What Is and What May Never Be: Economic Voting in Developing Democracies*

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Objective. We propose and test a theory that media freedom determines the extent of economic voting in developing democracies. Methods. Building on extant work that suggests economic voting takes place in developing democracies much like it does in established democracies (Lewis-Beck and Stegmaier, 2008), we test our theory using a new collection of aggregate data from elections in 22 developing democracies in Africa Results. Media freedom rather than political freedom may be a bigger determinant of economic voting in developing democracies. Moreover, the threshold of political development needed for economic voting is lower than previously suggested by the literature. Conclusion. Economic voting is alive and well in developing democracies—even those with relatively low levels of economic and political development.

In this article, we examine economic voting in countries that are developing both economically and politically. It is beyond dispute to say that economic voting has been widely studied in the advanced industrial democracies with highly developed economic and political systems. In such settings, scholars have consistently found support for the basic economic voting theory that voters reward or punish the government based on economic performance and much of the discussion has been refocused on questions about why economic voting is stronger in some elections than in others (Anderson, 2007). The literature on countries outside of those traditionally studied is still quite small but growing (Lewis-Beck and Stegmaier, 2008). We build on this growing literature by theorizing about the unique nature of countries that are developing both economically and politically and, in particular, the role of media freedom in determining whether or not there will be a relationship between economic performance and election outcomes. We then provide a test of the hypotheses implied by our theory and find that in these settings, when there is some semblance of media freedom, there is significant evidence of voters behaving in much the same way as their counterparts in more developed settings.

Extending the study of economic voting to countries that are developing both economically and politically raises several questions. An obvious first question is whether or not economic voting can occur in such settings and, if so, when economic voting starts. Is it with the second election after the transition to democracy, or is there a more gradual learning process involved? To answer these questions, we argue that one needs to think about the informational processes at work. In particular, we need to ask how free do the media in a nation need to be for economic voting to occur? Building on recent work on

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media freedom and regime types, we ask the additional question of how free and fair do political processes need to be in order for economic voting to take place? In the extant literature, researchers have mostly assumed that there is a relatively high threshold in terms of political regimes and that economic voting cannot take place below that level. We make an argument that this threshold may be considerably lower than previously thought and that a stronger determinant of whether or not there will be economic voting is the level of media freedom.

At first glance, there are plenty of reasons to doubt that economic voting will take place in polities that are still developing both economically and politically. Lower levels of development certainly create hurdles for both theoretical and empirical endeavors. But we argue that these distinctions from traditionally studied countries make room for interesting and meaningful extensions of our understanding of how economic voting in particular, and democratic processes more generally, work. On the other hand, given that democracy is often seen as a path toward economic prosperity, we might expect economic voting to be particularly strong in developing settings.

Most studies of economic voting have focused on highly developed, advanced democracies. This literature has produced explanations for economic voting under different conditions of governing and economic fluctuations. However, we know much less about the development of economic voting itself, both temporally and conditionally. By extending the study of economic voting to developing settings, we are able to understand what factors determine the limits at which economic voting can take place.

In the sections that follow, we begin by discussing some of the existing scholarly work on the economic vote in developing settings. We then present a modified theory of economic voting that can be applied to developing democracies, with particular attention to the unique political challenges these countries face. After introducing our data set, we proceed to estimate a series of models providing a basic test of our theory. We then conclude with a discussion of the results and provide some ideas for future research along these lines.

The Economic Vote in Developing Settings

Evidence of economic voting is, in an important sense, evidence that democratic politics are functioning the way they are supposed to function (for recent reviews of this extensive literature, see Lewis-Beck and Stegmaier, 2013; Duch and Stevenson, 2008; Hibbs, 2006). It is strongly suggestive that citizens are paying attention to outcomes that they care about and then, based on the degree to which those outcomes live up to their expectations, rewarding or punishing incumbent politicians accordingly. In established democracies (e.g., OECD nations), it is generally assumed that citizens have easy access to the information that they need to make such evaluations and that they are an embedded part of the political landscape.

But what about settings that are less developed or transitional? Lewis-Beck and Stegmaier (2008) provide the most comprehensive review of the literature on economic voting in transitional settings to date. They find that across a wide range of countries there has been ample evidence of the basic economic voting relationship. They point out that this relationship has been found in studies that use both individual- and aggregate-level data and highlight some examples of each type of study.

