"The Political Effects of Inequality in Latin America: Some Inconvenient Facts"

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Referring to the extreme economic and racial inequalities that have characterized his country since the colonial era, Fernando Henrique Cardoso has famously said that Brazil is no longer an underdeveloped country, but an unjust one. Surveys of mass publics throughout Latin America indicate that overwhelming majorities hold similar views about their own societies. All but small percentages in each country agree that the current distribution of income is "unfair" or "very unfair." (Latinobarómetro 2001)[1] There is also some evidence that inequality retards economic growth (eg., Birdsall, Graham, and Sabot 1998; Rodrik 1999). But even if that were *not* the case, we should still care a great deal about the inherent injustice of societies with such high concentrations of wealth and income.

The purpose of this paper, however, is to raise questions about the *political consequences* of inequality – in particular, its effects on popular protest and democratic stability. Since Aristotle, a high concentration of wealth is widely thought to lead to intensified class conflict and to prompt elite efforts to block transitions from authoritarian rule or to overthrow existing democracies. This argument has been advanced more formally in the contemporary political-economy literature as well. In recent years, the case for the negative political effects of inequality has been advanced most boldly in books by Carles Boix (2003) and by Acemoglu and Robinson (2006).

Following Meltzer and Richard (1981), Boix's basic model holds that the median voter can be expected to vote to redistribute by increasing taxes on wealth-holders and transfers to lower-income groups. In highly unequal societies, this implies that the chances for democracy are slim. Because the median voter is poor, redistributive

[1] Do you think that the distribution of income is very fair, fair, unfair, or very unfair?

pressures are severe, and wealth-holders are likely to opt to repress these demands through authoritarian rule.

Acemoglu and Robinson (hereafter A&R) posit a more complex, inverted U-shape relation between inequality and democracy. They argue that as inequality increases from a low to moderate level, poorer classes are more likely to press for redistribution and also for democratic institutions that would allow them to sustain such pressures in the future. However, high and persistent levels of inequality – such as exists in most Latin American countries – are negatively related to democracy. Elites face redistributive demands that are more costly to address, and have stronger incentives to turn to repression.[2]

Such theories obviously would not auger well for the prospects of democracy in Latin America, a region with one of the most extreme concentrations of income in the world (see also Karl 2000). Most of the "third wave" transitions in the region during the 1980s and early 1990s occurred during a period of high and increasing inequality. The coincidence of increasing inequality and democratic protest was arguably consistent with the model elaborated by A&R. But contrary to expectations in both A&R and Boix, democracies have survived despite the persistence of very high inequality throughout the 1990s and most of the 2000s. At least in recent decades, then, wide gaps between the rich and poor do not appear to have posed an insuperable barrier to democratic stability as conventionally defined.

Table 1 provides some details. In Costa Rica and Uruguay, two of the most democratic countries in the region, gini indexes were in the low or mid-40s – good for

[2] Both Boix and Acemoglu and Robinson argue further that asset specificity exacerbates these effects, a point we will take up toward the end of the paper.

Latin America, but well above coefficients for many East Asian and Eastern European countries. In Chile – another democratic success story – the gini in the early 2000s was about 56 (one of the highest in the region), and had actually increased slightly under the democratic governments of the 1990s. Cross-national patterns also quite mixed in other countries as well. The gini index was relatively low in two widely discussed backsliders -- Chávez's Venezuela and Fujimori's Peru. Conversely, democracy in Argentina has survived despite a steep increase in the gini measure, and although inequality in Brazil has fallen since the mid-1990s, it still remains very high.

Inequality may well have affected the *quality* of democracy in these and other countries of the region. In highly unequal societies, wealth-holders may be more able to convert their assets into political power and to limit the effective voice of majorities. (Reuschemeyer 2004). Moreover, it is plausible that highly unequal societies have higher levels of corruption and lower levels of social trust.[3] But the quality of democracy (what that means and how it is determined) has not been the main issue addressed by most of the contemporary political-economy research. In terms of the basic procedural criteria customarily used to define democratic regimes, inequality does not appear at first glance to have a significant impact.

[3] But note that Chile, with a highly unequal distribution of income is also widely viewed as one of the least corrupt Latin American countries.

Table 1: Gini Coefficients and Demcracy in Latin America

Country	Changes in Gini in the 1980s		Gini Coefficient Early 1990s	Gini Coefficient Early 2000s	Year of 3rd Wave Democratic Transition
Argentina		+	42.6	50.4	1983
Bolivia			54.3	55.9	1983
Brazil	+	+	59.5	57.2	1985
Chile	+	+	54.7	56.1	1989
Colombia	=	-/=	55.9	55.8	1958
Costa Rica	=	=	43.9	44.6	1948
Dominican Rep	+	+	50.2 (mid-90s)	48.1	1970
Ecuador			53.0 (mid-90s)	54.3	1979
El Salvador			50.5	51.8	1994
Guatemala	+			56.0	1996
Honduras	=		55.6	53.0	1998
Mexico	+	+	53.9	52.7	2000
Nicaragua			54.2	54.1	1990
Panama	+	+	54.7	54.4	1994
Paraguay			57.8 (mid-90s)	54.9	1993
Peru	=		45.7	47.7	1980/2000
Uruguay			40.8	42.5	1985
Venezuela	=	+	41.7	45.5	1958
Regional Average			50.5	51.4	

Source: David De Ferranti, Guillermo Perry et al, "Inequality in Latin America and the Cariibbean: Breaking with History?" International Bank for Reconstruction and Development/The World Bank 2003, Table A.6, p. 402.
Estimates of changes in gini in 1980s: first column is from Londono and Szekely, second from Morley and Altimir, De Ferranti et al 2003, p.405

In this paper, I do not attempt a direct multivariate test of the relationship between inequality and democratic stability, although results of existing studies are somewhat mixed. Instead, I examine assumptions about the motivations and redistributive pressures that are said to determine this relationship. To what extent are such assumptions supported by empirical evidence? In the next section of the paper, I review a number of studies focusing on the connection between redistribution and electoral conflict. The third section explores the assumptions about the relation between inequality and individual political orientations, drawing on data from Latinobarometro public opinion

surveys of 17 Latin American countries. In the final section, I turn to some of the theoretical and empirical questions about the way we think about the relationship between inequality, political polarization, and democratic instability.

Section I: Do poor people demand redistribution? Evidence from voting behavior

A core assumption underlying both Meltzer-Richard and contemporary extensions is that in highly unequal societies, politicians face strong electoral pressure from poor voters for redistribution. Central to the arguments outlined above is an assumption found in almost all of the contemporary political-economy literature: that there is a causal connection between differences in individuals' "objective" economic circumstances (assets, income, upward mobility, etc.), their subjective understanding of their economic interests, their political preferences and their political behavior. A number of empirical studies, however, cast serious doubt on these assumptions, at least as expressed in simplified form.

