck and Stegmaier, 2007). While a longstanding debate has existed on whether citizens are more concerned with their own personal economic circumstances or the national economy, the theory nevertheless assumes that economic conditions matter, which now forms much of the conventional thinking on the subject.

Early studies of economic voting assumed that citizens vote on the basis of their own personal economic circumstances (Tufte, 1978). While this may seem intuitive, the empirical evidence for voting based on one’s own circumstances, pocketbook voting, has been mixed (see for instance Clarke et al., 2000; Kinder and Kiewiet, 1979; Lewis-Beck, 1983, p. 356). Many scholars have found little empirical evidence to support so called pocketbook voting leading them to question whether citizens vote on an instrumental basis (Alvarez and Nagler, 1995; Kiewiet, 1983; Lewis-Beck, 1988). These scholars have placed greater emphasis on sociotropic voting, arguing that citizens are more concerned with the perceived state of the national economy than their own individual circumstance. Lewis-Beck and Stegmaier conclude that the majority of studies demonstrate support for sociotropic economic voting effects, over any pocketbook effects (2007, p. 519). On the basis of these conclusions, we
would expect to see a strong economic voting response to the widespread economic
decline triggered by the global financial crisis. Recent aggregate level research lends
limited support to this thesis; LeDuc and Pammet’s analysis of electoral outcomes
in Europe identifies a decline in vote-share for incumbent parties following the crisis,
albeit one that is only marginally greater than in earlier elections (2013).

As studies have branched out from the US and other single country case studies
(see for instance Lewis-Beck and Nadeau, 2000; Studlar et al., 1990) to compar-
ative studies (see Gélineau, 2013; Lewis-Beck and Ratto, 2013; Paldam, 1991) an
increasing understanding has emerged of how the political and institutional context
mediates the economic vote. A strong theme is that citizens will hold governments
responsible for economic outcomes when there is clarity of responsibility (Powell and
Whitten, 1993). Powell and Whitten argue that voters evaluate whether the incum-
bent government is to blame for poor economic performance based on institutional
factors that can obscure accountability for the state of the economy (1993, pp. 398–
402). Multi-party coalitions, minority governments, and bicameral opposition are
all argued to blur the lines of responsibility, with the party of the Prime Minister or
President better able to deflect blame to other actors when responsibility is diffuse
(Powell and Whitten, 1993, pp. 398-402).

Other scholars have emphasized how globalization affects citizens’ evaluations of
economic performance. Hellwig shows that in nations where the economy is highly
integrated into global markets, ‘sophisticated voters’ attribute less responsibility to
the national government for the economy, than in less integrated economies (2001,
p. 1160). Further, in a comparative study of French and British survey data he
demonstrates that ‘economic perceptions matter less when voters believe their pol-
icy makers to be constrained by globalization’ (Hellwig, 2008, p. 1139). Kayser
and Peress also argue that the international context matters, as citizens will ‘bench-
mark across borders’, by comparing performance of the national economy against
other nations, punishing the government when it performs poorly in international
comparison (2012).

These findings regarding the political and economic context suggest the attribu-
tion of blame to governments during a major international economic crisis might not
be as clear cut as the economic voting hypothesis would suggest. National economic
performance has evidently been influenced by the international context in this crisis
of global reach. Moreover some countries, such as Germany, went into recession
during the crisis, though fared well in comparison to other countries in the region.
The question remains whether citizens blamed incumbent governments, or regarded
international factors as responsible for the crisis.

Building on the existing literature discussed above on economic voting a number
of hypotheses can be developed. Given the importance of national economic condi-
tions in shaping the economic vote, after the economic crisis hit it would be expected that incumbents would lose vote-shares and seats in parliament (H1.5). Following Kayser and Peress (2012) one might expect this effect to be stronger in countries that were harder hit by the crisis, and weaker in those countries that performed relatively well, even if those countries performed poorly relative to the pre-crisis era (H1.6). It could also be expected that parties on the right may be punished to a greater extent than parties on the left. To the extent that the right is associated with the free market ideology that enabled the crisis to spread, it would be expected that parties on the right would more likely be voted out of office (H1.7). If people vote with their pocketbooks, then we would expect those more vulnerable to the crisis, including those on low incomes and the unemployed, to be more likely to vote against incumbents than those who fared better during the crisis (H1.8). In countries harder hit by the crisis, it could be expected that citizens would vote against incumbents to a greater degree than those in countries that were less hard hit (H1.9). A stronger vote against incumbents would also be expected in countries with clarity of responsibility (H1.10) (Powell and Whitten, 1993).

\textit{H1.5:} After the crisis incumbents will be likely to experience a loss of voter support, evident through either being voted out of office, a loss of vote-shares, or a loss of seats in parliament.

\textit{H1.6:} In countries hit harder by the crisis, incumbent vote shares will be more likely to decline than in countries that were less hard hit.

\textit{H1.7:} After the crisis, parties on the right will be more likely to be voted out than parties on the left.

\textit{H1.8:} Individuals more vulnerable to the financial crisis, such as the unemployed, those on low incomes, and those with a lower level of education, will be more likely to vote against incumbent parties after the crisis.

\textit{H1.9:} In countries hit harder by the crisis, voters will be more likely to vote against incumbent parties than in countries that were less hard hit.

\textit{H1.10:} In countries with greater clarity of responsibility voters will be more likely to vote against incumbent parties after the crisis.

\footnote{Although Lindvall (2012) argued that the benefits for left-wing parties came several years down the track rather than in the immediate aftermath of the crisis.}
2.3 Civic Engagement

The second dimension of political behavior which could be affected by an economic crisis is civic engagement. Civic engagement, whilst a concept subject to multiple operational definitions, typically reflects citizen participation in voluntary organizations (see Norris, 2002; Putnam, 2000; Schofer and Fourcade-Gourinchas, 2001). A range of civic groups have emerged catering to a diversity of citizen interests. Citizens may choose to take part in a range of clubs and associations for leisure, such as a sporting group or book club, in association with their religion, or to pursue an educational goal. While some groups exist primarily for personal enrichment or social interaction, others can be more political in their orientation.

There are the more traditional organizations through which citizens engage with the state—unions, professional associations, and political parties—which can be classified as old social movement organizations (see Norris, 2002, pp. 168–187; Schofer and Fourcade-Gourinchas, 2001). These bodies, in various ways, act as conduits for interest articulation and aggregation. Additionally, since the 1960s we have witnessed the emergence of new social movement organizations, which are oriented towards post-materialist concerns, such as the environment and humanitarian causes (Norris, 2002, p. 137). These organizations can similarly seek to influence political outcomes, though their approaches might be less conventional, such as organizing petitions, participating in public demonstrations, or occupying spaces (Barnes and Kaase, 1979). Thus while the former are conducive to conventional political involvement through parties or unions, the latter can tend towards protest politics, with both contributing to citizen engagement in the political sphere.

A thriving civil society has long been considered a positive attribute of democratic societies. Theorists from de Tocqueville to John Stuart Mill have highlighted the virtues of a citizenry active in public life. Participation in civic groups is widely viewed as beneficial, both for the individuals who participate, and for the societies in which these individuals live (Putnam, 2000; Putnam et al., 1993). It has long been established that the more politically oriented civil society groups can directly enhance the functioning of democracy. De Tocqueville, on travelling to America in the nineteenth century, espoused the virtues of an active citizenry, working together in groups to improve their communities (1966). Almond and Verba’s pioneering empirical study argued that a ‘civic culture’ was conducive to democratic politics, characterised by citizens’ active participation in public life, including voluntary associations (1963). More recently Putnam has argued that participation in group associations that go beyond the political realm, such as bowling leagues and the Parent Teacher Association, generate social capital, which contributes to both the democratic health and economic wellbeing of a society (Putnam, 2000; Putnam
Civic engagement strengthens democracy in a range of ways. It plays a role in the political socialization of citizens, who through participation in associations may develop an understanding of democratic norms such as co-operation and participation (Putnam et al., 1993). Citizens’ involvement in civic groups may also equip them with the skills and experience to run for political office, thus providing a training ground for future political leaders (Diamond, 1994, pp. 7–8). More politically oriented voluntary organizations can enhance the democratic process by placing checks and balances on the power of the state (Diamond, 1994, p. 7). For instance, NGOs might bring human rights violations by the government to public attention and pressure the government to make changes. They also provide a space for interest aggregation and articulation outside of political parties (Diamond, 1994, p. 8). Voluntary organizations may disseminate information, often providing a counter perspective to that provided by the government, or bring issues to public attention that would otherwise go unnoticed. This means people with specific interests or concerns can group together and mobilize on their concerns, which is particularly relevant for marginalized groups in society who are less likely to be represented by major political parties.

Whilst civic engagement is widely considered a positive attribute of societies, it is well established that there exists a bias in who participates in voluntary organizations. It tends to be wealthier, better educated citizens – those with higher human capital – who participate more, and thus have a greater influence in civic affairs. Existing literature points to a range of factors at the individual level that are associated with higher degrees of civic engagement. Men are more likely to participate than women (Curtis et al., 1992; Knoke, 1986). Those with higher levels of education, and higher socio-economic status are more likely to participate (Schlozman et al., 1999). Age is argued to have a curvilinear relationship with civic involvement, with the middle aged more likely to participate than either the young or the old (Curtis, et al., 1992). Religious people, those more trusting of others, and postmaterialists, are all more likely to participate, when controlling for a range of other factors (Moyser and Parry, 1997; Schofer and Fourcade-Gourinchas, 2001). There is thus, as Schlozman, Verba and Brady describe it, a problem of inequality in civic participation (1999; 2012; 1995); whilst a thriving civil society has benefits for both the individuals who participate, and society at large, the benefits are skewed towards those already privileged in society.

Aside from individual level factors, ‘country of residence’ is a powerful predictor of civic engagement, suggesting there are characteristics of states which lead individuals within them to be more or less active in civic life (Curtis et al., 1992, p. 150; Putnam et al., 1993). Previous examinations of cross-national trends have
found a number of factors at the national level are associated with higher levels of
citizen participation in voluntary groups. This includes religion—in particular it is
frequently argued that historically Protestant societies have facilitated a work ethic
that encourages citizens to work together for the improvement of their community,
providing fertile ground for the emergence of civil society, in comparison to more
hierarchical religions such as Catholicism and Confucianism (Curtis et al., 2001, p.
785; Inglehart and Baker, 2000, p. 49). Democratic experience is also considered
important—the longer a country has been democratic, the more a civic culture,
which requires freedom of association, has an opportunity to flourish (for example
see Curtis et al., 2001, p. 798). In particular the post-communist countries of East-
ern Europe have consistently weaker levels of civic engagement in comparison with
more established democracies (Howard, 2002; Mondak and Gearing, 1998).

Work on national level predictors also explores the role of economic conditions
in shaping civic engagement. Lipset’s work on the social requisites of democracy,
found that greater societal wealth was associated with ‘the presence of intermediary
organizations and institutions which can act as sources of countervailing power, and
recruiters of participants in the political process’ (1959, p. 84). Inglehart and Baker,
in an extensive cross-national analysis, find economic development is associated with
cultural shifts towards norms of social trust and participation (2000, p. 19). Curtis
et al. argue individuals within more economically developed societies have a richer
network of civic activity (2001). These findings provide strong support for the
proposition that the presence of civic associations, and citizens’ participation within
them, is related to economic conditions. This gives rise to questions of whether an
economic shock, in the form of an economic crisis, might have some effect on civic
engagement.

What effect might a major financial crisis have on civic engagement on the basis
of these theories? Building on the existing research, I develop two hypotheses. On
the one hand we might expect citizens to retreat from engagement in voluntary
associations, whereas on the other citizens might be mobilized to participate more
in civic life in response to an economic crisis. The reasoning is outlined as follows.

In the context of economic crisis, where we see economic decline, we might ex-
pect a contraction of civil society, reflected in citizens’ retreat from participation in
voluntary associations (H2.1). The existing work on inequality in civic life would
lend support to a retreat hypothesis at the individual level. It is well established
that those with fewer resources, in terms of money, education, and class background
are less likely to participate in voluntary groups (Schlozman et al., 1999). Moreover
Karp and Milazzo (2016), examining the impacts of the economic crisis on voter
turnout, find the crisis demobilized the most vulnerable in society compared to elec-
tions before the crisis. Thus, as more citizens find themselves in financial hardship
during a crisis, through unemployment, underemployment, or other circumstances, it could be expected that these vulnerable subsets of the population engage less with civic groups (H2.2). As these vulnerable individuals who tend to participate less would be more numerous during a crisis, this might also lead to effects at the national level, where countries more affected by the crisis, see a greater decline in civic engagement (as per H2.1).

**H2.1:** In countries hit harder by the crisis, civic engagement will be more likely to decline after the crisis than in countries that were less hard hit.

**H2.2:** Individuals more vulnerable to the financial crisis, such as the unemployed, those on low incomes, and those with a lower level of education, will be less likely to participate in voluntary associations after the crisis.

Whilst various strands of research indicate citizens may retreat from civic engagement during times of economic crisis, other theories could point to a mobilization response, particularly in certain types of associations. The more politically oriented voluntary associations, both old and new social movement organizations, provide a channel for interest articulation and aggregation (Diamond, 1994, p. 8). In times of economic crisis, there may be a greater need for the functions fulfilled by various groups, including unions—which advocate on behalf of workers, political parties—which can aggregate and articulate interests, and NGOs—which could fulfill functions ranging from providing resources and support for those at greatest disadvantage in society (e.g. soup kitchens), through to providing an avenue for opposing government policy responses to the crisis, such as austerity measures.

Recent research examining responses to the great recession, lends some support to the mobilization hypothesis. In some cases the crisis has led to a rise in support for extremist parties in Europe, such as the far-right Golden Dawn in Greece (see for instance Klapsis, 2014; Tsakatika and Eleftheriou, 2013). Other work shows citizens have been mobilized to participate in anti-austerity protests in response to the way governments have handled the crisis, particularly in Europe (Beissinger and Sasse, 2014; Kriesi, 2014). Whilst participating in a protest does not necessarily entail membership in a formal association, protest movements are often associated with more formal organizations that draw in participants. At the aggregate level, a mobilization response would mean that on the whole civic engagement could be expected to rise following the crisis in those countries which were negatively affected by the crisis (H2.3). At the individual level, if those who were disproportionately affected were more likely to be mobilized, we might see the unemployed and other disadvantaged groups participate more than they would in non-crisis periods (H2.4).
H2.3: In countries hit harder by the crisis, civic engagement will be more likely to increase after the crisis than in countries that were less hard hit.

H2.4: Individuals more vulnerable to the financial crisis, such as the unemployed, those on low incomes, and those with a lower level of education, will be more likely to participate in voluntary associations after the crisis.

If there is a mobilization response, one might also expect to see differences across the different types of association, depending on whether citizens respond to the crisis through the more conventional old social movement organizations, including parties or unions, or by turning to protest politics facilitated by new social movement organizations. Furthermore, with many citizens facing extreme hardship, one might expect a decline in membership of leisure-based associations, such as sporting, art, or cultural groups, as these provide no means of response to the crisis, and perhaps become a lower priority for those struggling with job insecurity, unemployment, home foreclosures, or simply less disposable income. If citizens are mobilized by the crisis to participate in associations, it would be expected that this would pertain only to associations with a political orientation—which may provide an avenue of response to the crisis (H2.5). Although, if there is no political mobilization as a result of the crisis, it could be expected that resource constraints would lead to declines in participation across the various association types (H2.6).

H2.5: After the crisis, membership in politically oriented voluntary associations would increase, while it would decrease in recreational associations.

H2.6: After the crisis, voluntary association membership would decline across all types of associations.

2.4 Political Protest

Political protest forms an important part of democratic politics, as one way in which citizens may participate in the political process between elections. A few decades ago, protest was classified as unconventional political behavior, which Kaase and Marsh defined as ‘behavior that does not correspond to the norms of law and custom that regulate political participation under a particular regime’ (1979a, p. 41). More recently, as more and more citizens participate in some form of protest, with petitions being the most widely adopted, this ‘unconventional’ classification is
no longer entirely reflective of the ubiquity of protest politics (Norris, 2002). Protest is particularly a means of expression for the young, who tend to be less engaged in the conventional forms of political activity including voting, though more likely to engage in protest (Dalton, 2008).

Protest incorporates a wide range of political actions outside of the electoral arena, ranging from petitions through to strikes, boycotts, and public demonstrations. Of these activities some are more conventional than others, with a majority of citizens in many advanced democracies having at some point signed a petition; fewer citizens have joined a demonstration, one in four Americans for example, and fewer still partake in more extreme actions like occupying buildings (Dalton, 2014, pp. 54–56). Protest provides an opportunity for citizens to feed into policy-making in between elections by expressing discontent over government policy or performance, or advocating for a particular cause.

How might political protest be affected by a major economic crisis? Existing theoretical frameworks provide a number of potential explanations. The question of who participates in protest has long interested researchers, and a range of approaches have emerged to investigate the question (see Dalton et al., 2010; van Stekelenburg and Klandermans, 2013, for an overview). Theoretical frameworks cover macro explanations of the contextual factors that lead to the emergence of protest within societies, as well as micro explanations of the characteristics of individuals who are more likely to protest (Dalton et al., 2010; Norris, 2002). Models based on grievances, resources, political opportunity structures, and values predominate, these will each be discussed in turn.

Grievance theory views protest participation as a means for underprivileged members of society to express their grievances. Gurr applied this argument firstly at the contextual level, suggesting ‘the more widespread and intense deprivation is among members of a population, the greater is the magnitude of strife’ (1968, p. 1104), with his definition of ‘strife’ incorporating demonstrations, riots, strikes and other political clashes. Then, in Why Men Rebel (1970) he makes the case at the individual level, arguing that those who experience relative deprivation, defined broadly as ‘perception of discrepancy between their value expectations and their value capabilities’ (p. 24)—in other words the feeling one receives less than that to which they believe they are entitled—will increase the likelihood an individual will participate in protest or violent rebellion. Lipsky similarly argued that protest was ‘a strategy utilized by relatively powerless groups in order to increase their bargaining ability’ (1968, p. 1157). This theory has been challenged, with a range of studies showing that those who protest are no more disadvantaged than those who do not, and in many cases quite the reverse (see for example Norris et al., 2005; Dalton, 2014, pp. 74–75). If grievance theory is correct, the greater level of deprivation in
the society as a whole following the onset of the economic crisis would result in a greater prevalence of protest activity (H3.1). At the individual level, more citizens would be experiencing relative deprivation and thus would be more likely to participate in protest (H3.2).

**H3.1:** In countries hit harder by the crisis, political protest will be more likely to increase after the crisis than in countries that were less hard hit.

**H3.2:** Individuals more vulnerable to the financial crisis, such as the unemployed, those on low incomes, and those with a lower level of education, will be more likely to participate in political protest after the crisis.

Contrary to the grievances model above, resource theories argue that protest is simply another political resource people may use in meeting their goals (Dalton, 2014). Within this framework it is those who are better off in society who participate more across a range of forms of participation, whether it be voting, engagement in civic associations or political protest (Dalton, 2014; Norris, 2002; Verba et al., 1995). Resources such as time, money, networks, and organizational skills developed through education and professional occupations facilitate involvement in protest, as with voting and campaign activity. Evidence from across a range of contexts supports this idea that protestors are highly educated and financially better off citizens (Caren et al., 2011; Dalton, 2014; Inglehart, 1990; Norris et al., 2006). The resources thesis challenges the stereotype of protestors as disaffected radicals developed during the protest era of the sixties and seventies. Contrary to popular perceptions of protestors as anti-system radicals, protest positively correlates with voting, and various forms of civic participation including party membership, and belonging to clubs (Norris, 2002, p. 195).

If resources theory is correct, following the onset of the crisis, more citizens will be suffering the resource constraints typically associated with a lower likelihood of protest participation. Therefore we might expect a downturn in political protest as a function of disadvantage—the crisis caused greater levels of disadvantage, which in turn could have led to a drop in protest activity (H3.3). At the individual level it would be expected that the relationship between resources including education and income would be positively related to participation in protest both before and after the crisis (H3.4).

**H3.3:** In countries hit harder by the crisis, political protest will be more likely to decline after the crisis than in countries that were less hard hit.
$H3.4$: Individuals with greater resources, such as those on higher incomes and those with higher levels of education, will be more likely to participate in political protest, before and after the crisis.

The next area to explore is the political opportunities approach. Within the body of literature on social movements, scholars have argued that outbreaks of political protest within societies can be linked to variation in the political opportunity structures. Tarrow makes the case that grievances are far more enduring than the protest movements emerging as a result of them, thus grievances alone cannot be said to explain for outbreaks of protest (1998, p. 71). Rather he argues:

> What does vary widely from time to time and place to place are the levels and types of opportunities people experience, the constraints on their freedom of action, and the threats they perceive to their interests and values... I argue that contention is more closely related to opportunities for – and limited by constraints upon – collective action than by the persistent social or economic factors that people experience. (Tarrow, 1998, p. 71)

The concept of political opportunity structures was initially introduced by Eisinger (1973), and has been further developed by Tilly (1978), Kitschelt (1986), Kriesi et al. (1995), Tarrow (1998), della Porta and Diani (1999), among numerous others. The literature is divided however on what specific institutional arrangements are most conducive to mobilization. Some argue open political structures, where protest is an accepted form of political activity, and is tolerated by elites are most conducive to the emergence of protest (Dalton et al., 2010; Tarrow, 1998). Others have argued that closed systems are more conducive as the less access there is to conventional forms of influencing the political process the more citizens will turn to unconventional forms of political action such as protest (Kitschelt, 1986). A third group meanwhile has suggested the relationship is actually curvilinear with a combination of open and closed structures best facilitating the emergence of protest (Eisinger, 1973).

How might protest be affected by a financial crisis within the political opportunities approach? One possibility would be government policy responses to the crisis opening up opportunities for protest (Giugni and Lorenzini, 2014, p. 66). Amidst the hardship that followed the crisis, governments across a range of countries introduced austerity policies, cutting social services at a time when they were under greater demand. Existing work on the crisis suggests it was the introduction of austerity policies, rather than the crisis per se that led to specific protest mobilizations (Bermeo and Bartels, 2014; Kriesi, 2014). If the introduction of these policies created an opening of political opportunities, we would expect to see a greater degree
of protest in countries that introduced austerity policies (H3.5).

**H3.5: In countries that introduced austerity policies, political protest will be more likely to increase.**

The final approach to consider is the role of values in shaping protest participation. Inglehart’s value change thesis argues that citizens’ value orientations are shaped by economic conditions, and that changing value orientations have flow on effects for political behavior, including protest (1971; 1977; 1981; 1997). As economies grew, Inglehart identified a global shift away from materialist values—centered around survival, security, and fulfilling basic needs, towards postmaterialist values—where material concerns are taken for granted and focus is given to higher-level concerns such as ‘freedom, self-expression, and the quality of life’ (Abramson and Inglehart, 1995, p. 1). This body of work suggests that economic development is conducive to the spread of postmaterialist values, and economic decline, the reverse (Inglehart, 1981, p. 881). A rise in postmaterialism has been linked to a rise in protest, as postmaterialists tend to have more time and energy available for political action, are more challenging of the status quo, and their concerns tend to be neglected by governments (Inglehart, 1981, p. 890).

Given the links between economic conditions, postmaterialist values, and protest activity, this relationship is worth re-examining in the context of a major economic crisis. If levels of postmaterialism have been affected by the global financial crisis, as might be expected from the theory, this would presumably have flow on effects to protest activity. If we assume that there will be a drop in postmaterialism (H3.6), we can construct two sets of hypotheses for the flow on effects to political protest. If postmaterialism remains similarly correlated with protest activity after the crisis, we could expect to see a drop in protest activity to accompany the drop in postmaterialist values. In this scenario, as more people adopt materialist value orientations, they prioritise matters of survival and security and have less energy available to devote to political activities such as protest (Inglehart and Klingemann, 1979, p. 345). Thus it remains the diminishing numbers of postmaterialists that are more likely to protest, and as their numbers decline so does participation in protest (H3.7-3.8).

**H3.6: In countries hit harder by the crisis, postmaterialism will be more likely to decline after the crisis than in countries that were less hard hit.**

**H3.7: Those with postmaterialist values will be more likely to participate in protest, before and after the crisis.**
H3.8: In countries hit harder by the crisis, protest would be more likely to decline after the crisis as a function of a decline in postmaterialism.

In contrast, an alternate hypothesis would suggest that growing numbers of materialists would become more likely to protest following the financial crisis, and that protest becomes more widespread as a result. One of the reasons Inglehart gives for the relationship between postmaterialism and protest, is that governments have tended to prioritise materialist concerns—meaning materialists’ concerns are more often addressed by government (1979, p. 345). It was therefore postmaterialists that needed to go outside of conventional modes of participation to have a voice (1979, p. 345). Under the conditions of a major economic crisis resulting in rising unemployment, home foreclosures, and a loss of economic security it could be said that materialists’ concerns are not being met by governments. In these circumstances it is foreseeable that materialists may be more likely to go outside of the electoral process to express their discontent (H3.9). Previous research shows protest activity to be strongly correlated with postmaterialism (Inglehart, 1997, pp. 312–315), but if materialists increasingly turn to protest we would expect this relationship to weaken. Further, we might see a rise in protest activity as numbers of dissatisfied materialists increase in response to conditions such as unemployment and loss of financial security (H3.10).

H3.9: Those with materialist values will be more likely to participate in protest after the crisis, compared to before the crisis.

H3.10: In countries hit harder by the crisis, political protest will be more likely to increase after the crisis as result of those with materialist values protesting more.

2.5 Democratic Support

The final aspect of citizen politics to be examined is attitudinal rather than behavioral, specifically, citizen support for a democratic political system. Public support for democracy is an important indicator of the health of democratic societies, as acceptance of and support for the political system lends it legitimacy and contributes to democratic consolidation (Linz and Stepan, 1996a). A major economic crisis may diminish public support for democracy in a number of ways, particularly in newer democracies where democracy may not yet be considered ‘the only game in town’ (Linz and Stepan, 1996b, p. 15). Maintaining democratic support matters as it is public support for the regime, that lends democracies legitimacy and prevents
A wide body of literature examines the relationship between economic conditions and democracy (see for instance Anderson and Guillory, 1997; Burkhart and Lewis-Beck, 1994; Lipset, 1959; Przeworski and Limongi, 1997). Whilst empirical findings are mixed as to whether economic development causes democracy, it is generally established that economic development sustains democracy (Przeworski and Limongi, 1997). Economic prosperity lends legitimacy to regimes, whereas economic shocks have the potential to undermine support for the system, whatever that system may be. Many authoritarian regimes have enjoyed legitimacy bestowed by economic progress, such as the Soviet Union and Indonesia under Suharto. When financial crises hit this legitimacy can be lost, as happened during the Asian Financial Crisis that helped usher in Indonesia’s transition to democracy (Pepinsky, 2009). There are many other examples where economic crises have triggered democratic transitions including Argentina, Bolivia, and the Philippines (Teorell, 2010, pp. 70–76).

Similarly, good economic conditions provide legitimacy to democracies, and economic crises can undermine support for democracy, particularly in newer democracies as citizens may blame poor economic conditions on the political system rather than the incumbent government (Fish and Wittenberg, 2009; Linz and Stepan, 1996a, p. 254). A severe example of this is Germany’s Weimar Republic. In the context of the Great Depression Germans gave increasing support to Hitler’s Nazi party, which ultimately led to the democratic Weimar Republic’s collapse and the tragedy of the Holocaust. Over the same time period amidst the depression there were several other democratic reversals in Europe and South America (Diamond, 2011). In a large scale cross-national analysis Przeworski and colleagues find that a drop in economic growth is associated with a threefold increase in the likelihood of a democratic reversal (2000).

One way in which economic crises can undermine democracy, is through undermining public support for a democratic political system. This support is essential for sustaining democracy, forming one of the three pillars of democratic consolidation as described by Linz and Stepan (1996a). They outline behavioral, attitudinal, and constitutional dimensions of democratic consolidation, the process by which democracy comes to be considered ‘the only game in town’ (1996a). The attitudinal dimension of democratic support is defined as follows:

*Attitudinally, a democratic regime is consolidated when a strong majority of public opinion holds the belief that democratic procedures and institutions are the most appropriate way to govern collective life in a society such as theirs and when the support for anti-system alternatives is quite small.* (Linz and Stepan, 1996a, p. 6)
As the greatest economic shock since the ‘third wave’ of democratization (Huntington, 1991), the global financial crisis poses a threat to democratic consolidation in newer democracies.

Understanding the concept of democratic support draws upon a rich body of literature. Easton’s work began to map out different dimensions of political support—distinguishing specific and diffuse political support (1975). Specific support relates to confidence in specific government authorities, including public officials and institutions, whereas diffuse support refers to ‘support that underlies the regime as a whole and the political community’ (Easton, 1975, p. 445). So one can be dissatisfied with the performance of parliament, for example, but still be supportive of the democratic political regime. He argued that diffuse support was less susceptible to short term changes (Easton, 1975, p. 444). A range of studies have built upon this framework (for example Dalton, 2004; Norris, 2011, 1999c). Norris (1999c) set objects of support on a continuum from the most specific to the most diffuse, including political actors, regime institutions, regime performance, regime principles, and the political community (p. 10). The distinction between specific support and diffuse support has been validated through various empirical studies which find either no correlation or at most a weak relationship between democratic satisfaction and democratic support (Huang et al., 2008; Klingemann, 1999, 2014). It is the more enduring dimension of democratic support (a type of diffuse support) that this thesis is focussed on.

As well as distinguishing types of political support researchers have sought to explain support for a democratic political system through a number of different approaches. This includes an institutional approach which suggests the design of democratic institutions may facilitate or limit support for democracy (Anderson and Guillory, 1997; Huang et al., 2008; Norris, 1999a). Anderson and Guillory (1997) find that those who lose out from electoral competition are less satisfied with democracy, and the gap between winners and losers is greater in majoritarian systems than in consensual systems. Norris (1999a) similarly concluded that political institutions and support of incumbents mattered for institutional confidence. The role of institutions was also explored by Huang et al. (2008), who found that the presence of political institutions, and political participation within them, over time played an educative role boosting support (p. 59).

There are also cultural approaches that suggest democratic attitudes are something that is built up over long periods of time, through processes of socialization and economic development (Huang et al., 2008; Inglehart, 1997). The broad societal changes as a country develops, including rising standards of living, and increasing access to education, lead the way for democratic attitudes to emerge and become stable over time (Inglehart, 1997). In line with this theory, much of the research
shows democratic support and related measures such as confidence in democratic institutions, tend to be highest in countries that have been democratic for the longest time period (Norris, 2011, p. 95; McAllister, 1999; Shin and Wells, 2005).

Another approach is concerned with the effect of government performance on democratic support. This would be the relevant theory to test in the context of a major economic crisis. Government performance can be narrowly defined as pertaining to economic performance, or more broadly defined to incorporate other aspects of government performance such as ‘political goods’ (Norris, 1999a, p. 218; Huang et al., 2008, p. 59). Much of the existing work suggests that economic conditions have minimal impact on democratic support (Dalton, 2004; Huang et al., 2008), and institutional confidence (McAllister, 1999), though these analyses were conducted during periods of relatively ordinary fluctuations in economic conditions, minimizing variation in the extent of economic differences. Other studies find that in terms of government performance it is the provision of political goods, including democratic freedoms, government effectiveness and the absence of corruption, rather than economic goods that helps explain support for democracy (Anderson and Tverdova, 2003; Bratton and Mattes, 2001; Evans and Whitefield, 1995; Huang et al., 2008; Magalhães, 2014). In all, it is political experience, including the length of a country’s experience of democracy, that tends to be a bigger factor in democratic support (Evans and Whitefield, 1995; McAllister, 1999).

A few recent studies investigate the role of government economic performance in the crisis context. Rose and Mishler (2010) find that in Russia the economic shock of the financial crisis, led to drop in regime support of 10 percentage points, which they assessed was what would be expected based on the relationship between economic evaluations and regime support in ordinary times (pp. 54-55). McAllister and White (2011) using different measures, find that economic performance had limited effects on democratic support in Russia, which may be related to specifics of the Russian case such as a history of economic crises.

The research on democratic support, and more broadly political support, can be hard to compare as studies use a wide range of measures which do not lead to consistent results. Moreover, there are challenges fielding the same questions in a range of country contexts, translated into different languages (Chu et al., 2008, p. 241). Various studies show that when support for democracy is operationalized as the favorability of democracy as an abstract concept, the proportion of respondents who are supportive is similarly high in countries across all world regions, and covering different types of political systems from established democracies right through to autocracies (Norris, 2011, p. 93; Klingemann, 1999, p. 45). Measures of democratic support that incorporate rejection of anti-democratic alternatives, allow for specific comparisons between democracy and a previous non-democratic regime, or take
account of support for procedural aspects of democracy, reveal a more nuanced picture (Norris, 2011, p. 95; Mishler and Rose, 1999, p. 82; Shin and Wells, 2005). When more robust measures are used differences emerge showing that citizens of older democracies are much more supportive of democracy, than those living in newer democracies or autocracies.

Given what we know about the economy and democratic support, what would the implications be in the context of the global financial crisis? Blame attribution is one mechanism by which economic decline may undermine support for democracy (McAllister and White, 2011). In established democracies people tend towards blaming the incumbent government for economic conditions rather than democracy per se, as democracy has become consolidated to the point where it enjoys widespread support and acceptance. In newer democracies on the other hand, older citizens may still have memories of the former regime, and when economic strife occurs, they may question whether democracy really is the best system of governance and look favourably upon the former regime (McAllister and White, 2011, p. 489; Mishler and Rose, 1999). In newer democracies, even absent any financial challenges, support for democracy is lower than in the established democracies and this support is more vulnerable to poor economic conditions (McAllister and White, 2011, pp. 488–489). On the basis of this reasoning we would expect support for democracy to drop in newer democracies after the global financial crisis (H4.1).

The magnitude of the crisis also provides an opportunity to test whether public support for democracy can be shaken even in the established democracies. The conventional wisdom suggests that support for democracy should remain strong in the consolidated democracies ‘even in the midst of major economic problems’ (Linz and Stepan, 1996a, p. 16). The longer a country has been democratic, the more time citizens have had to transition from authoritarian to democratic mindsets (Shin and Wells, 2005), and the greater the proportion of its citizens who have lived their entire lives within a democratic political system. However, as this is the greatest economic crisis since the Great Depression of the 1930s, there is no recent precedent to know what the effect of a financial shock of this scale will be. The severe nature of the recent crisis provides an unprecedented opportunity to test whether support for democracy really does remain strong in established democracies, in the context of a major crisis which goes well beyond regular fluctuations in economic performance. Thus an alternate hypothesis would be that support for democracy declines in both new and established democracies as a result of the severity of the crisis (H4.2).

To the extent that these effects take place we might expect countries harder hit by the crisis to suffer greater losses in democratic support (H4.3). At the individual level, it might be expected that those experiencing greater financial hardship, such as the unemployed and those on low incomes, would become less supportive of
democracy than those who are still getting by relatively comfortably (H4.4) (McAl- 
lister and White, 2011, p. 482).

**H4.1:** After the crisis support for democracy would be more likely to decline in newer democracies.

**H4.2:** After the crisis support for democracy declines across both new and old democracies.

**H4.3:** In countries harder hit by the crisis, support for democracy will be more likely to decline after the crisis than in countries that were less hard hit.

**H4.4:** Individuals more vulnerable to the financial crisis, such as the unemployed, those on low incomes, and those with a lower level of education, will be less supportive of democracy after the crisis.

Another way in which the crisis may have affected democratic support, is through the role of international actors interfering in national politics. The effect of this international interference has been investigated in two recent studies, although the findings point in opposite directions. Armingeon and Guthmann (2014) make the case that the interference of external actors including international organizations and markets, may undermine support for national democracy by interfering in domestic politics. The International Monetary Fund’s role, imposing policies as conditions for receiving loans, takes some power away from the domestic decision making process and places it in the hands of unaccountable organizations. Armingeon and Guthmann argue this interference in conjunction with declining economic circumstances is resulting in lower support for democracy in a study of 26 European countries over 2007 to 2011 (Armingeon and Guthmann, 2014, p. 423). This leads to the hypothesis that support for democracy would decline in countries affected by the bailouts in the European Union (H4.5). However, Cordero and Símon, in a study of European countries over 2012 to 2013, find that negative economic evaluations are associated with lower support for democracy, except where countries received bailouts from the IMF and European Union, in which case the relationship was reversed (2016, pp. 319–320). They argue the international interventions increased the salience of democracy in affected countries, and thus increased democratic support. This leads to a competing hypothesis, whereby the IMF or EU bailouts would lead to greater support for democracy (H4.6).

**H4.5:** In countries that received conditional loans from the IMF or the EU after
the crisis, support for democracy will be more likely to decline.

H4.6: In countries that received conditional loans from the IMF or the EU after the crisis, support for democracy will be more likely to increase.

2.6 Conclusion

The global financial crisis provided a considerable shock to the economies of most countries around the world, and to the people who live within them. The effects of this crisis on how citizens engage in the political process remains a puzzle. Whilst the relationships between economic conditions and various aspects of political behavior and attitudes have been extensively studied during ordinary times, we have little precedent to understand how these relationships manifest in the case of a major economic crisis on the scale of the global financial crisis that began in 2008. The crisis is the greatest since the Great Depression of the 1930s; since that time we have seen advances in democratic governance around the world as well as the advent of cross-national public opinion surveys that enable the study of democratic attitudes and behaviors across time and between countries. These data facilitate the exploration of these relationships in the circumstances of a major economic crisis.

This chapter has outlined at times competing theories as to how various dimensions of political behavior, and democratic support, might be affected by a major financial crisis. These theories draw upon existing research linking economic conditions and various aspects of politics. Looking first at voting behavior, theories of voter mobilization and economic voting were explored to map out how citizens’ votes might be affected by a major crisis in terms of whether or not to vote and who to vote for. Potential effects of the crisis on participation in voluntary associations, or civic engagement, were conceptualized in terms of a mobilization or retreat response, drawing upon the inequality of participation literature. In exploring potential ways that protest might be affected by crisis, the chapter touched on grievances, resources, political opportunities, and values approaches explored previously in the literature. Finally, potential ramifications for democratic support were viewed through the lense of blame attribution, which would particularly affect newer democracies, as well as an international actors model. Alongside development of the theoretical framework, this chapter has reviewed empirical evidence emerging from other studies of the recent crisis.

The next chapter will discuss the data sources and methodological approach used to test the hypotheses introduced in this chapter. Then chapters four to seven will test these hypotheses using cross-national survey data from before and after the crisis. Chapter 4 will investigate the effects of the crisis on voting behavior, both
voter mobilization and vote choice. Chapter 5 then looks at civic engagement, to
test the competing hypotheses regarding a mobilization or retreat response. Chapter
6 tests the various hypotheses on political protest, and Chapter 7 will cover the
attitudinal measure of support for a democratic political system.
Chapter 3

Data and Methodology

How can one investigate empirically the impacts of the global financial crisis on political behavior and values? Building on the discussion of the previous chapter, which explored and developed theoretical explanations as to how citizens might respond to a major economic crisis, this chapter develops an approach to test these theories empirically. The chapter begins by outlining the data sources used in this study, the World Values Survey and the Comparative Study of Electoral Systems, and why these surveys have been selected. This discussion includes developing a research design that will enable comparisons to be made from before and after the crisis, and between countries affected to varying degrees by the crisis. Next are details on the selection of country cases from within the two datasets. The chapter then provides an overview of the measures to capture the key independent and dependent variables. Finally, it covers the methodological approaches employed to conduct the analysis.

