

How does globalization affect the public's trust in elections and perceptions of democracy?

Abstract:

How does globalization affect citizens' perceptions of democracy and political legitimacy? Current research suggests that there is a growing gap between those who benefit from globalization in contrast to those who are disadvantaged: the former express greater democratic satisfaction and political trust in comparison with the latter. However, whilst the existing scholarship focuses on country-level variables of globalization (e.g. net migration, trade, supranational institutions, the eurozone crisis), I show that it is vital to investigate individual-level variables such as citizens' perceptions of globalization, in addition to economic effects at the individual-level, in the context of Western Europe. The findings suggest that the individual-level processes deserve greater attention in explaining democratic satisfaction and political legitimacy: specifically, two different mechanisms are at play. First, those who hold negative perceptions of immigration and international institutions express less satisfaction with democracy and trust in politics. However, individuals who are negatively affected by economic globalization are motivated to express their discontent, hence boosting their political trust and democratic satisfaction. Therefore, extant analyses of globalization remain incomplete and even misleading without greater consideration of the individual level.

How does globalization affect citizens' perceptions of democracy and political legitimacy? The rise of new movements and political parties in Europe pose a threat to the "status quo" centrist politics, calling into question citizens' satisfaction with political processes. In particular, populist forces on the right are stronger than ever, in part due to perceived negative developments related to globalization (Arzheimer, 2009). On the other side, social unrest and populism on the left - such as the Occupy and Indignados movements - are another demonstration of growing dissatisfaction with existing political channels of expression. Therefore, it is vital to address citizens' perceptions of political legitimacy to analyze if current populist and extremist movements pose a serious threat to democratic stability. In this paper I argue that focusing on individual-level impacts of globalization is of crucial importance in assessing this question.

On the whole, support for democracy is stronger than ever (e.g. Norris, 2011; Fuchs et al., 1998). However, a gap has emerged between those who benefit from globalization, in comparison to those who are disadvantaged. Individuals who benefit from globalization have a better perception of how politics works for them and express greater satisfaction with democracy and other key components of political legitimacy. On the other hand, citizens exposed to the downsides of globalization feel as though the political system is biased against them. However, the existing research on these themes focus mainly on country-level impacts of globalization (such as net migration, trade, and the extent of the eurozone crisis), and measure the division between advantages/disadvantages of globalization by education level. This leads us to a second, more specific research question: are individual-level processes of globalization also influential on citizens' perceptions of democracy and political legitimacy?

I focus on three factors which more directly capture the effects of globalization on citizens at the individual-level and find that they are consistent predictors of satisfaction with democracy and trust in political institutions. First, individuals who perceive themselves as negatively affected by globalization

according to both immigration and the expansion of supranational institutions express less democratic satisfaction and less political trust. Second, individuals in offshorable occupations are more content with the way that democracy and political processes work for them. Surprisingly, however, amongst individuals in offshorable occupations, those who are “low-skilled” display greater democratic satisfaction and trust in the political system (compared to those who are “high-skilled”). In addition, the individual-level variables appear to be more consistent predictors of political trust than macro-level measurements of globalization. The results in this paper, therefore, both complement and expand the current scholarship on globalization and democracy by a) contributing to evidence that displays the impacts on citizens’ perceptions of political legitimacy, and b) demonstrating the significance of individual-level processes of globalization for democratic satisfaction.

Defining and operationalizing democratic satisfaction, political legitimacy, and globalization

I refer specifically to “diffuse” support for democracy i.e. how democracy works in an individual’s country, rather than broader, theoretical assessments of the pros and cons of democracy (Easton 1975). Satisfaction with democracy captures the extent to which the broader political system mirrors citizens’ normative expectations of a legitimate democratic society (Kuechler 1991). Globalization is linked to “the malfunctioning of representative democracy, especially by the deficiencies of the party system (Kriesi and Pappas, 2016: 2). Therefore, whilst citizens’ democratic satisfaction is distinct from “particular political authorities” such as major parties, political figures, and leaders, perceptions of democracy and political trust are still tightly connected (Thomas, 2016: 3).