1. The poor do not necessarily vote for higher taxes on the rich or for redistributive transfers..

Although direct evidence on this issue in Latin America is thin, a number of findings call this assumption into question: First, notwithstanding the transitions to democracy, the tax take in Latin America (outside of Brazil) is still very low and regressive by international standards. Even in relatively large states such as Argentina and Chile, revenues are well below the OECD average. Within Latin America as a whole, moreover, about 60 percent of revenues come from neutral or regressive consumption taxes, as compared with an OECD average of only 30 percent. (Birdsall, De la Torre, and Menzes 200x: 3). It is noteworthy, finally, that Latinobarometro surveys, to be discussed more fully below, show no relation between respondents' beliefs about the

unfairness of the distribution of income and preferences for higher taxes and more welfare spending.

More general studies that go beyond Latin America raise similar doubts about the redistributive demands of the electorate. For example, Moene and Wallerstein (2001) and Wallerstein and Moene (2003) find that in OECD countries, the median voter votes against unemployment protection as she becomes poorer, because she perceives that the cost of additional social insurance outweighs the transfers she would receive if the were to lose her job. Cheibub (1998) finds that the tax take of democracies is not significantly different from the tax take of authoritarian regimes. And in the United States, tax increases are generally very unpopular, despite growing inequality, possibly because forward-looking voters anticipate that they will achieve higher income levels in the future (Benabou and Oks 2001).

Finally, comparative research on the tax bargain (Timmons 2005) suggests that public goods directed toward low- and median income voters (schools, health, etc) are more likely to be financed by an emphasis on relatively flat consumption taxes, rather than more progressive income taxes. Tax systems that emphasize progressive income taxes, paradoxically, are more likely to invest in measures that protect property rights. The logic is simple; if the poor do not pay taxes, they will not be attended to.

One problem with a simple model that connects inequality, the median voter, and redistributive transfers is that democracy empowers not only low-income voters, but middle-income and working-class interest groups that often oppose a shift of resources toward the poor. Although "high-tax coalitions" of low- and middle-income sectors are possible, they are by no means inevitable. When they do not materialize, better

organized middle-income interest groups and unions are likely to prevail over the poor in the contest for scarce resources.[4]

2. Discontent over inequality does not cause voters to reject incumbent office holders.

It has been widely assumed that inequality and/or disappointment with the unequal distributive effects of neoliberal reform underlies electoral volatility and shifts toward the opposition. Some aspects of neoliberal reform are unpopular, but systematic evidence does not show support for protest against inequality *per se*.

Lora and Olivera (2005) examine electoral shifts in 66 presidential and 81 legislative elections held in 17 Latin American countries between 1985 and 2002. They find considerable evidence for retrospective voting: general economic conditions have a consistent impact on whether voters reward or punish incumbents. High inflation is particularly damaging for office holders, as a number of other studies have also shown. Using the Lora index, Lora and Olivera also find that voters withdraw support from governments that pursue "neoliberal" structural reforms; surprisingly, this is true even when these reforms appear to have positive macroeconomic effects. *However, they find no relation between changes in inequality and swings toward the opposition.*

Other research which disaggregates specific aspects of reform (Baker 2003 and 2008 forthcoming) suggests similar conclusions. Privatization is especially unpopular and may well be the main target of the electoral opposition to "neoliberalism" seen in the Lora and Olivara study. The important point, however, is that opposition to privatization does not break along the basic class divide that might be expected from an inequality hypothesis. It is relatively weak among low-income groups that benefit from increased

[4] Recent work by Ansell and Samuels (2008) challenges the entire redistributive model, arguing that support for democracy comes primarily from middle-income groups and organized labor seeking legal protections for their assets and social rights. .

access to services, and strongest within the middle class, which already had access but must now pay higher prices. Trade liberalization, interestingly, has substantial support among all income groups (Baker 2003), because of its positive effect on price levels and consumer access to goods and services.

3. There is not a systematic relation between income inequality and left voting.

Swings toward the left in recent years have also commonly been attributed to disappointment over distributive inequalities. Again, however, there are reasons for skepticism about any simple relationship. For one thing, as we just saw above, although retrospective judgments had a strong effect on swings away from incumbent governments – often toward an opposition on the left -- inequality did not. In at least some cases, moreover, left victories had less to do with an increase in support than with splits among conservative candidates, most notably the case with the recent Sandinista victory in Nicaragua.

More important, if we look across the region, we find only an imperfect relationship between class divisions and the left resurgence. Handlin (2007) shows that throughout the 1990s and early 2000s, middle class voters in Chile and Uruguay were more likely to support left parties than were low-income voters; and during Brazil's first direct election campaign of 1989, support for the left-oriented candidacy of Luiz Inacio Lula da Silva also came primarily from the non-poor and the middle class. By the election of 2006, Lula's support base had shifted to the poorer regions in the north of the country, but much of this support was an *effect* of pro-poor policies adopted after taking

office.[5] Similarly, it is also likely Chávez's appeal to low-income voters was not consolidated until the early 2000s, after the launching of his *misiones* programs.

In Ecuador and Bolivia, we might the vote for radical, "ethno-populist" candidates (Madrid 2007) to coincide more closely with class divisions, since there is a substantial overlap between income levels and ethnic identification. Even in these countries, however, incentives for cross-class appeals are strengthened by cross-cutting ethno-linguistic differences within the indigenous population and by diffuse boundaries between indigenous and mestizo identities (Madrid 2007). In Ecuador, the radical candidacy of Rafael Correa drew support primarily from urban sectors rather than the poorer indigenous population. In Bolivia, Madrid (2007:25) finds that Morales's MAS party won in 2006 with the support of a broad range of dissatisfied voters, but no statistically significant relation with either income or urbanization.

Matthew Cleary (2006) argues that the resurgence of the left in Latin America has come mainly in countries with long historical experiences with labor-based parties, presumably because such experiences created political loyalties or organizational bases that could help launch political challenges to inequality. But as is implied above, the evidence and causal mechanisms are unclear. As noted, labor-based parties in Chile and Uruguay receive much of their support from the middle-class, and in Argentina, the Peronists have relied heavily on clientelism to garner the votes of low-income groups. In Venezuela, Ecuador, and Bolivia, left surges were led not by traditional labor-based parties but by new political movements that arose in opposition to the old, dominant political alignments. It may be the case that these outsiders tapped into social networks

[5] Moreover, although Lula gained personally from these pro-poor programs, there is little evidence of increasing support for the PT as a party (Hunter 2008).

and individual voters that had previously supported traditional labor-based parties, but there is little evidence to this effect.

