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The Impact of the Global Economic Crisis on Support for Democracy

Hans-Dieter Klingemann & Ursula Hoffmann-Lange*

Abstract: »Die Auswirkungen der globalen Wirtschaftskrise auf die Unterstützung der Demokratie«. This contribution provides a brief introduction into the second part of this HSR Special Issue. It informs about an ongoing project on the development of democracy in seven countries, five 'new' and two 'established' democracies. The five new democracies are Chile, South Korea, Poland, South Africa and Turkey. They are compared to Sweden and Germany. The five new democracies are located in different world regions and have different cultural and historical backgrounds. The contribution provides basic economic and political information on these countries. It also describes the common data base used by the six contributions: two surveys of members of parliament conducted in 2007 and 2013 as well as waves 5 and 6 of the World Values Survey conducted at about the same time. The common focus of all six contributions is the analysis of change in political legitimacy between 2007 and 2013.

Keywords: Parliamentarians, citizens, quality of democracy, support for democracy.

The following six contributions study the impact of the global economic crisis of 2008 on democratic political culture in seven countries. The analyses have emerged from an ongoing comparative project that started as a comprehensive study of transition to democracy in two countries, South Africa and Poland (van Beek 1995). In the next steps the project’s comparative base was broadened. In addition to South Africa and Poland, Chile, South Korea and Turkey were added as cases of ‘new’ democracies. Sweden and Germany, two ‘old’ democracies were also added to put the results obtained in the ‘new’ democracies in perspective. Germany offered the additional possibility to compare between its two different parts, ‘old’ West- and ‘new’ East Germany.

The set of ‘new’ democracies had been selected because they performed best both economically and politically in their respective global regions. The economic figures included in Table 1 show that our countries are rather diverse

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in this respect. South Africa is the poorest country of the seven. Turkey, Chile and Poland are emerging markets that have enjoyed considerable economic growth rates since the 1990s. Korea has experienced a rapid economic development over the last decades as well and has meanwhile joined the group of the rich countries (Han and Shim 2018, in this issue). Sweden and Germany, finally, have belonged to the economically most successful countries in the world for a long time.

With respect to its unemployment rate, it can be seen that South Africa is not only the poorest country but also suffers from high and increasing unemployment. The impact of the recession was highest in Turkey and lowest in Poland. In international comparison, some other countries such as the Baltic states, Greece, Spain or Russia our seven countries were much more severely affected by the economic crisis. However, as Hoffmann-Lange’s contribution in this issue shows, the subjective evaluations of the MPs interviewed in 2013 do not correspond to the actual impact of the crisis. For studying the central research question of the project which is the impact of the crisis on the political legitimacy of democracy among MPs and citizens, these subjective evaluations are probably more important than the objective facts.

Additionally, and this was innovative in terms of research design, our ‘new’ democracies’ autocratic past differed. While most research interested in the transition from autocracy to democracy at that time focused on post-communist countries, our project tried to vary the type of autocratic regimes from which the new democracies had emerged. Thus, in addition to Poland and the former German Democratic Republic representing formerly communist regimes, we have included countries transiting to democracy from a military regime (Chile, Turkey), an autocratic-bureaucratic regime (South Korea), and South Africa’s Apartheid regime. This design feature allowed to answering questions related to the impact of different autocratic regime structures on regime transition and the consolidation of democracy. Results of various analyses have been published in a number of articles and books (van Beek 2005; van Beek 2010; van Beek and Wnuk Lipinski 2012; van Beek 2018).²

² Meanwhile, the project has been institutionalized as ‘Transformation Research Unit’ at the University of Stellenbosch. In addition to the books mentioned above, the first issue of the Taiwan Journal of Democracy in 2015 (Vol. 11) was dedicated to publishing findings of the research project. These contributions focused on the impact of the global financial crisis and the following recession on democracy. Unlike the contributions presented here, however, they were mostly based on aggregate data.
### Table 1: Aggregate Economic Indicators for the TRU Countries

