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Study I: Economic Globalization and Voter Turnout in Established Democracies

Study II: Economic Integration, Party Polarization and Electoral Turnout (with appendix)

Study III: Economic Globalisation, the Perceived Room to Manoeuvre of National Governments, and Electoral Participation: Evidence from the 2001 British General Election (with appendix)

List of Submitted Publications


1. Introduction

This manuscript accompanying my paper-based dissertation offers me the opportunity to provide the reader with, hopefully, useful background information to the collection of four articles I submit to the Faculty 02: Social Sciences, Media and Sports at the Johannes Gutenberg University Mainz in partial fulfillment of the requirements for the degree of Doctor of Philosophy in Political Science. It will serve as an introduction to the four studies, but also contain a concluding discussion of the studies. I am grateful for the chance to put the individual contributions into context, to argue in more detail how they build upon the previous literature and aim to fill a research gap than is possible within the usual 7,000 to 10,000 word limits of journal articles in political science. Most importantly, this manuscript provides me with the welcome opportunity to clarify how the individual studies relate to each other and allow me to draw the individual pieces together in order to offer a broader view on the theoretical arguments and empirical findings of the individual studies.

This paper-based dissertation is the product of several years of work and research. The oldest of the articles I submit today was first submitted to a scientific journal back in November 2009. After one round of revision and resubmission (in February 2010), the manuscript was finally accepted in April 2010. Naturally, the state of research on which this paper-based dissertation builds has itself developed over the years as has my thinking on the subject and, hopefully, as have I as a social scientist more generally. This manuscript thus also allows me to offer a more up-to-date version of the current state of research than especially the older articles possibly can. I believe that some of the studies that have been published in the meantime strengthen the arguments I have made in the four studies; and I want to explicate that below. This manuscript will even allow me to comment on research by others published in the meantime that builds and comments on my own research (Karp and Milazzo 2014; Marshall and Fisher 2015). Overall, I intend to offer a more extensive, holistic and up-to-date view on the research program than what is offered by the collection of the individual publications themselves.

I begin this accompanying manuscript by giving a brief description of the overall research program and the individual four studies. Based on this overview, I will then describe the structure of the remainder of this manuscript in more detail.
2. The Research Program: Four Studies on Globalization and Democracy

This paper-based dissertation in comparative politics consists of four original research articles that deal with globalization and democracy. While the precise meaning of the term globalization is contested, most scholars agree that the term refers to (a rise in) the amount of international interaction, international integration and/or international interdependence.¹ Most scholars also agree that globalization, at least in its intensity, is a new phenomenon with international trade, international capital flows, international communication flows and international political exchange reaching unprecedented levels at the beginning of the 21st century. Against this background, scholars have, from very different angles, debated the consequences globalization might have for national democracy. My goal is to add to this debate on globalization and democracy through specific theory-guided empirical contributions.

Three of these contributions are interested in the substantive consequences globalization – specifically its economic dimension – might have for the actual functioning of representative democracy. Instead of debating the effects of economic globalization on democracy from a normative perspective, my research program is interested in how economic globalization empirically affects the political behavior and attitudes of citizens within established democracies. More specifically, Studies I, II and III explore potential effects of economic globalization on electoral turnout in national elections. In a representative democracy, the extent to which citizens participate in elections is important: Voting in elections is not only the only direct way for citizens to choose those who are meant to govern in their name; for many citizens voting in elections remains also the only form of political participation they engage in (Brady et al. 1995: 65–66). To the extent that electoral turnout is driven by (citizens’ beliefs in) the meaningfulness of elections, voter turnout rates might also be regarded as an indicator for the “health of a democracy” (Franklin 2004: 4). Under this view, low turnout rates are worrisome because they are likely to reflect deeper problems with the way elections help to make political outcomes responsive to citizens’ demands. While not everyone might subscribe to the view that low turnout rates are necessarily indicative of deficiencies in the way elections fulfill their intended function within a representative democracy,² it should be

¹ Strictly speaking, we might go further and differentiate between these three different concepts of globalization and possibly even more, less prominent ones. Nonetheless, these three concepts overlap to some extent and capture a common core (see section 3.1).

² From a theoretical point of view, it might be argued that low voter turnout could also reflect widespread satisfaction with the status quo. Of course, it could potentially also reflect dissatisfaction with politics more generally along the lines of the view from above that regards turnout rates as indicators of the health of a democracy. In order to know whether we should be concerned with declining turnout it is, due to this theoretical indeterminacy, essential to analyze
uncontroversial that understanding what drives variations in electoral turnout should be as important a task for political scientists as elections are important for representative democracy. Studies I to III thus focus on the globalization-turnout nexus in order to add to the broader question on economic globalization’s effects on national democracy. While several scholars have speculated about an effect of economic globalization on turnout before (see below), no prior work investigated it systematically, theoretically and empirically.

Study IV adds a methodological perspective to the debate on globalization, broadly construed, and democracy. It studies whether international interconnectedness matters for the measurement of democracy. Classifying regimes and measuring democracy has long been and still is an important area within comparative politics as most recently witnessed by several projects in which researchers aim to improve upon existing measures (Boix et al. 2012; Bühlmann et al. 2012; Lindberg et al. 2014; Pemstein et al. 2010; Ristei Gugiu and Centellas 2013). At the same time, scholars have debated the methodological challenges behind the measurement of democracy and how existing measures live up to these challenges (Mainwaring et al. 2001; Müller and Pickel 2007; Munck and Verkuilen 2002). While, in this context, scholars have also debated whether existing measures are biased in one form or the other (e.g. Bollen and Paxton 2000; Bollen 1993; Knutsen 2010), there is no prior work that systematically studies the question of whether the specific interconnections between different countries might introduce a political bias into the measurement of democracy.

Study IV draws on the specific case of the democracy index of the US-based non-governmental organization Freedom House – an index that has also been used repeatedly in research on globalization and democracy in the past – and investigates whether those countries and governments that have good bilateral relations with the US are rated as relatively too democratic.

Overall, this paper-based dissertation, thus, consists of four studies on globalization and democracy of which three deal with the broader substantive question of how economic globalization affects the functioning of representative democracy by focusing on the important aspect of electoral turnout (topic A) and a fourth one deals with the methodological question how a particular aspect of a broader concept of globalization, international interconnectedness, matters for the measurement of democracy (topic B). I will explain the individual four studies in more detail in what follows.

the sources of variations in turnout empirically. Apart from being interested in turnout rates as a symptom, we might also be interested in the determinants of turnout because of its consequences. Low turnout per se can be considered a general problem for the input legitimacy of representative democracy. Moreover, low turnout typically means unequal turnout with participation rates skewed in favor of citizens with a privileged socio-economic status (Armingeon and Schädel 2015; Gallego 2010), which might translate into unequal political responsiveness to the preferences of different social groups (Lijphart 1997; Schlozman et al. 2012).
Building on a discussion that economic globalization between national economies might lead to a hollowing out of national autonomy, topic A, containing the Studies I, II and III, examines how such a real or perceived loss of national autonomy might affect voter participation in national elections in established democracies (see the discussion in footnote 5 below for a precise definition of this set of countries). The main theoretical argument is that citizens’ perceptions of a diminished room to maneuver for national governments and/or (perceptions of) narrowing party positions on economic policies triggered by competitive pressures of globalized markets might matter for the extent to which citizens think of national elections as meaningful. This in turn is likely to hold negative consequences for voter turnout. The three studies each empirically investigate distinct parts of this overall argument.

- **Study I** (Steiner 2010) examines the overall hypothesis that aggregate voter turnout in national elections in established democracies is lower in more globalized settings. It uses aggregate-level data on national elections to the legislature in 23 established OECD democracies³ from 1965 to 2006 to test for an association between voter turnout rates and different measures of economic globalization. Studies II and III, in turn, study the potential causal mechanism involved.

- The coauthored⁴ **Study II** (Steiner and Martin 2012) explores whether economic globalization and voter turnout are linked through a narrowing of parties’ economic policy positions. It employs aggregate-level data on legislative elections in 24 established democracies⁵ to study (a) the association between economic globalization and the polarization of party positions on an economic left-right scale and (b) the association between this economic policy polarization of the party system and voter turnout.

- **Study III** (Steiner 2014) turns to individual-level data to test for a direct link between citizens’ perceptions of the government’s influence on the economy within a globalized

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³ These countries are, in alphabetical order: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States. This list includes all long-term OECD member states, i.e. those countries that formed the OECD member states from 1973 to 1994, except of Turkey (founding member).

⁴ Appendix B contains a formal statement on the contributions of the individual authors to this study.

⁵ This sample includes all long term OECD members plus Israel (OECD member only since 2010) and excludes Turkey. Specifically, it includes the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States. In the literature this, or a similar, set of countries are referred to as the developed, established, advanced, mature, (post-)industrial, capitalist, Western or OECD democracies. None of these terms is particularly accurate in the sense that these attributes would precisely define this group in a literal sense. In the text, I conveniently refer to this set of countries by speaking of the “established democracies” or, sometimes, the “established OECD democracies”. In a substantial sense, however, there are, certainly by now, other democracies which might also be labelled “established” that are not included in this list.
world and their individual turnout decisions. Specifically, it draws on survey data on the British General Election 2001 and thus a context in which the idea of a constraining effect of economic globalization for the government’s room to maneuver was particularly salient and for which the necessary survey items are available from the British Election Panel Study 1997-2001 (Heath et al. 2002).

**Topic B** with **Study IV** (Steiner forthcoming) turns from the potential repercussions of globalization for the actual functioning of democracies to the question of how international interconnectedness, as one aspect of a broader concept of globalization, might matter for the measurement of democracy. Specifically, it investigates whether the popular democracy ratings by the US-based organization Freedom House are systematically biased in favor of US allies and US-friendly states. Freedom House is formally a non-governmental organization, but it receives significant funding from the US government and is personally linked to the US government as many of its top positions are filled with former government officials. While there are frequent allegations in the literature, underpinned with anecdotal observations, that the Freedom in the World ratings published by Freedom House are biased (Goldstein 1992: 47; Hartman and Wey 1988: 797; Mainwaring et al. 2001: 54; Scoble and Wiseberg 1981: 160–161), systematic investigations are rare. My contribution goes beyond the few existing studies on a potential bias in the ratings (Bollen and Paxton 1998, 2000; Bollen 1993) in that it systematically explores the possibility that it is especially countries that have good bilateral relations to the US, be it politically or economically, that receive a rating that is unduly positive. Only with such an approach it is feasible to test the original idea of a political bias towards US allies and US-friendly nations and to probe whether international connections between countries might matter for the measurement of democracy.

While these two research projects – Studies I to III on the one hand and Study IV on the other – are thus thematically connected in that they both deal with the nexus between globalization and democracy, they form two distinct subtopics. It will therefore prove helpful to structure the remainder of this manuscript along these lines. In chapter 3, I will first focus on Studies I to III; and in chapter 4, I will deal with Study IV.
3. Economic Globalization and Electoral Turnout in Established Democracies

In this chapter, I provide introductory information for as well as a concluding summary discussion of Studies I, II and III of this paper-based dissertation. These studies all deal with the same broader research question, namely whether economic globalization negatively affects electoral turnout in national elections in established democracies. This hypothesis is built on a large body of literature. Its plausibility stems from several different pieces of theoretical arguments and empirical evidence. In this chapter, I will discuss this literature in detail – indeed: in more detail and in more breadth than was possible in the individual articles. This detailed discussion will fulfill two goals: For one thing, it will introduce many of the arguments and theoretical mechanisms on which I draw in arguing for an effect of economic globalization on voter turnout; for another, it will help to make clear how my studies contribute to the state of research and fill gaps in the literature.

In a first step, it is necessary to clarify what I mean by globalization – a term that has been used with varying denotations within the academic literature (see: Kessler 2013) – and by economic globalization more specifically, the main independent variable of this research program (section 3.1). While globalization can be conceptualized as consisting of different dimensions, it is the economic dimension which has played the central role in one of the most prominent academic discussions on globalization’s consequences: The debate on whether and to what extent (economic) globalization has challenged national autonomy. While not undisputed, several scholars have argued that economic globalization narrows the room to maneuver for national governments due to competitive pressures from internationalized markets. It is this idea that forms the intellectual starting point of any theorizing about economic globalization’s effects for voter turnout, i.e. the research question I am interested in. More generally, a loss of national autonomy caused by globalization might impact on the political attitudes of citizens and their political behavior. Before we can discuss these repercussions for electoral politics, we need to consider the theoretical arguments and empirical findings on globalization and diminished national autonomy. Accordingly, I offer a state-of-the-art review of this literature on economic globalization and national autonomy in a second step (section 3.2).

In a third step (section 3.3), I will discuss a younger emergent literature that studies the consequences of economic globalization for electoral politics on which my research builds most closely. Instead of studying how economic globalization affects governmental policies, the focus of the literature on globalization and national autonomy, this research agenda is interested in economic globalization’s effects on the political attitudes and behavior of citizens, especially related to elections. By studying a link between economic globalization and voter turnout, I intend to
contribute to this literature. Previous research has speculated on such a connection, but has not studied it systematically. In order to elucidate how my research draws on, but also fills gaps of this literature, I offer a comprehensive review of this body of research on economic globalization and electoral politics. We can roughly sort this literature into two distinct categories that build on different initial premises. To begin with, I will briefly discuss the first body of work which we might label the globalization-cleavage literature in order to offer a broader perspective (section 3.3.1). It builds on the assumption that (economic) globalization creates conflicts of interests between winners and losers of globalization that have distinct political preferences. These distinct political preferences might, in turn, be taken up by political parties and thereby lead to a “transformation of the national political space” (Kriesi et al. 2006). In contrast, the second body of literature on globalization’s impact on electoral politics, which we might label the globalization-constraints literature, builds on the different premise that economic globalization leads to a diminished room to maneuver for national governments. It wonders how such a, real and/or perceived, loss of sovereignty affects elections and citizens’ political attitudes and behavior. It is this research agenda on which the present research project builds most closely. This type of research deals with different phenomena, different dependent variables, and I structure the discussion along these lines dealing (a) with citizens’ beliefs about the loss of sovereignty for national governments (section 3.3.2.1), (b) with economic globalization’s effects on voting decisions (section 3.3.2.2) and (c) on party positions (section 3.3.2.3), and, finally (d), with the few preceding publications that draw attention to the idea that economic globalization might diminish voter turnout in national elections (section 3.3.2.4).

Drawing on arguments and evidence from this previous literature, I will then, in a fourth step, present my own theoretical model of the potential causal pathways through which economic globalization might affect electoral turnout (section 3.4). This model spells out potential mechanisms connecting the two phenomena considering both the macro-level and the micro-level mechanisms involved. It forms the basis for the individual investigations of Studies I, II and III in that each of the Studies I to III examine distinct parts of this overall model. In a fifth step (section 3.5), I discuss how this theoretical model, and especially the mechanisms it proposes on the individual level, can be justified from the perspective of an established theory of voter turnout: the rational choice model of electoral turnout. I argue, however, that this model needs to be augmented and develop an own proposal. In a sixth step, I discuss the individual contributions of Studies I to III showing how they each empirically study distinct parts of my overall theoretical model of economic globalization and voter turnout (section 3.6). In a final step, I offer a concluding discussion of Studies I to III (section 3.7).
3.1 Defining Economic Globalization

As the term globalization has been used with varying denotations within the academic literature, it seems necessary to clarify its meaning in a first step. A very careful analysis on the use of the term in the existing academic literature is offered by Johannes Kessler (2013). Kessler (2013: chapter 2) shows that the term has been defined in ways that specify a variety of different meanings. He differentiates between six different concepts of globalization: (1.) globalization as internationalization referring to cross-border interactions, (2.) globalization as integration, (3.) globalization as interdependence, (4.) globalization as the global spread of certain phenomena, (5.) globalization as “Westernization” and (6.) globalization as an awareness on the existence of a global community. Of these different concepts, the two first understandings, globalization as internationalization and as integration, dominate and they are regularly treated as being synonymous. Kessler shows that for both of these two concepts globalization corresponds to an increase in the amount of cross-border, i.e. “international”, interactions of human actors. More narrowly, globalization as internalization emphasizes the overall amount of cross-border interactions, while globalization as integration emphasizes the amount of cross-border interactions in relation to the amount of domestic interaction. These concepts may refer to different subject areas, or dimensions of globalization. Commonly, it is distinguished between an economic, a social and a political dimension of globalization.

In this research project, I am interested in the economic dimension of globalization as it is the economic dimension which is seen as setting democratic nation states under efficiency pressures diminishing their government’s effective room to maneuver (see below). By economic globalization I mean the (process of increasing) integration of national economies into international markets. Following Kessler’s definition, this economic integration can be understood as the amount of cross-border economic interactions in relation to domestic interactions. Such a concept of economic globalization lies behind indicators that are usually employed as measures of the level of economic globalization or integration of a particular country at a certain point in time – such as the trade share (i.e. the sum of imports and exports as a share of the GDP) or the ratio of private capital in- and outflows to GDP. From the perspective of such a definition of economic globalization, an increase in international interdependence is one potential, even likely result of deeper levels of integration. In other words, it can be expected that more cross-border interactions also mean more interdependence, i.e. that certain events and developments increasingly mutually affect each other cross-nationally. But this international interdependence is not itself part of the definition of the

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6 In the context of this research project, I thus treat the terms economic globalization and economic integration as synonymous.
phenomenon of globalization which focusses on the cross-border transactions themselves (see also: Kessler 2013: 50). Rather, it needs to be explored whether and how increasing interaction goes hand in hand with increasing interdependence.

**Figure 1: Trade shares in the post-war period**

![Graph showing trade shares in the post-war period](image)

At a descriptive level, it is clear that economic globalization has been on the rise over the last decades and that the current level of economic globalization is historically unprecedented. As an illustration, the solid line in *figure 1* shows the development of the global trade share (i.e. the sum of worldwide imports and exports as a share of worldwide GDP) from 1960 to 2013 (The World Bank 2014). It is visible that the global trade share has, apart from short-run declines mostly related to international economic crises, dramatically increased, nearly tripling over the observed period. This trend is not driven by developing or emerging economies: We observe a very similar trend when concentrating only on the high-income OECD democracies⁷ that are in the focus of my

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⁷ This is a group of countries defined by the World Bank as those in which gross national income per capita was $12,746 or higher in 2013. It includes all those countries included in Studies I and II, referred to as “established democracies” in this text (see footnote 5 on page 5), and additionally Chile, Czech Republic, Estonia, South Korea, Slovak Republic and Slovenia. I chose to use this aggregate series by the World Bank rather than to construct an own aggregate because of some missing values for the individual countries included in my sample of established democracies.
research project (dashed line). Data on the trade share for a longer time span are more fragmented. The available estimates show that trade integration was already high in the time before World War I—the period lasting from ca. 1860 to 1914 has been labelled the “first wave of globalization” accordingly (Baldwin and Martin 1999; Rodrik 2011: 24) – and declined over the war period. It is, however, still true that levels of worldwide trade integration in the more recent wave of globalization displayed in figure 1 surpassed those for the post World War I era easily. According to data from Christopher Chase-Dunn et al. (2000), this was already the case in the mid-1970s; recent estimates by Mariko Klasing et al. (2013) indicate that global trade levels surpassed those of the time before World War I at least by the late 1970s.

**Figure 2: Means of economic globalization according to the KOF indices**

That economic globalization has been on the rise in the last fifty years is also apparent from summary indices of economic globalization. In figure 2, I display such data from the KOF indices of economic globalization (Dreher, Gaston, et al. 2008). The KOF index of economic globalization refers to the economic dimensions of globalization only (the overall KOF index of globalization also considers the social and political dimension). It is based on two equally weighted subindices, one capturing international economic flows and the other restrictions to cross-border economic transactions. Specifically, the flow index is a weighted composite index of total trade, foreign direct investment, portfolio investment and income payments to foreign nationals (all as a share of GDP). The restriction index is based on data on hidden import barriers, mean tariff rates, taxes on international trade and capital account restrictions. Of these indices, the flow index best captures the concept of economic globalization (as the amount of cross-border economic interactions in relation to domestic interactions) used here, while the lifting of restrictions should be rather seen
as an enabling condition for such international interaction that is closely related to the outcome of interest. The left-hand side of figure 2 plots the (unweighted) arithmetic means in the different subindices for economic globalization for all observed countries over time (the KOF data start in 1970 only); the right-hand side does the same for the sample of the 24 established democracies (as described in footnote 5 on page 5). From figure 2, it is obvious that the worldwide level of economic globalization understood as integration has substantially increased since the 1970s while restrictions have mostly been lifted in tandem.

In summary, economic globalization is defined here as the integration of national economies into international markets with integration meaning the amount of cross-border economic interactions in relation to domestic interactions. It is clear that economic globalization, defined in this manner, has risen dramatically since the years after World War II, reaching historically unprecedented levels at the beginning of the 21st century – both worldwide and for the narrower sample of established democracies. The dramatic change that finds expression in these numbers has prompted researchers to ask what it might mean for the extent to which governments have control over economic outcomes within their borders.


The body of literature dealing with the questions of whether, how and to what extent economic globalization has been a challenge to national autonomy is huge. On one side of the spectrum, it consists of work that debates in very general terms whether economic globalization and national autonomy or democracy at the national level are compatible. On the other side of the spectrum, it comprises political-economic research that deals with specific policy outputs and outcomes asking, for example, whether economic globalization has affected corporate tax rates or government spending for social expenditures. Before we can theorize about economic globalization’s effects on electoral politics, and voter turnout specifically, we need to consider the theoretical arguments and empirical findings of this body of literature on economic globalization and national autonomy. What do we know about economic globalization and national autonomy after about two decades of intensive research on this subject? On the following pages, I will review the existing literature in an attempt to answer this question. Much of the relevant literature has concentrated on high income OECD democracies. The state-of-the-art review here will, in line with my research interest

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8 Interestingly, for the established democracies, and according to this data, the regulations on international economic transactions have become more restrictive in the first decade of the 21st century, while the flow index records a further increase in economic integration.
in the established democracies, also have that focus. In a first step, I will revisit the specific theoretical arguments that have been made in favor of the thesis that economic globalization diminishes the control national governments can possibly have over outcomes within their borders as well as some counterarguments (in section 3.2.1). In a second step, we will have a look at the empirical evidence focusing on the two most studied areas: taxation (section 3.2.2.1), on the one hand, and public spending and the welfare state (section 3.2.2.2), on the other.

### 3.2.1 The Theoretical Case for a Loss in National Autonomy

The most important mechanism that gives rise to the theoretical prediction that economic globalization diminishes national autonomy is heightened international economic competition. This competition can take different forms. Following Fritz Scharpf (1997), one can distinguish between three different forms this increase in competitive pressure caused by increasing levels of economic integration can take:

- A growing significance of the competition on international goods markets between national economies as production sites.
- An increasing relevance of the competition over mobile direct investments as factors of production.
- A rising importance of the competition over increasingly mobile sources of tax revenue between states.

Of course, the presence of these competitive pressures does not automatically guarantee that governments will always give in to them (nor is it always clear which policies will actually prove beneficial for competitiveness). The more immediate implication is that a rise in competitive pressures is likely to affect the decision calculus of governments and legislators when deciding over relevant policies. The room to maneuver for national governments will not be constrained in the sense that national governments could not in principle adopt policies that have negative implications for international competitiveness, but rather in the sense that policies that impact negatively on the international competitiveness will prove economically costly. Governments that aim to produce favorable economic outcomes, be it out of an opportunistic motivation to get reelected or because they are interested in welfare-maximization in itself, should take these pressures into account. It is through this mechanism of a changed opportunity structure that increased competition caused by economic globalization might affect governmental policies.

The most obvious, and the most studied, form of international economic competition between countries is tax competition. This is also the form for which it is most clear how specific policies will
impact upon competitiveness. The basic logic is, of course, that countries face an incentive to undercut tax rates of competing countries in order to attract internationally mobile sources of tax revenue.\(^9\) As an increase in economic globalization translates into higher mobility, these incentives will increase with economic integration. If countries engaged in this behavior and mutually undercut each other continually, one would observe the proverbial “race to the bottom”. Simple theoretical models of tax competition give rise to a number of observable implications on trends over time that could be taken as evidence for the presence of tax competition triggered by economic globalization:


2. Smaller countries should undercut the tax rates on mobile tax sources of larger countries (Ganghof 2006: 140; Genschel and Schwarz 2011: 341, 2013: 62; Hines and Summers 2009: 134; Schulze and Ursprung 1999: 310; Winner 2005: 670).\(^\text{10}\)

3. As a result, the mobile tax base should shift to smaller countries – that have lower tax rates on mobile sources of tax revenue (Genschel and Schwarz 2011: 342, 2013: 63; Wilson 1999: 278).

4. The tax burden should shift from more mobile to less mobile sources of tax revenue, i.e. from taxes on corporate profits and personal capital income to taxes on consumption and labor income, with possible exceptions for high-skilled and well-paid internationally mobile individuals (Garrett and Mitchell 2001: 162; Genschel and Schwarz 2013: 63; Rodrik 2011: 193; Schulze and Ursprung 1999: 299; Winner 2005: 665). This shift should, as to the reasoning mentioned above, be even more pronounced for small countries with open economies (Genschel and Schwarz 2013: 75; Winner 2005: 670).

5. Apart from these predictions on the consequences for general tax competition, countries may also increasingly engage in more targeted forms of tax competition by, for example, offering preferential treatments to particularly mobile firms (think of the recent debates over the settlements laid open by the so called “Luxembourg Leaks”) or top-earners on an

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\(^9\) Attracting mobile capital might not only prove beneficial in the direct generation of tax revenue. It might also help in the creation of jobs (Genschel and Schwarz 2013: 73–75) or, more generally, be instrumental with regard to the two other types of competition mentioned above.

\(^\text{10}\) This prediction arises from models of tax competition with two countries that differ in the size of their initial tax base. The intuition is that the smaller country has relatively less tax revenue to lose from a reduced tax rate on the initial (smaller) tax base as it has to gain from attracting part of the larger tax base of the bigger country (Genschel and Schwarz 2013: 62). In other words, the smaller country faces a more elastic tax base (Hines and Summers 2009: 134).
individual basis or by taxing mobile forms of personal income (e.g. income from private capital investments) at a lower rate than less mobile forms (e.g. income from paid labor) (Avi-Yonah 2000; Genschel and Schwarz 2013: 65–67; Kemmerling and Seils 2009: 757–759).

The overall effect of such tax competition, though the specifics might actually differ according to country size as to the reasoning mentioned above, could be that governments will find it harder to raise revenue (Genschel 2004: 623; Genschel and Schwarz 2013: 63).\(^\text{11}\)

This would have repercussion for the expenditure side of public finance affecting *public spending and the welfare state*. As national governments might not be able to efficiently raise enough revenue to finance their existing expenditures, they might be forced to cut down on expenditures in order not to drown in debt eventually (Avi-Yonah 2000: 1576, 1578; Genschel 2002: 251–252; Hines and Summers 2009: 134). Given the heightened competitive pressures, governments might want to cut expenditures in a way that does not harm their country’s competitiveness on international markets, as sites of production and as locations for foreign direct investments. A typical prediction is that, in the end, economic globalization causes lower public spending overall and lower expenditures for “unproductive” welfare spending, specifically (Brady et al. 2005: 922; Brune and Garrett 2005: 416; Kersbergen and Vis 2014: 125; Mosley 2007: 111). This predicted race to the bottom in taxes on mobile source of tax revenue and then in public as well as welfare spending are the combined predictions of the so called *efficiency hypothesis* (Garrett and Mitchell 2001: 150–151). The efficiency hypothesis thereby invokes a “logic of no alternative” (Hay 2000: 139) and predicts that national varieties of capitalism (Hall and Soskice 2001) and welfare state regimes (Esping-Andersen 1990) converge to a common model (i.e. international convergence) and that differences between governments of different partisan composition will diminish (i.e. partisan convergence).

As an antidote to this efficiency perspective on public spending, researchers have pointed to the so-called *compensation hypothesis* which was originally developed by David Cameron (1978) and Peter Katzenstein (1985) and generalized for a larger set of countries by Dani Rodrik (1998). It assumes that economic integration generates individual economic uncertainty which, in turn, leads to

\(^{11}\) Of course, governments will be also tempted to change the way in which they raise their revenue in a way that has obvious specific distributive implications that governments and/or their constituents might not actually like. Note that consumption taxes can be considered regressive taxes as individuals with lower incomes typically devote a larger share of income to consumption (Beramendi and Rueda 2007: 622–621; Prasad and Deng 2009; Scharpf 1997: 24; Schulze and Ursprung 1999: 300). Overall, then, shifting taxes from mobile to immobile sources of revenue and lowering tax rates on top incomes will favor wealthy capital-owning individuals over relatively poor individuals who receive their income exclusively from paid labor. Apart from any overall effects on tax revenue, tax competition might thus have redistributive implications (Genschel 2004: 623).
political demands for more social protection. The compensation hypothesis thus predicts more, not less, welfare provisions in response to rising economic integration. It focusses on the demand side of governmental policies rather than the structural perspective of increased competition.\(^\text{12}\)

The increase in competitive pressure stemming from economic globalization is, however, not necessarily limited to tax and welfare spending policies, but might affect further policies. Efficiency pressures might also affect regulatory labor market policies in that governments adapt these in a way that might be beneficial for labor market flexibility and overall economic productivity but potentially harmful for the collective and individual rights of workers (Mosley and Uno 2007: 927; Scharpf 1997: 22–23; Standing 1997).\(^\text{13}\) Such “regulatory competition” might also take the form of governments avoiding strict regulations for producers, for example with regard to environmental protection, in order not to endanger the international competitiveness of domestic producers or the ability to attract foreign direct investment in affected industries (Holzinger et al. 2008: 560–561; Scharpf 1997: 22). Another example are consumer market regulations: Increased economic integration can go hand in hand with countries subscribing to multilateral, be it regional or worldwide, or bilateral trade agreements that might hinder governments’ abilities to implement certain safety and health standards in line with the preferences of their citizens (Rodrik 2011: 194–197). Rodrik (2011: 198–200) moreover refers to the limits WTO regulations can set on industrial development policies by restricting export subsidies, forbidding policies that require domestic producers to use local inputs in the production process and requiring countries to meet the terms of international patent and copyright law standards. Pressures from economic globalization might furthermore lead to privatizations of public enterprises and infrastructures in an effort to conform to efficiency pressures and to cut on public spending, thereby decreasing the role of the state in basic service provisions (Obinger et al. 2013: 1304; Schneider et al. 2005: 715; Zohlnhöfer et al.\(^\text{12}\)

\(^{12}\) It is a priori unclear whether governments will give in to those demands for more social protection cited by the compensation hypothesis; similarly as it is a priori unclear whether governments will follow competitive pressures cited by the efficiency hypothesis. While the two hypotheses can be employed as mechanisms that give rise to opposing predictions, there is nothing that prevents the two basic mechanisms from operating simultaneously: Economic integration might lead to stronger pressure from international competition and to increased demands for social protection at the same time. This complementarity is also noted by Phillip Genschel (2004: 626), among others (e.g. Avi-Yonah 2000: 1578): “To be sure, they [the two hypotheses] invoke causal mechanisms that affect welfare effort in opposite directions. But that does not mean that these mechanisms cannot be triggered at the same time. In fact, it appears most likely that a globalization-induced increase in the permeability of national borders will give rise simultaneously to more tax competition and greater demands for social compensation for external economic risk. The net effect of both mechanisms is indeterminate because their individual effects tend to cancel out. As a consequence, there is little change in the aggregate indicators of welfare effort. It does not follow, however, that globalization leaves the welfare state unaffected. On the contrary, globalization puts the welfare state in a squeeze between higher demands and lower means that, ultimately, it may not be strong enough to resist. In conclusion, therefore, the compensation thesis is much closer to the globalist view of globalization-induced welfare state stress than even the proponents of this thesis often care to admit.”

