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Abstracts
LOW-INTENSITY DEMOCRACY REVISITED
The Effects of Economic Liberalization on Political Activity in Latin America

By MOISES ARCE and PAUL T. BELLINGER, JR.*

SINCE the mid-1970s most developing countries have been experiencing fundamental political and economic changes involving democratization and neoliberal or market-oriented economic reforms. The research on contemporary Latin America has sought to illuminate the origins of these changes,1 as well as their interrelationship.2 With few exceptions,3 emphasis has been placed on the contradictions between neoliberalism and democratic governance.

The literature emphasizes the disorganizing or weakening effects of economic crises and market-oriented policies on civil society.4 First, by creating a more heterogeneous and informal workforce, economic crises undermine the structural conditions for class-based collective action.5 Second, market reforms create powerful barriers to social organization and political activity.6 The loosening of labor markets, for example,

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induces a decline in the organizational and mobilizational capacity of civil society. Trade liberalization and privatizations also lead to massive layoffs, greater unemployment, and increasing depoliticization by transferring important policy decisions to the private sector. Neoliberal reform policies are seen as contributing to the “low-intensity citizenship” that O’Donnell and others perceive as characterizing many emerging democracies, in that these policies jeopardize the organizational bases of representative institutions and large-scale secondary organizations, particularly political parties and labor unions.7 Jointly, economic crises and market-oriented reforms demobilize and depoliticize collective actors, creating a situation that is currently viewed as detrimental to democracy. As Kurtz writes, in more free-market contexts the “threat to democracy [is] the underarticulation of societal interests, pervasive social atomization, and political quiescence founded in collective action problems that, if they are severe enough, may undermine the efficacy of formal democratic institutions and ultimately regime legitimacy.”8

The atomization literature dwells on the destructive sociopolitical consequences resulting from marketization. Neoliberal reforms were executed in a top-down fashion with little input from legislative bodies or a broad cross section of societal groups.9 Societal actors, in turn, are presumed to be “passive recipients” of state initiatives, incapable of resisting, modifying, or reversing the implementation of these policy reforms. The atomization literature thus remains overwhelmingly statecentric, ignoring the various ways in which societal actors may respond to economic restructuring, as well as the potential for the emergence of new patterns of societal organizations. As Remmer aptly writes, this “state-centric literature . . . portrays civil society as a dependent variable, too dramatically weakened and fragmented by the shift in development strategies to hold leaders democratically accountable for policy decisions.”10

Recent research, however, has shown an increase in the level of political protest in the region and has sought to understand the effects of these mobilizations on important political processes. Hochstetler, for instance, examines the role of collective protests in forcing challenged presidents to leave office early.11 Specifically, political protests in

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8 Kurtz (fn. 6), 263.
11 Kathryn Hochstetler, “Rethinking Presidentialism: Challenges and Presidential Falls in South America,” *Comparative Politics* 38 (July 2006).
contemporary Latin America have removed presidents who were more likely to be personally implicated in scandals, to pursue neoliberal policies, and/or to lack a congressional majority. Other literature documents the changing basis of antigovernment mobilizations against economic liberalization, including the emergence of alternative forms of collective action and the geographic segmentation of protest activity in peripheral provinces. Some examples include the antiprivatization revolt in Arequipa (Peru), the “water-war” in Cochabamba (Bolivia), the “glocal riots” in Santiago del Estero and Corrientes (Argentina), and the popular revolt known as the Sacudón or Caracazo in Caracas (Venezuela).

What, then, has been the political impact of economic liberalization? Has it led to a disconnected social wasteland, as implied by the atomization literature, or has it led to a resurgence of historical patterns of collective political activity typical of the Latin American region? Conventional wisdom informs us that in the presence of acute grievances or losses caused by disruptive economic change (that is, economic liberalization) and of opportunities to mount successful collective action (that is, democratization), societal actors will seek to oppose or challenge these policies. Following this conventional logic, we should observe higher levels of political participation in the context of free-market democratization. Paradoxically, the atomization literature tells us that this scenario does not play out because economic crises and market liberalization have collectively pulverized the organizational and mobilizational capacity of collective actors. Economic crises and their neoliberal resolution, Wolff writes, “hollow out democratic participation and representation by undermining the capacity for collective action on the part of broad sectors of society.” Similarly, Kurtz notes, the material hardships caused by economic liberalization “ha[ve] generally been met by most Latin American societies not with a bang but with a relative whimper.”

In this article, we challenge the atomization literature by demonstrating that social actors do react in the context of free-market democratization.


15 Kurtz (fn. 6), 264.
We focus on Kurtz because his is the most recent quantitative work to support the “marketization induces depoliticization” thesis. We challenge Kurtz on several grounds. With regard to large-scale political mobilization, he generalizes about the political effects of economic liberalization for a period when very few countries in Latin America had actually taken the market turn and, furthermore, employs a questionable dichotomous classification of political regimes. With regard to individual political participation, he draws strong conclusions in support of the atomization thesis based on an incomplete model of political participation. Contra Kurtz, we find that economic liberalization in the context of open and democratic politics has led to a significant increase in the level of political protest. Also contra Kurtz, we find that economic liberalization has no effects on individual political participation as measured by voter turnout.