Finally, and most obviously, the "lefts" that have emerged in the last decade differ widely – from market-oriented social democrats in Brazil, Chile, and Uruguay, to much more radical, populist movements in Venezuela, Ecuador, and Bolivia. Cross-national variation in the degrees of inequality does not explain these differences, however. The closest fit is perhaps Argentina, where the Peronist shift to the left under Kirchner in 2002 followed a drastic increase in transfers from the poor to the rich. But in Chile and Brazil, left parties have remained quite moderate, despite very unequal distributions of income and sometimes quite difficult macroeconomic conditions. In Venezuela, conversely, although income distribution deteriorated substantially in the 1980s and 1990s, the gini index is still relatively low.

Section II. Evidence from survey research

As Robert Dahl (1971: 81-105) argued over thirty years ago, the politicization of inequality implies a long intervening chain of perceptions and beliefs: people must *perceive* inequality as unjust; they must *believe* that government, elites, or other relevant reference groups cause the injustice; and they must *believe in the efficacy* of entering the political arena.

To explore whether and how such mediations might work in Latin America, I have examined individual beliefs shown in four *Latinobarometro* surveys (1995, 1997, 2001, 2002), each of which asks respondents if they think the distribution of income in their society is fair/unfair (on a four-point scale).[6] Ideally, of course, we would also want

[6] I am grateful to Brian Cramer and Terance Teo of Rutgers University for their assistance on this part of the paper.

to know the reference groups to which the respondents referred (neighbors, elites, etc.), and whether they thought inequalities were growing wider. Nevertheless, perceptions of unfairness constitute a reasonable first approximation of beliefs about the distribution of wealth.

The key analytic questions are a) whether such beliefs are predictably related to an individual's actual economic circumstances, and b) whether in turn they are related to political orientations toward democracy. Tables 2 through 4 show logit estimates related to these questions for the pooled Latin American sample in each of the four survey years, with country dummies used to control for cross-national differences.[7] We have also replicated these models for each country in each survey, and show some of the key coefficients in the appendix.

The answer to the first question – whether there is a link between a respondent's "objective" economic conditions and her subjective perceptions – appears to be a qualified "no." Table 2 shows the relation between perceptions of unfairness in income distribution (PFID) and several core measures of economic conditions and perceptions. Respondents oriented toward the left and those relatively pessimistic about their prospects of upward mobility (POUM) are more likely to find the distribution unfair. But these political orientations and beliefs are not strongly related to the underlying socioeconomic position. As discussed above, social class is not a reliable predictor of left orientations, and our exploratory regressions (not presented in Table 2) show that the relation between the actual economic condition of respondents and POUM is also surprisingly weak.

[7] We do not pool the surveys from separate years because response categories on several key variables, including PFID wealth, and POUM, are slightly different in each survey.

The latter finding, moreover, is consistent with extensive research conducted by Graham and Pettinato. In a panel study of Peruvian households between 1985 and 1997, they find that upwardly mobile respondents were no more likely than those with limited improvement to say that they were doing well (1999). Moreover, in a subsequent cross-national study (2001: 212), they find only weak and highly contingent relationships to levels of wealth and none at all to employment status. They conclude that "POUM captures hopes and expectations as well as realistic socioeconomic assessments." .

As Table 2 shows, finally, the direct effects of socioeconomic position on perceptions of unfairness also appear weak or inconsistent. The coefficient for unemployment is significant only in 1997, and is "wrongly" signed in 2002. Ceofficients for education are significant in three of the four years, but go counter to expectations in three of the four years; people with limited education are *less* likely to think distribution is unfair. Our measure of wealth show somewhat stronger results, but fail to reach standard levels of significance in 2002, and is wrongly signed in 2001. Separate country-level estimates (see appendix) show a similar pattern: the coefficient for wealth reached standard levels of significance in the expected direction in only 12 of the 59 regressions, controlling for all of the other variables included in Table 2. Many other coefficients in the country regressions went in the "wrong" direction and were even significant in a number of cases.

In Table 2, moreover, the substantive effects of wealth were limited, even when the coefficients were significant. Predicted probability estimates for the 1995 sample, for example, show that poor respondents were only 10 percent more likely than wealthy ones to think distribution was very unfair, and only ___ percent more likely in 1997. Clearly,

at least according to these surveys, a respondent's judgment about the unfairness of the distribution of income does not map clearly onto her economic conditions or to her position in the class hierarchy.

TABLE 2: Determinants of Perceived Fairness of Income Distribution (PFID)_____

Predictors / Survey Years		**1995** N=5340	**1997** N=11096	**2001** N=12348	**2002** N=10984
	Expected Direction of Coefficients				
Education	–	0.027*** (0.009)	-0.001 (0.005)	0.009* (0.005)	0.026*** (0.005)
Marital Status	Non-directional	-0.080 (0.054)	0.013 (0.039)	-0.026 (0.037)	-0.098** (0.040)
Gender	Non-directional	-0.014 (0.051)	0.027 (0.037)	0.015 (0.036)	0.049 (0.038)
Age	–	0.004* (0.002)	0.002 (0.001)	0.004*** (0.001)	0.080*** (0.022)
Employment Status	+	0.168* (0.096)	0.123 (0.082)	0.016 (0.068)	-0.006 (0.068)
Wealth	–	-0.047*** (0.011)	-0.025*** (0.008)	0.001 (0.009)	-0.007 (0.010)
Political Orientation	+	0.064*** (0.011)	0.048*** (0.007)	0.021*** (0.008)	0.046*** (0.007)
POUM	+	0.217*** (0.037)	0.409*** (0.028)	0.303*** (0.018)	0.230*** (0.021)

Numbers not in parentheses are logit coefficients; numbers in parentheses are robust standard errors.

**p<.10 ** p<.05 ***p<.01*

While not indicated above, all country dummies are included in the model except for Uruguay, which is the base country.

CODING OF VARIABLES:

Fairness of Income Distribution (FID): 4 values. (1) Very Fair – (4) Very Unfair. For 1995, there are 5 values.
Education: 16 values. (1) 0 years of education – (16) Graduate Work.
Marital Status: 2 values. (0) Married; (1) Not Married.
Gender: 2 values. (0) Male, (1) Female.
Age: 4 values. (1) 16-25 – (4) 61 and more. For 1995 & 1997, data are continuous.
Employment Status: 2 values. (0) All others; (1) Unemployed.
Wealth: Wealth index based on durables and other items owned by household of respondent. 11 items. (0) 0 items owned – (11) 11 items owned. For 1995 & 1997, there are 13 values.
Political Orientation: Right/Left Political Ideology Scale. 11 values. (1) Far Right – (11) Far Left.
POUM (Prospects of Upward Mobility): 5 values. (1) Much Better – (5) Much Worse. For 1995 & 1997, there are 3 categories.