\(^{13}\) Others have also suggested that economic globalization affects unionization and the power of unions directly (Raess 2014; Slaughter 2007).
Finally, the global trend towards independent central banks, which results in less governmental control over monetary policy, could also be linked to competitive pressures from economic globalization (Polillo and Guillen 2005).

These arguments all focus on how competition might effectively restrict the room to maneuver for governmental policies. The argument is that governments cannot, at least not without incurring substantial costs, maintain or adopt policies that hinder international competitiveness. Another related, but less debated mechanism through which national governments might effectively become less powerful is that even in the absence of changes to governmental policies, i.e. outputs, rising economic integration will make it harder for governments to unilaterally control (economic) outcomes within their borders, because of the direct effects of increased interdependence. An obvious example are international economic crises: The higher the degree of international economic integration of a country, the more it will be affected by international economic developments. In a highly open economy, the state of the economy at a given point in time is likely to be strongly contingent on the economic situation and economic policies in neighboring and otherwise economically connected countries and relatively less affected by the policies of the national government than in a closed economy. In other words, economic integration probably brings about international interdependencies in economic outcomes, which might diffuse through financial markets, i.e. capital market linkages, or the real economy, i.e. trade linkages (Fischer 2012: 10–11). A related example is that “Keynesian” counter-cyclical fiscal policies might be less effectual in stimulating aggregate demand, and more costly to implement, in open economies (Ferrera 2008: 86; Genschel 2004: 619; Scharpf 2000: 196). International trade and offshore outsourcing will lead to structural economic change and are also likely to affect wages (and thereby inequality), employment security¹⁴ and the bargaining power of employees. Moreover, these effects might be impossible to prevent and very hard to compensate for by national governments given the efficiency pressures on governmental policies discussed above.¹⁵ In very general terms, rising

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¹⁴ There is a large economic literature of its own that discusses the effect of increased economic integration on wage inequality. The dominant view is that skill-biased technological progress in combination with an increase in educational and skill levels is the main culprit behind rising (wage) inequality in the developed OECD countries (OECD 2011), while nowadays most scholars agree that international economic integration and trade has also contributed to rising inequality by particularly (in relative terms) worsening the prospects of low-skilled individuals (Crinò 2009; Pavcnik 2011). Another effect of trade on the labor market that is prominently discussed by economists concerns employment status. Here, it seems to be clear that globalization and, more specifically, offshoring increases employment volatility (i.e. short-run job turnover) and, thereby, the risk of job losses (Crinò 2009; Görg 2011).

¹⁵ As also argued by James Hines and Lawrence Summers (2009: 151), the impact of economic globalization on inequality can thus take a direct and an indirect form: “Distributional issues present some of the greatest challenges of globalization, since growing international trade and investment affect income distributions directly by changing relative prices and indirectly by affecting the range of feasible government policies.” More from the perceptive of democratic theory, Jürgen Kocka and Wolfgang Merkel (2015: 324) offer a similar argument.
integration can provoke “externality problems” (Zürn 2013: 290, author’s translation) in that effects of national policies are less limited to national polities.

These theoretical conjectures have lead researchers to question the compatibility of economic globalization and national democracy. Revisiting his older work on the topic, the German international relations scholar Michael Zürn (2013: 289, author’s translation), for example, is still convinced that “globalization constrains national democracy”. The Harvard economist Dani Rodrik (2011: 201) identifies a “political trilemma of the world economy”. The trilemma would be that unlimited globalization, nation states and democracy could not be realized at the same time. A hyper-globalized world in which nation states are still sovereign (in a formal, not in a substantial sense) would require governments to carry a “golden straightjacket” pursuing “policies that they believe will earn them market confidence and attract trade and capital inflows: tight money, small government, low taxes, flexible labor markets, deregulation, privatization, and openness all around” (Rodrik 2011: 201). Of course, this would be incompatible with the idea of democratic choice. The other solutions would be either limiting globalization or the rather utopian vision of introducing democratic governance mechanisms at the global level. Similarly, the political theorist Benjamin Barber (2000: 275) beliefs that “democracy [can] survive globalization […] [o]nly if democracy is globalized”.

3.2.2 Empirical Evidence

Empirical contributions on the effects of globalization for national autonomy have largely focused on the question of how globalization affects concrete policy outputs or outcomes. Most of this research has, in an effort to investigate the theoretical conjectures mentioned above, either studied taxes, on the one hand, or public spending and the welfare state, on the other.¹⁶ This body of work includes both qualitative as well as quantitative contributions. Typically, quantitative studies employ time-series cross-sectional datasets and test for econometric associations between some measure of economic globalization, on the one hand, and, on the other, an indicator for the policy measure in question (e.g. Garrett and Mitchell 2001; Hicks and Zorn 2005). Others have examined how the effect of the partisan composition of either the government or the legislature on the policy measure in question varies with the extent of economic globalization (e.g. Busemeyer 2009: 472; Garrett 1995; Kwon and Pontusson 2010).

¹⁶ For this reason as well as space considerations, this section concentrates on these two areas as well.
A very rough first summary of the findings of this literature, especially regarding the quantitative part, would be that most of the earlier studies tended to speak against the drastic theoretical predictions of the early globalization literature (Garrett 1995, 1998b; Swank 1998). Over time, an increasing number of studies, using more recent data, found evidence consistent with the thesis that economic globalization constrains the room to maneuver for national governments to some extent (Brady and Lee 2014; Busemeyer 2009; Devereux et al. 2008; Jahn 2006). A further tendency is that the studies have themselves become more nuanced over time by, for example, studying more disaggregated measures of public spending (Dreher, Sturm, et al. 2008; Hwang and Lee 2014) or by assessing how the effect of economic globalization is itself moderated by contextual factors such as the power of organized labor (Kwon and Pontusson 2010), institutional features of the political system like the number of veto players (Ha 2008) or the type of market economy (Jensen 2011). Another striking feature, especially with regard to the role of economic globalization in influencing public spending, is how mixed the findings are with results appearing to be strongly contingent on what appear to be minor changes in the underlying data and statistical specifications (see below). It is telling that this macro quantitative research on the consequences of economic globalization has triggered an at times very critical methodological debate on regression analyses of time-series cross-sectional data (Kittel and Winner 2005; Kittel 2006; Plümper et al. 2005; Shalev 2007). The picture gets, however, a little clearer by distinguishing between the state of research on tax competition (section 3.2.2.1), on the one hand, and the state of research on public spending and the welfare state (section 3.2.2.2), on the other.

3.2.2.1 Economic Globalization and Tax Competition

At least by now, the empirical evidence on the existence of tax competition and its increasing relevance is actually strong and relatively consistent. A recent contribution analyzing the development of taxes in 22 established OECD democracies over time by Philipp Genschel and Peter Schwarz (2013), for example, supports the predictions from simple models (see above) of tax competition across the board. By analyzing trends over time Genschel and Schwarz show:

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17 Kees van Kersbergen and Barbara Vis (2014: 128) as well as Duane Swank (2010: 324–325) offer a similar reading of this literature.

18 After having made a number of central contributions to this literature, Geoffrey Garrett, together with Nancy Brune, writes in a review article: “Perhaps the best way forward is to acknowledge the limitations of the kind of cross-national quantitative research that dominates the literature. Small differences in methods and measurement often have very large effects on overall results” (Brune and Garrett 2005: 420–421).
• That (statutory) tax rates on corporate profits have decreased from an average of 46 percent in the early 1980s to less than 30 percent in 2007 (Genschel and Schwarz 2013: 63–64; see also, similarly: Cao 2010: 829–833; Ganghof 2006: 1; Genschel and Schwarz 2011: 356; Kemmerling and Seils 2009: 260).\footnote{Note that the period from 2007-2011, including the international financial crisis and the Great Recession, saw, on average, further decreases in corporate tax rates rather than increases (Genschel and Schwarz 2013: 79; see also: Lierse 2012).}

• That top personal income tax rates have strongly decreased as well: by about 16 percentage points over the same time period (Genschel and Schwarz 2013: 64–65; see also, similarly: Ganghof 2006: 1; Sabirianova Peter et al. 2010).

• That, in contrast, VAT tax rates on consumption actually increased from about 11 percent to 18 percent (Genschel and Schwarz 2013: 65; see also, similarly: Avi-Yonah 2000: 1577; Hines and Summers 2009: 126, 138–139).

• That the correlation between country size and the corporate tax rate is positive, indicating that smaller countries undercut larger countries, and has increased substantially from 0.21 in 1985 to 0.63 in 2007 (Genschel and Schwarz 2013: 65; see also, similarly: Ganghof 2006: 140; Genschel and Schwarz 2011: 356–357; Hines and Summers 2009; Kemmerling and Seils 2009: 761–762).

• That smaller countries, nonetheless, tend to (increasingly) receive higher revenues from taxes on corporate profits as a share of GDP than larger countries (Genschel and Schwarz 2013: 70–71).

• That, in line with the prediction of a shift from mobile to less mobile sources of tax revenue, the ratios of (nominal) capital tax rates to tax rates on income from labor fell over time (Genschel and Schwarz 2013: 75–77; for related econometric evidence, see: Winner 2005).

• That these ratios tend to correlate positively with country size, i.e. tend to be higher in larger countries, with these correlations increasing over time, indicating that the shift from capital taxes to taxes on labor was stronger in smaller countries (Genschel and Schwarz 2013: 76–77).

• That smaller countries tend to tax consumption, through value-added taxes (VATs), relatively more heavily (Genschel and Schwarz 2013: 77; see also, similarly: Hines and Summers 2009: 147–149).
That countries seem to increasingly engage in targeted tax competition by, for example, introducing schemes of schedular income taxation – either “dual income taxation” or “differentiated income taxation” (Ganghof 2006: 50–53) – by taxing interest income of resident investors outside the scheme of the progressive personal income tax at a low(er) constant rate: While in 1985 only two countries applied a schedular scheme, in 2007 this was the case in 10 of the 22 OECD countries analyzed (Genschel and Schwarz 2013: 67). As a result, personal interest income, and sometimes capital income from other sources as well, are in many OECD countries, nowadays, taxed at lower rates than income from paid labor (Genschel and Schwarz 2011: 359). Further evidence on targeted tax competition is found in the decrease, most often entire abolition, of withholding taxes on non-resident interest income (Genschel and Schwarz 2013: 67; see also: Avi-Yonah 2000: 1579–1586), special tax treatments of expatriates (Genschel and Schwarz 2013: 66–67; see also: Genschel and Schwarz 2011: 359) and the spread of special corporate tax regimes (Genschel and Schwarz 2013: 65; see also: Avi-Yonah 2000: 1588–1590; Genschel and Schwarz 2011: 357–359; Kemmerling and Seils 2009: 761–762).

The causal role of tax competition in driving tax policy changes is also confirmed through qualitative case-studies that explore individual reform trajectories and show that these were motivated by competitive pressures (Ganghof 2004, 2006; Kemmerling 2014: 158–159; Zohlnhöfer 2009). Steffen Ganghof (2006) also argues convincingly for tax competition on corporate profits spilling over on personal income taxes: As a large gap between corporate income taxes and marginal tax rates on high personal incomes creates administrative problems and loopholes for tax avoidance strategies, lower rates on corporate profits can and did trickle-down into lower rates on top personal (capital) incomes (see also: Ganghof and Genschel 2008). It is also widely accepted that a wave of cuts to corporate tax rates in OECD countries was caused by tax reforms in the United States in the 1980s and diffused through the mechanism of international tax competition (Hallerberg and Basinger 1998; Swank 2006: 853–855). This is in line with results from careful quantitative analyses that model tax competition processes through spatial regression models: Scott Basinger and Mark Hallerberg (2004), Xun Cao (2010), Michael Devereux et al. (2008), Robert Franzese and Jude Hays (2008), Thomas Plümper et al. (2009) as well as Duane Swank (2006) all report evidence that countries react to tax rates on mobile capital in competing countries. Other

20 Note, that this number does not yet include Germany that introduced such a scheme only through the “Abgeltungssteuer” in 2009. It is telling that its introduction was justified by the incumbent minister of finance Peer Steinbrück from the Social Democratic Party (SPD) by referring to pressures from competition for mobile capital through the dictum “better 25% of X, than 42% of nothing” (Hulverscheid 2007; author’s translation).

21 Those gaps create incentives to choose legal forms in an effort to declare profits as corporate profits rather than personal income (Ganghof 2006: 5, 37–38; Hines and Summers 2009: 136–137).
Econometric studies further corroborate the hypothesis that economic globalization and the accompanying tax competition affected tax policies in established OECD democracies (Adam and Kammas 2007; Winner 2005). Though there are also some, mostly older, studies that report negative findings (Garrett and Mitchell 2001; Swank 1998), it seems clear from all this evidence that tax competition exists and has played an increasingly important role in shaping tax rates in established OECD democracies, especially with regard to the tax mix. With rising economic integration, national governments appear to be constrained – at least in the way they raise their tax revenue.

On the other side of the coin, one should be careful not to overstate the case. First, it is clear that the prediction of a race to the bottom in capital tax rates has not literally come true: neither statutory nor effective average tax rates on corporate and private capital income are zero. Second, despite the cuts to statutory corporate tax rates, overall tax revenues from corporate profits (as a share of GDP) have remained rather stable on average (Genschel and Schwarz 2013: 69). This stability reflects to some extent that cuts to statutory rates were often accompanied by a broadening of the tax base through the elimination of tax deductions (Genschel and Schwarz 2013: 68; Swank 1998: 678–679, 2006: 849–850; Swank and Steinmo 2002: 643–644); and some have counted this as counter-evidence against the existence of corporate tax competition (Swank 1998: 691; Swank and Steinmo 2002: 642). Importantly, researchers have, however, counter-counter-argued that the statutory rates are mostly decisive in tax competition (Ganghof 2006: 39–41). The strategy to compensate losses by simultaneously broadening the tax base is, moreover, bound to reach its natural limits (Genschel and Schwarz 2013: 68). Additionally, that overall revenues from corporate taxes have remained stable in the face of declining tax rates is to some extent just a natural consequence of the fact that the share of corporate income in national income has risen since the 1980s (Genschel and Schwarz 2013: 70); and the overall (unweighted) average revenues also hides the fact that the trajectories tend to differ between smaller and larger countries (see above). Third, while it is clear that adjustment to pressure from tax competition is taking place, it is not taking place totally automatically, but rather through political processes that seem to leave some room for effects of institutions and political preferences. Even some of those studies cited above for showing evidence for the presence of tax competition demonstrate at the same time that the extent to which countries engage in tax competition is mediated by factors, such as the presence of domestic political veto players (Basinger and Hallerberg 2004) or societal fairness norms (Plümper et al. 2009), that effectively set limits on how far or fast a race to the bottom in even corporate taxation can go.
Yet, again supporting the thesis of a limited room to maneuver in taxation, we should also take into account that the mentioned changes to tax policies in OECD countries happened against a trend of rising economic inequality in income and wealth that was driven particularly by a rise in income and wealth at the very top of the distribution (OECD 2011; Piketty 2014). During a period that saw rising inequality, tax systems underwent changes that tended to make them less progressive, impeding their potential to redistribute money from the wealthy (Immervoll and Richardson 2011; Piketty 2014; Sabirianova Peter et al. 2010). To the extent that rising income inequality triggered concerns over rising inequality and demands for political countermeasures, there is certainly a case to be made that tax competition inhibited responsiveness to these demands, at least as far as the tax system is concerned. While this issue would demand a more in-depth treatment of its own, it seems plausible that tax competition pushed governments of OECD countries to change their tax systems in ways that made them less progressive and that these changes went against the preferences of a majority of their citizens. To the extent that this is true, it would constitute a clear case of diminished national autonomy.

22 Changes to tax policies, of course, can be and indeed are themselves one cause of rising inequality (Bach et al. 2013; Immervoll and Richardson 2011; OECD 2011: chapter 7; Piketty 2014: 495–496).

23 The argument made here is about the structural progressivity build into the tax system. In a progressive system, actual redistribution automatically rises with rising inequality of market incomes. Note also that social benefits tend to be more effective in countering inequality at the bottom of the distribution. It is, however, taxes that are more effective in counteracting inequality that is driven by a concentration of incomes at the top of the distribution (Immervoll and Richardson 2011).

24 Research on inequality and preferences for redistribution over time is limited by data availability as there are only scattered cross-national survey data containing homogenous indicators that were repeatedly measured over long-time horizons. The available studies report mixed evidence: While Anthony Sealey (2012) does find that preferences for redistribution tend to increase with rising income inequality in a longitudinal dimension, Lane Kenworthy and Leslie McCall (2008) report mixed findings. Alexander Petring (2015) reports data from the International Social Survey Programme (ISSP) that indicate a very modest increase in the percentage of people who think that the government is responsible for reducing differences in incomes since the late 1980s. Interestingly, when asked whether differences in income are too high within their country, the increase is, on average, much higher and more consistent across countries. For those countries that are included in the ISSP surveys of 1987 and 2009 the percentage of those who answered in the affirmative has increased from 73% to 84%. While it is clear that most of the countries considered by Petring saw rising inequality, his study doesn’t explicitly link these within-country changes on attitudes towards inequality to within-country changes in actual economic inequality.

25 It has been suggested by Hans Agné (2011) that most international political economy studies on the autonomy of democratic nation states under globalization are somewhat flawed at a conceptual level in that they only examine effects of globalization on outcomes – at least as far as it is actually their goal to investigate the issue of national autonomy of the democratic nation state. According to his reasoning, the decisive yardstick for a loss in autonomy would be whether “states may end up in outcomes which they did not want in the first place” (Agné 2011: 48; emphasis added). To accurately assess this, it would be required to take actors’ preferences into account and relate these to outcomes. There is some truth in Agné’s reasoning – even though data limitations might get in the way of realizing it in empirical studies. The statement made above builds on such an understanding of national autonomy.
3.2.2.2 Economic Globalization, Public Spending and the Welfare State

As already mentioned above, the findings are more mixed and nuanced with regard to the effects of economic globalization on public spending and the welfare state. In line with this mixed evidence, scholars have turned away from one-sided sweeping claims that globalization would either mean an end to the welfare state or would not put it under efficiency pressures at all. Recent literature reviews on the globalization-welfare state nexus, written by authors who seemed to be more skeptical of globalization constraints in the past, consistently argue for such nuance. For Duane Swank (2013: 308),

“[t]here is certainly little question that postindustrial pressures in capitalist democracies militate toward austerity in social program budgets. Despite the complexity of its social policy effects, economic globalization increasingly pressures governments to reign in welfare state costs.”

Yet, he also argues that

“[w]hile globalization has in all likelihood been associated with reductions in social protection in Anglo-liberal political economies, and while recent rises in openness may be related to contemporary declines in welfare provisions, the small substantive magnitudes of the statistical effects and limited actual changes in programmatic features of welfare states indicate that cross-national differences among developed welfare states remain very prominent today” (Swank 2010: 326).

Similarly, Herbert Obinger and Peter Starke (2014: 19) observe that

“while some studies have shown that convergence is driven by economic globalization […], the process does not resemble the race to the bottom expected by much of the literature in the 1990s. Globalization is not the end of big government, but it has constrained the room to maneuver of policymakers.”

That globalization has not put an end to big government seems, first of all, obvious from broad trends in public spending. Social expenditures, as a percentage of GDP, have, depending on the exact time frame and sample, either stagnated or even slightly increased in the established OECD democracies since the end of the so-called “golden age” of the welfare state in the 1970s (Obinger and Starke 2014: 10). Overall public spending has similarly stagnated since the golden age (Busemeyer 2009: 478); though one can observe some decline from earlier peaks reached in the 1980s and early 1990s (Brady and Lee 2014: 57, 77). Regression analyses of time-series cross-section data using either of these two dependent variables (or closely related ones) and one or more indicators for economic globalization as one independent variable have resulted in mixed findings. While some found evidence that, in line with the compensation hypothesis, spending rises with economic globalization (Cameron 1978; Garrett 1998a; Ha 2008; Rodrik 1998), 26 others found, in line with the efficiency hypothesis, just the opposite (Brady and Lee 2014; Busemeyer 2009; Garrett.

26 It is noteworthy that the central studies by Cameron (1978) and Rodrik (1998) found such an association between trade openness and public spending in a cross-sectional perspective. This cross-sectional association might reflect that welfare state expansion was associated with rising openness in the past. But this association might not hold up similarly under the second wave of economic globalization or, respectively, in the modern era of retrenchment (see, for a detailed argumentation along these lines: Brady and Lee 2014). Interestingly, Rodrik’s work is often cited as evidence against the efficiency perspective, while Rodrik (2011) himself is very skeptical about the autonomy of democratic nation states under conditions of hyper-globalization (see above in section 3.2.1).
and Mitchell 2001; Jensen 2011). Still others reported zero (Dreher, Sturm, et al. 2008; Iversen and Cusack 2000; Kittel and Winner 2005) or mixed effects (Brady et al. 2005; Burgoon 2001). It is notable that more recent studies using more recent data tend to be more in line with the view that globalization affects public and welfare spending negatively (Brady and Lee 2014; Busemeyer 2009; Jahn 2006; Jensen 2011). Marius Busemeyer (2009) has explicitly argued that the negative effects of economic globalization on welfare spending might take some time to materialize. His argument is that the efficiency pressures from economic globalization might be real, but unfold their impact through messy and complex political processes and thus “can be expected to take a long time before they show up in policy outcomes” (Busemeyer 2009: 460).  

Others have criticized aggregate spending data in general as measures of the welfare state (Allan and Scruggs 2004: 497–498; Esping-Andersen 1990: 19–20; Korpi 2003: 592–593; Korpi and Palme 2003: 432; Scruggs 2006: 351–352). Aggregate spending measures, for example, do not only reflect changes in welfare state regulations, but are sensitive to changes in underlying conditions such as unemployment rates, demographic shifts or GDP growth. Nor do they take into account how the money is spent and are therefore blind to the specific redistributive implications of welfare state programs. These authors propose that one should analyze welfare state regulations in detail through data on specific entitlements or social rights instead. Such detailed analyses of welfare state regulations have shown considerably more evidence of welfare state retrenchment since the golden age, especially since the mid-1980s, than the broad look on expenditure data would make one believe (Allan and Scruggs 2004; Korpi 2003; Scruggs 2006). Retrenchment is foremost visible in decreases in estimated net replacement rates for unemployment, sickness and work accident insurance as well as for old-age pensions, i.e. for cash transfers to individuals (Allan and Scruggs 2004: 499–501; Korpi and Palme 2003: 433–435; Obinger and Starke 2014: 2; Scruggs 2006; Wenzelburger et al. 2013: 1233). This retrenchment has, generally, also brought some downward convergence, that is: countries that were initially more generous have tended to cut-back more strongly (β-convergence) and the cross-national variation in replacement rates has decreased (σ-convergence) (Allan and Scruggs 2004; Obinger and Starke 2014: 11; Scruggs 2006; Wenzelburger et al. 2013: 1238–1241).  

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27 Note also that even if the efficiency hypothesis is right that economic globalization sets pressures on the income side of public finance via tax competition, this might not immediately lead to expenditure cuts, but can be absorbed through public spending deficits over the short to medium run. This strategy will prove unsustainable over the long run, but it is a simple reason why difficulties on the revenue side might have a delayed impact on welfare spending. This reasoning is broadly consistent with the observation of rising public debt levels among established OECD democracies since the 1970s. Genschel and Schwarz (2013: 71–72) discuss some related evidence according to which tax competition for mobile capital has affected budget deficits (see also: Genschel 2002: 246).

28 For broader analyses of welfare state convergence using expenditure data as well, see Carina Schmitt and Peter Starke (2011) as well as Starke et al. (2008).
Apart from such specific retrenchment, it is clear that welfare states in established OECD countries were foremost restructured rather than dismantled, as already indicated by the development of social expenditures (see above). As a result of this restructuring, welfare states have tended to become, in a way, more market-conforming. Recently, Obinger and Starke (2014) suggested that welfare states have converged towards a “supply side model”. This model would entail, inter alia:

- More flexible, deregulated labor markets, especially for atypical employment, with less employment protection.
- A focus on labor market activation policies involving cutbacks in (long-term) cash-transfer benefits, stricter requirements and improved job search assistance and training programs.
- A shift from direct cash transfers to benefits in kind and social services.
- A shift towards multi-pillar pension systems.
- An increasing role for family policies, often with the goal of increasing (female) labor force participation.

This shift towards the “supply-side model” is consistent with the idea that economic globalization has put the welfare state under efficiency pressures. Moreover, these changes to welfare state policies happened over a time period that saw a marked increase in economic globalization (see section 3.1). Yet, it might be hard to pin down exactly to what extent these reforms were really caused by efficiency pressures from economic globalization and international competition, as they might also be understood as responses to common internal challenges, such as demographic changes, changing family structures and rising unemployment (Ferrera 2008: 90–93; Obinger and Starke 2014: 7–9; Starke et al. 2008: 977), reflect international policy diffusion (Obinger and Starke 2014: 7) and policy learning (Schmitt and Starke 2011: 123; Starke et al. 2008: 977) or, more generally, ideational change (Starke 2006: 111–112). Evidence from quantitative analyses using data on welfare state entitlements is, again, inconclusive with regard to the effects of economic globalization (Allan and Scruggs 2004; Korpi and Palme 2003; Swank 2013; Wenzelburger et al. 2013), and to the question of whether and to which extent party differences mattered during the modern era of retrenchment (Allan and Scruggs 2004; Korpi and Palme 2003; Swank 2013; Wenzelburger et al. 2013).

Qualitative case studies offer some specific evidence that economic globalization has, indeed, played a causal role. Timo Fleckenstein (2013), for example, shows how the far-reaching labor market reforms in Germany under chancellor Gerhard Schröder from the Social Democratic Party (SPD) were accompanied by a discussion about Germany’s international competitiveness under
conditions of economic globalization. He writes: “The challenges of economic globalization and the claim that international competitiveness needed to be improved can be found throughout the reasoning in the legislative proposals of the Red–Green government, especially the Hartz Legislation (2003-5)” (Fleckenstein 2013: 65). As has been debated for similar Third Way policies in the United Kingdom under Tony Blair (Hay and Rosamond 2002; Watson and Hay 2003), such rhetoric might be invoked to some extent for strategic purposes. Nonetheless, it would be wrong to think that these discourses are not to some extent grounded in economic reality.29 At the very least, it seems clear that these reforms actually had the desired impact of improving the international competitiveness and thereby the overall condition of the German economy (Scharpf 2013); albeit at the costs of a poor development of real wages and employment conditions and increasing economic hardship especially for less-skilled workers and the unemployed. Similarly, a detailed qualitative analysis carried out by Reimut Zohlnhöfer (2009), including expert interviews, shows how welfare state reforms in the United Kingdom, the Netherlands, Denmark and Germany since the early 1980s can be understood as reactions to efficiency pressures from economic globalization – and in fact were often understood as such by political decision makers themselves. While conservative parties might have adjusted to these pressures more swiftly, in the end the adjustment process affected the economic policies of social democrats in governmental power similarly, according to Zohlnhöfer. He concludes:

“Overall, there seems to be no fundamental disagreement left between conservative and social democratic parties, but at best gradual differences, on many important issues, like the supply-side orientation of the tax system, the need to keep tax rates on an internationally competitive level, the need to consolidate the budget, to reform social security systems in order to reduce labor costs and strengthen incentives to take up work as well as the willingness to privatize state-owned companies” (Zohlnhöfer 2009: 388, author’s translation).

To sum up, there are a number of good theoretical reasons to suggest that economic globalization has negatively affected the ability of national governments to control the destiny of their nation states. The large empirical literature on tax competition does not leave serious doubts that increasing international mobility associated with rising economic integration has constrained national tax policy autonomy in serious ways. The findings with regard to the welfare state and public spending are more mixed. That reactions on the expenditure side might not be as swiftly as for tax policies is understandable as competitive pressures are likely to be most strong for taxes and to push most uniformly in one direction. Nonetheless, there seems to be an emerging consensus that economic globalization has constrained and shaped the development of the welfare

29 The argument that competitive pressures from economic globalization might be used as an opportunity for a discursive strategy of blame avoidance rather than being a genuine motive for reform, begs the question of what, then, is the motive for reform (see, for a similar argument in a slightly different context: Starke 2006: 114). It would prove difficult to explain the Hartz reforms, unpopular as they were within the Social Democratic Party (SPD) and among its supporters, under the assumption that political decision makers did not believe that they would have positive effects on the economic situation, partly through strengthening Germany’s international competitiveness.
states in established OECD democracies as well, while the earlier drastic predictions of an impending soon end to the (welfare) state and big government were equally unmasked as clear exaggerations (see the quotations above). After more than two decades of research on globalization and the welfare state, the earlier grandiose claims on both sides of the debate seem to have given room to an emerging consensus that economic globalization has constrained, but not eliminated national autonomy also with regard to public spending and the welfare state. While the research and debate on globalization, taxation and the welfare state will continue in the future and give new insights, the intermediate diagnosis is that economic globalization has indeed resulted in some loss of national autonomy. This diagnosis leads to new questions. One such question is how this loss in policy autonomy for the democratic nation state, and the debate about it, has affected the political attitudes and the political behavior of citizens. Do citizens think that, as a result of economic globalization, their governments have lost control over outcomes? Does this matter for their political, especially their electoral behavior?

3.3 Economic Globalization and Electoral Politics: Previous Literature

While the bulk of research on economic globalization’s effects falls in the realm of comparative public policy by studying its policy consequences, a much smaller, but increasing amount of work examines the question of how economic globalization affects politics, in the more narrow sense of political processes. Primarily, this research deals with electoral politics, i.e. with voting behavior and related citizen attitudes as well as linkages between citizens and parties. In this chapter, I will review this emerging literature on economic globalization and electoral politics. One part of this literature directly starts from the notion just discussed that economic globalization diminishes the room to maneuver for national governments and wonders about the consequences for parties’ policy positions and the political attitudes and voting behavior of individual citizens. As a convenient shorthand term, we can refer to this sort of literature as the globalization-constraints literature on electoral politics. My research project on economic globalization and voter turnout neatly fits into this research agenda. Prior to my research, however, no work within this globalization-constraints literature on electoral politics has systematically explored the issue of voter turnout. The available studies have dealt with citizens’ perceptions of the government’s room to maneuver under economic globalization, with economic globalization’s influence on voting decision, i.e. the decision whom to vote for as opposed to the decision whether to participate at all, and economic globalization’s influence on party positions. The theoretical arguments voiced and the empirical findings obtained on these aspects will serve as a useful input in developing my own theoretical model of economic globalization and voter turnout in the next chapter.
There is another body of research on (economic) globalization and electoral politics which starts from a different premise than the globalization-constraints literature on electoral politics.\textsuperscript{30} This work invokes the assumption that economic globalization creates conflicts of interests between, be it actual or self-perceived, winners and losers of globalization that have distinct political preferences. To the extent that these distinct political preferences are taken up by political parties, the conflict over (economic) globalization becomes a “cleavage”\textsuperscript{31} that structures voting and party competition. Accordingly, we can call this second body of literature on (economic) globalization and electoral politics the globalization-cleavage literature. While its basic argument is distinct from the argument on which my research project builds, I will discuss this globalization-cleavage literature nonetheless in order to offer a more encompassing view on the literature on economic globalization and electoral politics. This short discussion (in section 3.3.1) will prove helpful in revealing how the respective lines of argumentation differ from each other and offer some perspective on whether and how the arguments and findings of the two literatures might be reconciled. In a second step (in section 3.3.2), I will turn to those studies which analyze the effect of economic globalization on electoral politics from the perspective of a loss in national autonomy, i.e. the globalization-constraints literature.