3.1 Data

In seeking to test the effects of the crisis on citizen political behavior and democratic values I sought data which would meet three criteria. Firstly, the data needed to measure the key dependent variables in question, including the three dimensions of political behavior: voting behavior, civic engagement and political protest, as well as democratic support. Secondly, the source of evidence needed to explore these same measures over time, capturing time points before and after the crisis hit, to enable an investigation of the impact the crisis may have had on these measures. Thirdly, the source of evidence needed to provide contextual variation by testing the same measures across countries that were hit by the financial crisis to varying degrees, to enable an investigation of how the degree of crisis impact influenced behavior and attitudes. Two main datasets were identified that together meet these criteria: the World Values Survey, which covers civic engagement, political protest

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and democratic support; and the Comparative Study of Electoral Systems which provides data on electoral behavior, including vote choice and turnout.

By meeting these three criteria, this study is taking a quasi-experimental approach, whereby we have evidence on the dependent variables from before and after the experimental treatment, the crisis, was applied (see Shadish et al., 2002). Whilst the crisis affected all countries to some degree, there were considerable differences in the extent to which different countries were affected. Some countries like Australia managed to avoid experiencing a recession, while others experienced deep recessions and dramatic increases in unemployment. These differences facilitate comparison between countries, as well as within countries over time. Unlike a true experiment—which is not feasible to conduct in the case of global economic conditions—there was no random assignment to determine the crisis effects in different countries, so the existing differences between countries need to be taken into account.

The WVS is a cross-national survey of public opinion which has been fielded in almost 100 countries since 1981. The surveys cover a wide range of different countries incorporating different regions, political systems, levels of economic development, and culture. The surveys undertaken to date have been fielded across six waves, with the most recent wave covering the period from 2010 to 2014. The WVS typically samples at least 1000 respondents per country, with an average sample size of 1505 per country in the most recent wave.

The WVS has been selected to investigate the effects of the financial crisis on political behavior and democratic support for several reasons. Firstly, the survey measures the key variables of interest. In particular, the WVS provides questions from which a robust measure for democratic support can be constructed that investigates both support for democracy and rejection of its alternatives.¹ The WVS also provides measures for a range of different protest activities, in addition to participation across a suite of civic groups. The WVS is less well suited to assessing electoral behavior however, as the timing of the surveys does not necessarily coincide with elections, reducing the validity of items designed to tap vote preferences. For this reason the analysis of the WVS will be complemented with analysis from the CSES as will be detailed further within this chapter.

Secondly, the timing of the WVS is suitable for assessing the impacts of the global financial crisis. The two most recent waves were fielded over 2004 to 2007, and 2010 to 2014 respectively. This provides data for comparing indicators of citizen engagement in politics and democratic support from both before and after the crisis hit in 2008 (see Figure 3.1). The final reason for selecting the WVS is the breadth of countries incorporated in the WVS, not limited by region, culture, or political

¹See Shin and Wells (2005) for a discussion of why measures of democratic support should incorporate rejection of authoritarian alternatives.
system. This facilitates an analysis of the effects of the crisis broadly, rather than confined to the much studied advanced Western democracies. It enables an assessment of how contextual factors such as the severity of the crisis and democratic experience affect citizen responses to the crisis.

Figure 3.1: World Values Survey Field Dates and OECD Economic Conditions

Note: The shading shows the timing of the WVS in the countries incorporated in the previous two waves. Wave 5 spans 2004 to 2007, (beginning with New Zealand in August 2004, ending with Spain in July 2007), Wave 6 spans 2010 to 2013 (beginning with South Korea in February of 2010 and ending with Germany in November 2013).
Sources: GDP Growth and Unemployment data from the OECD (2016a; 2016b); Survey timing from the WVS (2017).

The CSES is an ongoing collaborative project that began in 1996 and involves the participation of election teams in over 50 countries who have fielded a common module of questions in a post-election survey. Many national election teams have deposited data over multiple waves which facilitates an examination of voting behavior from before and after the crisis. Due to the targeted nature and timing of the survey, this dataset provides valid measures of electoral behavior as a complement to the other indicators including protest and democratic support better assessed by the WVS. Module 3, which was fielded from 2006–2011, includes over forty countries. Of those, about a third of the countries had run the CSES module before and after 2007, which marked the onset of the global financial crisis.

Other than the measures of voting behavior it provides, the CSES has been selected for similar reasons to the WVS. The timing of surveys, covering elections preceding, during and after the financial crisis, enables a comparison of citizen voting
behavior from before and after the crisis began. The CSES also covers a wide range of countries not limited to a particular region. The coverage of the two surveys differs though there is some overlap.

Whilst most of the data used in this thesis comes from the WVS and the CSES, data from a range of additional sources has been incorporated. The inclusion of data from additional sources serves three purposes: first, to supplement the analyses with the primary datasets where it is not possible to test all hypotheses with the WVS or CSES data; second, to provide country level data for analyses at the aggregate level; and third, to provide contextual variables for inclusion in multilevel models.

Data from the Integrated Crisis Early Warning System (ICEWS) is used in Chapter 6 on political protest to investigate hypotheses regarding the effects of austerity policies in Europe. The data tracks the number of protest demonstrations cross-nationally, providing a complement to the data on individual level protest participation in the WVS. Chapter 7 on democratic support meanwhile utilizes European Social Survey (ESS) data on democratic satisfaction and support within Europe to facilitate investigations of political support in the context of the European sovereign debt crisis. Both chapters 6 and 7 supplement the trends over time in protest and democratic support from the WVS, with data from the European Values Study (EVS) where it has fielded the same question items.

Country level indicators are taken from the World Bank, the Organization for Economic Cooperation and Development (OECD), International IDEA (2017), the Inter-Parliamentary Union’s Parline Database on national parliaments, Freedom House’s country classifications (2016), Pippa Norris’ Democracy Cross-National Data (2015), and Polity IV (Marshall et al., 2016a). This includes data on GDP growth, unemployment, and other economic indicators from the World Bank (2015a; 2015b). Data on electoral outcomes, including seats in parliament, are taken from Parline (Inter-Parliamentary Union, 2014). International IDEA (2017) provides official voter turnout data. Variables regarding each country’s experience with democracy are obtained from the Democracy Cross-National Data (Norris, 2015) and Polity IV (Marshall et al., 2016a).

3.2 Case Selection

In order to make comparisons within and across countries over time, it is necessary to have data for the same countries from both before and after the crisis commenced in 2008. The sample of countries incorporated in the WVS varies from wave to wave, presenting challenges for tracking trends over time across a large group of countries. It is therefore necessary to take a subset of countries covered in the relevant survey waves. The two most recent waves of the WVS (Waves 5 and 6), covering 2004 to
2007 and 2010 to 2014 respectively, provide a snapshot from before and after the crisis hit. Taking these two most recent waves leaves 31 countries that have been incorporated in both, 18 of which can be considered democracies—as indicated by a free classification in Freedom House’s Freedom in the World report (2016). Whilst tracking trends over a longer period of time would be desirable, incorporating three time points from the previous three waves of the survey would reduce the number of countries to 14 in total, or just seven democratic countries. Thus, to increase the sample size, which improves the statistical models and enhances external validity, the selection is based on those fielded in the previous two waves.

The sample included in the analysis is limited to democratic countries as there is a wider range of factors that would be influencing citizen participation in politics and attitudes towards democracy in non-democratic countries. For one thing political participation in non-democracies or partial democracies is restricted to varying degrees and citizens do not necessarily have the opportunity to participate in free and fair elections, to freedom of association, or the right to protest against the government, the critical dimensions investigated in this study. Thus investigating the impact of the crisis across a range of political systems it becomes increasingly difficult to separate the effects of the crisis from numerous other factors in play. Keeping the sample to countries which have similar political rights and civil liberties facilitates an analysis of how citizens in democracies responded to the crisis. Nevertheless, the impact of the global financial crisis on citizen political attitudes and behaviors in non-democracies remains an interesting topic of study though this is left to future studies with research designs better suited to this task.

The above approach leaves 18 democratic countries to be included in this study, incorporating all democratic countries which were fielded in the previous two WVS waves (see Table 3.1). This includes countries that were hard hit by the crisis, and fell into recession, including Spain and the United States, and those that were relatively unaffected such as Australia. This facilitates the comparison of citizen responses to the crisis in countries which were badly affected by the crisis and those which were not. Countries with a long history of democracy are included alongside those which democratized more recently such as Spain and South Korea, enabling an investigation of whether democratic behaviors and attitudes are more fragile to economic shocks in consolidating democracies than they are in established democracies.

For the chapter of this study that uses data from the CSES a similar approach to case selection is adopted. The CSES data provides an opportunity to compare trends in political mobilization and economic voting from before and after the global financial crisis hit in 2008, across a diverse set of countries. In order to provide a sufficient comparison between elections before and after the financial crisis I restrict
### Table 3.1: World Values Survey Case Selection and Sample Size

<table>
<thead>
<tr>
<th>Country</th>
<th>Pre-Crisis Survey</th>
<th>N</th>
<th>Post-Crisis Survey</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>2005</td>
<td>1,421</td>
<td>2012</td>
<td>1,477</td>
</tr>
<tr>
<td>Chile</td>
<td>2006</td>
<td>1,000</td>
<td>2011</td>
<td>1,000</td>
</tr>
<tr>
<td>Cyprus</td>
<td>2006</td>
<td>1,050</td>
<td>2011</td>
<td>1,000</td>
</tr>
<tr>
<td>Germany</td>
<td>2006</td>
<td>2,064</td>
<td>2013</td>
<td>2,046</td>
</tr>
<tr>
<td>Ghana</td>
<td>2007</td>
<td>1,534</td>
<td>2011</td>
<td>1,552</td>
</tr>
<tr>
<td>Japan</td>
<td>2005</td>
<td>1,096</td>
<td>2010</td>
<td>2,443</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2006</td>
<td>1,050</td>
<td>2012</td>
<td>1,902</td>
</tr>
<tr>
<td>New Zealand</td>
<td>2004</td>
<td>954</td>
<td>2011</td>
<td>841</td>
</tr>
<tr>
<td>Peru</td>
<td>2006</td>
<td>1,500</td>
<td>2012</td>
<td>1,210</td>
</tr>
<tr>
<td>Poland</td>
<td>2005</td>
<td>1,000</td>
<td>2012</td>
<td>966</td>
</tr>
<tr>
<td>Romania</td>
<td>2005</td>
<td>1,776</td>
<td>2012</td>
<td>1,503</td>
</tr>
<tr>
<td>Slovenia</td>
<td>2005</td>
<td>1,037</td>
<td>2011</td>
<td>1,069</td>
</tr>
<tr>
<td>South Korea</td>
<td>2005</td>
<td>1,200</td>
<td>2010</td>
<td>1,200</td>
</tr>
<tr>
<td>Spain</td>
<td>2007</td>
<td>1,200</td>
<td>2011</td>
<td>1,189</td>
</tr>
<tr>
<td>Sweden</td>
<td>2006</td>
<td>1,003</td>
<td>2011</td>
<td>1,206</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>2006</td>
<td>1,002</td>
<td>2011</td>
<td>999</td>
</tr>
<tr>
<td>United States</td>
<td>2006</td>
<td>1,249</td>
<td>2011</td>
<td>2,232</td>
</tr>
<tr>
<td>Uruguay</td>
<td>2006</td>
<td>1,000</td>
<td>2011</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>22,136</td>
<td></td>
<td>24,835</td>
</tr>
</tbody>
</table>

*Note:* Shaded countries experienced a recession during the global financial crisis of 2008–2009, defined as two or more consecutive quarters of negative growth.

*Source:* WVS technical reports: [www.worldvaluessurvey.org/WVSC contents.jsp](http://www.worldvaluessurvey.org/WVSC contents.jsp)

The analysis is limited to countries that fielded at least two election studies prior to 2008. In addition, countries are only included where the data is for similar elections across time—either presidential or parliamentary—so that like can be compared with like. This leaves us with a sample of 45 elections in 13 countries between 1996 and 2011. Table 3.2 provides a summary of the sample of countries and elections included in the analysis, including the number of observations in each election study. As is evident from Table 3.2, the sample includes elections from a diverse set of countries that include both established democracies, such as the United States, Germany, Finland and New Zealand and newer democracies such as the Czech Republic and Brazil. Five countries overlap across the two datasets, specifically Germany, the Netherlands, New Zealand, Spain, and the United States, although the timing and nature of the surveys differs. Unlike the WVS countries, all countries that can be incorporated from the CSES (as per the above criteria) experienced a recession during the economic crisis of 2008 to 2009. There remain significant differences in the extent of crisis impact between these countries however, enabling an assessment of the effects of the crisis.
Table 3.2: Comparative Study of Electoral Systems Case Selection and Sample Size

<table>
<thead>
<tr>
<th>Country</th>
<th>Pre-Crisis Elections</th>
<th>Post-Crisis Elections</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Brazil</td>
<td>2002</td>
<td>2,514</td>
</tr>
<tr>
<td>Canada</td>
<td>1997</td>
<td>1,851</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>1996</td>
<td>1,229</td>
</tr>
<tr>
<td>Finland</td>
<td>2003</td>
<td>1,196</td>
</tr>
<tr>
<td>Germany</td>
<td>1998</td>
<td>2,019</td>
</tr>
<tr>
<td>Iceland</td>
<td>1999</td>
<td>1,631</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1998</td>
<td>2,101</td>
</tr>
<tr>
<td>New Zealand</td>
<td>1996</td>
<td>4,080</td>
</tr>
<tr>
<td>Norway</td>
<td>1997</td>
<td>2,055</td>
</tr>
<tr>
<td>Portugal</td>
<td>2002</td>
<td>2,606</td>
</tr>
<tr>
<td>Slovenia</td>
<td>1996</td>
<td>2,031</td>
</tr>
<tr>
<td>Spain</td>
<td>1996</td>
<td>1,212</td>
</tr>
<tr>
<td>United States</td>
<td>1996</td>
<td>1,534</td>
</tr>
</tbody>
</table>

Total (Pre-Crisis) 57,052 23,891

*Note:* All these countries experienced a recession during the global financial crisis of 2008–2009, defined as two or more consecutive quarters of negative growth.

*Source:* CSES (2013b,c,d).

### 3.3 Measurement and Variables

This section introduces the major variables that will be used in this study. Firstly the dependent variables for each chapter are covered, followed by a discussion of the independent variables, first at the country level, and then at the individual level. Cross-national survey data consists of individuals nested within country contexts, enabling analysis at both levels. The multilevel structure of the data will be discussed further in the subsequent section. What follows is an overview of what the main variables are, why they have been chosen, and how they are measured. There are five dependent variables investigated in this study, including four dimensions of political behavior: turnout, vote choice, civic engagement, and political protest, in addition to democratic support. A list of variables, coding and means is shown in Table 3.1. This covers the main variables used throughout this thesis, where additional variables are used in a particular chapter, details will be provided within that chapter on measurement and coding.

**Turnout** The turnout measure is based on responses to a question asked in the CSES regarding whether the respondent cast a ballot in the most recent election. Research findings indicate that this can be an unreliable measure, given the social desirability of voting there is a tendency to provide a positive response to this
Table 3.1: World Values Survey – Variables, scoring, and means

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>SD</td>
</tr>
<tr>
<td><strong>Dependent Variables</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Civic Engagement</td>
<td>Scale from 0 (low) to 18 (high)</td>
<td>2.45</td>
<td>2.84</td>
</tr>
<tr>
<td>Protest</td>
<td>Scale from 0 (low) to 3 (high)</td>
<td>1.19</td>
<td>0.91</td>
</tr>
<tr>
<td>Democratic Support</td>
<td>Scale from 0 (low) to 12 (high)</td>
<td>8.30</td>
<td>2.29</td>
</tr>
<tr>
<td><strong>Independent Variables (Country level)</strong></td>
<td>From PolityIV-durable (Norris 2015)</td>
<td>3.31</td>
<td>1.04</td>
</tr>
<tr>
<td>Log of years democracy</td>
<td>Average Annual % 2003–2004 / 2008–2009</td>
<td>3.92</td>
<td>2.33</td>
</tr>
<tr>
<td>Historically Protestant</td>
<td>1 = yes, 0 = no</td>
<td>0.35</td>
<td>0.48</td>
</tr>
<tr>
<td><strong>Independent Variables (Individual level)</strong></td>
<td>Scale from 1 (lowest income category) to 10 (highest income category)</td>
<td>4.73</td>
<td>2.35</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td>1 = yes, 0 = no</td>
<td>0.08</td>
<td>0.26</td>
</tr>
<tr>
<td>University degree</td>
<td>1 = yes, 0 = no</td>
<td>0.15</td>
<td>0.35</td>
</tr>
<tr>
<td>Gender (female)</td>
<td>1 = female, 0 = male</td>
<td>0.53</td>
<td>0.50</td>
</tr>
<tr>
<td>Age range</td>
<td>1 = 18–29, 2 = 30–49, 3 = 50 and over</td>
<td>2.16</td>
<td>0.78</td>
</tr>
<tr>
<td>Married</td>
<td>1 = married, 0 = not married</td>
<td>0.63</td>
<td>0.48</td>
</tr>
<tr>
<td>Trust</td>
<td>1 = most people can be trusted, 0 = need to be very careful</td>
<td>0.27</td>
<td>0.45</td>
</tr>
<tr>
<td>Religious</td>
<td>1 = religious, 0 = not religious / an atheist</td>
<td>0.63</td>
<td>0.48</td>
</tr>
<tr>
<td>Postmaterialist (12-item)</td>
<td>0 = materialist, 2–4 = mixed, 5 = postmaterialist</td>
<td>2.18</td>
<td>1.18</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>22,043</td>
<td></td>
</tr>
</tbody>
</table>
question even when it is not the case (Karp and Brockington, 2005). Voters also tend to be overrepresented in surveys due to response bias (Selb and Munzert, 2013). In an effort to minimize misreporting, the CSES has asked that collaborators frame questions in such a way that reduces this issue. In France, for instance, they ask ‘For one reason or another, lots of people abstain from voting in the first round of a presidential election. Did you, personally, vote in the first round of the presidential election, on last April 21?’ (CSES, 2007). The specific wording varies according to the national context (see CSES, 2013).

Despite efforts to increase the validity of the turnout measure, self-reported turnout in the CSES still exceeds official turnout figures from International IDEA (Dahlberg and Solevid, 2016, p. 498). Some election studies now include validated turnout measures by cross-checking responses with voting records (Belli et al., 2001; British Election Study, 2016). As the CSES does not include a validated turnout measure, the analyses will rely on self-reported turnout. The use of the self-reported turnout measure means that there will be less variation in the dependent variable than would be the true distribution in the population (Dahlberg and Solevid, 2016). Existing research shows that overreporters sit somewhere in between admitted non-voters and validated voters in terms of socio-demographic characteristics, political interest, party strength and political knowledge (Belli et al., 2001, p. 490). The self-reported turnout measure should therefore provide a more conservative test of the hypotheses, as some non-voters are inevitably recorded as voters.

**Vote Choice**   Vote for the incumbent is measured as a dichotomous variable using responses to the vote choice question asked by the CSES. A vote for the incumbent is considered to be a vote for the party of the incumbent President or Prime Minister (or party of the Chancellor in the case of Germany); a vote for the opposition is for those who voted for any party other than that of the incumbent President or Prime Minister. Non-voters are excluded from the analysis. The specific wording varies from country to country as it is tailored to the national election type (see CSES, 2013 for details).

**Civic Engagement**   Civic engagement is constructed using Norris’ index of associational activism, a scale weighting active and inactive membership across nine categories of voluntary organizations (2002, pp. 147–148). The scale ranges from zero to 18, with active memberships contributing two points each to the scale, whereas inactive memberships contribute one point. To differentiate different types of vol-

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2Analyses will be tested with alternate measures of participation in voluntary associations to test whether the results hold for different operationalizations of the dependent variable. The alternative measures also come from Norris (2002, pp. 147–148) including a dichotomous measure of whether a respondent has participated in any type of voluntary association, and an unweighted
untary association, I also construct measures of membership in old and new social movement organizations respectively (as per the approach of Schofer & Fourcade-Gourinchas, 2001). Old social movement membership includes membership in either a union, a political party, or a professional association, with active and inactive memberships weighted to produce a scale ranging from zero to six. New social movement membership reflects membership in either an environmental organization or a humanitarian/charitable organization and is weighted similarly resulting in a scale from zero to four.

These measures of civic engagement, whilst providing a good indication of voluntary association membership, do have some limitations. Firstly, they cannot entirely reflect the total number of associational memberships a respondent has, as the survey asks whether respondents have one or more memberships in each category, meaning multiple memberships within the one category are not specified. It also cannot reflect participation in informal networks. That said, the civic engagement scale provides a good indicator of associational membership, and the overall health of civil society. Similar operationalizations of the concept using the battery of questions from the WVS are frequently used in studies which seek to capture civic engagement, facilitating comparison with other works investigating the concept (see for instance Curtis et al., 2001; Norris, 2002; Paxton, 2007; Schofer and Fourcade-Gourinchas, 2001). The question wording is as follows:

Now I am going to read off a list of voluntary organizations. For each organization, could you tell me whether you are an active member, an inactive member or not a member of that type of organization?

- Church or religious organization
- Sport or recreational organization
- Art, music or educational organization
- Labor Union
- Political party
- Environmental organization
- Professional association
- Humanitarian or charitable organization
- Consumer organization
- Other organization

(World Values Survey Association, 2012)
**Political Protest** To measure political protest, I use the question items asked in both waves of the WVS. The question wording remains consistent across the two waves for three items, signing a petition, joining in boycotts, and attending peaceful demonstrations. The question captures both protest activism, measured by ‘have done’ responses, as well as protest potential, measured by ‘might do’ responses. Factor analysis reveals that responses to these three items are highly inter-correlated, meaning they can be combined into a single scale of protest. This scale is constructed by adding up values across each of the items, with ‘have done’ responses scored as 1, ‘might do’ responses as 0.5, and ‘would never do’ responses as 0. This results in an overall scale of protest ranging from 0 to 3, where 3 indicates the highest level of protest activism. The measure draws upon the seminal Political Action Study that advocates measuring protest potential as protest activity alone is ‘governed far more by local political opportunity’ (Barnes and Kaase, 1979, pp. 57–96). The measure also draws on Norris' political activism scale, albeit Norris advocates the exclusion of protest potential as a focus on those protest activities respondents have actually participated in would provide ‘the most accurate and reliable indicator of protest activism’ (2002, pp. 194–195). The question wording common to both waves is outlined as follows:

*I’m going to read out some forms of political action that people can take, and I’d like you to tell me, for each one, whether you have done any of these things, whether you might do it or would never under any circumstances do it:*

- signing a petition
- joining in boycotts
- attending peaceful demonstrations

(World Values Survey Association, 2012)

**Democratic Support** Support for democracy is measured using the four-item battery in the WVS, which asks respondents to evaluate different ways of governing the country, including a democratic political system, but also alternatives to democracy such as having a strong leader who does not have to bother with parliament and elections, having experts make decisions rather than government, and having the army rule (see also Dalton, 2014; Inglehart, 2003; Norris, 1999c; Thomassen, 2007). From these questions a measure is constructed that captures both democratic support and rejection of its alternatives, drawing upon the work of Shin and Wells (2005). Factoring in non-democratic alternatives provides a more robust measure of democratic support, as whilst asking about a democratic political system alone attracts very high levels of support across a range of contexts, differences emerge when measures incorporate the rejection of alternatives also (Shin and Wells, 2005,
The measure which will be used as the dependent variable in the regression model is a 13-point scale of the combined responses to all four questions, where higher scores represent greater support for democracy (adopted from McAllister and White, 2014). The question wording is as follows:

*I’m going to describe various types of political systems and ask what you think about each as a way of governing this country. For each one would you say it is a very good, fairly good, fairly bad or very bad way of governing this country?*

- Having a strong leader who does not have to bother with parliament and elections
- Having experts, not government, make decisions according to what they think is best for the country
- Having the army rule
- Having a democratic political system

(World Values Survey Association, 2012)

**Measuring the effects of the crisis** To measure the effects of the financial crisis at the country level, I use measures of GDP growth and unemployment which capture differences in crisis impact between countries. The GDP growth figures are taken from the World Bank (2015a). Whilst the surveys in each wave of the WVS were fielded at different times for each country, at varying points over 2010 to 2013 for the latter wave, economic growth rates have been taken for the same time period for each country to capture differential effects of the economic crisis, which hit hardest cross-nationally during 2008 to 2009. Thus I have taken the average annual growth rate for those two years as the measure of GDP growth. This avoids the growth figure being an artefact of the survey timing, rather than a reflection of crisis impact in comparison to other countries. For the earlier wave of the survey, I have taken the World Bank growth rates over 2003 to 2004, as an equivalent time period for comparison two years prior to the first surveys being fielded. Similarly, the unemployment figures are taken from the World Bank (2015b) over the same period of time as the growth rates.

**Country level controls** In addition to the country level variables relating to economic conditions, controls are incorporated to account for differences amongst this diverse set of countries, and to reflect factors that previous research has demonstrated relevant in predicting the dependent variables. This includes a country’s experience with democracy. Years of democratic experience is calculated as the difference between the survey year, and the variable ‘PolityIV-durable’ from Norris’
Democracy Cross-national Data (2015), which represents the latest regime transition date. As the distribution of years’ of democratic experience is positively skewed this variable is log transformed in the regression models. Where relevant to the dependent variable in question, additional country level controls are introduced within each chapter.

**Individual level predictors** At the individual level I consider factors which may indicate increased vulnerability to the financial crisis, as well as a range of control variables from the WVS.\(^4\) Income is on a scale from one to ten, with ten being the highest income category. Unemployment is coded dichotomously as those who are unemployed, compared to everyone else, including those in employment, retirees, stay-at-home parents, and students. Education dichotomously represents those who completed a college degree or higher compared to everyone else. Age is incorporated as deciles to avoid overly small regression coefficients. Gender is coded dichotomously. Marital status incorporates those who are married or living together in a de facto relationship. Existing research demonstrates that postmaterialism is a factor influencing several of the dependent variables incorporated here including civic engagement and protest (Barnes and Kaase, 1979; Inglehart, 1977; Schofer and Fourcade-Gourinchas, 2001). Postmaterialism is thus incorporated in a number of the models, and is measured via the 12-item index (see Inglehart, 1977, pp. 39–41). The index is derived from the answers to three, four-item lists about respondents’ top two priorities for the nation, with those focused on order and security coded as materialist, and those focussed on higher level concerns such as freedom of speech and quality of life coded as postmaterialist (Abramson and Inglehart, 1995, p. 1; index details in Appendix A). This covers the variables used in most regression models using the WVS data. Where additional variables are incorporated in a particular model, this is detailed within the relevant chapter.\(^5\)

### 3.4 Methods of Analysis

To conduct the analysis I use a range of quantitative methods. Stata14 is the software program employed throughout this study. In the initial instance I use descriptive statistics to provide insights as to how trends in political behavior and democratic support have changed over time, across each country. This is done by calculating country means for the various dependent variables from before and after the onset of the crisis, and then comparing these aggregated indicators between

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\(^4\)Coding will be as similar as possible for the analysis using the CSES data. This will be detailed in Chapter 5, the only chapter that uses the CSES data.

\(^5\)See Table 4.2 in Chapter 4 for the coding of variables for the CSES.
the two time points including a t-test for significant differences. Scatterplots are also used as relevant to highlight relationships between these indicators and other country level independent variables, such as democratic experience and economic growth. This aggregated data is useful to provide a snapshot of overall trends in each country, including assessing whether the indicators, such as political protest, or democratic support, have increased or decreased over time.

An analysis of the aggregated data, whilst providing insights into the trends across countries, is insufficient for investigating the theoretical relationships discussed in Chapter 3 for a number of reasons. Firstly the number of country cases (18 from the WVS; 13 in the chapter using CSES data) is too low to support rigorous assessment as to the relationships between national economic conditions and the dependent variables. Second, relying on the aggregated data risks committing the ecological fallacy, where inferences about individual level behavior are made from group level data (Robson and Pevalin, 2016, p. 5; Snijders and Bosker, 2012, p. 15). Finally, focussing solely on aggregated data would miss the richness of individual level data contained within the WVS and CSES.

The data used in this study is hierarchical, consisting of individuals nested within countries. To handle data of this nature, following the investigation of aggregate level trends, multilevel modelling (sometimes referred to as hierarchical models or mixed models) is employed to assess the role of individual and country level predictors on the dependent variables. Using Ordinary Least Squares (OLS) regression models, or other single-level regression models, is not appropriate in this case for a number of reasons. As the data is grouped, with people within countries being similar to one another in various respects, the assumption of independence of observations is not met, rendering OLS regression unsuitable (Robson and Pevalin, 2016, p. 8). Moreover, using OLS on grouped data has a tendency to reduce the standard errors of estimates, meaning the results are prone to show statistically significant results when this does not reflect the actual relationships (Robson and Pevalin, 2016, p. 17). Using multilevel models therefore provides a more conservative test of the hypotheses that is less likely to result in Type I errors (Steenbergen and Jones, 2002, p. 219). As a workaround to these problems it would be possible to run individual regressions on the data for each country, though this becomes inefficient with the number of cases here and also fails to provide any insight into the role of country level factors including national economic conditions. With multilevel modelling it is possible to avoid these pitfalls of using OLS or other single-level regression analysis on grouped data, and further enables an assessment of the impact of both country and individual level effects on the dependent variables (Raudenbush and Bryk, 2002; Robson and Pevalin, 2016; Snijders and Bosker, 2012).

The multilevel models employed consist of two levels, individuals are the level 1
units, which are nested within countries, at level 2. Within each country, the data provides a representative sample of the national population (whether from the WVS or CSES). The WVS for each country has between 841 observations (New Zealand, 2011) and 2,443 observations (Japan, 2010), the average sample size is 1,305 per country. The CSES covers similar numbers for each election study, ranging from 948 in the Czech Republic in 2002 to 4,495 in Canada in 2008. The average country sample is 1799 observations. At the country level there are 18 countries within the chapters that use the WVS data, and 13 countries in the voting behavior chapter that utilizes the CSES, covering 45 elections.

There are debates over the necessary number of cases for using multilevel models. The debates center on the number of level 2, or group units, as there are typically far fewer groups than individuals within each group, as is the case here with a large sample within each country across a smaller number of countries. Nezlek (2008, p. 858) suggests 10 or more group level observations are suitable. Bryan and Jenkins (2016, pp. 19–20) argue that 25 to 30 countries are required to avoid imprecise estimates at the country level. The University of Bristol’s Centre for Multilevel Modelling (2017) sums up the lack of clarity noting ‘rules of thumb such as only doing multilevel modelling with 15 or 30 or 50 level 2 units can be found and are often personal opinions based on personal experience and varying reasons’. Numerous published works in political science employ multilevel models with similar number of countries, or at times much fewer, than what will be used in this study (for example see Armingeon and Schädel, 2015; Arzheimer, 2009; Karakoc, 2013; Van der Meer et al., 2009; Weldon, 2006).

Whilst it would be ideal to have more cases, one must work within the limitations of the data that are available. In this case the number of countries are restricted by the need to have data for the same countries from before and after the crisis hit. Multilevel modelling can be viewed as a superior methodology to simply ignoring the multilevel structure of the data, which would be prone to the problems discussed above, including greater likelihood of Type I errors (Robson and Pevalin, 2016, p. 22). Given the smaller number of countries the methodological literature suggests some caution in setting up the model and interpreting level 2 predictors. Several studies advise that with fewer level 2 units, one should avoid cross-level interactions and adding in too many predictors at the country level due to the limited degrees of freedom (Bryan and Jenkins, 2016; Stegmueller, 2013, pp. 758–759; McNeish and Stapleton, 2016, p. 296). Bryan and Jenkins also advocate for more descriptive analysis of the country level data to supplement multilevel modelling (2016, p. 20). The potential pitfalls discussed are avoided by limiting the number of country level independent variables, developing simple models without cross-level interactions, and providing descriptive analysis of the country level data prior to conducting mul-
tilevel models. It is also worth noting that whilst some caution should be exercised in interpreting the country level coefficients given the small number of level 2 cases, given a large number of level 1 units within each country one can be confident in the estimates of individual level predictors (Bryan and Jenkins, 2016).

There are a number of methodological decisions to be made in specifying each model. In some applications of multilevel models it is common to center predictors, either on the grand mean, or the group mean (Enders and Tofighi, 2007), however in cases where it is not necessary to discuss the intercepts there is no need for centring (Robson and Pevalin, 2016, p. 120). Moreover this is common practice in political science applications to use the raw metrics without centring (see for instance Barnes and Córdova, 2016). As there is no need for discussing the intercepts in this study, the raw metrics are used rather than centered variables.

The nature of the dependent variable differs in each chapter, as such several types of multilevel models are employed. For the voting behavior chapter both turnout and vote choice are operationalized dichotomously, as such a multilevel logistic regression is used, with the command `gllamm`. For the chapter on civic engagement a multilevel negative binomial regression model is used, for which the Stata command is `menbreg`. Negative binomial regression, similar to a poisson regression model although allowing for overdispersion, is appropriate for the dependent variable which is a cumulative count of memberships in voluntary organizations, with active memberships weighted to contribute twice as much to the total as inactive memberships. For the chapters on political protest (on a seven point scale) and democratic support (on a 13 point scale), these are treated as linear multilevel models and the command used in Stata is `mixed`. Each of these models allows the intercept to vary for each country included in the analysis. In terms of how the regression models are run, the multilevel regression analysis is estimated separately on the data from before and after the crisis. Regression coefficients can then be compared between the two time points to assess whether and how the economic crisis has affected the dynamics of political behavior and democratic values.

Given there are several potential ways to operationalize the dependent variables, each model is also tested with alternative measures of the dependent variable. To give one example civic engagement could be measured dichotomously, differentiating those who are active in one or more voluntary associations compared to everyone else, or it could be measured as a cumulative count of memberships. To ensure the

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6Unlike other options for estimating a multilevel logit model, such as `xtmelogit`, `gllamm` enables sampling weights to be used. In addition to sampling weights, the following options are specified with `gllamm`: `family(binom); link(logit)`.

7For similar modelling approaches with civic engagement as a dependent variable see Schofer and Fourcade-Gourinchas (2001), Karakoc (2013), Beyerlein and Hipp (2006), Curtis et al. (2001), and Smith and Wiest (2005).
results are not overly sensitive to these measurement decisions, appropriate models are tested with the different operationalizations of the dependent variables to ensure that the substantive interpretation of the results does not differ.

Missing data is handled using listwise deletion. Other methods of handling missing values are becoming popular, particularly multiple imputation, however at present there are computational limitations in applying multiple imputation for multilevel models (Drechsler, 2015, p. 70–71). Pairwise deletion is also incompatible with the multilevel modelling commands used in this thesis and results in biased estimates, while mean imputation underestimates the variance (van Buuren, 2012, pp. 8–11). Listwise deletion is not without its shortcomings, specifically it results in lost observations, however this approach has been selected for compatibility with the multilevel modelling commands used. There is no missing data at the country level, as indicators including GDP growth, unemployment, and democratic experience are easily sourced, for example from the World Bank, so there are no problems generated from missing data at level 2.

Efforts have been made to correct for missing data on two of the dependent variables at level 1 where it was considered reasonable to do so—civic engagement and voter turnout. The civic engagement scale is constructed from responses to a question regarding participation across nine types of voluntary organization. There are a large number of cases (23 percent of the total sample) where respondents have provided a response for some but not all types of association in this list. Rather than lose data for respondents that have gone to the effort of providing a response for some items in this list, it is considered reasonable that they would have provided a response for the other association types if they were members. Where data is missing for all of the items in the list, this remains coded as missing. This reduces the degree of missing data for the civic engagement scale from 23 percent to less than 1 percent. The other variable where some missing values are recoded is voter turnout. Where a respondent had indicated that they did not know whether or not they voted, this has been recoded as a non-vote. There is a tendency for people to overreport turnout due to social desirability bias (Karp and Brockington, 2005), and it could be expected that those who do not remember (or say they do not remember) whether they voted, most likely did not vote. For both of these variables the results are also tested with these items coded as missing to ensure that these assumptions have not affected the interpretation of the results.

Weighting is necessary to ensure that the country samples are reflective of national population characteristics. To achieve this, analyses with the WVS are weighted using one of two variables. On occasions where models are estimated for a single country, the variable S017 is used to ensure that the data is representative of the national population (Medrano, 2017). For all cross-national analyses the variable
S018 is used, which weights the country samples to an N of 1000 each (Medrano, 2017). This ensures that the samples from each country contribute equally to the results, without a large sample in a particular country biasing the results. This variable is derived from the original country weights to ensure that the data remains representative of each national population (Medrano, 2017).

For the CSES a similar approach is taken. Any analyses conducted with the data from a single country use C1010.1 which is the original sample weight determined by the national election study team (CSES, 2013a). For cross-national analyses the weight variable C1014.1 is applied which means ‘each election study component contributes equally to the analysis’. This variable also factors in the country weights to ensure samples are representative, although the way this has been calculated differs across the different countries (CSES, 2013a).

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8The variable names listed are from Module 3 of the CSES. For Modules 1 and 2 of the CSES the equivalent variables are used. For single country analyses: A1010.1 (Module 1); B1010.1 (Module 2). For cross-national analyses: A1014.1 (Module 1); B1014.1 (Module 2).
Chapter 4

Voting Behavior

A considerable body of work has examined how economic conditions influence citizen voting behavior.\(^1\) This research has primarily taken place during ordinary fluctuations in economic performance. The global financial crisis provides an unprecedented opportunity to test these theories under the conditions of a severe economic shock. This chapter will explore the impact of the global financial crisis on two dimensions of voting behavior. The first is voter mobilization—the decision a citizen makes as to whether or not they will cast a vote in an election. The second dimension is vote choice—for which party or candidate a citizen chooses to cast their vote.

Chapter 2 drew upon the existing literature to develop hypotheses for the potential impact of an economic crisis on voter mobilization. At the aggregate level competing hypotheses were outlined. On the one hand, research on the salience of elections suggests that turnout will be higher when the results matter more (Franklin, 2004). In the context of a major crisis the stakes are higher, with the potential for different policy responses to the crisis to have a big impact on citizens’ lives. Thus it could be expected that the crisis would mobilize turnout. On the other hand, recent studies have demonstrated that economic globalization is linked to lower turnout (Karp and Milazzo, 2016; Steiner, 2010, 2016; Steiner and Martin, 2012). Economic globalization constrains the room to manoeuvre of national governments, thus reducing the influence citizens can have over policy making by casting a ballot (Steiner, 2016). As the global nature of the crisis was evidently a manifestation of economic globalization, it could be expected that the crisis would depress turnout if citizens perceive their government to have little control over the nation’s economic fortunes.

Hypotheses on voter mobilization were also developed at the individual level. Existing research shows that those with greater resources—particularly education, though also income—are more likely to vote (Blais, 2000, p. 53; Norris, 2002, p.

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\(^1\)See for instance Lewis-Beck and Stegmaier (2007), Van der Brug et al. (2007), Duch and Stevenson (2008), and Blais and Dobrzynska (1998).
The question is whether the likelihood of those with fewer resources voting remained the same, whether it increased, or whether it decreased after the crisis. Karp and Milazzo (2016) found that the crisis demobilized those most vulnerable in society, whilst mobilizing those with greater resources, increasing the inequality of participation in civic life (see Verba et al., 1995). On the other hand, rational choice approaches presume that voters are instrumental (see Blais, 2000; Downs, 1957). In the context of a crisis, it could be suggested that those with the most to gain by voting (or the most to lose by not voting), would become more likely to do so. In that case those with the fewest resources who were the most vulnerable to the crisis could become more likely to vote.