We challenge the atomization thesis for two reasons. First, it is widely accepted that the path to market reform in Latin America has been antidemocratic and exclusionary, thus reducing democracy to a mere procedure. We do not take issue with this observation. But advocates of the atomization school go further by suggesting that political democracy in the region continues to be merely an “empty form,” whereby ordinary citizens are incapable of reacting against the economic policies that challenge their lives. As many other studies have documented and as our empirical findings demonstrate, this is hardly the case. Second, it is precisely the ability of ordinary citizens to mobilize that makes democracy meaningful. Open and democratic politics ought to encourage protest, not render it obsolete. And economic liberalization—as is the case with reform policies in general—provides a number of reasons for ordinary citizens to mobilize and possibly challenge these policies.

The following section reviews the atomization thesis. After reviewing the results of previous research, we summarize the data and methods used in this paper. We then present our empirical findings. The last section concludes by suggesting new areas for research on political mobilization.

The Atomization Thesis

Economic crises and market reforms, as some authors have suggested, have led to increased poverty, economic inequality, and great declines in


both relative and absolute standards of living. These economic conditions are typically associated with political protest or societal unrest. Political liberalization or democratization, in turn, is said to create an environment more conducive to greater levels of mobilization, while increasing the leverage of challengers as well as their chances to achieve positive outcomes. Following this conventional wisdom, we should observe higher levels of political participation in the context of free-market democratization.

The atomization literature, however, seeks to turn this conventional wisdom on its head. Economic crises and neoliberal reforms are seen as the primary source for the weakening of popular collective subjects. Conaghan writes, “Lower classes in Latin America became atomized and unhinged as a result of neoliberal economic reforms.” According to Weyland, “Drastic market reform . . . seems to have helped erode and limit the quality of democracy.” He adds: “The organizational landscape in Latin America has become more fragmented and atomized; although it is certainly not the only cause, neoliberalism has contributed significantly to this outcome.” Apathy, isolation, political silence, quiescence, and atomization are among the myriad terms used to characterize the contemporary social landscape in the region. Political demobilization is curiously present despite persistent and severe material hardships affecting broad swaths of Latin American society as a result of economic liberalization. In a similar line of argument, Roberts suggests that despite growing social inequalities and widespread economic insecurities, class cleavages have eroded in the political arena. Consequently, disorganization and fragmentation permeate political parties in the region. The marked decline of large-scale societal mobilizations (antigovernment demonstrations and riots) and substantial drops in voter turnout epitomize these anemic political responses and provide empirical support for the atomization thesis.

20 Catherine M. Conaghan, Fujimori’s Peru: Deception in the Public Sphere (Pittsburgh, Pa.: University of Pittsburgh Press, 2005), 254.
22 Ibid., 147.
The atomization literature can also help explain the stability and continuation of democracy in the Latin American region. Accordingly, democratic rule persists precisely because economic crises and market liberalization have jointly constrained the mobilizing capacity of those societal actors who were harmed by these economic shocks and therefore would have been most likely to create problems for democratic governance. This unexpected trade-off has also made democracy shallower and less meaningful for diverse sectors of the populace. As Roberts notes, in Latin America “democratic form survives in the absence of democratic substance.”

The empirical results for the thesis associating economic liberalization with depoliticization, however, are less persuasive than originally claimed. For instance, when large-scale societal mobilizations are taken as the dependent variable, Kurtz’s cross-national time series of seventeen Latin American countries begins in 1970 and ends in 1990. Table 1 provides information about the estimated year of market transitions for several Latin American countries. In separate studies of liberalization, Nielson and Paunovic both conclude that market transitions in the region took place in the late 1980s. Alternatively, disaggregating the widely used index of economic liberalization from Morley, Machado, and Pettinato into its five components reveals that the onset of tax reform occurred in 1987, trade liberalization occurred in 1988, capital account liberalization occurred in 1989, financial liberalization occurred in 1989, and, finally, privatization occurred in 1993. The onset of reform is the first year in which each one of these subindexes surpasses the mean for all seventeen Latin American countries in the sample period 1970–2000. Economic liberalization, however, is not a one-shot event that began in a specific year. Quite the contrary, economic liberalization is a process that originated in the Latin American region during the mid-1970s. Those years of


market transition could also be seen as periods when the momentum for economic opening deepened once again. Given that economic liberalization began circa 1990 for most Latin American countries, the temporal domain of Kurtz’s study indicates problems of generalizing about the political consequences of economic liberalization. In other words, Kurtz’s analysis says more about decreasing levels of mobilization during periods prior to the transition to marketization. By extension, since economic liberalization intensified during the 1990s and if the assumptions supporting the atomization literature are correct, one would expect to observe stronger demobilizing effects as a result of increasing levels of economic reform.

A second problem confounding Kurtz’s atomization thesis is the operationalization of democracy. Kurtz uses the Polity IV combined polity score \([-10, 10]\) to create a dichotomous measure for democracy.\(^{28}\) Countries with scores greater than or equal to zero are coded as democracies, and countries with scores below zero are coded as authoritarian political systems. The following observations are warranted. First, Kurtz’s operationalization assumes that the Polity scores represent a

\(^{28}\) Kurtz (fn. 6), 293.
continuous measure of democracy, when in fact the Polity data are categori- 
cal. Second, conventionally most authors use a higher democracy 
score (7 or 8) to construct a dichotomous measure from Polity. Kurtz’s 
operationalization, for instance, categorizes Mexico as a democracy in 
1988, the year of one of the most fraudulent presidential elections in 
recent Mexican history. Peru is coded as a democracy starting in 1978, 
two years prior to its transition to democracy, when the country was 
still under a military dictatorship.