<table>
<thead>
<tr>
<th></th>
<th>Chile</th>
<th>Germany</th>
<th>Korea</th>
<th>Poland</th>
<th>South Africa</th>
<th>Sweden</th>
<th>Turkey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth impact Recession¹</td>
<td>2.0</td>
<td>1.8</td>
<td>2.2</td>
<td>0.6</td>
<td>2.6</td>
<td>3.1</td>
<td>3.6</td>
</tr>
<tr>
<td>GDP p.c. 2007</td>
<td>10,379,000</td>
<td>41,760,800</td>
<td>23,101,400</td>
<td>11,252,400</td>
<td>5,851,000</td>
<td>53,324,600</td>
<td>9,312,100</td>
</tr>
<tr>
<td>GDP p.c. 2012</td>
<td>15,245,500</td>
<td>43,931,700</td>
<td>24,454,000</td>
<td>12,876,500</td>
<td>7,314,000</td>
<td>57,134,100</td>
<td>10,860,700</td>
</tr>
<tr>
<td>GDP p.c. 2016</td>
<td>13,792,900</td>
<td>42,161,300</td>
<td>27,538,800</td>
<td>12,414,100</td>
<td>5,274,500</td>
<td>51,844,100</td>
<td>10,862,600</td>
</tr>
<tr>
<td>GDP p.c. 2012-2007</td>
<td>4,866,500</td>
<td>2,170,900</td>
<td>1,352,500</td>
<td>1,624,000</td>
<td>1,463,000</td>
<td>3,809,500</td>
<td>1,348,700</td>
</tr>
<tr>
<td>GDP p.c. 2016-2007</td>
<td>3,413,900</td>
<td>4,005,000</td>
<td>4,437,400</td>
<td>1,161,700</td>
<td>-5,765,000</td>
<td>-1,480,500</td>
<td>1,555,000</td>
</tr>
<tr>
<td>Unemployment rate in % of labor force 2007</td>
<td>7.1</td>
<td>8.7</td>
<td>3.2</td>
<td>9.6</td>
<td>22.3</td>
<td>6.1</td>
<td>8.7</td>
</tr>
<tr>
<td>Unemployment rate in % of labor force 2012</td>
<td>6.4</td>
<td>5.4</td>
<td>3.2</td>
<td>10.1</td>
<td>25.0</td>
<td>8.1</td>
<td>9.2</td>
</tr>
<tr>
<td>Percentage change in unemployment rate 2007-2012</td>
<td>-0.7</td>
<td>-3.3</td>
<td>0.0</td>
<td>0.5</td>
<td>2.7</td>
<td>2.0</td>
<td>0.5</td>
</tr>
<tr>
<td>Unemployment rate in % of labor force 2017</td>
<td>7.0</td>
<td>3.7</td>
<td>3.8</td>
<td>5.0</td>
<td>27.7</td>
<td>6.8</td>
<td>11.3</td>
</tr>
</tbody>
</table>


Figure 1 informs about the development of democracy in the seven countries since 1980. The two indicators of democratic quality are taken from the V-Dem data (Lindberg et al. 2014). The ‘electoral democracy index’ measures the existence of basic democratic rights, especially free and fair elections, and the ‘liberal democracy index’ additionally measures the degree to which individual liberty rights and the rule of law are guaranteed by the constitution and effectively protected in a country. The second index is more demanding and therefore the scores for this index are mostly somewhat lower.

**Figure 1: The Quality of Democracy in the seven Countries**

Chile

Germany

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3 The V-Dem data are accessible on the website of the V-Dem project (<https://www.v-dem.net/en/>), the best and most comprehensive collection of data on the historical development of democracy worldwide.
Sweden and Germany show the typical pattern of consolidated democracies. Both curves are flat with scores above .80 and very little difference between the two indices. The curves of the five new democracies show that these started out from rather low levels in 1980 and that – with the exception of Turkey – the quality of democracy steeply increased around 1990, beginning with Korea and ending with South Africa that achieved full democracy only in 1994. Chile’s democracy scores have meanwhile reached a level of .79 and caught up with the two established democracies. Korea’s, Poland’s and South Africa’s scores are somewhat lower with liberal democracy values between .60 and .70. Poland’s and South Africa’s scores have slightly declined since the mid-2010s, though. The great exception is Turkey that started to democratize in several small steps since 1983 and reached a high of .69 for electoral democracy and of .55 for liberal democracy in 2004. Afterwards, a steady and considerable decline of liberal democracy set in and the country is now back to the low level it had in 1980. Today, it has to be considered as an authoritarian system and no longer as democratic, even with respect to its level of electoral integrity.

Source: V-Dem Data, release 8.
The following six chapters focus on how these countries that had turned from autocracy to democracy in the late 1980s and the early 1990s have coped with the global economic crisis that started in 2008. How was this crisis perceived by national political elites and citizens? What impact did it have on political parties and party competition? And most important: Has the crisis undermined support for democracy and the quality of democratic processes?