After exploring the impact of the crisis on voter mobilization, the chapter will turn to investigate the effect of the crisis on vote choice. Of those who made the decision to cast a vote, for which party or candidate did they lend their support? Drawing upon the existing literature on economic voting, it could be expected that after the crisis, and in countries harder hit by the crisis, voters will be more likely to vote against incumbents. This economic voting response could also be expected to be stronger in countries with greater clarity of responsibility, where blame for economic performance can be clearly attributed to the incumbent government (Powell and Whitten, 1993). At the individual level it can be investigated whether citizens vote with their pocketbooks, although the evidence for pocketbook voting from previous studies has been mixed (Clarke et al., 2000; Kinder and Kiewiet, 1979; Lewis-Beck, 1983). To the extent that people vote based on their personal economic circumstances, it could be expected that those with fewer resources, who were more vulnerable to the crisis, may vote against incumbents to a greater degree than those who are better off.

This chapter proceeds in four main sections. The first section outlines the data and methodological approach. As this is the only chapter to use the data from the CSES most details regarding the data and variables are described here rather than in the previous chapter. The next section tests the hypotheses on voter turnout at the aggregate level. The third section explores what characteristics are associated with voter mobilization at the individual level before and after the crisis. The fourth section investigates economic voting in the context of the economic crisis, with aggregate and individual level data.

2 Although Blais (2000, p. 82) finds that rational choice approaches to voting have limitations.

3 See Lewis-Beck and Stegmaier (2007) for an overview.
4.1 Data and Approach

To investigate the effects of the global financial crisis on voting behavior, this chapter primarily uses data from the CSES. Whilst the other chapters will use data from the World Values Survey, for analyses of electoral behavior the CSES is ideal as it fields post-election surveys cross-nationally. This provides greater validity on questions regarding voting than other surveys fielded outside of the electoral cycle.\(^4\) Data from Modules 1, 2 and 3 of the CSES have been combined into a single file to enable analyses covering 45 elections across 13 countries. Countries were selected if election surveys were fielded after the onset of the crisis in 2008, and for at least two elections prior to the crisis, enabling a comparison of the same countries over time. Table 4.1 provides a summary of the sample of countries and elections included in the analysis. As is evident from Table 4.1, the sample includes elections from a diverse set of countries that incorporates both established democracies, such as the United States, Germany, Finland and New Zealand and newer democracies such as the Czech Republic and Brazil.

Table 4.1: Comparative Study of Electoral Systems Case Selection

<table>
<thead>
<tr>
<th>Country</th>
<th>Pre-crisis Elections</th>
<th>Post-crisis Election</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>2002 2006</td>
<td>2010</td>
</tr>
<tr>
<td>Canada</td>
<td>1997 2004</td>
<td>2008</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>1996 2002 2006</td>
<td>2010</td>
</tr>
<tr>
<td>Finland</td>
<td>2003 2007</td>
<td>2011</td>
</tr>
<tr>
<td>Iceland</td>
<td>1999 2003 2007</td>
<td>2009</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1998 2002 2006</td>
<td>2010</td>
</tr>
<tr>
<td>New Zealand</td>
<td>1996 2002</td>
<td>2008</td>
</tr>
<tr>
<td>Portugal</td>
<td>2002 2005</td>
<td>2009</td>
</tr>
<tr>
<td>Slovenia</td>
<td>1996 2004</td>
<td>2008</td>
</tr>
</tbody>
</table>

Note: All these countries experienced a recession during the global financial crisis of 2008–2009, defined as two or more consecutive quarters of negative growth.

The CSES surveys are supplemented by various other sources of data at the aggregate level. Voter turnout data has been sourced from International IDEA’s Voter Turnout Database (2017). For analyses at the aggregate level this provides a greater degree of accuracy than using the responses from the CSES as there is a tendency

\(^4\)See further discussion on the choice of data sources in Chapter 3.
for post-election surveys to overreport turnout, due to a combination of social desirability bias and overrepresentation of voters in surveys (see Karp and Brockington, 2005; Selb and Munzert, 2013). Aggregate level data on seats in parliament and vote shares has been sourced from the Inter-Parliamentary Union’s Parline Database on national parliaments (Inter-Parliamentary Union, 2014). National economic indicators, specifically GDP growth and unemployment, have been sourced from the World Bank from the year preceding each election year (2015a; 2015b).

There are two dependent variables explored in this chapter, first—whether a respondent cast a vote, and second—for which party they voted. To investigate whether citizens cast a vote, a dichotomous measure is constructed using responses to the question asked in the CSES on whether the respondent cast a ballot in the most recent election. The precise question wording varies by country and is designed to minimize overreporting, as discussed in Chapter 3 (see also Karp and Brockington, 2005). As the CSES does not include a validated turnout measure at the individual level it can still be expected that there is less variation in the dependent variable than would be the true case in the population (Dahlberg and Solevid, 2016, p. 498). Missing values are coded as non-votes rather than missing, as it is reasonable to presume that if someone responds that they ‘don’t know’ whether they voted, chances are they did not.5

Vote choice is operationalized as a dichotomous measure of whether or not the respondent voted for the incumbent. A vote for the incumbent is considered to be a vote for the party of the incumbent President or Prime Minister (or party of the Chancellor in the case of Germany); a vote for the opposition is for those who voted for any party other than that of the incumbent President or Prime Minister.6 Non-voters are excluded from the analysis of vote choice. Thus, the sample for each of these dependent variables is different: for voter turnout the sample includes voters and non-voters; for vote-choice the sample is restricted to those that cast a vote in the most recent election.

Economic conditions can be measured at the country level and the individual level. Modules 2 and 3 of the CSES do not include direct measures of subjective economic evaluations. Thus, it is not possible with this dataset to assess the economic vote with the commonly employed measures of subjective retrospective, prospective, sociotropic and egocentric economic evaluations (see for example Lanoue, 1994; Lewis-Beck, 1988). As an alternative, various proxies are factored into the models.

5Results are checked to ensure that this coding of the missing values does not affect the substantive interpretation of the results.
6An alternative operationalization would include coalition partners with the President or Prime Minister’s party. Both operationalizations have appeared in the literature (see Anderson, 2000, p. 157; Dassonneville and Lewis-Beck, 2014a, p. 386). The measure of the President or Prime Minister’s party will be used as some studies have found it to attract a stronger economic vote (see Dassonneville and Lewis-Beck, 2014a, p. 386; Duch and Stevenson, 2008, p. 269).
To account for economic conditions at the country level, measures of GDP growth and unemployment are taken from the World Bank, in the year preceding each election year. At the individual level to differentiate those more vulnerable to the crisis a number of socio-demographic characteristics are incorporated. This includes income (measured in quintiles), whether the respondent has completed a university degree (coded dichotomously), and employment status—a categorical variable comparing the unemployed, and an ‘other’ category, against a base category of labor force participants.

Besides measures of economic circumstances, a number of other variables are incorporated that are known to impact the dependent variables from the existing literature. Additional country level variables include a measure of whether the government is a multi-party coalition or single party government to capture the expectation that citizen voting behavior may be influenced by clarity of responsibility (Powell and Whitten, 1993). The years the incumbent has been in power is included to reflect the expectation that voters will be more likely to vote out an incumbent the longer they have been in power. A dummy variable for whether the incumbent government is on the left or the right is incorporated to assess whether governments on the right were punished to a greater extent than those on the left. A number of individual level variables are also included. Age is grouped into three categories, with young people aged 18 to 29 as the base category. Gender is coded as ‘1’ for females and ‘0’ for males. How much the respondent likes the incumbent party is also controlled for on an eleven point scale ranging from ‘0’ for those who strongly dislike the party to ‘10’ for those who strongly like the incumbent party. A full list of variables, coding and means for this chapter is shown in Table 4.2.

4.2 Voter Turnout

The effects of the crisis on voter turnout can be explored first at the aggregate level. Chapter 2 set out competing hypotheses as to the effects of the global financial crisis on voter turnout. On the one hand, some theories would point to voter demobilization in the context of a major crisis (H1.1). Various studies suggest that

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7In subsequent chapters GDP growth and unemployment are taken for the same period of time in each country. This is done to compare the relative impacts of the crisis, and is possible as the WVS is fielded over a similar period of time in each country across the two most recent waves of the survey. For the CSES, as the timing is determined by the electoral cycle, rather than set times for survey waves, it is better to take these indicators from the year preceding the election. The annual indicators for the World Bank have been selected instead of quarterly figures from the OECD, due to some missing data for the earlier years from the OECD.

8‘Other’ employment status includes retirees, housewives and students.

9For consistency with the subsequent chapters that use survey data from the WVS, wherever possible the coding of variables has been kept the same, or as close to it as possible, to facilitate comparability. See Table 3.1 in Chapter 3 for the WVS coding.
Table 4.2: Comparative Study of Electoral Systems – Variables, scoring, and means

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent Variables</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voted</td>
<td>1 = Cast a vote, 0 = Did not cast a vote</td>
<td>0.82 0.38</td>
<td>0.83 0.39</td>
</tr>
<tr>
<td>Vote for Incumbent</td>
<td>1 = Voted for the party of the incumbent President or Prime Minister, 0 = Voted for any other party. (Non-voters are excluded)</td>
<td>0.34 0.47</td>
<td>0.33 0.47</td>
</tr>
<tr>
<td><strong>Independent Variables</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(Country level)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP growth</td>
<td>Annual GDP growth from the year prior to the election (World Bank)</td>
<td>3.17 1.55</td>
<td>1.14 2.97</td>
</tr>
<tr>
<td>Unemployment</td>
<td>Annual unemployment rate from the year prior to the election (World Bank)</td>
<td>7.45 4.14</td>
<td>5.85 2.30</td>
</tr>
<tr>
<td>Coalition incumbent</td>
<td>1 = yes, 0 = no</td>
<td>0.63 0.48</td>
<td>0.69 0.47</td>
</tr>
<tr>
<td>Years incumbent in power</td>
<td>Continuous measure of how many years the incumbent party has been in power</td>
<td>5.87 3.46</td>
<td>5.23 2.19</td>
</tr>
<tr>
<td>Left incumbent</td>
<td>Incumbent coded ‘left’ if mean score is less than 5 on scale from 0 (left) to 10 (right)</td>
<td>0.56 0.49</td>
<td>0.38 0.49</td>
</tr>
<tr>
<td><strong>(Individual level)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment status</td>
<td>1=Labor force participant (base category), 2=Unemployed, 3=Other</td>
<td>1.73 0.94</td>
<td>1.76 0.95</td>
</tr>
<tr>
<td>Income</td>
<td>Measured in quintiles from 1 (lowest income category) to 5 (highest income category)</td>
<td>3.12 1.37</td>
<td>3.13 1.39</td>
</tr>
<tr>
<td>University degree</td>
<td>1 = yes, 0 = no</td>
<td>0.20 0.40</td>
<td>0.27 0.45</td>
</tr>
<tr>
<td>Age range</td>
<td>1 = 18-29, 2 = 30-49, 3 = 50 and over</td>
<td>2.26 0.73</td>
<td>2.29 0.74</td>
</tr>
<tr>
<td>Gender (female)</td>
<td>1 = female, 0 = male</td>
<td>0.50 0.50</td>
<td>0.51 0.50</td>
</tr>
<tr>
<td>Likes incumbent party</td>
<td>Scale from 0 (strongly dislike) to 10 (strongly like)</td>
<td>5.36 2.87</td>
<td>5.19 2.97</td>
</tr>
<tr>
<td><strong>N (elections)</strong></td>
<td></td>
<td>31</td>
<td>13</td>
</tr>
<tr>
<td><strong>N (respondents)</strong></td>
<td></td>
<td>35,309</td>
<td>13,543</td>
</tr>
</tbody>
</table>
globalization depresses turnout, as it reduces the influence of national governments over policy making (Steiner, 2010, 2016). The global financial crisis was evidently a product of globalization, so in that sense it might be expected that citizens perceive that their national governments have little influence over economic conditions in their country. This perception may depress participation. Another argument would also support the voter demobilization thesis in the context of an economic crisis. Existing research shows that those with fewer resources, whether income, education, or employment, are less likely to vote (Norris, 2002, p. 86; Verba et al., 1995). As those suffering resource constraints are more numerous during a crisis it could be expected that these factors would depress participation. On the other hand, a different set of theories would lead to the prediction that voters would be mobilized in the context of a crisis (H1.2). Given that economic issues are highly salient, and that salient elections mobilize turnout (Franklin, 2004), it could be expected that there would be voter mobilization at a time of economic crisis.

H1.1: After the crisis voter turnout will be more likely to decline, particularly within countries harder hit by the crisis.

H1.2: After the crisis voter turnout will be more likely to increase, particularly within countries harder hit by the crisis.

Before testing the impact of the crisis on aggregate voter turnout, it is useful to first understand turnout trends across countries and over time. Figure 4.1 shows the trends in turnout over the past 20 years in each of the 13 countries selected from the CSES. The data comes from International IDEA’s Voter Turnout Database and thus provides actual rather than reported turnout. Three factors can be observed from this chart. First, there is a considerable degree of variation in turnout across these countries. Turnout is lowest in the United States and Canada, hovering mostly between 50 and 60 percent. Voter turnout is highest in Iceland, sitting between 80 and 90 percent across the previous two decades. It is also high in Brazil where voting is compulsory.\(^{10}\) Second, there is a decline in voter turnout evident over time in many of these countries, including Germany, Slovenia, Portugal and Spain. In other countries turnout has remained stable, for instance in Norway, Finland, Canada, and the United States. Franklin (2004) has argued that these changes over time within countries are due to the ‘character’ of elections, including the level of competitiveness, in addition to generational changes. Finally, the dashed line

\(^{10}\)A large body of literature has sought to explain cross-national differences in turnout as a result of institutional or socioeconomic factors (e.g. Blais and Dobrzynska, 1998; Norris, 2002; Powell, 1982). For example, compulsory voting, proportional representation, and economic development have all been associated with higher turnout levels (see Blais, 2007, pp. 624–625 for an overview).
Figure 4.1: Voter Turnout over Time

**Note:** The turnout measure is the number of votes divided by the voting age population (Vote/VAP). The charts show turnout for parliamentary elections for all countries with the exception of the United States and Brazil, where the chart shows turnout for presidential elections. The dashed vertical line marks the onset of the economic crisis in 2008.


highlighting the onset of the crisis in 2008 does not mark an obvious change in the turnout trends, although there are more robust ways to investigate the effect of the crisis on turnout.

To assess whether overall turnout increased or decreased after the onset of the global financial crisis, the change in turnout between elections can be calculated. Table 4.3 presents the turnout level for the first election in each country fielded in 2008 or later, considered to be the first election after the onset of the crisis ($t_3$), and the two elections before that ($t_1$ and $t_2$).\footnote{The specific election years are listed in Table 4.1.} It also shows the change in turnout between these elections, in each country and overall. Between the two elections before the crisis hit ($t_2-t_1$), there was an overall increase in turnout of 0.9 percent, with turnout increasing in eight of the 13 countries, and decreasing in the other five. Between $t_2$ and $t_3$, the first election after the crisis, turnout had declined in nine countries, increased in just four, with an average change of -2.4 percent. This finding is consistent with the demobilization hypothesis (H1.1). Whilst turnout had
increased slightly between the two elections prior to the crisis, for the first election after the crisis turnout had declined by 2.4 percent in the overall sample. Although further examination of the change in turnout within this sample at earlier times shows that a decline of one or two percent on average is not unusual within the sample.

Table 4.3: Change in Voter Turnout

<table>
<thead>
<tr>
<th>Turnout (%)</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>t1  t2  t3</td>
</tr>
<tr>
<td>Brazil</td>
<td>79.1 83.6 77.3</td>
</tr>
<tr>
<td>Canada</td>
<td>55.3 58.4 53.6</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>59.0 65.1 62.2</td>
</tr>
<tr>
<td>Finland</td>
<td>70.0 68.2 72.8</td>
</tr>
<tr>
<td>Germany</td>
<td>73.5 72.0 64.6</td>
</tr>
<tr>
<td>Iceland</td>
<td>89.1 84.7 84.7</td>
</tr>
<tr>
<td>Netherlands</td>
<td>77.5 77.5 71.1</td>
</tr>
<tr>
<td>New Zealand</td>
<td>72.5 79.2 77.8</td>
</tr>
<tr>
<td>Norway</td>
<td>73.5 76.5 74.7</td>
</tr>
<tr>
<td>Portugal</td>
<td>68.6 69.2 66.1</td>
</tr>
<tr>
<td>Slovenia</td>
<td>72.3 61.1 65.0</td>
</tr>
<tr>
<td>Spain</td>
<td>73.8 76.3 69.9</td>
</tr>
<tr>
<td>United States</td>
<td>52.6 57.1 57.5</td>
</tr>
<tr>
<td>Average</td>
<td>70.5 71.4 69.0</td>
</tr>
</tbody>
</table>

Note: t3 is the first election that took place after the economic crisis hit in 2008. t2 is the election before the crisis started, and t1 is the election before that. The turnout measure is the number of votes divided by the voting age population (Vote/VAP). The charts show turnout for parliamentary elections for all countries with the exception of the United States and Brazil, where the chart shows turnout for presidential elections.


To further investigate the effect of economic conditions on turnout, we need to consider not only comparisons from before and after the crisis, but also take into account differential impacts of the crisis across countries. To do this, GDP growth in the year preceding the election can be plotted against the change in turnout. This is shown in Figure 4.2. The relationship is positive, indicating that countries where growth was high in the year preceding the election, turnout was more likely to increase since the previous election. In countries where growth was lower, declines in voter turnout were more likely. A Pearson’s correlation test shows a relationship which is positive, and whilst short of significance at the 0.05 level, is significant at the 0.1 level (r=0.49, n=13, p=0.09). Recognizing the limits of a small sample of 13 countries, these results are consistent with the hypothesis that the crisis would depress voter turnout (H1.1). None of the evidence presented here supports the
hypothesis that the crisis would mobilize turnout (H1.2). Combining the results of Figure 4.2 with Table 4.3, a consistent picture emerges. After the crisis, turnout declined compared to before the crisis. Meanwhile, countries hit harder by the crisis were more likely to observe declines in voter turnout in the election after the onset of the crisis, relative to other countries in the sample.

Figure 4.2: GDP Growth and Change in Voter Turnout

Notes: Change in turnout measures the difference in turnout between the post-crisis election and the preceding election (see Table 4.1). GDP growth is from the year preceding the post-crisis election.

4.3 Voter Mobilization

Electoral participation can also be explored at the individual level. It would be expected that the economic circumstances of individuals influence their likelihood of casting a vote. Existing research shows that those with greater resources are more likely to vote (Blais, 2000; Norris, 2002; Verba et al., 1995). In the context of a crisis, on the one hand it could be expected that those most vulnerable to the crisis would be mobilized, as they have the most to gain (H1.3). Although, there are also reasons to expect that the opposite would be true. If those with fewer resources are less likely to participate in ordinary times, it could be expected that this dynamic
would persist during a time of greater resource scarcity (H1.4), or even that the participation gap could increase as was found by Karp and Milazzo (2016).

**H1.3:** Individuals more vulnerable to the financial crisis, such as the unemployed, those on low incomes, and those with a lower level of education, will be more likely to vote after the crisis.

**H1.4:** Individuals more vulnerable to the financial crisis, such as the unemployed, those on low incomes, and those with a lower level of education, will be less likely to vote after the crisis.

These hypotheses regarding the influence of individual resources on the likelihood of voting will be investigated first with bivariate regression models before progressing to full multilevel models taking account of a suite of control variables. Bivariate logistic regression models are estimated separately on the data from before and after the onset of the financial crisis. Models are estimated for every country, in addition to a multilevel model which combines the data from all countries and elections. The results are presented in Figure 4.3, which shows the coefficients and 95 percent confidence intervals for each model. Three predictor variables are considered, the first is a dichotomous measure of whether the respondent has completed a university degree, the second is income, measured in quintiles, the third compares those who are unemployed against a base category of labor force participants.

Consistent with the existing literature, university education has a positive and significant effect on the likelihood of voting in almost all cases. In the model that combines all countries, the effect is positive, significant, and of the same magnitude before and after the crisis. The effect of income varies to a greater extent across countries, though the effect is also positive and significant overall, with overlapping confidence bars suggesting that the effect is similar before and after the crisis. Those who are unemployed are less likely to cast a vote. The negative coefficient is greater after the crisis although not significantly different from before the crisis. These results align with the existing work on who votes, and indicate little change in the nature of these relationships since the crisis. The finding that resources have a similar effect on the likelihood of voting whether during a crisis or otherwise, is consistent with the aggregate level findings that show a decline in turnout after the crisis overall. If resources have a positive effect on participation, during a crisis when more people experience resource constraints it would be expected that participation goes down.

13 See Blais (2007) for an overview.
Figure 4.3: Effects of Resources on the Likelihood of Voting

Note: Chart plots coefficients and 95 percent confidence intervals for bivariate logit models before and after the crisis. The models regress university degree, income, and unemployment on the dichotomous measure of voter turnout, coded ‘1’ for those who reported that they cast a vote in the election, and ‘0’ for those who did not. University degree is dichotomous. The unemployed are compared against labor force participants. Income is measured in quintiles.

Source: (CSES, 2013b,c,d).

A more robust test of the effects of resources on voting will take into account a range of control variables. To this end, multilevel logistic regression models have been estimated which incorporate individual resources, alongside a suite of controls at the country and individual level. The same model has been estimated on the data from before the crisis—in 31 elections across 13 countries spanning from 1996 to 2007, and after the crisis began—for one election in each of the 13 countries between 2008 and 2011. For the multilevel model, individuals are the level 1 units, and elections are the level 2 units. Table 4.4 and Figure 4.4 present the results. The results are presented in graphical and tabular format as the plot of coefficients allows for easy comparison of effect sizes and confidence intervals on the models estimated separately on the data from before and after the crisis.

At the country level, GDP growth has a significant negative effect before the crisis, and a significant positive effect after the crisis. In other words, after the crisis citizens in those countries that were harder hit were less likely to vote. The national
Table 4.4: Predicting the Likelihood of Voting

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coef. (SE)</td>
<td>Coef. (SE)</td>
</tr>
<tr>
<td><strong>Country level predictors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP growth</td>
<td>$-0.04^{**}$ (0.02)</td>
<td>$0.04^{**}$ (0.00)</td>
</tr>
<tr>
<td>Unemployment</td>
<td>$-0.01^*$ (0.00)</td>
<td>$0.04^{**}$ (0.01)</td>
</tr>
<tr>
<td>Coalition incumbent</td>
<td>$0.31^{**}$ (0.04)</td>
<td>$0.71^{**}$ (0.02)</td>
</tr>
<tr>
<td><strong>Individual level predictors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment status (base: labor force participants)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td>$-0.19^\dagger$ (0.10)</td>
<td>$-0.39^{**}$ (0.11)</td>
</tr>
<tr>
<td>Other employment status</td>
<td>$0.01$ (0.05)</td>
<td>$0.20^{**}$ (0.07)</td>
</tr>
<tr>
<td>Income</td>
<td>$0.20^{**}$ (0.02)</td>
<td>$0.19^{**}$ (0.03)</td>
</tr>
<tr>
<td>University degree</td>
<td>$0.66^{**}$ (0.10)</td>
<td>$0.83^{**}$ (0.11)</td>
</tr>
<tr>
<td>Age range (base: 18–29)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aged 30–49</td>
<td>$0.49^{**}$ (0.05)</td>
<td>$0.58^{**}$ (0.10)</td>
</tr>
<tr>
<td>Aged 50 and over</td>
<td>$0.99^{**}$ (0.08)</td>
<td>$0.92^{**}$ (0.11)</td>
</tr>
<tr>
<td>Gender (female)</td>
<td>$-0.01$ (0.04)</td>
<td>$0.07$ (0.07)</td>
</tr>
<tr>
<td>Likes incumbent</td>
<td>$0.06^{**}$ (0.01)</td>
<td>$0.06^{**}$ (0.01)</td>
</tr>
<tr>
<td>Constant</td>
<td>$0.18$ (0.12)</td>
<td>$-0.60^{**}$ (0.19)</td>
</tr>
<tr>
<td>N (elections)</td>
<td>31</td>
<td>13</td>
</tr>
<tr>
<td>N (respondents)</td>
<td>43,814</td>
<td>16,708</td>
</tr>
<tr>
<td>ICC</td>
<td>0.11</td>
<td>0.08</td>
</tr>
</tbody>
</table>

Note: Multilevel logistic regression model with random intercepts produced using the Stata `gllamm` command. The dependent variable is a dichotomous measure, coded ‘1’ for those who reported that they cast a vote in the election, and ‘0’ for those who did not. Robust standard errors in parentheses.

\[ p < 0.10, ^* p < 0.05, ^{**} p < 0.01 \]

Sources: The CSES (2013b; 2013c; 2013d), with country level indicators from the World Bank (2015a; 2015b).

Unemployment level also has a negative effect before the crisis, and a positive effect after the crisis, although the substantive interpretation is the reverse. In this case, after the crisis high levels of unemployment were associated with a higher likelihood of voting. This mixed finding suggests that the effect of country level economic factors did not remain constant after the crisis.

The other country level variable incorporated in the model is a dichotomous indicator of whether the incumbent government was a coalition at the time of the election. If the incumbent government was made up of a coalition, this is associated with significantly higher turnout both before and after the crisis. This is consistent with the literature that shows political systems with proportional representation (PR), which more often lead to coalition governments, tend to have higher turnout (Blais and Carty, 1990; Jackman, 1987; Karp and Banducci, 1999). This is as
Figure 4.4: Predicting the Likelihood of Voting – Coefficient Plot

Note: Chart plots coefficients and 95 percent confidence intervals for a multilevel logistic regression model with random intercepts produced using the Stata gllamm command. The dependent variable is a dichotomous measure, coded ‘1’ for those who reported that they cast a vote in the election, and ‘0’ for those who did not. The base category for age is 18–29. The base category for employment status is labor force participants.

Sources: The CSES (2013b; 2013c; 2013d), with country level indicators from the World Bank (2015a; 2015b).

winner-take-all systems lead to wasted votes, whereas in PR systems, for supporters of smaller parties the likelihood of their vote having an impact is higher (Blais, 2007; Jackman, 1987). Whilst the effect of coalition incumbency is significantly positive both before and after the crisis, the effect size is significantly greater after the crisis, indicating that the crisis demobilized voters in winner-take-all systems relative to those with coalition governments.

The multilevel model also explores the effect of individual level variables, as shown in Table 4.4 and Figure 4.4. Variables indicating individual resources, which were first tested in the bivariate models discussed previously (see Figure 4.3), can now be tested when various controls are taken into account. The unemployed are less likely to vote than those in the labor force before and after the crisis. The difference increases between the two periods, suggesting the crisis may have demobilized the unemployed. Income has a positive and significant effect before and after the crisis with no difference in the effect size. Having a university degree similarly has a positive and significant effect at both time points. The effect of education is
greater after the crisis, although it cannot be said that the increase is significant as the confidence intervals overlap. The findings on education and unemployment are consistent with the idea that the crisis demobilized those with fewer resources, relative to the dynamics of participation before the crisis hit. Older age groups are significantly more likely to vote than younger age groups, although the overlapping confidence intervals suggest that the age differences remain similar before and after the crisis. Women are no more or less likely to vote than men when controlling for other variables at both time points. If the respondent likes the incumbent party they are more likely to vote.

Relating these findings back to the hypotheses on resources, the results show that those more vulnerable to the crisis remain less likely to vote after the crisis (H1.4). There is no support for the hypothesis that those with fewer resources, including the unemployed, those on low incomes, and those with lower levels of education were mobilized to vote by the crisis (H1.3). The effect of resources on the likelihood of voting remains similar after the crisis. If anything, the results would be consistent with the argument that those with the fewest resources were demobilized by the crisis, as indicated by the increasing effect sizes of education and unemployment after the crisis.

4.4 Vote Choice

The second dimension of voting behavior to explore is vote choice. Once a citizen has made the decision to cast a vote in an election, for which party or candidate do they cast their vote? As with turnout, this can be explored at both the aggregate and individual level. At the aggregate level, the economic voting hypothesis would suggest that after the crisis incumbents would be more likely to suffer losses in voter support (H1.5). This could be evident through incumbents being voted out after the crisis at a greater rate than before the crisis, or through a decline in vote-shares and subsequent losses of seats in parliament. As the crisis did not affect all countries equally, it could also be expected that incumbent vote shares would be more likely to decline in countries hit harder by the crisis (H1.6). Finally, it might be expected that parties on the right would be voted out to a greater extent than parties on the left due to their greater advocacy of the free market system, which voters may have associated with the crisis (H1.7).

\textit{H1.5: After the crisis incumbents will be likely to experience a loss of voter support, evident through either being voted out of office, a loss of vote-shares, or a loss of seats in parliament.}
**H1.6:** In countries hit harder by the crisis, incumbent vote shares will be more likely to decline than in countries that were less hard hit.

**H1.7:** After the crisis, parties on the right will be more likely to be voted out than parties on the left.

To investigate these hypotheses, first the electoral outcomes in the sample are examined drawing on data from the Inter-Parliamentary Union (2014). Figure 4.5 presents the election results for the previous three elections included in the CSES across the 13 country sample. Within the sample incumbent governments were no more likely to have lost power after the crisis than before. The figure shows that in the post-crisis elections six of 13 incumbent governments were voted out, a rate of 46 percent. In the two elections preceding the financial crisis, the rate is roughly the same, with five of 13, and six of 13 incumbent governments voted out of office. These figures are comparable to Powell who finds that out of 41 elections, incumbent governments were evicted from office 18 times, a rate of 44 percent (2000, p. 270). This suggests that although the cases examined here are a non-random sample of elections from the CSES, the sample nevertheless includes a set of elections that match electoral outcomes from other cross national analyses. These figures raise some doubt about whether voters are more likely to punish incumbent governments under conditions of economic crisis.

![Figure 4.5: Electoral Outcomes in 13 Countries](image)

*Notes:* Post-crisis election covers elections from 2008 to 2011. Election 1 and Election 2 are the two previous elections included in the CSES with dates ranging from 1996 to 2002 for Election 1 and 2002 to 2007 for Election 2.
Of course it is quite possible that the outcomes observed in Figure 4.5 mask fluctuations in vote shares. To examine this in more detail, Table 4.5 reports changes in vote and seat shares for the incumbent party across elections. ‘Incumbent party’ is defined as the party of the President or Prime Minister incumbent at the time of the election after the financial crisis hit. There is evidence that incumbent parties suffered losses after the financial crisis. In nine of 13 elections the incumbent party’s vote share declined, and in eight of 13 elections the incumbent party’s number of seats in Parliament declined. On average the incumbent party’s vote share declined by 4.6 percent.

To investigate whether the change in incumbent support is related to divergent economic outcomes in each country, Figure 4.6 plots the change in vote share for the incumbent party in each country against GDP growth in the year preceding the election (World Bank, 2015a). This reveals a positive relationship, whereby incumbents in countries that experienced lower growth were more likely to lose votes than those in countries where growth rates were higher in the year before the election. A Pearson’s correlation test confirms that there is a positive and significant relationship between growth and the change in incumbent vote share ($r=0.55$, $n=13$, $p<0.05$). This result lends support to the economic voting thesis that economic performance drives incumbent vote-share.

The impact of the crisis can be examined in greater depth by looking at how well minor coalition partners fared in the post crisis elections; Table 4.6 reports the associated vote and seat shares. Here a more consistent pattern is evident, with coalition partners experiencing a drop in vote share in seven of eight countries, and a drop in seat share in six of nine countries. The average decline in vote share for coalition partners is 3.2 percent. Whilst this is a smaller percentage of the overall vote share than the 4.6 percent drop experienced by the Prime Minister or President’s party, given coalition partners command a smaller proportion of the vote, the relative effect for coalition parties has been greater. As a proportion of their vote-share in the previous election, the President or Prime Minister’s party on average lost 12.6 percent, whereas coalition partners lost 14.4 percent. Whilst both leaders’ parties and coalition partners’ representation in parliament has declined, for coalition partners the drop has been more consistent across countries and the size of the drop relative to their previous vote-share has been greater. This suggests smaller incumbent parties may have been disproportionately punished by voters.

The final area to explore at the aggregate level, is whether the loss of support for incumbent parties has disproportionately affected the left or the right. A list of the parties and their ideological orientation before and after the election is presented in Table 4.7. Of the six cases where there was a change of government: in three cases there was a shift from the right to the left—Iceland, Slovenia and the United States;
Figure 4.6: GDP Growth and Change in Incumbent Vote Share

Notes: Change in incumbent vote share measures the difference in vote share of the party of the Prime Minister or President between the post-crisis election and the preceding election (see Table 4.1). GDP growth is from the year preceding the post-crisis election. Sources: Vote share data sourced from national parliament websites, GDP growth from the World Bank (2015a).
Table 4.5: Change in Vote and Seat Shares of Incumbent President/Prime Minister’s Party

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP growth (%)</th>
<th>Coalition Government</th>
<th>Incumbent Vote Share (%)</th>
<th>Incumbent Seats in Parliament</th>
<th>Direction of shift</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Pre-crisis election</td>
<td>Post-crisis election</td>
<td>Change</td>
</tr>
<tr>
<td>Brazil</td>
<td>−0.13</td>
<td>Yes</td>
<td>48.6</td>
<td>46.9</td>
<td>−1.7</td>
</tr>
<tr>
<td>Canada</td>
<td>2.06</td>
<td>No</td>
<td>29.6</td>
<td>37.7</td>
<td>8.1</td>
</tr>
<tr>
<td>Czech Rep.</td>
<td>−4.84</td>
<td>Yes</td>
<td>35.4</td>
<td>20.2</td>
<td>−15.2</td>
</tr>
<tr>
<td>Finland</td>
<td>2.99</td>
<td>Yes</td>
<td>23.1</td>
<td>15.8</td>
<td>−7.3</td>
</tr>
<tr>
<td>Germany</td>
<td>1.08</td>
<td>Yes</td>
<td>27.8</td>
<td>27.3</td>
<td>−0.5</td>
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<tr>
<td>Iceland</td>
<td>1.52</td>
<td>Yes</td>
<td>36.6</td>
<td>23.7</td>
<td>−12.9</td>
</tr>
<tr>
<td>Netherlands</td>
<td>−3.77</td>
<td>Yes</td>
<td>26.5</td>
<td>13.6</td>
<td>−12.9</td>
</tr>
<tr>
<td>New Zealand</td>
<td>2.89</td>
<td>Yes</td>
<td>41.1</td>
<td>34.0</td>
<td>−7.1</td>
</tr>
<tr>
<td>Norway</td>
<td>0.38</td>
<td>Yes</td>
<td>32.7</td>
<td>35.4</td>
<td>2.7</td>
</tr>
<tr>
<td>Portugal</td>
<td>0.20</td>
<td>No</td>
<td>46.4</td>
<td>37.9</td>
<td>−8.5</td>
</tr>
<tr>
<td>Slovenia</td>
<td>6.94</td>
<td>Yes</td>
<td>29.0</td>
<td>29.3</td>
<td>0.3</td>
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<td>Spain</td>
<td>3.77</td>
<td>No</td>
<td>43.3</td>
<td>44.1</td>
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<td>United States</td>
<td>1.78</td>
<td>No</td>
<td>50.7</td>
<td>45.7</td>
<td>−5.1</td>
</tr>
<tr>
<td>Mean</td>
<td>0.30</td>
<td>-</td>
<td>36.2</td>
<td>31.7</td>
<td>−4.6</td>
</tr>
</tbody>
</table>

Note: *Incumbent* refers to the party of the incumbent President, Prime Minister, or Chancellor (in the case of Germany) at the time of the post-GFC election. Note that for the Czech Republic and Iceland caretaker governments were in place immediately prior to the election, rather than coding the caretaker government as the incumbent, the party of the Prime Minister prior to the caretaker period is taken as the incumbent. Note that in Brazil vote share is based on the second round Presidential election.

*Seats in parliament* refers to the number of seats in the lower house, in the case of bicameral systems.

*GDP growth* is the annual growth rate from the year preceding the post-crisis election (World Bank, 2015a).
Table 4.6: Change in Vote and Seat Shares of Minor Coalition Partners

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP growth (%)</th>
<th>Minor Coalition Partners’ Vote Share (%)</th>
<th>Minor Coalition Partners’ Seats in Parliament</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Pre-crisis election</td>
<td>Post-crisis election</td>
</tr>
<tr>
<td>Brazil</td>
<td>−0.13</td>
<td>10.2</td>
<td>6.8</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>−4.84</td>
<td>35.3</td>
<td>32.0</td>
</tr>
<tr>
<td>Finland</td>
<td>2.99</td>
<td>41.6</td>
<td>29.6</td>
</tr>
<tr>
<td>Germany</td>
<td>1.08</td>
<td>26.8</td>
<td>29.8</td>
</tr>
<tr>
<td>Iceland</td>
<td>1.52</td>
<td>25.2</td>
<td>22.9</td>
</tr>
<tr>
<td>Netherlands</td>
<td>−3.77</td>
<td>1.2</td>
<td>0.9</td>
</tr>
<tr>
<td>New Zealand</td>
<td>2.89</td>
<td>15.3</td>
<td>12.4</td>
</tr>
<tr>
<td>Norway</td>
<td>0.38</td>
<td>20.0</td>
<td>16.1</td>
</tr>
<tr>
<td>Slovenia</td>
<td>6.94</td>
<td>20.0</td>
<td>16.1</td>
</tr>
<tr>
<td>Mean</td>
<td>−0.43</td>
<td>22.0</td>
<td>18.8</td>
</tr>
</tbody>
</table>

*Note: Minor coalition partners refers to parties other than that of the President, Prime Minister or Chancellor, that were part of the incumbent governing coalition at the time of the post-crisis election. Seats in parliament refers to the number of seats in the lower house, in the case of bicameral systems.*

*GDP growth* is the annual growth rate from the year preceding the post-crisis election (World Bank, 2015a).

In Brazil’s second round presidential election, minor parties align with one of the two Presidential candidates. Thus minor parties do not receive a share of the vote in the presidential election. The shift in seats in parliament is taken from the parliamentary election.
in one case there was a shift from the left to the right—New Zealand; and in two
cases the shift was from a centre-right government to a far-right government—the
Netherlands and Finland. Of the parties that lost the election five were right of
centre, and only one was left of centre, suggesting parties on the left were better able
to maintain support following the crisis. Albeit two of the parties on the right lost
to parties further to the right. Considering the sample of cases as a whole, there is
an overall shift to the left; five parties of the left were in power before the post-crisis
elections, compared to seven after.

Overall, the findings at the aggregate level support the hypotheses on an eco-
nomic voting response to the crisis (H1.5, H1.6). Whilst incumbents were not more
likely to be voted out after the crisis than in previous elections, there has been a
decline in support for incumbent parties in terms of both vote shares and seats in
parliament after the crisis. This applied to both the party of the incumbent Prime
Minister or President, and minor coalition partners in cases where a coalition gov-
ernment was incumbent. Countries with lower levels of growth in the year before the
election experienced greater declines in the incumbent vote share. The hypothesis
that parties on the left would be less likely to lose power after the crisis was also
supported (H1.7).