3.3.1 Winners and Losers of Globalization: The Globalization-Cleavage Literature

As said, the globalization-cleavage literature starts from the assumption that citizens might have distinct preferences towards (economic) globalization: While some want more of it, some want less of it. A lot of studies in mass international political economy have investigated individual preferences towards economic integration, or mostly and more specifically: preferences towards trade policy. These preferences might have different bases.

One obvious source for such divergent preferences is economic self-interest: Those who are likely to materially gain from economic globalization (“globalization winners”) should be in favor of more

\textsuperscript{30} As will become clear below, there is some overlap between these two literatures despite their seemingly divergent premises.

\textsuperscript{31} In labelling this potential structural conflict between globalization losers and winners a “cleavage”, I simply follow the terminology used in the relevant literature (Kriesi et al. 2006, 2008b, 2012). It is debatable to which extent this label accords well with the traditional usage of the concept by Seymour Martin Lipset and Stein Rokkan (1967) or revised concepts (e.g. Bartolini and Mair 1999: 215). The influential cleavage concept of Bartolini and Mair, for example, has three elements to it: First, there needs to be an “empirical” division within society based on criteria that can be objectively defined “in socio-structural” terms; second, a “normative element” consisting of identities, beliefs and values shared by the groups defined in this manner and third an “organizational/behavioral element” which emphasizes that the “empirical” and “normative” societal divisions are taken up by organizations such as political parties. Hanspeter Kriesi et al. build on this cleavage concept, but propose “an extended and dynamic concept of cleavage formation” (see the discussion in: Grande and Kriesi 2012) and advance the hypothesis that the structural conflict over globalization is indeed a new “cleavage” in this sense.
globalization, those who are likely to economically lose ("globalization losers") should oppose further integration. A rich body of literature in mass international political economy draws on exactly such arguments. Typically focusing on preferences towards trade policy, these studies employ some economic trade theory in order to derive predictions on who is likely to materially gain from further trade integration, and should be in favor of free trade, and who is likely to lose, and should hold protectionist attitudes. The underlying models are mostly of the traditional Ricardo-Viner or Heckscher-Ohlin type. In the Ricardo-Viner world, winners and losers are defined along sectoral lines with workers or capital-owners in comparatively advantaged industries gaining from liberalization. In the Heckscher-Ohlin world, where factors are mobile between industries, the distributive cleavages divide different factors of production. According to the Stolper-Samuelson theorem that is based on this model, capital and/or skilled-labor profits from international economic integration in relatively capital and/or skill abundant countries like the established OECD democracies (see: Rogowski 1989: chapter 1).

The seminal contribution by Kenneth Scheve and Matthew Slaughter (2001) tests the model implications against each other using data from the US and found that those with higher skill levels (as measured by occupational wages and education) are less protectionist as predicted by the Heckscher-Ohlin model, while international competitiveness of the sector in which individuals work is not consequential in their model. A number of other studies confirm the basic pattern reported by Scheve and Slaughter that, in rich developed countries, preferences are divided across factorial lines with higher educated individuals tending towards free trade as predicted by the Heckscher-Ohlin model (Hays et al. 2005; Mayda and Rodrik 2005; O’Rourke and Sinnott 2001; Scheve and Slaughter 2006). Some of these studies also point to the simultaneous effects of sector of employment consistent with the Ricardo-Viner model (e.g. Hays et al. 2005; Mayda and Rodrik 2005).

This line of research, particularly the findings on the association between education and trade preferences, has come under attack by researchers who argue that the patterns of attitudes toward trade are consistent with predictions of economic self-interest, but actually are caused by differences in ideas and cultural attitudes between individuals with different educational attainments (Hainmueller and Hiscox 2006; Mansfield and Mutz 2009). Similarly, Yotam Margalit (2012) argues that individuals view economic integration as being part of a broader “openness package”. He shows that opposition towards economic globalization does not only reflect economic concerns, but also social and cultural ones, like fear of foreign influences and culture or concern over “Americanization” specifically, that individuals attach to economic globalization. A second source of divergent preferences over economic openness are, accordingly, socio-cultural
This view is actually in line with those from earlier studies which focused on the economic self-interest argument, but found that socio-cultural attitudes — like patriotism and ethnic chauvinism (O’Rourke and Sinnott 2001), nationalism (Hays et al. 2005) and cosmopolitanism (Mayda and Rodrik 2005) — matter as well.

This work in mass international political economy on specific preferences towards economic integration is insightful, but it usually stops short of linking these attitudes towards economic globalization with voting behavior or party system change. This could to some extent reflect that trade policy tends to be a political issue of rather low electoral salience. This low electoral salience has been empirically documented for the US (Guisinger 2009); and the salience of trade policy should, in all likelihood, be even lower in EU countries, at least as far as the national level is concerned, given that external trade policy is exclusively determined supranationally at the EU level.

Largely independent from this work of political economists, other scholars have looked into the changing contours of the political conflict space, including both the demand side of voters and the supply side of parties, in established OECD democracies during the “age of globalization” from a broader perspective. The most well-known contributions to this literature have been made by a team of scholars around Hanspeter Kriesi and Edgar Grande (Kriesi et al. 2006, 2008b, 2012) who explored in two large research projects how globalization, broadly defined, has transformed national political conflicts (also see, similarly: Azmanova 2011; Hellwig 2014b; Teney et al. 2014; Teperoglou and Tsatsanis 2011). This line of research argues that issues related to globalization have transformed the political conflict space in established democracies, often this work focusses on Western European countries specifically, such that parties and voters are now divided with regard to this new conflict dimension. This new conflict dimension has been introduced under different labels,

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32 Stefanie Walter’s (2010b) work on the micro-mechanisms underlying the compensation hypothesis (see above) forms an exception in that it studies, using survey data from Switzerland, how winners and losers of economic globalization differ in their preferences towards redistribution and social insurance and how this, in turn, matters for their vote choices. In doing so, however, she focusses on welfare state preferences, rather than on preferences towards international economic integration. Demands for social insurance, rather than protectionism, are a second possible response of those who are likely to lose from economic integration. Walter’s work builds on Scheve and Slaughter’s (2004) finding that foreign direct investment of multinational enterprises, at the industry level, increases the perceived job insecurity of workers. On the link between globalization and labor market risk perceptions and demands for social protection see also another contribution by Walter (2010a) which builds on modern models of international trade to argue that the effect of trade exposure is mediated by one’s level of education.

33 For an overview on EU trade policy making, see Stephen Woolcock (2005) who summarizes that “the decision making model remains essentially the classic Community method supported by a strong functionalist logic” (Woolcock 2005: 378). Interestingly, the current negotiations over the free trade agreements between the EU and Canada and between the EU and the US, CETA and TTIP, are accompanied by an exceptional high degree of politicization in some member states.

34 Note that the seminal contribution to this literature by Kriesi et al. (2008b) does not cite any of the studies on trade policy preferences mentioned above.
but with similar meanings: Kriesi et al. (2006, 2008b, 2012) speak of a cleavage between “integration” and “demarcation”, Albena Azamanova (2011) sees a new “opportunity-risk” axis, Céline Teney and colleagues (2014) observe a “communitarian-cosmopolitan” dimension and for Efthicha Teperoglu and Emmanouil Tsatsanis (2011) it is a “nationalism-postnationalism” axis. Others scholars of extreme right-wing (Beirich and Woods 2000; Meunier 2004) and, recently, extreme left-wing parties (March and Rommerskirchen 2015) have advanced similar arguments and referred to opposition to globalization in order to explain their emergence, program and/or electoral success.

Typically, this literature operates from a much broader understanding of globalization than the narrower understanding of globalization as economic integration advanced by the international political economy literature and in the present work. Rather than providing a clear definition of economic globalization, the Kriesi et al. projects (Grande and Kriesi 2012: 12–16; Kriesi et al. 2008a: 5–8), for example, refer to three mechanism related to globalization that might give rise to conflicts between globalization winners and losers: (1.) international economic competition, (2.) immigration and cultural diversity and (3.) international political integration which they define as the “transfer of political authority to institutions beyond the nation state” (Grande and Kriesi 2012: 15). In terms of the different dimensions of economic globalization (see section 3.1), their understanding thus encompasses not only the economic dimension, but also the social or cultural one as well as the political dimension.

Starting from this broad understanding of globalization, they find that it are specifically the conflicts over immigration and European integration that have transformed the national political space in the six analyzed West European democracies of Austria, France, Germany, the Netherlands, Switzerland and the UK. These issues are best understood as reactions to the socio-cultural and political dimensions of globalization. At the level of citizens, they find, for more recent data, a two-dimensional structure of issue preferences with one axis being a cultural dimension that includes positions towards European integration and immigration; and the other being an economic or, depending on the country at hand, a mixed left-right scale. At the level of parties, they also obtain, as far as the 1990s and 2000s are concerned, a similar two-dimensional conflict structure that is defined by a traditional economic axis, on the one hand, and a cultural axis that is to a large extent defined by positions towards European integration and immigration, on the other. According to their findings, this two-dimensional structure has been present already in the 1970s with the cultural dimension defining a conflict between cultural liberalism and traditional values. The new issues of European integration and immigration have been absorbed into this “cleavage based on values” (Kriesi 2010) and now add to it while the old issues of this cultural dimension, like cultural
liberalism and positions towards national defense, remain of relevance. It are largely the right-wing populist parties and their left-libertarian antagonists that tend towards its opposing poles. Kriesi (2012: 101) interprets this transformation accordingly as a “recasting of the cultural dimension in terms of the new cleavage between globalization ‘losers’ and ‘winners’.”

Does this globalization-cleavage thesis imply that globalization has led to an increase in political conflict that has in turn led to more political mobilization? Would this not be incompatible with the core idea of the globalization-constraints literature, spelled out in more detail below, that constraints from economic globalization have rendered the conflict over economic policies less significant, possibly leading to less voter participation? It is important to stress that the arguments and findings of the globalization-cleavage literature are less at odds with the idea that economic globalization has rendered the conflict over economic policies less important than it might appear at a superficial level. This is for a number of reasons. First, as mentioned above, Kriesi et al., and the other contributors to this literature, have a much broader understanding of globalization than the narrow, but precise, focus on economic globalization advanced here. In doing so, they simply take a different point of departure. Second, in this context it is important to emphasize that it is one of the main findings of Kriesi et al. that the globalization losers are not mobilized in economic terms, but rather by appealing to their cultural anxieties. Third, this domination of a cultural response might to some extent be even a consequence of the fact that economic globalization constrains the room to maneuver with regard to economic policies. As argued by Grande and Kriesi (2012: 18–19),

“a world without (perceived) economic alternatives is not characterized by a generalized lack of alternatives. If economic alternatives are no longer feasible for those who habitually govern or if voters no longer count on parties to propose economic alternatives, opposition to globalization can still be persuasively framed in cultural terms. This is the core of the convergence hypothesis, which argues that in a world where centre-right and centre-left parties – that is the parties that habitually govern – converge over economics, voters become indifferent to them and increasingly vote for parties clearly distinguishable on cultural grounds.”

Fourth, while Kriesi et al. emphasize that the rise of the globalization-cleavage is largely driven by an attempt to mobilize the electoral potentials of the globalization-loser camp (by the populist

35 Hellwig (2015: 8) offers a more critical interpretation of this aspect of the Kriesi et al. projects: “This work, however, does not examine the influence of economic globalization per se, but instead uses ‘globalization’ as a summary term to characterize the new set of political issues facing democracies in Western Europe at the end of the twentieth century.”

36 Note that this diagnosis of Kriesi et al. is, in a way, in line with the micro-level findings reported by Margalit (2012) mentioned above that citizens’ opposition to economic integration is to some extent driven by opposition to foreign influences on a socio-cultural dimension, because they view these issues as inextricably linked parts of a broader “openness package”. This reasoning implies conversely that – in line with the findings of Kriesi et al. – economic losers of globalization can also be mobilized in cultural terms.
right), they still find that the globalization losers, whether defined by their alleged demographic attributes or their issue preferences, are least likely to participate politically (Dolezal and Hutter 2012). From this point of view, a rising apathy of globalization losers that do not believe to find credible options for their economic policy demands might be even considered a more immediate response than their mobilization in cultural terms. Moreover, their focus on these new conflict issues, the project does not find an overall increase in the polarization of parties’ issue positions since the 1970s (Kriesi 2012).

To sum up, the mass international political economy literature on preferences towards international economic integration reveals interesting findings on the origins of these preferences. But it does not give reason to think that the conflict over economic integration is strongly politicized, in the sense of playing a larger role for voting behavior and party competition. And while the broader globalization-cleavage literature gives important insights into how the new issues, which are in a broader understanding connected to globalization, have been absorbed into political conflicts in established democracies, it starts from a very broad understanding of globalization. In doing so, it is not able to tell much about the more precise question of how economic globalization’s constraining effect on national economic policies has mattered for electoral politics that is of prime interest in my research project. Still, it is clear that the globalization-cleavage literature is under a more narrow reading not incompatible with the core argument of the globalization-constraints literature, to be discussed in detail in the next step, that constraints from economic globalization have rendered the conflict over economic policies at the national political level less significant. Likewise, this body of research does, on closer inspection, not conflict at all with my specific argument, developed below.

37 Martin Dolezal and Swen Hutter (2012: 94) do not conceal that apathy is also an option: “Our analysis also pointed to a weakness of our earlier study in which we did not focus on those who do not participate at all. Regarding the integration-demarcation divide, it is important to note that globalization ‘losers’ are clearly over-represented in the growing group of the politically apathetic. It is therefore somewhat misleading to always expect mobilization and ‘voice’ as a consequence of the new cleavage.” Note that the schematic globalization loser holds “left” positions with regard to economic policies (i.e. is in favor of more redistribution and social insurance), but rather authoritarian and “demarcationist” positions with regard to the cultural dimension. This quadrant of the conflict space – running counter to the logic of a summary left-right axis that runs from redistributive/culturally libertarian to free-market/authoritarian – was traditionally not occupied by any relevant parties in Western democracies in the post-war era. Only very recently have some right-wing populist parties come to embrace welfare-chauvinistic positions (the Austrian FPÖ is an example) that move them inside this quadrant (Kriesi 2012: 100–101). The electoral potential inside this quadrant is likely to be huge (van der Brug and van Spanje 2009). It has become the typical position of unskilled workers and individuals with low levels of education (Dolezal and Hutter 2012: 72; Lachat and Dolezal 2008: 249). If Kriesi et al. are right, this segment should be increasing with globalization. The fact that these citizens are traditionally not well represented might go some way towards explaining their lower levels of (conventional) political participation. An increase in this segment due to globalization might first lead to rising apathy and then to counterbalancing attempts to mobilize this increasing electoral potential on the supply side.
in detail, that economic globalization has affected voter turnout in established democracies negatively. 

3.3.2 The Loss of Autonomy and Electoral Politics: The Globalization-Constraints Literature

Another strand of the literature on economic globalization and electoral politics, the globalization-constraints literature, builds more closely on the central globalization debate, i.e. the debate on economic globalization’s effects on the autonomy of national governments. Does the loss in control and autonomy for national governments, discussed above (in section 3.2), matter for voting decisions? Will citizens in open economies reward or punish their governments less for the state of the economy, when these governments are presumably less able to control it? Will citizens pay less attention to economic policy issues when choosing whom to vote for when the room to maneuver with regard to economic policy issues is limited due to international economic competition? But: Do voters actually know anything about economic globalization’s consequences for national autonomy? Do they perceive the national room to maneuver to be constrained due to economic globalization as many academics do? What are the implications for the linkages between voters and parties? Are parties less responsive to voters’ demands when they have to take the pressures from international economic competition into account? Do parties hold less distinctive positions on economic policies when economic globalization limits the range of feasible economic policies in the first place? Finally, does the loss of autonomy for the democratic nation state matter for citizens’ willingness to participate in national elections?

These are the questions that are asked in this relatively young literature on economic globalization’s implications for electoral politics. My research contributes to this literature. My aim is to add new insights by investigating the question of whether economic globalization affects voter participation in national elections; a question that has been speculated about before, but that has not been studied thoroughly before my research. At the same time, my research builds on many arguments and findings of this literature. Specifically, my own theoretical model of economic globalization and voter turnout, which will be presented in the next chapter, draws on findings of this literature in order to identify causal mechanisms that might plausibly link economic globalization and voter turnout. Accordingly, when reviewing this literature below, I will begin to lay down the arguments

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38 This is not to say that this literature might not trigger interesting questions for my research program. In the conclusion of Study II, for example, we discuss whether a convergence of parties’ economic policy positions might be counterbalanced by an increasing polarization on other issue dimensions along the lines suggested by Kriesi et al.; and what this might imply for our findings. Another interesting question to consider is whether economic globalization affects the electoral participation of globalization winners and globalization losers differently. This question will be taken up in the discussion of avenues for future research below (in section 3.7.3).
which will culminate into the formulation of my own theoretical model of economic globalization and voter turnout in the subsequent chapter. The review of the previous literature in this chapter will take up the questions raised in the previous paragraph by studying, first, citizens’ perceptions of constraints stemming from economic globalization (section 3.3.2.1), second, voting decisions (section 3.3.2.2), third, party positioning (section 3.3.2.3), and, fourth, previous speculations on a potential link between economic globalization and voter turnout (section 3.3.2.4). 39

3.3.2.1 Economic Globalization and the Perceived Room to Maneuver

Above we have seen that economic globalization puts the democratic nation state under strain and limits the room to maneuver for national governments (see section 3.2). Even if this is factually true, it is a completely different question whether perceptions that government’s exhibit less control over policy outcomes in a globalized world are actually widespread among citizens. And this is an important question to ask (first) as we might think that citizens have to perceive these constraints before we can expect any effects on their political behavior. Moreover, there are, apparently, reasons to be skeptical: Are the mechanisms behind a diminished autonomy for national governments not too complicated to be thoroughly understood by a sizable fraction of citizens? While there is something to this argument, acquiring some basic idea that economic globalization diminishes national autonomy might be simpler than this. Citizens might receive related messages from media reports and/or political elites. To illustrate, the media may educate citizens about the general integration of the national economy into international markets, about the impact of exit threats of mobile capital on tax reforms, about the international origins of specific economic crises, and so forth. Politicians might explicitly refer to constraints from economic globalization in order to justify controversial reforms, we have seen examples of this above (in section 3.2.2), or refer to international economic influences on domestic economic outcomes in order to shift blame for poor results. These messages, in turn, might allow citizens’ to acquire some vague understanding that economic globalization diminishes their government’s room to maneuver without possibly understanding all the details behind the underlying mechanisms. Ultimately, it is an empirical question whether perceptions of a diminished room to maneuver due to globalization are widespread among citizens of the established democracies or not.

39 Again, this literature tends to focus on the established democracies, which is in line with the focus of my own contributions to this literature.
Survey data on such room-to-maneuver perceptions is rather scarce, but some past surveys contained questions that give us at least some leverage. Table 1 contains descriptive statistics on this available survey data. It comes from three different sources: The French National Election Study on the 1997 election to the National Assembly (CEVIPOF et al. 1997), the British Election Panel Study, 1997-2001 (Heath et al. 2002), specifically its wave 8 which was in the field in 2001 right after the 2001 election to the House of Commons, and, finally, a dataset from Timothy Hellwig (2011) containing survey data on 10 established democracies in late 2008. The French election study asked respondents about the room to maneuver their government had left under globalization. Slightly more than half of all respondents, including missing values, saw this room to maneuver as significantly limited by answering either “not very much” (42.5%) or “hardly any” (11.3%). The British election study used a different wording and asked for the “influence of British governments on Britain’s economy” “in today’s worldwide economy”. In this case, it were just slightly less than half of the respondents that perceived this influence as rather limited responding with either “not very much” (38.6%) or “hardly any” (5.0%). In the case of Hellwig’s cross-national data, that contain a higher share of missing values, it is again about half of all respondents that think globalization leaves their governments either “not very much” (37.8%) or “hardly any” (13.8%) “ability to choose its own economic policies”, when averaging over the individual countries. Moreover, this share is substantial in all of the 10 countries included in the survey ranging from slightly less than one third to more than two-thirds.

Given this evidence, it is very safe to conclude that perceptions of a substantially limited room to maneuver for national governments due to economic globalization are widespread among citizens of the established democracies. That about half of the citizens in the established democracies perceive their governments to have “not very much” or “hardly any” ability to choose their own economic policies is by itself a striking observation that makes one almost automatically wonder about the repercussions this might have for other political attitudes and, ultimately, for political behavior.

40 All of these 10 surveys took place in November and December of 2008 except for New Zealand, where the survey was in the field immediately after the election of 12 September 2008.

41 Missing values are deliberately included in these descriptive statistics in order to provide more conservative estimates as one might expect that many respondents do not have any opinion at all on this seemingly complicated question. The amount of missing values is, however, not generally high indicating that this is not true at large (see table 1). It does vary strongly from survey to survey especially across the countries within Hellwig’s dataset taking on high values for some of the included countries, but not for others. These differences most likely reflect differences in the ways the survey were administered on the ground.
Table 1: Survey data on citizens’ perceptions of globalization and the national government’s room to maneuver


“In your opinion, does globalization still leave the French government room to maneuver in the economy?”

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A great deal</td>
<td>4.8%</td>
</tr>
<tr>
<td>Quite a lot</td>
<td>36.7%</td>
</tr>
<tr>
<td>Not very much</td>
<td>42.5%</td>
</tr>
<tr>
<td>Hardly any</td>
<td>11.3%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>4.8%</td>
</tr>
<tr>
<td>N</td>
<td>3,010</td>
</tr>
</tbody>
</table>

Note: unweighted.


“In today’s worldwide economy, how much influence do you think British governments have on Britain’s economy?”

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A great deal</td>
<td>8.9%</td>
</tr>
<tr>
<td>Quite a lot</td>
<td>45.1%</td>
</tr>
<tr>
<td>Not very much</td>
<td>38.6%</td>
</tr>
<tr>
<td>Hardly any</td>
<td>5.0%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2.3%</td>
</tr>
<tr>
<td>N</td>
<td>2,333</td>
</tr>
</tbody>
</table>

Note: weighted.

Survey by Timothy Hellwig (2011) in 2008

“In your opinion, does globalization leave [COUNTRY] government with a great deal, quite a lot, not very much or hardly any ability to choose its own economic policies?”

<table>
<thead>
<tr>
<th>Country</th>
<th>A great deal</th>
<th>Quite a lot</th>
<th>Not very much</th>
<th>Hardly any</th>
<th>Don’t know/refused</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>12.7%</td>
<td>27.7%</td>
<td>29.8%</td>
<td>17.3%</td>
<td>12.5%</td>
<td>1,000</td>
</tr>
<tr>
<td>Canada</td>
<td>9.7%</td>
<td>26.8%</td>
<td>34.8%</td>
<td>13.2%</td>
<td>15.5%</td>
<td>1,000</td>
</tr>
<tr>
<td>Denmark</td>
<td>9.0%</td>
<td>45.1%</td>
<td>19.3%</td>
<td>10.0%</td>
<td>16.6%</td>
<td>1,000</td>
</tr>
<tr>
<td>France</td>
<td>2.5%</td>
<td>25.3%</td>
<td>54.0%</td>
<td>17.0%</td>
<td>1.3%</td>
<td>1,007</td>
</tr>
<tr>
<td>Germany</td>
<td>3.6%</td>
<td>23.2%</td>
<td>52.9%</td>
<td>17.3%</td>
<td>3.0%</td>
<td>995</td>
</tr>
<tr>
<td>New Zealand</td>
<td>4.8%</td>
<td>25.0%</td>
<td>31.8%</td>
<td>7.2%</td>
<td>31.1%</td>
<td>3,042</td>
</tr>
<tr>
<td>Netherlands</td>
<td>3.1%</td>
<td>28.0%</td>
<td>43.7%</td>
<td>15.9%</td>
<td>9.4%</td>
<td>1,002</td>
</tr>
<tr>
<td>Sweden</td>
<td>7.1%</td>
<td>26.9%</td>
<td>34.7%</td>
<td>10.7%</td>
<td>20.5%</td>
<td>1,002</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>3.2%</td>
<td>25.9%</td>
<td>44.7%</td>
<td>9.5%</td>
<td>16.7%</td>
<td>2,647</td>
</tr>
<tr>
<td>United States</td>
<td>14.7%</td>
<td>14.7%</td>
<td>32.6%</td>
<td>19.4%</td>
<td>18.5%</td>
<td>1,018</td>
</tr>
<tr>
<td>Country mean</td>
<td>7.0%</td>
<td>26.9%</td>
<td>37.8%</td>
<td>13.8%</td>
<td>14.5%</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: weight used if available; no weights available for Australia and France.

“Which do you feel is most responsible for the economic conditions in [COUNTRY] in the past few years?”

<table>
<thead>
<tr>
<th>Country</th>
<th>Ups and downs in the world economy</th>
<th>National gov./USA: President</th>
<th>Business</th>
<th>Working people</th>
<th>Provincial gov./USA: Congress</th>
<th>EU Internat. trade restrictions</th>
<th>Don’t know/refused</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>53.0%</td>
<td>21.6%</td>
<td>8.7%</td>
<td>5.5%</td>
<td>5.0%</td>
<td>6.2%</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>58.9%</td>
<td>16.6%</td>
<td>7.1%</td>
<td>7.1%</td>
<td>2.9%</td>
<td>7.2%</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>43.0%</td>
<td>22.2%</td>
<td>8.2%</td>
<td>7.1%</td>
<td>1.9%</td>
<td>7.2%</td>
<td>12.3%</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>46.3%</td>
<td>23.6%</td>
<td>6.8%</td>
<td>4.3%</td>
<td>18.1%</td>
<td>1.0%</td>
<td>1,007</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>35.6%</td>
<td>19.5%</td>
<td>24.5%</td>
<td>9.8%</td>
<td>7.9%</td>
<td>3.0%</td>
<td>995</td>
<td></td>
</tr>
<tr>
<td>New Zealand</td>
<td>54.2%</td>
<td>18.5%</td>
<td>4.8%</td>
<td>1.9%</td>
<td>2.7%</td>
<td>17.9%</td>
<td>3,042</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>54.1%</td>
<td>14.6%</td>
<td>15.8%</td>
<td>3.1%</td>
<td>7.4%</td>
<td>5.0%</td>
<td>1,002</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>54.3%</td>
<td>16.3%</td>
<td>9.4%</td>
<td>5.5%</td>
<td>3.9%</td>
<td>10.7%</td>
<td>1,002</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>43.4%</td>
<td>28.7%</td>
<td>10.4%</td>
<td>1.4%</td>
<td>8.3%</td>
<td>7.9%</td>
<td>2,647</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>16.6%</td>
<td>26.1%</td>
<td>18.5%</td>
<td>3.4%</td>
<td>30.1%</td>
<td>4.7%</td>
<td>1,018</td>
<td></td>
</tr>
<tr>
<td>Country mean</td>
<td>45.9%</td>
<td>20.8%</td>
<td>11.4%</td>
<td>4.9%</td>
<td>-</td>
<td>-</td>
<td>7.6%</td>
<td></td>
</tr>
</tbody>
</table>

Note: weight used if available; no weight available for Australia and France. Empty cells indicate that the answer category was not included in the country.
Unfortunately, the available data allow for only limited inferences on how these attitudes have changed over time. While it is certainly likely that similar views were not as widespread in the observed countries in, say, the 1970s or 1980s, we cannot ultimately prove this. A rough comparison of the data for France and the United Kingdom from the respective two sources, does seem to indicate that perceptions of a limited room to maneuver have been clearly on the rise in these countries over the relatively short time period that separate the two surveys: The share of those who saw substantial constraints increased from 53.8% in 1997 to 71.0% in 2008 for France and from 43.6% in 2001 to 54.2% in 2008 for the UK.42 While these differences are suggestive, variations in question wording and the possibility of somewhat inflated values due to short-run effects of the unfolding international financial crisis in late 2008 call for a cautious interpretation.

Hellwig’s data contain a second informative item that is also listed in table 1. Rather than asking for perceptions of the national government’s room to maneuver on economic policies, this question asks about primary responsibility “for the economic conditions in [COUNTRY] in the past few years” giving respondents the option, among others, to answer with “ups and downs in the world economy”. In conceptual terms, this question, hence, does not ask about constraints on governmental policies, i.e. outputs, but is concerned with control over outcomes. We observe that the world economy is the modal answer category in all countries except for the US. Averaging over all countries, it are almost nearly half of the respondents who think that the world economy is responsible rather than either the national government, business, workers or another object that varied between countries.43 These numbers are again striking and indicate that citizens in established democracies do perceive the economic outcomes in their country to be strongly contingent on the international economy, while the national government is in the aggregate seen as less responsible relative to that. It doesn’t seem farfetched to think that this is likely to have implications for voting behavior. Once again, it would be also interesting to know how these perceptions have changed over a longer time period, but data limitations get in the way.

Researchers have, however, studied the question of how these perceptions of the dependence of the domestic economy are related to objective levels of economic integration from a cross-sectional perspective. Is it the case that in more open economies more citizens hold the worldwide economy responsible rather than national actors and specifically the national government? In his recent monograph on “globalization and mass politics”, Timothy Hellwig (2015: section 4.2) has used his data to provide some evidence on this link. Using the KOF flow index of economic globalization

42 Note that the latter increase would be even substantially higher (from 44.7% in 2001 to 65.1% in 2008) if we focused on valid cases only.
43 Note that these very high values, obtained in late 2008, might also to some extent be influenced by the unfolding worldwide financial crisis which is likely to have raised the awareness of worldwide economic interdependencies.
(see section 3.1), he shows that the share of respondents for whom the world economy is responsible increases with objective levels of economic integration, whereas the share of respondents who think that the national governments is responsible decreases with objective economic integration. While the number of observations is limited (n=10), both of these associations are statistically significant.