TABLE 3: Determinants of Satisfaction with Democracy_____

Predictors / Survey Years		**1995** N=5222	**1997** N=10956	**2001** N=11581	**2002** N=10595
	Expected Direction of Coefficients				
Education	+	0.014 (0.009)	0.012** (0.005)	0.007 (0.005)	0.014** (0.005)
Marital Status	Non-directional	-0.015 (0.054)	0.024 (0.038)	-0.001 (0.037)	0.001 (0.040)
Gender	Non-directional	0.051 (0.052)	-0.030 (0.036)	0.112*** (0.035)	0.038 (0.037)
Age	–	-0.004* (0.002)	-0.002 (0.001)	-0.001 (0.001)	-0.084*** (0.021)
Employment Status	+	0.087 (0.111)	0.051 (0.088)	0.211*** (0.067)	0.218*** (0.067)
Wealth	–	-0.005 (0.012)	-0.009 (0.008)	0.010 (0.009)	-0.007 (0.009)
PFID (Perceived Fairness of Income Distribution)	+	0.403*** (0.031)	0.635*** (0.027)	0.347*** (0.028)	0.356*** (0.029)
Political Orientation	+	0.040*** (0.011)	0.071*** (0.008)	0.045*** (0.007)	0.020*** (0.007)
POUM	+	0.413*** (0.039)	0.353*** (0.027)	0.202*** (0.018)	0.207*** (0.021)

Numbers not in parentheses are logit coefficients; numbers in parentheses are robust standard errors.

**p<.10 ** p<.05 ***p<.01*

While not indicated above, all country dummies are included in the model except for Uruguay, which is the base country.

CODING OF VARIABLES:

Satisfaction with Democracy: 4 values. (1) Very Satisfied – (4) Very Unsatisfied
Education: 16 values. (1) 0 years of education – (16) Graduate Work.
Marital Status: 2 values. (0) Married; (1) Not Married.
Gender: 2 values. (0) Male, (1) Female.
Age: 4 values. (1) 16-25 – (4) 61 and more. For 1995 & 1997, data are continuous.
Employment Status: 2 values. (0) All others; (1) Unemployed.
Wealth: Wealth index based on durables and other items owned by household of respondent. 11 items. (0) 0 items owned – (11) 11 items owned. For 1995 & 1997, there are 13 values.
Political Orientation: Right/Left Political Ideology Scale. 11 values. (1) Far Right – (11) Far Left.
Fairness of Income Distribution (FID): 4 values. (1) Very Fair – (4) Very Unfair. For 1995, there are 5 values.
POUM (Prospects of Upward Mobility): 5 values. (1) Much Better – (5) Much Worse**.** For 1995 & 1997, there are 3 categories**.**

TABLE 4: Determinants of Support for Democracy

Predictors / Survey Years		**1995** N=4984	**1997** N=10697	**2001** N=11096	**2002** N=10169
	Expected Direction of Coefficients				
Education	+	0.038*** (0.011)	0.034*** (0.007)	0.042*** (0.006)	0.037*** (0.006)
Marital Status	Non-directional	0.092 (0.069)	-0.031 (0.047)	0.049 (0.042)	-0.029 (0.046)
Gender	Non-directional	-0.156** (0.064)	-0.039 (0.044)	-0.160*** (0.041)	0.068 (0.044)
Age	–	0.010*** (0.003)	0.005*** (0.002)	0.012*** (0.002)	0.147*** (0.025)
Employment Status	–	-0.171 (0.128)	0.087 (0.103)	0.229*** (0.078)	-0.049 (0.075)
Wealth	+	0.010 (0.014)	0.008 (0.009)	0.063*** (0.010)	0.011 (0.011)
PFID (Perceived Fairness of Income Distribution)	+	0.205*** (0.035)	0.176*** (0.031)	0.138*** (0.031)	0.123*** (0.032)
Satisfaction with Democracy	–	-0.399*** (0.041)	-0.392*** (0.028)	-0.346*** (0.027)	-0.388*** (0.030)
Political Orientation	–	0.040*** (0.012)	-0.002 (0.009)	0.025*** (0.008)	0.019** (0.008)
POUM	+	-0.051 (0.046)	-0.118*** (0.032)	-0.008 (0.020)	-0.027 (0.023)

Numbers not in parentheses are logit coefficients; numbers in parentheses are robust standard errors.

**p<.10 ** p<.05 ***p<.01*

While not indicated above, all country dummies are included in the model except for Uruguay, which is the base country.

CODING OF VARIABLES:

Support for Democracy: 2 values. (0) Not Always Prefer Democracy – (1) Always Prefer Democracy.
Education: 16 values. (1) 0 years of education – (16) Graduate Work.
Marital Status: 2 values. (0) Married; (1) Not Married.
Gender: 2 values. (0) Male, (1) Female.
Age: 4 values. (1) 16-25 – (4) 61 and more. For 1995 & 1997, data are continuous.
Employment Status: 2 values. (0) All others; (1) Unemployed.
Wealth: Wealth index based on durables and other items owned by household of respondent. 11 items. (0) 0 items owned – (11) 11 items owned. For 1995 & 1997, there are 13 values.
Fairness of Income Distribution (FID): 4 values. (1) Very Fair – (4) Very Unfair. For 1995, there are 5 values.
Satisfaction with Democracy: 4 values. (1) Very Satisfied – (4) Very Unsatisfied
Political Orientation: Right/Left Political Ideology Scale. 11 values. (1) Far Right – (2) Far Left.
POUM (Prospects of Upward Mobility): 5 values. (1) Much Better – (5) Much Worse. For 1995 & 1997, there are 3 categories**.**

Some caveats and disclaimers are in order here. It is important to emphasize that these surveys do not take into account aspects of the larger political economy which would certainly influence both perceptions and political behavior. This point is particularly relevant to the work of A&R. A key feature of their argument is that demands for democracy are spurred by "de facto," and inherently transient, mass mobilizations that arise during economic crises or temporary political openings. They appear to assume, however, that the mobilizations made possible by these opportunities activate a pre-existing set of preferences for redistribution of assets and income, and it is this it is this assumption that the survey evidence calls into question. They do not have a plausible theory of how these redistributive preferences are formed in the first place.