While we agree wholeheartedly with Lewis-Beck and Stegmaier’s characterization of economic voting studies, we have noticed some fundamental differences between the samples of cases included in individual-level studies versus those included in aggregate-level studies. While individual-level studies have tended to cast very broad nets in terms of just
how developing the cases studied are, aggregate-level studies have been more conservative. Given the recent critiques of individual-level studies of economic voting, this calls into question our basic knowledge of the limits in terms of contexts under which economic voting takes place.

Gélineau (2013) provides the most comprehensive study to date of the basic question of whether or not there is evidence of economic voting in developing/transitional settings. For his study, he assembled data from 290 different national samples collected in the developing world. Following the research strategy developed by Duch and Stevenson (2006), Gélineau used these survey data to measure the relationship between economic assessments and vote intention and/or approval. His figures showing the estimated magnitude of the economic vote in these settings look remarkably similar to the figures of Duch and Stevenson (2006) that were estimated using samples from the developed world. He found no statistically discernible difference in the strength of the economic voting relationship when he divided his cases into geopolitical regions of the world.

While the results obtained by Gélineau (2013) and other scholars studying economic voting using survey evidence are encouraging, they are prone to an attack that has been made on the study of survey-based economic voting in recent years. Geoffrey Evans and Mark Pickup (Evans and Pickup, 2010; Pickup and Evans, 2013) have proposed a plausible rival interpretation of individual-level evidence of economic voting. The basic logic of this critique is that, if respondents who support the current government politicians tend to make more positive assessments of their national economy while supporters of opposition politicians will tend to make more negative assessments of the national economy, the observed evidence of individual-level economic voting might be somewhat or even entirely an artifact of these assessment differences. While there have been robust counterarguments and evidence against this attack (e.g., Lewis-Beck, Martini, and Kiewiet, 2013), the potential for endogeneity and the challenge it poses to individual-level economic voting remains a substantial concern. Aggregate-level models are not prone to this critique.

In the most noteworthy (cross-regional) aggregate studies of economic voting in developing nations, the focus has been somewhat distinct from our own. The sample employed in Pacek and Radcliff (1995) was predominantly made up of the more developed but transitional countries. This was partly due to the timing of this study just after the many transitions in Sub-Saharan Africa during the early 1990s. Hellwig and Samuels (2007) take a much more comprehensive approach by including what they call open democracies (all democracies \([\text{using Polity } \geq 6] \) from 1978 to 2002). Their goal was to further elaborate on the political context hypothesis developed by Powell and Whitten (1993) (see also Samuels, 2004) by considering differences in governing systems across a wide range of democracies, including some that are developing. Despite the comprehensive nature of their study, Hellwig and Samuels (2007) do not appear to have explored developing democracies that were nearing the threshold of consolidation. The three remaining cross-national aggregate studies (Remmer, 1991; Benton, 2005; Lewis-Beck and Ratto, 2013) all focused solely on Latin America, which includes mostly consolidated democracies with moderately developed economies.

**Developing a More Inclusive Theory of Economic Voting**

To the extent that there is a standard cross-national model of economic voting at the aggregate level in national elections, we can write it as:

$$\text{Vote}_{it} = f(\text{Vote}_{i(t-1)} + \text{Economy}_{it} \times \text{Clarity}_{it}),$$

(1)
where the percentage of votes for the incumbent politicians \(Vote_{it}\) is a function of the percentage of votes that they received in the previous election \(Vote_{i,t-1}\) and the interaction between measures of the economy \(Economy_{it}\) and clarity of responsibility \(Clarity_{it}\).\(^1\)

As we outlined above, to date aggregate-level models of economic voting have been estimated mainly on collections of data from elections in established democracies with developed economies. Figure 1 presents a visual depiction of where economic voting has typically been studied in terms of clarity of responsibility and freedom of elections. Our main theoretical expectation is that if we expand the set of cases to be studied, we will see economic voting taking place in more transitional cases, represented as the lower portion of the rectangle formed by the dashed line in this figure. Where the lower bound of this rectangle is located is an important empirical and normative question since, at a basic level, evidence of economic voting is evidence that democracy is working along an important representative dimension. If we expand this model to include elections in regimes that are classified as “transitional,” a fairly broad range of additional theoretical considerations

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\(^1\)The concept of clarity of responsibility to economic voting was introduced by Powell and Whitten (1993). Silva and Whitten (2017) summarize their contribution as “Powell and Whitten posited that the influence of the economy on voting behavior would be strongest when the combination of institutional arrangements and the parties holding power across powerful institutions is such that it is clear in the minds of voters who is responsible for recent economic performances.”
need to be taken into account. Specifically, we need to rethink the specification of both the economic and clarity of responsibility components, and we need to include a set of variables that reflect the broader range of conditions under which elections take place in terms of level of democracy and media freedom.