When voter turnout is taken as the dependent variable, Kurtz pro-

dvides a simplified model that fails to take into account contending theo-

dies that shape voter turnout. Kurtz finds a very strong negative associa-
tion between economic liberalization and voting, yet his models also 
omit the interaction effect between economic liberalization and de-
mocracy, which is central to the atomization thesis. As we expand the 
argument below, this interaction effect seeks to capture the conditional 
effect of economic liberalization on political participation. The puzzle 
then is not how economic liberalization affects collective or individual 
political activity but rather how economic liberalization in the context 
of open and democratic politics shapes these political behaviors.

In this article, we follow Fornos, Power, and Garand, which to date 
remains the most comprehensive cross-national study of voter turnout 
in the Latin American region. The authors test the effects of several 
institutional, political, and socioeconomic variables and find that socio-
economic variables are unrelated to voter turnout in Latin American 
countries. These contending approaches stress different causal logics 
to explain the varying rates of voter turnout. Appendix 1 compares 
the explanatory variables used in the aforementioned studies. The in-
stitutional approach, for instance, emphasizes the independent casual 
effect of political institutions in shaping voter turnout. Examples of 
these political institutions include compulsory voting laws, legislative 
structures, electoral formulas, and party systems. In contrast to the in-
stitutional literature, the socioeconomic approach assumes that social 
and economic position is a crucial determinant of individual political

31 Kurtz (fn. 6), 298–99.
32 We thank an anonymous reviewer for bringing this omission to our attention.
behavior. Advocates of the socioeconomic approach argue that at the aggregate level, countries with higher levels of development, which in turn translates into higher levels of individual wealth, education, and urbanization, should also have higher levels of voter turnout. Finally, the political process approach emphasizes the influence of “macropolitical contexts” on voter turnout. These macropolitical contexts include the level of democracy (that is, the presence of political freedoms), founding elections, especially the ones leading to a transition toward democracy, and levels of electoral competition (that is, the presence of close elections)—all of which are said to produce higher turnout.

We recognize that Kurtz does not seek to advance a comprehensive explanation for voter turnout; nevertheless, drawing strong conclusions based on incomplete information is a highly problematic way of making broad generalizations about the effects of economic liberalization on individual political participation. Based on his results, for instance, Kurtz writes, “the results strongly suggest that even in the face of controls for most of the common explanations of voter turnout, increases in the level of economic liberalization predict a marked decline in individual political participation.” We address other shortcomings of Kurtz’s voter turnout analysis in the empirical section of this article.

DATA AND METHODS

Similar to Kurtz, we test the effects of economic liberalization on political participation by examining (1) the relationship between economic liberalization and large-scale political protest, including political riots and antigovernment demonstrations, and (2) the relationship between economic liberalization and voter turnout.

LARGE-SCALE POLITICAL PROTEST

The data on large-scale political protest consist of event counts representing the annual number of politically motivated antigovernment demonstrations and political riots involving more than one hundred citizens. As in Kurtz, the source of the data is Banks. The main ex-

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34 Ibid., 912.
35 Ibid., 915.
36 Ibid. André Blais, To Vote or Not to Vote? The Merits and Limits of Rational Choice (Pittsburgh, Pa.: University of Pittsburgh Press, 2000).
37 Kurtz (fn. 6), 297.
38 Ibid., 299, emphasis added.
39 Arthur S. Banks, Cross-National Time-Series Data Archive (Binghamton: Center for Social Analysis, State University of New York, 2005), electronic format. Antigovernment demonstrations are defined as any peaceful public gathering of at least one hundred people for the primary purpose of
planetary variables are the economic reform index (hereafter, economic liberalization) from Morley, Machado, and Pettinato and Escaith and Paunovic and democracy from the Polity IV data. Following conventional practices, we create a dichotomous dummy measure for democracy (democracies are coded 1) using Polity scores higher than or equal to 8. The control variables (lagged GDP growth and logged overall population) are from the World Bank. GDP Growth \(t-1\) ought to serve as a stabilizing force by reducing the level of societal conflicts. The population variable seeks to control for the possibility that larger countries will experience higher levels of mobilization compared to smaller countries.

Central to the atomization thesis is the interaction between economic liberalization and democracy. The interaction term economic liberalization * democracy seeks to capture the conditional effect of economic reform on political activity. If the dire predictions of the atomization thesis are correct, then free-market democratization would be associated with “a marked decline in . . . political activity.” By contrast, if economic liberalization breeds social discontent in the form of protest and open and democratic politics enhances the leverage of challengers, we should be able to observe greater levels of collective political activity in the context of free-market democratization. Thus the direct effect of economic liberalization on the level of social protest—while empirically important—is not the central focus of the atomization literature. This literature, again, epitomizes the contradictions between neoliberalism and democratic governance, whereby “market-based economic reform and democratization are inherently contradictory phenomena.”

The level of political protest is estimated using a negative binomial event-count model. Event-count models fit the number of occurrences displaying or voicing opposition to government policies or authority, excluding demonstrations of a distinctly antiforeign nature. Riots are defined as any violent demonstration or clash of more than one hundred citizens involving the use of physical force. The Banks data set captures large-scale protest events that are likely to resonate at the national level and provides a consistent and comparable operational definition of protest. It also has the broadest empirical coverage over time and countries. The data source cited by Kurtz is Przeworski et al. (fn. 19), which also comes from Banks.