Tables 3 and 4 examine the second question posed above: what impact do beliefs about fairness, expectations of upward mobility, and left political orientations have on respondents' satisfaction with the way democracy works in their country and on support for the principle of democracy? With regard to the determinants of satisfaction (Table 3), the coefficients for the key explanatory variables go in the expected direction and are highly significant in all four survey years. People with negative views of income distribution (PFID) and mobility opportunities (POUM), as well as those oriented toward the left are more likely to be dissatisfied with the way democracy functions in their country. Of these, however, the coefficient for PFID – our substantive variable of greatest interest -- is the only one that is consistently positive and significant across all of the country surveys. On the other hand, as in Table 2, objective indictors of wealth, employment and education are not robust.

The determinants of support for the principle of democracy are more complex. On the one hand, "leftists" and people with negative views of income distribution tend on the whole to be supportive of democracy, although the substantive effects are rather modest. "Leftists" in 1995, for example, were only 9 percent more likely to support democracy than conservatives, and the difference between negative and positive views of distribution is only 19 percent.[8] In the country regressions, moreover, these relationships appear weaker: left orientations are not robust across the national surveys (only 17 out of 59 political orientation coefficients are significant and in the expected direction); and although signs for PFID are consistently in the expected direction, only 20 of the 59 coefficients are significant. Those who seek fairer distribution may be somewhat more inclined to believe that democracy provides the best long-run opportunity for reaching that goal, but not strongly so.

On the other hand, these same people are also likely to be dissatisfied with the way democracy works in their country. In the 1995 survey, respondents who thought the distribution of income was very unfair were five times more likely to be very dissatisfied than those who did not, and those who were very dissatisfied in turn were about twice as very satisfied ones to consider authoritarian alternatives.[9] The link between dissatisfaction and lack of support for democracy was also highly robust in the individual country models. Forty-eight of the 59 country observations across the four survey years reach standard levels of significance, and another ten go in the expected direction. The

[8] Although we refer only to the 1995 survey, the effects of these variables in subsequent surveys are approximately the same.

[9] Note in Table 3, most coefficients for POUM are no longer significant, suggesting that its effect on support for democracy is contingent on PFID and satisfaction.

effects of perceived inequality on dissatisfaction, and of dissatisfaction on support for democracy are by far the most consistent of any of the substantive variables of interest.

These results, in combination with our findings on the strong effects of PFID on dissatisfaction shown in Table 2, indicates that the greatest danger to existing democracy is not necessarily the one emphasized in the "class-conflict" models elaborated by A&R and Boix[10] In these models, the greatest threat comes from the rich, seeking to defend their assets against the redistributive demands of the poor. The foregoing analysis, on the other hand, suggests that it comes from socially-diverse coalitions of people who are dissatisfied with the social quo, who perceive that the democratic system is ineffective, and who are relatively more inclined to accept the possibilities of non-democratic "solutions."

Further survey research would be required to test this proposition thoroughly. But there is support for this claim that goes beyond the surveys themselves. First, international influences appear to have been quite important in recent decades in undermining the bases of right-wing authoritarian regimes. The winding down of the Cold War in the mid-1980s undercut the anti-communist rationale used by military dictatorships to garner international and domestic support. Even as the memories of these dictatorships fade, moreover, diplomatic pressures and the incentives of international trade have helped to deter reversions to military rule. Under these conditions, the rich may still deploy their formidable power resources to deflect electoral challenges to their wealth (A&R 2008, Reuschemeyer 2004). But they are likely to do this within the framework of democratic institutions.

[10] To some extent, they are also suggestive of the inverted-U hypothesis advanced by A&R: people who want greater equality may support democracy in principle, but are increasingly dissatisfied with the way it works in their country.

Anti-democratic challenges from the non-rich have also typically emerged within the framework of democratic institutions themselves, rather than from revolutionary protest. These challenges have taken the form of radical-populist movements which have gained electored office in a number of countries (Venezuela, Ecuador, Bolivia, Paraguay) and made significant electoral advances in others (Peru, Mexico). Despite important differences among such movements (Roberts 2007), they engage in a political discourse which is generally consistent with the Latinobarometro data. Although the rich "oligarchy" is among their targets, populist leaders typically build coalitions that cut across class lines, capitalizing on personalism, nationalist resentments, and anti-party sentiments that appeal not only to the poor, but to broad sectors of the middle class, business people, and even conservatives. As the Latinobarometro data would indicate, the glue that holds this diverse coalition together is broad dissatisfaction with the status quo (Corrales 2007). And although such movements do not call explicitly for the establishment of authoritarian regimes, they tend to take their countries in inherently "illiberal" directions -- toward an elimination of constitutional constraints and an increasing concentration of power. . .

Section III: Some further issues and hypotheses in the analysis of inequality

Despite these "inconvenient facts," it would be wrong to dismiss the underlying distribution of wealth and inequality as politically inconsequential for democracy.[11] First, it is important acknowledge that the measures deployed to assess the effects of inequality are crude. As noted in the preceding section, for example, survey questions about perceptions of unfairness are at best only a first pass at tapping what are necessarily more complex social psychological orientations toward reference groups, social status, and the future.

Aggregate measures of inequality pose equally, if not even more serious problems. The gini index, perhaps the most commonly used measure, says nothing about which social categories are winning or losing, and sometimes has highly misleading distributional implications.[12] Inequality of land ownership, another commonly used measure (see Boix 2003, Ansell and Samuels 2008), provides a better measure of the way control of assets maps onto class and status hierarchies, particularly in poorer societies. Its relevance, however, has decreased substantially in the more diversified economies of contemporary Latin American societies, where much of the wealth and population has transferred out of the agricultural sector. Neither of these measures, finally, captures diverse forms of "horizontal" inequalities related to ethnicity, region, gender, economic sector, and other forms of social and economic differentiation.

[11] Class cleavages have, for example, played an important role in party alignments within Western European democracies

[12] In a recent paper, for example, Gary Fields(2007: 8-9) offers a thought experiment about how the gini index would change in a society that changed one-by-one from one rich person and the rest poor to one in which all except one person was rich. Among other things, he notes that "for the income share of the poorest X%, inequality at first increases, then decreases, while for the richest Y% it increases at first, then decreases. See also Ansell and Samuels (2008).

The biggest challenges, however, lie not in how we measure inequality, but in how we think about the social-psychology of individual actors and the way this is shaped by the larger political and social environment in which they are embedded. A full and coherent elaboration of such a theory is well beyond the scope of this paper, but I do review some conceptual issues and hypotheses about economic inequality that seem relevant to the contemporary politics of Latin America. I divide these into two categories: changes in the general economic context which might be expected to trigger a reframing of the issue of inequality, and more structural and institutional features of the political economy which might facilitate or exacerbate class-related demands for redistribution.