Globalization can be defined according to three main elements: economic competition, cultural values, and the expansion of supranational political institutions (Kriesi et al., 2008, 2012). In analyzing

globalization's impact on citizens' satisfaction with democracy and political legitimacy, country-level explanations dominate current research. For example, Thomas (2016) operationalizes globalization by using measures which map neatly onto the three elements: the economic, social, and political indices from the KOF globalization index.¹ Specifically, these indices comprise macro-level variables such as trade in goods (% of GDP), migration (foreign-born residents as % of population), and the number of international organizations in which a country is a member. Similarly, Aarts et al. (2017) use a different index developed by Dreher (2006) which compiles economic measures of globalization such as trade, FDI, portfolio investments, and income payments to foreign nationals. In other studies of globalization's impact of national-level politics, many researchers focus on individual-level variables which also map onto the three main components e.g. attitudes towards immigrants, perceptions of the EU, and the offshorability status of one's occupation. Such variables are used to assess the impact on support for welfare provisions, populist party support, and left-right placement (e.g. Langsæther and Stubager, 2019; Walter, 2017; Rommel and Walter, 2018; Vasilopoulou and Talving, 2019). However, these individual-level measures of globalization are yet to be applied to the same degree in understanding their impacts on democratic satisfaction and political legitimacy.

Is globalization good or bad for democracy?

Some scholars argue that in general, globalization is outright bad for citizens' satisfaction with democracy. This is evident through several factors, such as a decline in trust in political institutions, dwindling voter turnouts, and decreasing support for freedom of speech (Foa and Mounk, 2016: 6-8; 2017a; 2017b). Overall, it is claimed that a decrease in citizens' support for democracy can be observed

¹ For conceptualization and operationalization of all globalization variables, see: <https://kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-globalisation-index.html>

since the mid-1990s, and this is more pronounced amongst younger cohorts (i.e. millennials and gen-Z) (Ibid.). The decrease in voter turnout is most evident amongst advanced industrial democracies: when comparing election turnout rates from 1970 to 2011, turnout decreased on average by 10% (Karp and Milazzo, 2016: 190). Globalization's negative impact on turnout is evident as voters feel more detached from political parties (Steiner, 2010; Gray and Kitilson, 2005).

Mechanisms linking globalization to negative effects on democratic satisfaction and political trust operate according to the three main dimensions of globalization. First, increasingly integrated webs of economic interdependence mean that governments, parties, and politicians are restricted in their ability to seriously alter and influence economic policy issues (Hellwig and Samuels, 2007; Karp and Milazzo, 2016). Furthermore, lending between international banks and financial institutions (such as that between the European Central Bank and Southern Europe prior to the eurozone crisis) creates a perception of greater precarity and volatility (White, 2010). Second, the expansion of supranational political institutions, namely the EU, also contributes to the loss of states' ability to solve political problems on their own. An interdependent web of relations with other countries leads to reduced transparency of systems of political accountability (Held et al., 1999; Rodrik, 2011). Finally, increasing migrant flows and the migrant "crisis" in 2015 similarly contributes to a sense of loss of control over the nation state's boundaries.

However, there are also reasons to believe that globalization exerts a positive effect on support for democracy and political institutions. Increased economic growth and multiculturalism leads to a promotion of liberal ideas because "people, goods, and services are more able to move freely around the world" (Vowles and Xezonakis, 2016: 8; Wolf, 2004; Rudra, 2005; Acemoglu and Robinson, 2006). Another line of thought instead argues that although citizens might be negatively affected by some aspects

of globalization, it can act as a positive force in motivating individuals to take their political participation more seriously. As a result, citizens feel more encouraged to vote, join demonstrations and other political movements, and pay closer attention to current affairs. For example, Fisher (2016: 134) argues that globalization “is less a source of democratic despair for voters but encourages citizens to use elections as a means to hold governments to account”. If citizens perceive that globalization might lead to economic decline, it is argued, then national government performance becomes even more salient than usual to citizens, prompting them to vote. Similarly, Karp and Milazzo (2016: 193) claim that an economic crisis - in particular the 2008 financial crisis and 2010 eurozone crisis - can “raise the stakes associated with the outcome of the election”.