Reference:
- Morley, Machado, and Pettinato (fn. 26); Escaith and Paunovic (fn. 26).
- Following Epstein et al. (fn. 30) and Bueno de Mesquita et al. (fn. 30).
- Kurtz (fn. 6), 295.
- Philip D. Ooxhorn and Pamela K. Starr, Markets and Democracy in Latin America: Conflict or Convergence? (Boulder, Colo.: Lynne Riener, 1999), 2.
events of an event using maximum likelihood estimators. As these events always take positive integer values and tend to be rare relative to the population, the distribution is skewed and discrete, resulting in errors that are not normally distributed and heteroskedastic. Overdispersion and results from goodness-of-fit tests indicate that a negative binomial model provides the best method for examining the distribution of the dependent variables.47

**Voter Turnout**

The data on voter turnout are from the Fornos, Power, and Garand cross-national study.48 We test the conditional effect of economic liberalization on voter turnout across legislative and presidential elections, seeking to improve their findings. Additionally, we use two generally accepted measurements for turnout: (1) the percentage of registered voters that vote and (2) the percentage of voting age population that votes.50 In contrast to Fornos, Power, and Garand, Kurtz uses the percentage of registered voters, which is the weaker of the two measurements of voter turnout. Turnout as the percentage of registered voters can create biased results for at least two reasons. First, it provides an incomplete picture of individual political activity by excluding the variation between those who register and those who do not. Second,

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47 This conclusion was also supported by the likelihood ratio test of the alpha parameter for all of the models in Tables 3 and 4. The p-value was < 0.000 for all of the models.

48 We are grateful to Carolina Fornos, Timothy Power, and James Garand for sharing the data that they used in their voter turnout study. The authors of this manuscript were able to replicate their results as reported in Fornos, Power, and Garand (fn. 33), 923. We collected the data on turnout as the percentage of registered voters that vote, which is the measure used by Kurtz, from the International Institute for Democracy and Electoral Assistance (http://www.idea.int) and other electoral data sources.


50 See G. Bingham Powell, “Voting Turnout in Thirty Democracies,” in Richard Rose, ed., Electoral Participation (Beverly Hills, Calif.: Sage Publications, 1980); G. Bingham Powell, “American Voter Turnout in Comparative Perspective,” American Political Science Review 80 (March 1986); Robert W. Jackman, “Political Institutions and Voter Turnout in the Industrial Democracies,” American Political Science Review 81 (June 1987); Robert W. Jackman and Ross A. Miller, “Voter Turnout in the Industrial Democracies during the 1980s,” Comparative Political Studies 27 (January 1995); Pippa Norris, Democratic Phoenix: Reinventing Political Activism (New York: Cambridge University Press, 2002). Turnout in presidential elections is total votes cast (including blank votes and spoiled ballots) in presidential elections as a percentage of the eligible-age population. In two-round presidential elections, only the first-round results are used. Turnout in legislative elections is total votes cast (including blank and spoiled ballots) for the lower house or for the unicameral legislature as a percentage of the eligible-age population. We followed the same rules when we collected the data for turnout as the percentage of registered voters that vote; see fn. 48.
Compulsory registration policies tend to artificially inflate the extent of individual political participation. For example, Pérez-Liñán has shown that voter registration in Latin America can vary from 67 percent in Guatemala to 100 percent in Uruguay. Ultimately we are not interested in knowing how liberalization affects registered voters, but rather we want to know how liberalization affects all eligible voters. We collected the data on turnout from the International Institute for Democracy and Electoral Assistance and from other electoral data sources.

Fornos, Power, and Garand provide a test of contending theories that shape voter turnout. At the institutional level, their study takes into account the following explanatory variables: nationally competitive districts, electoral disproportionality, multipartyism, unicameralism, compulsory voting laws, and concurrent elections. Literacy, urbanization, and levels of (and changes in) per capita GDP comprise the socioeconomic explanatory variables affecting voter turnout. Finally, the political process variables that are likely to affect turnout include the level of democracy, founding elections, and electoral competition. We detail each of these variables and their effect on turnout below.

_Nationally competitive districts_ capture the degree to which the electoral system encourages political parties to mobilize throughout the national territory; they are thus expected to have a positive impact on voter turnout. Countries with national elections by proportional representation (PR) or by a national pool for some legislative seats are assigned a score of 4. Countries with PR in large districts are given a score of 3. Countries with PR in districts with three to five members are scored 2, and countries with single-member or winner-take-all districts receive the lowest score of 1.

_Electoral disproportionality_ causes distortions of representation that are expected to have a negative impact on voter turnout. The distortion of representation caused by the translation of votes into seats is

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52 International Institute for Democracy and Electoral Assistance (fn. 48).
53 These other electoral sources used were Political Database of the Americas (http://www.georgetown.edu/pdba); the PARLINE Database of the Inter-Parliamentary Union (http://www.ipu.org); and the Elections around the World Web site (http://www.election-world.org).
54 Powell (fn. 50, 1986); Jackman (fn. 50).
56 Jackman (fn. 50); Jackman and Miller (fn. 50).
operationalized as the average vote-seat share deviation of the two largest parties in each election.\textsuperscript{57} Multipartyism is expected to have a negative impact on turnout because it lowers the pre-election identifiability of governments.\textsuperscript{58} We use Laakso and Taagepera’s indicator of the “effective number of parties” (in the lower house or unicameral legislature) to create a continuous measure of multipartyism.\textsuperscript{59}

Unicameralism is perceived as being a more decisive and efficient form of government that should increase the salience of voting. Jackman and Jackman and Miller code legislative structures following Lijphart.\textsuperscript{60} Specifically, bicameralism can be asymmetrical or symmetrical, depending on whether or not both houses enjoy equal powers. Bicameralism can also be congruent or incongruent, depending on whether or not both houses represent the same constituencies. Following this scheme, countries with unicameral legislatures are given a score of 4. Countries whose chambers are congruent and asymmetrical in a manner that favors the lower house are given a score of 3. Countries with incongruent bicameralism are given a score of 2. Countries with bicameral legislatures receive a score of 1, and, finally, countries with strong bicameralism receive a score of 0.\textsuperscript{61}