Framing inequality To start with the obvious, it is important to consider the *dynamics* of how individuals frame their economic interests and their distributional preferences. Analyses based on comparative statics do not capture the way individuals may react to changes in their personal condition or to new developments in their respective societies. To an extent, this point is incorporated in the theories reviewed in this paper, but they focus rather narrowly on the changes in the income of the median voter relative to the average wage, and their empirical tests frequently emphasize cross-national differences rather than changes over time. Given the mixed empirical support for this argument found in the literature, it may be useful to consider more complex hypotheses that may be relevant to understanding this issue in the Latin American context.

Basic needs deprivation, or inequality? One long-standing issue is whether people are likely to focus more on improvement in their own incomes or in changes in the gap between themselves and higher income groups. Like relative deprivation theories,

much of the contemporary political economy literature tends to assume that latter matters most in the generation of redistributive demands. But particularly where large sectors of the population are poor, this gap is likely to be more painful and evident when incomes stagnate at the bottom of the social pyramid.

During the 2000s, this disparity has been evident in a number of Latin American countries. Since 2003, the region has experienced the highest and most sustained rates of growth since the early 1960s. On the other hand, while poverty has declined, it remains very high. Over 50 percent of the region's population remained below the poverty line in the early 2000s (ECLAC), with especially high rates in such politically polarized countries as Bolivia, Ecuador, and Nicaragua. As Albert Hirschman argued in his famous "tunnel theory" of inequality, growth can intensify the dissatisfaction of those who lag behind.

Recent empirical work by Reenock, Bernhard, and Sobek (2007) provides some general empirical support for this proposition. In an analysis of all democratic regimes between 1961 and 1995, they find that the chances of democratic survival are significantly reduced by the interaction between economic wealth and "basic needs deprivation" (defined in terms of average caloric consumption). "When needs deprivation exists in the face of enhanced economic development," they conclude (677), "citizens will not only notice deprivation more readily, but also, given the greater social surplus, deem it more unacceptable, provoking radical demands for redistributive justice."

Poverty traps and Bayesian learning

A related perspective focuses on the variations in the dynamics of income growth and on how this affects expectations and preferences over time. Depending on initial distributions of income, income dynamics can lead to a polarization between some households with enough initial resources to sustain investment in the human or physical capital necessary to move out of poverty, and many others with more limited initial endowments whose incomes regress back toward poverty traps. Carter (2007) and Carter and Morrow (2008) argue that Latin American economies exhibit just such patterns of polarizing growth: some sectors may continue to have good prospects of upward mobility (POUM), but others are likely to live indefinitely in a world where the prospects are zero (POZUM). Individuals with good prospects (POUM) may rationally refuse to support redistributive policies that benefit them in the present, because they can expect to have to contribute to the costs in future. In contrast, as Carter (2007:13) states: "Poor POZUM individuals can rationally expect that redistribution will always benefit them since there is no prospect of ever climbing the income ladder to a point where they will be on the wrong end of a redistributive policy."

Learning over time is an important component of this argument as it apples to the effects of Latin America's transition to the market. At the onset of the 1990s, uncertainties about the long-term effect of market reforms precluded a clear crystallization of redistributive preferences; indeed, in the absence of plausible alternative models, most people bought into the promises of the liberal economic reform. But individuals and households can be expected to update their beliefs over time, as the realities of the long term mobility prospects become clearer.

Although a formal model constitutes the core of this argument, Carter and Morrow offer some tentative empirical evidence to support their claims in Chile, Peru, Nicaragua and Venezuela. Using data from the Latinobarometer surveys, they show that countries with the most polarized distributions of responses to questions about upward mobility were also those in which radical left parties had risen to power. This finding, it should be noted, is consistent with some of individual-level evidence about the effects of expectations presented in the preceding section.

Aversion to loss. Various forms of insecurity might also contribute to the mobilization of protest against inequality and to pressure for redistribution. To the extent that insecurity is related to exposure to trade, the divide might be greater between the traded and non-traded sectors than along class lines. Nevertheless, insecurity can provide incentives for class protest. The middle-class and near-poor might experience the most pronounced threat of downward mobility, which could arguably increase their demand for safety-nets and social insurance transfers Among the lowest income groups, preferences for such transfers may be heightened by the fact that they are generally hit the hardest by economic downturns and benefit more slowly from economic recovery.

Building on the ground breaking experimental literature on prospect theory (Kahneman and Tversky 1979, Tversky and Kahneman 1986, 1992) Kurt Weyland (2002, 2003) provides an interesting perspective on the political calculus that might be associated with these fears. He argues that the tendency for individuals to weigh losses more heavily than gains accounts for the willingness to support the risky projects of anti-establishment radicals. There is, to be sure, significant indeterminacy in this perspective: the domain of loss can be defined in quite different ways, depending on whether the main

point of reference is the individuals' own situation in the past, her prospects for the future, or her situation relative to that of others in the socio-economic hierarchy. Nevertheless, hypotheses based on prospect theory carry implications that are somewhat different from the PUOM/POZUM hypothesis sketched above: it is plausible that in periods of economic instability, future-oriented voters might attach much greater weight to prospects of downward mobility and short-term losses than to opportunities for economic improvement over the longer term.

Structural and institutional variables. Despite the plausibility of such hypotheses, it is unlikely that, without considering differences in longer-term structural, institutional, and political factors, they can fully account for variation in the intensity of redistributive politics. The following seem especially relevant to contemporary Latin America.

Regional rivalries. One hypothesis suggested by contemporary developments in Latin America is that geographic concentrations of poverty may reduce barriers to collective action and increase the politicization of inequality. In a number of countries, the growth of regional disparities appear to have enhanced opportunities for political entrepreneurs to mobilize political cleavages between the poor and the rich. Recent examples: Mexico's poor southern states voted solidly for López Obrador in the 2006 presidential election. In Peru, the radical left candidacy of Ollanto Humala was rooted in the impoverished regions of the Sierra. In Brazil, the poor states of the northeast have moved equally solidly toward Lula.

Not all left parties have these geographic roots; indeed, those which fail to penetrate the hinterland typically gain more support from the middle-class than the poor (Handlin 2007). Nevertheless, it is plausible that when the poor are regionally

concentrated, they may be integrated into communications and organizational networks that reinforce incentives to vote left and facilitate efforts to mobilize social movements and other forms of collective action.

The commodity boom and the populist temptation I mentioned above that commodity booms, in combination with lagging incomes of the poor, can activate popular discontent over inequality. But such booms may not only increase the demand for redistribution, they may also increase the opportunities for governments to supply it. The high export-led growth of recent years has few, if any, precedents in the last 100 years. It has been fueled and prolonged by increased demand in China and India, as well as in the developed world, and it has allowed many governments in the region to accumulate massive reserves of foreign exchange.