Gaps in support for democracy and political trust

On further inspection, globalization exerts positive effects on democratic satisfaction for some citizens, but has negative impacts for others. A gap is therefore emerging between those who are advantaged by globalization compared to those who are disadvantaged, and it is widening over time (Aarts et al., 2017; Thomas, 2016). This research, however, focuses mostly on country-level variables, such as the KOF index, and the division between those who benefit (and those who do not) from globalization is measured according to education levels. Yet, “it is interesting that democratic support remains high, even in the aftermath of the World Financial and Euro crises”, suggesting it is important to more thoroughly probe individual-level explanations of globalization’s impact on democratic satisfaction and political trust (Ibid.: 230). Furthermore, whilst education levels certainly shape one’s satisfaction with the political system, it is necessary to assess variables which may more directly capture the “core processes of the globalization model” (Langsæther and Stubager 2019: 1216). For instance, in one study, Fuchs and Roller

(2019) consider the impact of an individual's attitudes towards immigration in shaping satisfaction with the political system, finding that more positive attitudes increase the likelihood that they are content. I follow this logic before moving onto two other variables which have been neglected.

H1: The more positively an individual views immigrants, the more likely they are to express greater satisfaction with democracy and trust in the country's political system.

In addition, it is key to more directly assess the mechanism regarding the perceived "loss of political transparency" due to the increased expansion and integration of supranational institutions. For example, contrasted to the KOF's measure of the presence of international institutions, an individual's actual opinions toward those institutions better demonstrates the process of the perceived transparency. Therefore:

H2: The more positively an individual views supranational institutions, the more likely they are to express greater satisfaction with democracy and trust in the country's political system.

Finally, in order to assess the impact of economic globalization, a citizen's "offshorability" status much more directly captures individual-level effects, compared to country-level measures such as trade in goods and services. Individuals who work in export-oriented firms (and hence have a high degree of offshorability) are more likely to benefit from globalization due to the potential for success in a growing global market (Kriesi et al. 2008, 2012). Hence, offshorable workers have a greater probability of placing trust in a country's political institutions, since the globalization "status-quo" benefits their individual economic position in the labor market.

H3: Individuals in offshorable occupations are more likely to express greater satisfaction with democracy and trust in the country's political system.

However, there is a key difference amongst employees in export-oriented firms. In particular, Walter (2017) argues that the degree of offshorability, in conjunction with one's skill-level, is crucial in understanding how individuals perceive their labor market risk. If the employee is in a high-skilled occupation (where skill level is measured by years of education), they can "sell their skills to a wider net of customers worldwide" (Rommel and Walter 2018: 625). In this case, a high degree of offshorbaility works in the high-skilled individual's favor, and is likely to increase their wages (Hummels et al. 2014). In contrast, occupations that are considered "low-skilled", which are also highly offshorable, can be shifted elsewhere in the world to be performed at a cheaper rate. Consequently, individuals in these positions have less job security, and encounter increasingly depressed wages (Ibid.). As a result, "low-skilled" employees in offshorable occupations are more likely to be disenchanted with the political system that further promotes economic globalization.

H4: Amongst individuals in offshorable occupations, those who are higher-skilled express greater democratic satisfaction and trust in the country's political system.