Compulsory voting laws capture the degree to which appearance at the polls is mandated by the government and should have a positive impact on voter turnout. Countries with no compulsory voting laws are scored as 0 (Colombia and Nicaragua). Countries that require voting but do not sanction nonvoting are given a score of 1 (Costa Rica, Dominican Republic, El Salvador, Guatemala, Panama, and Venezuela). Countries that require voting and sanction nonvoting but do not widely enforce sanctions are given a score of 2 (Argentina, Bolivia, Brazil, Honduras, Mexico, and Paraguay). Finally, countries with compulsory voting laws that enforce sanctions are scored as 3 (Chile, Ecuador, Peru, and Uruguay).\textsuperscript{62} Concurrent elections should increase the ease of voting

\textsuperscript{57} The source of the data is the same as for the turnout sources; see fn. 48.
\textsuperscript{58} Jackman (fn. 50)
\textsuperscript{59} Markku Laakso and Rein Taagepera, “Effective Number of Parties: A Measure with Application to West Europe,” \textit{Comparative Political Studies} 12, no. 1 (1979). These scores were calculated from the sources used for the turnout data; see fn. 48.
\textsuperscript{60} Jackman (fn. 50); Jackman and Miller (fn. 50); Arend Lijphart, \textit{Democracies: Patterns of Majoritarian and Consensus Government in Twenty-one Countries} (New Haven: Yale University Press, 1984).
\textsuperscript{61} The information to create this variable was taken from Nohlen (fn. 55) and Jones (fn. 55).
\textsuperscript{62} The source of the data is Mark Payne, Daniel Zovatto, Fernando Carillo, and Andrés Allamand, \textit{La política importa: democracia y desarrollo en América Latina} (Washington, D.C.: Inter-American Development Bank and International Institute for Democracy and Electoral Assistance, 2003). The index of economic reform from Morley, Machado, and Pettinato (fn. 26) and Escaith and Paunovic (fn. 26) is not available for Nicaragua and Panama, so the results presented in Table 6 are based on sixteen countries.
and should have a positive impact on voter turnout. To measure the effect of concurrent elections we include a dummy variable that gives a score of 1 when presidential and legislative elections are held on the same date.

Literacy and urbanization are expected to increase voter turnout. Literacy is measured as the percentage of the population aged fifteen years and older that can read and write. Urbanization is measured as the percentage of the total population living in urban areas. Levels of per capita gross domestic product (hereafter, per capita GDP) and changes in per capita GDP are expected to be positively associated with voter turnout. Per capita GDP is measured in constant 1995 dollars. Changes in per capita GDP are calculated as the percent change in GDP from year to year.

Democracy is created from Freedom House’s separate indices of political rights and civil liberties, measured from 1 for high freedom to 7 for low freedom. Fornos, Power, and Garand create a combined index by adding the two separate scores together. In the sample, the composite scale ranges from 2 to 12, so 2 is subtracted from the score and it is then inverted to create a 0–10 scale where 0 represents low democracy and 10 represents high democracy. Founding elections are democratic contests that mark a clear break from an authoritarian past, that have unusual salience attached to them by major political actors, and that represent the first major reallocation of political power under a newly elected democratic regime. Fornos, Power, and Garand code legislative and presidential elections embodying these characteristics as 1 and other elections as 0.

Electoral competition is expected to increase voter turnout. In presidential elections, electoral competition is measured as the difference in vote share between the first- and second-place candidates. In legislative elections it is the difference in vote share between the first- and second-place parties. A high score is generated for less-competitive systems,

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64 The source of the data is the same as for the turnout sources; see fn. 48.
65 Fornos, Power and Garand (fn. 33).
66 The source of the data is World Bank (fn. 43).
67 Fornos, Power and Garand (fn. 33).
68 World Bank (fn. 43).
69 Fornos, Power, and Garand (fn. 33), 921.
70 These data are from Freedom House, available at http://www.freedomhouse.org/.
whereas a low score indicates strong electoral competition. Accordingly, electoral competition is expected to have a negative correlation with turnout.72

Finally, and for presentation purposes, we include the variable economic liberalization and the interaction term economic liberalization * democracy under the group of political process variables. Economic liberalization is the economic reform index detailed earlier.73 The interaction term economic liberalization * democracy seeks to capture the conditional effect of economic reform on voter turnout. Here, we entertain two different hypotheses. If economic liberalization breeds social discontent, then democratic politics should encourage challengers to go to the polls. The direction of this hypothesis runs contrary to the atomization thesis, but it is consistent with our theorizing about the relationship between free-market democratization and political protest. Alternatively, if economic liberalization does not breed social discontent, open and democratic politics is theorized to discourage challengers from going to the polls. The direction of this alternative hypothesis follows the atomization thesis, but in our view the drop in turnout could be associated with satisfaction rather than with social anomie. Ultimately, these conjectures are subject to empirical testing.