Conventional wisdom holds that this massive inflow of resources will eventually come to an end. Given the changing structure of global demand, however, this boom could prove more prolonged than others; and while it lasts, it provides a strong incentive for governments to build mass support through increases in social spending. Venezuela provides the most vivid example; Chavez veered substantially to the left in 2003 as oil prices began to soar, but we see similar factors at work in Argentina, Bolivia, and Ecuador as well. It must be emphasized that left governments in Chile, Uruguay, and Brazil, continue to show considerable macroeconomic prudence, even in the face of the boom; windfalls enable radical policies, but do not determine them. Yet the virtual disappearance of foreign exchange constraints exerts a powerful temptation to engage in more reckless forms of macroeconomic populism.

Asset specificity. Both Boix and A&R argue that the potential for class conflict is exacerbated when wealth is held in the form of highly specific assets which cannot be easily transferred abroad. However, whereas they emphasize the reaction of property owners to redistributive demands, asset specificity also affects governments' incentives to yield to the populist temptation in ways that may be more relevant to contemporary Latin America. Moderate presidents such as Lula or Tabaré Vázquez preside over economies where capitalists do have relatively significant exit options, whereas Chávez, Morales, and Correa govern economies based in petroleum and natural gas. The obsolescing bargain that underlies investment in such sectors creates strong incentives to for left governments to engage in resource nationalism, with important implications for political polarization and the stability of a democratic system.

Political Variables The politicization of class cleavages will depend on political mediations: the extent to political leaders, parties, and other social organizations seek to build popular support. In the preceding paragraphs, I have implied that the extent of class conflict may depend on the political interests and ideological orientations of governments already in power. In other words, class conflict can be an *effect* of radical governments, not a cause. In Venezuela, for example, the divisive policies of the Chávez government are likely to have effects on class conflict that endure far beyond the tenure of his government itself – as was the case decades earlier under Juan Perón in Argentina. On the other hand, more moderate left governments – such as those of Chile, Uruguay, and Brazil – are likely to have an integrative effect that blurs the edge of class-based politics.

A brief conclusion

The purpose of this review has not been to "disprove" the arguments put forward in the work of Boix or Acemoglu and Robinson. Among its other limitations, my paper has focused only on a specific region and a limited time frame, and it may well be the case that their arguments hold for a larger sample over a longer period of time. This paper is intended, however, to call into question the simplifying assumptions about interests and behavior that motivate these theories, as well as those found in the broader political economy literature.

In the past there has been some debate about whether micro-level theories can be validated by the results of large-N, aggregate-data tests that are consistent with the predicted equilibrium outcomes of the models, or whether it is also necessary to examine the motivations of the actors themselves. I place myself in the latter camp. Large-N tests of current hypotheses have shown mixed results. But even if such analysis were to show an unequivocal relation between inequality and democratic instability, that would not be enough in itself. We need to examine critically the social and political processes that shape beliefs, preferences, and interests.

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APPENDIX: TABLE A1

	MODEL 1			
	Dependent Variable: PFID			
	Main Independent Variable of Interest: Wealth			
	1995	1997	2001	2002
Countries / Variables	Wealth	Wealth	Wealth	Wealth
EXPECTED EFFECT ON DEPENDENT VARIABLE: NEGATIVE				
ARGENTINA	-0.048 (0.036) N=662	-0.030 (.033) N=751	0.082** (0.040) N=785	0.017 (0.046) N=673
BOLIVIA	----------	0.018 (0.037) N=515	0.060* (0.034) N=623	0.043 (0.033) N=749
BRAZIL	0.023 (0.040) N=922	0.076 (0.053) N=227	0.076** (0.036) N=754	0.039 (0.043) N=699
COLOMBIA	----------	-0.071*** (0.026) N=871	-0.059 (0.044) N=728	0.022 (0.048) N=624
COSTA RICA	----------	0.140*** (0.027) N=708	-0.026 (0.047) N=578	0.017 (0.044) N=628
CHILE	-0.158*** (0.031) N=865	-0.081*** (0.041) N=884	-0.088** (0.040) N=881	-0.169*** (0.045) N=779
ECUADOR	----------	0.035 (0.031) N=803	-0.033 (0.029) N=785	0.014 (0.042) N=625
EL SALVADOR	----------	-0.113*** (0.028) N=605	0.057 (0.043) N=534	-0.014 (0.042) N=425
GUATEMALA	----------	-0.016 (0.042) N=284	0.049 (0.037) N=561	-0.026 (0.041) N=437
HONDURAS	----------	-0.036 (0.037) N=698	0.115*** (0.042) N=688	-0.013 (0.040) N=595
MEXICO	-0.125*** (0.033) N=675	0.083*** (0.028) N=822	-0.039 (0.032) N=1046	0.014 (0.036) N=844
NICARAGUA	----------	-0.069** (0.033) N=739	0.013 (0.042) N=704	0.015 (0.041) N=516
PANAMA	----------	-0.040 (0.040) N=603	0.019 (0.032) N=680	-0.028 (0.035) N=593
PARAGUAY	-0.907 (0.064) N=127	-0.081* (0.050) N=313	0.010 (0.047) N=471	-0.046 (0.049) N=476
PERU	-0.016 (0.028) N=740	0.014 (0.029) N=635	-0.019 (0.042) N=576	0.002 (0.035) N=629
URUGUAY	-0.009 (0.030) N=718	-0.143*** (0.027) N=878	-0.065* (0.035) N=978	-0.076** (0.041) N=925
VENEZUELA	-0.006 (0.032) N=631	-0.040 (0.032) N=760	0.019 (0.031) N=976	-0.007 (0.038) N=767

Numbers not in parentheses are logit coefficients; those in parentheses are robust standard errors.

**p<.10 ** p<.05 ***p<.01*

EXPLANATION OF VARIABLES:

FID – An individual's perception of the fairness of income distribution within their country. Question on survey: How fair do you think the distribution of income is in your country: (1) = Very Fair; (2) = Fair; (3) = Unfair; (4) = Very Unfair.

Wealth – Wealth Index, comprised of durables and other items owned by household: (0) = respondent owns no items; (12) = respondent owns all 12 items asked. (NB: There are 12 items on the 2002 & 2001 survey and 14 items on the 1997 & 1995 survey).

NB: Control variables in model are: education, marital status, gender, employment status, political orientation, and POUM (prospects of upward mobility).