Surveys of political attitudes both of elites and citizens are required to deal with these questions empirically. Our project can rely on two surveys of parliamentarians conducted in 2007 and 2013. The economic recession had started shortly after the first MP survey had been completed. This offered the opportunity to conduct a follow-up survey to study the effects of the economic crisis. To portray the attitudes of citizens we have assured access to the cross-section surveys conducted by the World Values Surveys project including both the fifth wave conducted around 2005/09 and the sixth wave which was in the field between 2010 and 2013. Table 2 provides information on the years of the surveys and the number of respondents.4

Table 2: Number of Respondents and Years in which the Surveys were conducted

<table>
<thead>
<tr>
<th>Country</th>
<th>MP Surveys</th>
<th>World Values Surveys</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TRI Survey</td>
<td>CMP Survey</td>
</tr>
<tr>
<td>N</td>
<td>N</td>
<td>N Year</td>
</tr>
<tr>
<td>Chile</td>
<td>99</td>
<td>105</td>
</tr>
<tr>
<td>Germany</td>
<td>101</td>
<td>112</td>
</tr>
<tr>
<td>Korea</td>
<td>100</td>
<td>105</td>
</tr>
<tr>
<td>Poland</td>
<td>99</td>
<td>150</td>
</tr>
<tr>
<td>South Africa</td>
<td>100</td>
<td>142</td>
</tr>
<tr>
<td>Sweden</td>
<td>101</td>
<td>107</td>
</tr>
<tr>
<td>Turkey</td>
<td>148</td>
<td>152</td>
</tr>
</tbody>
</table>

4 The WVS surveys usually have 1,000 respondents per country. The higher respondent numbers for South Africa are due to the complex ethnic composition of South African society with its many ethnic minorities. In Germany, the eastern and the western states are still distinguished in drawing the German sample of respondents. Between 1949 and 1990, the East German states and East Berlin formed the German Democratic Republic, a satellite state of Soviet Union with a fundamentally different political system which resulted in considerable differences in living conditions and political orientations. For the time being, acknowledging the persistent differences in value orientations and political preferences, the East German population is still overrepresented in the German sample to allow comparisons between the two regions.
The questionnaires of the MP surveys and the WVS citizen surveys are widely comparable in terms of the questions asked for each of the two time periods. However, questions related to an assessment of the economic situation are very limited. Thus, a direct analysis whether changes in political orientations were caused by the economic crisis is not possible. On the other hand, indicators measuring various aspects of support for democracy are available for both points in time. Thus, they shed light on the impact the economic crisis had on support for democracy.

Two of the chapters deal with these issues by looking at the seven countries in a comparative fashion. Four chapters study the impact of the economic crisis at the country level. The general theoretical expectations on which the project was based are described in the contributions by Hoffmann-Lange and Klingemann (both in this issue) that refer to Lipset’s seminal analysis of the relationship between economic development and the legitimacy of democracy (see also Hoffmann-Lange 2009). Klingemann also discusses the theoretical meaning of the indicators of political legitimacy and support for democracy included in the surveys (see also Fuchs and Klingemann 2019).

The contributions start out with Ursula Hoffmann-Lange’s comparative analysis of the economic crisis perceptions of the MPs in 2013. It shows that the MPs’ perceptions of the economic situation and of the impact of the recession on their country were primarily determined by the fact whether their party participated in the government or was in the opposition. The same is true – not surprisingly – for the evaluation of the performance of the national government in coping with the crisis. However, the political-ideological position on the left-right continuum also played a role in shaping their economic policy attitudes, e.g., the perception if the crisis had deepened economic inequality and their support of an economically interventionist state. Regardless of their party affiliation, their ideological position and their perceptions of the economic situation, however, support for democracy was universally very high among the MPs in all seven countries. With respect to confidence in political institutions and political parties, considerable differences between the MPs of governing and opposition parties can be observed.

Hans-Dieter Klingemann’s chapter deals with Germany and arrives at the conclusion that its established democratic regime has cushioned the impact of the recession. The data show little change in the wake of the economic recession. No decrease can be observed regarding the legitimacy of democracy, the evaluation of the democratic character of the German polity as well as confidence in the existing political institutions and political parties. The much lower levels of generalized confidence in political parties among the citizens – and even among the MPs of the Green and the Left party – are not worrisome since support for the preferred party is fairly high. It is also not surprising that voters of protest parties (the Left party, the NPD and the AfD) show much lower confidence levels. As the author remarks, the parties command enough general-
ized support in the populace to keep the government-opposition mechanism intact.