In contrast to the comprehensive treatment of voter turnout by Fornos, Power, and Garand, Kurtz’s model considers only one institutional variable (compulsory voting laws), three socioeconomic variables (level of development, urbanization, and education), and two political process variables (political openness and transition elections), though none of these competing explanations are actually tested jointly in the same model. Kurtz does not provide much detail about the measurement of each of these variables, so we were unable to replicate his empirical results. We presume that he is examining voter turnout from presidential elections. The variable political openness from Kurtz may be equivalent to the variable measuring the level of democracy (based on Freedom House ratings) from Fornos, Power, and Garand, though again Kurtz incorrectly creates a dichotomous dummy measure for democracy using Polity scores higher than or equal to zero. Likewise, the variable transition elections from Kurtz may be the equivalent of the variable founding elections from Fornos, Power, and Garand.

Similar to Fornos, Power, and Garand, we estimate our pooled cross-sectional time series models using the generalized estimation equation extension of the generalized least squares random-effects estimators.

72 The source of these data is the same as for the turnout sources; see fn. 48.
73 Morley, Machado, and Pettinato (fn. 26); Escaith and Paunovic (fn. 26).
This procedure is appropriate in cross-sectionally dominant and unbalanced data sets and provides estimates that are uncontaminated by the effects of autocorrelation and heteroskedasticity.\textsuperscript{74}

**Empirical Results**

In Table 2 we replicate Kurtz’s main empirical findings. When anti-government demonstrations are taken as the dependent variable (first column), Kurtz notes: “The crucial results have to do with the level of economic reform . . . in the context of open and democratic politics, economic reform is associated with a substantial \textit{decline} in the level of political protest.”\textsuperscript{75} Turning to political riots (second column), Kurtz writes: economic liberalization “has a substantially greater effect in democratic settings” and “the core hypothesis of [his] paper finds even \textit{stronger} statistical support.”\textsuperscript{76} Kurtz adds that his conclusions “comport with the findings of a variety of studies that have pointed to a marked decline in social organization and political activity in the wake of (free-market) democratization in Latin America.”\textsuperscript{77}

Recall that the atomization literature would predict stronger demobilizing effects in the 1990s as economic liberalization intensified. Accordingly, we should be able to observe greater levels of social atomization. Using available data, Tables 3 and 4 extend Kurtz’s empirical analysis through the year 2000 and, as noted earlier, correct for the coding of democracy using the Polity IV data. Contradicting the core findings of the atomization literature, economic liberalization is associated with a significant \textit{increase} in the level of political protest when democracy is present. These results hold across the two different types of political protest of this study, as seen in Tables 3 and 4. Therefore, extending the analysis through the year 2000 and constructing a dichotomous measure for democracy using Polity scores higher than or equal to 8, a procedure that follows conventional practices, goes against the main empirical findings of the atomization literature.\textsuperscript{78}

These results remain unchanged when we run the models without country dummies (models 1 and 4) and control for time effects (models 2 and 5). The variable \textit{post–1989 market transition} is a dummy variable


\textsuperscript{75} Kurtz (fn. 6), 294, emphasis in original.

\textsuperscript{76} Ibid., 295, emphasis added.

\textsuperscript{77} Ibid.

\textsuperscript{78} These results also do not change using Polity scores higher than or equal to 7. There is also no support for the atomization thesis when we substitute the index of economic liberalization for the trade liberalization subindex as in Kurtz (fn. 6), 293.
for the period following the year 1989, which is the first year in which the mean of the economic liberalization index surpasses the mean for the entire sample period 1970–2000. This cutoff point represents the period in which economic liberalization intensified and is also generally consistent with the estimate years of market transition in the region provided in Table 1.79 Thus Tables 3 and 4 demonstrate that there are greater levels of collective political activity in the context of free-market democratization.

Table 5 reports the predicted annual event counts generated by models 1 and 4. These predicted counts are consistent with theory and suggest strong substantive effects. For instance, during the period of economic liberalization—the 1990s—the maximum number of antigovernment demonstrations and riots recorded by the Banks data is 9 and 4,

79 The results reported in Tables 3 and 4 have also been cross-checked utilizing a counter or trend variable. The estimates remained identical to those generated with a single dummy variable. Substituting year dummies for these period dummies did not significantly alter our results. Adding a lagged dependent variable to the right-hand side of the equation also did not produce substantive changes in our main results.
respectively. In the presence of democracy, heightened economic liberalization produces a rise in antigovernment demonstrations and political riots. The predicted annual number of antigovernment demonstrations rises from .08 at minimum levels of economic liberalization to 2.34 at maximum levels of economic liberalization. Similarly, the predicted number of political riots increases from 0.24 to 1.03 at minimum and maximum levels of economic liberalization, respectively. By contrast, in the presence of an authoritarian regime, heightened economic liberalization produces a dramatic decline in political riots. Riots drop from 5.03 at minimum levels of economic liberalization to 0.17 at maximum levels of economic liberalization. Finally, and perhaps contrary to our expectations, in the presence of an authoritarian regime, heightened economic liberalization also leads to an increase in antigovernment demonstrations, but this rise is lower than the one forecast in the presence of democracy. Since antigovernment demonstrations are defined as peaceful gatherings and political riots are defined as violent clashes involving the use of physical force, it seems reasonable to suggest that authoritarian regimes may have a moderate tolerance for peaceful demonstrations vis-à-vis violent confrontations. This interpretation

\[80\] Banks (fn. 39); see Appendix 2 for a summary of descriptive statistics.
can help explain the sharp drop of riots and the moderate rise of antigovernment demonstrations. The differences across these two different types of political protest are also captured by the direct and negative effect of economic liberalization on riots, and its direct and positive effect on antigovernment demonstrations (Tables 3 and 4). These differences appear to be strongly influenced by the implementation of economic liberalization in the context of an authoritarian regime—a regime that is willing to bear some peaceful protest but will seek to keep riots to an absolute minimum.