Raymond Duch and Randolph Stevenson (2008: chapter 6) have performed a similar exercise before also drawing on survey items that measure control over outcomes. Specifically, they utilize questions intended to measure perceptions of the influence of economic integration and globalization on domestic economic outcomes from two different cross-national surveys. First, Stevenson and Duch employ primary data from a survey of six European countries where individuals were asked: “To what extent is growth in the economy in [COUNTRY] dependent on growth in the other European economies?” Results indicate, as expected, a positive association at the country level between the average degree of perceived dependency and trade as a percent of GDP. Second, Duch and Stevenson draw on a battery from the Pew Global Attitudes Project. Respondents were asked to indicate whether they think that change in issues like “the availability of good-paying jobs”, “the working conditions for ordinary workers” and so forth are the result of “global connectedness”. The authors summarize the different items into a single factor. Bivariate aggregate analysis for 10 developed countries again shows that there is a positive association between actual trade integration and country means of the perceived influence of global connectedness. These results from Hellwig and Dutch/Stevenson might not be definitive, but they are clearly suggestive of a link between actual economic integration and perceptions of the degree to which domestic economic outcomes are influenced by the international economy rather than the national government.44

Rather than studying the macro-level determinants of perceived globalization constraints, other scholars (Fernández-Albertos et al. 2013; Hellwig et al. 2008) have investigated how these perceptions vary over individuals. This work is of less immediate concern for my research project, as

44 A similar question has been analyzed on a more general level by Jack Vowles (2008), who obtains findings that are somewhat at odds with those mentioned above. Rather than being more narrowly interested in perceptions of the dependence of the domestic economy on international factors, Vowles draws on data from the Comparative Study of Electoral Systems (CSES), containing 40 countries at different stages of development, on how strong a difference it would make “who is in power”. Vowles tests for the effects of two indicators of economic integration, the trade share and the sum of foreign assets and liabilities to GDP as indicator of financial integration, on these “difference”-perceptions within multilevel ordered logit models. However, his results produce no consistent evidence for a negative effect of any of the two variables. These findings run a little counter to those mentioned above, though it is clear that Vowles’ perception measure is far more general and his country sample broader than the usual focus on established democracy. Note that Isabella Alcañiz and Timothy Hellwig (2010), however, obtain findings similar to the ones mentioned in the text for a set of 17 developing countries in Latin America: With rising trade exposure the national government is considered less responsible for the country’s economic problems and international actors more so.
I am mostly interested in the effects of these perceptions rather than their determinants, at least as far as the individual level is concerned. This different research interest notwithstanding, these studies give some thought-provoking insights. Hellwig et al. (2008) analyze original survey data for a US-American sample and show that those who identify with the Republican Party tend to believe in less room to maneuver. They interpret this result as being in line with motivated reasoning against the background of different ideological belief systems, i.e. Democrats would believe in more room to maneuver, because they want it to be that way, simply speaking. The authors also show that those with less education, as a proxy for political knowledge, and older respondents, especially those that identify with the Democratic Party, tend to believe in more room to maneuver. They explain the latter cohort gap by referring to the socialization into different beliefs. A different take on the effect of partisanship on globalization-related responsibility attributions is offered by José Fernández-Albertos et al. (2013). Using original survey data from Spain collected in autumn 2010, they aim to explain whether Spaniards blame domestic or international objects for the economic crisis. They show that those who identify with the then governing Socialistic Party (PSOE) were more likely to blame international factors for the economic crisis and the national government less (see, for a similar finding on the UK: Hellwig and Coffey 2011). Via an embedded survey experiment, they also show that the PSOE-partisans, but not others, reacted on a hypothetical statement endorsed by the PSOE that international factors are to blame by blaming international factors more and the government less. These findings are in line with classical partisan motivated reasoning and, thus, stand in the long tradition of the idea that party identification acts as a perceptual screen already formulated in the Michigan model (Campbell et al. 1960).

To summarize: First, we have seen that perceptions of globalization-constraints for national governments are clearly widespread among citizens of established democracies. Insofar, the debate about a diminished room to maneuver due to economic globalization seems to be not only taking place in the academic “ivory tower”, but also have repercussions for the political attitudes of citizens. Given the prevalence of perceived globalization constraints among citizens on the attitudinal level, effects on the behavioral level are plausible and deserve scrutiny. With regard to electoral turnout specifically, it seems possible that perceptions of a limited influence and room to maneuver for national government will impact upon citizens’ beliefs of whether elections can result in meaningful differences with likely consequences for actual turnout. Second, there is also some cross-sectional evidence according to which there is a link between actual degrees of economic integration and perceptions of how much the economy is influenced by foreign factors versus the national governments. This lends credibility to the assumption that perceptions of a limited role for national governments in the economy rise with actual levels of economic integration; even though related over-time data are missing. Both of these points are taken up below (in section 3.4)
in my own theoretical model of economic globalization and voter turnout. Before doing so, the next section turns first to the implications for the decision whom to vote for and considers what the literature has to offer in this regard.

3.3.2.2 Economic Globalization and Voting Decisions

The finding that many citizens in the established democracies think of their national government’s room to maneuver with regard to choosing economic policies and their government’s influence on the state of the economy as severely limited should make us wonder about implications with regard to voting decisions. Research within the globalization-constraints literature has by now investigated consequences for both performance-based and position-based voting behavior.45 I will consider these two in turn.

First dealing with performance-based voting, the question which has received the biggest amount of scholarly attention within the whole globalization-constraints literature and which, in a way, started the whole enterprise, concerns the effects economic integration may have on economic voting. Economic voting means that citizens base their voting decision in part on economic outcomes or subjective evaluations of economic outcomes (see for an overview: Lewis-Beck and Stegmaier 2000, 2007). Hellwig (2001) was the first to systematically investigate whether economic voting may be conditioned by economic openness. He found empirical support for his hypothesis that the strength of economic voting, i.e. the effect of indicators of economic outcomes on the vote for incumbents, is systematically weaker in countries with relatively open economies than in those with relatively closed ones. This finding was later confirmed, in samples that partially go beyond the established OECD democracies, by Hellwig and Samuels (2007), Duch and Stevenson (2008, 2009).

45 Some definitions for those readers unfamiliar with these concepts are in order. Simply speaking, performance-based voting refers to vote choices on the basis of parties, or candidates, perceived or demonstrated ability to deliver outcomes that are (uniformly) valued by voters, i.e. outcomes on so called “valence issues” (Stokes 1963) like achieving high economic growth or maintaining a low crime rate. Position-based voting refers to voters choosing parties based on their positions towards controversial issues such as the right amount of government intervention in the economy or spending for national defense. For a further, thorough discussion of these different models, see Roller (1998). Others have distinguished these models as the valence theory, on the one hand, and the spatial theory of vote choice, on the other (Clarke et al. 2009: chapter 2). Retrospective voting (see below) is one form of performance-based voting in which incumbents are judged on the basis of outcomes during their time in office (see: Healy and Malhotra 2013). Performance voting and retrospective voting are not identical concepts as performance evaluations, for example, need not to be always grounded in outcomes and can also refer to parties in the opposition. Economic voting (see below) is mostly understood as retrospective voting related to economic outcomes, though it might also mean performance-based voting related to economic performance issues more generally. Position-based voting based on economic policy positions is usually not meant when speaking of economic voting, though some exceptions can be found in the literature as well (e.g. Lewis-Beck et al. 2012).
2010), Hellwig (2010), Singer and Carlin (2013) and, with somewhat more mixed findings, Fernández-Albertos (2006). While these authors present somewhat varying theoretical models, their basic theoretical rationale is quite similar: In more open, or more integrated, economies governments presumably have less influence on economic outcomes. Consequently, and in line with the empirical evidence discussed above (in section 3.3.2.1), citizens attribute less responsibility for economic outcomes to elected politicians. When deciding whom to vote for, voters therefore rely less on the actual or perceived state of the economy. In the aggregate, one can thus expect that observed economic outcomes, such as GDP growth, have relatively less influence on vote shares in countries that are more integrated into international markets.  

All those studies mentioned above who have confirmed this hypothesis used objective measures of economic globalization; Hellwig (2015: chapter 5) has leveraged his survey data to test the hypothesis on the individual level employing the data on perceived responsibility for economic outcomes listed in table 1 above. While not true for all 10 countries, he finds that, in most cases, the economic voting effect – measured as the difference in the probability of voting for the incumbent head of the executive or her party between those that perceive an improved vs. those that perceive a deteriorated economic situation – is stronger for those who hold the national government responsible than for those who hold the world economy responsible. Given all this confirming evidence, it seems well established that economic globalization indeed weakens the strength of economic voting. As governments that preside over relatively open economies are presumably less able to control the course of the national economy, voters seem to reward and punish them less for economic outcomes. This is a striking finding as it does show that by affecting

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46 Other researchers have investigated further implications of this argument that are less relevant in the present context, but help to further corroborate the logic of the general theoretical reasoning. Marek Hanusch (2012), specifically drawing on the model of Duch/Stevenson (2008), argues that if trade openness reduces economic voting this should also hold implications for the strategic incentives of politicians. He argues that trade openness will reduce politicians’ incentives to engage in political budget cycles, that is strategic deficit spending in order to create an economic boom at election time, and finds this argument supported for a panel of OECD countries from 1980 to 2008. Again focusing on voters but on political rather than economic integration, Marina Costa Lobo and Michael Lewis-Beck (2012) propose an “integration hypothesis” according to which economic voting, related to national legislative elections, will be less pronounced to the extent that the EU is held responsible for the state of the economy. They find support for this prediction using survey data from the European Election Survey 2009 for four Southern European countries. Also drawing on a clarity-of-responsibility argument, Adriana Crespo-Tenorio et al. (2013) argue that incumbents in more integrated economies will find it easier to survive banking crises as they can more credibly shift blame. They find support for this argument in that banking crises are less harmful for the survival of the incumbent in countries with more open capital accounts, i.e. in those countries that have more liberal regulations on cross-border capital flows.

47 For a similar analysis with similar findings using the data on perceived room-to-maneuver constraints from the French National Election Study 1997 and the British Election Panel Study 1997-2001 mentioned in table 1, see Hellwig (2008).
the economic vote economic globalization matters for one of the most important regularities in voting behavior. And this finding might lead one to think about possible further implications.

Retaining the focus on the decision whom to vote for, Hellwig has, in a series of publications (Hellwig 2007, 2008, 2014a) but most comprehensively in his monograph (Hellwig 2015), proposed a “balancing-demands” hypothesis that does exactly that. Its basic logic with regard to performance-based voting runs as follows: To the extent that economic integration constrains accountability with regard to economic outcomes and citizens are aware of that, they might rely more on policy performance with regard to policy outcomes that remain unaffected by economic globalization. In other words, performance and performance evaluations with regard to issues like health care or immigration might become more important for voting decisions with increasing economic integration as economic issues become less important. Hellwig extends this logic to position issues as well and argues that (perceived) constraints to the government’s room to maneuver will likewise decrease the effect of economic position issues on decisions about whom to vote for. In turn, it will increase the effect of non-economic position issues, i.e. issues which are not expected to be affected by diminished autonomy due to economic globalization. Focusing on citizens’ general preferences towards government responsibilities in different areas rather than their ultimate voting decisions, this balancing logic would imply, according to Hellwig, that citizens demand a smaller role of government with regard to traditional economic policy issues, but a larger role of government with regard to non-economic issues.

Empirically, Hellwig is able to assemble the following pieces of evidence speaking to these implications of the general balancing-demands hypothesis:

- With regard to voters’ general demands from government, Hellwig (2015: chapter 3) draws on the 2006 wave of the International Social Survey Programme (ISSP), the Role of Government IV Survey. Employing the KOF flow index, he shows empirically that in more

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48 On the latter point, Hellwig (2015: 42) writes: “Voters […] will construct a path of associative linkages in which heightened exposure to the world economy tempers beliefs that national governments can influence real outcomes.”

49 Note that there is some overlap between these arguments by Hellwig and the “convergence hypothesis” of Grande and Kriesi (2012) mentioned above (in section 3.3.1) “which argues that in a world where centre-right and centre-left parties – that is the parties that habitually govern – converge over economics, voters become indifferent to them and increasingly vote for parties clearly distinguishable on cultural grounds” (Grande and Kriesi 2012: 19). This is one example for what was mentioned in footnote 30 (on page 29): The globalization-cleavage and the globalization-constraints literature have more in common than what could be assumed on the basis of their divergent premises.
economically globalized countries citizens demand significantly less from the government in terms of economic policies, but significantly more in terms of non-economic policies.\textsuperscript{50}

- With regard to \textit{performance-based voting} on non-economic issues, Hellwig (2015: chapter 5) draws on the European Election Study (EES) 2009 that asked about subjective performance evaluations with regard to healthcare and immigration. His findings are supportive of the balancing-demand hypothesis: In more globalized economies, the effect of these two non-economic performance evaluations on intending to vote for one of the incumbent parties is stronger; while the reverse tends to hold with regard to economic performance evaluations, in line with all the evidence mentioned above.

- Lastly, with regard to \textit{position-based voting}, Hellwig (2015: section 6.3) combines data from his cross-country survey dataset (Hellwig 2011) with expert data on party positions from 2009 (Vowles et al. 2010). This allows him to estimate vote choice models that include policy distance variables between citizens and parties on a set of different issues. He finds that positions on less taxation vs. more spending tend to have less of an effect on the probability of voting for a specific party in more globalized settings. This is in line with the globalization-constraints argument.\textsuperscript{51} The evidence on balancing-demands remains, however, weak: None of the other four issues is estimated to have an effect that increases with trade exposure or globalization flows as measured by the KOF.\textsuperscript{52}

These findings are remarkable in that they imply that economic globalization might have profound implications for voting behavior going beyond the effects on economic voting. Though data limitations might not always allow for the best possible test one can think of, Hellwig has assembled a massive amount of evidence that is, on the one hand, strongly in line with a constraining logic according to which the loss in autonomy due to economic globalization leads to a diminished role of economic policy issues in voting decisions. On the other hand, his findings are also supportive

\textsuperscript{50} He complements this cross-sectional analysis with an analysis of data from several waves of the ISSP surveys pooled over time relying on a more limited set of two items for each dimension which leads to similar findings. Elsewhere (Hellwig 2014a), he presents an additional analysis that draws on individual-level data from the New Zealand election study 2008 included in the cross-country dataset in table 1 on subjective room-to-maneuver perceptions. According to this individual-level analysis, citizens who perceive less room to maneuver on economic policies demand less with regard to economic issues. In contrast, stronger perceived room-to-maneuver constraints tend to lead to more demands on non-economic issues, though this effect is not statistically significant.

\textsuperscript{51} Note that a conference paper by Jack Vowles and Georgis Xezonakis (2010) does find the opposite. This study is, however, based on a limited advance release of the Comparative Study of Electoral Systems (CSES) module 3 and employs general left-right positions instead of more issue specific position measures.

\textsuperscript{52} The evidence on this balancing-demands hypothesis with regard to position issues is a little stronger, but still somewhat mixed, in a different study using the individual-level data on perceived room-to-maneuver constraints from the French National Election Study 1997 and the British Panel Election Study 1997-2001 mentioned in table 1 (Hellwig 2008).
of the balancing-demands argument according to which other issues become more important in turn, though the evidence seems a little weaker with regard to this second part of the argument.

In looking only at the decision whom to vote for, Hellwig sidesteps the issue whether a diminished room to maneuver with regard to economic policies could also matter for the decision whether to vote at all. After all, this seems to be a possible implication of his argument that economic globalization diminishes the policy implications of voting with regard to economic policies. In this sense, we might expect voters not only to rely more on non-economic issues unaffected by economic globalization when deciding whom to vote for. We could also expect that a diminished room to maneuver on economic policies translates into voters being less willing to participate in the first place. In fact, the balancing-demands argument seems to implicitly regard the decision whether to vote as being constant with the rational voter searching for differences between parties in order to arrive at some decision whom to vote for:

“If market integration reduces the credibility of domestic policy levers, then elite positions on economic issues may have little impact on the voter's decision. The world economy should be less of a constraint on policy maker capacity over noneconomic issues. Rather, the noneconomic dimension should play a compensating role, increasing in salience as the rational voter searches for a basis for judging elites” (Hellwig 2015: 30, emphasis added).

Obviously, rather than seeing some form of full compensation, a second possibility we should entertain is that the rational citizen is less inclined to participate in the first place given real or perceived constraints on the national autonomy with regard to economic policies. 53

In sum, the globalization-constraints literature on voting decisions has so far produced some intriguing findings. These findings establish that globalization impacts upon voting behavior. Moreover, the central finding of this literature, that the impact of economic policy issues for voting decisions is reduced with rising economic globalization, can make one wonder not only about some form of compensation through other issues, but also about potential repercussions for voter participation.

53 Technically, Hellwig (2015: section 2.2) specifies a formal model of the voter’s utility that depends on issue proximity and issue performance evaluations in different issue dimensions, like an economic and a non-economic dimension. In order to integrate the idea of globalization constraints, he builds “discounting factors” into the model that allow for the weight of issue proximity and issue performance to vary across the issue dimensions. Within this model the relative weight of the non-economic dimension will increase automatically as the economic dimension is discounted, which leads to the prediction of a bigger role for non-economic issues in voting decisions. The overall utility itself may, however, decrease as a consequence of the fact that proximity on the economic dimension and economic performance are discounted.
Another strand of the globalization-constraints literature has explored the effects economic globalization has on the positions of political parties. While not directly concerned with citizens’ attitudes and behavior, this literature is certainly relevant as these conditions on the supply side are likely to impact upon the voting behavior of individuals. Specifically, with regard to electoral turnout several authors have made a theoretical argument, and supported it with empirical evidence, that aggregate turnout would be higher in contexts where parties present more distinct policy alternatives to voters (e.g. Brockington 2009; Dalton 2008; Wessels and Schmitt 2008). Where party positions converge, turnout should fall. Now, a case could be made that if economic globalization limits the room to maneuver of national governments along the lines discussed in section 3.2, the range of policy positions parties can credibly take will also be affected. This might not be true for all parties, but be especially the case for larger parties with governing experience. Overall, however, we would still expect that parties’ policy positions on economic policies become narrower with higher levels of economic globalization.

Drawing on such arguments of a constraining effect of economic globalization, a number of publications have considered the effects economic globalization has on parties’ positions; though they focus on studying individual parties rather than dealing with the entire choice menu on offer to voters by a party system, like the amount of overall polarization or dispersion of parties’ policy positions. Within this literature, authors have studied whether a constrained room to maneuver for national governments affects the individual positions of political parties (Adams et al. 2009; Haupt 2010; Ward et al. 2011) and leads to a lower level of party responsiveness to the median voter (Ezrow and Hellwig 2014). In order to give a structured overview on these four studies, table 2 lists some of their central features.

All of them draw on party position data from the Comparative Manifesto Project (CMP) (Budge et al. 2001; Klingemann et al. 2006). The Manifesto Project is an ongoing endeavor relying on quantitative content analysis of party election manifestos by human coders. With data reaching as far back as 1945, this data source on party positions is the only one that allows studying party positions over a longer time span – and Christian Martin and I draw on it as well in Study II. In

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54 There is also a large qualitative literature on economic globalization and political parties, especially social democratic parties, that overlaps, to the extent that it deals with parties’ roles in government, with the type of work discussed in section 3.2. Here I focus on quantitative contributions that deal with numerical measures of parties’ policy positions on a left-right or a more narrow economic conflict dimension against the background of globalization constraints. This focus is in line with the theoretical model I develop below (in section 3.4) and the approach taken in Study II.

55 Currently, the work is continued in the Manifesto Research on Political Representation (MARPOR) project at the Wissenschaftszentrum Berlin (WZB) sponsored by the German Research Foundation (Deutsche Forschungsgemeinschaft, DFG).
addition to data on individual detailed categories, the CMP data contain a summary left-right scale measure for each party-election combination. Each of the four studies listed in table 2 make use of this measure in constructing the dependent variable, though some add a different measure in further robustness checks. The left-right scale proposed by the Manifesto group in these studies on economic globalization and party positions is a convenient, but not an optimal choice as it is composed not only of classic economic left-right issues, but also contains other non-economic issues. For the purpose of studying whether efficiency pressures from economic globalization affect parties’ economic policy positions this scale seems a little too broad.  

Table 2: Studies on economic globalization and parties (economic) left-right positions

<table>
<thead>
<tr>
<th>Study</th>
<th>Sample</th>
<th>Party position data</th>
<th>Dependent variable</th>
<th>Indicators of economic globalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams et al. (2009)</td>
<td>7 Western European countries, 1976-1998</td>
<td>Comparative Manifesto Project (CMP)</td>
<td>Election-to-election shift on CMP general left-right scale</td>
<td>- Trade/GDP</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Gross private capital flows (% of GDP)</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- FDI inflows (% of GDP)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(all measured as change from year of election to previous year, included simultaneously)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- CMP general left-right scale</td>
<td>- Exports/GDP</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- An own constructed economic dimension from the CMP data</td>
<td>- Gross private capital flows (% of GDP)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- FDI inflows (% of GDP)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(all measured as change from year of election to year of previous election, included simultaneously)</td>
</tr>
<tr>
<td>Ward et al. (2011)</td>
<td>15 Western European countries, 1973-2002</td>
<td>Comparative Manifesto Project (CMP)</td>
<td>- Position on CMP general left-right scale</td>
<td>- KOF economic globalization index (interacted with mean left-right position of citizens)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- As a robustness check: position on category “welfare” of the CMP data</td>
<td>- Alternatively in robustness checks: trade/GDP, FDI flows, measure of current and capital account restrictions</td>
</tr>
<tr>
<td>Ezrow and Hellwig (2014)</td>
<td>18 established democracies, 1977-2009</td>
<td>Comparative Manifesto Project (CMP)</td>
<td>- Election-to-election shift on CMP general left-right scale</td>
<td>- KOF economic globalization index (interacted with election-to-election shifts in position of the mean voter on left-right scale)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- As a robustness check: citizens’ perceptions of parties’ left-right positions as estimated from survey data</td>
<td>- Alternatively in robustness checks: trade/GDP, KOF flow and restriction measure</td>
</tr>
</tbody>
</table>

56 But note that if the studies aim to relate party movements to left-right movements of the electorate for which more detailed data on more specific issue dimension might not be available, there is another rationale which speaks for the broader left-right scale. This does not solve the mentioned problem however.
Let us consider the studies in detail in turn. James Adams et al. (2009) analyze individual parties’ election-to-election shifts on the CMP general left-right scale for a rather limited sample of 7 Western European countries from 1976 to 1998. They measure economic globalization via three different indicators, the trade share, gross private capital flows and FDI inflows, which they introduce into the regressions simultaneously. In my verdict, this is not an optimal choice: These indicators are often strongly collinear and they are properly understood as different indicators of the same theoretical construct, economic globalization. If our theory tells us something about effects of economic globalization in general, then it seems better to rely on some type of summary index or, at least, to introduce these indicators one after the other. A further problem with the Adams et al. (2009) study is that these indicators are measured as the short-term change from the year of the election to the previous year. While theoretically, we might believe that high levels of economic globalization push parties to adapt some of their economic policy positions, this does not necessarily imply that the latest changes in particular indicators of economic integration should be instantaneously reflected in parties’ programs. In terms of the empirical findings, Adams et al. (2009) report that parties do react to economic integration with effects going in mixed directions and left parties appearing to be less reactive.

The study by Andrea Haupt (2010) suffers from some of the same problems as those identified for the Adams et al. study: the use of short-run change measures and the simultaneous inclusion of multiple indicators of economic integration. By splitting the trade indicator into separate measures for exports and imports, she even works with four different indicators of economic globalization included in the regressions simultaneously. With regard to the empirical findings, she reports that “parties adjust their positions in response to changes in exports, imports and changes in capital mobility, but not in response to changes in foreign direct investment” (Haupt 2010: 19) with effects again pointing into different directions of the left-right scale, but appearing to be in tandem for parties of the left and the right.

The studies by Hugh Ward et al. (2011) and Lawrence Ezrow and Timothy Hellwig (2014) avoid the mentioned pitfalls, present innovative theoretical ideas and are cleverly designed. Ward et al. (2011: 510) argue that efficiency pressures from mobile capital and international financial markets would produce “constraints that force center-left parties to converge on the positions of the center right”. Their assumption is that center-left parties believe that they won’t be able to win elections with platforms that lack credibility, because of being too far to the left given their country’s level of economic globalization. Accordingly, there is a globalization constraint for social democratic parties. Whether this constraint will be effective depends, however, on the position of the median voter, according to Ward et al. If the median voter is situated at the right of the political spectrum
to begin with, globalization will have no effect on platforms because parties of the center-left will already have taken the preferences of the median voter into account and moved to the right. If the median voter does hold left political preferences, on the other hand, economic globalization will push left parties to the right.

Drawing on the KOF index of economic globalization, Ward et al. show that the effect of economic globalization is to push parties to the right, but only if the median voter is located at the left; and that this is especially true for parties of the left. One implication of these findings is that in a context characterized by rather high levels of economic globalization and rather leftist preferences in the electorate, the median voter will be less well represented in the party system. Another implication is that economic globalization will push for party convergence, at least if the median voter holds a left position. Ultimately, however, the study of Ward et al. does not speak directly to party system attributes like the quality of representation or the overall differences in parties’ policy offerings as it focusses on explaining shifts in the positions of individual parties with bigger and smaller parties having equal weight in the analysis. Nonetheless, Ward et al.’s findings give one reason to believe that it is not unlikely that higher levels of economic globalization will bring about a convergence of party positions on economic policies narrowing the choice set available to voters.

Ezrow and Hellwig’s (2014) clever innovation to this literature is to turn from the question of how economic globalization directly affects party positions to the question of how economic globalization moderates the relationship between shifts in the position of the median voter and shifts in party positions. In other words, Ezrow and Hellwig study how economic globalization affects party responsiveness. In a nutshell, their argument is that economic globalization pushes parties to respond more strongly to market actors which would crowd out responsiveness to the median voter. This, moreover, should apply foremost to parties with governing experience that would be more likely to take “[e]xternal considerations that could potentially influence policy, such as those arising from the world economy” (Ezrow and Hellwig 2014: 818) into account in their strategy. Empirically, the two authors report robust empirical support for these theoretical conjectures: Parties with governing experience respond to left-right shifts in the position of the median voter with shifts in the similar direction, but this effect becomes smaller with increases in economic globalization and eventually indistinguishable from zero.

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57 A related point is that it is unclear whether we should expect parties of different types and size to be equally concerned about the position of the median voter and the constraints from economic globalization. While Ward et al. typically refer to social democratic parties in the theoretical part of their article, they include all parties covered by the CMP and represented in parliament in the empirical analysis and their dummy variable for left parties marks all those parties classified a belonging to either the social democratic or the communist family by the CMP.
Together, these studies, especially the latter two, show that economic globalization might have profound effects on party positions. Ward et al.’s study implies that economic globalization might, under some circumstances, lead to a narrowing of party positions leaving some citizens less well represented. Similarly, Ezrow and Hellwig show that economic globalization can have negative effects on parties’ responsiveness to citizens’ demands. In addition to any direct effects from economic globalization on citizens’ political behavior, or respectively effects that work through citizens’ perceptions of the room-to-maneuver constraints, these effects on party behavior are likely to have again repercussions for the political behavior of citizens. With regard to voter turnout, a restricted choice set and a lower level or responsiveness might not bode well. This means that economic globalization could have an effect on electoral turnout not only through citizens’ perceptions of a limited room to maneuver for the national government, but also indirectly through the effect economic globalization has on the positions of political parties. It is important to emphasize again, however, that none of the discussed contributions directly studies the relevant attributes of entire party systems, like their degree of polarization on an economic policy dimension, but rather the positions of individual parties only. From the evidence discussed here, it seems clear that when theorizing about economic globalization’s effects on electoral turnout, the positions of political parties should play a role. Empirically, this would ideally require analyzing these positions at the level of the party system. Moreover, we have learnt that, optimally, these should be studied with regard to economic policies only, rather than using the more encompassing general left-right dimension which fits only roughly to theoretical arguments that regard (only) economic policies as being constrained by the efficiency pressures from economic globalization.

3.3.2.4 Economic Globalization and Voter Turnout in the Previous Literature

Against all the evidence discussed in the preceding sections that perceptions of a limited room to maneuver due to economic globalization are widespread among citizens, that constraints from economic globalization affect voting behavior and, apparently, also party positions, it might not seem farfetched to think that economic globalization could also affect electoral turnout. And indeed, I am not the first to suggest a link between the two phenomena. While there is no previous
work that has systematically studies this question empirically, it will prove helpful to consider the arguments of those authors who have previously speculated that such an association might exist before presenting my own theoretical model.

As to those previous speculations, Mark Franklin (2004), for instance, mentions globalization in his seminal study on the dynamics in voter turnout in established democracies as one likely explanation to explain the residual decline in turnout his empirical models cannot account for:

“[T]here are many speculations that have never been tested empirically. One is the idea that globalization lowers turnout. This speculation, if it could be confirmed, would fit right into the picture we have been painting of voters responding to the character of elections in terms of the extent to which they can see their vote as possibly having policy implications. Globalization would operate much like declining executive responsiveness, reducing the power of governments to make policies independently of international obligations and the realities of the global market place. A more globalized world in which governments surrender powers to bodies such as the World Trade Organization is also a world in which elections are less meaningful as vehicles for achieving or blocking policy change. On this reasoning, the globalization of the world economy should go along with a lessening in the importance of elections, with consequently lower turnout” (Franklin 2004: 179).

Pippa Norris (2002: 217) has raised similar ideas regarding a possible negative turnout effect of globalization also discussing party convergence as an additional explanation that, as I argue below (in section 3.4), might to some extent be related to economic globalization.

“While there is good evidence for a slight short-term fall in voting participation during the 1990s across many postindustrial societies, the timing of the shift means that it cannot plausibly be attributed to the sort of glacial socioeconomic trends, such as suburbanization and secularization, that are at the heart of modernization theories. We can speculate about alternative explanations for the short-term decline. One factor could be the impact of globalization, eroding the power and autonomy of the nation-state during this era. […] Any closure of the ideological gap in party competition, with the growth of ‘catch-all’ campaign appeals symbolized by the ‘third way’ politics of Clinton and Blair, could also have reduced the incentive to vote” (Norris 2002: 216f).

Hellwig and Samuels (2007: 299), speculating about the implication of their results on economic voting in globalized economies (see above in section 3.2.2), argue that their “findings imply that globalization may contribute to the demobilization of national electorates; this hypothesis merits further exploration.”

Systematic empirical work is very scarce, however. In a conference paper that has not been formally published to date, Mark M. Gray and Miki Kaul Kittilson (2005) casually tested for a potential association between electoral turnout and economic integration. Using aggregate data, the two authors analyze parliamentary and presidential elections in 19 OECD countries between 1950 and

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58 John Marshall and Stephen Fisher worked in parallel on this research question and just recently published an article “Compensation or Constraint? How Different Dimensions of Economic Globalization Affect Government Spending and Electoral Turnout” in the British Journal of Political Science (Marshall and Fisher 2015). While they began their work independently, the published version of this research now discusses, critiques and builds upon my previous research of Study I. Hence, it makes the most sense to discuss their work in the conclusion (see section 3.7.2). The latter also holds for Jeffrey Karp and Caitlin Milazzo’s (2014) working paper on “Globalization and Voter Turnout in Times of Crisis”.

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While not the primary concern of their paper, they include the trade ratio in some of their models as a covariate to control for an effect of economic integration on turnout. They find a statistically significant coefficient indicating a negative effect of substantial magnitude.

The contributions of this paper-based dissertation go beyond the efforts by Gray and Kittilson. Foremost and in contrast to Gray and Kittilson’s contribution, my research project fully concentrates theoretically and empirically on economic globalization’s turnout effects. In doing so, I offer a far more extensive theoretical model of economic globalization and voter turnout. Empirically, I offer a broader empirical test of the general association between economic globalization and voter turnout in Study I where I also include measures of capital market integration and a composite index for economic integration, employ an enlarged sample and opt for a different estimation procedure. Moreover, in studying the causal mechanism in more detail, Studies II and III produce completely novel pieces of empirical evidence.