In terms of the economic variables, the “big three” variables in studies of economic voting in developed settings have been measures of economic growth, inflation, and unemployment. While including measures of economic growth and inflation makes sense in most developing settings, unemployment is somewhat problematic. To begin with, in many less developed economies, large segments of the population are irregularly employed (Bratton, 2006). As a result of this, the question of whether or not an individual person is employed or unemployed varies from day to day. For this reason, many developing nations are unable to keep track of official employment and unemployment trends with any degree of consistency or reliability.

In recent years there have been a variety of different efforts to measure clarity of responsibility. The original measure, proposed by Powell and Whitten (1993), was a collection of measures that reflected the power of different institutions and the degree to which the government controlled them. The basic logic of this variable was that, if a particular institution was both powerful and not controlled by the government, responsibility would be less clear and economic voting relationships less strong. Powell and Whitten’s original coding was made up of five such measures (each phrased in terms of how it might make responsibility less clear): minority status in the lower house of the legislature, bicameral opposition, opposition chairs of legislative committees, weak party cohesion, and the number of government parties. They then used various combinations of these variables to break their data into subsets of more and less clear responsibility. In the legion of papers that have followed, a variety of different coding schemes for clarity have been employed, but all of these measures have generally examined these same basic concepts.

Before proceeding, we must be clear about the types of cases we are theorizing on in this study. Democracies in the modern era can come in many flavors, and the language used to describe them in the literature is anything but consistent. We sympathize with this problem as there are many potential classifications. We are most concerned with those democracies that have been deemed either developing or transitional, with an emphasis on countries that are generally classified developing both democratically and economically with many of those having fairly recent transitions to the basic trappings of democracy. This immediately excludes most of the cases that have typically been studied in the economic voting literature. As such, moving forward we will use the terms developing and transitional to refer to these types of cases.

If we expand this model to include elections in regimes that are classified as transitional, additional theoretical considerations need to be taken into account. First, we need to think about the informational processes that have been theorized to drive economic voting. In the types of cases that have been most frequently analyzed in studies of economic voting, politically free media outlets provide a steady stream of both economic and political information to potential economic voters. For this reason, studies in these settings mostly assume that voters will know about the state of the economy. And, depending on the level of clarity of responsibility, voters will also know who has controlled the commanding heights of politics. Thus, it is quite straightforward to theorize that in these developed settings, if responsibility for governing is clear, voters will be expected to weigh the economy as one of

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2For example, over two-thirds of the World Bank’s measure of unemployment is missing for the cases in our present study.
the most important factors in their calculation of how to cast their ballots. In developing settings, however, we argue that media freedom will play an important intervening role. Media freedom leads to news coverage of the economy, which shapes individual assessments of government performance.

Another important question is how free and fair do the democratic processes of the nation need to be for economic voting to occur? It is worth noting that media freedom has often been conflated with political freedom. There are important theoretical arguments about why autocratic regimes might allow free media (e.g., Egorov, Guriev, and Sonin, 2009) and the consequences thereof (e.g., Whitten-Woodring, 2009). It is thus not surprising to find that, while measures of these two concepts are generally correlated, the relationship is not perfect. Therefore, our question about how free and fair a nation’s political processes must be for economic voting to take place is theoretically separable from our question about media freedom. To date, most studies of economic voting have assumed, either explicitly or implicitly, that, in terms of regime type, there is a fairly high threshold below which economic voting is not possible. The equation implied by these considerations is:

\[
\text{Vote}_{it} = f(\text{Vote}_{it-1} + \text{Economy}_{it} \times \text{Clarity}_{it} \times \text{Level of democracy}_{it}).
\]  

(2)