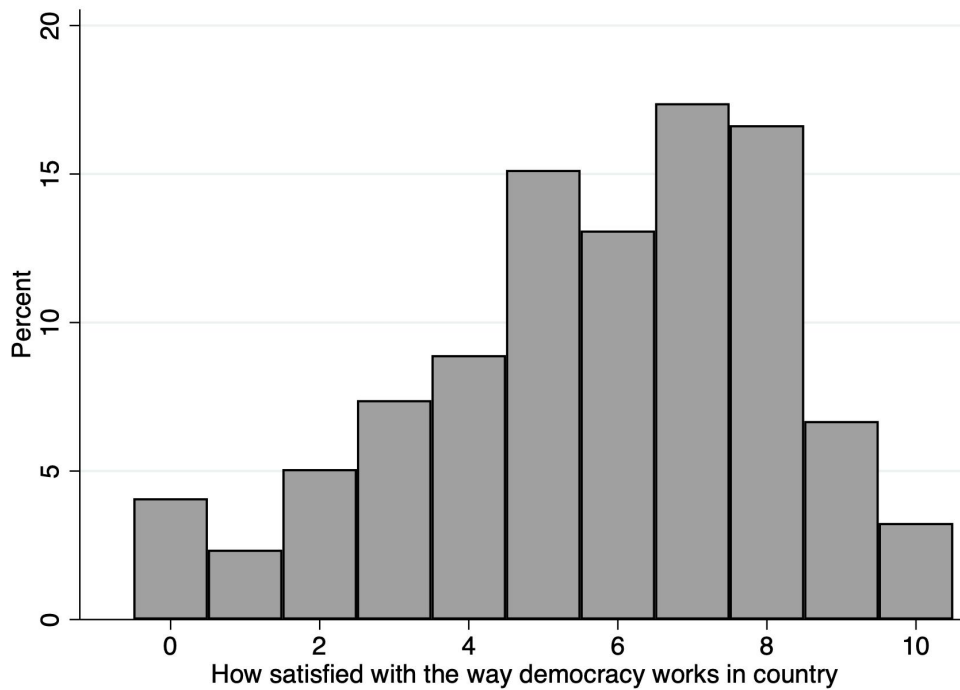


Figure 1. Histogram of respondents in 16 Western European countries, 2012 to 2018, who selected on a scale of 1 - 10 “how satisfied are you with the way that democracy works in your country?” European Social Survey data, N = 109,168.

Methods, data, measurement

As figure 1 suggests, I use data from the European Social Survey’s (ESS) four most recent complete waves (2012 to 2018) across 16 countries in Western Europe to assess the impacts of globalization in the past decade. The ESS contains several relevant variables that capture citizens’ perceptions of globalization, as well as their specific occupational role, in contrast to other studies which focus on variables at the country-level (e.g. objective measures of net immigration; impact of eurozone crisis, etc). In particular, there are four dependent variables that directly measure democratic satisfaction and trust in the political system, all of which are on a 11-pt. scale ranging from “not at all satisfied/no trust” to “completely satisfied/complete trust”. The first variable asks respondents “to what extent are you satisfied with the way that democracy works for you in your country?”. The other three variables ask “to what extent do you

trust [political parties/politicians/the parliament] in your country?”. This study uses the four most recent waves (2012 to 2018) of the ESS in order to capture effects of perceptions of globalization on democratic satisfaction and political legitimacy post-eurozone crisis.

I also use three independent variables to assess each dimension of globalization. For H1 and H2, I use two variables (also on a 11-pt. scale) which ask, first, “how much do you think immigration culturally destroys or enriches a country’s cultural life” ranging from “destroys” (0) to “enriches” (10). Second, “to what extent do you think that European unification should go further?” ranging from “unification has already gone too far” (0) to “should go further” (10). These two questions, therefore, capture how negatively or positively one feels towards immigration and supranational institutions. Finally, I also code respondents’ offshorability status, adapted from Blinder (2009), originally listed on a 0 to 100 scale. I code this as a binary variable, simply: an individual is in an offshorable job (1), or an individual is **not** in an offshorable job (0) (adapted from Walter 2017; Rommel and Walter 2018). To analyze the impact of economic globalization amongst different skill-levels in offshorable occupations, I include education (measured in years of formal education) as an interaction term.

I run four multilevel OLS regression models, one for each dependent variable, including fixed-time effects and a commonly adopted set of control variables (see appendix). In addition, I also include country-level measures of globalization: the KOF economic index, social index, and political index. These provide a direct comparison to the individual-level economic, cultural, and political measures of globalization. For robustness checks, I first run the same OLS regression models minus the country-level effects (the KOF indices), and second, I recode the dependent variables into binary variables and run four multilevel logit models, also outlined in the appendix.

Results

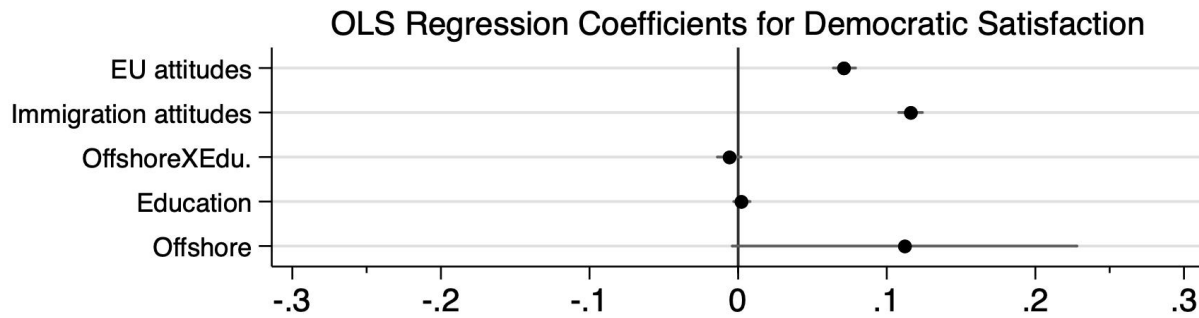


Figure 2. Predictors of individual-level globalization variables for democratic satisfaction. ESS data 2012 - 2018; linear regression; regression coefficients with 95% confidence intervals.