APPENDIX TABLE A2

	MODEL 2			
	Dependent Variable: **Satisfaction with Democracy**			
	Main Independent Variable of Interest: **FID**			
	1995	**1997**	**2001**	**2002**
Countries / Variables	**PFID**	**PFID**	**PFID**	**PFID**
EXPECTED EFFECT ON DEPENDENT VARIABLE: POSITIVE				
ARGENTINA	0.637*** (0.086) N=648	0.473*** (0.120) N=748	0.528*** (0.120) N=767	0.680*** (0.144) N=670
BOLIVIA	----------	0.776*** (0.159) N=510	0.395*** (0.136) N=592	0.595*** (0.113) N=734
BRAZIL	0.195** (0.100) N=900	0.250 (0.208) N=224	0.587*** (0.124) N=697	0.209* (0.126) N=655
COLOMBIA	----------	0.708*** (.095) N=861	0.307** (0.146) N=565	0.411*** (0.120) N=544
COSTA RICA	----------	0.662*** (0.103) N=703	0.244** (0.101) N=557	0.262** (0.134) N=600
CHILE	0.526*** (0.083) N=845	0.727*** (0.110) N=871	0.317*** (0.098) N=843	0.096 (0.113) N=764
ECUADOR	----------	0.227** (0.104) N=794	0.334*** (0.111) N=739	0.392*** (0.151) N=603
EL SALVADOR	----------	0.960*** (0.129) N=591	0.310** (0.139) N=476	0.430*** (0.138) N=397
GUATEMALA	----------	1.063*** (0.181) N=268	0.542*** (0.136) N=489	0.326** (0.143) N=417
HONDURAS	----------	0.653*** (0.105) N=691	-0.177 (0.132) N=646	0.141 (0.134) N=570
MEXICO	0.595*** (0.089) N=651	0.370*** (0.079) N=808	0.453*** (0.085) N=1001	0.310*** (0.100) N=839
NICARAGUA	----------	0.796***(0.101) N=731	0.273** (0.120) N=670	0.302*** (0.111) N=506
PANAMA	----------	1.059*** (0.153) N=599	0.415*** (0.137) N=617	0.534*** (0.119) N=554
PARAGUAY	0.423** (0.237) N=125	0.509*** (0.185) N=307	0.419*** (0.156) N=458	0.374** (0.141) N=475
PERU	0.432*** (0.077) N=727	0.839*** (0.129) N=624	0.326** (0.148) N=544	0.329*** (0.109) N=629
URUGUAY	0.276*** (0.084) N=705	0.582*** (0.101) N=873	0.317*** (0.112) N=960	0.476*** (0.117) N=911
VENEZUELA	0.146** (0.069) N=621	0.285*** (0.095) N=753	0.188*** (0.079) N=960	0.216*** (0.084) N=753

Numbers not in parentheses are logit coefficients; those in parentheses are robust standard errors.

**p<.10 ** p<.05 ***p<.01*

EXPLANATION OF VARIABLES:

Satisfaction with Democracy – An individual's satisfaction with democracy in own country. Question on survey: In general, would you say that you are: (1) very satisfied, (2) fairly satisfied, (3) not very satisfied, (4) not at all satisfied with democracy.

FID – An individual's perception of the fairness of income distribution within their country. Question on survey: How fair do you think the distribution of income is in your country: (1) = Very Fair; (2) = Fair; (3) = Unfair; (4) = Very Unfair.

NB: Control variables in model are: education, marital status, gender, employment status, political orientation, POUM (prospects of upward mobility), and wealth.

	APPENDIX MODEL 3			
	Dependent Variable: **Support for Democracy**			
	Main Independent Variable of Interest: **Satisfaction with Democracy (SatDem)**			
	1995	**1997**	**2001**	**2002**
Countries / Variables	**SatDem**	**SatDem**	**SatDem**	**SatDem**
EXPECTED EFFECT ON DEPENDENT VARIABLE: NEGATIVE				
ARGENTINA	-0.395** (0.164) N=625	-1.043*** (0.133) N=741	-0.609*** (0.112) N=743	-0.745*** (0.149) N=658
BOLIVIA	----------	-0.295** (0.141) N=500	-0.158 (0.128) N=563	-0.336*** (0.110) N=684
BRAZIL	-0.411*** (0.094) N=816	-0.494** (0.205) N=214	-0.382*** (0.116) N=634	-0.619*** (0.129) N=598
COLOMBIA	----------	-0.471*** (0.108) N=857	-0.394*** (0.118) N=531	0.179 (0.136) N=489
COSTA RICA	----------	-0.364*** (0.142) N=689	-0.496*** (0.140) N=547	-0.566*** (0.162) N=581
CHILE	-0.786*** (0.112) N=833	-1.023*** (0.121) N=860	-0.812*** (0.115) N=815	-1.144*** (0.145) N=755
ECUADOR	----------	-0.094 (0.078) N=748	-0.148 (0.103) N=717	-0.608*** (0.133) N=599
EL SALVADOR	----------	0.029 (0.139) N=578	-0.187 (0.127) N=441	-0.166 (0.130) N=366
GUATEMALA	----------	-0.594*** (0.183) N=258	0.091 (0.150) N=453	-0.168 (0.130) N=388
HONDURAS	----------	-0.411*** (0.100) N=678	-0.626*** (0.125) N=590	-0.413*** (0.119) N=542
MEXICO	-0.021 (0.105) N=614	0.089 (0.093) N=792	-0.108 (0.087) N=978	-0.554*** (0.128) N=819
NICARAGUA	----------	-0.556*** (0.114) N=718	0.026 (0.111) N=650	-0.167 (0.116) N=484
PANAMA	----------	-0.384*** (0.130) N=567	0.102 (0.132) N=580	-.293** (0.123) N=524
PARAGUAY	-1.308*** (0.304) N=118	-0.976*** (0.193) N=304	-0.630*** (0.140) N=442	-0.415*** (0.157) N=470
PERU	-0.042 (0.099) N=691	0.128 (0.113) N=593	-0.518*** (0.135) N=523	-0.236* (0.117) N=573
URUGUAY	-0.804*** (0.181) N=682	-0.570*** (0.166) N=860	-0.712*** (0.129) N=947	-0.431*** (0.120) N=895
VENEZUELA	-0.432*** (0.103) N=605	-0.577*** (0.101) N=740	-0.269*** (0.079) N=942	-0.061 (0.100) N=744

Numbers not in parentheses are logit coefficients; those in parentheses are robust standard errors.

**p<.10 ** p<.05 ***p<.01*

EXPLANATION OF VARIABLES:

Support for Democracy – An individual's commitment to a democratic political regime. Question on survey asks: (0) = Not always support democracy (includes both "sometimes support authoritarianism" category and "it doesn't matter to me" category; (1) = Always support Democracy.

(SatDem) Satisfaction with Democracy – An individual's satisfaction with democracy in own country. Question on survey: In general, would you say that you are: (1) very satisfied, (2) fairly satisfied, (3) not very satisfied, (4) not at all satisfied with democracy.

NB: Control variables in model are: education, marital status, gender, employment status, political orientation, POUM (prospects of upward mobility), wealth, and FID.