To summarize, while researchers, including very notable scholars of electoral politics, have speculated about a connection between economic globalization and voter turnout before, systematic empirical work was barely existent before my Studies I to III. It seems clear that some careful theoretical modeling and empirical testing of this connection was in order. And that is what I aim to offer below, including the remainder of this introduction and the Studies I to III. In the next section, I will build upon the literature discussion of this chapter in developing my own theoretical model of economic globalization and voter turnout.

### 3.4 Economic Globalization and Voter Turnout: A Theoretical Model

In this section, I will present an encompassing, but simple theoretical model of how economic globalization might affect electoral turnout. The intention behind the model is to precisely specify the potential causal mechanisms connecting the two phenomena. It builds upon the arguments developed while discussing the existing literature in the previous section. The model will be helpful in order to describe the individual contributions of Studies I to III and how they relate to each other. Each of the three studies isolates specific parts of this theoretical model and puts these to an empirical test.

The model shown in figure 3 below depicts in graphical form the individual causal links that might connect economic globalization, on the one hand, and electoral turnout, on the other. In the spirit of James Coleman (1990), the figure distinguishes between the macro, i.e. societal, level (upper...
part) and the micro level of the individual (lower part). The model thus builds on the core insight of the methodological individualism approach that macro-level phenomena, like aggregate turnout in national elections, are necessarily rooted in the actions of individuals. Any explanation of social phenomena should, therefore, go back to the individual level in order to model the choices and actions of individuals.

Figure 3: Theoretical model underlying the research program of Studies I to III

The starting point of the causal sequence depicted in figure 3 forms the macro-level phenomenon of economic globalization and the consequences for national autonomy purportedly associated with the phenomenon and extensively discussed above (in section 3.2). On the micro level of individual citizens, economic globalization is expected to influence beliefs about the meaningfulness of elections in terms of whether elections are thought to potentially produce significant differences in outcomes. These attitudes on the relevance of elections for policy
outcomes in turn are assumed to affect electoral turnout on the individual level\(^{60}\) and then, by simple logic of aggregation, on the macro level. But, coming to the critical part of the model, how exactly should economic globalization affect citizens’ perceptions of the meaningfulness of elections? Above (in the literature review in section 3.3.2), I have developed the idea that economic globalization seems, on the one hand, to affects citizens’ beliefs on the national government’s ability to intervene in the economy, and, on the other, the economic positions of political parties; and that both effects are likely to have implications for voter turnout. In line with this reasoning and with regard to the question of how economic globalization might affect beliefs about the meaningfulness of elections, figure 3 thus proposes two distinct causal pathways. While the path on the left-bottom is concerned with individual beliefs about decreases in the room to maneuver for national governments; the path above and to the right of it assumes that economic globalization affects turnout through the positioning of political parties and individuals’ reactions to these.

The idea behind the first path is that citizens’ beliefs about the constraints for national economic policy brought about by economic globalization mediate between economic globalization and the perceived meaningfulness of elections and electoral turnout: As voters are exposed to the idea that competition in an economically integrated world significantly constrains what governments are able to achieve in terms of economic policy outcomes these voters care about, they might reason that it makes less of a difference who gets elected. Perceived room-to-maneuver constraints are likely to affect citizens’ beliefs about the extent to which alternative governments might actually result in meaningful differences in policy outcomes. If voters are of the opinion that elections carry less meaning in just this sense, they should be less likely to participate in elections.

It is clear, however, that economic integration should not be expected to affect all policy areas or dimensions equally. Specifically, the argument focuses on potential differences in outcomes which are related to economic policy issues. Of course, there are policy domains which will hardly (perceived to) be materially affected by economic integration, such as socio-cultural policies and question of domestic security – as also implied in Hellwig’s balancing-demands argument (see section 3.3.2.2). The expectation is, however, that economic issues play an important role in citizens’ assessments

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\(^{60}\) Note that the model (only) specifies a sequence of logically plausible causal links that are well-grounded in theoretical arguments and empirical findings from the previous literature. In doing so, it lacks in itself a proper domain-specific theory of individual choice and action. Specifically, one would need some theory of electoral turnout or political participation more generally to substantiate the argument that decisions whether or not to participate in an election should be affected by views on the meaningfulness of elections. Exactly this issue is extensively discussed below (in section 3.5) where I develop an augmented rational choice model of electoral turnout and link it with the theoretical model of economic globalization and voter turnout presented here. For now I concentrate on the intuitive logic of the causal sequence depicted in figure 3, treating the foundation of its proposed mechanism on the individual level in a theory of electoral participation as a separate issue in order to simplify the presentation. I hope that, for the time being, the reader will find the proposed individual-level mechanism plausible enough on intuitive grounds in order to not prematurely dismiss the overall argument.
of whether elections are meaningful enough to warrant participation. This expectation seems plausible given the central role of economic issues for voting behavior found in the literature. For example, research on economic voting shows that the economic situation is one of the most important predictors of election outcomes (Bauer and Steiner 2015; Lewis-Beck and Stegmaier 2000, 2007, 2013; Lewis-Beck and Whitten 2013; Nannestad and Paldam 1994; Steiner and Steinbrecher 2012). This centrality of economic issues is also supported by descriptive evidence on which issues citizens themselves name as important: Matthew Singer (2011) analyzed data from the second wave of the Comparative Study of Electoral Systems (CSES) in which 55,663 individuals across 39 elections gave (valid) answers on an open-ended question that asked about the most important issue their country had faced over the last government’s term in office. According to Singer’s coding, 45.89% gave an answer that was related to “economic performance and management”. Another 16.09% named an aspect related to “social policy”, 1.47% mentioned “taxes” (Singer 2011: 292). Thus, nearly two-thirds of all respondents mentioned an issue related to economic policies in a broader sense. Michael Lewis-Beck and Mary Stegmaier (2000: 211) conclude from their literature review on economic voting: “Among the issues on the typical voter’s agenda, none is more consistently present, nor generally has a stronger impact, than the economy.” Accordingly, it seems not too farfetched to argue that what citizens’ think about the importance of elections in terms of their implications for policies related to economic issues should weigh heavily in views on the meaningfulness of elections in general.

As to the origin of individual room-to-maneuver perceptions, figure 3 assumes that there is a link between actual levels of economic integration and associated constraints for national economic policy-making and citizens’ subjective perceptions that such constraints exist. Clearly, for citizens’ beliefs of a limited room to maneuver to affect turnout, it is obviously first required that some citizens hold such views. Moreover, for a systematic association between levels of actual economic integration and electoral turnout to hold on the aggregate level via the proposed pathway, a systematic relation between actual levels of economic integration and perceived constraints is necessary. We have seen empirical evidence on both aspects above (in section 3.3.2.1): Beliefs that economic globalization would diminish the autonomy of national governments seem to be widespread among citizens of established democracies and, at the country level, the extent to which citizens’ believe that domestic economic outcomes are influenced by international factors seems to co-vary systematically with indicators of the actual level of economic integration.

Coming back to the effect of these views on the national government’s influence in an economically globalized world, it might further be the case that individual beliefs about the government’s capacity to manage economic outcomes in a globalized world matter not equally to different individuals.
Figure 3 incorporates this idea of a heterogeneous effect of room-to-maneuver perceptions: It depicts the effect of room-to-maneuver perceptions as being itself affected by the “salience” of room-to-maneuver perceptions to individuals. Study III contains a specific version of this very general argument by hypothesizing that room-to-maneuver perceptions matter specifically for those on the left of the ideological left-right scale. The theoretical possibility that the effect might vary over individuals is, however, more of an interesting secondary aspect from the perspective of the overall argument. The assumption still is that perceptions of a constrained room to maneuver affect the perceived meaningfulness of elections and thereby turnout negatively, on average.\textsuperscript{61}

A second path potentially linking economic globalization and electoral turnout operates through the positions of political parties. The first step in this sequence concerns the effects that competitive pressures from economic globalization might have on the positions of political parties or, more specifically, those policies related to the management of the economy that will be affected by restrictions to the government’s room to maneuver. As already discussed in more detail above (in section 3.3.2.3), it has been argued previously that economic globalization activates structural pressures that tend to stimulate a narrowing of party positions on economic policy issues with especially main left parties abandoning positions that seem too costly to pursue given the pressures of open markets and moving towards the center. Assuming that parties’ positional shifts are reflected in voters’ perceptions of differences in parties’ positions (in other words: that actual party positions tend to be reflected in perceived party positions), narrowing party positions are likely to impact upon the voting behavior of individuals. There is a wealth of evidence supporting the view that aggregate turnout is higher in contexts where parties present more distinct policy alternatives to voters (e.g. Brockington 2009; Dalton 2008; Wessels and Schmitt 2008). This aggregate relationship should extend to the individual citizen: As the positions of the main contending parties are perceived to be more distinct, voters should expect that who wins and who loses the election has larger consequences for political and economic outcomes. Voters should, thus, be less likely to participate in an election when they perceive the main contending parties to be rather similar in terms of economic policy positions.\textsuperscript{62}

\textsuperscript{61} More precisely, the assumption behind the interaction effect is not that the conditional effect of room-to-maneuver perceptions will miraculously switch its sign for some values of the moderating variable. In other words, from a theoretical point it won’t make any sense that some individuals view elections as being more meaningful with less perceived room to maneuver. Rather, less perceived room to maneuver for the national government should always tend to be associated with elections being perceived as less meaningful and a lower inclination to vote, with the effect potentially becoming insignificant (in a statistical and substantive sense) for some values of the moderating variable, but not switching its sign.

\textsuperscript{62} Again, how this argument can be justified by a proper theoretical model of electoral turnout will be discussed below (in section 3.5) where I introduce an augmented rational choice model of electoral participation.
Of course, not all policies are economic policies and parties might differ in their positions on other conflict dimensions. The argument here is in essence, as is usual, a ceteris paribus argument: Everything else equal, i.e. with polarization on other dimensions held constant, voter turnout should be lower with less polarization of parties’ policy positions on an economic conflict dimension. Moreover, the argument from above (in this section) that economic policy issues seem to play a central role for citizen’s voting behavior applies again. Accordingly, there are good reasons to expect that polarization on this dimension has an independent and substantial effect on voter turnout that is unlikely to be entirely dominated by how parties position themselves on other issue dimensions.

Note that this proposed pathway offers an account of an impact of economic globalization on individual turnout that does not require citizens to have any, be it more or less accurate, understanding of how economic globalization brings competitive pressures that constrain the room to maneuver of national policy-making. It is easy to see that for the proposed causal chain to hold, it is only required, as far as the micro-level is concerned, that citizens perceive a narrowing of party positions and react on this perception; no matter what they know or think about the causes behind party convergence. This is an important point: It means that we cannot completely dismiss the theoretical validity of the overall idea that economic globalization affects voter turnout by questioning whether most citizens would be capable of grasping the rather complex argument that economic globalization constrains national policy autonomy in the first place.\textsuperscript{63} The causal pathway on the left-hand side of figure 3 is distinct from this second causal path as it focusses on citizens’ direct perceptions of the government’s leeway in an economically interconnected world.\textsuperscript{64} It thus assumes some consciousness on the part of citizens with regard to the loss of material national sovereignty caused by economic globalization.

\textsuperscript{63} The empirical data discussed above (in section 3.3.2.1) speak more directly against this objection. A more than substantial fraction of citizens in established democracies seem to think of national political autonomy being constrained by (economic) globalization. While it is unclear how deep an understanding lies behinds these perceptions, they seem to be indeed widespread.

\textsuperscript{64} By making a very clear distinction between economic integration affecting turnout through (a) perceived differences between parties and (b) perceptions of the room to maneuver, figure 3 might oversimplify the reality to some extent. The analytical value of logically separating these two potential pathways should be clear from the above. In reality, however, it might be the case that some citizens think of parties as being little different, because they believe the room to maneuver of national governments to be significantly constrained. This would imply that room-to-maneuver perceptions could also be conceptualized as affecting perceived party differences. On the other hand, citizens could infer from a perception of parties being little different that the room to maneuver must be limited. There is, thus, certainly potential to further complicate figure 3 in an effort to make it more realistic. This would, however, involve costs in terms of parsimony and conceptual clarity and is not necessary for the present argument. More generally and in the spirit of the famous quote from George E. P. Box that “all models are wrong, but some are useful” (Box and Draper 1987: 424), the model presented here is certainly “wrong” in the sense of not being a perfectly accurate representation of the real-world processes it is meant to describe, but the model is meant to be “useful” for theoretically clarifying potential causal pathways from economic globalization to electoral turnout and their potential observable empirical implications.
Logically, a macro-level association between economic globalization and electoral turnout can arise if just one of the two causal pathways turns out to be valid. Alternatively, such an association might reflect the working of both causal mechanisms to certain extents if both turn out to be valid.

3.5 The Rational Choice Model of Electoral Participation and the Theoretical Model of Economic Globalization and Voter Turnout

The theoretical model described in the preceding section in itself lacks a theory of individual choice and action. It might be regarded as intuitively plausible that citizens’ decisions whether or not to participate in an election should be affected by views on the meaningfulness of elections in terms of their potential to affect outcomes that are of interest to the citizens (and that the latter attitudes might depend on individual perceptions of national autonomy under the condition of economic globalization). Nonetheless, one should be precise about the theoretical assumptions concerning the driving forces of individual voter participation that might underlie this argument. In this section, it is discussed how the individual-level mechanisms assumed by the model in figure 3 might be derived from a proper theoretical model of electoral participation.

In my view, the model of economic globalization and voter turnout presented above can be coupled most easily with a modified rational choice model of electoral turnout (Downs 1957; Riker and Ordeshook 1968). The advantage of the rational choice framework in the present context is that it is very explicit on the idea that “instrumental benefits” should matter for turnout. More than any other approach to the explanation of voter turnout it, thus, actively incorporates the argument that how big a difference with regard to outcomes an election is expected to potentially make is important for individual turnout decisions. For this reason, most of those researchers who have presented some hypothesis according to which what is at stake at an election should be important for turnout have drawn on the rational choice approach as a theoretical basis; and I will do so as

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65 One of the most prominent examples is Mark Franklin’s (2004) landmark study on “Voter Turnout and the Dynamics of Electoral Competition in Established Democracies Since 1945”. The book essentially combines a socialization and a rational choice argument: First, that voting is a habit that is acquired, or not acquired, in the first three elections one is eligible to participate in; second, that turnout, especially but not only in those formative years, depends on the character of elections in terms of what is at stake. One specific version of the second argument is that turnout should be lower in elections where “executive responsiveness” is low, e.g. in elections that will ultimately have little effect on the party composition of the government (as in parliamentary elections in Switzerland given the concordance rule). Similarly, Franklin expects turnout to be higher in close elections, in PR elections that minimize the likelihood of wasted votes, in party systems with a high degree of polarization, and so on. In order to develop these arguments Franklin draws on the rational choice model of electoral turnout which he however augments (see section 3.5.4 below). Likewise, Bryan Dettrey and Leslie Schwindt-Bayer (2009) systematically investigate the question of how institutional characteristics affect turnout in presidential elections. Their theoretical argument focusses on how these institutions impact upon the incentives to vote and draws on what they label the “rational choice theory of electoral
well. I argue, however, that the model, even in its revised version proposed by William Riker and Peter Ordeshook (1968), is in need of modification. Accordingly, I will develop a modified proposal before revisiting my model of economic globalization and voter turnout from the perspective of this proposed micro model of electoral participation.

Specifically, I will proceed as follows: First (section 3.5.1), I introduce the original rational choice model of electoral participation proposed by Anthony Downs (1957). I then (section 3.5.2) present the modified version of the calculus of voting by Riker and Ordeshook (1968). The next section (3.5.3), discusses the most pressing problem of this basic model in the current context: On the one hand, it remains unclear exactly why and how instrumental benefits should be relevant for explaining electoral participation within the theoretical model while, on the other hand, there is a lot of empirical support for the notion that the importance of elections in terms of implications for outcomes matters for turnout rates. In a next step (section 3.5.4), I discuss a prominent solution to this conundrum suggested by Mark Franklin (2004: chapter 2). Afterwards, I offer an own suggestion on how to augment the model (section 3.5.5) that I developed independently, but that actually closely mirrors a previous proposal by John Aldrich (1997: 385–387). Finally, I show how this model can be used to justify the individual-level mechanisms suggested by my theoretical model of economic globalization and voter turnout (section 3.5.6).

66 I had not discovered this contribution before working on this chapter of the introduction to my paper-based dissertation.

67 Note that even though the rational choice model seems to be the best choice for a micro-foundation of my model of economic globalization and voter turnout, the basic idea that the perceived meaningfulness of elections matters for turnout is not alien to other theories of political participation as well. Arguably, the well-known civic voluntarism model of political participation (Verba et al. 1995) also allows to incorporate the idea that what is (perceived to be) at stake should matter for decisions whether to turn out to vote, as it regards perceived “external efficacy” as one important predictor of political participation. According to a classic definition, political efficacy is “the feeling that individual political action does have, or can have an impact upon the political process […] It is the feeling that political and social change is possible, and that the individual citizen can play a part in bringing about this change” (Campbell et al. 1954: 187). It is common to distinguish between “internal” efficacy which refers to the confidence an individual has with regard to her own personal abilities in influencing political decisions and “external” efficacy which refers to beliefs in the responsiveness of the political system in general (Balch 1974: 24). Within the civic voluntarism model, then, one can conceive of beliefs about the government’s room to maneuver as influencing feelings about the external efficacy of voting. To the extent that citizens’ think of economic globalization as leaving their government little control over outcomes that are important to them, they should think of elections as being less efficacious. A lower external efficacy attached to elections should in turn, according to the predictions of the civic voluntarism model, translate into a lower inclination to participate in elections. Yet it has to be acknowledged that this reasoning builds on a broader
The rational choice model of electoral turnout goes back to Downs’ (1957) seminal contribution. Downs’ key innovation was to conceptualize the decision whether or not to participate in an election as a decision governed by the rules of utility maximization. Utility would be maximized when an individual considers the benefits and the costs of voting and votes if, and only if, the former exceed the latter. Already in Downs’ initial formulation, this benefit was understood as being composed of instrumental benefits and the “value of voting per se” (Downs 1957: 266). Instrumental benefits are those benefits that depend on the outcome of the election. In Downs’ language this is the “party differential” which is defined, assuming a two-party system for simplicity, as difference in expected utility between party A or party B winning the election for an individual. It is this idea that the decision whether to participate in an election would be contingent on differences in expected utility that renders the rational choice model so attractive for all arguments according to which turnout should depend on what is at stake in an election. And for this reason it also seems to be a very solid theoretical foundation for the argument that a (perceived) loss in the effectiveness of national politics due to economic globalization, that leads to elections being (perceived as) less consequential for outcomes, should negatively affect the willingness to vote.

Downs, however, also recognized that a rational individual would have to discount this party differential as an individual’s vote is unlikely to be decisive (Downs 1957: 266). If an individual knew for certain that her vote would not be decisive for the outcome of the election, there would be no rational value in voting (ignoring the role of the “value of voting per se” for a moment). It would not be rational in an instrumental sense to vote for the preferred party if it is clear that it will win in any case, because an individual would receive the gain in utility from her preferred party winning even if she stays at home. In this case, the cost will always outweigh the zero (discounted) instrumental benefits of voting and it would be rational to “free ride”. While in real world representative democracies, election results might not be certain beforehand, it is obvious that it is understanding that conceptualizes external efficacy as depending on whether citizens conceive of outcomes as potentially responsive to their demands. Traditional survey indicators of efficacy often focus more literally on politicians’ responsiveness to citizens’ demands. The broader understanding, however, is in line with how the term is used in contemporary research. Recent empirical studies regularly use related items from the Comparative Study of Electoral Systems (CSES) – asking (a) who people vote for made a difference “to what happens” and (b) whether it made a difference “who is in power” (The Comparative Study of Electoral Systems 2013) – as indicators of external efficacy (of voting) (e.g. Caul Kittilson and Anderson 2010; Davis 2014; Karp and Banducci 2008). Note that Studies I and II exclusively refer to an augmented rational choice approach, while the later Study III refers to the rational choice approach and the civic voluntarism model.
very, very unlikely that a single vote will be decisive in an electorate of several million people.\textsuperscript{68} Still, in the empirical world a lot of people do vote. Herein lies the famous “paradox of voting”: It is hard to explain why people vote at all from a purely instrumental-rationality perspective (Aldrich 1993: 258; Arzheimer and Schmitt 2014: 377; Blais 2000: 2; Goldfarb and Sigelman 2010: 276; Green and Shapiro 1994: chapter 4). Now, as mentioned previously, already Downs tried to solve this paradox by suggesting that individuals would also receive a utility from voting that does not depend on whether the individual vote makes any difference for the result of the election, the “value of voting per se”.\textsuperscript{69} This idea was taken up more systematically in a later and revised version of the model by Riker and Ordeshook (1968).

3.5.2 The Formalized Calculus of Voting by Riker and Ordeshook

Riker and Ordeshook (1968) later formalized these initial considerations in Downs (1957) within their “calculus of voting”. As Downs, they suggest to study the choice whether to vote as a problem of utility maximization. They assume that the act of voting is associated with some overall utility or reward, \( R_i \), for an individual, \( i \). This utility-maximizing individual will vote if her reward from voting exceeds zero (i.e. \( R_i > 0 \)); if the reward is negative (i.e. \( R_i < 0 \)) the individual will abstain. Riker and Ordeshook (1968: 28) suggest the following algebraic definition for the overall reward from voting:

\[
R_i = p_i * B_i + D_i - C_i
\]

where \( p_i \) denotes the probability that the individual vote will be decisive, \( B_i \) is the “differential benefit” (Riker and Ordeshook 1968: 28) that an individual receives if her preferred candidate or party A defeats her less preferred one B (i.e. \( B_i=U_{A_i}-U_{B_i} \)), \( D_i \) captures intrinsic benefits\textsuperscript{70} of voting,

\textsuperscript{68} For calculations on how small this probability actually is, see Gelman et al. (1998, 2012). The latter study estimates the probability of being decisive for the US presidential election in 2008 to be 1 to 60 million for an average voter. Even in those swing states where the probability of being decisive is highest, this chance is still only 1 in 10 million.

\textsuperscript{69} For Downs (1957: 270), this “value of voting per se” primarily has to do with the fact that individuals want to prevent democracy from breaking down. In his view, individuals are likely to receive utility from living in a democracy and they bear the costs of voting in order to obtain this utility. The problem with this argument is that it gives rise to a similar problem of collective action as before (Arzheimer and Schmitt 2014: 389; Blais 2000: 3; Fiorina 1976: 392; Goldfarb and Sigelman 2010: 277): As individuals cannot be excluded from the gain of the public good of living in a democracy, they will receive this utility even if they do not participate in voting themselves. Thus, there is no rational reason to bear individual costs. The Riker/Ordeshook (1968) view on the intrinsic motivation is more general, and therefore serves as a better starting point to discuss the role of the intrinsic motivation to vote (see below).

\textsuperscript{70} Riker and Ordeshook (1968: 27) didn’t label the D-term literally “intrinsic benefits”, rather they distinguish between “effects for which the magnitude is dependent on the individual contribution to the outcome” (\( B_i \), in equation 1) and “effects for which the magnitude is independent of the individual’s contribution to the outcome” (\( D_i \), and also \( C_i \) as
and C, the cost associated with the act of voting. 71 This calculation mirrors the verbal description given by Downs, though the reference to intrinsic benefits is somewhat more general than Downs’ specific description of the “value of voting per se”. The formal version of the purely instrumental calculus, i.e. an equation similar to (1) that does not contain the term for intrinsic benefits, makes the famous paradox of (non-)voting even more apparent: Even under modestly realistic parameter values the probability of casting the decisive vote is so minuscule (and should be expected to be minuscule by even mildly rational voters) that, even when differences in expected utility between the different outcomes of the election are considered very high, the costs associated with the act of voting would always be higher than the product of p, and B. Thus, a purely instrumental rational choice model cannot reasonably explain why people vote at all.

It is also in response to this problem that Riker and Ordeshook (1968) added the idea that intrinsic benefits also mattered very explicitly to the calculus. It is instructive to cite the list of examples given by Riker and Ordeshook (1968: 28) for the kinds of satisfactions potentially contained in D:

“1. The satisfaction from compliance with the ethic of voting, which if the citizen is at all socialized into the democratic tradition is positive when he votes and negative (from guilt) when he does not.
2. the satisfaction from affirming allegiance to the political system: For many people, this is probably the main rationale for voting. It is also a highly political motive and to leave it out of the calculus would be absurd.
3. the satisfaction from affirming a partisan preference: Voting gives the citizen the chance to stand up and be counted for the candidate he supports. For many voters this must be the most important and politically significant feature of voting. Why else vote so determinedly for a candidate whom the voter knows is almost certainly going to lose or, for that matter, going to win. […]
4. the satisfaction of deciding, going to the polls, etc.: These items are usually regarded as costs, but for those who enjoy the act of informing themselves for the decision, who get social satisfactions out of going to the polling booth, etc., these supposed costs are actually benefits.
5. the satisfaction of affirming one’s efficacy in the political system: the theory of democracy asserts that individuals and voting are meaningful and for most people the only chance to fulfill this role is in the voting booth.
Doubtless there are other satisfactions that do not occur to us the moment, but this list is sufficient to indicate the nature of D.”

its negative counterpart, in equation 1). The latter description is a good definition for what the term “intrinsic benefits” means. Others have used the terms “consumption” (e.g. Aldrich 1993: 258; Blais 2000: 4) or “expressive” (e.g. Brennan and Lomasky 1993: 23; Goldfarb and Sigelman 2010: 278) or “input-causal” (Brennan and Lomasky 1993: 23) benefits to refer to the D-term. In my view, the term “intrinsic” benefits captures the defining characteristic of these benefits or motivations well that they are independent from the actual outcome and I will use this wording here consistently. On the other side, those benefits that are dependent on the outcome of the election are regularly called “instrumental” (e.g. Franklin 2004: 37; Goldfarb and Sigelman 2010: 278) and occasionally “investment” (e.g. Blais 2000: 4) or “outcome-causal” (Brennan and Lomasky 1993: 23) benefits. I use the usual term “instrumental” here which also captures the defining characteristic nicely that these are benefits that are dependent on the outcome of the election.

71 I follow the notation of Riker and Ordeshook in not writing the equation in expected values. Writing the equation in expected values would be more cumbersome, but actually more accurate given that it is individual expectations of these quantities that are relevant for individual choices. We might rewrite equation (1) as follows to make this more apparent: \[ E(R)_i = E(p)_i \times E(B)_i + E(D)_i - E(C)_i. \]
This list makes clear that Riker and Ordeshook had a very general theoretical understanding of what could potentially be subsumed under intrinsic benefits.

In the later reception of their work these intrinsic benefits were, not always (Arzheimer and Schmitt 2014: 393; Goldfarb and Sigelman 2010: 278), but often (Bowler and Donovan 2013: 266; Brennan and Lomasky 1993: 117; Fowler 2006: 675), in a more narrow interpretation, equated with “citizen duty” or “duty to vote” (Aldrich 1997: 385). Already Angus Campbell et al. (1954: 194) had suggested “sense of citizen duty” as a potentially important predictor of political participation defining it as “the feeling that oneself and others ought to participate in the political process, regardless of whether such political activity is seen as worth while or efficacious.”\(^{72}\) Citizen duty is, thus, traditionally understood as a general norm that is independent from whether specific elections are considered substantially meaningful or not. The citizen duty-interpretation of Riker/Ordeshook’s D\(_i\) term suggests that all intrinsic benefits from the act of voting come in the form of being satisfied to have adhered to a stable norm that voting is always good and not voting always ethically problematic no matter how the character of the election is perceived. This is not exactly what Riker and Ordeshook argued (Aldrich 1993: 272; Blais 2000: 93): While civic duty forms the first entry of their list, the list does not end with it.\(^{73}\)

As the elements contained in D\(_i\) are potentially important to an individual and are, in contrast to B\(_i\), not discounted by the probability that the individual vote will have a decisive impact upon the outcome of the election, the consideration of intrinsic benefits has the potential to solve the paradox. Given a sufficiently high D\(_i\) term, individuals would be predicted to participate in the election even when p\(_i\) is minuscule. One might legitimately criticize this solution to the paradox via intrinsic benefits on the grounds that such a reasoning lies beyond the narrow focus of rational choice on egoistic instrumental rationality (Blais 2000: 4–5; Goldfarb and Sigelman 2010: 278; Green and Shapiro 1994: chapter 4). Intrinsic benefits might explain why people vote, but clearly don’t explain voting by referring to egoistic instrumental rationality. Rather the D\(_i\) term is consistent with the rational choice approach (only) under a “thin version of rationality” (Goldfarb and Sigelman 2010: 279) that is agnostic on the substantive content of utility functions, but only

72 Likewise, André Blais (2000: 93) “define[s] duty ‘as the belief that not voting in a democracy is wrong’. Sense of duty thus corresponds to an ethical judgment that voting is right and not voting is wrong. If someone votes out of a sense of duty, she votes because her conscience tells her she ought to vote; she would feel ashamed and guilty if she were not to vote.”

73 Interestingly, Riker and Ordeshook (1968) don’t refer to the term “duty” within the theoretical part of their article at all. They do so only later in the article as they use a “sense of citizen duty scale” as an empirical operationalization of the D-term that they describe as “dubious” themselves (Riker and Ordeshook 1968: 36). The reception as “duty to vote” might also originate from the fact that Riker and Ordeshook use the letter “D” to refer to intrinsic benefits within their calculus. However, this doesn’t seem to reflect any intention on the side of the authors who use the terms A, B, C and D in their table 1 (Riker and Ordeshook 1968: 27) in a sequence that seems to just follow the alphabet (at least as far as A and D, that were added by them, are concerned).
requires individuals to behave rational in the sense of acting in consistency with preferences that are internally consistent. Relatedly, the solution might be criticized as leading to an explanation for the decision whether to vote that is nearly tautological and, in a sense, empty (Aldrich 1993: 258; Blais 2000: 4; Goldfarb and Sigelman 2010: 282): The decision to turn out to vote could always be “explained” retrospectively by viewing it as a utility-maximizing act under specific assumptions about the intrinsic benefits an individual expects from voting. Moreover, given the unspecific assumptions on the substantive nature of $D_i$, there are myriad possibilities what kind of intrinsic benefits actually made the difference. Against this background, further efforts to more narrowly specify the contents of $D_i$ should be welcomed.