The results show that individual-level effects of globalization are indeed significant predictors of citizens' satisfaction with democracy and the political system. First, the positive coefficients for immigration attitudes and EU attitudes trend in the prediction direction (H1 and H2) across all four models: the more positive an individual's attitudes towards immigration and supranational institutions, the more likely they are to express satisfaction with democracy and trust in political parties, politicians, and parliament. The results for H3 and H4 are more mixed: the coefficients also all trend in the predicted direction, therefore, individuals in offshorable, export-oriented professions express greater satisfaction with democracy and political trust. Yet, the negative interaction terms (offshore X education) indicate that, entirely contradictory to H4, those in offshorable occupations are less likely to express satisfaction/trust as their skill-set (or years of education) increases. Essentially, amongst those in offshorable occupations, lower-skilled individuals are actually more likely to be satisfied with democracy and trust political institutions. Although the interaction terms for democratic satisfaction and trust in parliament are not statistically significant, the coefficients for trust in political parties and politicians are

positive and statistically significant. Robustness checks also display similar findings (see tables A2 and A3 in appendix).

	(1)	(2)	(3)	(4)
	Democratic satisfaction	Trust in political parties	Trust in politicians	Trust in parliament
Offshore	.112*	.154***	.19***	.115*
	(.059)	(.059)	(.06)	(.063)
Education (years)	.003	.006**	.014***	.03***
	(.003)	(.003)	(.003)	(.003)
Offshore X Education	-.006	-.011***	-.012***	-.003
	(.004)	(.004)	(.004)	(.004)
Immigration attitudes	.116***	.091***	.102***	.136***
	(.004)	(.004)	(.004)	(.004)
EU attitudes	.071***	.102***	.107***	.106***
	(.004)	(.004)	(.004)	(.004)
KOF Economic Index	.004	.032	.027	-.014
	(.018)	(.024)	(.022)	(.017)
KOF Social Index	.094***	.113***	.11***	.115***
	(.032)	(.042)	(.038)	(.031)
KOF Political Index	.001	-.002	-.004	.023**
	(.011)	(.014)	(.013)	(.01)
Observations	43080	43088	43210	43026

Standard errors are in parentheses

*** $p < .01$, ** $p < .05$, * $p < .1$

Table 1. Multilevel OLS regression results for DVs democratic satisfaction, trust in parties, trust in politicians, and trust in parliament. 16 countries; ESS 2012 - 2018; full results including control variables and robustness checks in appendix (tables A2 and A3).

Discussion and conclusions

The results presented here show a couple of major implications. First, the mechanisms linking globalization and citizens' views of democracy and political trust appear to differ according to different elements of globalization. For example, for both immigration and supranational attitudes, the more negative an individual's perspectives are, the more likely that they express greater political discontent. Hence, according to these two dimensions of globalization, the "globalization is bad for democratic satisfaction" argument applies. However, the results for the economic competition dimension work in the opposite way: contrary to expectations, those who are more negatively affected by offshoring express greater satisfaction with democracy, and more political trust. Therefore, it may be that the mechanism presented by Fisher (2016) applies to the economic effects of globalization. Whilst Fisher finds that negative economic impacts can prompt citizens to vote and politically participate, the results in this paper also show that these same individuals experience a positive boost in their views towards political legitimacy: essentially, they think that the political system can genuinely be a vehicle for change.

Second, of the three macro measures of globalization included, only one is consistently statistically significant across all four measures of political legitimacy: the social dimension of immigration and EU attitudes. On the other hand, all three measures of globalization at the individual-level are consistently statistically significant (with the exception of offshorability for democratic satisfaction and trust in parliament). Therefore, alongside large-scale events such as the eurozone crisis, trade, and the migrant "crisis", individual-level measures of globalization have just as big of an impact of citizen's trust in democracy and the political system.

In conclusion, the evidence in this research note suggests that individual-level processes of globalization have a significant impact on democratic satisfaction and trust in political institutions. Future

research could assess in greater detail how the mechanisms vary from one dimension to another, and measure other ways of conceptualizing globalization processes at the individual-level to better understand citizens' trust in democracy and perceptions of political legitimacy.

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