The second set of economic voting hypotheses concern voting behavior at the
individual level. Much of the recent economic voting literature has focussed on the
individual level to avoid committing the ecological fallacy, whereby inferences about
individual level behavior are drawn from group level data (see Dassonneville and
Lewis-Beck, 2014a, pp. 372–373). Work on individual voting behavior has differ-
entiated sociotropic and pocketbook effects. Sociotropic economic voting presumes
that citizens vote based on the economic performance of their country, whereas
pocketbook voting refers to voting based on one’s personal financial circumstances
(Lewis-Beck and Stegmaier, 2007). Existing studies lend more support to sociotropic
economic voting (Alvarez and Nagler, 1995, 1998), though some studies have found
that the pocketbook does have an effect (Abramowitz et al., 1988; Elinder et al.,

With individual level data from the CSES these theories can be tested with the
measures discussed in the Approach section above. If people vote with their pock-
etbooks we would expect those with the fewest resources in society to be voting
against the incumbent to a greater extent than those who are reasonably well off

14 Those parties referred to here as ‘far right’ score above a mean of 7 on the 0–10 left-right scale
found in the CSES, where ‘0’ is left and ‘10’ is right.
15 This is consistent with Kriesi’s findings in a comparative analysis of 29 European countries
after the crisis (2014).
16 As CSES Modules 2 and 3 did not include subjective evaluations of the economy, it is not
possible with this data to test the impact of these subjective evaluations on voting behavior.
### Table 4.7: Change in Ideology of President/Prime Minister’s Party

<table>
<thead>
<tr>
<th>Country</th>
<th>Before Post-crisis Election</th>
<th>After Post-crisis Election</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Party of President/Prime Minister</td>
<td>Party Ideology</td>
</tr>
<tr>
<td>Brazil</td>
<td>Workers Party</td>
<td>Left</td>
</tr>
<tr>
<td>Canada</td>
<td>Conservative Party</td>
<td>Right</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Civic Democratic Party</td>
<td>Right</td>
</tr>
<tr>
<td>Finland</td>
<td>Centre Party</td>
<td>Right</td>
</tr>
<tr>
<td>Germany</td>
<td>Christian Democratic Union</td>
<td>Right</td>
</tr>
<tr>
<td>Iceland</td>
<td>Independence Party</td>
<td>Right</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Christian Democratic Appeal</td>
<td>Right</td>
</tr>
<tr>
<td>New Zealand</td>
<td>Labour Party</td>
<td>Left</td>
</tr>
<tr>
<td>Norway</td>
<td>Labour Party</td>
<td>Left</td>
</tr>
<tr>
<td>Portugal</td>
<td>Socialist Party</td>
<td>Left</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Slovenian Democratic Party</td>
<td>Right</td>
</tr>
<tr>
<td>Spain</td>
<td>Spanish Socialist Workers’ Party</td>
<td>Left</td>
</tr>
<tr>
<td>United States</td>
<td>Republican</td>
<td>Right</td>
</tr>
</tbody>
</table>

**Notes:** Cases where there was a change of government are shaded. Those parties referred to here as ‘far right’ score above a mean of 7 on the 0-10 point left-right scale found in the CSES. Finland’s National Coalition Party scores 8.5 on the 11 point scale, the Netherlands’ People’s Party for Freedom and Democracy scores 7.4. The incumbent party is that of the Chancellor in Germany.
(H1.8). If people vote according to national economic conditions, then it could be expected that people will be more likely to vote against incumbents in countries harder hit by the crisis (H1.9). Work on clarity of responsibility meanwhile would suggest that citizens would be more likely to vote against incumbents in countries where the path of blame attribution is clearer (H1.10) (see Powell and Whitten, 1993). The latter two hypotheses explore the relationship between country level conditions and individual level behavior, which is possible with a multilevel modelling approach.

**H1.8:** Individuals more vulnerable to the financial crisis, such as the unemployed, those on low incomes, and those with a lower level of education, will be more likely to vote against incumbent parties after the crisis.

**H1.9:** In countries hit harder by the crisis, voters will be more likely to vote against incumbent parties than in countries that were less hard hit.

**H1.10:** In countries with greater clarity of responsibility voters will be more likely to vote against incumbent parties after the crisis.

First the hypothesis regarding the effect of individual resources on the likelihood of voting for the incumbent (H1.8) will be tested. This can be explored by investigating the bivariate relationships between these measures, followed by estimation of a multilevel model which accounts for a range of country level and individual level controls. Figure 4.7 presents the results of bivariate logistic regression models to estimate the likelihood of voting for the incumbent, in each country and in a multilevel model on the pooled data across all 13 countries. The dependent variable is a dichotomous measure comparing those who cast a vote for the party of the incumbent Prime Minister or President (Chancellor in the case of Germany), against those who voted for any other party. The predictors in each respective model are university education (dichotomous), income (in quintiles), and unemployment (comparing the unemployed against labor force participants). Once again the models have been estimated separately on data from ‘pre-crisis’ elections prior to 2008, and ‘post-crisis’ elections from 2008 onwards.

The findings in Figure 4.7 do not support a pocketbook voting effect. For university education, income and unemployment, there are no significant effects in a majority of countries. In some there is a positive effect, in the Czech Republic for instance better educated and wealthier voters were more likely to vote for the incumbent after the crisis. In others there is a negative effect, for example in the United States the unemployed were more likely to vote against the incumbent in
the 2008 election and in Spain better educated people became more likely to vote out the incumbent in the election after the crisis began. Overall there is no trend; in the multilevel model that factors in data for all countries for each predictor there are no significant effects on the likelihood of voting for the incumbent, either before or after the crisis. Whilst the aggregate level results demonstrated that economic performance at the country level was associated with incumbent vote shares, the CSES data shows that resources at the individual level are not related to whether or not one casts a vote for the incumbent party.

Figure 4.7: Effects of Resources on Likelihood of Voting for the Incumbent

<table>
<thead>
<tr>
<th>University degree</th>
<th>Income</th>
<th>Unemployment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>Brazil</td>
<td>Brazil</td>
</tr>
<tr>
<td>Canada</td>
<td>Canada</td>
<td>Canada</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Czech Republic</td>
<td>Czech Republic</td>
</tr>
<tr>
<td>Finland</td>
<td>Finland</td>
<td>Finland</td>
</tr>
<tr>
<td>Germany</td>
<td>Germany</td>
<td>Germany</td>
</tr>
<tr>
<td>Iceland</td>
<td>Iceland</td>
<td>Iceland</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Netherlands</td>
<td>Netherlands</td>
</tr>
<tr>
<td>New Zealand</td>
<td>New Zealand</td>
<td>New Zealand</td>
</tr>
<tr>
<td>Norway</td>
<td>Norway</td>
<td>Norway</td>
</tr>
<tr>
<td>Portugal</td>
<td>Portugal</td>
<td>Portugal</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Slovenia</td>
<td>Slovenia</td>
</tr>
<tr>
<td>Spain</td>
<td>Spain</td>
<td>Spain</td>
</tr>
<tr>
<td>USA</td>
<td>USA</td>
<td>USA</td>
</tr>
</tbody>
</table>

Note: Chart plots coefficients and 95 percent confidence intervals for bivariate logit models before and after the crisis. The models regress university degree, income, and unemployment on the dichotomous measure of a vote for the incumbent, coded ‘1’ for those who cast a vote for the party of the incumbent Prime Minister or President, and ‘0’ for those who cast a vote for a different party. University degree is dichotomous. The unemployed are compared against labor force participants. Income is measured in quintiles.

Source: (CSES, 2013b,c,d).

To further investigate how vote choice has been affected by the financial crisis the next stage of the analysis estimates a multilevel with a full range of controls at the country and individual level. The results are presented once again in table format (Table 4.8), and graphically as a plot of coefficients (Figure 4.8) to enable easy comparison of coefficients and confidence intervals from before and after the
onset of the economic crisis. The dependent variable is, as before, a vote for the party of the incumbent Prime Minister or President compared to a vote for any other party. The model is estimated as a multilevel logistic regression using the Stata \texttt{gllamm} command, allowing for random intercepts.

Table 4.8: Predicting the Likelihood of Voting for the Incumbent

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Coef. (SE)</td>
<td>Coef. (SE)</td>
<td></td>
</tr>
<tr>
<td>GDP growth</td>
<td>$-0.02$ (0.03)</td>
<td>$0.04^{**}$ (0.01)</td>
</tr>
<tr>
<td>Unemployment</td>
<td>$0.06^{**}$ (0.01)</td>
<td>$0.14^{**}$ (0.01)</td>
</tr>
<tr>
<td>Coalition incumbent</td>
<td>$-0.49^{**}$ (0.12)</td>
<td>$-0.87^{**}$ (0.08)</td>
</tr>
<tr>
<td>Years incumbent in power</td>
<td>$-0.04^{**}$ (0.01)</td>
<td>$-0.03^{**}$ (0.01)</td>
</tr>
<tr>
<td>Left incumbent</td>
<td>$0.05$ (0.06)</td>
<td>$0.78^{**}$ (0.03)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment status (base: labor force participants)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td>$0.03$ (0.11)</td>
<td>$-0.01$ (0.16)</td>
</tr>
<tr>
<td>Other employment status</td>
<td>$-0.12^{*}$ (0.05)</td>
<td>$-0.07$ (0.07)</td>
</tr>
<tr>
<td>Income</td>
<td>$-0.01$ (0.03)</td>
<td>$0.01$ (0.04)</td>
</tr>
<tr>
<td>University degree</td>
<td>$-0.10$ (0.07)</td>
<td>$-0.17$ (0.11)</td>
</tr>
<tr>
<td>Age range (base: 18–29)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aged 30–49</td>
<td>$0.11$ (0.10)</td>
<td>$0.21^{*}$ (0.09)</td>
</tr>
<tr>
<td>Aged 50 and over</td>
<td>$0.17$ (0.10)</td>
<td>$0.38^{*}$ (0.15)</td>
</tr>
<tr>
<td>Gender (female)</td>
<td>$0.07$ (0.05)</td>
<td>$0.15$ (0.09)</td>
</tr>
<tr>
<td>Likes incumbent</td>
<td>$0.56^{**}$ (0.12)</td>
<td>$0.73^{**}$ (0.09)</td>
</tr>
<tr>
<td>Constant</td>
<td>$-4.08^{**}$ (0.78)</td>
<td>$-5.85^{**}$ (0.68)</td>
</tr>
</tbody>
</table>

| N (elections)                            | 31                      | 13                      |
| N (respondents)                          | 35,309                  | 13,543                  |
| ICC                                      | 0.12                    | 0.12                    |

\textit{Note:} Multilevel logistic regression model with random intercepts produced using the Stata \texttt{gllamm} command. The dependent variable is a dichotomous measure, coded ‘1’ for those who cast a vote for the party of the incumbent Prime Minister or President, and ‘0’ for those who cast a vote for any other party. Robust standard errors in parentheses. $^{*}p < 0.05$, $^{**}p < 0.01$


Looking first at the effect of country level predictors on the likelihood of casting a vote for the incumbent, GDP growth had no effect before the crisis, though a positive effect after the crisis. This supports the view that there was an economic voting response to the crisis and is consistent with Dassonneville and Lewis-Beck (2014\textit{a}) who found that economic voting effects were stronger during times of crisis. The findings on unemployment show the opposite relationship to what would be expected, with higher unemployment levels associated with a greater likelihood of
Figure 4.8: Predicting Vote for Incumbent – Coefficient Plot

Note: Chart plots coefficients and 95 percent confidence intervals for a multilevel logistic regression model with random intercepts produced using the Stata gllamm command. The dependent variable is a dichotomous measure, coded ‘1’ for those who cast a vote for the party of the incumbent Prime Minister or President, and ‘0’ for those who cast a vote for a different party. The base category for age is 18–29. The base category for employment status is labor force participants.

Sources: The CSES (2013b; 2013c; 2013d), with country level indicators from the World Bank (2015a; 2015b).

voting for the incumbent. The unemployment coefficient is positive before and after the crisis, although the effect is greater after the crisis. This aligns with existing research which shows that GDP growth is better able to predict economic voting than other economic indicators such as unemployment (Dassonneville and Lewis-Beck, 2014a, p. 376; Van der Brug et al., 2007).

The effect of coalition government was negative and significant both before and after the crisis, with a stronger effect after the crisis. Coalition government is generally associated with political systems where there are a greater number of parties to choose from, and PR systems. It makes sense that voters would be more likely to vote for a party other than that of the incumbent Prime Minister or President if there are more alternatives to choose from. Beyond this, coalition government was included in the model to account for clarity of responsibility, as responsibility is relatively obscured if the government is made up of a coalition instead of a single party (Powell and Whitten, 1993). That would lead to the expectation that the
vote for the incumbent would be relatively strong after the crisis in countries with a coalition incumbent, as it is harder to attribute blame. However, this data shows the opposite to be the case, perhaps as the greater number of parties to choose from provides more alternatives. Besides coalition government, as would be expected the longer an incumbent has been in power, the greater the likelihood of voting against the incumbent. There is no change in the effect of incumbency duration before and after the crisis. In terms of party orientation, before the crisis it made no difference whether the incumbent was on the left or right. After the crisis voters were significantly more likely to vote for the incumbent if the incumbent party was left of centre. This is consistent with the view that parties on the right would be held accountable to a greater extent than parties on the left.

At the individual level, as per the bivariate models discussed above, employment status and income have no effect on the likelihood of voting for the incumbent. Whilst falling short of significance, university education has a negative effect before and after the crisis, suggesting that those with higher levels of education may have been more likely to vote against incumbents, with the effect being greater after the crisis. This would be consistent with the view that more sophisticated voters with higher levels of education may process information differently to less sophisticated voters (see Hellwig, 2001). Older people were more likely to vote for incumbents than younger people; this was the case before and after the crisis though the difference only reaches significance after the crisis. In other words, young people were more likely to punish incumbents after the crisis. As young people were disproportionately affected by the crisis (Bell and Blanchflower, 2011), this is the one piece of evidence in support of the argument that those affected to a greater extent by the crisis might become more likely to vote against incumbents. As confidence intervals overlap however, it cannot be said that the effect is significantly different after the crisis compared to what it was before. The effect of gender falls just short of significance before and after the crisis, though the effect in both cases is positive with women being more likely to vote for the incumbent. Those who like the incumbent party are, unsurprisingly, more likely to vote for them. The effect size is greater after the crisis suggesting that after the crisis voters were more polarized.

Overall these results lend support to the sociotropic economic voting hypothesis (H1.9). After the crisis voters were more likely to vote against incumbents in countries with lower economic growth. Although the analysis used objective economic indicators instead of subjective evaluations, research has found objective and subjective measures to be closely related (Lewis-Beck and Stegmaier, 2007, p. 531). No support was found for pocketbook effects (H1.8), as those who were more vulnerable to the crisis were no more or less likely to vote against the incumbent party. The clarity of responsibility hypothesis (H1.10) was not supported in this case, although
that could be due to challenges of assessing contextual variation within a small sample size of only 13 countries.

### 4.5 Conclusion

Voting is the most conventional form of political participation and is the most direct way for citizens to have an influence on how their societies are governed. A considerable body of existing work has examined the effects of economic conditions on voting behavior. Much of this research has examined these relationships in ordinary times, though in the last few years studies have begun to explore voting behavior in the context of the global financial crisis that began in 2008.\(^{17}\) This chapter has contributed to this emerging body of literature by investigating two dimensions of voting behavior, voter mobilization and vote choice, in the context of the crisis. The analysis combines individual level data from the CSES across 45 elections within 13 countries with aggregate level data for the same sample of countries, to investigate the dynamics of voting behavior before and after the onset of the crisis.

Voter turnout was investigated first at the aggregate level, with data from International IDEA (2017). At the aggregate level the evidence supported the hypothesis that the crisis demobilized voter turnout. Turnout in the first election after the crisis was down by 2.4 percent in the overall sample, whereas in the same sample of countries turnout had increased by 0.9 percent between the two preceding elections. Moreover, countries that were harder hit by the crisis, as measured by GDP growth, were more likely to experience declines in turnout than those that fared relatively well. An exploration of the individual determinants of electoral participation revealed that these dynamics remain much the same during a period of crisis as in ordinary times. Those with higher levels of education, with higher incomes, and those in the labor force were more likely to vote before and after the crisis, with no significant change in the degree to which these variables have an effect.

The aggregate and individual level results on electoral participation are consistent with one another. At the individual level we know that those with fewer resources participate less (Verba et al., 1995); the results presented here demonstrate that this dynamic is no different during a crisis. At a time of crisis those with fewer resources are more numerous so it would then be expected that turnout would decline across society as a whole as a function of greater numbers experiencing resource constraints.

Analyses of electoral outcomes showed that governments were voted out to a similar degree before and after the crisis. However, after the crisis incumbent parties,\(^{17}\) See for example Kriesi (2014), Duch and Sagarzazu (2014), Dassonneville and Lewis-Beck (2014a) and Karp and Milazzo (2016).
both the party of the Prime Minister or President and coalition partners, lost votes and seats in parliament. A positive and statistically significant relationship was identified between GDP growth and the change in incumbent vote share, lending support to the central economic voting thesis that governments will be punished for poor economic performance. Within this sample of countries, parties on the left were more resilient to the crisis than those on the right. The sample is too small to infer too much from that result, though this would be consistent with the expectation that parties that have been proponents of the free market ideology that enabled the crisis to spread, would be more likely to be blamed.

Utilizing the individual level data from the CSES enabled hypotheses on sociotropic and pocketbook economic voting to be tested. Citizens were more likely to vote against incumbents in countries that were harder hit by the crisis, suggesting national economic conditions influenced the vote. There was no support however for the hypothesis that those more vulnerable to the crisis, whether through lower incomes or unemployment, would be more likely to vote against incumbents. Both before and after the crisis these variables had no effect on vote choice. In other words, there was no evidence of pocketbook effects either before or after the crisis in the overall sample. The results did indicate though that younger people were more likely to vote against incumbents after the crisis, relative to before the crisis.

This chapter adds to the substantial body of existing work examining the relationship between economic conditions and voting behavior by exploring these dynamics in the context of a major economic crisis. There have been many studies of economic voting in individual countries since the crisis, though few have investigated the crisis in cross national comparison. Of the recent cross-national studies, they have focussed on either European data at the aggregate level (Dassonneville and Lewis-Beck, 2014a; Kriesi, 2014), or individual level data from the European Election Study (Okolikj and Quinlan, 2016). This study uses cross-national post election surveys in a sample that extends beyond Europe. The chapter finds that crisis demobilizes electoral turnout, although the individual participation dynamics remain much the same during a crisis compared to ordinary times. In terms of vote choice, the results are consistent with a sociotropic economic voting effect during the crisis, though there is no evidence of pocketbook voting. The next chapter will investigate the effects of the crisis on civic engagement with data from the World Values Survey.

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18See for example Anderson and Hecht (2012), Marsh and Mikhaylov (2012), and Nezi (2012).
Chapter 5

Civic Engagement

Civic engagement, characterized by citizen participation in voluntary associations, provides a good behavioral indicator for assessing impacts of the crisis on citizen political engagement. Whilst voting behavior can only be measured at election time and is affected by many factors specific to the particular election, associational membership captures ongoing civic activity outside of the electoral cycle and is relatively stable over time. Chapter 2 identified six hypotheses as to how civic engagement might be affected by the crisis, which predicted either a mobilization response or a retreat response, and reasoned that these trends might differ across different types of association. This chapter will test these hypotheses with data from the World Values Survey in 18 countries, and is the first of three chapters to investigate citizen responses to the global financial crisis with the WVS data.

The retreat hypothesis predicts that the crisis would demobilize citizen participation in voluntary associations. This draws upon existing work on the inequality of participation that indicates those with fewer resources participate less in civic groups (Schlozman et al., 1999, 2012; Verba and Nie, 1972). Following the crisis, as more people experience the resource constraints typically associated with a lower likelihood of joining a voluntary group, it could be expected that voluntary association membership in the aggregate would decline. This hypothesis would also predict that those with fewer resources would remain less likely to be members of associations, much as before the crisis.

Alternatively, a mobilization hypothesis suggests that citizens will be mobilized to participate in civic organizations, or at least certain types of civic organizations, in response to the crisis. Politically oriented civic associations, whether unions, parties, or campaigning groups, may be used as means to articulate interests during the crisis. Moreover the services of humanitarian organizations, say soup kitchens or homeless shelters, may experience greater demand during the crisis. This greater need could be met with greater levels of voluntarism to provide required services. If the mobilization hypothesis is correct, in the aggregate it would be expected that
voluntary association membership would increase. At the individual level one might suppose that those most affected by the crisis, such as the unemployed and those on low incomes would be more likely to join civic associations than in ordinary times.

In addition to testing whether citizens were mobilized or demobilized from civic participation overall, these trends are further investigated across different types of organizations. To the extent that there is a mobilization, this would only be expected within the politically focussed associations, whether in the old social movement organizations, such as unions and political parties, or the new social movement organizations, such as humanitarian groups. For more recreational organizations, such as art, sport and music groups, it would be expected that the greater resource constraints after the crisis may constrain participation even if there has been a mobilization in the political sphere of civic activity.

This chapter proceeds in three main sections. The first provides an overview of the dependent variable, civic engagement, including how it is measured and trends over time in the countries under study. The second tests the mobilization and retreat hypotheses by analyzing trends in civic engagement at the aggregate level and through multilevel regression analysis. The third drills down to look at trends across different types of voluntary association to assess whether there are differential impacts.

5.1 Civic Engagement in 18 Societies

As discussed in Chapter 3, civic engagement is measured using the WVS, which asks respondents whether they are active members, inactive members, or not a member of nine types of voluntary organization across the two most recent waves of the survey. This includes: church or religious organizations; sport or recreational organizations; art music or educational organizations; labor unions; political parties; environmental organizations; professional associations; humanitarian or charitable organizations; and an ‘other’ category. The frequencies for each item incorporating data from the previous two waves of the WVS across all 18 countries are presented in Table 5.1. This shows participation in some types of associations is more widespread than others. As we would expect, membership in a religious organization is the most common, with around 40 percent of respondents reporting either active or inactive membership. This is followed by sport and recreational organizations at around 30 percent, and art, music or educational organizations, at around 20 percent. Participation in old or new social movement organizations are less common, typically drawing in 10 to 15 percent of respondents as active or inactive members.

This battery of questions enables the construction of various measures of civic engagement, operationalized as citizens’ participation in voluntary organizations.
### Table 5.1: Voluntary Association Membership

<table>
<thead>
<tr>
<th></th>
<th>Not a member</th>
<th>Inactive member</th>
<th>Active member</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>W5</td>
<td>W6</td>
<td>W5</td>
</tr>
<tr>
<td>Church or religious org.</td>
<td>61.1</td>
<td>60.9</td>
<td>19.4</td>
</tr>
<tr>
<td>Sport or recreational org.</td>
<td>70.7</td>
<td>71.8</td>
<td>11.3</td>
</tr>
<tr>
<td>Art, music or educational org.</td>
<td>79.6</td>
<td>81.5</td>
<td>8.8</td>
</tr>
<tr>
<td>Labor Union</td>
<td>83.2</td>
<td>85.3</td>
<td>11.2</td>
</tr>
<tr>
<td>Political party</td>
<td>86.1</td>
<td>87.5</td>
<td>9.7</td>
</tr>
<tr>
<td>Environmental org.</td>
<td>89.7</td>
<td>90.9</td>
<td>7.2</td>
</tr>
<tr>
<td>Professional association</td>
<td>86.1</td>
<td>87.7</td>
<td>7.8</td>
</tr>
<tr>
<td>Humanitarian or charitable org.</td>
<td>83.0</td>
<td>84.9</td>
<td>9.2</td>
</tr>
<tr>
<td>Other org.</td>
<td>92.5</td>
<td>90.4</td>
<td>2.5</td>
</tr>
</tbody>
</table>

*Note:* World Values Survey responses to the question worded, ‘Now I am going to read off a list of voluntary organizations. For each organization, could you tell me whether you are an active member, an inactive member or not a member of that type of organization?’ The table shows percentages drawn from the 18 country sample, weighted to a population of 1000 observations in each country survey (weight variable S018).


Three separate measures drawn from Norris are provided for each country in Table 5.2 (2002, pp. 147–148).\(^1\) The data comes from wave 6 of the WVS fielded over 2010 to 2013. The first measure shows the percentage of respondents within each society who are members, either active or inactive, in one or more voluntary associations. The second provides the average number of associations a citizen is a part of within each country. The third—the civic engagement scale which will be employed in the analyses in this chapter—is formed from Norris’ index of associational activism (2002, pp. 147–148). The scale ranges from zero to 18, weighting active and inactive membership across the nine categories of voluntary organizations. Active memberships contribute two points to the scale, inactive memberships one point.\(^2\)

The first measure provides an indication of how widespread participation is within a society. At the lower end, around one in three citizens of Romania and Spain are members of an association; at the higher end, almost all Ghanaians, at 97 percent, are members of at least one association. There are also high levels of participation, between 85 and 90 percent, in the the oldest democracies in the sample—New Zealand, Sweden, Australia, and the United States. The average across all countries is 66 percent. The next measure shows that the average number of memberships across these countries is 1.6. The average number of memberships is highest in New Zealand, at 2.85, and lowest in Spain, at 0.63. The civic engagement scale weighting

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1. Also see Schofer and Fourcade-Gourinchas (2001, p. 808).
2. A Cronbach’s alpha reliability test for the civic engagement scale has been conducted, indicating that the scale is of moderate reliability (\(\alpha=0.66\)) (see Hinton et al., 2004, p. 363).
### Table 5.2: Measures of Voluntary Association Membership

<table>
<thead>
<tr>
<th></th>
<th>Membership in any association (%)</th>
<th>Mean number of memberships</th>
<th>Mean civic engagement scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ghana</td>
<td>97</td>
<td>2.46</td>
<td>3.81</td>
</tr>
<tr>
<td>New Zealand</td>
<td>90</td>
<td>2.85</td>
<td>4.42</td>
</tr>
<tr>
<td>Sweden</td>
<td>89</td>
<td>2.38</td>
<td>3.26</td>
</tr>
<tr>
<td>Australia</td>
<td>86</td>
<td>2.33</td>
<td>3.47</td>
</tr>
<tr>
<td>United States</td>
<td>85</td>
<td>2.64</td>
<td>3.90</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>83</td>
<td>2.33</td>
<td>3.31</td>
</tr>
<tr>
<td>Netherlands</td>
<td>77</td>
<td>1.62</td>
<td>2.36</td>
</tr>
<tr>
<td>Germany</td>
<td>74</td>
<td>1.48</td>
<td>2.14</td>
</tr>
<tr>
<td>South Korea</td>
<td>71</td>
<td>1.54</td>
<td>2.11</td>
</tr>
<tr>
<td>Peru</td>
<td>64</td>
<td>1.18</td>
<td>1.79</td>
</tr>
<tr>
<td>Slovenia</td>
<td>60</td>
<td>1.35</td>
<td>2.02</td>
</tr>
<tr>
<td>Chile</td>
<td>59</td>
<td>1.49</td>
<td>2.19</td>
</tr>
<tr>
<td>Cyprus</td>
<td>53</td>
<td>1.23</td>
<td>1.79</td>
</tr>
<tr>
<td>Japan</td>
<td>49</td>
<td>0.88</td>
<td>1.30</td>
</tr>
<tr>
<td>Uruguay</td>
<td>43</td>
<td>0.76</td>
<td>1.18</td>
</tr>
<tr>
<td>Poland</td>
<td>43</td>
<td>0.91</td>
<td>1.36</td>
</tr>
<tr>
<td>Spain</td>
<td>36</td>
<td>0.63</td>
<td>0.91</td>
</tr>
<tr>
<td>Romania</td>
<td>36</td>
<td>0.69</td>
<td>1.03</td>
</tr>
<tr>
<td>Overall</td>
<td>66</td>
<td>1.60</td>
<td>2.35</td>
</tr>
</tbody>
</table>

*Note:* The civic engagement scale (0–18) incorporates active (+2) and inactive (+1) memberships across 9 types of voluntary association.


Active and inactive memberships is highest once again in New Zealand, and lowest in Spain. The average across all countries is 2.35. This civic engagement scale is the primary measure that will be used in this chapter as it makes use of the entirety of information provided by respondents regarding their engagement in voluntary associations.

In a few countries these results are driven by participation in religious organizations. Excluding membership in religious associations in Ghana leads to a drop in the membership rate from 97 percent to 63 percent. In Trinidad and Tobago the drop is from 83 to 49 percent. For most countries the difference is less dramatic, averaging 13 percent. When religion is excluded, it is the advanced democracies which have the highest rates of membership in voluntary associations—New Zealand, Sweden, Australia, and the United States.

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3. The civic engagement scale ranges from 0 to 18, and consists of both active memberships, which contribute two points each to the scale, and inactive memberships, which contribute one point each to the scale.

4. Results will be tested with and without religious organizations incorporated so as this does not affect the results, an approach taken by Curtis et al. (2001, 1992).
In addition to differences between countries, there is also variation within each country over time. Figure 5.1 shows the mean point on the civic engagement scale for all 18 countries at each time the question set on voluntary association membership has been fielded. The data is sourced from waves 1 to 6 of the WVS, though as not each country has been fielded in each survey wave, and as the battery of questions regarding voluntary association membership has not been asked in each wave, there are between two and four data points for each country. These trends show that citizens in countries with a longer history of democracy tend to be more active in civic life—see New Zealand, Sweden and Australia for example—compared to newer democracies, Poland and Uruguay. For the few countries that incorporate long term trends from the 1980s, Australia, South Korea, and Japan, the trajectory tends to be upwards over time, although in many countries there is a more recent decline over the 2000s.

The relationship between democratic experience and civic engagement is further highlighted in Figure 5.2, which plots the years since each country’s democratic
transition (log transformed) against the mean of the civic engagement scale. There is a strong positive relationship between democracy and civic engagement \( r=0.57, n=19, p=0.01 \). This relationship is stronger still if membership in religious organizations is removed from the scale \( r=0.71, n=19, p<0.001 \). Democratic societies allow the freedom of association and speech that is required for a healthy civic society to emerge. After a country transitions to democracy a vibrant civil society does not emerge overnight (Lipset, 1994, p. 3; Curtis et al., 2001, p. 787); it takes time for democracy to become consolidated, including the development of civic associations and citizens’ widespread participation within them (Linz and Stepan, 1996b). Various studies have shown that the post-communist countries in particular have lower levels of civic engagement, relative to both older democracies and other postauthoritarian states (Howard, 2002; Mondak and Gearing, 1998). This is evident in the post-communist countries in this sample, Poland and Romania, which have some of the lowest levels of voluntary membership across the 18 countries.

Figure 5.2: Relationship between Democratic Experience and Civic Engagement

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**Sources:** Civic Engagement Scale constructed from Wave 6 World Values Survey (2015b). Years of democratic experience is calculated as the difference between the survey year, and the variable ‘Polity4-durable’ from Norris’ Democracy Cross-national Data, which represents the latest regime transition date (2015).

This section has provided an overview of the measurement of civic engagement, and the trends in the 18 country sample from the WVS. Whilst it is not possible to

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\(^{5}\)The log of democratic experience is taken to reflect a non-linear relationship between democratic experience and civic engagement.
get a perfect measure of civic membership, the civic engagement scale takes account of both active and inactive memberships across a wide range of association types. Moreover, the question was worded identically in the surveys fielded before and after the crisis hit, enabling comparison over time. The next section tests the hypotheses as to how civic engagement has been affected by the global financial crisis.

### 5.2 Mobilization or Retreat?

The overarching question to investigate is whether citizens were mobilized to participate in civic associations following the crisis, or whether, on the contrary, they retreated from civic groups. Specific hypotheses around this were developed at both the country and individual level in Chapter 2. At the country level, the retreat hypothesis would predict that in countries affected by the crisis to a greater extent, civic engagement would be more likely to decrease (H2.1), as more citizens would be experiencing the resource constraints that are typically associated with a lower likelihood of participation (Norris, 2002; Schlozman et al., 2012). On the other hand, the mobilization hypothesis would predict the opposite—that in countries more affected by the crisis, civic engagement would be more likely to increase, as citizens would be mobilized to participate by the crisis (H2.3).

- **H2.1:** In countries hit harder by the crisis, civic engagement will be more likely to decline after the crisis than in countries that were less hard hit.

- **H2.3:** In countries hit harder by the crisis, civic engagement will be more likely to increase after the crisis than in countries that were less hard hit.

To investigate how civic engagement has changed in the 18 countries between the two most recent waves of the WVS, independent samples t-tests are conducted to assess whether there are significant differences between the civic engagement scale before and after the crisis. The results are presented in Table 5.3, showing a statistically significant decline in the mean civic engagement scale in nine countries, representing half of the sample. In just two countries, Australia and Romania, there is a significant increase. In Romania, civic engagement increases from the lowest level in the sample, a reflection of its communist history (Howard, 2002). Australia is unique for having largely avoided the effects of the global financial crisis. There were also increases in South Korea and Germany, falling short of significance in both cases. South Korea is another country that avoided a recession during

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6For example these items do not take account of multiple memberships in one category (Norris, 2002, p. 147).
Table 5.3: Trends in Civic Engagement

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ghana</td>
<td>4.71</td>
<td>3.81</td>
<td>-0.91**</td>
</tr>
<tr>
<td>Sweden</td>
<td>3.91</td>
<td>3.26</td>
<td>-0.64**</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2.76</td>
<td>2.36</td>
<td>-0.40**</td>
</tr>
<tr>
<td>Japan</td>
<td>1.65</td>
<td>1.30</td>
<td>-0.35**</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>3.63</td>
<td>3.31</td>
<td>-0.32*</td>
</tr>
<tr>
<td>Chile</td>
<td>2.47</td>
<td>2.19</td>
<td>-0.28*</td>
</tr>
<tr>
<td>Spain</td>
<td>1.17</td>
<td>0.91</td>
<td>-0.26**</td>
</tr>
<tr>
<td>Peru</td>
<td>1.99</td>
<td>1.79</td>
<td>-0.20*</td>
</tr>
<tr>
<td>Uruguay</td>
<td>1.36</td>
<td>1.18</td>
<td>-0.18*</td>
</tr>
<tr>
<td>Slovenia</td>
<td>2.16</td>
<td>2.02</td>
<td>-0.14</td>
</tr>
<tr>
<td>Cyprus</td>
<td>1.92</td>
<td>1.79</td>
<td>-0.13</td>
</tr>
<tr>
<td>Poland</td>
<td>1.43</td>
<td>1.36</td>
<td>-0.07</td>
</tr>
<tr>
<td>United States</td>
<td>3.89</td>
<td>3.90</td>
<td>0.01</td>
</tr>
<tr>
<td>New Zealand</td>
<td>4.40</td>
<td>4.42</td>
<td>0.02</td>
</tr>
<tr>
<td>Germany</td>
<td>1.99</td>
<td>2.14</td>
<td>0.15</td>
</tr>
<tr>
<td>South Korea</td>
<td>1.94</td>
<td>2.11</td>
<td>0.16</td>
</tr>
<tr>
<td>Australia</td>
<td>3.24</td>
<td>3.47</td>
<td>0.23*</td>
</tr>
<tr>
<td>Romania</td>
<td>0.44</td>
<td>1.03</td>
<td>0.58**</td>
</tr>
<tr>
<td>Total</td>
<td>2.50</td>
<td>2.35</td>
<td>-0.15**</td>
</tr>
</tbody>
</table>

Note: The table presents means of the civic engagement scale, which is constructed using weighted responses to the questions regarding active or inactive membership across nine types of voluntary organizations. Scale ranges from 0-18, with each active membership contributing 2 points to the scale, and each inactive membership 1 point. Shaded countries experienced a recession during the global financial crisis.


*p < 0.05, ** p < 0.01

the crisis, and Germany is considered to have fared well in comparison to other countries, although it did not avoid recession. In the remaining 7 countries there is no significant difference. Overall, the trend between the survey waves is significantly negative, declining from an average of 2.50 on the scale, to 2.35. Countries that avoided recession, those not shaded in Table 5.3, are more likely to have avoided a decline in civic engagement.

In order to further test the competing hypotheses of retreat and mobilization, Figure 5.3 plots growth rates over 2008 to 2009 against the change in the civic engagement scale. Using GDP growth from the crisis peak accounts for variation in crisis impacts between countries, beyond the dichotomous measure of which countries entered into recession during the crisis. Incorporating all countries there is no correlation between the two variables (r=-0.09, n=18, p=0.73). Incorporating only those countries classified as having very high human development according to the Human Development Index (United Nations Development Programme, 2016), the
relationship is positive and reasonably strong although it does not reach significance at the 0.05 level ($r=0.45$, $n=14$, $p=0.10$). This evidence is broadly consistent with the retreat hypothesis—in countries harder hit by the crisis, civic engagement decreased to a greater extent than in those countries that fared relatively well in the crisis, such as Australia, albeit this only holds in the most developed countries in the dataset. Of the less developed countries in the dataset, including Ghana, Peru, and Uruguay, there are too few to assess the relationship between the depth crisis and the change in civic engagement.

Figure 5.3: GDP Growth and Change in Civic Engagement

Note: Change in Civic Engagement measures the difference in the civic engagement scale country means (0–18) between WVS wave 5 (2004–2007) and wave 6 (2010–2013).
Sources: Civic engagement from the wave 5 and 6 World Values Surveys (2014; 2015); GDP growth from the World Bank (2015); Human Development Index (HDI) categorizations from the United Nations Development Programme (2016).

These hypotheses can also be explored at the individual level. From the existing literature, we know that those with more resources, including education, income, and labor force participation, are more likely to participate in voluntary associations (Schlozman et al., 2012; Schofer and Fourcade-Gourinchas, 2001). If this continues to be the case we would expect that after the crisis those with fewer resources participate less, much as before (H2.2). If, on the other hand, those more vulnerable to the crisis, such as the unemployed, those on lower incomes, and those with lower levels of education, were mobilized by the crisis, it would be expected that the relationship between resources and civic engagement would weaken after the crisis (H2.4).
H2.2: Individuals more vulnerable to the financial crisis, such as the unemployed, those on low incomes, and those with a lower level of education, will be less likely to participate in voluntary associations after the crisis.

H2.4: Individuals more vulnerable to the financial crisis, such as the unemployed, those on low incomes, and those with a lower level of education, will be more likely to participate in voluntary associations after the crisis.

To test these two hypotheses, bivariate negative binomial regression models are conducted to investigate the effect of various dimensions of resources on the civic engagement scale. Negative binomial regression is appropriate here as the data resemble count data, tallying up the number of active and inactive association memberships. University degree, income, employment status and financial satisfaction are considered as predictors. University degree is measured dichotomously—those with a degree compared to everyone else; the unemployed are compared against a base category of those in the labor force (whether full-time, part-time, or self-employed); income has been measured in deciles on a scale from one to ten; and financial satisfaction was reported on a scale from one to ten. The results of these regression models are presented in Figure 5.4.

Looking first at education, in the majority of cases having a university degree has a significant positive affect on voluntary association membership. The coefficients are similar across countries, indicating that there is not a lot of variation cross-nationally in the effect that education has on an individual’s level of civic engagement. Within each country the confidence bars in most cases overlap between the pre- and post-crisis survey waves, suggesting that university education is having a similar effect before and after the crisis. Romania and Uruguay are the exceptions, where education has a positive effect both before and after the crisis, although the size of the effect shifts. Japan is the only country where university education has no effect on civic engagement. This could be linked to Japan’s lower level of civic engagement overall, a finding consistent with other cross-national studies (Curtis et al., 2001; Schofer and Fourcade-Gourinchas, 2001). For the multilevel model incorporating all countries education has a similar positive effect pre- and post-crisis.