But, instead of estimating Equation (2), researchers have subset their data and excluded cases below a threshold value for level of democracy. As such, many cases in the developing world have been left out of studies of economic voting because of assumptions about the freeness and fairness of elections. This is a valid concern, but it should be tested rather than assumed and imposed. In this article, we relax and test this commonly made assumption about thresholds in the quality of democratic activity and economic voting. In addition, to test our theory about the role of media freedom in shaping elections, we propose the following model specification:

\[
\text{Vote}_{it} = f(\text{Vote}_{it-1} + \text{Economy}_{it} \times \text{Clarity}_{it} \times \text{Media freedom}_{it}).
\]  

(3)

Research Design

In order to test the theoretical propositions discussed in the previous section, we wanted to collect data from a set of otherwise fairly homogenous cases located on the middle and upper-middle right-hand side of Figure 1. African nations below the Sahara provide an excellent sample along these lines, and we collected data for those African countries with available data that are both fully transitioned and transitioning. This is a very homogenous set of cases in terms of traditionally defined clarity of responsibility (all high), but with substantial variation on other concepts that are of theoretical interest. Analyzing this set of cases thus reduces Equations (2) and (3) to:

\[
\text{Vote}_{it} = f(\text{Vote}_{it-1} + \text{Economy}_{it} \times \text{Level of democracy}_{it}).
\]  

(4)

And

\[
\text{Vote}_{it} = f(\text{Vote}_{it-1} + \text{Economy}_{it} \times \text{Media freedom}_{it}).
\]  

(5)
Economic Voting in Developing Democracies

We have collected data from 99 elections in 23 developing democracies with a temporal range of 1966–2012. We show our full range of countries and elections in Figure 2. Our dependent variable is vote share for the party of the incumbent chief executive as a percentage of total votes. We used the African Elections Database (Nunley, 2012) as our source for vote shares. To date, the study of economic voting in Africa has been mostly limited to the individual level (Posner and Simon, 2002; Youde, 2005; Bratton, Bhavnani, and Chen, 2012). Pacek and Radcliff (1995) and Hellwig and Samuels (2007) are notable exceptions as their studies included the most consolidated African democracies (at the time) in a broader context.

As discussed above, our economic variables are growth and inflation. For these, we obtained the World Bank’s yearly growth in GDP measure and the GDP deflator (annual percentage) measure that accounts for the rate of price change. Although there

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3Our use of a lagged dependent variable to model the change in support for the chief executive and data availability issues reduce our sample 76 cases.
4We also include the full list of countries and elections in Table A1.
5Our choice to ignore the vote shares for junior coalition partners is based on evidence (e.g., Duch and Stevenson, 2008) that economic voting is most strongly for or against the party of the chief executive.
6The African Elections Database is designed to archive data on all national elections across Sub-Saharan Africa (http://africanelections.tripod.com).
7All of the data from the World Bank were downloaded from the data portal located at (http://data.worldbank.org).
are a variety of measures of level of democracy, the most widely employed measure is provided by the Polity IV project’s (Marshall Gurr, and Jaggers, 2014) combined scale of autocracies and democracies.\(^8\) Finally, we include a measure of media freedom taken from a data set created by Whitten-Woodring and Van Belle (2014) that comprehensively codes countries as being “not free,” “imperfectly free,” or “free” with respect to media freedom.\(^9\) In Table 1, we present our list of independent variables, expected relationships, and codings.

## Results

In Table 2, we present the results from three regression models estimated with the data described in the previous section. The first model is a base model, specified according to Equation (1) but with clarity of responsibility omitted. In this model, we can see that there is substantial evidence of economic voting. Growth is statistically significant and in the expected positive direction. Inflation is negative, as expected, and statistically significant at the 0.05 level for a directional hypothesis.

In the second column of results in Table 2, we present the results from our estimation of Equation (4) in which we interact our economic variables with a dummy variable for more democratic cases. This interactive specification tests the assumption that has typically been made that economic voting requires a fairly high threshold of democratization. The results of this analysis are somewhat surprising. From the parameter estimates presented in Table 2, we can easily reject the hypothesis that the effect of both growth and inflation