3.5.3 The Problem with the Calculus from an Applied Perspective: Instrumental Benefits Do not Matter Theoretically, but Do Matter Empirically

From an applied empirical perspective, the most serious problem is that this solution essentially throws the initial idea over board that the decision whether to vote is also a matter of instrumental benefits: Given a minuscule expected probability of casting the decisive vote, the equation still states that considerations of differences in expected utility between alternative potential governments do hardly matter for the decision whether to turn out to vote (Aldrich 1993: 258; Arzheimer and Schmitt 2014: 393; Fiorina 1976: 393; Franklin 2004: 39). No matter how high this party differential, as it will always be multiplied by a minuscule factor, i.e. the tiny chance of casting the decisive vote, the product of $B_i^*P_i$ will be negligible as compared to $D_i$ and $C_i$. The introduction of the $D_i$ term, thus, may help to explain why people vote, but it turns the decision whether to vote almost exclusively into a matter of costs and intrinsic benefits. Why is this problematic from an applied perspective? It means that one cannot just point to the rational choice model of electoral turnout in order to justify the idea that what is at stake in an election should matter for turnout. Doing so ignores that, under a strict reading, even the modified calculus by Riker/Ordeshook (1968) does not satisfactorily explain why and how instrumental benefits should matter for turnout decisions.\footnote{Of course, another approach and potential solution to the paradox is to assume that individuals have grossly inadequate views about the magnitude of $p_i$, the probability of casting a decisive vote. This solution to the paradox would retain a role for instrumental benefits. However, this solution is, in a way, absurd as it would, on the one hand, conceptualize voters’ decisions as a rational calculus considering costs and benefits in terms of differences in expected utility, and, on the other hand, assume those same voters to have essentially no idea on how big a difference a single vote is likely to make within electorates of, usually, several million people. In my view, it is obvious that this approach cannot possibly lead to a plausible solution and I won’t discuss it in more detail here. This solution to the paradox is}
With exceptions proving this rule (Franklin 2004), most scholars who have drawn on the rational choice approach as a theoretical basis in order to justify their particular version of the overall hypothesis that what is at stake in an election should matter for turnout simply ignore this problem (e.g. Colomer 1991; Dettrey and Schwindt-Bayer 2009). However, simply ignoring this theoretical inconsistency is obviously an unsatisfying solution. From an empirical point of view, it seems clear that the general idea from the rational choice model that the extent to which elections are consequential for outcomes has indeed explanatory power.

There is a wealth of empirical evidence consistent with the claim that variation in aggregate turnout across elections and countries is associated with variables that seem to capture the benefits associated with voting and the relative importance of elections to voters. On a most basic level, turnout tends to be clearly lower in second-order elections, like elections to the European Parliament (Reif and Schmitt 1980) or elections at local levels (Blais 2000: 38), than in first-order (i.e. national) elections. Low turnout in elections to the European Parliament is also viewed as stemming from the “low salience of [EP] elections at which little is at stake” (Franklin 2014: 1), specifically in terms of consequences for the composition of the executive (see also: Wessels and Franklin 2010). Whether turnout is higher in presidential vs. legislative elections in semi-presidential countries depends on the power granted to presidents (Elgie and Fauvelle-Aymar 2012). In the US, turnout is higher in years with presidential elections than in midterm elections in which only elections to the Congress take place (Franklin and de Miño 1998). The strikingly low turnout figures observed in elections to the Swiss Parliament are typically explained by arguing that these elections matter relatively little, given the consociational government and the extensive usage of direct democratic provisions (Blais 2014: 1; Franklin 2004: 97).

Turnout tends also to be higher in contexts where parties present more distinct policy alternatives to voters (Brockington 2009; Dalton 2008; Wessels and Schmitt 2008) and in systems with proportional representation where the likelihood of wasted votes is significantly reduced (Endersby and Krieckhaus 2008; Jackman and Miller 1995; Jackman 1987; Karp and Banducci 2008; Ladner and Milner 1999; Powell 1986). Turnout in elections for the first chamber seems to be reduced in bicameral systems where the presence of a second chamber renders the election result for the first chamber relatively less important (Jackman 1987; Jackman and Miller 1995). Similarly, turnout


75 This is a sin of which I am guilty myself: While Study I recognizes the problem and discusses a solution to it (presented below), Study II and Study III just refer to the rational choice approach and Downs (1957) and Riker/Ordeshook (1968) ignoring these theoretical inconsistencies. The simplified version of the theoretical foundation is largely reflective of the space limitations of the articles. It does not reflect a degeneration in the understanding of the theoretical underpinnings of the argument by the author.
seems to be lower in countries with presidential elections, but only if presidential elections are not held concurrently with parliamentary elections (Stockemer and Calca 2014) and also in countries with strong regional governments (Blais et al. 2012; Siaroff and Merer 2002). More generally, turnout seems to be lower when there are more veto players in the political system reducing the impact of a single election (Carlin and Love 2013). Even more generally, turnout seem to be higher in elections that are, for different reasons, more “decisive” (Blais and Dobrzynska 2009; Franklin 2004).76

All this evidence is inconsistent with the idea that electoral participation depends only on a stable norm of civic duty. Quite the contrary, this evidence supports the idea that, citing Mark N. Franklin who has advocated this view more than anyone else in the field, “voters [are] responding to the character of elections in terms of the extent to which they can see their vote as having policy implications” (Franklin 2004: 179). The somewhat surprising conclusion from this discussion is this: While a number of empirical findings, thus, support the basic idea of the rational choice approach to explaining electoral turnout that instrumental benefits matter, this regularity finds, strictly speaking, no consistent theoretical justification in the basic rational choice models of voting of Downs (1957) and Riker/Ordeshook (1968). If we do not want to abandon the rational choice explanation of electoral turnout entirely,77 it is clear that we have to think about plausible modifications to the decision calculus that consistently justify the prediction that instrumental benefits or the potential policy implications of an election matter. This state of affairs has previously been recognized by others who, on these grounds, have also thought about appropriate modifications to the calculus (e.g. Franklin 2004: 27–30, chapter 2; Jankowski 2002). The most prominent example is the model by Franklin (2004: chapter 2). In the following, I will first discuss his solution explaining why I am not convinced by it, and then propose an own solution to the conundrum.

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76 I do refer here only to aggregate-level findings. One could additionally point to individual-level studies which show that individual perceptions of the importance of an election or the perceived differences between parties matter. The aggregate-level findings come with the advantage that they cannot be called into question by problems of ex-post rationalization.

77 And there are good reasons for not doing so as the rational choice approach seems to be potentially useful as an explanatory model given that we know that instrumental benefits matter empirically.
Franklin (2004: chapter 2) draws on the model of Riker and Ordeshook (1968) in order to build a theoretical basis for his empirical investigations on the dynamics of electoral turnout in established democracies. Noticing that the Riker/Ordeshook model provides no solid foundation for the idea that the importance of elections should matter for turnout, he extends the model in several ways. The most important modification and the one that drives his solution to the problem is that he conceives of citizens as belonging to “coalitions of voters”: “the benefits of voting center on the likelihood that a given vote will encourage and contribute to full turnout by all the members of a potentially winning coalition of voters” (Franklin 2004: 49). Thus, he assumes that whether an individual votes or not also affects the likelihood of others in her coalition voting. Under this assumption, the influence of a single vote increases as it might motivate others from the coalition to also vote. In Franklin’s words, then “each vote effectively counts more than once” (Franklin 2004: 51). A further assumption is that individuals do not only care who wins, but that they might also care about the margin of victory as they want their preferred party to have a strong mandate (Franklin 2004: 53). Clearly, the probability that an individual vote leads to an additional seat for her preferred party is higher than that an individual vote exactly tips the balance over which party gains majority status. Franklin’s account is, thus, a theoretical amalgam that draws on different individual arguments – that a voter cares not only about who wins but also about the size of majorities, that voting might be contagious within social groups – that each might increase the role for instrumental benefits at the margins.

The overall “key departure” from the model of Riker/Ordeshook is, however, described by Franklin (2004: 52) as follows:

“In the Riker and Ordeshook model, individuals calculate the probability of decisiveness in relation to the entire electorate. In that context, only the single marginal vote required for victory is considered decisive. The rational voter in our model calculates the probability of decisiveness in relation to his or her social reference group. The important thing is not that the social reference group is smaller than the entire electorate but that, unless the election outcome is a foregone conclusion, each of the group members considers their vote to be potentially decisive. The critical difference is that uncertainty leaves the atomized voter with no reason to vote while uncertainty leaves the member of a potentially winning coalition with no excuse for not voting.”

The key question that is left open is why a rational group member who “calculates the probability” should consider her vote as potentially being decisive. To be clear, there is nothing literally wrong with that statement: Of course, even in the original model an individual’s vote is potentially decisive – it is just very unlikely to be decisive. If the group Franklin has in mind is a potential winning coalition of voters, her vote indeed becomes more likely to be decisive.

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78 This part of Franklin’s model has some superficial similarity to other group-based models of the decision whether to turn out (Morton 1991; Uhlman 1989). These models are, however, different in that they focus on the interplay of group behavior and the strategy of politicians.
coalition of all those who support a particular party or candidate (as it seems – see below), it is clear that for the group as a whole it would be rational to participate: Whether or not the group participates will likely make a difference for the outcome. But it is still unclear why it would be rational for an individual to participate, i.e. how the group can overcome its own collective action problem. In essence, the coalition model redefines the problem, but doesn’t solve it. 79

In order to answer this open question, Franklin refers, on the one hand, to social costs of nonvoting: Group members would want to avoid negative repercussions for their social relations (Franklin 2004: 51). There are two problems with this explanation: In the kind of large group Franklin has in mind, these social considerations are generally unlikely to overcome the collective action problem (Olson 1965).80 More to the point, whether or not someone votes is often undiscernible for other persons or, at best, discernible for very few individuals.81 On the other hand, Franklin argues: “In a cliffhanger, a […] victory [for the group’s preferred candidate] requires the unanimous support of her voting coalition. Unanimity is a ‘focal point’ wherein each voter believes that his or her vote is decisive and acts accordingly” (Franklin 2004: 50).

In my view, this is a strange argument as it essentially just assumes the problem directly away. When would unanimous support actually be required? It would be required, if, and only if, a single vote would make the difference. This is still a very unlikely event. A rational individual should recognize that this is an unlikely event and act according to the rules of expected utility by not voting. Saying that each voter still believes that “his or her vote is decisive and acts accordingly” amounts to saying that voters do not behave according to the rules of expected utility, and thus seems inconsistent with the whole rational choice modelling enterprise – even more so than the generous interpretations on the content of voters’ utility functions by Riker/Ordeshook.82

In sum, Franklin’s model offers some plausible theoretical reasons according to which an individual vote could, indeed, be more important than in the atomistic model world of Riker/Ordeshook increasing the weight of instrumental benefits in the calculus up to some point. It also integrates the plausible idea that social relations might matter for the decision whether to vote. Finally, it is certainly brave that Franklin tries to solve the paradox without referring to any kinds of intrinsic psychological gratifications whatsoever. On the other side of the coin, Franklin’s model might be

79 A similar critique of other group-based models is offered by Arzheimer and Schmitt (2014: 381).
80 If the group would be small, it would be unlikely to be decisive as a group.
81 This is also a problem for his argument according to which the incentive to vote increases through social contagion (see above).
82 Note that this proposal by Franklin has some similarity to John Ferejohn and Morris Fiorina’s (1974) suggestion that the decision whether to vote might follow a “minimax regret-rule” that has been criticized on similar grounds (Aldrich 1997: 381; Goodin and Roberts 1975: 926).
considered a little convoluted and not every part of it is fully convincing. Without explaining their reasons in detail, Robert Goldfarb and Lee Sigelman (2010: 297) come to a similar conclusion: “we are not completely persuaded by Franklin’s claims that his particular augmentations of the rational choice model increase the instrumental value of voting in a way consistent with rational choice.”

3.5.5 A (Not Entirely) New Proposal: Intrinsic Benefits Are Endogenous to the Party Differential

Franklin’s model illustrates the difficulties associated with a theoretical account that aims to explain the decision whether to turn out to vote without recurring to any sort of intrinsic benefits – as do numerous other attempts that were not successful in terms of gaining broad acceptance. For good reasons, some have come to the conclusion that it is simply not possible to develop a plausible model that is built on instrumental motivations only (Aldrich 1997; Arzheimer and Schmitt 2014: 387). On the other hand, an empirically useful model should, as argued above, retain a central role for instrumental benefit considerations: The perceived stakes of an election, i.e. the expected party differential, should matter for the decision whether to vote. As it turns out, this problem has a simple solution that is plausible at the same time.

This solution lies in the assumption that intrinsic benefits depend, among other things, on the expected differences in utility between alternative outcomes of the election. The underlying idea is that individuals will gain more intrinsic benefits from voting if they perceive that the stakes of the election are indeed high, i.e. if their party differential is large and the outcome carries important implications for their personal utility. If an individual truly believes that an election outcome makes no difference at all, she will see little sense in voting in this election and would obtain little intrinsic benefit from doing so.83

83 Geoffrey Brennan and Loreen Lomasky’s (1993: 33) famous and insightful illustration of expressive voting as being similar to cheering in a football game – be it in the stadium or even at home – helps to illustrate the argument that is made here. They write: “The fans in question clearly have a preference as to which team they would like to win, and this is a preference that their cheering and booing unequivocally declare. But even the most enthusiastic partisan does not and cannot believe that his cheering brings about the outcome for which his cheering is expressed. The fan does not go to the game and cheer as a means to the end of securing his team’s success; He goes to support his team, but does not choose its victory. A fortiori, the television viewer may yell encouragement to the players and even, in extremis, kick the screen in when his team is being beaten, but he cannot believe that by doing so he affects the outcome. The fan’s actions are purely expressive. They arise from a desire to express feelings and desires simply for the sake of the expression itself and without any necessary implication that the desired outcome will be brought about thereby.” Brennan and Lomasky are right in that the cheering, at least at home, cannot possibly stem from a literal intention to affect the outcome. It would, however, be a fallacy to infer from this that the cheering is independent of how much individuals care about the outcome. Few sports fans would deny that the cheering, as an expressive act, is nonetheless a function of preferences over the outcome. Those that have strong preferences over the outcome can, ceteris paribus (i.e. holding general individual temperament constant), be expected to cheer most enthusiastically.
This is at the core an argument about the nature of the psychological mechanisms underlying the decision to vote. Without discussing the psychological underpinnings of this argument extensively, this assumption seems reasonable. It is consistent with a kind of quasi-rational behavior that is motivated by psychological desires of individuals to choose a course of action they regard as right given their views and preferences. One available criterion to evaluate whether a decision is right is how the decision would contribute to the outcome if it had an effect on the outcome; or, alternatively, if, hypothetically, people who have similar views and preferences made a similar decision. From this point of view, thinking that an election is important in terms of affecting outcomes but failing to actually vote, would produce psychological costs in terms of cognitive dissonance that individuals will try to avoid (for a similar argument on the decision whom to vote for, see: Arzheimer 2008: 53). Conversely, if someone neither thinks that an election is meaningful in terms of potentially affecting outcomes she cares about nor beliefs in a general moral obligation to vote nonetheless, and does not vote, her attitudes are in line with her actions and no such costs are to be incurred.\footnote{This kind of (quasi-)rationality is not unusual in human behavior. Trying to find efficient ways to reduce your own carbon footprint, because you have a preference against global warming, is one example. Again, the impact of your individual behavior on global warming is so minuscule that instrumental-rationality can be ruled out. On the other hand, there is certainly some form of “rationality” involved in trying to reduce your carbon footprint in an efficient way in order to behave as if you could contribute to the outcome of drastic global warming taking place or not in a manner consistent with your preferences. Also in this area, we might expect individuals to choose their actions in accordance with their preferences over the outcome, even though this expectation finds no justification in a narrow model of instrumental-rationality. It may find a justification in some sort of ethical-rationality. In this context, Richard Jankowski (2007: 12) is making the general observation that a truly ethical model of voting is missing even though there is a wide variety of philosophical theories that could serve as a useful starting point in developing such a model.}

Still assuming that equation (1), i.e. the calculus from Riker/Ordeshook, holds, we can formalize this assumption that \( D_i \) is endogenous to \( B_i \), as follows:

\[
D_i = f\{B_i, Z_i\} \text{ with } \frac{\partial D_i}{\partial B_i} > 0
\]  

Equation (2) is stating that the intrinsic benefits of voting, \( D_i \), in equation (1) are a function of the instrumental benefit term, \( B_i \), and some other unspecified characteristics, \( Z_i \). \( Z_i \) is contained in the equation in order to make clear that not all intrinsic benefits are necessarily dependent on preferences over the outcome. The traditional understanding of civic duty as a stable norm that not voting in any democratic election is always ethically wrong would think of civic duty as being...
independent of preferences over the outcome, for example. Concerning the nature of the relationship between \( D_i \) and \( B_i \), equation (2) assumes that the intrinsic benefits of voting are strictly increasing with the instrumental benefit term: The higher the party differential, the higher the intrinsic benefits of voting. With this slight modification, differences in the benefit term now clearly have an influence on \( R_i \) and, thus, on the decision whether or not to vote, as they enter the calculus also in a manner not discounted by \( p_i \).

Under this augmented model, there is, thus, a clear and well-specified role for differences in expected utility between alternative election outcomes to affect electoral turnout. The addition of equation (2) to the Riker/Ordeshook calculus thus solves the mentioned problems with the classic calculus and seems plausible in terms of face validity and the empirical findings mentioned above.

Study I thus, without discussing the rationale behind it as detailed as could be done here, proposes this own augmentation of the calculus of voting of Riker/Ordeshook in order to establish a sound theoretical base for the individual-level mechanisms underlying a potential association between economic globalization and electoral turnout. This own proposal had to be developed given the

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85 In passing, this formalization thus makes clear that this reasoning actually involves a strong assumption on the nature of civic duty. Even Blais (2000: 94), for example, who generally advocates a very strict interpretation of civic duty in the described manner (see above), writes, that it is “quite possible to believe that one should normally vote, but that the obligation does not hold when there is no real choice”. Empirically, Shaun Bowler and Todd Donovan (2013) show that citizen duty varies with interest in politics, sense of efficacy and tends to be less widespread for less important second-order elections.

86 Technically, the partial derivative of \( D_i \) with respect to \( B_i \) is strictly greater than zero. This is what the formula appearing after “with” in equation 2 is stating.

87 That voters seem to gain utility from the perception that their vote potentially contributes to a preferred outcome seems also evident from the empirical phenomenon of strategic voting. Strategic voting is impossible to explain from an account of expressive voting that just assumes that voters always receive the highest utility from voting for their sincerely preferred candidate (Arzheimer 2008: 56). Rather, many voters seem to behave as if they believed that their vote really affects the outcome. That voters really believe this is as implausible and just at odds with a rational choice model for the case of strategic voting as for the case of voter turnout (see above). The fact that strategic voting does exist nonetheless has been used as an objection against the theory of “expressive voting” (see: Taylor forthcoming). One could however make a similar argument as the one made here with regard to explaining voter turnout in order to explain strategic voting. A recent contribution does exactly that by suggesting the following: “Suppose that there are expressive [i.e. intrinsic] benefits from playing the game of politics strategically. Casting votes on the basis of their expected effect on policy outcomes may make one feel like a practical person, a canny political actor, or one who takes politics to be serious business. Analytically, we may suppose there is an expressive payoff to voting such that one’s vote makes the largest subjectively defined contribution to minimizing the ideological distance between one’s expressive ideal and actual policy” (Taylor forthcoming: 4). The crucial point is that these benefits associated with believing to have made the “right” decision given one’s preferences over the actual policy outcome can be independent from the actual, and always negligible, contribution to the outcome, i.e. intrinsic. As an aside, while Brad Taylor understands his contribution as a contribution to the theory of expressive voting, it becomes clear from the quote that it would be better to use the general term “intrinsic” benefits when referring to \( D_i \) in this context. The term “expressive” carries a certain meaning on the specific nature of the “intrinsic benefits” that conflicts with the idea that voters care about the outcome. The term “intrinsic benefits” just means that these benefits are realized through the act of voting itself, not only in case of a specific elections result (see above), but it does not preclude that intrinsic benefits can depend on preferences over the outcome.
absence of a suitable alternative within the rational choice framework. Having described this basic model of electoral turnout, there is now a sound base on which to discuss how economic integration might affect differences in expected utility and, crucially, thereby electoral turnout. This is done in the next section.

On a close reading, the proposal made here is not far off from the ideas of Riker and Ordeshook, who advocated a very general interpretation of what could be subsumed under intrinsic benefits, as shown above in detail. The proposal here is not inconsistent with their understanding; it is more of a specification. Within their account of the ingredients of $D_i$, one could plausibly think of “the satisfaction from affirming a partisan preference” (Riker and Ordeshook 1968: 28) as being dependent on the intensity of the preference for a candidate or party which, in turn, should reflect the expected party differential. In fact, even a very similar proposal as the one I developed independently for Study I has been made previously in the rational choice literature on electoral turnout by John Aldrich (1997: 385–386):

“[O]ne intrinsic value in casting a ballot is the expression of support for the voter's preferred party or candidate. Though not a theoretical different concept than the original d-term, it does admit of a simple and direct measure – B. That is, how valuable it is to voters to express their preferences is simply how much more they prefer one candidate to the other. Those with large B-terms care more about expressing their preferences than those who have small B-terms (or are more nearly indifferent). Thus, for example, if we let $d'=(d+B)$, that is, if we let $d$ be composed of the value of expressing support for the favored candidate plus any remaining aspects of the old $d$-term, the calculus of voting becomes $pB+d'+B-c$, which if that term is positive, the citizen votes [...] This interpretation now includes in the fixed costs and benefits of voting a term that reflects the particular features of the campaign. If there is little difference between the two candidates [...] the B-term will be relatively small, and turnout, even to express one's own preferences, will be less likely. If, however, many voters see substantial stakes in the outcome, they will be more likely to turnout because of their evaluation of that outcome, even though they are not doing so to affect that outcome. Thus, turnout is endogenous to the electoral context, even if voters are voting merely to express their preferences.”

88 One remaining alternative worth discussing are a number of recent models of so called “rational altruistic voting” (Edlin et al. 2007; Fowler 2006; Fowler and Kam 2008; Jankowski 2002, 2007). These models assume that voters care about the benefits to others. Instead of conceptualizing the instrumental benefits of voting as the potential gain in personal selfish utility, rational altruistic voters also “vote to improve the well-being of others” (Edlin et al. 2007) and might, metaphorically speaking, want “buying a lottery ticket to help the poor” (Jankowski 2002). Given that a lot of people might (be thought to) benefit from the election outcome in a large electorate, the social instrumental benefits of voting might be huge rendering it rational to vote even with $p_i$ remaining minuscule. From a purely logical perspective, these models, thus, solve the paradox of voting without recurring to intrinsic benefits. Moreover, these models are observationally equivalent to the one presented here insofar as they also predict that elections with greater (perceived) stakes should see higher turnout. Hence, there are some similarities between these models. While the rational altruistic model is certainly insightful and while it is plausible that individuals also have altruistic motives, the approach taken here is the more plausible model in my verdict. The rational altruistic voting model implies that people care more about election outcomes than seems plausible from most people’s revealed preferences. Theoretically, the rational altruistic voter would be willing to spend a huge amount of money if that would guarantee her to decisively influence the election outcome. She would be also as happy after an election that went in her favor as she would be after having won the lottery. Probably, most people would rather want to win the lottery, than decide an election.
While Aldrich uses a different notation to express the idea formally and could be read as implying that differences in $B_i$ are exclusively a matter of preferences over candidates (see: Jankowski 2007: 12), it is clear that the credit of having made this proposal first fully belongs to Aldrich. The fact that this augmentation of the calculus has been regarded as a good way to model the turnout decision before by an eminent expert who has intensely worked on the subject before (Aldrich 1993), however, can only speak in favor of it. In any case, the model will prove helpful in discussing the individual-level mechanisms through which economic globalization could affect voter turnout.

3.5.6 Globalization and Voter Turnout from the Perspective of the Modified Rational Choice Model

Within the model discussed in the previous section, economic globalization might enter the calculus in the form of lower perceived instrumental benefits of voting, i.e. a lower party differential, $B_i$. The key mechanism is that if citizens believe that it matters less who is in power in terms of differences in expected utility, they should be less likely to turn out to vote according to the modified rational choice turnout model. The formalized rational choice model is helpful in that it enables a theoretically-guided discussion on the different ways in which economic globalization might diminish this party differential. Specifically, it makes obvious that both elements already contained in figure 3 are relevant for the party differential, i.e. perceptions of differences in party positions and perceptions of the government’s room to maneuver.

In order to clarify how we would interpret the model of figure 3 from the perspective of the modified rational choice model of voting, figure 4 displays a slightly modified version. The only difference to figure 3 is, of course, on the micro level: What was previously labelled “beliefs about whether elections can result in meaningful differences” is now specified as “$B_i$: party differential/instrumental benefits of voting”. For the (modified) rational choice model, the perceived meaningfulness of elections contained in the model of figure 3 is equivalent to $B_i$, i.e. the instrumental benefit term. Whether alternative election results are thought to lead to differences in expected utility is exactly the standard to judge whether elections are meaningful for an individual from this theoretical perspective.

The party differential is, however, not only a function of parties’ perceived positions. Most generally, the party differential could also vary with the importance of an election, for example be higher in first-order than in second-order elections or be higher in countries with fewer veto players (see the relevant empirical findings mentioned above in section 3.5.3). For the present argument, $B_i$ is also a function of the importance of an election.
we can think of the party differential to depend on, as just mentioned, (a) the perceived positional differences between contending parties and (b) the perceived ability of parties to deliver on these positional promises once in government; with the latter depending on perceived structural pressures that determine to which extent specific policies can be effectively pursued or desired outcomes effectively produced. This mirrors the distinction into the two different causal pathways proposed in figure 3.

Figure 4: Theoretical model underlying the research program of Studies I to III from the rational choice perspective

It is clear that perceived constraints to the government’s room to manoeuvre stemming from economic globalization might be one factor that could be relevant under (b). According to this view, perceived exogenous constraints from economic globalization are likely to affect citizens’ beliefs about the extent to which parties will be able to reach their promoted goals. To the extent that citizens believe that economic globalization leaves their government with less capacity to manage relevant outcomes, the potential consequences of an election in terms of policy outcomes should be perceived to be reduced (for any given perceived difference in party positions). In consequence, in the citizens’ view it makes less of a difference for their utility who gets elected and
the instrumental benefits of voting, \( B_i \), will tend to be smaller with negative repercussions for electoral turnout as specified by the modified calculus. In this sense, the argument is that (perceived) constraints to the government’s room to manoeuvre are rendering elections less consequential, analogous to an increased number of veto players that might negatively affect electoral turnout (even when differences in party positions remain constant).°°

The modified rational choice model, thus, helps to clarify that the party differential, \( B_i \), is not only a function of party positions, but that differences in expected utility are also a function of the perceived de facto power of the government to be elected.°¹ This theoretical framework, thus, delivers a clear theoretical rationale for including both pathways in figure 3. Party convergence as well as perceived constraints to the government’s room to maneuver, thus, may both have an independent effect on the instrumental benefits of voting, \( B_i \), and, hence, on voter turnout. Of course, the individuals’ overall reward from voting, \( R_i \), may be influenced by a host of individual and country-specific factors. But other things being equal, both factors might lower the party differential leading voters to think of elections as being less meaningful and ultimately leaving them less likely to vote. More generally, the rational choice approach puts the idea that what is at stake in an election should matter for turnout center stage and thereby makes it theoretically highly plausible that a (real or perceived) loss of control for national governments should have a negative effect on electoral turnout.°²

°° I am not so much concerned with the moderating effect of the “salience of room-to-maneuver perceptions” depicted in figures 3 and 4 here as my goal is to provide a micro-foundation for the connection between room-to-maneuver perceptions and voter turnout, on the one hand, and party polarization and voter turnout, on the other. As argued above, this moderating effect is “more of an interesting secondary aspect” from this perspective (see section 3.4). Note simply that we could incorporate this effect into the augmented rational choice by assuming that some individuals attach more weight to those issues that are affected by perceived room-to-maneuver constraints in their utility function. Consequently, the party differential will tend to decrease more strongly for individuals who weight issues heavily that are discounted by (perceived) constraints to the government’s room to maneuver. One specific example, along the lines of the hypothesis put forward in Study III, would be that individuals who hold rather left (economic) policy positions care more strongly about policy measures that are seen as increasingly infeasible with rising economic integration.

°¹ On a purely theoretical level, one might carry this argument further to argue that \( B_i \), and by extension turnout, is determined interactively by differences in party positions and the perceived power of the office to be elected. According to this logic, only elections where parties differ and the relevant office is perceived as powerful should see high turnout. Turnout would be low whenever either parties are similar or the position to be filled is perceived as powerless. This makes sense theoretically, but there is no straightforward way to translate it into an empirical test in the context of this research project. Explicitly incorporating such an interaction effect would thus unnecessarily complicate the theoretical argument. Note also, as argued above (in footnote 64 on page 58), that the distinction between different party positions and the general importance of an election is a distinction that is analytically powerful, but easier to make in theory than in the empirical world.

°² As already discussed, the entire enterprise of modelling voter turnout as a rational choice might be viewed critically on the grounds that attempts to explain the decision whether to turn out to vote by recurring only to instrumental benefits and costs of voting remained unconvincing (see above). The solution of turning to intrinsic benefits might be seen critically as this augments the approach with psychological factors that are outside the narrow focus of
3.6 The Individual Contributions of Studies I to III

The model depicted in figure 3 (as well as in figures 4) can be used to derive a number of empirical implications that focus on different parts of the overall model. This is exactly the logic behind the individual contributions of Studies I to III: Each focusses on specific parts of the overall model and tries to test these with empirical data. This structure allows to graphically show the assumed causal links the individual studies focus on in just the same graphic representation of the model as in figure 3. Figures 5-7 below do exactly that focusing on each of the three studies in turn with the relevant part of the model that is investigated by the particular study being graphically highlighted.

Figure 5: Contribution of Study I

Instrumental egoistic rationality. In essence, one might wonder whether it would be better to start with a social-psychological model right away that focusses on citizens’ attitudes instead of augmenting the rational choice approach to such an extent that it resembles a psychological approach to explaining voter turnout (Arzheimer and Schmitt 2014: 395). In my view, the rational choice approach still has merit, in that it helps to identify factors related to the instrumental benefits of voting that indeed seem of importance in explaining voter turnout empirically – and these merits apply for my specific model as well, as should be clear from the above. Insofar the rational choice approach is a useful model in that it allows us to systematically theorize about determinants of electoral turnout in order to identify empirical regularities. As the model drastically abstracts from the empirical world, as every theoretical model does to some extent (King et al. 1994: 43), the explanations derived in this manner might carry an as-if character (see: Friedman 1966). But insofar as it gives rise to valid empirical predictions, the model can still be considered useful. Note, again, that it would alternatively be possible, though less straightforward, to build on the civic voluntarism model of political participation as a micro-foundation for my model of economic globalization and voter turnout (see footnote 67 on page 60).
Study I, illustrated in figure 5 above, focusses on the most general implication of the theoretical model that electoral turnout will be lower in more globalized contexts, i.e. in country-year combinations, or so-called “country-years”, characterized by high levels on indicators of economic globalization. Study I thus abstracts from the particular causal mechanism behind this association and is foremost interested in the overall association between the two ends of the causal chain depicted in figure 3. It analyses macro-level data on parliamentary elections in 23 OECD democracies over the period 1965-2006 to do so. Building on previous findings on the macro-level determinants of electoral turnout, it tries to specify reasonable regression models for voter turnout in order to test for the effects of different suitable indicators of economic globalization within these models.