Income also has a positive and significant effect on civic engagement in most cases, including the multilevel model incorporating all countries. However, there is a greater degree of variation in the effect income has between countries. In Spain

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7 Active memberships contribute twice as much to the scale as inactive memberships, as per Norris (2002, pp. 147–148). Negative binomial regression is more appropriate than Poisson regression in this instance as it allows for over-dispersion, as indicated by a non-zero alpha value.
Figure 5.4: Effects of Resources on Civic Engagement

Note: Charts plot coefficients and 95 percent confidence intervals for negative binomial regression models before and after the crisis. The models regress university degree, income, unemployment, and financial satisfaction respectively on the civic engagement scale (0-18). University degree is dichotomous. The unemployed are compared against labor force participants. Income and financial satisfaction are on ten-point scales.

income has a large positive effect both before and after the crisis, in New Zealand and Sweden the effect is also positive but smaller, in the case of New Zealand falling short of significance at the 0.05 level. Once again the overlapping confidence intervals before and after the crisis, both within each country, and in the multilevel model, indicate that the effect of income cannot be considered significantly different after the crisis from what it was before. It continues to be those with higher incomes that are more more active in voluntary associations.

The coefficient for unemployment is in all cases either negative or not significantly different from zero. Whilst the effect of being unemployed, compared to being in the labor force, in many cases does not reach statistical significance, the overall trend is clearly negative, indicating that the unemployed are less active in civic associations. In the multilevel model unemployment has a negative effect before and after the crisis, although only reaches statistical significance after the crisis.

The final chart shows the effect of the respondents’ reported financial satisfaction on civic engagement, as subjective economic perceptions, whether pertaining to the country or one’s own finances, are found to matter in predicting political outcomes (see for instance Blekesaune, 2007; Gabel and Whitten, 1997). Similar to income, financial satisfaction trends positive cross-nationally, and reaches statistical significance in most, but not all cases. The multilevel model shows financial satisfaction having a similar positive effect before and after the crisis, as indicated by the similar coefficients and overlapping confidence intervals. Comparing income and financial satisfaction, both coded from one to ten, the effect size is similar in magnitude and direction, indicating both objective and subjective income measures matter for civic engagement.

How do these results inform the hypotheses regarding individual behavior and the crisis? The data reveals a pattern of continuity rather than change—it continues to be those with university educations, higher incomes, those in the labor force, and those more satisfied with their financial circumstances that are more likely to be engaged in civic associations. There was no mobilization of those most vulnerable to the crisis, as predicted by H2.4, so this hypothesis can be rejected. Instead, there is support for H2.2 which suggested those with fewer resources would remain less likely to participate in civic groups. Those more vulnerable in society did not become further demobilized, they just remain similarly inactive in associations, relative to those with greater resources.

The above results come from bivariate regression models that explore the impact of various predictors on civic engagement. To investigate the effects of country level

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8The wording for this item in the World Values Survey is ‘How satisfied are you with the financial situation of your household?’, with responses from 1 to 10 where 1 is ‘completely dissatisfied’ and 10 is ‘completely satisfied’.
and individual level predictors on civic engagement, a multilevel negative binomial regression model is conducted taking account of a range of control variables explored in previous studies (see Table 5.4). Multilevel modeling enables the investigation of predictors at two levels, reflecting the hierarchical nature of the data which is individuals nested within countries. Negative binomial regression is once again appropriate for the dependent variable which is a cumulative count of memberships in voluntary organizations, with active memberships weighted to contribute twice as much to the total as inactive memberships.  

Table 5.4 and Figure 5.5 present the results of the regression investigating the effects of various independent variables on an individual’s level of involvement in voluntary associations. The same regression model has been run on the WVS data from before the crisis (2004-2007) and after the crisis began (2010-2013). This enables a comparison of the impact of various independent variables at the two time points. The chart (5.5) and table (5.4) present the same information, although the chart eases comparison of coefficients and confidence intervals. Where the confidence intervals overlap from before and after the crisis for the same variable, the variable cannot be said to be having a significantly different affect after the crisis to what it was before.

At the country level a range of contextual factors previous research has demonstrated relevant in predicting civic engagement are incorporated. This includes democratic experience, log transformed to reflect a non-linear relationship with the dependent variable (see Figure 5.2). Protestant background is controlled for as historically Protestant nations are shown to have more vibrant civil societies than those influenced by other religious traditions including Catholicism (Curtis et al., 2001; Inglehart and Baker, 2000). Additionally economic conditions are included in the model, both GDP growth and unemployment, each taken from a two year period before each wave of the surveys was fielded (2003–2004; 2008–2009). Incorporating economic conditions enables an investigation of the effects of the crisis, and reflects previous research where national economic indicators were shown to be relevant predictors of civic engagement (Curtis et al., 2001; Lipset, 1959, p. 84).

The analysis of country level predictors of civic engagement is largely consistent with previous literature (for example Curtis et al., 2001, 1992; Schofer and Fourcade-Gourinchas, 2001), and does not suggest any major change following the crisis. Democratic experience is positively associated with civic engagement both before and after the crisis, although the effect is weaker after the crisis. GDP growth

9For similar modeling approaches with civic engagement as a dependent variable see Schofer & Fourcade-Gourinchas, 2001; Karakoc, 2013; Beyerlein & Hipp, 2006; Curtis, et al., 2001; Smith & Wiest, 2005.

10Studies including Curtis et al. (2001) and Wessels (1997) have shown a relationship between democratic experience and civic engagement.
Table 5.4: Predicting Civic Engagement Before and After the Crisis

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coef. (SE)</td>
<td>Coef. (SE)</td>
</tr>
<tr>
<td><strong>Country level predictors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Log of years democracy</td>
<td>0.67** (0.15)</td>
<td>0.36** (0.10)</td>
</tr>
<tr>
<td>GDP growth</td>
<td>0.18* (0.08)</td>
<td>0.08 (0.07)</td>
</tr>
<tr>
<td>Unemployment</td>
<td>−0.05* (0.02)</td>
<td>−0.09* (0.05)</td>
</tr>
<tr>
<td>Historically Protestant</td>
<td>0.58* (0.26)</td>
<td>0.84* (0.34)</td>
</tr>
<tr>
<td><strong>Individual level predictors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment status (base: labor force participants)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td>−0.47** (0.13)</td>
<td>−0.20** (0.09)</td>
</tr>
<tr>
<td>Other employment status</td>
<td>−0.34** (0.07)</td>
<td>−0.13 (0.09)</td>
</tr>
<tr>
<td>Income</td>
<td>0.10** (0.03)</td>
<td>0.11** (0.02)</td>
</tr>
<tr>
<td>University degree</td>
<td>0.80** (0.15)</td>
<td>0.73** (0.14)</td>
</tr>
<tr>
<td>Age range (base: 18-29)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aged 30-49</td>
<td>−0.03 (0.07)</td>
<td>−0.06 (0.10)</td>
</tr>
<tr>
<td>Aged 50 and over</td>
<td>0.14 (0.11)</td>
<td>−0.03 (0.13)</td>
</tr>
<tr>
<td>Gender (female)</td>
<td>−0.20* (0.08)</td>
<td>−0.19* (0.08)</td>
</tr>
<tr>
<td>Postmaterialist (12-item)</td>
<td>0.12** (0.04)</td>
<td>0.19** (0.03)</td>
</tr>
<tr>
<td>Married</td>
<td>0.00 (0.06)</td>
<td>0.03 (0.07)</td>
</tr>
<tr>
<td>Trust</td>
<td>0.36** (0.08)</td>
<td>0.47** (0.08)</td>
</tr>
<tr>
<td>Religious</td>
<td>0.83** (0.08)</td>
<td>0.73** (0.09)</td>
</tr>
<tr>
<td>Constant</td>
<td>−1.73* (0.67)</td>
<td>−0.18 (0.57)</td>
</tr>
<tr>
<td>N (countries)</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>N (respondents)</td>
<td>17,936</td>
<td>20,576</td>
</tr>
<tr>
<td>ICC</td>
<td>0.11</td>
<td>0.08</td>
</tr>
</tbody>
</table>

Note: Hierarchical negative binomial regression with random intercepts produced using Stata’s menbreg command. The dependent variable is the civic engagement scale ranging from 0 to 18. Robust standard errors in parentheses.

* p < 0.05, ** p < 0.01

Sources: Wave 5 and Wave 6 World Values Surveys (2014; 2015b), with country level indicators from the World Bank (2015a, 2015b) and Norris (2015).

is positively associated with civic engagement, though only reaches significance before the crisis. A country’s level of unemployment is negatively associated with civic engagement before and after the crisis, while being historically Protestant is positively associated with civic engagement before and after the crisis. As confidence intervals overlap for the coefficients from the two survey waves, we cannot be confident that the effect has changed following the crisis (see Figure 7.7). The greatest change would seem to be a weakening of the effect of democratic experience. These findings underscore the importance of economic conditions at the country level, with GDP growth positively associated with civic engagement, and unemployment negatively associated. This supports the retreat hypothesis (H2.1), as poor economic
conditions are shown to play a demobilizing rather than a mobilizing role in civic engagement.

At the individual level the results show the unemployed participate in civic associations less than those in the labor force, controlling for other factors. Similarly women are significantly less likely to participate than men. Those with higher incomes, and higher levels of education participate more, alongside those who are more trusting, religious, and postmaterialist respectively. There are no significant differences based on age group, or marital status. These results are largely consistent with previous research findings, though other studies have found significant differences between age groups (Curtis, et al., 1992; Schofer & Fourcade-Gourinchas, 2001), and have found married people participate more (Knoke and Thomson, 1977; Schofer and Fourcade-Gourinchas, 2001; Scott, 1957). Between the two time points we see little change in these relationships, both in terms of direction and magnitude. This echoes the findings of recent work on the financial crisis that examines other dimensions of political engagement, including protest, and voting, where the pattern...
of political behavior and opinion is one of continuation, with ‘surprisingly muted and moderate’ responses, rather than considerable change (Bermeo and Bartels, 2014, p. 31).

That these relationships remain similar before and after the crisis does have consequences for political behavior during times of crisis. The data does not support the mobilization hypothesis (H2.4), that the unemployed and other relatively disadvantaged groups, such as young people and women, were mobilized to participate in civic associations as a result of the crisis. Rather, the data supports the hypothesis that those more vulnerable would remain less likely participants in civic associations (H2.2). These findings are consistent with the results at the country level which showed a greater decline in civic engagement in countries harder hit by the crisis, in line with the retreat hypothesis (H2.1). To the extent that crisis leads to lower incomes and higher levels of unemployment, and that those groups participate less in voluntary associations than those more privileged, one would expect a decline in civic engagement overall during times of crisis, even though the socio-economic profile of participants has not changed.

5.3 Membership by Type of Association

The above analysis examined civic engagement across all measured voluntary association types. This included a wide range of associations, and there may be reasons to expect that some types of associations may be affected by the crisis in different ways to others. The previous literature makes distinctions between old and new social movement organizations (see Norris, 2002; Schofer and Fourcade-Gourinchas, 2001; Wessels, 1997). Schofer and Fourcade-Gourinchas (2001), using the WVS question battery employed here, categorize unions, political parties and professional associations as old social movement organizations, and humanitarian and environmental organizations as new social movement organizations. Beyond those organizations seeking to have an influence in the political sphere, the WVS also asks about membership in more recreational organizations, including membership in a ‘sport or recreational organization’ and ‘art, music or educational organization’. Though these groups serve no direct political purpose, Putnam (2000) has made the argument that these civic associations are vital to the lifeblood of democracy, providing citizens with the skills and networks to be active participants in democratic society.

Given the different roles of distinct types of associations, it might be expected that, to the extent that civic engagement is affected by the economic crisis, it may vary by the type of association. If people are mobilized to participate in the political process, either through old or new social movement organizations, then it would be expected that memberships would increase in these types of associations, but not
others (H2.5). Even in the context of a political mobilization, it would be fair to expect that greater levels of resource constraints would lead to a reduction in recreational association memberships. Association memberships typically require both time and money (Wessels, 1997, p. 203), which are in shorter supply during a crisis, and for recreational groups participation within them serves no direct political purpose. Alternatively, it may be found that the resource constraints take effect on all types of association memberships, with no mobilization trends evident in those organizations that serve political purposes during a crisis. Wessels for instance found that human capital resources, including income and education, matter for participation in both old and new social movement organizations (1997, pp. 206–208), so any reduction in these resources could foreseeably impact membership levels. In that case it would be expected that membership declines would be observed across all types of association (H2.6).

**H2.5:** After the crisis, membership in politically oriented voluntary associations would increase, while it would decrease in recreational associations.

**H2.6:** After the crisis, voluntary association membership would decline across all types of associations.

The first area to investigate concerns different types of associations in the political sphere. To test whether there was a mobilization or demobilization in particular types of memberships, Table 5.5 presents the trends for old social movement organizations—unions, political parties, and professional associations, and new social movement organizations—humanitarian and environmental organizations respectively, using Schofer and Fourcade-Gourinchas’ classification (2001). This shows similar trends across the different types of civic associations. In 14 of the 18 countries the trend for old social movement organizations is negative, and there is a significant decline in eight of these countries. Only Romania experienced a significant increase in old social movement memberships, and it did so from the lowest start point of all 18 countries. Similarly for new social movement organizations, 11 of the 18 show a negative trend, with eight countries experiencing a significant drop. Only two countries experience a significant increase in membership, including Romania again, which is once more starting from the lowest point within the sample of countries (a mean of 0.03 in the pre-crisis survey), and Germany, a country considered to have fared well during the economic crisis.

Two observations can be made from the organizational membership trends described in Table 5.5. First, countries that did not go into recession mostly avoided
### Table 5.5:Membership Trends in Old and New Social Movement Organizations

<table>
<thead>
<tr>
<th></th>
<th><strong>Old Social Movement membership</strong></th>
<th></th>
<th><strong>New Social Movement membership</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ghana</td>
<td>1.22</td>
<td>0.94</td>
<td>−0.29**</td>
<td>0.65</td>
</tr>
<tr>
<td>Netherlands</td>
<td>0.58</td>
<td>0.40</td>
<td>−0.18**</td>
<td>0.46</td>
</tr>
<tr>
<td>Chile</td>
<td>0.54</td>
<td>0.40</td>
<td>−0.15**</td>
<td>0.44</td>
</tr>
<tr>
<td>Cyprus</td>
<td>0.77</td>
<td>0.62</td>
<td>−0.14*</td>
<td>0.27</td>
</tr>
<tr>
<td>Sweden</td>
<td>1.09</td>
<td>0.96</td>
<td>−0.13**</td>
<td>0.55</td>
</tr>
<tr>
<td>Peru</td>
<td>0.37</td>
<td>0.25</td>
<td>−0.12**</td>
<td>0.35</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>0.74</td>
<td>0.65</td>
<td>−0.09</td>
<td>0.60</td>
</tr>
<tr>
<td>Spain</td>
<td>0.26</td>
<td>0.17</td>
<td>−0.08**</td>
<td>0.20</td>
</tr>
<tr>
<td>Slovenia</td>
<td>0.57</td>
<td>0.48</td>
<td>−0.08</td>
<td>0.35</td>
</tr>
<tr>
<td>Japan</td>
<td>0.39</td>
<td>0.32</td>
<td>−0.07*</td>
<td>0.13</td>
</tr>
<tr>
<td>Poland</td>
<td>0.38</td>
<td>0.32</td>
<td>−0.06</td>
<td>0.22</td>
</tr>
<tr>
<td>United States</td>
<td>1.25</td>
<td>1.20</td>
<td>−0.05</td>
<td>0.65</td>
</tr>
<tr>
<td>South Korea</td>
<td>0.31</td>
<td>0.28</td>
<td>−0.02</td>
<td>0.20</td>
</tr>
<tr>
<td>Uruguay</td>
<td>0.26</td>
<td>0.25</td>
<td>−0.01</td>
<td>0.19</td>
</tr>
<tr>
<td>Germany</td>
<td>0.35</td>
<td>0.38</td>
<td>0.03</td>
<td>0.21</td>
</tr>
<tr>
<td>Australia</td>
<td>0.77</td>
<td>0.82</td>
<td>0.06</td>
<td>0.61</td>
</tr>
<tr>
<td>New Zealand</td>
<td>0.88</td>
<td>0.96</td>
<td>0.08</td>
<td>0.82</td>
</tr>
<tr>
<td>Romania</td>
<td>0.20</td>
<td>0.30</td>
<td>0.11**</td>
<td>0.03</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>0.61</td>
<td>0.54</td>
<td>−0.07***</td>
<td>0.38</td>
</tr>
</tbody>
</table>

*Note:* Old Social Movement organization membership is measured on a scale of 0-6, reflecting membership in either a union, a political party, or a professional association, with each active membership counting two points towards the scale, each inactive membership, one point. New Social Movement organization membership is measured on a scale of 0-4, reflecting membership in either an environmental organization or a humanitarian/charitable organization, with each active membership counting two points towards the scale, each inactive membership, one point. Shaded countries experienced a recession during the global financial crisis.

* p < 0.05, ** p < 0.01

significant declines in old or new social movement membership. Second, countries that experienced a decline in one type of association, typically saw a decline in the other type of association also. This is demonstrated in Figure 5.6 which plots the change in old social movement organization memberships against the change in new social movement organization memberships between the two survey waves. There is a strong positive relationship between these two indicators ($r=0.84$, $n=18$, $p<0.01$). Where one type of associational membership increased/decreased, in most cases the same trend was observed in the other membership type. The overall trend is one of decline in both new and old social movement organizations. This means that we can reject the hypothesis that membership in politically oriented voluntary associations would increase after the crisis (H2.5).

Figure 5.6: Change in Old and New Social Movement Membership

Note: Old Social Movement Membership incorporates unions, political parties, and professional associations (Scale 0-6). New Social Movement Membership incorporates environmental organizations and humanitarian/charitable organizations (Scale 0-4). Each active membership contributes two points towards the scale, each inactive membership, one point. The change is the difference in the country means between Wave 5 and Wave 6 of the World Values Survey.


The analysis so far covers the more politically oriented civic associations. What about civic groups that serve no particular purpose in the political arena, though

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11Ghana is the exception, though whilst the country did not go into recession GDP growth declined by 4.3 percent from 2008 to 2009, and at the household level the effects were felt, including a reduction in household purchasing power, falling remittances, fewer jobs, and higher food prices (World Food Programme, 2010).
nevertheless contribute to a healthy civic life? These sport, recreation, music and art groups, according to Putnam’s argument, enhance the functioning of democracy (2000; 1993). Both hypotheses predicted a decline in recreational memberships after the crisis. From the above analysis we know that there was a decline in politically oriented memberships, so the question is now whether recreational memberships followed the same trend.

From the question battery in the WVS, an index is created of the more recreational associations. This includes the items ‘sport or recreational organization’ and ‘art, music or educational organization’. Similar to the other scales, active memberships count two points, inactive memberships, one point, leading to a scale from 0 to 4. An analysis of the trends from the survey waves fielded before and after the crisis respectively, showed in 13 of the 18 countries there was a downward trend, which is statistically significant in 5 of these cases (table excluded for parsimony). Once again it is only in Romania that there was a significant increase from the lowest starting point. Overall the scale decreases from an average of 0.80 to 0.74, a statistically significant decline ($p < 0.01$). To assess how this change relates to that of other associations, the change in the mean of this scale for each of the 18 countries is correlated against the change in the scales for old and new social movement organization memberships respectively. The associated correlation matrix is presented in Table 5.6. This reveals a strong and significant positive correlation between the change in the various association types from before and after the crisis. If membership in one type of association increased, chances are the same trend was observed in other types of associations. On the whole the pattern is one of decline, or demobilization, rather than mobilization.

<table>
<thead>
<tr>
<th></th>
<th>Change REC</th>
<th>Change OSM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change OSM</td>
<td>0.83**</td>
<td></td>
</tr>
<tr>
<td>Change NSM</td>
<td>0.71**</td>
<td>0.84**</td>
</tr>
</tbody>
</table>

Note: Table shows Pearson’s r.
OSM: Old Social Movement Organization membership.
NSM: New Social Movement Organization membership.
REC: Sport, recreational, art, music, or educational organization membership.

** $p < 0.01$


This section has tested whether the trends observed in the overall civic engagement scale were driven by particular types of associations. The results show firstly that the overall trend across association types is negative, with around half of the countries showing a significant decline since the pre-crisis survey, and only one or
two outliers showing the opposite trend. Second, the results show that the trends in each country are closely correlated across association types. Membership in very different types of associations, including old social movement organizations, new social movement organizations, and recreational associations, were affected in much the same way. These results align with Wessels (1997, p. 216) who found that indicators of modernity, including income and education, mattered for civic engagement overall though did not have particularized effects for different types of associations.

5.4 Conclusion

Civic engagement is widely considered to be crucial for democracy. Citizen involvement in voluntary organizations helps establish networks of association and participatory norms, which has positive flow-on effects for citizen engagement in democratic politics. Previous research has established a relationship between economic conditions and civic engagement (for example Curtis et al., 2001; Wessels, 1997), though this has not been explored in the context of a major economic crisis. The global economic crisis which began in 2008—regarded as the most severe since the depression of the 1930s—gives cause to further examine the relationship. This chapter has examined the impact of the crisis on civic engagement with WVS data from before and after the crisis began in 18 democratic countries.

The aggregate trends show civic engagement declined significantly after the crisis in around half of the countries under study. In only two countries, Australia and Romania, was there a significant increase. Both are unique: Australia was relatively unaffected by the global crisis; and in Romania civic engagement increased from the lowest starting point in the sample of 18 countries. There was a positive relationship between GDP growth at the peak of the crisis and the change in civic engagement, although this was only evident within the more developed countries in the dataset. In other words, countries that were harder hit by the crisis were more likely to see declines in civic engagement since the crisis. This finding is consistent with the hypothesis that the crisis had a demobilizing effect on voluntary association memberships. There is no evidence to suggest the crisis mobilized participation in civic associations, rather, harsher impacts led to greater degrees of withdrawal from civic participation.

The multilevel analysis of the WVS data provided further information on the dynamics of participation in voluntary associations before and after the economic crisis hit. National economic indicators were associated with civic engagement before and after the crisis—unemployment levels were negatively associated with participation, whereas with GDP growth the relationship was positive (though falling short of significance after the crisis), lending further support to the view that poor eco-
nomic conditions depress civic involvement. Analysis at the individual level further underscored this finding of retreat. Before and after the crisis, an individual’s resources, including education, income level, labor force participation, and financial satisfaction were associated with a greater degree of participation in civic associations. There were no significant changes in the nature of these relationships after the crisis. This suggests those most vulnerable to the crisis remained just as unlikely to join an association as before.

The final section explored how these trends played out across different types of association. Distinguishing between old social movement organizations—unions, political parties and professional associations, new social movement organizations—environmental and humanitarian organizations, and also more recreational groups including art, music, sport and educational groups, showed the decline in civic engagement was not driven by a particular type of association, but was evident across association types. This demonstrates that there was no mobilization within the more politically oriented organizations, rather there was a significant decline across the various organizational types in around half of the countries, with no significant change in most of the remaining countries.

These results contribute to our understanding of how political engagement and participation may be affected by economic shocks. Whilst existing work on voting behavior suggests a major crisis may increase the inequality of participation (see Karp and Milazzo, 2016), the results presented here find that not to be the case for civic engagement. Individual level data shows the most vulnerable in society did not participate to a greater or lesser extent than they would during ordinary times. The aggregate level results suggest major economic shocks, in creating greater levels of disadvantage in societies as a whole, may depress the level of participation in voluntary associations. One implication of this is that during times of hardship when the functions provided by voluntary associations may be of greater need, this need will not necessarily be matched by greater degrees of voluntarism. The next chapter will explore the impacts of the crisis on political protest, using a similar approach with the data from the WVS in 18 countries.
Chapter 6

Political Protest

Joining in some kind of protest is one way citizens might respond to the crisis. While opportunities to influence the government via elections only appear periodically, citizens can initiate protest actions intended to influence the government at the time of their choosing. Chapter 2 outlined four theoretical approaches that might predict how citizen protest would be affected including grievances, resources, values, and political opportunities. This chapter will test hypotheses derived from these theories with WVS data from before and after the crisis, and with data on the number of protest events from ICEWS.

The first two theoretical approaches to be tested, concerning grievances and resources respectively, are juxtaposed against one another. According to grievance theories it is those with grievances who would be expected to protest in the aftermath of a crisis (Gurr, 1968, 1970). Thus according to this approach, we would expect those more vulnerable to the crisis, such as the unemployed, those on low incomes, and those with lower levels of education, to be mobilized by the crisis. Resource theories on the other hand, drawing upon the literature on the inequality of participation (Verba et al., 1995), would predict that it is those with greater resources who would continue to be active in protest. With more individuals experiencing resource hardship after the crisis, it could be expected that there is a decline in protest participation as those with characteristics typically negatively associated with protest become more numerous.

The third area to be tested is Inglehart’s values approach (1979; 1997), regarding the role of postmaterialist values in shaping protest behavior before and after the crisis. Several predictions about the consequences of the crisis are identified. This includes a predicted decline in postmaterialism in countries hard hit by the crisis, that may have repercussions for protest participation. On the one hand, if it continues to be postmaterialists that protest and there is a decline in postmaterialism, a decline in protest could also be expected. On the other hand, materialists could be mobilized by the crisis, as their needs are less likely to be met during a crisis.
Finally, the political opportunities approach stemming from the social movement literature posits that it is openings in the opportunities for citizens to engage in the political process that would lead to protest (Kitschelt, 1986; Tarrow, 1998). This body of theory led to the hypothesis that citizens may be mobilized to protest in response to governments’ policy interventions seeking to address the crisis, rather than the crisis in and of itself. Specifically, this hypothesis predicted that protest may emerge in response to austerity policies including the IMF and European Union bailouts that led to the imposition of harsh austerity measures in Europe. Government policy responses provide a more specific target for protest actions than the crisis more broadly, where numerous actors could have been blamed, including but not limited to national governments (Stiglitz, 2010, pp. 6–12). This chapter will test each of these theoretical areas in turn to investigate the effects of the crisis on political protest.

6.1 Political Protest in 18 Societies

Political protest is measured using the battery of questions in the WVS concerning participation in and potential to join various types of protest. The items include: signing a petition; joining in boycotts; and attending peaceful demonstrations.¹ For each, the survey asks whether the respondent has either participated in that type of protest before, might consider doing so, or would never do so. The question wording is as follows:

> I’m going to read out some forms of political action that people can take, and I’d like you to tell me, for each one, whether you have done any of these things, whether you might do it or would never under any circumstances do it:

- signing a petition
- joining in boycotts
- attending peaceful demonstrations

(World Values Survey Association, 2012)

The frequencies across these protest items for Waves 5 and 6 of the WVS are presented in Table 6.1. Signing a petition is the protest action that the most respondents had done—40 percent had signed a petition in Wave 5, and 35 percent had in Wave 6 of the WVS. Another third of respondents said they might sign a petition, while the remaining 30 percent (29 percent in Wave 5) said that they would

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¹Although the WVS has asked at times about other forms of protest, including joining strikes, these three items were asked in both the fifth and sixth waves of the survey, enabling a comparison of the same measures over time.
never sign a petition. As for joining a peaceful demonstration, 19 percent said they had done so in Wave 5, this declined to 15 percent in Wave 6. The remaining 80 to 85 percent of the sample were roughly split as to whether they might join a demonstration or would never do so. Joining a boycott was the item that the fewest respondents had done, at less than 10 percent in both waves of the survey. Over 50 percent of respondents said that they would never join a boycott.

Table 6.1: Protest Potential and Participation

<table>
<thead>
<tr>
<th></th>
<th>Would never do</th>
<th>Might do</th>
<th>Have done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petitions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>W5</td>
<td>29.1</td>
<td>31.2</td>
<td>39.8</td>
</tr>
<tr>
<td>W6</td>
<td>30.8</td>
<td>34.0</td>
<td>35.2</td>
</tr>
<tr>
<td>Boycotts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>W5</td>
<td>54.4</td>
<td>36.5</td>
<td>9.1</td>
</tr>
<tr>
<td>W6</td>
<td>56.8</td>
<td>35.0</td>
<td>8.1</td>
</tr>
<tr>
<td>Demonstrations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>W5</td>
<td>41.1</td>
<td>40.0</td>
<td>18.9</td>
</tr>
<tr>
<td>W6</td>
<td>40.5</td>
<td>44.6</td>
<td>14.9</td>
</tr>
</tbody>
</table>

Note: Percentages are drawn from the 18 country sample, weighted to a population of 1000 observations in each country survey (weight variable S018).


From these question items, several measures of protest participation and potential can be constructed. Three different measures are presented in Table 6.2. The first shows the percentage within each country that have participated in one or more of the three types of protest, either a petition, a boycott, or a demonstration. A large degree of variation is present in the sample, with 85 percent of New Zealanders reporting that they had participated in some form of protest, while only 7 percent of Ghanaians had done so. Overall, the older democracies including New Zealand, Sweden, Australia, the United States and Germany have higher levels of protest participation than do the newer democracies in the sample, such as Romania and Uruguay. The second measure provides the average number of protest items respondents ‘had done’ in each country. This ranges from 0.08 in Ghana, to 1.28 in New Zealand. In only three countries in the sample—New Zealand, Sweden and Australia—the average number of protest types respondents had participated in reached over 1.0.

The final measure is the mean of the political protest scale that incorporates both protest participation and potential. It has been constructed by adding up the number of protest items the respondent said they had done, each contributing one point to the scale, and protest items the respondents said they might do, contributing 0.5 points each to the scale. This measure, which incorporates protest potential alongside participation reveals a similar picture to the other two. Between the different measures, there are few differences in the overall rankings of countries. The final measure will be included in the analyses in this chapter as it takes account of the entirety of information provided by respondents, providing the greatest variation

137
between individuals’ potential for and participation in protest.\(^2\)\(^3\)

### Table 6.2: Measures of Political Protest

<table>
<thead>
<tr>
<th>Country</th>
<th>Participated in protest (%)</th>
<th>Mean number of protest types participated in</th>
<th>Mean Political Protest Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand</td>
<td>85</td>
<td>1.28</td>
<td>1.81</td>
</tr>
<tr>
<td>Sweden</td>
<td>70</td>
<td>1.12</td>
<td>1.76</td>
</tr>
<tr>
<td>Australia</td>
<td>73</td>
<td>1.04</td>
<td>1.68</td>
</tr>
<tr>
<td>United States</td>
<td>63</td>
<td>0.90</td>
<td>1.60</td>
</tr>
<tr>
<td>Germany</td>
<td>51</td>
<td>0.78</td>
<td>1.35</td>
</tr>
<tr>
<td>Netherlands</td>
<td>39</td>
<td>0.55</td>
<td>1.28</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>29</td>
<td>0.46</td>
<td>1.22</td>
</tr>
<tr>
<td>South Korea</td>
<td>28</td>
<td>0.41</td>
<td>1.15</td>
</tr>
<tr>
<td>Spain</td>
<td>34</td>
<td>0.56</td>
<td>1.12</td>
</tr>
<tr>
<td>Cyprus</td>
<td>33</td>
<td>0.50</td>
<td>1.08</td>
</tr>
<tr>
<td>Poland</td>
<td>36</td>
<td>0.44</td>
<td>1.01</td>
</tr>
<tr>
<td>Slovenia</td>
<td>34</td>
<td>0.46</td>
<td>1.01</td>
</tr>
<tr>
<td>Japan</td>
<td>32</td>
<td>0.37</td>
<td>0.98</td>
</tr>
<tr>
<td>Peru</td>
<td>24</td>
<td>0.32</td>
<td>0.87</td>
</tr>
<tr>
<td>Chile</td>
<td>32</td>
<td>0.50</td>
<td>0.82</td>
</tr>
<tr>
<td>Uruguay</td>
<td>28</td>
<td>0.40</td>
<td>0.73</td>
</tr>
<tr>
<td>Romania</td>
<td>16</td>
<td>0.23</td>
<td>0.66</td>
</tr>
<tr>
<td>Ghana</td>
<td>7</td>
<td>0.08</td>
<td>0.44</td>
</tr>
<tr>
<td><strong>Overall</strong></td>
<td><strong>40</strong></td>
<td><strong>0.58</strong></td>
<td><strong>1.14</strong></td>
</tr>
</tbody>
</table>

*Note:* Political protest scale ranges from zero to 3, incorporating both protest participation and potential across the three types of protest—petitions, boycotts and peaceful demonstrations. *Source:* Wave 6 World Values Survey (2015b).

In addition to the differences across countries, there are changes over time within each country. Figure 6.1 presents the trends in political protest over time in each of the 18 countries selected for this study. The charts plot the mean values on the protest scale, combining protest participation and potential for petitions, boycotts, and demonstrations. The data is sourced from the World Values Survey (waves 1 to 6) and where available, the European Values Study (waves 1 to 4). In some cases the data goes back to the early 1980s, whereas in others the data is only available from the mid 2000s.

Whilst the nature of the trends in political protest differs according to the specific circumstances of each country, there are some general trends evident cross-nationally. Firstly, countries that have been democratic for a longer period of time, such as

---

\(^2\)Barnes and Kaase (1979, pp. 57–96) have advocated for the inclusion of protest potential as participation tends to be influenced by local political opportunities.

\(^3\)A Cronbach’s alpha reliability test for the political protest scale has been conducted, indicating that the scale has high reliability (\(\alpha=0.75\)) (see Hinton et al., 2004, p. 363).
Australia, the United States, and Sweden have much higher levels of political protest than those that democratized more recently, for instance Spain and Chile. Second, from the 1980s to the 2000s there was in most cases a gradual rise in protest activity. Third, in recent years since the late 2000s in many countries there has been a slight reversal in these long-term trends, for example in Spain, Sweden and Japan. This decline is primarily evident in those countries with a high base of protest activity—economically developed countries with a longer democratic history. This chapter will investigate whether and how these trends have been influenced by the economic shock of the global financial crisis.

It was evident in the above graphs and tables that countries that had been democratic for a longer period of time had higher levels of protest participation than newer democracies. To further highlight this, Figure 6.2 plots the years each country has been democratic against each country’s average score on the political
Figure 6.2: Relationship between Democratic Experience and Political Protest

Sources: Political Protest Scale constructed from Wave 6 World Values Survey (2015b). Years of democratic experience is calculated as the difference between the survey year, and the variable ‘PolityIV-durable’ from Norris’ Democracy Cross-National Data, which represents the latest regime transition date (2015).

protest scale in Wave 6 of the WVS.  

A Pearson’s correlation test confirms a strong positive relationship between democratic experience and political protest ($r=0.84$, $n=19$, $p<0.01$). This is consistent with existing research which demonstrates that countries with a history of active citizenship have higher levels of protest (see Norris, 2002, pp. 195–197). The reasons for this are similar to those discussed in the previous chapter with respect to civic engagement. Democracies allow for freedom of association and expression, and it takes time after a democratic transition for democratic attitudes and behaviors to emerge (Linz and Stepan, 1996b). Political protest is also linked to a flourishing civic life, discussed in Chapter 5, as voluntary associations are often involved in organizing protest actions (Norris, 2007, 637–638).

This section has provided an overview of the dependent variable, political protest. The discussion has included participation levels across the different types of protest, including petitions, boycotts, and demonstrations. Trends in protest across countries, and over time were explored, alongside the relationship between political protest and democratic support. The subsequent sections will test the hypotheses identified in Chapter 2 regarding the effects of the crisis on political protest.

---

4 Democratic experience has been log-transformed to reflect a non-linear relationship with political protest.
The political protest scale discussed in this section, combining protest potential and participation for petitions, boycotts and demonstrations, will be used in the analyses for sections 6.2 and 6.3. The final section on political opportunities, 6.4, will supplement these analyses of individual level data with protest event data from ICEWS.

6.2 Grievances and Resources

The first area of theory to be tested is the role of grievances in predicting protest participation. Under this theory it would be assumed that those experiencing financial hardship would be mobilized to participate in protest. Competing against grievance theories are resource approaches, which are based on the premise that it is those with resources who are more likely to engage in protest (Dalton, 2014; Norris et al., 2006). These competing theories can be explored in the context of the global financial crisis in terms of both aggregated participation in political protest within countries, as well as an individual’s likelihood to participate in protest.

Looking first at the country level, according to the grievance hypothesis we could expect political protest to increase in countries affected by the crisis to a greater extent as economic grievances become more widespread (H3.1). According to the resources hypothesis on the other hand, we would expect the reverse to be true, with political protest more likely to decline in countries more affected by the crisis as greater hardship means fewer citizens have the resources typically associated with protest participation (H3.3).

H3.1: In countries hit harder by the crisis, political protest will be more likely to increase after the crisis than in countries that were less hard hit.

H3.3: In countries hit harder by the crisis, political protest will be more likely to decline after the crisis than in countries that were less hard hit.

The data from the WVS fielded before and after the financial crisis in 18 democratic countries enables these competing hypotheses to be tested. Table 6.3 presents the mean protest scale in each country in the survey waves fielded before and after the crisis respectively, in addition to the change between the two time points. Independent samples t-tests have been conducted to determine whether the level of protest after the crisis can be considered significantly different to the level before the crisis in each country. 8 of the 18 countries experienced a significant decline in the political protest scale between the two survey waves, whereas only 3 countries showed a significant increase, for the remaining 7 countries there was no significant
There are a few things worth noting about these trends. Firstly, newer democracies that had lower levels of protest to begin with were more likely to see an increase in protest, including Chile, Romania, and Poland—the only three countries where protest significantly increased. Secondly, countries that did not experience a recession were mostly among those that did not experience a drop in protest, including Australia, South Korea, and Poland. Germany, a country that did go into recession along with most of Europe, though was considered to have fared well in comparison to other European countries (Funk, 2012), also avoided a decline in protest activ-

---

**Table 6.3: Trends in Political Protest**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>1.30</td>
<td>0.98</td>
<td>−0.31**</td>
</tr>
<tr>
<td>Ghana</td>
<td>0.71</td>
<td>0.44</td>
<td>−0.26**</td>
</tr>
<tr>
<td>Sweden</td>
<td>1.95</td>
<td>1.76</td>
<td>−0.19**</td>
</tr>
<tr>
<td>Peru</td>
<td>1.05</td>
<td>0.87</td>
<td>−0.19**</td>
</tr>
<tr>
<td>Spain</td>
<td>1.25</td>
<td>1.12</td>
<td>−0.14**</td>
</tr>
<tr>
<td>Slovenia</td>
<td>1.14</td>
<td>1.01</td>
<td>−0.13**</td>
</tr>
<tr>
<td>United States</td>
<td>1.71</td>
<td>1.60</td>
<td>−0.11**</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1.38</td>
<td>1.28</td>
<td>−0.10**</td>
</tr>
<tr>
<td>Germany</td>
<td>1.44</td>
<td>1.35</td>
<td>−0.09*</td>
</tr>
<tr>
<td>Cyprus</td>
<td>1.17</td>
<td>1.08</td>
<td>−0.09*</td>
</tr>
<tr>
<td>South Korea</td>
<td>1.21</td>
<td>1.15</td>
<td>−0.07</td>
</tr>
<tr>
<td>Uruguay</td>
<td>0.78</td>
<td>0.73</td>
<td>−0.06</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>1.27</td>
<td>1.22</td>
<td>−0.05</td>
</tr>
<tr>
<td>New Zealand</td>
<td>1.85</td>
<td>1.81</td>
<td>−0.04</td>
</tr>
<tr>
<td>Australia</td>
<td>1.70</td>
<td>1.68</td>
<td>−0.02</td>
</tr>
<tr>
<td>Romania</td>
<td>0.47</td>
<td>0.66</td>
<td>0.19**</td>
</tr>
<tr>
<td>Chile</td>
<td>0.61</td>
<td>0.82</td>
<td>0.21**</td>
</tr>
<tr>
<td>Poland</td>
<td>0.78</td>
<td>1.01</td>
<td>0.24**</td>
</tr>
<tr>
<td>Total</td>
<td>1.21</td>
<td>1.14</td>
<td>−0.06**</td>
</tr>
</tbody>
</table>

*Note:* The table presents means of the political protest scale, which is constructed using weighted responses to the questions regarding protest potential and participation across three types of activity—petitions, boycotts, and demonstrations. Scale ranges from 0-3, with each type of activity the respondent has done contributing one point to the scale, and each the respondent ‘might do’ contributing half a point. Shaded countries experienced a recession during the global financial crisis.