Looking at the other established democracy in our study, Sweden, Patrik Öhberg’s contribution is particularly relevant for the question how citizens react to economic crises. Comparing the reactions of Swedish citizens to the recession of 2008/9 to those during a previous recession in the early 1990s, the survey results for government support show dramatically different reactions. At both points in time, the country was governed by the same party-political coalition. While the government was unsuccessful in its attempts to overcome the economic crisis in the earlier recession and suffered from a loss in voter support, it was different in the recent recession. The Swedish government reacted swiftly and the crisis was overcome within a year. This was honored by the voters with a rise in government popularity. The data thus confirm that the electoral process works as it should. The citizens punished government ineptitude in fighting an economic downturn in the first recession and reelected an economically successful government in 2010.

In sharp contrast, the analysis for Poland by Radosław Markowski and Agnieszka Kwiatkowska shows that governments do not necessarily profit from good economic conditions. Poland was an exception in Europe because it was not affected at all by the economic crisis and had experienced a steady economic growth and a decline in unemployment after 1990. This had continued under the liberal-conservative government led by the PO (Civic Platform) that was in power from 2008 to 2015. Nonetheless, the PO government suffered a severe blow in the parliamentary elections of 2015 when the major opposition party PiS (Law and Justice Party) won a decisive victory on an electoral platform portraying Poland as a ‘country in ruins’. The authors conclude that support for democracy in Poland is output oriented rather than value-driven. Therefore, the PiS could capitalize on economic dissatisfaction in its quest for political power by promising higher welfare payments.

The article by Sang-Jin Han and Shim analyzes the political development of Korea from an authoritarian-bureaucratic state to a liberal democracy (see also Wong 2019). It shows that support for an authoritarian presidency is still fairly widespread among Korean citizens. Unlike the other contributions, the authors chose to use support for authoritarianism rather than support for democracy as their dependent variable. Their sophisticated path-analytical model confirms the central importance of a deep ideological cleavage between supporters of a strong bureaucratic-authoritarian state and supporters of the idea that the preferences of the citizens should guide government policies. Despite the fact that socio-economic inequality and precarious employment have increased in the last decade, the socio-economic cleavage plays an only minor role. The authors explain this with the existence of a deep ideological polarization that exists between the two major political parties that overshadows economic concerns.
Yılmaz Esmer and Bahar Ayça Okçuoğlu finally have contributed a comparative analysis of ideological and policy congruence between MPs and citizens. They test the assumption that a high degree of representation is related to the quality of democracy. Representation is measured as the degree of overlap in the attitudinal distributions for three different indicators: ideological position on the left-right dimension, economic policy issues and support for democracy. Their findings do not support the theoretical expectation. At the same time, parliaments as a whole (all MPs) are highly representative with respect to ideological position (left-right dimension) and economic policy preferences, while congruence at the level of individual parties (comparing party MPs to voters of that party) is considerably lower. Congruence is lowest for support for democracy which is considerably higher among MPs than among citizens.

The latter result is the only one consistently found for all seven countries and for all parties. It provides support for the theory of democratic elitism which emphasizes the central role of elites for democratic stability. This should not be dismissed as simply indicating that MPs routinely pay lip service by praising democratic institutions because their power derives from elections. Their nearly unanimous support for democratic elections as the only legitimate way of allocating political authority should be considered as sincere instead. However, this support is expressed at a rather general level that may conceal considerable differences between individual political leaders, parties and countries. The distinction between electoral and liberal democracy made by democratic theory indicates that the degree to which individual liberties and the rule of law are accepted in new democracies may vary considerably.

On the other hand, the MP-citizen differences found for this question point into the direction mentioned in the introductory chapter of this issue (Best and Hoffmann-Lange 2018). It was argued there that the division of labor between politicians and voters implies different preferences for dealing with political conflict. Professional politicians have an intimate knowledge of constitutional rules and have to constantly interact with their counter-parts in other political parties. This fosters the emergence of cooperative relations with competing elites and more tolerance of different points of view. For most citizens, politics is only of peripheral concern instead. They are less knowledgeable about the intricacies of the political business. Therefore, they are more prone to be wary of political disagreements, to reject other points of view as illegitimate and to prefer authoritarian solutions in dealing with political adversaries. The inevitability of such systematic elite-citizen differences underlines the importance of elite research as a complement to general population surveys for the study of democracy and of politics in general.
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