Table 6 tests the effects of economic liberalization on individual political participation as measured by voter turnout. Similar to Tables 3 and 4, the interaction term \( \text{economic liberalization} \times \text{democracy} \) seeks to capture the conditional effect of economic reform on voter turnout, which is pivotal to the atomization thesis. As stated earlier, economic liberalization could increase or decrease turnout, depending on whether or not it breeds social discontent.

The dependent variable in models 7 and 9 is the percentage of the voting-age population that votes.\(^81\) The dependent variable in models 8

\(^81\) Similar to Fornos, Power, and Garand (fn. 33).
and 10 is the percentage of registered voters that votes. In all of these four models, and contrary to Kurtz, the interaction term economic liberalization * democracy fails to reach the conventional levels of statistical significance. Stated differently, and independent of how individual political participation is measured, economic liberalization in the context of democratic politics does not have an effect on voting across presidential and legislative elections.

The introduction of the explanatory variables—economic liberalization and the interaction term economic liberalization * democracy—does not substantively alter the empirical findings from Fornos, Power, and Garand. The political process variable founding election has a strong positive effect on turnout. The effects of the institutional variables (national competitive districts, unicameralism, compulsory voting, and concurrent elections) are generally consistent with the results from Fornos, Power, and Garand, although the inclusion of economic liberalization depresses the positive effect of concurrent elections. Among the socioeconomic explanatory variables, literacy and per capita GDP increase voter turnout. While these later results differ from the Fornos, Power, and

\[\text{Table 5} \]

**Economic Liberalization and the Predicted Number of Political Riots and Antigovernment Demonstrations in Latin America**

<table>
<thead>
<tr>
<th>Political Riots</th>
<th>Democracy</th>
<th>Dictatorships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum economic liberalization</td>
<td>0.24</td>
<td>5.03</td>
</tr>
<tr>
<td>Mean economic liberalization</td>
<td>0.62</td>
<td>0.67</td>
</tr>
<tr>
<td>Maximum economic liberalization</td>
<td>1.03</td>
<td>0.17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Antigovernment Demonstrations</th>
<th>Democracy</th>
<th>Dictatorships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum economic liberalization</td>
<td>0.08</td>
<td>0.25</td>
</tr>
<tr>
<td>Mean economic liberalization</td>
<td>0.72</td>
<td>0.67</td>
</tr>
<tr>
<td>Maximum economic liberalization</td>
<td>2.34</td>
<td>1.31</td>
</tr>
</tbody>
</table>

\[a\] The values presented above are predicted number of political riots and antigovernment demonstrations given different economic and political contexts. These results were calculated from the estimates in models 1 and 4. Predicted event counts are calculated by exponentiating the linear predictions presented in these two models. See Appendix 2 for a summary of descriptive statistics.

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82 Similar to Kurtz (fn. 6).
83 Model 10 is the only exception to this finding. The interaction term economic liberalization * democracy becomes statistically significant at the 10 percent level at high levels of democracy. Specifically, only when democracy (based on the Freedom House rating) reaches the values of 9 and 10, there appears to be a drop in turnout. Given that this relationship appears only at very high levels of democracy (the maximum level of democracy is 10), we believe that the drop in turnout may have to do less with social anomie than satisfaction.
84 Fornos, Power, and Garand (fn. 33), 923.
Table 6
Economic Liberalization and Political Participation in Latin America (1980–2000)