Study II and Study III each explore the causal mechanisms involved. Study II, illustrated in figure 6, examines party polarization on an economic left-right dimension as a mediating variable between economic globalization and aggregate electoral turnout in national elections. It employs macro-level data on legislative elections in 24 established democracies to study (a) the association between economic globalization and the polarization of parties on an economic left-right scale and (b) the
association between this economic policy polarization of the party system and voter turnout. The study draws on the Comparative Manifesto Project (Budge et al. 2001; Klingemann et al. 2006) – a project that uses human-coded content analysis of party election manifestos – in order to (a) construct a common left-right economic conflict dimension, to (b) derive positions for individual parties on this conflict dimension and to (c) compute measures of the overall “dispersion” of party positions on this dimension. This dispersion measure is first used as a dependent variable and then as an independent variable in regression models for electoral turnout. In the first step, it is tested whether economic globalization is associated with a narrowing of party positions on economic policies. In the second step, it is tested whether less distinct party positions on economic policies are associated with lower turnout. Confirmatory evidence for both of these associations would support the argument that economic globalization affects electoral turnout via party convergence on economic policy positions. Despite its investigation of the causal mechanisms, the analysis in Study II remains, of course, on the macro-level. As far as the individual-level mechanisms are concerned, the study merely assumes that the actual party polarization on economic policies gets somewhat accurately translated into individual perceptions and that a citizen’s decision whether to participate in an election also hinges on her assessments on whether she sees important differences between parties’ economic policy positions.

In contrast, Study III turns to micro-level data to directly analyze some of the mechanisms on the individual level as displayed in figure 7. Most importantly, the study tests for a direct link between citizens’ perceptions of the government’s influence on the economy within a globalized world and their individual turnout decisions. Due to the poor availability of data on citizens’ perceptions of the national government’s room to maneuver under economic globalization especially in cross-national surveys, Study III is a single “case study” on the British General Election 2001. In this particular context the idea of a constraining effect of economic globalization for the government’s room to maneuver was particularly salient. Most importantly, the British Election Panel Study 1997-2001 (Heath et al. 2002) contains the necessary survey items such that the micro-level mechanisms proposed in figure 3 can be studied in a most encompassing way. In addition to an item on the influence of the British government on the British economy under economic globalization already discussed above and displayed in table 1, the dataset covers items on individual

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93 Ideally, one might wish for multilevel data with survey data on individuals across different countries and over time that could be matched to relevant contextual (i.e. macro-level) data. In principal, such data would make it possible to study the questions raised within one dataset using multilevel modeling techniques. This data would have to contain the necessary survey items (on perceptions of the government’s room to maneuver under globalization, on the perceived meaningfulness of elections, on perceived party differences, and so on) measured in a homogenous manner. There are, however, very few survey datasets on perceptions of national autonomy in a globalized world available at all (see section 3.2.2.1), rendering this a hopeless endeavor, at least for now.
voting participation, beliefs on the differences between the two main British parties, attitudes on the meaningfulness of national elections and left-right positions which are used as a moderating variable plus a bunch of important control variables that might affect electoral turnout.

First, we can test for a direct effect of perceptions of the government’s leeway on individual turnout decisions through the following hypothesis: The more influence a citizen believes the national government to have under economic globalization, the more likely is she to take part in a national election. Second, we can test the model in a more encompassing manner by testing for the individual parts of the causal sequence that is assumed to underlie this association through the following two hypotheses: (a) The more influence a citizen believes the national government to have under economic globalization, the more likely is she to believe that the results of a national election can produce meaningful differences; (b) the more a citizen believes that the results of a national election can produce meaningful differences, the more likely is she to take part in a national election. The advantage of also testing for this mediation sequence empirically is that the model is tested in a more encompassing way.

**Figure 7: Contribution of Study III**

![Diagram showing the contribution of Study III](image-url)
Moreover, we can test for the idea that the effect of room-to-maneuver perceptions might vary over individuals using left-right positions as a likely moderator. That gives rise to two additional hypotheses, depending on whether we focus directly on voting participation or on attitudes on the meaningfulness of elections as a dependent variable: (a) The effect of room-to-maneuver perceptions on voter participation is stronger for individuals on the left side of the ideological spectrum; (b) the effect of room-to-maneuver perceptions on the perceived meaningfulness of elections is stronger for individuals on the left side of the ideological spectrum. And finally, we can roughly test for the individual-level equivalent of the argument that party polarization matters for electoral turnout. The available measure is however not ideal in that it asks for overall differences between Labor and the Conservatives and is not targeted specifically at the perceived differences between parties’ economic policy positions. All these individual-level implications of the theoretical model are tested in Study III. Note that testing the model at the individual level is critical; not doing so would be a serious omission from a substantive perspective as any association between globalization and turnout must necessarily be established through the thoughts and actions of individual citizens as the theoretical model discussed above makes clear.

Thus, collectively, Studies I to III aim to test my theoretical model of economic globalization and voter turnout (section 3.4) in a most comprehensive way. There are two important reasons to opt for such an encompassing test of the overall model instead of just testing for an overall association between economic globalization and voter turnout as Study I does. First, and most obviously, we might not be only interested in whether economic globalization negatively affects electoral turnout. We might be also interested in the causal mechanisms behind this association. In other words: Even when we know for certain that economic globalization has a negative effect on turnout in national elections we may still wonder how. Studies II and III are critical in answering this question. Second, testing for several empirical implications of a theory always helps to potentially gain more confidence in the theory. As Gary King et al. (1994: 24) advice:

“[I]n order to better evaluate a theory, collect data on as many of its observable implications as possible. This means collecting as much data in as many contexts as possible. Each additional implication of our theory which we observe provides another context in which to evaluate its veracity. The more observable implications which are found to be consistent with the theory, the more powerful the explanation and the more certain the results.”

In that each of the Studies I to III examine one or more observable implications of the theory described by figure 3, I try to maximize empirical “leverage” (King et al. 1994: 29) in this sense. Of course, every study in the social sciences that tries to make inferences on causal relations has to struggle with uncertainty. It lies in the nature of how causality is defined within the social sciences and the logic of statistical significance testing that we cannot make fully certain inferences on causal relations from just one single study even when this study contains no methodological deficiencies.
whatsoever.\footnote{The dominant Neyman-Rubin model of causality defines causal effects by referring to potential outcomes. A causal effect for a particular unit is just the difference in the potential outcomes with treatment and without treatment. One of these quantities will always be a counterfactual: We cannot possibly observe both in order to simply compute the causal effect for the unit. All we can do is to invoke certain assumptions to make inferences on quantities of interest, like “unconfoundedness” and the “stable unit treatment value assumptions (SUTVA)” in order to make inferences on the “average treatment effect”. This is known as the “fundamental problem of causal inference” (see: Gelman and Hill 2007: chapter 9). The ubiquitous procedure of null hypothesis statistical significance testing (see, somewhat critical: Gill 1999) allows us to make a statement about the probability of obtaining data as extreme as those we observed, under the assumption that the null hypothesis is true. Given too extreme data, we customarily reject the null hypothesis and accept the alternative hypothesis. While we can have very strong evidence against consistency of the data with the null hypothesis, we cannot possibly be 100\% certain that the null hypothesis is false.} On top of this fundamental problem, one further reason for concern, in addition to such obvious concerns as the possibility of measurement errors, is “specification uncertainty”, which means that our results might be contingent on the particular specification of our statistical model that might be “wrong” (see: Ho et al. 2006; King and Zeng 2006, 2007; Leamer 1983; Montgomery and Nyhan 2010; Sala-i-Martin 1997). Given these uncertainties, it can only help to test a theory in several ways whenever possible.

In this context, it seems especially important to note that the following collection of studies tries to test observable implications on different levels of aggregation, i.e. the macro and micro level.\footnote{Collecting data on observable implications of a theory at different levels of aggregation is also a specific advice given by King et al. (1994: 48).} The macro- and micro-level studies are characterized by specific advantages and disadvantages. The macro-level perspective is important as the overarching research question is interested in a macro-level association between the macro-level phenomena economic globalization and aggregate electoral turnout. Of course, the construct economic globalization can only be measured at the macro level of analysis and therefore the macro level of analysis seems to be the natural starting point. Specification uncertainty, however, might be an especially big problem for aggregate-level studies. And this might to some degree also be an issue in the present context: While the number of cases (i.e. elections) is limited, there are many potential explanatory variables of aggregate electoral turnout and getting the statistical model “right” is not a trivial task especially given the additional complications stemming from the time-series cross-sectional aspect of the employed datasets (Plümper et al., 2005; Wilson & Butler, 2007). I tried to deal with these dangers in Studies I-II by trying to control for a long list of covariates of voter turnout including roughly all those which have been found to exert a significant effect in prior research on the determinants of electoral turnout in cross-national perspective and are available for a reasonable number of observations (see Study I).\footnote{For study I, I initially tried to specify a reasonable regression model for electoral turnout without considering measures for economic integration adding those only in a second step after a reasonable model had been specified.} Moreover, I check the robustness of the initial findings in Studies I and II in several ways. Nevertheless, some uncertainty remains. And also for this reason, it seems prudent to supplement the macro-level studies with an investigation of the mechanisms on the
individual level where the number of observations is bigger and specification uncertainty is less of an issue as there seems to be a stronger consensus in the literature on which variables we should include as predictors of individual voter turnout in our model. This is not to say that Study III is not also important in itself for very substantial reasons, as already argued above.

3.7 Summary of Findings and Further Discussion

In this final section of this part of the manuscript, I will offer some concluding thoughts on Studies I to III. I will first give a summary of the main empirical findings of these studies (section 3.7.1). Second, I will discuss two subsequent studies of other scholars that closely build upon my research (Karp and Milazzo 2014; Marshall and Fisher 2015), specifically on Study I, and respond to some criticisms raised therein (section 3.7.2). Finally, I will discuss limitations of my research and point to possible avenues for future research on economic globalization and voter turnout (section 3.7.3).

3.7.1 Summary of Empirical Findings

Let me begin by summarizing the main empirical findings of Studies I to III:

- In Study I, I draw on a macro-level dataset on legislative elections in 23 established democracies over the period 1965-2006 compiled from a variety of different sources in order to test the overarching hypothesis that higher levels of economic globalization result in lower turnout. In regression analyses controlling for a long list of established predictors of aggregate electoral turnout using two different measures of voter turnout as a dependent variable, I obtain robust support for the hypothesis that turnout is lower in more globalized contexts.

Remarkably, this significant statistical association holds up for different indicators of economic globalization: the trade share, gross private cross-border capital flows (in % of GDP), the overall KOF index of economic globalization, the KOF economic flows index and the KOF economic restriction index. Moreover, this finding does not reflect spurious causality from opposing over-time trends in voter turnout, on the one hand, and economic globalization, on the other, as is ensured by the inclusion of a set of five-year period dummy
variables in the regression models. It is, likewise, robust to the addition of further controls and a resulting significant reduction in the number of observations. Employing different statistical solutions for the clustering of observations at the country level leaves the basic conclusions equally unaffected. Furthermore, the finding is not sensitive to the exclusion of individual countries. As to the magnitude of the effect, the statistical estimates suggest that economic globalization might play a major role in the general turnout decline within the established democracies over the last 40 years. Finally, the result that the effect of economic globalization on turnout is negative clearly survives the objection that economic globalization might have positive effects on public spending which in turn might affect turnout positively: A statistical exercise in Study I shows that even if we allow for a substantial positive effect of economic globalization on public spending, we still arrive at an estimated “full effect” of economic globalization on turnout that is significantly negative.

Taken together, Study I reports robust evidence for the overarching hypothesis of this research project that economic globalization is associated with lower voter turnout. But Study I does not tell us much about how this association comes about, nor does it offer a broad test of my theoretical model presented in figure 3. For this reason, Studies II and III aimed to explore the underlying causal mechanisms in order to test my model of economic globalization and voter turnout in a more comprehensive way.

- In Study II, my coauthor and I draw on a dataset on legislative elections in 24 established democracies in the period 1950 to 2005 in order to test the hypothesis that economic globalization’s negative effect on electoral turnout is (partly) mediated through parties’ economic policy positions. Specifically, in line with the causal sequence implied by figure 3, we argue (a) that economic globalization decreases the amount of variation in parties’ economic policy positions and that (b) a narrower choice set with regard to economic policy positions translates into lower turnout rates at the aggregate level.

First, we studied party polarization on an economic policy dimension as a dependent variable using a measure we constructed from data of the Comparative Manifesto Project (Budge et al. 2001; Klingemann et al. 2006). In order to construct the measure, we (a) identified a common economic conflict dimension, (b) derived positions for individual parties on this conflict dimension and, finally, (c) computed measures of the overall “dispersion” of party

\[97\] Note that I control, for example, for the number of so called “pre-electoral coalitions” (see: Golder 2006a, 2006b), which was an innovation to the literature at that time to the best of my knowledge. In the meantime, Erik Tillman (forthcoming) has published an entire article built around the hypothesis that such pre-electoral coalitions enhance voter turnout by giving voters additional information about the likelihood of future coalition governments. This is in line with what I already argued in Study I and the findings reported therein (in models 9 to 12 in table 3 of Study I).
positions, weighted by party size, on this dimension. Empirically, we find that this
dispersion in parties’ economic policy positions is systematically lower in more
economically globalized elections, or country-years respectively. Economic globalization is
primarily operationalized through the KOF index of economic globalization – but similar
results are obtained when focusing only on either economic flows or restrictions as
measured by the KOF or when using summary indices of economic globalization from
other sources. Its estimated effect on parties’ economic policy dispersion is robust against
changes in the set of included covariates, changes in the particular ways parties’ economic
policy dispersion is measured and holds for an OLS estimation with standard errors robust
to clustering at the country level as well as a for a random effects generalized least squares
(GLS) estimation with robust standard errors. Again, this finding does not reflect spurious
causality from opposing over-time trends in the variables of interest as is ensured by the
inclusion of a set of five-year period dummy variables in the regression models. We also
show that there is a simple bivariate association (in figure 1 of Study II) between the levels
of economic globalization reached in 2002 and the long-run change in dispersion: It tend to
be especially the economically globalized countries that saw a convergence of parties’
economic policy positions over the observed period.

Second, we turned to the effect of party polarization on economic policies on voter turnout.
In line with our expectation, we find that the less polarized parties’ economic policy
positions are, the lower is, ceteris paribus, electoral turnout. Again, we find this association
to hold for two different measures of electoral turnout and for the two different estimation
procedures: OLS with standard errors robust to clustering at the country level and random
effects GLS (generalized least squares). The finding is, moreover, robust to reasonable
changes in the way our polarization measure is computed.

Study II thus produces evidence in line with one of the paths contained in figure 3:
Economic globalization reduces party polarization with regard to an economic policy
dimension and this in turn implies negative consequences for electoral turnout as we find
the same measure of parties’ economic policy dispersion to systematically affect voter
turnout. In other words, economic globalization affects voter turnout negatively through a
narrower choice set with regard to parties’ economic policy positions.

- **Study III** turns to individual-level data in order to test for some of the individual-level
  mechanisms proposed by my theoretical model of economic globalization and voter
turnout. It studies the case of the British General Election 2001. Study III documents that
  in the context of this election the idea of a constraining effect of economic globalization

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for the government’s room to maneuver was made particularly salient to voters through New Labour’s rhetoric on economic globalization. Drawing on the British Election Panel Study 1997-2001 (Heath et al. 2002), I obtain broad support for the individual-level part of my theoretical model of economic globalization and voter turnout. As to the central hypothesis, I find that citizens who think of their government as having less influence on the economy under conditions of economic globalization are less likely to (report to) have voted. This association holds up under the inclusion of a wide range of established predictors of electoral turnout. Further findings also strongly support the proposed mechanism according to which room-to-maneuver perceptions matter for the perceived importance of elections which in turn matter for turnout. Additionally, the findings tentatively support the hypothesis that perceived limitations to the British government’s influence on the economy matter especially for citizens on the (moderate) left – although the findings are a bit weaker with regard to this moderating effect as they are significant only for the intermediate dependent variable, i.e. the perceived meaningfulness of elections. These findings reinforce each other nicely and taken together they provide strong empirical support for the individual-level parts of my theoretical model.

Overall, Study III thus produces evidence in line with the second path contained in figure 3: Economic globalization seems to affect voter turnout not only through the positioning of political parties, but also through citizens’ perceptions of a limited economic influence for the national government under conditions of economic globalization.

All in all, the three studies produce compelling empirical evidence in favor of the hypothesis that economic globalization has negative effects on electoral turnout in established democracies. Moreover, they also show through which mechanisms this overall effect comes about. In doing so, the three studies mutually support each other’s findings. The findings of Study I, for instance, are substantially bolstered by the additional findings of Studies II and III and gain extra credibility in this way. In Studies I to III, I tried to draw on a variety of different data, including macro data, data on party positions and individual-level survey data, to empirically test my theoretical model of economic globalization and voter turnout in the most encompassing way possible given the available data. While with the existence of richer data, for example rich longitudinal cross-national survey data on citizens’ room-to-maneuver perceptions, even more encompassing empirical tests would have been conceivable, I believe that collectively Studies I to III offer strong evidence on the link between economic globalization and voter turnout. In doing so, they add an important piece to the literature on economic globalization and electoral politics by exploring a topic that has not been studied previously, at least not in any systematic way, and by showing how economic
globalization matters for a phenomenon that should be of interest to scholars of representative
democracy: voter turnout.

3.7.2 Subsequent Research on Economic Globalization and Voter Turnout

There are two pieces of work (Karp and Milazzo 2014; Marshall and Fisher 2015) that build very
closely on my research, specifically Study I. Let me take this opportunity to discuss this work and
working in parallel on the effects of economic globalization and voter turnout. In an article recently
published in the British Journal of Political Science, they – analogously to my Study I – draw on
macro-level data to examine the macro-level association between the two variables of interest,
-economic integration and voter turnout. Criticizing some of my detailed methodological choices,
they advocate modifications to the estimation procedure. In terms of the theoretical model,
however, there is broad agreement between Marshall/Fisher and me. They write:

“We argue that if government policy options have become more constrained, then it will matter less to
citizens who controls government. In so far as electoral turnout is a function of how much is perceived to
be at stake, political participation may have declined as a consequence of globalization. More subtly, we
hypothesize that the globalization of ownership (direct and portfolio investment) reduces turnout by
constraining domestic policy. Policy constraints, however, are expected to be less sensitive to the
-globalization of trade because trade flows are less mobile and sensitive to government policy, and are
arguably less consequential for the domestic economy” (Marshall and Fisher 2015: 353).

While they introduce a distinction between different dimensions of economic globalization,
globalization of “ownership” and globalization of trade, and expect the former to be more
constraining and thereby more relevant for electoral turnout, their basic theoretical argument is
similar to the idea formulated by the room-to-maneuver perception path contained in my figure 3.
In terms of the statistical specification, they propose to model turnout via a model that includes a
lagged dependent variable and a set of country fixed effects. Criticizing specifically my approach
to controlling for time trends, i.e. the use of a set of period fixed effects, they argue:

“However, it is hard to believe that ‘time’ – which may proxy for cohort shifts or broad economic or
political changes – works in the same way across heterogeneous countries, as common time trends and
period dummies imply. Inappropriately extracting common time dynamics across countries where time
affects countries differently may bias estimates, or at least fail to address the spurious correlation concern.
In order to capture country-specific dynamics, and thus control for unobserved trends that might induce
spurious correlation, we detrend the data by including quadratic trend terms specific to each country” (Marshall
and Fisher 2015: 368–369, emphasis added).

98 For reasons discussed in section 3.2.1, it is plausible to assume that efficiency pressures are also present in the case
of international trade which pits countries against each other as competing locations for production. It is not clear to
me, then, why we should think of capital market integration as substantially more constraining than trade integration.

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They estimate the resulting model through the dynamic panel-data estimator suggested by Manuel Arellano and Stephen Bond (1991) on a dataset of 23 OECD countries from 1970-2007. Empirically, Marshall and Fisher report a statistically significant negative effect of different measures of foreign “ownership”, i.e. FDI flows, FDI stocks and portfolio equity stock, which were entered separately, on voter turnout. For trade they also obtain a negatively signed, though not statistically significant coefficient.

Especially by including quadratic trend terms for each country Marshall and Fisher remove a lot of the interesting variation from the data. It has been shown that the inclusion of a lagged dependent variable and period dummies can already absorb a large share of the over-time variation in the variables of interest leaving little variance to explain for the substantive independent variables (Plümper et al. 2005). This issue will be amplified by the sort of country-specific time trends included by Marshall/Fisher that are, moreover, very uncommon in this type of literature. I am somewhat skeptical that by removing so much of the variation of interest, we can hope to more reliably identify the effect of interest. Marshall and Fisher (2015: 369) acknowledge the issue “that removing trends eliminates variation that may be explained by economic globalization”, but ultimately decide to take a rather extreme position in order to avoid spurious correlation from common time trends. While I am not convinced by their particular approach, I certainly agree that we have to take some caution against possible spurious correlation from common trends (on this problem, see the seminal contribution by: Granger and Newbold 1974). It is for this reason that I included the common period dummies in the first place and I am still convinced that this is the proper way to safeguard against the possibility that we attribute an effect to economic globalization that is actually an effect of a secular decline in turnout possibly related to broader societal changes. 99 Notwithstanding these differences in the approach to the statistical analysis, it is obviously very reassuring that Marshall/Fisher, in the end, report largely similar substantive findings and second that economic globalization affects voter turnout negatively. In fact, this is even more reassuring given that they advocate a different and harsher estimation procedure to cope with the problem of spurious correlation.

In a working paper, Jeffrey Karp and Caitlin Milazzo (2014) have also built on my research, again, largely vindicating the findings of Study I. Karp and Milazzo draw on a larger sample of legislative elections in 73 countries from 1970-2011. They report a negative effect of the overall KOF globalization, and also the economic globalization index specifically, on voter turnout and that

99 In my view, Marshall/Fisher would have more of a point if the set of countries was more heterogeneous. Given the sample of established democracies, it seems not unreasonable to assume that these countries were largely affected in parallel by broader societal changes – such as individualization, the erosion of traditional social milieus, the rise of critical citizens, etc. – that might also be responsible for a decline in turnout.
these negative effects have been amplified somewhat by the recent worldwide financial crises. Again, it is reassuring that this study replicates my basic finding despite drawing on a different sample that includes more countries.

In conclusion, subsequent contributions have largely confirmed my finding of Study I of a negative macro-level association between economic globalization and voter turnout. These articles have, however, not offered such a detailed investigation of the overall relation between the two phenomena, including an inquiry into the causal mechanism involved, as the collection of my Studies I to III.

3.7.3 Limitations and Avenues for Future Research

Finally, I would like to discuss some limitations of my three studies and point toward avenues for future research. Note that the conclusions of the individual studies already contain some related material. My aim here is not to simply reiterate all points made there already, but rather to add some further, broader points.

One obvious desideratum emerging from the studies is the wish for more survey data on citizens’ perceptions of economic globalization. This concerns especially data on citizens’ perceptions of national autonomy under economic globalization. We have seen that such perceptions are widespread among citizens of established democracies; and we have also seen that these perceptions matter, for the decision whether to vote and, from the literature review, also for the decision whom to vote for. But studying the effects of these perceptions of globalization constraints is to some extent impeded by the limited availability of relevant survey data. Ideal would be a future inclusion in cross-national surveys that simultaneously contain a number of items related to elections and parties. The Comparative Study of Electoral Systems (CSES) would be one optimal candidate. Such data would allow one to replicate the kind of analysis carried out in Study III for a much broader set of countries. Given such cross-national survey data for a sufficiently large of number of countries, it would also become possible to combine these with macro-level data on economic globalization. Such multilevel data would open the path for new analyses. For example, the relationship between objective levels of economic globalization and perceptions of globalization-constraints could be studied more systematically than hitherto.

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100 The Comparative Study of Electoral Systems (CSES) (2013), occasionally already referred to above in the description of previous studies, is a cross-national research project that gathers micro- and also macro-level data on elections. It is a collaborative project in which a set of common core survey questions are included in national post-election studies. The current module 4 (2011-2016), focusing on attitudes towards redistribution, is still in the field; the first CSES module covers the period 1996-2001. As to the cross-sectional coverage, the third module (2006-2011), for example, included data from 50 national elections in 41 countries.
principal, through so called cross-level interactions it would also become possible to study how the
effect of objective levels of economic globalization, as measured on the macro-level, on individual
turnout varies with individual characteristics. For example, a hypothesis that this effect is more
pronounced for those on the left and center-left, taking up the moderating effect of the left-right
position from Study III, could be studied systematically. Of course, the inclusion of such items
in future surveys can do little to the problem that repeated, comparable over-time data on such
perceptions will naturally remain scarce for the foreseeable future.

Relatedly, one limitation applying specifically to Study II has to do with the fact that it draws
exclusively on aggregate-level data and omits data on citizens’ political preferences altogether. Study II
argues and tests for a direct effect of the broadness of the choice set on offer to voters on aggregate
turnout rates, as others have done previously (e.g. Dalton 2008). Ceteris paribus, it should be true
that elections that offer more diversified options with regard to parties’ economic policy positions
see higher voter turnout; and this is also what we find empirically in Study II. Nevertheless, a richer
empirical analyses would ideally allow for a more systematic integration of citizen positions,
preferably, on economic policies. Why? One could expect that a narrow choice set on economic
policies matters less for voter turnout rates if this narrow choice set still satisfies the preferences
of most citizens. If, on the other hand, the economic policy positions of many voters are not well
represented in the party system, the implications for turnout could be more negative. Studying
these expectations would require matching party position with data on citizen positions. That this
is principally feasible is exemplified, for example, by the contributions of Ward et al. (2011) and
Ezrow and Hellwig (2014) discussed above (in section 3.3.2.3). But doing so would have come with
the cost of a much smaller sample than an analysis that relies only on party positions, because of
data availability issues. Moreover, such an analysis would likely need to rely on citizens’ left-right

101 Another possibility for such a cross-level interaction would be that the effect of economic globalization on turnout
is conditional on one’s level of political sophistication or general level of education. Relatedly, in a recent conference
paper on the effects of the Eurozone crisis, Silja Häusermann et al. (2013: 3) “argue that where economic austerity
constrains governments, highly educated citizens with the necessary political knowledge and sophistication anticipate
the inefficacy of the future government and may decide to abstain, because they do not believe that election results
will matter.” That is, even if not directly concerned with economic globalization, similar to my arguments Häusermann
et al. argue that constraints to the government’s room to maneuver will affect turnout negatively; though they add an
argument that this should be especially true for the politically sophisticated. Drawing on the 2010 wave of the European
Social Survey (ESS), they report empirical evidence that measures of government constraint (public deficits, Troika
conditionality and interest rates on government bonds) affect turnout negatively among the higher educated. The
external pressures faced by highly indebted countries may indeed be seen as affecting the government’s room to
maneuver, and thereby voter turnout, in a somewhat similar way as has been argued here for economic integration
(see, for another theoretical argument along these lines: Schäfer and Streeck 2013). The suggestion that the effect holds
especially for the higher educated is intriguing; a similar cross-level interaction could not be studied here as the effects
of macro-level economic globalization were studied here with a purely macro-level dataset and not through multilevel
data. Given how widespread perceived room-to-maneuver constraints due to economic globalization are according to
the survey data reported above (in section 3.3.2.1) and that economic globalization seems to affect turnout also through
the positions of political parties, it is however not clear that political sophistication and/or education should play a
strong moderating role. In any case, this is something worth testing in future research as well.
self-placements which might not be optimal as measures of citizens’ stances towards economic policies specifically. For these reasons, such a related study would not have been a superior alternative to the analysis presented in Study II, but it could still form an interesting future complement to the analysis carried out in Study II.

In study III, I discuss the discourse on economic globalization by New Labour around the 2001 British General Election. This short discussion shows how Tony Blair and the New Labour leadership emphasized competitive pressures from economic globalization and justified their centrist Third-Way economic policy platform in this way. This discussion opens the eye for the possibility that elite discourses might play a systematic role in shaping citizens’ perception of the room to maneuver under economic globalization. The extent to which citizens think of economic globalization as constraining national economic policies might not only be a function of objective levels of economic globalization, but also reflect such elite discourses. While this is not to say that the model in figure 3 is wrong in suggesting that, on average, perceptions of a limited autonomy are systematically more widespread under higher levels of economic globalization, this relation might in reality be a little more complex such that the mapping might not be always one-to-one. It is quite possible that how political elites talk about economic globalization and its effect on national autonomy, matters for voters’ perceptions of economic globalization and national autonomy. Ultimately, this elite discourse might to some extent moderate the effect of economic globalization on electoral turnout. From this perspective, how elites deal rhetorically with economic globalization would matter for turnout. Studying the role of such an elite discourse more systematically will not be easy, as measuring it thoroughly for a larger set of countries, preferably with a substantial over-time perspective, would pose a formidable challenge. But it would be unwise to dismiss the possibility out of hand that such elite messages might play a role in shaping the specifics of the overall negative effect of economic globalization on turnout.

Relatedly, in line with the definition of economic globalization (in section 3.1) I measured economic integration through specific indicators or summary indices of international economic flows. Measuring economic globalization in such a way is standard in studies on the consequences of economic globalization including the type of work discussed in section 3.2.2. Insofar, my approach is in line with a long research tradition. Nonetheless, it might be the case that it are not always the most economically integrated countries which are put under the highest efficiency pressure by economic globalization. Think of the work on tax competition discussed in section 3.2: There it was mentioned that smaller countries which tend to be more open can actually gain from tax competition and ultimately be the winners of competition between states. In a way then, tax competition can increase the fiscal leeway of some governments, though only if they give in to the
pressures from tax competition and bet on low rates on mobile sources of tax revenue. Assuming that it are the most economically integrated countries for which the room to maneuver is most constrained should work as a first approximation. The reality might, however, be a little more complex than that. Future work should theorize more about this issue. Doing so should be helpful for further research on economic globalization’s consequences be it on taxes and the welfare state or for electoral politics.

With regard to future research on a related issue, the analysis on economic globalization and electoral turnout presented here might make one wonder about possible similar effects of international political integration. If political integration, with the far most notable case being the European Union, weakens the role of national elections, diminishing their potential policy implications, does it also lead to lower turnout in national elections? This question has not been my concern here for the simple reason that I have been interested in the effects of economic globalization, but it is a sensible and interesting question to ask. Against the findings presented here, such an effect might seem likely; though it is not clear whether political integration will always lead to less power for national governments: While political integration may cause national governments to lose direct unilateral power, they may, at the same time, gain influence through the participation in international decision making. Thus, the net effect of political integration does not necessarily have to be negative in every case. As to the empirical problems of studying such effects, measuring political integration seems even more difficult than measuring economic integration. For example, including a dummy variable for EU membership in regression models for aggregate voter turnout would amount to the assumption that membership in the EU or its predecessors has historically resulted in a constant shift of competences, ignoring the dramatic deepening of EU integration over time. The KOF measure of political globalization may initially be considered as another possibility (Dreher, Gaston, et al. 2008). This measure is a weighted composite index of the number of foreign embassies in a given country, the number of memberships in international organizations and participation in UN Security Council missions. Unfortunately, only the second measure picks up an aspect of competence shift which is directly relevant for the theoretical argument, but certainly with a lot of measurement error and probably a serious amount of bias.

