

# Open for Politics? Economics Globalization and Political Survival

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# Open For Politics?

1. Intro: What is the impact of globalization on domestic politics?
2. Theory: Asymmetric impact of globalization on credit and blame
3. Evidence 1: US Survey Experiment
4. Evidence 2: Observational data for 269 elections
5. Conclusion: We were wrong

# Background

## Globalization, business cycles and voting

- Kayser (2009); Sattler, Freeman and Brandt (2008)

## Globalization and the clarity of responsibility

- Powell and Whitten (1993); Hellwig (2001)

Question: What are the electoral consequences of economic openness?

# Our Theory and Hypotheses

Builds on work focusing on the “clarity of responsibility” and globalization.

*Hypothesis 1:* Economic liberalization limits both the credit and blame for economic recovery and recessions.

*Hypothesis 2 (Blame Avoidance):* Economic liberalization has no impact on credit during periods of economic recovery and reduces blame during recessions.

# Research Plan

1. Pre-registered our theory and experimental research design with Experiments in Governance and Politics (EGAP)
2. Fielded an internet survey experiment in the U.S.
3. Analyzed government and leader survival and vote shares for 269 elections in 33 countries from 1960-2007.

# Survey Experiment

Fielded an internet survey experiment in April 2014

- The American Panel Survey (TAPS)
- Knowledge Networks
- 2,000 respondents
- Three questions with 2 X 2 treatments [block randomization]
  - Globalization frame
  - High/Low growth frame

# Example: Retrospective Evaluation Question

Economic growth can be affected by government policy, the decisions of companies [and global market forces]. Some experts have noted that over the past decades US economic growth has been relatively fast/slow compared to the US historical average.

How much credit/blame do you give government policy makers for this economic growth.

1. A great deal of credit
2. Some credit
3. Very little credit
4. No credit
5. Don't know

# Full Survey

## Question 1: Retrospective evaluation

- Previous slide

## Question 2: Prospective evaluation

- “If the US economy has recovered and is growing at a [fast/slow](#) rate in 2016...”

## Question 3: Prospective voting

- “...how likely are you to vote for the Democratic Presidential candidate...”

# Retrospective Credit or Blame

	<b>Domestic Fast</b>	<b>Domestic Slow</b>	<b>Global Fast</b>	<b>Global Slow</b>	<b>Control</b>	<b>Total</b>
<b>High credit</b>	0.03 [0.01, 0.05]	0.48 [0.39, 0.57]	0.03 [0.01, 0.05]	0.50 [0.41, 0.60]	0.45 [0.36, 0.53]	0.28 [0.25, 0.32]
<b>Low credit</b>	0.97 [0.95, 0.99]	0.52 [0.43, 0.61]	0.97 [0.95, 0.99]	0.50 [0.41, 0.59]	0.55 [0.47, 0.64]	0.72 [0.68, 0.75]

Note: Survey weighted responses and 90% CI

# Survey Findings

- All three questions find no impact of “globalization” on credit, blame, or voting intentions.
- But asymmetric responses to high and low growth
  - Low growth: Blame
  - High growth: Very little credit

# Observational Data

- 33 European countries. The dataset covers 269 elections from roughly 1960 to 2007 (Schleiter and Tavits 2014).
- Dependent Variable
  - Party survival, executive survival, vote share
- Key Independent Variable
  - Trade/GDP
  - Instrumented Trade (Frankel and Romer 1999)

# Instrumented Trade and Survival

	<i>Govt Death</i>	<i>PM Death</i>	<i>Vote Share</i>
	(4)	(5)	(6)
<i>Trade openness (instrumented)</i>	0.229 (0.201)	0.355* (0.198)	-18.16*** (4.916)
<i>Previous vote share</i>			0.498*** (0.091)
<i>Area (log)</i>	0.102* (0.061)	0.164*** (0.06)	-4.281*** (1.401)
<i>Population (log)</i>	-0.021 (0.055)	-0.090* (0.054)	-1.368 (1.184)
Constant	-1.497 (1.525)	-2.05 (1.499)	149.5*** (37.65)
log-Lik	-102.3	-99.86	
Adjusted R <sup>2</sup>			0.127
Residual SE			11.03
N	143	143	153
Adjusted R <sup>2</sup>	0.581	0.581	0.571
Residual SE	0.301	0.301	0.309
F Statistic	66.550***	66.550***	51.600***

# Observational Study Findings

- Trade is associated with a *lower* probability of survival.
- Results are a bit fragile and stronger for instrumented trade

# Conclusion and Conjectures

No support for our hypotheses on credit or blame.

- Unexpected blame but no credit finding
- Globalization *reduces* political survival

Why?

1. Too weak of a globalization treatment/focus on US
2. We were wrong
3. Globalization may work through the real economy, increasing volatility of growth

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**Thanks!**



# Prospective Evaluations

	<b>Domestic High</b>	<b>Domestic Low</b>	<b>Global High</b>	<b>Global Low</b>	<b>Control</b>	<b>Total</b>
<b>High</b>	0.03 [0.2, 0.05]	0.40 [0.32,0.49]	0.04 [0.02, 0.07]	0.48 [0.39, 0.58]	0.40 [0.30, 0.50]	0.23 [0.20, 0.28]
<b>Low</b>	0.97 [0.95, 0.98]	0.60 [0.51, 0.68]	0.96 [0.93, 0.98]	0.52 [0.42, 0.61]	0.60 [0.50, 0.40]	0.77 [0.72, 0.80]

# Prospective Voting Intentions

	<b>Domestic High</b>	<b>Domestic Low</b>	<b>Global High</b>	<b>Global Low</b>	<b>Control</b>	<b>Total</b>
<b>Very likely</b>	0.24 [0.17,0.31]	0.20 [0.15,0.27]	0.20 [0.13,0.28]	0.13 [0.09,0.20]	0.25 [0.18,0.32]	0.20 [0.17,0.23]
<b>Likely</b>	0.14 [0.09,0.21]	0.08 [0.05, 0.13]	0.12 [0.07,0.18]	0.17 [0.11,0.24]	0.12 [0.08,0.17]	0.13 [0.10,0.15]
<b>Undecided</b>	0.19 [0.13,0.26]	0.21 [0.15,0.28]	0.38 [0.28,.49]	0.26 [0.18,0.36]	0.20 [0.14,0.29]	0.25 [0.22,0.29]
<b>Unlikely</b>	0.10 [0.06,0.16]	0.11 [0.06,0.20]	0.07 [0.04,0.11]	0.08 [0.04,0.14]	0.05 [0.03,0.10]	0.08 [0.06,0.10]
<b>Very unlikely</b>	0.33 [0.26,0.42]	0.40 [0.32,0.49]	0.25 [0.17,0.33]	0.36 [0.28,0.45]	0.38 [0.30,0.47]	0.34 [0.30,0.38]

**Table 4. Summary statistics for observational data**

Statistic	N	Mean	SD	Min	Max
Area	269	429,006.10	2,055,341	316	17,075,400
Population	269	19,153.21	26,090.45	185	148,146
Trade	171	65.109	31.487	16.767	5.313
Predicted Trade	269	4.009	0.469	2.593	24.7
$\Delta$ Vote Share	250	-3.272	9.114	-56.1	66.3
Vote Share <sub>t</sub>	259	31.103	11.964	1.2	66.3
Vote Share <sub>t-1</sub>	253	34.482	10.777	2.5	1
PM Death	204	0.475	0.501	0	1
Gov Death	204	0.402	0.492	0	1