* p < 0.05, ** p < 0.01

**Source:** Wave 5 and Wave 6 World Values Surveys (2014, 2015).
ity. Meanwhile Spain, the United States and Japan, all countries that were badly affected by the crisis, albeit in different ways, are among those that experienced significant declines in political protest. These results lend some support to the resources hypothesis. There is no evidence of a mobilization amongst countries hard hit by the crisis, and more countries show demobilization which is consistent with the resources based model of protest, as protest has declined contemporaneously with a decline in societal wealth.

Figure 6.3: GDP Growth and Change in Political Protest

Note: Change in Political Protest measures the difference in the political protest scale country means (0–3) between WVS wave 5 (2004–2007) and wave 6 (2010–2013).
Sources: Political protest from the wave 5 and 6 World Values Surveys (2014; 2015b); GDP growth from the World Bank (2015a); Human Development Index (HDI) categorizations from the United Nations Development Programme (2016).

To provide another way of looking at these trends which takes account of the extent of the crisis in each society, Figure 6.3 plots the average GDP growth rate over 2008 to 2009 in each country, against the change in the aggregated political protest scale which captures protest potential and participation. GDP growth over 2008 to 2009, the peak of the crisis, provides a measure of the crisis depth, while the change in political protest measure provides an indication of whether protest has increased or declined since the previous wave of the WVS preceding the crisis. The Pearson correlation between these two variables incorporating all

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6The protest scale incorporates petitions, boycotts, and public demonstrations on a seven-point scale ranging from 0 to 3.
countries is positive though does not reach statistical significance so it is not possible to reject the null hypothesis (r=0.18, n=18, p=0.47). Looking at the pattern of observations in Figure 6.3 reveals a more nuanced picture however, with different trends across different types of countries. By classifying countries according to the Human Development Index either as ‘very high human development countries’ or into the lower categories, including ‘high human development’ (Uruguay, Trinidad and Tobago, and Peru) and ‘medium human development’ (Ghana), a different picture emerges. Amongst the very high human development countries, there is a strong positive significant relationship between GDP growth over 2008 to 2009 and the change in political protest from before and after the economic crisis hit, also indicated by the line of fit in Figure 6.3 (r=0.74, n=14, p<0.01). There are too few of the less developed countries in the data set to provide an indication as to what the true relationship would be in those cases.

These results lend support to the resources model of protest (H3.3). In countries that experienced greater hardship during the crisis, citizens became less active in political protest, whereas in those that fared relatively well, such as Australia, political protest was more likely to either stay the same or increase. There is no evidence of protest mobilization amongst those countries hit hard by the crisis, and thus the grievance hypothesis (H3.1) is not supported. These trends could perhaps be explained by people’s changing priorities during a crisis. During prosperous times being politically active may be a priority, whereas in a crisis when citizens affected would be disproportionally focussed on just getting by, protesting on political issues could become a lower priority.

The resources and grievance hypotheses can also be applied at the individual level. According to the grievance hypothesis we would expect that individuals more vulnerable to the crisis, such as the unemployed, those on low incomes, and those with a lower level of education, will be more likely to participate in political protest after the crisis (H3.2). According to the resources hypothesis on the other hand, it would be expected that after the crisis, much as before, it will be those with greater resources, including university education and higher incomes, that will be most likely to participate (H3.4). These competing hypotheses can be tested through regression analysis.

\textbf{H3.2: Individuals more vulnerable to the financial crisis, such as the unemployed, those on low incomes, and those with a lower level of education, will be more likely to participate in political protest after the crisis.}

\textbf{H3.4: Individuals with greater resources, such as those on higher incomes and those with higher levels of education, will be more likely to participate in political protest after the crisis.}
protest, before and after the crisis.

Figure 6.4: Effects of Resources on Political Protest

Notes: Charts plot coefficients and 95 percent confidence intervals for linear bivariate regression models before and after the crisis. The models regress university degree, income, unemployment, and financial satisfaction respectively on the political protest scale (0-3). University degree is dichotomous. The unemployed are compared against labor force participants. Income and financial satisfaction are on ten-point scales. Source: Wave 5 and Wave 6 World Values Surveys (2014; 2015b).
To test these hypotheses, linear bivariate regression models are run separately in each country on the WVS data from before and after the crisis. Four socio-economic predictors are tested: education—measured dichotomously as those with a university degree compared to everyone else; income—measured on a scale of 1 to 10; employment status—comparing the unemployed against a base category of labor force participants; and financial satisfaction—also measured on a scale of 1 to 10. In each model the dependent variable is the political protest scale ranging from 0 to 3. The results are presented in Figure 6.4 which plots the coefficients and 95 percent confidence bars for the regression models in each country, and for a multi-level model which incorporates the data from all 18 countries.

The results essentially show a pattern of continuity rather than change. Looking first at the effect of having a university degree on political protest, the effect is positive, and in the vast majority of cases statistically significant as the confidence bars do not cross zero. Comparing the regressions from before and after the crisis enables an assessment of whether things have changed. In each country, and in the pooled multilevel model, the confidence bars for education overlap indicating that the effect after the crisis cannot be considered significantly different from the effect before the crisis. In the multilevel model the coefficient for education is slightly greater after the crisis, though not significantly different from before the crisis. In sum, education matters for protest potential and participation, though it matters in much the same way before and after the crisis.

Income similarly has a positive effect on protest before and after the crisis, albeit does not reach significance in all cases. In the multilevel model incorporating all 18 countries the effect of income is less after the crisis, although not significantly different from before the crisis. For unemployment the trend is almost always negative, though the effect is not particularly strong. For many country cases the difference between unemployed people and labor force participants does not reach statistical significance, although it does so in the multilevel model which combines the data for all countries. The effect of employment status on political protest is much smaller than that of education.

Finally, financial satisfaction is also explored to assess the degree to which subjective economic perceptions matter, as opposed to one’s actual economic circumstances as indicated by the income variable. Financial satisfaction trends positive though in many country cases has no significant effect on protest. In the multilevel model the effect is positive though falls just short of significance at the 0.05 level, indicating that in this case at least, actual income has a greater effect on one’s likelihood of participating in protest than one’s perception of economic well-being.

Similar to the analysis pertaining to protest trends at the country level, this analysis of individual level predictors also lends support to the resources hypothesis
We do not see those likely to be most vulnerable to the crisis, including those without a degree, those on lower incomes, the unemployed, or those less financially satisfied mobilized to protest by the crisis. Rather, it continues to be those with resources that are more likely to participate. The nature of who participates does not significantly change in any of the areas of resources examined for the multilevel models combining data from all 18 countries.

These findings are interesting in light of the country level findings discussed above. At the country level we see a decline in protest activity in countries harder hit by the crisis, whereas the individual level data shows it is the same type of person that participates. This raises the question, if it is the same people protesting, how is it that protest behavior is in decline? One explanation consistent with these findings would be that those with fewer resources become more numerous during a crisis, given that they participate less—protest activity as a whole would decline during an economic crisis. The data presented here is insufficient to be confident in that explanation, though it would be consistent with the data shown here.

The above analysis focuses on bivariate relationships between resources and protest. A model that incorporates various control variables and accounts for variation at both the individual and country levels simultaneously will provide a more robust test of these hypotheses. Table 6.4 and Figure 6.5 present the results of a multilevel model which incorporates country and individual level predictors of protest. The chart (Figure 6.5) provides the same information as the table though eases comparison of coefficients from before and after the crisis. The blue and red dots are the regression coefficients from before and after the crisis respectively, and the bars show 95 percent confidence intervals. When the bars overlap the coefficients cannot be considered significantly different from one another.

At the country level democratic experience, GDP growth, and unemployment are incorporated as predictors that may have an effect on protest. Due to the small number of cases at the country level, it is difficult for these variables to reach statistical significance. Democratic experience is positively associated with protest before and after the crisis though not significantly so. The effect is stronger before the crisis, falling just short of significance at the 0.05 level ($\beta=0.16$, $p=0.06$). GDP growth is negatively associated with protest after the crisis.

The regression has been run using Stata’s mixed command, with random intercepts. The Intraclass Correlation Coefficient (ICC) reported in Table 6.4 provides a measure of how much variation is explained by country level factors, in this case 9 percent in the pre-crisis wave and 10 percent in the post-crisis wave, indicating the difference between countries has not changed much between the two survey waves. Variation between groups of around 10 percent can be considered non-trivial, underscoring the need for multi-level modelling (Lee, 2000).

Coefficients are not standardized so the relative distance from zero on the x-axis should not be interpreted as the strength of the variable in relation to other variables in the model.

GDP growth is taken as the average from from the two years before each survey wave, 2003–2004 and 2008–2009 respectively.
Table 6.4: Predicting Political Protest Before and After the Crisis

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coef.</td>
<td>Std. Error</td>
</tr>
<tr>
<td><strong>Country level predictors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Log of years democracy</td>
<td>0.16 (0.09)</td>
<td>0.06 (0.12)</td>
</tr>
<tr>
<td>GDP growth</td>
<td>−0.03 (0.03)</td>
<td>−0.06* (0.03)</td>
</tr>
<tr>
<td>Unemployment</td>
<td>−0.02** (0.01)</td>
<td>−0.01 (0.01)</td>
</tr>
<tr>
<td><strong>Individual level predictors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment status (base labor force participants)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td>−0.05 (0.05)</td>
<td>−0.07* (0.03)</td>
</tr>
<tr>
<td>Other employment status</td>
<td>−0.12*** (0.02)</td>
<td>−0.13*** (0.03)</td>
</tr>
<tr>
<td>Income</td>
<td>0.03*** (0.01)</td>
<td>0.01 (0.01)</td>
</tr>
<tr>
<td>University degree</td>
<td>0.26*** (0.03)</td>
<td>0.32*** (0.03)</td>
</tr>
<tr>
<td>Age range (base 18–29)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aged 30–49</td>
<td>0.04 (0.03)</td>
<td>0.05 (0.03)</td>
</tr>
<tr>
<td>Aged 50 and over</td>
<td>−0.02 (0.05)</td>
<td>−0.01 (0.05)</td>
</tr>
<tr>
<td>Gender (female)</td>
<td>−0.11*** (0.02)</td>
<td>−0.07*** (0.02)</td>
</tr>
<tr>
<td>Postmaterialist (12-item)</td>
<td>0.11*** (0.02)</td>
<td>0.14*** (0.02)</td>
</tr>
<tr>
<td>Constant</td>
<td>0.62 (0.39)</td>
<td>0.73 (0.47)</td>
</tr>
</tbody>
</table>

| N (countries) | 18 | 18 |
| N (respondents) | 17,822 | 20,310 |
| ICC            | 0.09 | 0.10 |

*Note: Multilevel model with random intercepts produced using the Stata `mixed` command. The dependent variable is the seven-point protest scale ranging from 0-3.


is also negative, reaching significance before the crisis. Figure 6.5 shows that whilst the coefficients differ slightly and may reach significance in one wave but not the other, as the confidence bars overlap these variables cannot be considered as having a significantly different impact following the crisis.

At the individual level the various indicators of resources are incorporated in the model alongside controls for age group, gender, and postmaterialism. The results show that unemployed people are less likely to protest than those in the labor force, significantly so after the crisis. Income is positively associated with protest before and after the crisis, though the effect is smaller after the crisis, falling just short of statistical significance ($\beta=0.01$, $p=0.07$). This change indicates that less well-off people were a bit more likely to protest after the crisis. Education has a large positive significant effect both before and after the crisis. The effect is greater following the crisis though not significantly so. Compared to the base category of 18 to 29 year
olds, the coefficient for 30 to 49 year olds is positive both before and after the crisis although in neither case does it reach significance. There is no difference between young people and those 50 and over. Women are significantly less likely to protest both before and after the crisis, though the effect is smaller after the crisis which could be reflective of trends towards gender equality over time including generational replacement. Postmaterialism is positively associated with protest before and after the crisis, and will be discussed further in the subsequent section.

The multilevel model, alongside the bivariate analyses presented above, provides further support for a resources model of protest behavior that changes little from before and after the crisis. Resources including education, income, and to a lesser extent employment status matter, and they matter in much the same way before and after the crisis. If anything, the multilevel model shows that education may matter more after the crisis, with the coefficient increasing from 0.25 (.03) to 0.32

\[ \text{Postmaterialist (12-item)} \]

\[ \text{Pre Crisis} \quad \text{Post Crisis} \]

Note: Chart plots coefficients and 95 percent confidence intervals for a linear multilevel model with random intercepts produced using the Stata `mixed` command. The dependent variable is the seven-point protest scale ranging from 0–3. The base category for age is 18–29. The base category for employment status is labor force participants.

(.03), and income matters a little less, with the coefficient decreasing from 0.03 (.01) to 0.01 (.01). With regards to the grievances and resources hypotheses, this suggests a more nuanced finding in that some resources may matter more than others, with education being a more important factor than income in explaining protest after the crisis.

6.3 Values

The second theoretical area to be investigated concerns the role of postmaterialist values in predicting political protest before and after the crisis. Before proceeding to test each of the hypotheses identified, Figure 6.6 presents the trends in postmaterialism over time in each country, alongside the trends in protest, to provide a picture of how these two measures fit together. As with Figure 6.1 above, this data comes from waves 1 to 6 of the WVS, and in some countries is supplemented with data from waves 1 to 4 of the EVS. The chart shows the percentage of postmaterialists in each society at various time points (from the 4-item index), alongside the percentage that had participated in some form of protest, either signing a petition, taking part in a boycott, joining in a demonstration, or some combination of the three.\(^{11}\)

There are a few features of the data worth highlighting. Firstly, trends in postmaterialism and protest often go together, this is clear for example in Germany, the Netherlands, Peru, Slovenia, Chile, and the United States. Second, while the gap differs between countries, the proportion of citizens that have participated in some form of protest is in all cases higher than the proportion of postmaterialists. This is driven by the prevalence of signing a petition which is so common it can no longer be accurately described as an unconventional form of political behavior (Dalton, 2014). Third, levels of postmaterialism, and protest, tend to be higher in countries that have a longer history of democracy, such as Sweden and the United States. Finally, the long term trend tends to be upwards (as per the findings of Inglehart and Abramson, 1999; Scarbrough, 1995; Van Deth and Scarbrough, 1995), although as with protest in many countries there is a dip in recent years.\(^{12}\)

The first hypothesis regarding values relates to the potential affect of the crisis on the levels of postmaterialism within each country. Specifically it was supposed

\(^{11}\)The 4-item postmaterialism index is used in this instance as when looking at percentages, the 12-item scale results in a very low proportion of pure postmaterialists.

\(^{12}\)It has been debated whether the steep downward trend in postmaterialism in Australia is an artefact of survey timing (see Figure 6.6). The Australian Election Study which also includes the postmaterialism index shows, in contrast to the WVS data, fewer postmaterialists, but also the proportion of postmaterialists increasing over time (Tranter, 2015; Cameron and McAllister, 2016, p. 102). Tranter (2015) argues the timing of surveys is influencing responses depending on whether it is an election year.
that in countries hit harder by the crisis, postmaterialism would be more likely to decline (H3.6).

**H3.6: In countries hit harder by the crisis, postmaterialism will be more likely to decline after the crisis than in countries that were less hard hit.**

To investigate the change in postmaterialism since the crisis began, Table 6.5 presents the differences between the country means on the postmaterialism index (12-item) from before and after the crisis. In 12 of the 18 countries the difference between the survey waves is negative, significantly so in 7 of these cases. The remaining 6 countries show an increase in postmaterialism. Countries that experienced a recession during the economic crisis of 2008 to 2009 are shaded, indicating no particular trend, with the few countries that avoided recession found among both those that experienced a significant decline in postmaterialism and those that experienced a significant increase. To account for variation in crisis impacts beyond the dichotomous characterisation between countries that did and did not go into
recession, a pairwise correlation is conducted between the change in the mean score on the 12-item postmaterialist index and the average GDP growth rate over 2008 to 2009 at the peak of the crisis. This shows no relationship between the two variables ($r=-0.20$, $n=18$, $p=0.43$).\textsuperscript{13} Plotting the observations on a scatterplot, unlike political protest, reveals no particular trend among country sub-groups.\textsuperscript{14} Thus, whilst there has been a significant decline in postmaterialism in 7 of 18 countries after the crisis, there is no evidence that postmaterialism declined more in countries harder hit by the crisis.

Table 6.5: Trends in Postmaterialism

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>2.36</td>
<td>1.91</td>
<td>-0.45**</td>
</tr>
<tr>
<td>Peru</td>
<td>2.27</td>
<td>1.97</td>
<td>-0.30**</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2.58</td>
<td>2.34</td>
<td>-0.25**</td>
</tr>
<tr>
<td>Cyprus</td>
<td>1.90</td>
<td>1.68</td>
<td>-0.22**</td>
</tr>
<tr>
<td>Uruguay</td>
<td>2.51</td>
<td>2.38</td>
<td>-0.13*</td>
</tr>
<tr>
<td>Slovenia</td>
<td>2.39</td>
<td>2.28</td>
<td>-0.11*</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>1.85</td>
<td>1.74</td>
<td>-0.11*</td>
</tr>
<tr>
<td>United States</td>
<td>2.00</td>
<td>1.93</td>
<td>-0.07</td>
</tr>
<tr>
<td>Ghana</td>
<td>1.72</td>
<td>1.67</td>
<td>-0.05</td>
</tr>
<tr>
<td>Spain</td>
<td>2.26</td>
<td>2.22</td>
<td>-0.04</td>
</tr>
<tr>
<td>New Zealand</td>
<td>2.22</td>
<td>2.19</td>
<td>-0.03</td>
</tr>
<tr>
<td>Japan</td>
<td>2.11</td>
<td>2.09</td>
<td>-0.01</td>
</tr>
<tr>
<td>Sweden</td>
<td>2.75</td>
<td>2.82</td>
<td>0.07</td>
</tr>
<tr>
<td>Germany</td>
<td>2.66</td>
<td>2.74</td>
<td>0.08</td>
</tr>
<tr>
<td>Poland</td>
<td>2.01</td>
<td>2.20</td>
<td>0.20**</td>
</tr>
<tr>
<td>South Korea</td>
<td>1.85</td>
<td>2.05</td>
<td>0.20**</td>
</tr>
<tr>
<td>Chile</td>
<td>2.31</td>
<td>2.53</td>
<td>0.23**</td>
</tr>
<tr>
<td>Romania</td>
<td>1.60</td>
<td>1.97</td>
<td>0.37**</td>
</tr>
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| Total         | 2.18             | 2.14             | -0.04**  |

\textit{Note:} The table presents means of the 12-item postmaterialism index (0–5). Higher values reflect more postmaterialist values. See Appendix A for index construction. Shaded countries experienced a recession during the global financial crisis.

\textsuperscript{*} $p < 0.05$, \textsuperscript{**} $p < 0.01$


One remaining area to test with regard to the change in postmaterialist values after the crisis, is whether declines in postmaterialism took place across all age groups, or just amongst the youngest cohort. In assessing the affects of economic decline on postmaterialism, Inglehart tested a socialization hypothesis which supposed that postmaterialism would decline amongst young people in times of economic down-

\textsuperscript{13}Testing this with the 4-item postmaterialism index makes no difference to this finding.

\textsuperscript{14}Scatterplot not presented here for parsimony.
turn as he argued values are formed during the socialization period of youth and then stay relatively stable throughout the life course (1981). Inglehart (1981) found support for the socialization hypothesis, though Duch and Taylor (1993) did not find support for the same hypothesis in their study of Western European countries over the 1970s and 1980s. To test this in the context of the global financial crisis, Table 6.6 presents trends in postmaterialism before and after the crisis broken down by age group incorporating data from all 18 countries. This lends support to the socialization hypothesis as postmaterialism significantly declined amongst the youngest group of 18-29 year olds, though there was no significant change among the older groups.\footnote{This result also holds if the age category is broken down into deciles beginning with 18-24 year olds, with only the youngest group seeing a decline between the two survey waves, albeit in that case falls just short of significance (p=0.08).}

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<tbody>
<tr>
<td>18-29 years</td>
<td>2.29</td>
<td>2.20</td>
<td>−0.08**</td>
</tr>
<tr>
<td>30-49 years</td>
<td>2.20</td>
<td>2.17</td>
<td>−0.03</td>
</tr>
<tr>
<td>50 and over</td>
<td>2.11</td>
<td>2.09</td>
<td>−0.02</td>
</tr>
</tbody>
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Note: The table presents means of the 12-item postmaterialism index (0–5) for each age group in the pooled data for 18 countries.
\* p < 0.05, ** p < 0.01

The next hypothesis suggested that the decline in postmaterialism would be linked to a drop in protest in countries hard hit by the crisis (H3.8).

H3.8: In countries hit harder by the crisis, protest would be more likely to decline after the crisis as a function of a decline in postmaterialism.

To test this, the scatterplot in Figure 6.7 shows the relationship between the change in postmaterialism and the change in political protest between the two survey waves. Countries are differentiated according to those that did and did not experience a recession during the global financial crisis, with the line of fit covering those that did. The chart shows that change in the postmaterialism index is positively associated with a change in protest. The correlation between the two variables amongst countries that went into recession is strong and statistically significant (r=0.64, n=13, p=0.02).\footnote{In the full sample of 18 countries the relationship is also positive and significant though not as strong (r=0.50, n=18, p=0.04).} These results support the hypothesis that the decline in protest is related to changes in postmaterialism, particularly in countries
hard hit by the crisis. Australia is a notable outlier, which may have to do with measurement issues associated with the postmaterialist index in the Australian context (Tranter, 2015), furthermore Australia was largely immune from the effects of the global financial crisis. The scatterplot shows a concentration of newer democracies, Poland, Romania, and Chile, in the top right hand corner of the chart. These countries all started with lower levels of postmaterialism and protest and thus have further to go along the process of modernization outlined by Inglehart (1997). It is thus unsurprising that postmaterialism and protest would be rising from a low base in these countries.

The next aspect of values to consider within the context of the crisis concerns the role of postmaterialist values in predicting an individual’s position on the political protest scale. Two hypotheses in this area were identified. On the one hand it was hypothesized that those with postmaterialist values would remain similarly predisposed to participate in protest relative to materialists before and after the crisis (H3.7). On the other hand one could suppose that those with materialist values would be more likely to protest after the crisis compared to the pre-crisis period (H3.9), as materialist priorities were under greater threat during the crisis and of greater salience.
H3.7: Those with postmaterialist values will be more likely to participate in protest, before and after the crisis.

H3.9: Those with materialist values will be more likely to participate in protest after the crisis, compared to before the crisis.

Figure 6.8: Effect of Postmaterialism on Political Protest

Notes: Chart plots coefficients and 95 percent confidence intervals for a linear bivariate regression model for each country before and after the financial crisis. The model regresses the postmaterialism index (12-item) on the political protest scale (0-3).

The values of protesters are investigated using the same approach that was used to test other characteristics of protesters, including education and income. Figure 6.8 plots the coefficients for postmaterialism as a predictor of political protest before and after the crisis in bivariate linear regressions run separately for each country, and in a multilevel model factoring in data from all 18 countries. The data shows that postmaterialism is similarly related to political protest before and after the crisis, lending support to hypothesis 3.7. In the multilevel model (both the bivariate model in Figure 6.8, and the full model with controls in Table 6.4 or Figure 6.5) postmaterialism has a positive significant effect on political protest both before and after the crisis, the coefficient is greater after the crisis, though as the 95 percent confidence intervals overlap, it can not be considered significantly different after the crisis.
The single country regressions in Figure 6.8 also show that in almost all countries postmaterialism had a similar effect before and after the crisis, as indicated by similar coefficients and overlapping confidence intervals. Spain—the site of large protest events directly related to the crisis, particularly the *indignados* movement of 2011 (see Castañeda, 2012)—is exceptional here as postmaterialism became significantly more strongly associated with political protest after the crisis. In the USA, also the site of big protest events related to the crisis, notably *Occupy Wall St*, the coefficient is also more positive after the crisis, though not significantly greater than before the crisis. These cases, both countries that were particularly hard hit by the crisis, would suggest if there is any change at all, the effect of postmaterialism may increase as a result of a major economic crisis.\footnote{The United States was the epicentre of the crisis while Spain experienced dramatic increases in youth unemployment among other impacts (World Bank, 2016c).} There is no evidence to support the competing hypothesis (H3.9), that those with materialist values would be mobilized to protest by the crisis at time when materialist issues were under threat.

\textit{H3.10: In countries hit harder by the crisis, political protest will be more likely to increase after the crisis as result of those with materialist values protesting more.}

The final hypothesis regarding postmaterialist values suggested that political protest may increase after the crisis as a result of those with materialist values protesting more (3.10). As the existing results have shown firstly that political protest decreased, rather than increased, and secondly that those with materialist values were not mobilized by the crisis, this hypothesis can be rejected.

### 6.4 Political Opportunities

Within the political opportunities approach, outbreaks of protest are explained by openings in the political opportunity structures. In Chapter 2 it was hypothesized that the introduction of austerity policies may trigger protest mobilizations (H3.5). Previous work lends support to this hypothesis, including Kriesi’s (2014) analysis of four East and West European case studies during the Great Recession, and Beissinger and Sasse’s study of Eastern European countries in the same volume, which found protests on economic issues increased during the Great Recession, while other forms of protest decreased (2014). To test this hypothesis, the WVS data is not ideal. As austerity policies were instituted in later years rather than amidst the peak of the crisis in 2008 to 2009, the WVS field dates beginning in 2010 and 2011 are in most cases too early to investigate the impact of austerity policies. Moreover,
the World Values Survey data does not include key countries that received bailouts from the International Monetary Fund and the European Union leading to the imposition of harsh austerity measures, such as Portugal, Ireland and Greece. Thus another solution is warranted to investigate the role of austerity policies in protest mobilization.

**H3.5: In countries that introduced austerity policies, political protest will be more likely to increase.**

In order to investigate this question, data from ICEWS is used (see Boschee et al., 2015). ICEWS, produced for the United States’ Defense Advanced Research Projects Agency (DARPA) and Office of Naval Research (ONR), uses the BBN ACCENT event coder to automatically code events worldwide from newspapers into a range of event types. The data has been created to enable the US government to predict international crises by tracking protest, violence, insurgencies and other events. Machine coding enables event data to be collected on a scale that simply would not be feasible with human coders, and still achieves similar levels of accuracy to human coding (Schrodt and Van Brackle, 2013). ICEWS reports an accuracy level of over 80 percent of events coded correctly (Lockheed Martin, 2017). In comparison to GDELT, another large dataset of events, ICEWS is less prone to false positives and thus provides a more conservative assessment of protest levels (Ward et al., 2013).

To investigate protest using this data, the number of events coded as ‘demonstrate or rally’ within each year in each country are counted, enabling an investigation of trends in the number of demonstrations over time, cross-nationally. This measure is distinct from protest measures included in the WVS in several ways. First, it tracks the number of demonstration events rather than the level of individual participation in protest. Second, this item in the ICEWS data focusses on demonstrations and rallies, whereas the WVS data used in this thesis is broader, incorporating petitions and boycotts in addition to demonstrations. Finally, ICEWS tracks the number of demonstrations worldwide on an ongoing basis, whereas WVS fields cross-sectional surveys periodically, approximately every 5 years or so in countries that are incorporated.

As a test of the hypothesis regarding the relationship between austerity and protest, I take the example of the PIIGS (Portugal, Ireland, Italy, Greece and Spain), countries which were affected by the sovereign debt crisis and implemented severe austerity policies in response, and compare protest trends in these countries to the rest of the European Union. Figure 6.9 presents the data on the number of

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18For further information on ICEWS see Boschee et al. (2015) and Lockheed Martin (2017).
demonstrations in each country, or group of countries for the rest of the EU. Amongst the PIIGS, Greece, Ireland, and Portugal all received bailout funds from the troika—the International Monetary Fund (IMF), the European Commission (EC), and the European Central Bank (ECB). Spain received a bailout for its banks from the European Union in 2012. Italy managed to narrowly avoid needing a bailout though came dangerously close and implemented severe austerity measures. The timelines of each case will be briefly discussed alongside the demonstration trends revealed by the ICEWS data, to assess how austerity policies may have affected protest.

For Portugal austerity measures began in 2010 in an effort to meet EU deficit targets, incorporating tax increases and public sector salary reductions (Accornero and Ramos Pinto, 2015, p. 498; CNN, 2017). By early 2011 the Socialist government’s proposals for further austerity cuts were defeated and in May Portugal agreed on a bailout from the IMF and the EU to a total of €78 billion. A new government came in following elections in June 2011 and it was under this right-wing Coalition government that more severe austerity measures were introduced (Accornero and Ramos Pinto, 2015). Portugal exited the bailout program in early 2014.

The ICEWS data reflects the cycle of austerity in Portugal. Whereas demonstrations in other countries considered here reached a peak in the year that bailouts were agreed (see Figure 6.9), in Portugal the number of demonstrations peaks later. The data shows the number of demonstrations rising from 2010 when austerity poli-
cies were first introduced, but by 2012 the number of demonstrations had more than doubled from the previous year. The total rises substantially again to reach a peak in 2013 reflecting the increasing severity of austerity measures in Portugal. As Accornero and Ramos Pinto detail, 2012 and 2013 saw some of the largest demonstrations in Portugal’s history (2015, p. 500). The number of demonstrations declines from 2014 when Portugal exits the bailout program.

Ireland was the first EU country to slide into recession and by early 2009 was implementing cuts to public services while continuing to provide bailouts to the beleaguered Anglo Irish Bank. By late 2010 Ireland agreed on a €67.5 billion loan from the IMF and EU. The ICEWS data shows the number of demonstrations rising rapidly in 2009, reaching a local peak in 2010 – the year of the bailout. After that, protest levels dropped from 2011 through to 2013. O’Connor (2017) attributes this muted response to austerity, relative to other countries faced with severe cuts in Southern Europe, to Ireland’s conservative political culture. The introduction of water charges in 2014, part of Ireland’s austerity agreement with the troika, provided a mobilizing force, with the ICEWS data showing a peak of 81 demonstrations in 2014 when anti-water charge protests were held throughout the country (O’Connor, 2017; Power et al., 2016).

Italy is the sole country in this group to have avoided needing a bailout from the European Union or International Monetary Fund, though the country came close. In 2010 Italy, facing a deficit of 5.5 percent, double that permitted within the eurozone, implemented a €24 billion austerity program to reduce the deficit (Verney and Bosco, 2013, p. 401). The number of demonstrations peaked in 2010, the year austerity policies were introduced, and remained high in 2011 as another austerity package of €40 billion was brought in.19 Though Italy did not get bailed out by the troika, concern regarding the country’s fiscal situation was sufficiently high to warrant Prime Minister Berlusconi agreeing to IMF supervision over the country’s reform program during the G20 Summit in November 2011 (Verney and Bosco, 2013, p. 404). The ICEWS data shows the number of demonstrations returning to lower levels from 2012, with an uptick in 2013 when Italy held elections, where it took an unprecedented 63 days from the first election to form a government (Verney and Bosco, 2013, p. 398).

Greece has been the epicentre of the eurozone crisis, requiring not one but three bailouts from the troika. The Greek government first announced austerity measures in early 2010 including cutting public sector salaries and raising taxes. By May of 2010 the troika finalized an aid package of €110 billion, loans were provided alongside

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19The ICEWS data, which provides specific dates of demonstrations, shows the spike in protest in Italy in 2001 was centered around the G8 summit held in Genoa, Italy over July 21–22, 2001 (Boschee et al., 2015, see also Niwot, 2011).
the requirement to implement harsh austerity measures. The ICEWS data shows the number of demonstrations more than doubles between 2009 and 2010 (from 114 to 310), coinciding with the IMF–EU bailout and the introduction of austerity policies. In subsequent years levels of protest remain high as the crisis in Greece continued. Second and third bailout packages were approved in 2012 and 2015 respectively, and the ICEWS data shows higher numbers of demonstrations in these years.

In Spain austerity measures began in 2010. In 2011, as youth unemployment reached 46 percent (up from 18 percent in 2007) (World Bank, 2016c), there was a mobilization of youth in the form of the 15M movement, whose participants were described as los indignados, or the indignants (Castañeda, 2012). The mobilization came just before the elections to be held the following week. In 2012 the country sought and received a bailout from the European Union for the country’s troubled banks. Once again the ICEWS data does show higher levels of protest reflecting the introduction of austerity policies and the EU bailout in 2012. The number of demonstrations almost doubled from 2010 to 2011, and rose higher still to a peak in 2012 coinciding with the EU bailout.20

This data does show support for the role of political opportunities in triggering protest mobilization (H3.5). In each of these cases protest is higher in the year the country receives a bailout and/or implements austerity policies, and in the years thereafter. Demonstrations do not spike around 2008 to 2009 when the crisis initially hit, supporting the proposition that it was the government policy responses that mobilized protest. Comparing the PIIGS to other countries in the European Union in Figure 6.9, we can see that in the rest of Europe there was no spike in protest around the time of the bailouts and controversial austerity policies, lending support to the view that the spikes in protest observed in the PIIGS cannot be dismissed due to some factor affecting other European countries as well.21

These findings regarding political opportunities are interesting in light of the results from the WVS above. If the ICEWS data shows protest mobilization following the introduction of austerity policies, but the WVS data shows demobilization following the crisis, how can these results be squared? This is where it is important to consider the differences in the type of data collected. The WVS provides a measure of individual participation across societies, whereas ICEWS tracks the number of demonstrations. Moreover with the WVS there are limitations in the scope of countries and frequency of surveys. It could be the case that a large number of

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20A few factors contributed to higher levels of protest in Spain in 2007, as shown by the ICEWS data in Figure 6.9, including protests in January linked to the Basque separatist movement (Reuters, 2007b), and protests in March against the Iraq war (Reuters, 2007a).

21Note the spike in EU protest in 2015 is driven by specific events in France and Germany. In France there were many protests related to the 2015 United Nations Climate Change Conference in Paris; in Germany there were big protests in relation to the influx of refugees to Germany that year, and also against the controversial Transatlantic Trade and Investment Partnership (TTIP).
demonstrations arise linked to the introduction of an austerity program, though it could be drawing in the same suspects rather than mobilizing those who would not ordinarily participate. In support of this argument, a survey by Rüdig and Karyotis (2013) showed that in Greece anti-austerity demonstrations mobilized 29 percent of respondents, but fewer than a fifth of these people were first-time protesters.

6.5 Conclusion

This chapter has investigated how the financial crisis has affected citizen potential for and participation in political protest. It has tested four theoretical approaches in the context of the crisis, including grievances, resources, values and political opportunities approaches. First, testing the competing influences of grievances and resources in predicting political protest, the data revealed that resources continue to play a critical role. At the country level, countries that were harder hit by the crisis were more likely to experience a decline in protest activity, although this relationship was only observed among the more developed countries incorporated in the study. At the individual level it continued to be those with greater resources in terms of education, income, financial satisfaction, and employment status that were more likely to participate before and after the crisis. These findings both line up with the resources hypotheses, as greater resources continued to be associated with greater degrees of protest, whether measured at the societal or individual level. There was no support for the grievances hypotheses which would have suggested the opposite, that countries hardest hit by the crisis would see increases in protest, and that individuals most vulnerable to the crisis, such as the unemployed, those on low incomes, or those with lower levels of education would be mobilized to protest by the crisis.

The next set of hypotheses explored the role of postmaterialist values in predicting protest. Tested first was the hypothesis that postmaterialism would be more likely to decline in countries hard hit by the crisis. Whilst postmaterialism did decline significantly in 7 countries, with 5 countries experiencing an increase, the change in postmaterialist values since the pre-crisis survey was unrelated to the depth of the economic crisis, as measured by GDP growth over 2008 to 2009. That said, amongst countries that went into recession during the crisis, the change in postmaterialism was related to the change in protest over this time, those countries that experienced a drop in postmaterialism were more likely to also experience a drop in protest. Breaking the trends in postmaterialism down by age group, the data showed young people became significantly more materialist while there was no change amongst older groups, lending support to Inglehart’s socialization hypothesis (1981).
Beyond aggregate trends in postmaterialism over time, it was also explored whether postmaterialist values would have a similar, positive effect on individual protest participation before and after the crisis, or whether those with materialist values would be mobilized by the crisis. The analysis found support for the former, with postmaterialism playing a similar role in predicting protest before and after the crisis. These findings on postmaterialist values, alongside those on resources discussed above, all point to a pattern of continuity rather than change in the wake of the crisis. Even amidst a major crisis where those experiencing the greatest grievances have plenty of reasons to be protesting, it continues to be the same types of people that join protest actions.

Finally, this chapter tested a hypothesis stemming from the literature on political opportunities, which predicted that countries which introduced austerity policies would experience increases in protest. To explore this, data from ICEWS was used to show the number of demonstrations across societies over time. Portugal, Ireland, Italy, Greece, and Spain, the so-called PIIGS, were taken as examples that had implemented harsh austerity policies, in most cases as conditions for receiving bailout loans from the IMF and the EU, and then compared with the pooled data for the rest of the EU. The ICEWS data showed there was an increase in the number of demonstrations coinciding with the imposition of austerity policies in these cases, which was absent in the pooled data for the rest of the European Union, lending support to the hypothesis that political opportunities matter. There was no spike in protest around the time of the recession when it hit in 2008, supporting the argument that it was government policy responses to the crisis, rather than the crisis itself that mobilized protest, echoing existing research which took a different approach though identified similar results (Beissinger and Sasse, 2014; Kriesi, 2014).

These findings, taken together, reveal a nuanced picture of the dynamics of protest behavior amidst a major crisis, where a crisis may mobilize in some ways and demobilize in others. The ICEWS data demonstrated that austerity led to a greater number of protest demonstrations in the PIIGS, though it does not show us who demonstrated. Individual level data from the WVS shows declines in protest potential and participation in countries hard hit by the crisis. It is possible then, that crises may lead to an outbreak of protest events that mobilize a limited subset of the population comprised of the usual suspects. Meanwhile protest participation as a whole may go down, as citizens become preoccupied with survival needs and less oriented towards political activism than they would be in ordinary times. Research from Beissinger and Sasse (2014) supports this proposition, finding the financial crisis in Eastern Europe led certain types of economic protest to increase while other types of protest became less prevalent.

This chapter and the two preceding chapters have covered the three aspects of
citizen participation—voting behavior, civic engagement, and protest. All of these aspects of political behavior reflect the health of democracy, and in this study test the resiliency of participatory publics to a major economic crisis. The next chapter turns to investigate how the crisis may have affected citizen attitudes that underpin a healthy democratic system, namely support for a democratic political system.
Chapter 7

Democratic Support

The previous three chapters have investigated dimensions of participation in democratic political life including voting, civic engagement and political protest. Whether through conventional or unconventional channels, participation is considered a major indicator of the health of democratic societies. Nevertheless, a healthy democracy is not just signified by a citizenry that is actively involved in politics, democratic attitudes also play an important role.