Related empirical evidence is available from Mark Franklin and Sara Binzer Hobolt (2011). Franklin and Hobolt argue that it is not EU membership per se, but rather specifically elections to the European Parliament that would lower turnout in national elections. These low-stake, low-turnout elections would help to socialize new voters into the habit of non-voting, producing negative spill-over effects for national elections. According to their findings, this specifically is the negative effect of the European Union on voter turnout on national elections – instead of EU integration as such
depressing turnout at national elections. However, the study suffers from the problems related to measuring European integration discussed above when testing this alternative hypothesis (see a similar test in a robustness check in: Marshall and Fisher 2015). In a working paper, Erik Tillman (2009) reports evidence according to which turnout at the national level would be lower for those citizens who think that the EU is more responsible for the state of the economy than the national government. While this finding is in line with the idea that perceptions of higher EU influence, and conversely less influence of the national government, might be associated with a lower likelihood of voting in national elections, there is certainly a lot of room for additional research on international political integration, specifically European integration, and voter turnout.

In this manuscript, I have tried to offer a broad perspective on research on the electoral consequences of globalization. Thereby, we have seen repeated instances in which the theoretical arguments and empirical findings of different studies in this area speak to each other upon closer inspection, but remain unconnected by the authors themselves. One example is the work in mass international political economy on the economic and cultural determinants of individuals’ preferences towards economic integration and the work on conflict over globalization as a new “cleavage” that similarly view economic and cultural opposition to globalization as connected (see section 3.3.1). Another example are the similarities between Hellwig’s (2015) “balancing-demands” hypothesis (see section 3.3.2.1) and the “convergence hypothesis” of Grande and Kriesi (2012) (see section 3.3.1): Both argue, independently and without dealing with each other’s work in detail, that other issues have gained in importance as economic globalization has attenuated the conflict over economic policies. My aim was to discuss the relevant previous literature in depth in order to carefully show how my study builds upon previous arguments, in order to try to avoid any unintended ignorance that might, ultimately, be harmful to the scientific goal of the cumulative building of knowledge. I believe that my own findings gain substantially in strength by showing how they connect well with previous research on, for example, economic globalization and room-to-maneuver perceptions, economic globalization and voting decisions and economic voting and party positions. More generally, in my view the emerging body of literature on economic globalization and electoral politics can only profit from trying even harder to consider how seemingly disparate studies or different strands of the literature might speak to each other. To illustrate, in this manuscript I have discussed how my theoretical arguments are not at odds with arguments and findings from the globalization-cleavage literature, even though a superficial reading might suggest exactly that (see section 3.3.1). For future research it would be interesting to connect this literature even more strongly with my arguments and findings. It would, for example, be interesting to study whether economic globalization affects the electoral participation of globalization “winners” and globalization “losers” differently; or to examine how a mobilization
against the cultural consequences of economic globalization might offset negative effects of economic globalization on voter turnout.

For the foreseeable future, it is likely that economic globalization and interdependence are phenomena that are here to stay and will only become more important. Social scientists would be well advised to not only conduct further studies on economic globalization’s effect on political outputs and outcomes; scholars interested in the functioning of representative democracies should also continue to explore how economic globalization affects political processes and, specifically, the political attitudes and the political behavior of citizens.

This chapter contains introductory information for as well as a concluding summary discussion of Study IV of this paper-based dissertation. Study IV is a contribution to the debate on the measurement of democracy. Specifically, it conducts an empirical validation analysis of the popular democracy indices issued by Freedom House in its Freedom in the World Survey. Freedom House is a US-based non-governmental organization that describes itself “as an independent watchdog organization that supports the expansion of freedom around the world” (Freedom House 2013). As part of its Freedom in the World Survey, it publishes a measure for political rights and a measure for civil liberties that both range from 1 to 7 with higher values indicating less “freedom”. While these are labelled indices of “freedom”, they can similarly be understood as measures of liberal democracy.\(^{102}\) The first year for which data are available is 1972, the most recent report covers 195 countries and 15 territories (Freedom House 2015). The data are routinely reported in the media and, thus, enter the broader public debate.\(^{103}\)

The two scales, most often they are additively combined into one index of (liberal) democracy, are also used extensively in the academic literature as measures of democracy. In fact, together with the Polity index (Marshall et al. 2010), the Freedom House index is one of the two most commonly used measures of democracy (Ristei Gugiu and Centellas 2013: 336). The Freedom House index has been employed as an independent variable in studies on various effects of democracy (e.g. Charron and Lapuente 2010; Fornos et al. 2004; Gartzke 2007; Gerring et al. 2012; Giuliano et al. 2013; Holzinger et al. 2008; Kim 2007; Kostadinova and Power 2007). Other studies have made use of the Freedom House index as a dependent variable in studies on the determinants of democracy and democratization (e.g. Acemoglu et al. 2008; Barron et al. 2013; Brinks and Coppelidge 2006; Burkhart and Lewis-Beck 1994; Casper and Tufis 2003; Fails and Pierce 2015; Kwon 2004; Lindberg 2006; Ross 2004; Schimmelfennig and Scholtz 2008; Starr 1991; Starr and Lindborg 2003; Weinert 2005). The data have also been employed in several contributions that deal specifically with the relationship between (economic) globalization and democracy: Quan Li and Rafael Reuveny (2003), for instance, test for effects of different indicators of economic globalization on democracy in a dataset on 127 countries from 1970 to 1996 using the Polity index.

\(^{102}\) More details on these measures are described in Study IV and its accompanying appendix.

\(^{103}\) To illustrate, media coverage of the release of the Freedom in the World 2015 report is found, for example, in the US-based online news portal The World Post (Dibbert 2015), the Sri Lanka Guardian (Abeyratne 2015) and the Armenian news agency Armenpress under the title “Nagornok Karabakh is freer than Azerbaijan” (Armenpress 2015).
as the primary measure of democracy and the Freedom House scores in robustness checks. Nita Rudra (2005), similarly drawing on these two indices, studies the effect of international trade and capital flows on democracy within a dataset of 59 developing countries. Others have utilized the Freedom House ratings to study the reverse causal arrow of how the regime type affects (economic) globalization: Quan Li and Adam Resnick (2003) investigate how democracy affects inflows of foreign direct investment to developing countries, again drawing on both the Polity and the Freedom House data. Johannes Kessler (2013: chapter 6) employs the Freedom House index in a study of the determinants of the overall levels of globalization. Studies on trade policies have also considered the Freedom House index as a determinant (Dutt and Mitra 2002).

The Freedom House democracy index is, however, not free of criticisms. Several authors have claimed that the Freedom House scores were “biased” (Goldstein 1992: 47; Hartman and Wey 1988: 797; Mainwaring et al. 2001: 54; Scoble and Wiseberg 1981: 160–161). Specifically, these authors argue that the scores favored friends and strategic allies of the US, whereas the index discriminated against countries that have poor bilateral relations with the US. While Freedom House is a non-governmental organization, it is financially and personally linked to the US government: The organization receives a significant share of its funding from the US government and many of its top positions are filled with former US government officials. It are these links as well as anecdotal observations on the ratings for specific countries that have led these researchers to suspect that the ratings are politically biased. No previous research has, however, systematically and accurately investigated this claim. While more systematic approaches, described in more detail below, to detecting bias in the Freedom House ratings do exist (Bollen 1993; Bollen and Paxton 1998, 2000), my contribution goes beyond these in that it systematically scrutinizes the claim that it are especially bilateral relations with and international connections to the US that matter. In other words, instead of testing whether specific traits of individual countries, like for example being a monarchy, Catholic or communist, are associated with deviations in the Freedom in the World ratings from alternative measures, as is done in the previous studies, I probe whether it are the

While, on a superficial level, also dealing with the broader question how economic globalization affects democracy, these studies differ strongly from the approach adopted in my Studies I to III. My contributions are interested in the specific effects of economic globalization on one particular aspect of democracy – namely voter turnout within established democracies – that might be regarded as being related to the democratic quality of established democracies. The listed studies, in contrast, are properly understood as studying, on a very general level, the relationship between economic globalization and democratization or, more generally, regime change in that they test for effects on general measures of democracy. These general measures of democracy employed in these studies, such as the Polity or Freedom House index, are blind to nuanced aspects related to the democratic quality of consolidated, established democracies. Moreover, they include not only data (Li and Reuveny 2003) or even no data at all (Rudra 2005) from established democracies, but include less developed and authoritarian countries in their samples. A good overview of research on the effects of economic globalization on democratization is offered by Helen Milner and Bumba Mukherjee (2009), who also consider the reversed question, touched upon below, how democratization affects trade and financial openness.
specific international connections of countries with the US that might “explain” discrepancies between the Freedom House ratings and alternative measures of democracy that are used as benchmarks. Only with such an approach it is feasible to test the original idea of a political bias towards US allies and US-friendly nations.

Methodologically, I rely on a two-step procedure in order to test the hypothesis of political bias. In a first step, I aim to estimate how the Freedom House ratings diverge from other measures of democracy employing a set of five different “benchmark” indices: The BLM index that is available for 5 Central American countries (Bowman et al. 2005), the MPB index on 20 Latin American countries (Mainwaring et al. 2001), the Polity index (Marshall et al. 2010), the Unified Democracy Scores (UDS) that are synthesized from 12 existing indices (Pemstein et al. 2010) and the democracy status measure from the Bertelsmann Transformation Index (BTI) (Bertelsmann Stiftung 2012). Technically, I regress the Freedom House scores, individually, on these benchmark indices and save the residuals from these regressions as measures of how Freedom House deviates from the democracy values that would be predicted on the basis of the individual benchmark indices. In a second step, I test for patterns in these residuals that would be indicative of political bias. In order to do this, I draw on a number of measures that contain some information about the international connections to and political closeness of the rated countries with the US. With more details being explained in Study IV, these are

- data on US financial assistance received by the rated countries (measured as per capita of the receiving countries) (USAID n.d.),
- data on the similarity of the countries’ voting behavior in the UN’s General Assembly to the voting behavior of the US (Häge 2011),
- data on “alliance similarity”, i.e. summary measures of the similarity of alliance relations the countries hold with other countries to the alliance relations the US holds with these same other countries (Häge 2011),
- data on the dyadic trade volume with the US (Barbieri et al. 2008) and
- a dummy variable for the presence of “rivalries” with the US that marks dyadic relations that have repeatedly experienced militarized interstate disputes (Klein et al. 2006).\(^{105}\)

\(^{105}\) A similar general methodological approach, though dealing with a completely different substantive research question, has been adopted previously by Carl Henrik Knutsen (2010) in a study that assesses the measure of “effective democracy” developed by Ronald Inglehart and Christian Welzel (2005). Arguing that the measure would be biased towards more developed countries, Knutsen first runs a factor analysis using four measures of democracy to obtain a
With my study I aim to contribute to the literature on globalization and democracy in two ways. On the one hand, I analyze the validity of an indicator that has been repeatedly used in research on globalization and democracy, as shown above, and is likely to be used in future studies on globalization and democracy as well. On the other hand, as already argued in the overall introduction in chapter 2, by studying whether international interconnectedness matters for the measurement of democracy I also add a methodological perspective to the debate on globalization, broadly construed, and democracy. Above (in section 3.1) we have seen that the core meaning of globalization refers to the phenomenon of cross-border, i.e. “international”, interactions of human actors. Note that the measures of international interconnectedness to the US employed in the second step of the analysis deal with such dyadic international interactions between the rated countries and the US. This is most clearly the case for the indicator on the dyadic trade volume, but it holds for the other indicators as well. Granted, these variables are not exactly measures of the extent to which particular countries are “globalized” or internationally integrated, i.e. country-specific measures of the amount of cross-border interactions in relation to domestic interactions. But they still constitute related dyadic versions of variables that cover, in line with a broad understanding of the term globalization, the international interconnectedness of countries. In this sense, Study IV can be seen as a methodological contribution to the measurement of democracy related to globalization. While other scholars have also debated whether existing measures of democracy are biased in one form or the other (e.g. Bollen 1993; Bollen and Paxton 2000; Knutsen 2010), there is no prior work that systematically studies the question of whether the specific interconnections between different countries might introduce a political bias into measures of democracy.

As topic B consists of a single study, there is less need for as broad an introduction as for topic A in chapter 3. Accordingly, I will not discuss the previous methodological literature on the Freedom House democracy index as such in detail in this introduction – this is done in sufficient detail in the article itself. Instead, I aim to additionally situate Study IV in the broader methodological literature on the assessment of existing measures of democracy (section 4.1). Afterwards, I will recapitulate the main findings of Study IV showing how they add to this literature as well as pointing to some implications of my findings and avenues for future research (section 4.2).
4.1 Tools for the Conceptual and Empirical Assessment of Democracy Indices

The classification of regimes and the measurement of democracy have long been among the most important research areas within comparative politics. This is still the case. While scholars have recently proposed new measures of democracy aiming to improve upon the stock of existing ones (Boix et al. 2012; Bühlmann et al. 2012; Lindberg et al. 2014; Pemstein et al. 2010; Ristie Gugiu and Centellas 2013), others continue to debate the methodological challenges behind the measurement of democracy and how existing measures live up to these challenges (Mainwaring et al. 2001; Müller and Pickel 2007; Munck and Verkuilen 2002; Treier and Jackman 2008). I propose to analytically distinguish two different, though related approaches to the evaluation of existing measures of democracy: One approach, which we might label conceptual assessment, is to analyze how the indices are constructed; another is to approach the question of the validity of existing measures by investigating the data produced, i.e. to conduct empirical validation tests. This approach might be called empirical assessment.

As to the conceptual assessment of existing measures of democracy, a pertinent and seminal contribution is Gerardo Munck and Jay Verkuilen’s (2002) article on the methodological challenges associated with the measurement of democracy. This contribution has, both, guided researchers in the development of new measures and helped to organize the conceptual assessment of existing measures. Munck and Verkuilen (2002) propose to distinguish “three challenges” inherent to the measurement of democracy: conceptualization, measurement and aggregation. For each of these three challenges, the authors propose a set of general guidelines.

During the step of conceptualization, democracy needs to be defined and its relevant attributes determined. The authors’ general guideline for this first step is that both minimalist and maximalist definitions are to be avoided, that is definitions that are either too narrow, omitting attributes constitutive of democracy, or too broad, containing irrelevant attributes. Moreover, Munck and Verkuilen propose that researchers should use so called “concept trees”. These concept trees are intended to logically organize attributes of democracy by structuring them along a “ladder of

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106 Following Robert Adcock and David Collier (2001) as well as Jason Seawright and Collier (2014), I distinguish between (measurement) validity, on the one hand, and validation, on the other, in order to avoid confusion. Validity is a criterion of whether an indicator accurately measures what it is intended to measure, i.e. the construct of interest. Validation, in contrast, refers “to the various procedures for assessing measurement validity […] providing different types of evidence for validity” (Adcock and Collier 2001: 530). Adcock and Collier distinguish between three types of validation most relevant to political science: content validation, convergent/discriminant validation and nomological validation. Content validation asks whether indicators comprehensively measure a theoretical construct – and nothing beyond. It is mostly, though not exclusively, a technique of conceptual assessment. In contrast, convergent/discriminant validation and nomological validation are tools that rely on empirical associations between measures – more details definitions will be given below – and, hence, are clearly tools of empirical assessment. The tests based on these latter two tools are mostly of a quantitative, statistical nature, though these strategies can, in principal, be also employed in a qualitative manner as shown by Adcock and Collier (2001).
abstraction”, thereby helping to prevent problems like the redundant inclusion of several components that actually measure the same aspect. In a first level of abstraction, the relevant general attributes of democracy need to be specified. In a second level of abstraction, the components of these attributes should be defined in turn. In a possible third step, subcomponents of these components might be defined; and so on. Ultimately, the “leaves” at the lowest level of abstraction are meant to serve as starting point for the measurement process.

This measurement process requires matching the (sub-)components at the lowest level of abstraction to observable indicators. Here, Munck and Verkuilen propose that scholars should rely on multiple indicators whenever possible while simultaneously taking problems of cross-system equivalence into account. One “common pitfall” associated with the measurement challenge mentioned by the authors would be “the failure to appreciate the inescapable nature of measurement error” including “systematic sources of measurement error” (Munck and Verkuilen 2002: 16). The selection of a measurement level and scale should be guided by the desire to put homogenous cases into the same categories, while avoiding distinctions that appear excessively subtle in light of the depth of the fundamental information actually available. As standard criteria for assessing the measurement process, Munck and Verkuilen refer to reliability and replicability. Reliability means that repeated measures result in the same coded values. Replicability refers to whether outside observers are able to understand in detail how the index values are produced. Ideally, this requires that detailed coding rules, information on how the coding process was practically carried out and disaggregated data on the components and subcomponents are available to the public. For Munck and Verkuilen (2002: 18–19) this is a crucial issue given that subjective judgments are likely to enter the coding process:

“Yet because issues of measurement are inescapably subjective, involving a variety of judgments rather than firmly objective criteria, it is absolutely vital that the community of scholars retain the ability to scrutinize and challenge the choices that shape the generation of data.”

Attending to these standards of replicability is a necessary condition for outside observers being able to accurately assess the reliability and validity of existing measures in the first place.

Once indicators are measured, they need to be aggregated. The challenge of aggregation consists first in deciding about the appropriate level of aggregation: For Munck and Verkuilen it is not predetermined that aggregation should always proceed to the highest level, i.e. that scholars should end up with one particular measure of democracy rather than sticking to disaggregated measures that refer to different dimensions of democracy only. Second, scholars are advised to specify their aggregation rules which should correspond to theoretical considerations on the relationship between the different components. Again, this should be done in an explicit and transparent manner. Substantive issues to consider are, for example, the weight given to individual components and whether components should be additively or multiplicatively combined.
In developing a set of general guidelines, Munck and Verkuilen offer a framework that allows one to conceptually assess existing measures of democracy by analyzing how they adhere to these standards. The scheme by Munck and Verkuilen has been used for that purpose by the authors themselves (Munck and Verkuilen 2002) and by others as well (Müller and Pickel 2007; Pickel and Müller 2006). Still others have presented similar discussions of existing measures using their own lists of general criteria (Lauth 2004: section 3.1). My Study IV also takes such a conceptual perspective on the construction of the Freedom House data. The goal of this discussion is, however, not to offer an all-encompassing assessment of the index construction, but rather to discuss how a political bias might, theoretically, enter the ratings. I consider specifically the measurement process arguing, in line with the general points made by Munck and Verkuilen, that systematic bias could be introduced through biased information sources and, most obviously, through biased subjective assessments by the raters. Moreover, I consider how the measurement process has changed over time, for example considering to which extent detailed coding and also aggregation rules have been used, and how this might have possibly mattered for the amount of bias.

Discussing how well existing measures adhere to such general conceptual guidelines on index construction is, however, not the only way to evaluate them. A second, though partially overlapping strand of the literature has conducted empirical assessments of existing measures of democracy. The studies within this literature focus on the data produced by the different indices using these to empirically assess the validity of existing indices. My own Study IV belongs primarily to this second approach as it performs a statistical analysis of the Freedom House data – although it also discusses the Freedom House index on a conceptual level, as mentioned above. In fact, the classic way to empirically validate measures in general is to conduct statistical tests. Such tests rely on the strength of associations with other measures to assess the validity of an indicator or index building mostly on the logic of convergent/discriminant validation and sometimes on the logic of nomological validation (see: Adcock and Collier 2001). The logic of convergent validation is that a measure should correlate strongly with existing measures of the same construct. Discriminant

107 Statistical tests are, however, not the only possible way to empirically assess existing measures of democracy. In their review of approaches to validation used in the literature on the measurement of democracy, Jason Seawright and David Collier (2014) also refer to a qualitative “case-based” approach. Studies in this tradition conduct in-depth discussions of how specific cases are scored on an existing measure typically drawing on a deep knowledge of the cases at hand (for a good example, see: Bowman et al. 2005). Such analyses typically criticize the coding of individual cases, inductively raising broader validity concerns about the index at hand. Those contributions cited in Study IV that have criticized the Freedom House scores by referring to individual cases that were allegedly scored inaccurately and possibly so in a biased manner, can be seen as belonging to this “case-based” tradition.
validation relies on the reverse logic that an indicator should correlate less strongly with measures of different constructs (than with measures of the same construct), or even not correlate at all with measures of different constructs that should be completely unrelated. Similar to convergent validation, nomological validation again expects a (strong) correlation with other measures, though it is concerned with measures of different constructs that are assumed to be causally related to the construct of interest.108

Related tests have also been used to assess measures of democracy. This includes, for example, numerous studies, drawing on the logic of convergent validity, that analyze the inter-correlations between existing measures of democracy in order to empirically assess their validity or that have justified newly developed measures by referring to high correlations with existing measures (see e.g. the examples listed in: Adcock and Collier 2001: 540).109 The logic of convergent/discriminant validation has also been invoked in a series of contributions by Kenneth Bollen and Pamela Paxton (Bollen 1993; Bollen and Paxton 1998, 2000) using structural-equation modeling. In contrast to the more simple correlational approach, labelled the “pragmatic” approach to validation by Seawright and Collier (2014), this “structural-equation modeling with latent variables” approach begins by assuming a very specific measurement model. The studies by Bollen and Paxton assume a two dimensional theoretical concept of democracy, consisting of political liberties and democratic rule. Based on this concept, the authors identify democracy measures that include indicators of components that cover both of these two dimensions. This set up allows them to statistically model the observed indicators for political liberties and democratic rule from these sources as linear functions of their “true” latent values and “method factors” that are specific to the data source. These method factors estimate whether and to what extent a particular country-year is over- or underrated by a particular rater, i.e. they are measures of the “bias” of a specific rating.

The contributions by Bollen and Bollen/Paxton use this approach to estimate, inter alia, the “bias” in the Freedom House scores. Regressing these estimates of bias on variables that record the traits of particular countries, Bollen (1993) reports that Sub-Saharan, Eastern European and Asian regions would be disadvantaged by Freedom House. According to the later analysis in Bollen and

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108 This distinction and the terminology used here builds on Adcock and Collier (2001) and Seawright and Collier (2014). Note that the wording varies confusingly in the literature. Edward Carmines and Richard Zeller (1979: 22–26), for example, describe under the heading “construct validity” techniques that would be labeled procedures of “nomological validation” in the terminology used here (see also footnote 106 on page 100).

109 Nomological validation plays less of a role in this literature, though a related example is a study by Gretchen Casper and Claudiu Tufis (2003), who systematically assess how the findings on the determinants of democratization vary with the measure of democracy employed.
Paxton (2000), the Freedom House measures would be biased against Marxist-Leninist countries and in favor of monarchies and countries with predominantly Protestant or Catholic populations. Despite the more specific point made above that the studies do not test for bias related to the international connections of the rated countries to the US, one general problem with these structural-equation approaches is that the findings critically hinge on the assumed structure of the measurement model. In the words of Seawright and Collier (2014: 118), the findings might be seen as “a product of the model, rather than a test of it”.

My own Study IV fits obviously into the tradition of these approaches to the empirical assessment of existing measures of democracy. More specifically, it also relies on a type of convergent-discriminant validation by building on an argument that deviations in the Freedom House scores from alternative ratings should not systematically and consistently correlate, in a particular direction, with measures of dyadic relations and connections to the US. Note that this means that I draw on both tools: convergent validation and discriminant validation. In the first step, where I compare the Freedom House scores to alternative indices in order to estimate the deviations, I build on the logic of convergent validation. In the second step, where I test for patterns in the deviations identified in the first step, I draw on the logic of discriminant validation. This test strategy is based on the theoretical rationale that while differences between the democracy measures are to be expected due to varying concepts and measurements, these differences should be orthogonal to the data on dyadic relations if there was no systematic bias. The simple analysis I propose tells us whether or not there is a consistent pattern such that relative to a number of other democracy scores Freedom House rates countries that have closer political ties and affinities with the US as more democratic. Methodically, my specific type of convergent-discriminant validation is not carried out through a strongly structured and assumption-rich statistical model as would be the case in the structural-equation approach. This would require, inter alia, making assumptions on the dimensionality of democracy that might be questionable. Rather, I draw on theoretically-deduced, but at the same time intuitive arguments about the kind of patterns in the data we would expect to see, if there was some kind of political bias towards US-friendly nations. This allows me to propose, and carry out, some simple and, hopefully, convincing statistical checks for the presence of bias towards US allies and US-friendly nations as described above.

110 Further limitations of these analyses are discussed in Study IV.
4.2 Summary of Findings and Further Discussion

In this final section of the manuscript, my aim is to briefly summarize the main findings of Study IV, to point to some implications of these findings and to raise some ideas for related further research.

Let me begin with a summary of the main findings. A qualitative discussion of the coding process by Freedom House led to the first conclusion that the analysis for political bias should distinguish between two periods: From 1972 to 1988 the data were coded almost single-handedly by Raymond Gastil in a loosely structured manner; from 1989 onward the data have been coded by a survey team and in a more rule-based process using a more detailed checklist and, importantly, an explicit coding and rule-based aggregation of subcomponents. Distinguishing between these two periods in the statistical analysis, I find very strong and consistent evidence for the presence of bias towards US allies and US-friendly nations for the period until 1988. For the later, period the pattern I obtain is less consistent, though it tends to overall support the charge of political bias as well. Recall that my approach was to compare the Freedom House scores to a set of different benchmark scores and to use a number of different measures of “affinity” to the US in the multivariate regressions of the second step in order to detect systematic bias.

For the former period, this approach resulted in 17 regression coefficients relating to the four different benchmark indices\textsuperscript{111} and to the different affinity measures, not all of which could be included in every regression (see Study IV for details). A crude, but catchy way to summarize the rich and detailed information from these regressions is to state that out of these 17 coefficients 16 are signed in a direction consistent with the bias claim, with 10 of these being statistically significant on at least the 0.10 level (see figure A.1 in the appendix for Study IV). No matter which of the four indices we use as benchmark, we would always conclude that there appears to be some bias in the Freedom House ratings in favor of US allies and “friends”. Moreover, the bias appears sizable; though it is also true that in terms of the overall discrepancies observed between Freedom House and the benchmark scores only a relatively minor fraction seems to be related to such bias. In Study IV and its accompanying appendix, I have shown that this finding is not driven by some of the specifics of my approach: We arrive at largely similar conclusions when we (a) rely only on the Political Rights scale from Freedom House (rather than the combined score), (b) use combined measures of US-affinity obtained from a principal components analysis, (c) estimate the effects within one single regression model (as opposed to the two-step “regression on residuals approach”), (d) rely on a set of pure cross-sectional regressions estimated for single years (rather

\textsuperscript{111} Data on the fifth, the Bertelsmann index, are available only for the later period.
than pooling data over time) and (e) test for bias via regressions with country-fixed effects that leverage only over-time variation, i.e. within-unit variance.

With regard to the later period, my basic approach resulted in 19 relevant coefficients overall of which 13, or more than two-thirds, were signed in a direction consistent with the bias charge (see figure A.2 in the appendix for Study IV). Out of the 19 coefficients 8 were statistically significant (with p smaller than 0.10), with 7 of these signed in a direction that would suggest a bias in favor of US allies and “friends” and only 1 signed in the opposite direction.\textsuperscript{112} This pattern is more mixed than for the former period, but one can read this evidence as, on balance, supporting the hypothesis of political bias as well. Despite this more mixed pattern, the estimated size of the coefficients indicates a substantial magnitude of bias in some cases as well (see the illustrative calculation on page 15 of Study IV). Again, additional analyses from the set of robustness checks mentioned above result in a similar conclusion: The evidence is less unequivocal than for the former period, but overall still consistent with the hypothesis that US allies and US-friendly nations are favored by Freedom House. It is noteworthy that the set of detailed cross-sectional regressions estimated for single years suggestively hint towards decreasing bias even within this later period covering the years from 1989 to 2000.

In documenting these findings on the Freedom House index, Study IV is the very first study that reports direct systematic empirical evidence that international interconnections, as one aspect of a broader concept of globalization, can matter for the measurement of democracy. Study IV thereby forms an important methodological contribution to the measurement of democracy related to globalization. By showing for the first time that international affinities between nations can affect indices of democracy Study IV can also be considered an important contribution to the methodological literature on existing measures of democracy more generally. The study thereby bolsters concerns that close links between governments and organizations rating third countries might be problematic in that these links can introduce political bias into the ratings.

The most obvious practical implication of the findings of Study IV is that researchers should use especially the older Freedom House data cautiously. This insight also applies to possible future studies on globalization and democracy for which researchers might consider using the Freedom House scores. In this sense, Study IV contributes in a second way to the overall theme of this dissertation. The Freedom House data should be used especially cautiously in case the ratings pertain to major friends or foes of the US. Moreover, the bias detected here is likely to matter

\textsuperscript{112} Note that I obtain exclusively non-significant coefficients for the BLM and MBP indices as benchmarks that pertain to more limited samples of Latin American countries only. Out of the remaining 13 coefficients pertaining to worldwide data, 8 are statistically significant with 7 being signed in consistency with the bias hypothesis.
specifically for some research questions. One example would be research questions that deal with the relation between bilateral or dyadic relations to the US and regime status.

There are also a number of interesting broader implications to consider: One plausible reason behind the finding that the evidence for the presence of bias is stronger for the former period under Gastil is that the coding process was less formalized in this earlier period.\textsuperscript{113} In Study IV, I argued that a more formalized coding process will tend to diminish the room for biased cognitive processes, like motivated reasoning, and, therefore, bias in subjective judgements. In contrast, Gastil’s approach to directly code on the level of the final scales, using a checklist only as a loose orientation, seems highly vulnerable to biased subjective judgments; and the statistical findings support this conjecture. Therefore, the results of Study IV underline the well-known plea for proper and detailed coding rules and procedures from a different perspective as these seem to be less prone to bias.

Another broader implication is that future projects to measure democracy should strive for organizational autonomy from individual national governments. Moreover, it seems to be a good idea to integrate a variety of international backgrounds in such projects. The recent large-scale project “Varieties of Democracy” is a model example in this regard including, for example, advisory board and project team members from a vast variety of diverse nations (Coppedge et al. 2012: 41). Such an international character of the research project might not only be logistically helpful, for example, in recruiting country experts and help to increase the acceptance of the indices by the international public; it might also help to prevent biases in the ratings.

As to the potential avenues for future research, the present research and similar attempts at detecting systematic bias in democracy indices might at some point serve as a useful input in the development of latent measures of democracy derived of existing indices. Recently, Daniel Pemstein et al. (2010) have provided the scholarly community with the Unified Democracy Scores (UDS) that are based on the information from 10, later updated to 12, existing scales of democracy (for a similar approach, see also: Ristei Gugiu and Centellas 2013). The Bayesian multi-rater approach of Pemstein et al. builds on the restrictive assumption that the rating errors of the component measures are of a non-systematic nature. As noted by these authors themselves, an approach that takes systematic bias in individual measures into account could lead to more valid latent measures

\textsuperscript{113} Ultimately, it is hard to prove definitely that the differences found over time are caused by changes to the coding process. A plausible competing explanation is that these reflect changes to the broader international environment related to the end of the Cold War.
of democracy. More generally, detecting bias is the first step needed in order to correct bias. Therefore, the present study might help future studies that aim to correct for bias.

An obvious limitation of Study IV is that it does not include data from the most recent years. Due to the restricted availability of some of the affinity measures, most of these estimations include only data until the year 2000. This implies that Study IV cannot possibly tell anything reliable about bias in the Freedom in the World data for more recent years. At some point, future research should revisit the findings of Study IV with fresh data possibly including additional indices of democracy as benchmarks that have been published in the meantime.

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114 When benchmarking against the democracy index from the Bertelsmann foundation I use data from 2003. As data on rivalries and alliance similarity were available only until the years 2001 and 2000, respectively, these variables had to be excluded from these estimations.
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