\(^8\)We follow the lead of Hellwig and Samuels (2007) and code cases as “more democratic” if Polity is greater than 6.
\(^9\)These data closely match with the Freedom House coding of “free,” “partly free,” and “not free,” though the new data set provides much broader coverage across countries and over time (Whitten-Woodring and Van Belle, 2014). For our purposes, we collapse media freedom into a dummy variable identifying all cases in which media were classified as either “free” or “partly free.”
In Table 2, we present the results from our estimation of Equation (5) in which we interact our economic variables with a dummy variable identifying cases where the media were not free. As discussed above, our expectation is different across the two sets of cases defined by the typical threshold.\(^{10}\) In order to better see the estimated marginal effects, we plotted them for each group of cases in Figure 3. On the left side of this figure, we plot the estimated 90 percent confidence interval for the effects of growth on incumbent vote across cases classified as less democratic and those classified as more democratic. On the right side of this figure, we plot the estimated 90 percent confidence interval for the effects of inflation. As mentioned previously, we cannot reject the null hypothesis that the effects for the two groups of cases are the same. This is apparent because, on both sides of Figure 3, we can see that the estimated confidence intervals overlap with each other. We can also see that, counter to expectations, in the cases where elections are less democratic, the effects of both growth and inflation are statistically significant. In contrast, the results for the cases above the usual democracy thresholds are less strong and fall short of conventional standards for statistical significance for the effects of inflation. In summary, the results from Equation (4) challenge conventional wisdom about the high thresholds of democratization necessary for the existence of economic voting. At a minimum, as we move forward, these thresholds need to be tested rather than assumed and imposed.

In the third column of results in Table 2, we present the results from our estimation of Equation (5) in which we interact our economic variables with a dummy variable identifying cases where the media were not free. As discussed above, our expectation

\(^{10}\)This is the case because the parameter estimates on the variables “More democratic \(\times\) Growth in GDP” and “More democratic \(\times\) Inflation” are far from statistical significance.
is that some level of media freedom is a necessary condition for economic voting to occur. The results of our estimation of Equation (5) generally support this theoretical proposition. Although we cannot reject the null hypothesis that the effects of growth and inflation are the same across elections with and without media freedom, we can see that estimated effects are substantially different in the plots presented in Figure 4. In cases with media that are classified as “free” or “imperfectly free,” the effects of growth and inflation are statistically significant in the expected direction. In contrast, the effects of growth and inflation for cases where the media are not free are statistically indistinguishable from zero.

Together these results indicate that media freedom is a bigger determinant of whether or not there is economic voting than political freedom. On the one hand, this makes sense in that voters need access to basic information about the economy in order to make economic voting assessments. On the other hand, there must be a threshold of political freedom below which economic voting cannot occur. What these results indicate is that this threshold is lower than previous studies have assumed and is, at least partially, determined by media freedom.

This is the case because the parameter estimates on the variables “Media not free × Growth in GDP” and “Media not free × Inflation” are far from statistical significance.
Conclusion and Future Directions

Taken collectively, our results suggest that economic voting is alive and well in the developing countries we examine in this study. Our more nuanced analyses tell a story about how economic voting begins to manifest itself in new democracies. There have long been assumptions about the motivations of voters in new and developing democracies, and many of them have been related to something other than the economy. This is especially the case for the African countries in our study (Bratton, Bhavnani, and Chen, 2012). We have not set out to reject other relationships for voting that may or may not be unique to developing countries. Rather, we have provided further evidence of the seemingly ubiquitous nature of economic voting across levels of economic and political development.

Our findings thus agree with those of previous studies with respect to the basic reward and punishment model applying beyond the traditionally studied OECD cases. We also progress somewhat by moving beyond fully established democracies into those countries with very low levels of economic development and less than free political arenas. Despite these distinctions, economic voting remains. We find support for our theory that media freedom and the control of information is an important consideration for the study of economic voting outside of the advanced democracies.

The role of media freedom in determining economic voting in these developing settings merits further investigation. When we think about media shaping individual-level economic voting, we are usually thinking about sociotropic economic voting since voters do not need media to make pocketbook political economy assessments. Analyses to test this proposition, though, would require individual-level data.
In future work, we will extend our study to include more developing democracies. Adding more cases will allow us to consider additional interactive effects with variables that are unique to the types of cases we examine in this article. We also plan to develop additional thresholds for democratic development to further push the boundaries of studying economic voting in developing settings. Moving forward, we will build on our two most interesting findings of the existence of economic voting in less than consolidated democracies and the role played by media freedom.

Appendix

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<thead>
<tr>
<th>Country</th>
<th>Included Elections</th>
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<tbody>
<tr>
<td>Comoros</td>
<td>2006, 2010</td>
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<tr>
<td>Liberia</td>
<td>2005, 2011</td>
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<tr>
<td>Senegal</td>
<td>2000, 2007 2012</td>
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Source: African Elections Database.

REFERENCES