Public support for democracy lends legitimacy to democratic regimes and helps to ensure their survival (Linz and Stepan, 1996a). Previous research suggests that economic performance is conducive to the development of democratic support, and on the flip side that democratic support can be fragile to economic shocks, particularly in newer democracies (McAllister, 1999; Mishler and Rose, 1999). Given the unprecedented scale of the global financial crisis, this poses questions regarding the crisis’ impacts on support for a democratic political system.

Chapter 2 identified six hypotheses that predict how democratic support might be affected by a major economic crisis. This chapter will test these hypotheses with the WVS data across 18 countries, supplemented with data from the European Social Survey (ESS). The first set of hypotheses identified relate to old and new democracies and how support for democracy might be more fragile to economic shocks in the latter. This draws upon work by Linz and Stepan (1996b) on democratic consolidation, the process by which democratic behaviors, attitudes, and institutions become embedded in a society to the extent that democratic reversals become highly unlikely. They argue that support for a democratic political system forms the attitudinal dimension of democratic consolidation, and that this support should be resilient to economic shocks in consolidated democracies, but not in newer democracies where democracy cannot yet be considered ‘the only game in town’ (Linz and Stepan, 1996b, p. 15).

When a major economic crisis hits in an established democracy, the expectation would be for citizens to blame the incumbent government, as citizens have no
experience of any other political system (McAllister and White, 2011). In newer democracies on the other hand, citizens, particularly older generations, may still have memories of the former regime, and if government performance is poor in the new regime, rather than blaming the incumbents, they might look back fondly on the previous regime (McAllister and White, 2011; Mishler and Rose, 1999). According to these theories it might be expected that the global financial crisis would have affected democratic support in the newer democracies but not older democracies. One should consider however, that the magnitude of the global financial crisis is unprecedented since the Great Depression of the 1930s, at which time the nature of democratic governance around the world was starkly different. So, whilst the democratic consolidation literature would suggest that support for democracy would be resilient to a major crisis in the established democracies, this argument has not been tested in the context of an economic crisis on this scale. An alternative hypothesis then suggests that democracy might decline in both new and old democracies.

Beyond the distinction between old and new democracies, other predictions can be made based on grievances at the country and individual level. The crisis did not affect countries uniformly, Australia largely avoided the crisis, whereas Spain saw unemployment rise above 25 percent (World Bank, 2015b), and many countries fell somewhere in between these two extremes. Existing studies have demonstrated that economic performance has an effect on democratic support, although its influence is less important than democratic experience (Huang et al., 2008; McAllister, 1999). If the crisis did have a negative effect on democratic support, it would be expected that the effect would be greater in countries affected by the crisis to a greater extent. Moreover, it could be expected that individual resources matter. Those with greater resources, in terms of income, education or employment, could be expected to be more supportive of democracy than those who have fewer resources and are thus more vulnerable to the crisis (Haerpfer and Kizilova, 2014, p. 179).

The final set of hypotheses concerns the role of IMF and EU bailouts in the European Union. These bailouts, which were received under the condition to implement austerity programs, constrained the agency of democratic governments in recipient countries. This interference could on one hand reduce support for democracy, although an alternative argument put forward by Cordero and Simón (2016) suggests that the saliency of democracy would increase when democratic governance is under threat. Studies by Armingeon and Guthmann (2014), and Cordero and Simón (2016), investigated democratic support in the context of the European sovereign debt crisis and put forward different conclusions. Whilst Armingeon and Guthmann (2014) found that international organizations interfering in democracy at the national level depressed support for democracy, Cordero and Simón (2016) argued that support for democracy was greater in countries that received bailouts.
These competing findings will be discussed in depth, and further investigated with European Social Survey data on democratic satisfaction and democratic support.

These hypotheses will be tested across four sections. The first introduces the dependent variable, support for democracy, including different operationalizations of the concept, and how these are distributed across the 18 country sample. The second section tests the hypotheses regarding new and old democracies. The third explores how grievances at the country and individual level shaped democratic support before and after the crisis. Fourth, the effect of the IMF and EU bailouts on democratic support will be explored through a discussion of existing research findings, and supplementary data analysis.

7.1 Democratic Support in 18 Societies

Existing studies of democratic support operationalize the concept in a range of different ways. Easton distinguished between specific and diffuse support, the former incorporating confidence in specific institutions, that latter referring to support for the political regime (1975). This chapter focusses on the diffuse end of the spectrum—support for a democratic political system. In operationalizing the concept, some conflate democratic satisfaction with democratic support (Anderson and Guillory, 1997, p. 70; Armingeon and Guthmann, 2014), though others have argued that these are distinct concepts that are not closely correlated to one another (Cordero and Simón, 2016; Huang et al., 2008; Klingemann, 1999, 2014).

This chapter takes the latter approach, considering satisfaction with democracy further towards the specific end of the continuum than democratic support (Norris, 1999b, p. 10). Support for the political regime is investigated as it tends to be more enduring over time (Easton, 1975), and is thus a more stable measure to assess whether and how political support has been affected by the crisis.

In operationalizing democratic support this chapter uses a measure that reflects both support for a democratic political system and rejection of anti-democratic alternatives (see McAllister and White, 2011; Rose and Mishler, 1996; Shin and Wells, 2005). As discussed in Chapter 3, previous research has demonstrated that this provides a more robust measure of democratic support (Shin and Wells, 2005). Specifically, support for democracy is measured using the four-item battery in the World Values Survey, which asks respondents to evaluate different ways of governing the country, including a democratic political system, but also alternatives to democracy such as having a strong leader who does not have to bother with parliament.

\footnote{There are further debates as to what satisfaction with democracy actually measures, for instance Anderson and Guillory (1997) find that the measure reflects one’s support for incumbents rather than satisfaction with democracy in a more generalized sense.}
and elections, having experts make decisions rather than government, and having
the army rule. The exact question wording is as follows:

I’m going to describe various types of political systems and ask what
you think about each as a way of governing this country. For each one,
would you say it is a very good, fairly good, fairly bad or very bad way
of governing this country?
- Having a strong leader who does not have to bother with parliament
  and elections
- Having experts, not government, make decisions according to what they
  think is best for the country
- Having the army rule
- Having a democratic political system

(World Values Survey Association, 2012)

The frequencies across these items for the previous two waves of the WVS are
presented in Table 7.1. The categories ‘very good’ and ‘fairly good’ have been
combined, as have ‘very bad’ and ‘fairly bad’. As we would expect, support for a
democratic political system is the highest, with around 90 percent of respondents
providing positive assessments. Support for ‘having experts, not government make
decisions according to what they think is best for the country’ is surprisingly high,
at 57 percent in the most recent wave. Support for ‘having a strong leader who does
not have to bother with parliament and elections’ attracts the support of around
one third of respondents. Army rule receives support from an average of 12 percent
of respondents. The changes between the two survey waves are small, though the
trend is away from support for a democratic political system. In the survey wave
after the crisis (W6) an additional 2.0 percent of respondents view expert rule fa-
vorably, and an additional 1.7 percent view a strong leader favourably. This rise in
support for non-democratic forms of governance goes alongside a drop in support
for a democratic political system.

Support for a democratic political system is high cross-nationally, it is in the
other measures that differences emerge. Figure 7.1 shows the distribution of re-
sponses across countries. Support for having experts, not government, making de-
cisions reaches over 80 percent in the three post-communist countries – Romania,
Slovenia, and Poland. Expert rule is also reasonably high in many established
democracies, sitting between 50 and 60 percent in Australia, Germany, Japan, the
Netherlands, Spain and the United States. Support for a strong leader who does
not have to bother with parliament and elections is highest in Romania (74 percent)
and Peru (60 percent), and lowest in Ghana (14 percent), followed by New Zealand
(20 percent). Army rule, as would be expected, is the least favourable option in
Table 7.1: Support for Different Types of Political System

<table>
<thead>
<tr>
<th></th>
<th>Very good / fairly good</th>
<th>Very bad / fairly bad</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>W5</td>
<td>W6</td>
</tr>
<tr>
<td>Strong leader</td>
<td>33.2</td>
<td>34.9</td>
</tr>
<tr>
<td>Experts</td>
<td>55.0</td>
<td>57.0</td>
</tr>
<tr>
<td>Army rule</td>
<td>12.1</td>
<td>12.2</td>
</tr>
<tr>
<td>Democratic political system</td>
<td>90.9</td>
<td>90.2</td>
</tr>
</tbody>
</table>

*Note:* World Values Survey responses to the question worded, ‘I’m going to describe various types of political systems and ask what you think about each as a way of governing this country. For each one, would you say it is a very good, fairly good, fairly bad or very bad way of governing this country?’ Percentages are drawn from the 18 country sample, weighted to a population of 1000 observations in each country survey (weight variable S018). *Source:* Wave 5 (W5) and Wave 6 (W6) World Values Surveys (2014; 2015b).

...all countries, though still attracts a surprisingly high degree of support in some countries. Though it is highest in the newer democracies, at 31 percent in Romania and 28 percent in Peru, in the United States 17 percent responded that having the army rule would be a very good or fairly good political system for their country. This analysis shows that high levels of support for democracy go alongside lingering attachment to other forms of governance in many countries, particularly in those that underwent democratic transitions during the third wave (Huntington 1991).

From these questions covering support for expert rule, a strong leader, army rule, and a democratic political system, three measures of democratic support are constructed to investigate trends across countries, presented in Table 7.2. The first measure looks at the percentage of respondents in each country who think having a democratic political system is a very good or fairly good way of governing. The other measures attempt to capture both democratic support and rejection of its alternatives, drawing upon the work of Shin and Wells (2005). The second assesses for each country the percentage of respondents who both support democracy and reject its alternatives, by evaluating democracy as a ‘very good’ or ‘fairly good’ way of governing the country, and the alternatives as ‘fairly bad’ or ‘very bad’. The final measure, which will be used throughout the analyses in this chapter, is a 13-point scale of the combined responses to all four questions, where higher scores represent greater support for democracy (adopted from McAllister and White, 2014).²

The first measure, the percentage who evaluate democracy positively, shows high scores cross-nationally. Averaging 90 percent in the overall sample, it is highest

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²All four items in the 13-point scale are positively correlated with one another when coded so that higher values represent greater democratic support. A Cronbach’s alpha reliability test for the scale has been conducted, indicating that the scale is of moderate reliability (α=0.56). See Hinton et al. for a discussion of reliability scores (2004, p. 363).
in Sweden, Ghana, Chile and Spain (at 96 percent) and lowest in Slovenia and the United States (at 82 percent). There is very little variation overall, and not much difference between old and new democracies, for example one of the oldest democracies, Sweden, shares a score with the newest democracy in the sample, Ghana. This measure only considers the favorability of democracy and does not take into account whether citizens also reject non-democratic forms of governance.

The second measure reveals a more nuanced picture, showing the percentage of citizens who support democracy and reject the alternatives. Across all countries an average of 32 percent view democracy favourably and army rule, expert rule, and a strong leader unfavourably. Whilst there was little variation in the first measure, here differences become apparent between countries. A handful of countries attract democratic support levels of over 40 percent, including Sweden and New Zealand at the top of the scale. At the other end of the spectrum there are a handful of newer democracies with support levels lower than 25 percent. It is the post-communist countries in the sample that have the lowest levels of democratic support—Romania (4 percent), Poland (9 percent), and Slovenia (11 percent). This demonstrates that in many nations widespread public support for a democratic political system has not
Table 7.2: Measures of Democratic Support

<table>
<thead>
<tr>
<th></th>
<th>Supports democracy (%)</th>
<th>Supports democracy and rejects alternatives (%)</th>
<th>Mean democratic support scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand</td>
<td>91</td>
<td>51</td>
<td>9.46</td>
</tr>
<tr>
<td>Sweden</td>
<td>96</td>
<td>51</td>
<td>9.09</td>
</tr>
<tr>
<td>Ghana</td>
<td>96</td>
<td>39</td>
<td>9.04</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>88</td>
<td>43</td>
<td>9.04</td>
</tr>
<tr>
<td>Germany</td>
<td>95</td>
<td>35</td>
<td>9.01</td>
</tr>
<tr>
<td>Cyprus</td>
<td>96</td>
<td>39</td>
<td>8.75</td>
</tr>
<tr>
<td>Australia</td>
<td>89</td>
<td>37</td>
<td>8.68</td>
</tr>
<tr>
<td>Netherlands</td>
<td>94</td>
<td>32</td>
<td>8.45</td>
</tr>
<tr>
<td>Japan</td>
<td>88</td>
<td>29</td>
<td>8.39</td>
</tr>
<tr>
<td>Spain</td>
<td>96</td>
<td>37</td>
<td>8.35</td>
</tr>
<tr>
<td>Chile</td>
<td>96</td>
<td>42</td>
<td>8.25</td>
</tr>
<tr>
<td>Uruguay</td>
<td>95</td>
<td>44</td>
<td>8.23</td>
</tr>
<tr>
<td>United States</td>
<td>82</td>
<td>33</td>
<td>8.04</td>
</tr>
<tr>
<td>Slovenia</td>
<td>82</td>
<td>11</td>
<td>7.82</td>
</tr>
<tr>
<td>South Korea</td>
<td>75</td>
<td>23</td>
<td>7.32</td>
</tr>
<tr>
<td>Poland</td>
<td>83</td>
<td>9</td>
<td>7.27</td>
</tr>
<tr>
<td>Peru</td>
<td>95</td>
<td>14</td>
<td>6.93</td>
</tr>
<tr>
<td>Romania</td>
<td>87</td>
<td>4</td>
<td>5.98</td>
</tr>
<tr>
<td>Overall</td>
<td>90</td>
<td>32</td>
<td>8.24</td>
</tr>
</tbody>
</table>

Note: Democratic support scale ranges from zero to 12, combining responses to all four political support questions regarding a strong leader, experts, army rule, and having a democratic political system, respectively. Higher values reflect greater support for democracy and rejection of alternatives.


translated into a rejection of non-democratic alternatives such as expert rule or army rule. Even in advanced democracies such as the United States, two in three citizens have not fully rejected non-democratic forms of governance. Evidently there are still a range of countries within this sample where democracy cannot yet be considered consolidated, as democratic mindsets have not entirely replaced authoritarian ones (Shin and Wells, 2005). However, this classification does raise questions as to where one draws the line, given that even in advanced democracies a good number of citizens support non-democratic forms of governance.

The third measure is the scale from zero to 12, with higher values indicating greater support for democracy. This measure takes full account of the responses to the WVS question battery, with favourable attitudes towards a democratic political system, and negative views of anti-democratic alternatives, contributing to the 13-point scale. On the whole this measure correlates with each country’s experience of
democracy; countries with a longer history of democracy, such as New Zealand and Sweden, generally have higher average positions on the scale than the newer democracies, such as Romania. There are some interesting exceptions though: Ghana has a high level of democratic support despite being the newest democracy in the sample; while the United States falls below newer democracies including Chile and Uruguay.

Figure 7.2: Trends in Democratic Support over Time

Note: Charts plot the mean democratic support scale for each country over time. The scale combines responses to all four political support questions regarding a strong leader, experts, army rule, and having a democratic political system, respectively. Higher values reflect greater support for democracy and rejection of alternatives. Surveys were fielded in some countries on more occasions than others. Sources: World Values Surveys waves 1 to 6 (2015a); European Values Study waves 1 to 4 (2015).

In addition to the differences in democratic support between countries discussed above, we can expect that there would be differences over time. Figure 7.2 tracks the trends over time on the mean democratic support scale (the third measure in Table 7.2). The chart plots the average score for each year the question was fielded in the WVS; for some countries additional data points are included from waves of the EVS which fielded the same question set. As surveys were fielded on different occasions in each country, there is more data available for some countries than others. No clear pattern is evident from these trends. For example, some countries experienced increases over time, such as Chile, whereas others including the United
States and Korea have experienced decreases. In countries including Australia and Uruguay support has remained stable. This aligns with Norris’ findings that there was no particular trend in political support over time, contrary to the established wisdom, ‘public support for the political system has not eroded consistently in established democracies, not across a wide range of countries around the world’ (2011, p. 241). In a few countries we see a reversal of the long-term trends following the crisis. In Sweden, Spain, and to a lesser extent Japan, democratic support had been gradually rising over time, and then fell after the crisis.

Figure 7.3: Relationship between Democratic Experience and Democratic Support

Sources: Democratic Support Scale constructed from Wave 6 World Values Survey (2015). Years of democratic experience is calculated as the difference between the survey year, and the variable ‘PolityIV-durable’ from Norris’ Democracy Cross-national Data, which represents the latest regime transition date (2015).

One other important aspect of democratic support to discuss is its relationship with democratic experience. Table 7.2 showed that the established democracies had higher scores on the democratic support scale. To further explore this, Figure 7.3 shows the relationship between democratic experience and democratic support. The x-axis plots the years of democratic experience (log transformed) and the y-axis plots the mean of the democratic support scale, revealing a strong and significant relationship between the two ($r=0.51$, $n=19$, $p=0.03$). This is consistent with the existing literature which highlights that a country’s experience with democracy

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3 The log of democratic experience is taken to reflect a non-linear relationship between democratic experience and democratic support.
is a major influence on democratic support (for example see Huang et al., 2008; Klingemann, 2014; McAllister, 1999).

This section has provided an overview of the dependent variable, including different operationalizations of democratic support, and the trends across countries and over time. It has also touched on the positive relationship between a country’s experience with democracy and citizens’ support for a democratic political system. The subsequent sections will test hypotheses which seek to explain how democratic support is influenced by a major economic shock. These analyses will use the democratic support scale that has been discussed in this section, which factors in both support for democracy and rejection of alternatives on a scale from zero to 12.

### 7.2 Change in New and Old Democracies

The first set of hypotheses to be tested concerns the differences between old and new democracies. According to Linz and Stepan (1996a), democracy should be more fragile to economic shocks in the newer democracies where democracy is yet to become fully consolidated. If that were the case, support for democracy would be more likely to decline in the newer democracies after the crisis (H4.1). However, the resiliency of democratic support to a major economic shock has not really been tested previously in the older democracies given the unprecedented scale of the global financial crisis, the greatest since the Great Depression of the 1930s. If democratic support is not as strong in the older democracies as Linz and Stepan’s theory supposed then we could expect democratic support to decline across both old and new democracies after the crisis (H4.2).

\[ H4.1: \text{After the crisis support for democracy would be more likely to decline in newer democracies.} \]

\[ H4.2: \text{After the crisis support for democracy declines across both new and old democracies.} \]

Before testing these hypotheses, it must first be defined which countries are old, and which are new democracies. To explore this, Table 7.3 presents information on the democratic experience in each country, beginning with the democratic transition date. This in itself is a contentious measure, as there is a considerable degree of disagreement as to the exact democratic transition dates in a range of countries (see for instance Huntington, 1991; Lipset, 1959; Muller, 1988; Paxton, 2000; Rueschemeyer et al., 1992).\(^4\) The transition dates used in the table are calculated from Polity

\(^4\)Paxton, for instance, found a lot of the transition dates commonly used reflected male suffrage,
Table 7.3: Democratic Experience within the WVS Sample

<table>
<thead>
<tr>
<th></th>
<th>Year of democratic transition</th>
<th>Polity score at time of transition</th>
<th>Polity score in 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>1809</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>New Zealand</td>
<td>1877</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Australia</td>
<td>1901</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Sweden</td>
<td>1917</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1945</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>West Germany</td>
<td>1949</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Japan</td>
<td>1952</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>1962</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Cyprus</td>
<td>1975</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Spain</td>
<td>1978</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Uruguay</td>
<td>1985</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>South Korea</td>
<td>1988</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Chile</td>
<td>1989</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>East Germany</td>
<td>1990</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Slovenia</td>
<td>1991</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Poland</td>
<td>1991</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Romania</td>
<td>1996</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Peru</td>
<td>2001</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Ghana</td>
<td>2001</td>
<td>6</td>
<td>8</td>
</tr>
</tbody>
</table>

Note: The polity score is a measure of how democratic each country is, ranging from $-10$ (strongly autocratic) to $+10$ (strongly democratic), and is composed by subtracting the dataset’s autoc score from the democ score, measures of autocracy and democracy respectively. Shaded countries can be classified as ‘new democracies’.


IV’s measure of regime durability (durable), which provides ‘the number of years since the most recent regime change (defined by a three-point change in the polity score)’ (Marshall et al., 2016b, p. 17). As this does not necessarily entail that each country had fulfilled all the requirements of democracy, the polity scores are also listed for the time of transition, and at the latest release of the PolityIV dataset which measures up to 2015.5 There are many indicators of democracy, whether dichotomous classifications or continuous measures (for an overview see Norris, 2008, Chapter 3). Polity IV is used here as it is one of the most commonly used in political science, and as it is strongly correlated with other measures of democracy (Jaggers rather than universal suffrage, which goes against most definitions of what constitutes a democratic society (2000).

5The polity score is a measure of how democratic each country is, ranging from $-10$ (strongly autocratic) to $+10$ (strongly democratic), and is composed by subtracting the dataset’s autoc score from the democ score, measures of autocracy and democracy respectively.
and Gurr, 1995; Norris, 2008, pp. 61, 71). All 18 countries are also classified as ‘free’ according to Freedom House (2016).

Using this information on transition dates, new democracies are classified as those that democratized during or after what Huntington (1991) described as the ‘third wave’ of democratization, from 1974 onwards. As indicated by the shading in Table 7.3 this includes 10 countries, plus East Germany, and 7 older democracies, plus West Germany.⁶

One simple way to test whether the crisis had different effects on democratic support in new and old democracies is to consider the change in means on the democratic support scale from before and after the crisis. Table 7.4 shows the mean level of democratic support in new and old democracies, and the change between the two survey waves. An independent samples t-test was conducted to assess whether there were significant changes over time. This shows a significant decline of 0.10 on the democratic support scale in the old democracies, and a significant decline of 0.12 in the new democracies. The 95 percent confidence intervals for each estimate overlap indicating that we cannot say one set of countries experienced greater or lesser declines than the other. This result does not support the hypothesis that newer democracies, faced with an economic shock, would suffer greater setbacks in democratic support (H4.1), though it does support the competing hypothesis that after the crisis support for democracy would decline in both new and old democracies (H4.2).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Old Democracies</td>
<td>8.87</td>
<td>8.77</td>
<td>−0.10**</td>
</tr>
<tr>
<td>New Democracies</td>
<td>7.94</td>
<td>7.83</td>
<td>−0.12**</td>
</tr>
</tbody>
</table>

*Note:* The table presents means of the democratic support scale, which combines responses to all four political support questions regarding a strong leader, experts, army rule, and having a democratic political system, respectively. Higher values reflect greater support for democracy and rejection of alternatives. Scale ranges from 0–12.

* p < 0.05, ** p < 0.01


A more nuanced way to investigate democratic support in new and old democracies would take account of the degree of crisis impact, as not all countries were affected equally. Figure 7.4 plots the measure of the crisis depth, GDP growth over 2008 to 2009, against the change in democratic support between the two survey waves. Old democracies are shown in blue, and new democracies in red, with a

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⁶East and West Germany are kept separate here due to the different democratic transition dates.
Figure 7.4: GDP Growth and Democratic Support in Old and New Democracies

*Note:* Change in Democratic Support measures the difference in the democratic support scale country means (0–12) between WVS wave 5 (2004–2007) and wave 6 (2010–2013).
*Sources:* Democratic support from the wave 5 and 6 World Values Surveys (2014; 2015b); GDP growth from the World Bank (2015a).

line of fit plotted for each group of countries. In both cases the slope of the line is positive, indicating that at higher levels of growth countries were more likely to see increases in democratic support, and at lower levels of growth, declines in democratic support were more likely. Neither relationship is particularly strong, with both falling well short of statistical significance (new democracies: r=0.34, n=11, p=0.31; old democracies: r=0.35, n=8, p=0.40). Although the sample sizes are very small (n=8 and n=11) so this data does not necessarily discount a relationship. The slopes of the line are similar, indicating that newer democracies did not experience greater losses in democratic support than the older democracies.\(^7\)

While the results presented here are not definitive, they go against the conventional wisdom that democratic support should be resilient to economic shocks in consolidated democracies (Linz and Stepan, 1996b, p. 16). Since the global financial crisis similar declines in democratic support were observed in new and old democracies. In both cases, countries that were harder hit by the crisis were more likely to experience declines in democratic support. This lends support to the hypothesis that the magnitude of the crisis was sufficient to affect democratic support in both

\(^7\)Further research should seek to investigate differences in democratic support between old and new democracies over time with a larger sample size.
new and old democracies (H4.2).

7.3 Grievances

Similar to discussions in the previous chapters, the grievances experienced in relation to the crisis, whether at the country level or at the individual level, could be expected to have an impact on democratic support. To the extent that the crisis has a negative impact on democratic support, we would expect this effect to be present in countries that were harder hit by the crisis, though not necessarily in those that were relatively unaffected (H4.3). At the individual level those with fewer resources, in terms of education, income, or employment could be expected to be less supportive of democracy, than those who are doing better for themselves within the democratic system (H4.4).

H4.3: In countries harder hit by the crisis, support for democracy will be more likely to decline after the crisis than in countries that were less hard hit.

H4.4: Individuals more vulnerable to the financial crisis, such as the unemployed, those on low incomes, and those with a lower level of education, will be less supportive of democracy after the crisis.

To investigate how democratic support changed between the survey waves before and after the crisis hit, Table 7.5 presents the mean score on the democratic support scale for each country, and overall, across the two waves. The final column shows the change over time alongside the results of independent samples t-tests to assess whether the level of democratic support after the crisis was significantly different to what it was before. Overall democratic support has declined significantly from an average of 8.34 to 8.24 on the scale that ranges from zero to 12. In two thirds of the countries the trend is negative, significantly so in eight of those countries. Meanwhile four countries experienced a significant increase in democratic support over the same period of time. For the most part, countries that avoided a recession during the financial crisis did not experience significant declines in democratic support. Australia is the exception, although data from the Australian Election Study suggests this decline is related to domestic political factors.\(^8\) The greatest declines

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\(^8\)Declining support for and satisfaction with democracy in Australia has gone alongside upheaval in the major party leaderships, including several changes of Prime Minister outside of the electoral cycle, the first of which occurred in 2010, in advance of the WVS Wave 6 being fielded (on declining satisfaction with democracy see Cameron and McAllister, 2016, p. 74). The Australian Election Study data shows a majority of Australians disapproved of the 2010 change of Prime Minister (McAllister et al., 2010). This may have affected evaluations of democracy; given the economic crisis barely affected Australia it would be more reasonable to presume this shift was
were in two of the post-communist countries, Romania and Slovenia, followed by Sweden and Spain, all countries that were affected by the Great Recession.

Table 7.5: Trends in Democratic Support

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Romania</td>
<td>6.56</td>
<td>5.98</td>
<td>−0.57**</td>
</tr>
<tr>
<td>Slovenia</td>
<td>8.30</td>
<td>7.82</td>
<td>−0.48**</td>
</tr>
<tr>
<td>Sweden</td>
<td>9.57</td>
<td>9.09</td>
<td>−0.48**</td>
</tr>
<tr>
<td>Spain</td>
<td>8.81</td>
<td>8.35</td>
<td>−0.46**</td>
</tr>
<tr>
<td>Japan</td>
<td>8.74</td>
<td>8.39</td>
<td>−0.35**</td>
</tr>
<tr>
<td>Peru</td>
<td>7.16</td>
<td>6.93</td>
<td>−0.23**</td>
</tr>
<tr>
<td>United States</td>
<td>8.26</td>
<td>8.04</td>
<td>−0.23*</td>
</tr>
<tr>
<td>Australia</td>
<td>8.90</td>
<td>8.68</td>
<td>−0.21*</td>
</tr>
<tr>
<td>New Zealand</td>
<td>9.66</td>
<td>9.46</td>
<td>−0.20</td>
</tr>
<tr>
<td>South Korea</td>
<td>7.40</td>
<td>7.32</td>
<td>−0.08</td>
</tr>
<tr>
<td>Germany</td>
<td>9.08</td>
<td>9.01</td>
<td>−0.08</td>
</tr>
<tr>
<td>Uruguay</td>
<td>8.26</td>
<td>8.23</td>
<td>−0.03</td>
</tr>
<tr>
<td>Netherlands</td>
<td>8.34</td>
<td>8.45</td>
<td>0.11</td>
</tr>
<tr>
<td>Chile</td>
<td>8.09</td>
<td>8.25</td>
<td>0.16</td>
</tr>
<tr>
<td>Ghana</td>
<td>8.86</td>
<td>9.04</td>
<td>0.17*</td>
</tr>
<tr>
<td>Poland</td>
<td>7.03</td>
<td>7.27</td>
<td>0.24**</td>
</tr>
<tr>
<td>Cyprus</td>
<td>8.27</td>
<td>8.75</td>
<td>0.48**</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>8.43</td>
<td>9.04</td>
<td>0.61**</td>
</tr>
<tr>
<td>Total</td>
<td>8.34</td>
<td>8.24</td>
<td>−0.10**</td>
</tr>
</tbody>
</table>

Note: The table presents means of the democratic support scale, which combines responses to all four political support questions regarding a strong leader, experts, army rule, and having a democratic political system, respectively. Higher values reflect greater support for democracy and rejection of alternatives. Scale ranges from 0–12. Shaded countries experienced a recession during the global financial crisis.

* *p < 0.05, **p < 0.01


Table 7.5 enables a comparison to be made between countries that did and did not experience recession. A more nuanced analysis will take account of variation in crisis impacts across the sample. To investigate how these trends are affected by the degree of crisis impact, the change in democratic support over time can be plotted against GDP growth at the peak of the crisis, 2008 to 2009. Figure 7.5 shows this relationship, which is positive, though incorporating all countries there is considerable variation and the relationship falls short of significance (r=0.35, n=18, p=0.16). As in the previous chapters, the less developed countries in the dataset appear to be outliers, and if we exclude these countries a stronger relationship emerges within the more developed countries in the dataset.\(^9\) In this smaller sample related to other political factors.

\(^9\)Countries are classified according to the Human Development Index either as ‘very high
Figure 7.5: GDP Growth and Change in Democratic Support

The relationship between growth and the change in democratic support, highlighted by the blue line of fit, is positive and reasonably strong, falling just narrowly short of significance at the 0.05 level (r=0.53, n=14, p=0.05). This shows that countries that had the lowest growth rates during 2008 to 2009 also experienced some of the biggest drops in support for democracy, including Japan, Sweden, Slovenia, and Spain. GDP growth during the crisis does not explain all the variation between countries, though it does seem to have an effect. This builds upon the findings of Armingeon and Guthmann (2014) who found the crisis resulted in lower levels of satisfaction with democracy, a specific measure of support, by showing that diffuse support for a democratic political system was also affected by the crisis.

In addition to investigating the effect of grievances at the country level, the effects of the crisis can also be explored at the individual level. It could be expected that those most affected by the crisis would be less likely to support democracy than those who are still doing well for themselves within the democratic system. --

Note: Change in Democratic Support measures the difference in the democratic support scale country means (0–12) between WVS wave 5 (2004–2007) and wave 6 (2010–2013). Sources: Democratic support from the wave 5 and 6 World Values Surveys (2014; 2015b); GDP growth from the World Bank (2015a); Human Development Index (HDI) categorizations from the United Nations Development Programme (2016).
White, 2011, p. 482). The existing research shows that those with fewer resources, particularly education, but also income, are already less supportive of democracy during ordinary times (Magalhães, 2014, p. 90; Shafiq, 2010). The question is then whether these disadvantaged groups remain less supportive of democracy after the crisis to a similar degree as before, or whether the gap widens between the haves and the have nots.

To explore the effect of individual resources on democratic support, linear bivariate regression models are estimated within each country sample, and in the pooled data. The same models are estimated on the WVS data from before and after the crisis respectively, to assess whether the relationships between resources and democratic support have changed since the crisis. As in the previous chapters, the effects of having a university degree, income level (measured in deciles), being unemployed (compared against a base category of labor force participants), and financial satisfaction (measured on a ten point scale) are each tested for their effects on democratic support, operationalized as the democratic support scale, ranging from zero to 12. The results are presented in Figure 7.6.

As would be expected from the previous literature, education has a positive effect on democratic support (Magalhães, 2014, p. 90). In all but one case the coefficient is positive, and in the majority of cases education has a statistically significant effect. In the multilevel model the effect is positive and significant before and after the crisis. The effect size is bigger after the crisis, although as the confidence bars overlap it cannot be said that education is having a significantly greater effect after the crisis. Income also has a positive effect on democratic support and reaches statistical significance across many countries. Spain is an exception, before the crisis those with higher incomes were less supportive of democracy, though the relationship switched after the crisis. In the multilevel model on the pooled sample the effect is positive, statistically significant, and much the same after the crisis as it was before.

The effect of unemployment on the whole trends negative though there is a lot more variation. In many countries there is no significant difference between the unemployed and labor force participants. In a few cases there are big differences between the effect of unemployment before and after the crisis, specifically in Australia, Sweden and Trinidad the unemployed are a lot less supportive of democracy compared to those in the labor force after the crisis, than they were in the wave of the survey that was fielded before the crisis. The multilevel model incorporating all countries shows a negative effect in both survey waves, the effect is significant after the crisis, though falls narrowly short of significance at the 0.05 level before the crisis (p=0.08). It cannot be said that the unemployed are significantly less supportive of democracy after the crisis than they were before as the confidence intervals overlap. However, the more negative effect following the crisis is consistent with the idea that
Figure 7.6: Effects of Resources on Democratic Support

Notes: Charts plot coefficients and 95 percent confidence intervals for linear bivariate regression models before and after the crisis. The models regress university degree, income, unemployment, and financial satisfaction respectively on the democratic support scale (0-12). University degree is dichotomous. The unemployed are compared against labor force participants. Income and financial satisfaction are on ten-point scales.

those most affected by the crisis would be least satisfied with democracy, and thus less supportive of it as the ideal political system for their country.

Looking finally at financial satisfaction, with a few exceptions this predictor has a positive effect. Whilst the effect does not reach statistical significance in all countries, in more than half of the sample it has a significant positive effect either before or after the crisis (or both), in many other cases falling narrowly short of significance. The multilevel model shows that financial satisfaction has a positive and significant affect before and after the crisis, with a similar effect size. These results, alongside the effect of income, show that both objective and subjective indicators of an individual’s financial well-being matter for democratic support.

Overall, this exploration of the effect of various resources on democratic support is consistent with the supposition that the winners of democracy will be more supportive of it as a political system, aligning with performance based explanations of political support (see Magalhães, 2014; McAllister, 1999). Those with degrees, higher incomes, jobs, and those who are more financially satisfied tend to be more supportive of democracy. The results support the hypothesis that those most vulnerable to the crisis would be the least supportive of democracy (H4.4). In most cases the confidence intervals overlap between the surveys that took place before and after the crisis respectively, so it cannot be said that grievances are having a different effect to what they were before the crisis. However, the coefficient sizes for education and unemployment increased after the crisis, suggesting that the gap in democratic support may have widened between the haves and the have nots.

The regression models discussed above are bivariate models, so they do not take account of various control variables. To provide a more robust test of the hypotheses, factoring in both country and individual level factors simultaneously, the next step of the analysis is a multilevel model incorporating all 18 countries and predictors at two levels. The results are, as in the preceding chapters, presented in table and diagram format (see Table 7.6 and Figure 7.7). The plot of coefficients in Figure 7.7 eases comparison of effect sizes and 95 percent confidence intervals from the waves of the survey conducted before and after the crisis, respectively.

Three predictors at the country level are incorporated in the model. Democratic experience, as the strongest predictor identified in the existing literature, is included. Once again this is log transformed to reflect a non-linear relationship with the dependent variable (see Figure 7.3). GDP growth and unemployment, both from 2008 to 2009 at the peak of the crisis, are incorporated to enable the effects of the crisis to be tested. The inclusion of both economic and political macro-level variables enables the economic performance hypothesis to be tested against democratic experience in the crisis context (see Huang et al., 2008; McAllister, 1999). At the individual level, employment status, income, education, age, gender and postmaterialist values are
incorporated. The dependent variable is the democratic support scale ranging from zero to 12, factoring in both support for a democratic political system, and rejection of anti-democratic alternatives.

At the country level, as would be expected, democratic experience has a big effect on democratic support. The effect size is much greater before the crisis, decreasing by more than half from 0.69 to 0.31. When factored into the multilevel model, the national economic indicators of GDP growth and unemployment have no effect on democratic support. This aligns with existing studies that find economic performance to have a minimal effect on democratic support in comparison to democratic experience (Evans and Whitefield, 1995; Huang et al., 2008; McAllister, 1999), and suggests even a crisis of this magnitude was not enough to change the dynamics of these relationships. Although whilst the impact, or lack thereof, of economic factors does not change after the crisis, a country’s experience with democracy did become less important after the crisis.

At the individual level, taking account of the suite of control variables, the various measures of resources still trend in the same direction as the bivariate models presented in Figure 7.6, though in some cases these relationships are no longer significant. Comparing the unemployed against labor force participants, the effect is negative in both survey waves though does not reach significance in either. The effect of unemployment became more negative after the crisis ($\beta=−0.18$, $p=0.10$). The coefficient for income is positive in both cases though only reaches significance before the crisis. Having a university degree has a large significant effect before and after the crisis, and the effect is a good deal greater after the crisis (increased from $\beta=0.47$ to $\beta=0.67$). The effect of being female on democratic support is negative, though insignificant in both survey waves. Postmaterialism is positive and significant in both waves, and changes little between the two.

The findings for age show a widening gap between older and younger people. Compared against a base category of 18 to 29 year olds, those in the middle age category (30–49) became more supportive of democracy relative to the younger cohort. Before the crisis, the effect of being in the middle age group was positive though not significant, after the crisis the effect size had increased and the relationship became significant (increase from $\beta=0.09$ to $\beta=0.27$). Those 50 and over were significantly more supportive of democracy than younger people before the crisis, though the effect size more than doubles after the crisis (from $\beta=0.29$ to $\beta=0.61$). These results suggest a widening gap between younger and older generations on views of democracy.

The disproportionate effects of the crisis on young people have been well documented (Bell and Blanchflower, 2011). Unemployment rates rose highest amongst

10 Inglehart (2003) demonstrated a relationship between postmaterial values and democracy.
Table 7.6: Predicting Democratic Support Before and After the Crisis

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<td>Coef.</td>
<td>(SE)</td>
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<td><strong>Country level predictors</strong></td>
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<tr>
<td>Log of years democracy</td>
<td>0.69**</td>
<td>(0.11)</td>
</tr>
<tr>
<td>GDP growth</td>
<td>−0.04</td>
<td>(0.06)</td>
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<tr>
<td>Unemployment</td>
<td>0.00</td>
<td>(0.05)</td>
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<td><strong>Individual level predictors</strong></td>
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<tr>
<td>Employment status</td>
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<tr>
<td>Unemployed</td>
<td>−0.06</td>
<td>(0.10)</td>
</tr>
<tr>
<td>Other employment status</td>
<td>0.00</td>
<td>(0.06)</td>
</tr>
<tr>
<td>Income</td>
<td>0.04**</td>
<td>(0.01)</td>
</tr>
<tr>
<td>University degree</td>
<td>0.47**</td>
<td>(0.07)</td>
</tr>
<tr>
<td>Age range (base: 18-29)</td>
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</tr>
<tr>
<td>Aged 30-49</td>
<td>0.09</td>
<td>(0.08)</td>
</tr>
<tr>
<td>Aged 50 and over</td>
<td>0.29**</td>
<td>(0.10)</td>
</tr>
<tr>
<td>Gender (female)</td>
<td>−0.03</td>
<td>(0.05)</td>
</tr>
<tr>
<td>Postmaterialist (12-item)</td>
<td>0.12*</td>
<td>(0.05)</td>
</tr>
<tr>
<td>Constant</td>
<td>5.29**</td>
<td>(0.58)</td>
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N (countries) 18 18
N (respondents) 16,840 19,093
ICC 0.09 0.13

Note: Multilevel model with random intercepts produced using Stata’s mixed command. The dependent variable is the democratic support scale ranging from 0 to 12. Robust standard errors in parentheses.

* p < 0.05, ** p < 0.01

Sources: Wave 5 and Wave 6 World Values Surveys (2014; 2015b), with country level indicators from the World Bank (2015a; 2015b) and Norris (2015).

young people, and those finishing college degrees after the crisis hit faced starkly different prospects to those who got their careers started a few years earlier (Bell and Blanchflower, 2011; World Bank, 2016c). Moreover, as austerity policies kicked in, for example the rising cost of higher education in the UK, younger people had fewer opportunities to work or study (Dearden et al., 2011). These results suggest the disproportionate effects of the crisis on the young have not been without consequence for political attitudes, with young people increasingly less supportive of democracy relative to the older cohorts.

How do these results relate back to the hypotheses on grievances? At the country level, the data shows a relationship between GDP growth and the change in democratic support, with countries harder hit by the crisis experiencing greater declines in democratic support. This lends support to the hypothesis that support for democracy will be more likely to decline in countries harder hit (H4.3). Although in
the multilevel model that controls for democratic experience, alongside individual level variables, GDP growth and unemployment levels during the years preceding the survey do not have an effect. At the individual level, resources, or the lack thereof, have a similar effect on democratic support before and after the crisis, with those more vulnerable in society less supportive of democracy (as per H4.4). What has changed since the crisis is age, with young people having become less supportive of democracy than the previous cohort. That younger generations are becoming less supportive of democracy than older generations does not bode well for the future of democracy, given the importance of democratic attitudes for sustaining democracy. If the trend continues and the effect is lasting, processes of generational replacement could lead to lower levels of democratic support in future.

7.4 Bailouts in the European Union

The final area to investigate concerns the role of bailouts by international organizations including the IMF and the EU. The role of non-state actors influencing
domestic policies can be seen as an intrusion in the democratic process. There are two arguments as to how this might have affected democratic support based on existing studies by Cordero and Simón (2016) and Armingeon and Guthmann (2014). On the one hand, people could become less supportive of democracy as a result of the intrusions of international organizations in the democratic process, this is the argument advanced by Armingeon and Guthmann (2014). In this case we would expect democratic support to decline in countries that received bailouts (H4.5). On the other hand, Cordero and Simón (2016) make the argument that these intrusions in policy making would increase the saliency of democracy, and thus increase support for democratic governance. In that case democratic support should increase in the countries that received bailouts (H4.6).

**H4.5:** In countries that received conditional loans from the IMF or the EU after the crisis, support for democracy will be more likely to decline.

**H4.6:** In countries that received conditional loans from the IMF or the EU after the crisis, support for democracy will be more likely to increase.

As in the previous chapter on political protest, it is not ideal to test these hypotheses regarding the European sovereign debt crisis with data from the WVS. The selection of countries does not include many that received bailouts from the IMF or the European Union, just Spain and Cyprus, and in these countries the most recent WVS survey wave preceded the bailouts making it impossible to investigate the effects of the bailouts. As an alternative approach to explore these hypotheses, first the findings of Armingeon and Guthmann (2014) and Cordero and Simón (2016) will be discussed in some depth, as both studies have investigated support for democracy in the context of the bailouts in Europe. Their results have different implications for the hypotheses above. To shed light on these competing propositions regarding the effect of international interventions on support for national democracy, additional analyses will be presented with data from the European Social Survey.

There are a number of ways in which the bailouts by international organizations influenced the democratic political process within recipient countries. Domestic governments were constrained in their policy making ability, as they had little choice but to accept loans and sign Memorandums of Understandings which involved the commitment to implement harsh austerity measures (Cordero and Simón, 2016). This situation led to programmatic decline, with parties constrained to adopt the same position on the bailouts (Cordero and Simón, 2016, p. 309). The implications of this for citizens’ agency within the political process are considerable, as Armingeon and Guthmann (2014, pp. 423–424) describe it:
Whether the citizenry had voted the previous government out of office, parliamentary parties cooperated or antagonised each other, social partners cooperated or waged general strikes, or citizens demonstrated or stayed at home, was of little importance for the structural, fiscal and social policies agreed upon in the memorandums of understanding between the EU/IMF and national governments. In the end, the people simply had to accept the deals. In other words, democratic discourse was ineffective.

Not only were citizens faced with the economic realities of the crisis, they were also limited in their capacities to influence the course of government policy. It could be expected that these constraints upon the democratic political process may have implications for citizen support for democracy. The studies by Armingeon and Guthmann (2014), and Cordero and Simón (2016) differ in the mechanism by which this may affect support.

Armingeon and Guthmann (2014) seek to investigate the effect of the imposition of austerity by the EU and IMF on support for democracy. They argue that citizens distinguish between national and international levels of governance (see also Karp et al., 2003), and in recognizing a ‘constrained room to manoeuvre’ at the national level of politics they withdraw their support for democratic governance (Armingeon and Guthmann, 2014, p. 424). They test this with data from the Eurobarometer over 2007 to 2011, employing a combination of time-series cross-section analysis with the aggregate data, and multilevel modelling which incorporates country and individual level variables. They operationalize democratic support on the more specific end of the continuum, incorporating satisfaction with democracy and trust in the national parliament (Easton, 1975).

Firstly, the study finds that evaluations of economic performance are strongly related to democratic support, more positive economic evaluations are associated with higher support (Armingeon and Guthmann, 2014, p. 439). Second, they find that international factors, operationalized as IMF conditionality and interest rates on government debt securities, have a negative effect on democratic support. This relationship holds when controlling for austerity policies, as measured by changes in government expenditures, suggesting that the effect is due to the international interference, and not just a result of the austerity policies that followed from this interference.

In evaluating Armingeon and Guthmann’s two main findings, it is important to recognize that they have operationalized democratic support with specific measures of political support (2014). That the interference of international and supranational organizations in domestic politics has an effect on democratic satisfaction and trust in parliament is an interesting finding, however, as Armingeon and Guthmann has-
ten to add, this does not provide us with any information on how these interventions have affected *diffuse* support for democracy (2014, p. 439). From existing work, it could be expected that poor government performance would have some effect on democratic satisfaction and institutional confidence (Anderson and Guillory, 1997; McAllister, 1999; Norris, 2011, Chapter 10). Moreover, Norris’ work on critical citizens and the democratic deficit has demonstrated that citizens can be dissatisfied with the performance of democracy whilst supportive of democracy as a regime (2011; 1999c). So Armingeon and Guthmann’s study (2014) leaves questions regarding the impact of the bailouts by international organizations on support for a democratic regime.

Cordero and Simón (2016) seek to address this gap in Armingeon and Guthmann’s (2014) study by investigating both democratic satisfaction and democratic support in the context of the bailouts in the European Union. They agree with Armingeon and Guthmann (2014) in suggesting that negative economic evaluations should be associated with declines in democratic satisfaction, though set out an alternative mechanism by which the bailouts would be expected to affect the diffuse element of democratic support. With international actors taking agency away from national governments and their citizens, Cordero and Simón (2016) argue that this should increase support for democracy, rather than reduce it. They hypothesize that citizens ‘should increase their attachment to democracy as a reaction to these external interventions, emphasising the saliency and importance of democratic rule’ (Cordero and Simón, 2016, p. 307).

To test this, Cordero and Simón (2016) use data from Round 6 of the ESS, fielded in 2012. This is the only year that the survey fielded a question on diffuse support for democracy, in this case by asking how important it is for respondents to live in a democratic country, alongside a question on how satisfied they are with the way democracy works in their country. They find that satisfaction with the government has a positive effect on both democratic satisfaction and democratic support; meanwhile positive economic evaluations have a positive impact on democratic satisfaction, but do not have an effect on democratic support (Cordero and Simón, 2016, p. 317). Interactions in their model show that in countries that received Troika bailouts, citizens more dissatisfied with the state of the economy were more supportive of democracy, whereas in other Eurozone countries the opposite was true (Cordero and Simón, 2016, p. 318).

Though the overarching arguments of the two studies seem to contradict one another, when one distinguishes the specific and diffuse aspects of political support as per Easton’s classification (1975), these results are not incompatible. Whilst the bailouts negatively impacted democratic satisfaction according to both studies, Cordero and Simón (2016) argued that in bailed-out countries those dissatisfied with
the economy were more supportive of democracy. Though from their data, it is not possible to say that the interventions increased democratic support as the data only covers one point in time (2012).

In order to shed further light on these different interpretations of democratic support in the context of the bailouts, data from the ESS can be explored. The ESS has been fielded biennially from 2002 to 2014. Each wave has asked the same question regarding democratic satisfaction, worded, ‘And on the whole, how satisfied are you with the way democracy works in [country]?’ with responses on a scale from zero to 10 where zero is ‘extremely dissatisfied’ and 10 is ‘extremely satisfied’. The ESS has also asked a question on diffuse support for democracy, ‘How important is it for you to live in a country that is governed democratically?’, with responses also on a scale from zero, ‘not at all important’, to 10, ‘extremely important’.11 Whilst the question on satisfaction with democracy has been fielded in each of the waves from 2002 to 2014 enabling an analysis of trends over time, the item tapping diffuse support for democracy was only fielded in the 2012 wave.12 As more data is available on democratic satisfaction, this shall be discussed first, before exploring democratic support and satisfaction in the 2012 survey wave.

Figure 7.8 presents the trends in democratic satisfaction over time. To investigate the effects of the bailouts on democratic satisfaction, the average level of democratic satisfaction is calculated separately for countries that were affected by bailouts, and for the remaining European countries in the sample.13 Cyprus, Greece, Ireland, Portugal, Spain and Slovenia are incorporated in the group of countries considered affected by bailouts.14 Of these countries Cyprus and Greece did not field the survey in all seven rounds, so in those years averages do not incorporate the data from those countries.15

The trend lines show that before the crisis democratic satisfaction was, on aver-

11The democratic support measure does not factor in rejection of non-democratic alternatives, but as a continuous measure (0–10) it still captures more variation than dichotomous measures of democratic support.

12Of the major public opinion surveys fielded in Europe, this seems to be the only one that asks a question tapping diffuse support for democracy in the years since the European sovereign debt crisis began.

13The sample of other European countries includes: Belgium, Denmark, Finland, France, Germany, Hungary, the Netherlands, Norway, Poland, Sweden, Switzerland and the United Kingdom. As not every ESS country fielded a survey in each round, the sample is restricted to those that fielded a national survey in each of the seven rounds.

14Cyprus, Ireland, Greece and Portugal received bailouts from the IMF and the EU. Spain received an EU bailout for its banks. Slovenia is the only country that did not receive a Troika bailout, though it came dangerously close in 2013, narrowly avoiding interventions of the IMF and EU by bailing out their banking sector and implementing an austerity agenda. The interpretation of the results is not affected by the inclusion or exclusion of Slovenia in the sample.

15Cyprus data is incorporated for 2006, 2008, 2010 and 2012. Greece data is incorporated for 2002, 2004, 2008, and 2010. The exclusion of these countries in the later years is expected to lead to more conservative estimates as the individual country trends show Greece and Cyprus exhibiting the steepest declines.
age, similar in the countries that would later be affected by bailouts (5.1 in 2002), to the rest of Europe (5.6 in 2002). From when the crisis hit in 2008 satisfaction began to decline in those countries that would later be affected by bailouts from international organizations. Democratic satisfaction dropped further still in subsequent waves, while it remained high in other European countries. This finding is consistent with Armingeon and Guthmann (2014, p. 432) who looked at trends in democratic satisfaction with Eurobarometer data, though the data here shows the trends over a longer period of time. These trends highlight that the decline in satisfaction commenced at the onset of the economic crisis, before the bailouts themselves, suggesting it was not just the bailouts and international interventions that decreased democratic satisfaction, but the conditions that led to the bailouts as well. The analysis uses the same data source as Cordero and Simón (2016) though looks at trends over time, rather than just a single time point. The level of decline shown from 2012 to 2014 is likely to underestimate the true level of decline, as Greece and Cyprus, which showed the two steepest declines were no longer included in the final surveys.\footnote{Cyprus data is incorporated up to 2012, Greece data is incorporated up to 2010.}

The discussion above covers democratic satisfaction, but not diffuse support for democracy. Figure 7.9 presents the average score for both democratic satisfaction and democratic support in Eurozone countries fielded in 2012 (charts recreated from Cordero and Simón, 2016, p. 313).\footnote{The democratic support item was not asked in other waves, so it is not possible to look at}
racy is higher than satisfaction with democracy in all countries; both are measured on scales of zero to ten. This is consistent with the critical citizens argument, whereby citizens can support democracy in principle, but be dissatisfied with how it works in practice (Norris, 2011, 1999c). The data also shows that countries affected by bailouts were among those least satisfied with democracy. The bottom five (of 14) countries on the scale are Slovenia, Spain, Portugal, Italy and Cyprus, all of which either received bailouts or, as in the case of Italy and Slovenia, were under serious threat of requiring bailouts. However, countries affected by the bailouts are quite varied in their degree of democratic support relative to the other European countries in the sample. On average democratic support is highest in Cyprus; while Italy and Spain are in the top half of the sample, Slovenia and Portugal are in the bottom half. Countries with high levels of democratic dissatisfaction then, do not necessarily have citizens that are unsupportive of democracy. To assess whether democratic support had declined as a result of the crisis would require data over time.

Figure 7.9: Democratic Satisfaction and Support in Eurozone countries, 2012

Note: Charts plot the mean values and 95 percent confidence intervals for democratic satisfaction and democratic support in 2012, each measured on a scale from 0–10. Weighted using the variable pspwght which adjusts for sampling error and non-response bias as well as different selection probabilities.
Sources: Recreated from Cordero and Simón (2016, p. 313) using data from Round 6 of the European Social Survey (2012).
Overall from this discussion of results, the international interventions from the IMF and the EU did have a negative effect on democratic satisfaction, as shown by Armingeon and Guthmann (2014) and the time-series data from the ESS presented above. The effects of the bailouts on the diffuse element of democratic support are harder to assess due to a limited availability of data in the relevant countries over time. Cordero and Simón (2016) found in countries that experienced bailouts, those with more negative evaluations of the economy were more supportive of democracy, suggesting international interventions in domestic politics may increase democratic support. Future research should aim to investigate changes in democratic support over time in the affected countries.

7.5 Conclusion

Public support for a democratic political system is what gives democratic regimes legitimacy, and decreases the likelihood of democratic reversals. Support for democracy can be divided into specific and diffuse components (Easton, 1975). Specific support includes satisfaction with how democratic politics is working in practice, whilst diffuse support includes support for democracy as a political regime. This chapter has focussed primarily on the latter, support for a democratic political system. Previous work on democratic consolidation suggests that democratic support should be resilient to economic shocks in the established democracies, but more fragile in newer democracies where people may associate poor economic performance with the political regime rather than incumbents (Linz and Stepan, 1996b). As the global financial crisis is the greatest economic crisis since the 1930s, the resilience of democratic support in the advanced democracies to a major economic shock has not been tested in recent times. This chapter has investigated the impact of the crisis on democratic support with WVS data from before and after the crisis in 18 countries, supplemented with data from the ESS.

First, the chapter investigated differences between old and new democracies. Democratic support declined significantly, and to a similar extent, in both old and new democracies. The hypothesis that democratic support would be resilient to economic shocks in the established democracies but fragile in newer democracies can be rejected. Rather, the data lends support to the competing hypothesis that due to the unprecedented extent of the crisis democratic support would decline in both old and new democracies. This finding challenges the conventional wisdom that democratic support should be sufficiently strong to weather economic crises in established democracies (Linz and Stepan, 1996b).

Next, the chapter explored how the degree of the crisis influenced democratic support, both at the country and individual level. Countries that did not go into
recession in most cases did not experience the significant drop in democratic support that was evident overall. Australia was the only exception, as a country that avoided recession and lost democratic support, though that can likely be attributed to domestic political factors evident in the national election study data (McAllister et al., 2010). In a similar vein, GDP growth during the peak of the crisis was positively associated with the change in democratic support—as in previous chapters this relationship was evident amongst the more developed countries in the dataset. In countries that fared relatively well during the crisis, democratic support was more likely to remain stable or increase, whereas the countries that were hardest hit tended to experience declines in democratic support.

The individual level data showed that those with higher levels of education, higher incomes, greater financial satisfaction, and those in the labor force were more supportive of democracy. However, when factoring in a range of control variables only education had a strong and significant effect on democratic support both before and after the crisis. The effect of education also increased after the crisis suggesting democratic support decreased amongst those with lower levels of education after the crisis. Aside from the investigations of individual resources, age showed differences before and after the crisis. Whilst older people were more supportive of democracy than younger people both before and after the crisis, the gap widened considerably after the crisis. There is a lot of evidence to suggest younger people were disproportionately affected by the crisis (see Bell and Blanchflower, 2011). The WVS data presented here suggests that this may have influenced young people’s attitudes towards a democratic political system.

The final section investigated democratic support in the context of the European sovereign debt crisis and bailouts by the EU and IMF. Existing studies by Armingeon and Guthmann (2014) and Cordero and Simón (2016) have explored this in some depth with the data available. At first glance these studies would appear to contradict one another, with Armingeon and Guthmann (2014) claiming that the international interventions in domestic politics depressed support for democracy, and Cordero and Simón (2016) suggesting the opposite to be the case. Differences in operationalization may explain this result; Armingeon and Guthmann investigate democratic satisfaction and trust in parliament, whereas Cordero and Simón looked at support for democracy. Analysis of the ESS data added to this discussion, showing that satisfaction with democracy decreased considerably in countries affected by the bailouts compared to the rest of Europe. The impact of the bailouts on democratic support is inconclusive given data limitations, though the ESS data does show that countries with the lowest levels of democratic satisfaction were varied in their levels of democratic support. This reinforces the view of Cordero and Simón (2016) that the effects of the bailouts on specific and diffuse support differed.
This chapter contributes to our understanding of the effects of a major crisis on democratic support in a number of ways. First, the analyses show that in the context of a major economic crisis, support for a democratic political regime is fragile in both old and new democracies. Second, the evidence shows that diffuse support for a democratic political system is fragile to economic shocks, not just democratic satisfaction (contrary to Huang et al., 2008, pp. 58–59). Third, it shows age differences in democratic support widening, with the youngest generation becoming less supportive of democracy. The next and final chapter discusses the implications of these findings for democratic governance, and how this work contributes to our understanding of how citizens respond to major economic crises.
Chapter 8

Implications for Democracy

The global financial crisis has been the greatest economic crisis since the great depression of the 1930s. This thesis has investigated how citizens responded to this major economic shock, in terms of their political behaviors and attitudes. Three dimensions of participation were examined—voting behavior, civic engagement and political protest. In addition to participation, support for a democratic political system was examined. The overall finding is that the crisis depressed political participation and democratic support in countries affected to a greater extent by the economic crisis. At the individual level, after the crisis there was little change in the dynamics of who participates in politics. Those most vulnerable to the crisis were no more or less likely to participate in politics than they were before. The evidence does however point to young people’s increasing disillusionment with the political system, after the crisis they became less supportive of democracy and less likely to vote.

To examine political behavior and attitudes in the context of the crisis this thesis has taken a comparative approach, drawing upon data from cross-national public opinion surveys, alongside supplementary sources on aggregate participation trends. The Comparative Study of Electoral Systems was used in Chapter 4 to investigate voting behavior including turnout and vote choice. The analysis with the CSES incorporated 45 elections within 13 democratic countries. Each country had fielded at least one survey after the onset of the crisis in 2008 and two to three surveys before 2008, enabling a comparison from before and after the crisis. The World Values Survey was the primary dataset used in Chapters 5, 6 and 7 to investigate civic engagement, political protest and democratic support, respectively. Data was drawn from Wave 5 (2004–2007) and Wave 6 (2010–2013) of the WVS to similarly enable comparison from before and after the crisis. 18 democratic countries were incorporated on the basis that surveys had been fielded in each of the two waves. These cross-national surveys were analyzed by comparing the aggregated trends over time, and through multilevel modelling to assess the influence of individual
and contextual predictors on the dependent variables.

The primary analyses with the CSES and WVS were supplemented with data from a range of other sources. The voting behavior chapter utilized aggregate turnout data from International IDEA (2017) and data on electoral results from the PARLINE database on national parliaments (Inter-Parliamentary Union, 2014). Chapter 6 used protest event data from ICEWS (Boschee et al., 2015) to investigate the number of demonstrations during the Eurozone crisis. European Values Study data was employed to supplement the WVS protest and democratic support trends over time for the European countries within the sample in Chapters 6 and 7. European Social Survey data was analyzed in Chapter 7 to investigate democratic satisfaction and support in the context of the European sovereign debt crisis. Further, aggregate level indicators on economic conditions and democratic experience were incorporated from the World Bank (2015a,b), the OECD (2016a,b,c), the Human Development Index (United Nations Development Programme, 2016), Pippa Norris’ Democracy Cross-National Data (2015) and Polity IV (Marshall et al., 2016a). Incorporating data from a wide range of sources has strengthened the analyses beyond what would have been possible with a single dataset, in terms of the coverage of country contexts and time points, as well as providing different measures of key concepts.

8.1 Overview of Findings

Two dimensions of voting behavior were explored in Chapter 4—voter turnout and vote choice. Analyses of aggregate turnout data from International IDEA (2017) showed that declines in turnout were associated with lower GDP growth in the year preceding the election, suggesting that the crisis had a demobilizing effect on electoral participation. The CSES data meanwhile showed that voters had similar characteristics before and after the crisis compared to non-voters. Those more educated, with higher incomes, in the labor force, as well as older people were all more likely to vote in elections preceding the crisis, and after the crisis hit. Young people were somewhat less likely to vote after the crisis. The finding that turnout declined overall in countries harder hit, without much change in the dynamics of who participates, suggests that the crisis may have depressed participation by creating greater levels of hardship in society as a whole.

Analyses of vote choice were conducted at the aggregate and individual level. At the aggregate level, within the sample of 13 countries selected from the CSES, governments were no more likely to lose office after the crisis than before. However, after the crisis declines in vote shares and seats in parliament were observed for both the party of the incumbent President or Prime Minister, as well as coalition partners.
Governments on the left were better able to hold onto power after the crisis than those on the right. After the crisis, GDP growth was positively and significantly associated with the change in incumbent vote share since the preceding election, lending support to the economic voting thesis (confirming the results of Bartels, 2013, p. 50). The multilevel model showed support for sociotropic economic voting, though no evidence that citizens voted with their pocketbooks. This is consistent with existing studies that have demonstrated voters are influenced to a greater extent by the country’s economic circumstances than their own (Anderson, 2000; Kiewiet, 1983), and indicates that this still pertains during a major economic crisis.

The impact of the crisis on civic engagement was investigated in Chapter 5. The inclusion of civic engagement as part of the political behavior spectrum draws upon work that has espoused the virtues of citizens’ active involvement in civic groups for the health of democratic society (see Diamond, 1994; Putnam et al., 1993; Tocqueville, 1966). In this chapter, civic engagement was defined as participation in civic associations, including old social movement organizations—political parties, unions, and professional associations, new social movement organizations—humanitarian organizations and environmental groups, and other association types oriented towards recreational activities. Overall there was a significant decline in civic engagement between Waves 5 and 6 of the WVS. Moreover, countries that were harder hit by the crisis were more likely to experience declines in civic engagement, although this relationship only pertained to the more developed countries within the dataset. The decline in civic engagement overall was not driven by a particular type of association, rather it was evident across the different types of association, with change in one type being strongly correlated with change in the others. The individual level data showed that there was little change in who participated in civic groups before and after the crisis. Those with greater resources, including education and higher incomes, remained more likely to participate after the crisis.

Political protest in the context of the crisis was explored in Chapter 6. Protest provides an important channel through which citizens can express grievances and engage in the political process outside of the electoral process. Protest was operationalized as a measure combining protest potential and participation, including signing petitions, boycotts, and peaceful demonstrations. Since the crisis protest had declined significantly in just over half of the sample. Lower GDP growth during the crisis was associated with greater declines in political protest, consistent with the argument that the crisis had a demobilizing effect on participation. This relationship was only evident in the most developed countries incorporated in the analysis. There was also a significant decline in postmaterialism since the crisis, which was positively associated with the change in protest over the same time period. Data at the individual level showed it remained the same suspects who were more likely
to get involved in protest, namely, those more educated, those with higher incomes, and those with postmaterialist value orientations.

The finding that the crisis had a demobilizing effect on protest participation may seem surprising, given the great deal of attention paid to protest mobilizations linked to the crisis, particularly those in Europe during the sovereign debt crisis (see for instance della Porta et al., 2017; Giugni and Grasso, 2015; Kriesi, 2014; Rüdig and Karyotis, 2013). To investigate this seemingly contradictory finding, protest during the Eurozone crisis was explored with ICEWS data on the number of demonstrations in each country across Europe (Boschee et al., 2015). This confirmed that the number of demonstrations increased dramatically in countries affected by IMF and EU bailouts, particularly in the year that bailout agreements were reached and the accompanying austerity measures introduced. The implications of the finding that the crisis depressed participation overall, whilst leading to large mobilizations, will be considered further in the discussion.

Support for a democratic political system was investigated in Chapter 7. The analyses focussed primarily on diffuse support for democracy as a political regime as per Easton’s classification between specific and diffuse support (1975). Democratic support was assessed through a measure that captured support for democracy in addition to the rejection of anti-democratic alternatives (see Shin and Wells, 2005). Whilst previous literature has suggested that support for a democratic political system should be resilient to economic shocks in consolidated democracies (Linz and Stepan, 1996b), the WVS data revealed significant declines of similar magnitude in both old and new democracies within the sample. This suggests a large economic shock is sufficient to affect support for the political regime even in the older democracies. Once again, when limiting the sample to the more developed countries in the dataset, the change in democratic support between the two survey waves was positively related to GDP growth during the peak of the crisis. In other words, countries that were harder hit by the crisis were more likely to experience a loss of democratic support. The individual level data showed that more educated and older people were more supportive of democracy both before and after the crisis, though the divide increased. After the crisis, young people became less supportive of democracy in comparison to their older counterparts. Similarly, the gap in political support between those with and without a university degree increased.

Democratic support was further investigated in the context of the IMF and EU bailouts in Europe by discussing the findings of Armingeon and Guthmann (2014) and Cordero and Simón (2016), and presenting supplementary data from the European Social Survey. The ESS data showed that satisfaction with democracy had declined steeply in European countries affected by the bailouts, whilst remaining steady in the rest of Europe. There was no data over time on democratic support,
the diffuse measure, though the 2012 ESS data showed that whilst bailout countries scored lowest on democratic satisfaction, they were dispersed throughout the overall Eurozone sample in terms of democratic support. This suggests that democratic support did not follow the same downward trajectory as democratic satisfaction.

8.2 Discussion

This thesis has provided a comprehensive investigation of the effects of the crisis across the spectrum of types of political participation, from the most to least conventional. In doing so, the study has provided a snapshot of the dynamics of participation after the crisis began, compared to the years beforehand. As much of the existing work that explores economic conditions and political behavior has taken place during relatively ordinary fluctuations in economic performance, there is not much precedent to know how citizens would respond in the context of a major economic crisis. Given the scale of the crisis, with millions losing homes, jobs, retirement savings, or opportunities, and subsequent austerity cuts affecting public service provision, it might be expected that citizens would rise up to express their grievances. Indeed much of the existing work has focussed on mobilizations surrounding the global financial crisis (e.g. Calhoun, 2013; Castañeda, 2012; Giugni and Grasso, 2015), though few have systematically investigated participation trends across societies as a whole. This study showed that, when looking at average trends cross-nationally, the crisis had a demobilizing affect on participation rather than a mobilizing one.

Whilst the aggregate data showed a demobilization linked to the crisis, the individual level data demonstrated that those who participate in various kinds of political action have much the same characteristics after the onset of the crisis, as they did before. A simple mechanism explains this result. During a crisis, those with fewer resources make up a larger proportion of the population. The evidence suggested that there was little change in the socio-demographic profiles of those who participate in politics, those with fewer resources remained similarly inactive in political life after the crisis. As a result, participation overall would be expected to decline at a time of crisis. Put simply, when people are struggling to get by they have less time, energy and other resources available for political activity—when more people are struggling, participation declines. This rationale is consistent with the evidence presented in this thesis.

The protest event data from ICEWS provided further insights into the dynamics of protest mobilization during a crisis. Whilst the analyses with the WVS data showed an overall decline in protest participation since the crisis began, the ICEWS data demonstrated that the number of protest events in European countries affected
by the IMF and EU bailouts rose rapidly in the year that bailouts were agreed. This finding suggests some degree of nuance is required to understand how crises affect protest. First, the results align with studies that have found that protest mobilizations occurred in response to the introduction of austerity policies, the government policy responses to the crisis, rather than the crisis itself (Beissinger and Sasse, 2014; Kriesi, 2014). Second, one can differentiate effects of the crisis on the level of participation across societies, from the number of demonstrations. The crisis may depress participation overall as more people are struggling with getting by, whilst mobilizing ‘the usual suspects’ to participate in large, highly visible protest events. Third, one can distinguish the effects crises have on all types of protest, from protests specifically linked to the crisis. For instance, the crisis and government responses to it might lead to protests on austerity, whilst depressing mobilization on other causes, such as the environment or development aid, as people are more focussed on getting by than on political activism.¹

The findings on support for democracy revise our understanding of political support in times of crisis. The *diffuse* measure of democratic support is generally considered to be more stable over time, and less subject to fluctuation according to government performance than more *specific* measures of political support (Easton, 1975). Moreover, according to work on democratic consolidation, democratic support is supposed to be resilient to economic shocks in the advanced democracies (Linz and Stepan, 1996b). The data presented in this thesis shows that not to be the case. Both old and new democracies experienced significant declines in democratic support after the crisis. Given that support for a democratic political system is considered an important component of democratic consolidation (Linz and Stepan, 1996b), that this support is more fragile to economic shocks than would have been expected is not good news for the health of democracy. Although an area of further research would be to assess whether this support bounces back after the economy recovers.

What are the implications of these findings for democratic governance? One major implication is that citizen political engagement may decline at times when it is most needed. It could be argued that during a crisis there is a greater need for citizens to hold their governments to account, whether by casting a vote, joining a political party or union, or protesting against government policy. Yet the results suggest all these forms of participation may be depressed by a crisis. Moreover, due to increasing joblessness, poverty, and reduced social service provision by the government if austerity cuts are made, the services provided by charitable voluntary

¹The third item was not possible to test with the data used in this thesis though findings by Beissinger and Sasse (2014) support this distinction. They found during the crisis economic protest in Eastern Europe increased, while other types of protest decreased.
associations are under greater demand during a crisis.\textsuperscript{2} The results of this thesis suggest that in a time of crisis the public is not likely to increase their involvement in voluntary activities to meet the greater demand for voluntary services.

Another implication concerns how citizens do and do not hold the government to account for an economic crisis. Governments paid billions of dollars in bailouts to financial institutions that continued to pay out large bonuses to their executives. The taxpayer footed the bill, whilst many suffered from joblessness, homelessness, a loss of retirement savings in the case of the old, and a loss of job opportunities for the young. In what ways did citizens hold governments accountable for poor economic performance by voting against incumbents. Moreover, citizens of European countries affected by the IMF and EU bailouts mobilized large anti-austerity protests, confirming the findings of Bermeo and Bartels (2014) that mobilizations were more likely to occur in response to government policy, than the economic crisis itself. On the whole though, participation was depressed across the various modes of political action in countries harder hit by the crisis. This suggests most people were more focussed on getting by during the crisis than on holding the government to account.

8.3 Contribution

This study has contributed to our understanding of citizen political behavior and democratic attitudes in the context of a major economic crisis. It has provided a comprehensive analysis of the different types of participation, from the most to the least conventional, in cross-national comparison and over time. In the course of preparing this thesis, a number of studies have been published on the effects of the crisis on various aspects of political behavior and also democratic support (for example Armingeon and Guthmann, 2014; Bermeo and Bartels, 2014; Cordero and Simón, 2016; Giugni and Grasso, 2015). This study is unique in its comprehensive coverage of different types of political participation from the most to least conventional, in addition to the attitudinal measure of democratic support. It extends beyond existing country case studies, by investigating impacts of the crisis in cross-national comparison with individual level and country level data. It extends beyond existing comparative studies, by focussing on a sample that extends beyond Europe. This section will outline how the thesis contributes to the literature on each of the dependent variables investigated.

A substantial body of research has emerged on economic voting in the context of

\textsuperscript{2}For example, former UK prime minister David Cameron envisaged a ‘big society’ of increased local level voluntarism whilst introducing large cuts to public services.
the crisis. The bulk of this work is single country studies, though several comparative studies have emerged. These studies have focused on economic voting in the European context. Two have analysed aggregate data (Dassonneville and Lewis-Beck, 2014a; Kriesi, 2014); one has analyzed electoral behavior in the context of European Parliament elections (Okolikj and Quinlan, 2016). This study contributes to this body of work by taking a comparative approach, using national election study data, in a sample that extends beyond Europe. In terms of the voter turnout analyses, the finding that economic crises can depress electoral participation confirms the result of Karp and Milazzo (2016) across a different sample of countries and using a different approach.

Many scholars have investigated protest behavior in response to the crisis, spurred by highly visible mobilizations such as Occupy Wall St (Calhoun, 2013), and anti-austerity protests in Europe (see for example della Porta et al., 2017; Giugni and Grasso, 2015; Kriesi, 2014). This study complements the plethora of studies that have investigated specific movements linked to the crisis, by assessing participation trends across societies as a whole and in cross-national comparison, rather than focussed on a specific protest movement within a small number of cases, or in a single country study. This study demonstrates that amidst visible protest mobilizations in response to the crisis, participation in protest across populations as whole can be in decline. As more people struggle to get by some will be mobilized, but many others may become less active in politics. This adds to the finding of Bermeo and Bartel’s edited collection that ‘in most countries, popular reactions to the Great Recession were surprisingly muted and moderate’ (2014, p. 3).

Alongside the contributions to the work emerging on electoral and protest responses to the crisis, this study charts largely new ground in exploring the impact of the crisis on civic engagement in comparative perspective. It builds on a policy brief by the European Foundation for the Improvement of Living and Working Conditions which found that traditional forms of civic engagement that involve face to face interaction were declining, consistent with the results of this thesis (Eurofound, 2013, p. 13). The work on democratic support extends previous studies by Armingeon and Guthmann (2014) and Cordero and Simón (2016) by looking at diffuse political support over time, and with a sample that extends beyond Europe.

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3In particular, a number of special issues have covered this topic (Dassonneville and Lewis-Beck, 2014b; Lewis-Beck et al., 2012; Lewis-Beck and Whitten, 2013).

4Bartels, in his study of American politics in the wake of the Great Recession incorporates descriptive outcomes for OECD countries, finding that, as in this study, incumbent vote share is driven by economic performance (2013, p. 50).
8.4 Study limitations and further research

This thesis has a number of limitations. There are often trade-offs to be made when selecting a dataset for a study such as this one. Important considerations include the selection of cases, the time-points covered, and whether measures for variables of interest are included. The WVS and CSES were chosen as the best balance of all three, though they are not without constraints. The analyses at the country level are limited by a small sample size: 13 countries for the work on voting behavior using CSES data; 18 countries for the chapters using the WVS. With a larger sample size it would be possible to be more confident as to the impact of contextual factors. Moreover, the selection of cases enabled by these datasets is very broad, which has advantages as discussed above, though also challenges associated with a large degree of variation within a reasonably small sample. Various interesting cases in Europe, such as Greece, could not be included in the main analyses due to data limitations. To compensate for these limitations data from additional sources was analysed where feasible to do so.

There are strengths and weaknesses in the measures incorporated in this study. For example, the WVS democratic support measure that taps support for democracy and rejection of anti-democratic alternatives is more robust than measures that only incorporate the former (see Shin and Wells, 2005). On the other hand, the CSES did not include subjective economic evaluations in relevant modules, which would have enabled a stronger test of the economic voting hypotheses. There is also some degree of measurement error in public opinion surveys, particularly it is well known that turnout is overreported (see Karp and Brockington, 2005; Selb and Munzert, 2013). This should have provided a more conservative test of the differences between voters and non-voters, as some non-voters would have been coded as voters.

In an observational study like this there are also limitations in determining causal mechanisms. In order to minimize this problem, the same cases were compared over time, differences in crisis impacts between countries were incorporated, and various controls such as democratic experience were taken into account. Nevertheless, one cannot be certain that the observed impacts were a definite result of the economic crisis. As a large scale financial crisis of global reach is not something that be easily recreated with an experimental approach, external validity considerations were considered paramount in determining the approach, though the research design was set up to maximize internal validity within the constraints of working with observational data.

To build upon this study a number of areas for future research have been identified. The findings regarding the impact of national economic conditions on aggregate trends in participation and democratic support could be explored further
with a larger number of cases, or for that matter a different set of cases, to test whether these relationships hold outside of the sample tested here. Similarly, the individual level results could be tested with different datasets and cases, including further analyses with a European sample in the context of the Eurozone crisis. As more data becomes available, it will be possible to explore the long term effects of the crisis. There is also room to expand the work with the ICEWS protest event data across a larger number of countries to assess the relationship between economic conditions and the number of demonstrations cross-nationally. The proposed mechanisms to explain how economic crisis affects political behaviors and attitudes could be explored in an experimental setting. An experimental approach would lack the external validity of this study, though could provide an opportunity to confirm the results and test causal mechanisms.
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Appendix A

Postmaterialism Index

People sometimes talk about what the aims of this country should be for the next ten years. On this card are listed some of the goals which different people would give top priority. Would you please say which one of these you, yourself, consider the most important?

And which would be the next most important?

A. A high level of economic growth
B. Making sure this country has strong defense forces
C. Seeing that people have more say about how things are done at their jobs and in their communities
D. Trying to make our cities and countryside more beautiful

If you had to choose, which one of the things on this card would you say is most important?

And which would be the next most important?

E. Maintaining order in the nation
F. Giving people more say in important government decisions
G. Fighting rising prices
H. Protecting freedom of speech

Here is another list. In your opinion, which one of these is most important?

And what would be the next most important?

I. A stable economy
J. Progress toward a less impersonal and more humane society
K. Progress toward a society in which Ideas count more than money
L. The fight against crime

(World Values Survey Association, 2012)
A, B, E, G, I and L are said to be materialist priorities whereas C, D, F, H, J
and K are said to be postmaterialist priorities. Inglehart found ‘trying to make our
cities and countryside more beautiful’, whilst hypothesised to reflect postmaterialist
values, does not load strongly on either the materialist or postmaterialist dimensions,
so this item is usually dropped from scale construction (Inglehart, 1997, p. 111).
Thus this study will use Inglehart’s additive index ranging from 0 to 5, calculated
by adding priorities allocated to the five remaining postmaterialist items (Inglehart,
1997, p. 130).