<table>
<thead>
<tr>
<th>Model</th>
<th>Legislative Model 7</th>
<th>Legislative Model 8</th>
<th>Presidential Model 9</th>
<th>Presidential Model 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional variables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$(2.756)$</td>
<td>$(2.730)$</td>
<td>$(2.702)$</td>
<td>$(1.785)$</td>
</tr>
<tr>
<td>Electoral disproportionally</td>
<td>$-0.058$</td>
<td>$-0.434$</td>
<td>$-0.662^{*}$</td>
<td>$-0.092$</td>
</tr>
<tr>
<td></td>
<td>$(0.340)$</td>
<td>$(0.347)$</td>
<td>$(0.364)$</td>
<td>$(0.277)$</td>
</tr>
<tr>
<td>Multipartyism</td>
<td>$-0.159$</td>
<td>$0.187$</td>
<td>$0.376$</td>
<td>$0.485$</td>
</tr>
<tr>
<td></td>
<td>$(0.892)$</td>
<td>$(0.909)$</td>
<td>$(0.904)$</td>
<td>$(0.575)$</td>
</tr>
<tr>
<td>Unicameralism</td>
<td>$1.515^{*}$</td>
<td>$0.127$</td>
<td>$1.659^{**}$</td>
<td>$1.257^{***}$</td>
</tr>
<tr>
<td></td>
<td>$(0.867)$</td>
<td>$(0.849)$</td>
<td>$(0.804)$</td>
<td>$(0.477)$</td>
</tr>
<tr>
<td></td>
<td>$(1.510)$</td>
<td>$(1.506)$</td>
<td>$(1.521)$</td>
<td>$(1.090)$</td>
</tr>
<tr>
<td>Concurrent elections</td>
<td>$3.023$</td>
<td>$1.721$</td>
<td>$5.697^{*}$</td>
<td>$1.560$</td>
</tr>
<tr>
<td></td>
<td>$(2.533)$</td>
<td>$(2.655)$</td>
<td>$(3.409)$</td>
<td>$(2.709)$</td>
</tr>
<tr>
<td>Socioeconomic variables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urbanization</td>
<td>$-0.114$</td>
<td>$-0.167$</td>
<td>$-0.088$</td>
<td>$-0.201^{**}$</td>
</tr>
<tr>
<td></td>
<td>$(0.174)$</td>
<td>$(0.170)$</td>
<td>$(0.167)$</td>
<td>$(0.094)$</td>
</tr>
<tr>
<td>Literacy</td>
<td>$0.267$</td>
<td>$-0.033$</td>
<td>$0.417^{***}$</td>
<td>$0.341^{***}$</td>
</tr>
<tr>
<td></td>
<td>$(0.173)$</td>
<td>$(0.167)$</td>
<td>$(0.156)$</td>
<td>$(0.082)$</td>
</tr>
<tr>
<td>Per capita GDP</td>
<td>$0.004^{***}$</td>
<td>$0.004^{***}$</td>
<td>$0.002$</td>
<td>$0.001^{*}$</td>
</tr>
<tr>
<td></td>
<td>$(0.001)$</td>
<td>$(0.001)$</td>
<td>$(0.001)$</td>
<td>$(0.001)$</td>
</tr>
<tr>
<td>Change in per capita GDP</td>
<td>$-0.073$</td>
<td>$-0.179$</td>
<td>$0.219$</td>
<td>$0.005$</td>
</tr>
<tr>
<td></td>
<td>$(0.298)$</td>
<td>$(0.306)$</td>
<td>$(0.376)$</td>
<td>$(0.289)$</td>
</tr>
<tr>
<td>Political process variables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic liberalization</td>
<td>$29.664$</td>
<td>$20.599$</td>
<td>$27.003$</td>
<td>$31.080$</td>
</tr>
<tr>
<td></td>
<td>$(32.482)$</td>
<td>$(33.915)$</td>
<td>$(35.262)$</td>
<td>$(28.523)$</td>
</tr>
<tr>
<td>Democracy</td>
<td>$4.626$</td>
<td>$4.684$</td>
<td>$5.524$</td>
<td>$7.012^{**}$</td>
</tr>
<tr>
<td></td>
<td>$(3.155)$</td>
<td>$(3.262)$</td>
<td>$(3.493)$</td>
<td>$(2.677)$</td>
</tr>
<tr>
<td></td>
<td>$(4.613)$</td>
<td>$(4.775)$</td>
<td>$(5.067)$</td>
<td>$(3.989)$</td>
</tr>
<tr>
<td>Founding election</td>
<td>$18.888^{***}$</td>
<td>$13.294^{***}$</td>
<td>$23.137^{***}$</td>
<td>$15.156^{***}$</td>
</tr>
<tr>
<td></td>
<td>$(4.463)$</td>
<td>$(4.661)$</td>
<td>$(4.782)$</td>
<td>$(3.287)$</td>
</tr>
<tr>
<td>Electoral competition</td>
<td>$-0.149$</td>
<td>$-0.171$</td>
<td>$0.015$</td>
<td>$0.008$</td>
</tr>
<tr>
<td></td>
<td>$(0.128)$</td>
<td>$(0.138)$</td>
<td>$(0.103)$</td>
<td>$(0.079)$</td>
</tr>
<tr>
<td>Constant</td>
<td>$16.146$</td>
<td>$51.087^{*}$</td>
<td>$-2.600$</td>
<td>$26.734$</td>
</tr>
<tr>
<td></td>
<td>$(26.891)$</td>
<td>$(27.125)$</td>
<td>$(29.158)$</td>
<td>$(20.366)$</td>
</tr>
<tr>
<td>Observations</td>
<td>73</td>
<td>71</td>
<td>59</td>
<td>50</td>
</tr>
<tr>
<td>Pseudo-$R^2$</td>
<td>.76</td>
<td>.69</td>
<td>.75</td>
<td>.79</td>
</tr>
</tbody>
</table>

White's heteroskedastic robust standard errors in parentheses; *$p<0.1$; **$p<0.05$; ***$p<0.01$. The Pseudo-$R^2$ value is calculated as the squared correlation between observed turnout and turnout predicted by each of the above models.
Garand study, the positive effect of these two socioeconomic variables is consistent with their theoretical expectations. Moreover, when we remove the interaction term economic liberalization * democracy, economic liberalization still does not have a direct, statistically significant effect on turnout (models 7–10). In the absence of the interaction effect, the results presented in Table 6 come closer to those of Fornos, Power, and Garand. For instance, and consistent with their theory, the effect of the political process variable democracy becomes positive and significant. In all, the direct or indirect effect of economic liberalization on voting is left wanting.

**Conclusion**

Existing research has emphasized the contradictions between democratic governance and marketization. The early literature argued that democracies were incapable of advancing the implementation of neoliberal policies because of the high social costs associated with these policies. Given the resilience of free-market democratization in the Latin American region, this old conventional wisdom has been revised by suggesting that marketization has moved forward at the expense of meaningful democracy. The atomization literature, in fact, would have us believe that free-market democracy is “low-intensity democracy,” whereby societal actors are presumed to be too weak or fragmented to challenge the policies that affect their lives. Our empirical findings challenge these assumptions. Economic liberalization in the context of open and democratic politics leads to greater levels of collective political activity. Our results also show that economic liberalization has no effect on individual political participation across presidential and legislative elections and independent of how this participation is measured.

Future research ought to explore the relationship between economic liberalization and labor mobilizations. This relationship is at the heart of changes in state-society interactions brought about by neoliberalism. Kurtz provides circumstantial evidence that labor mobilization has declined, but it is unclear whether or not economic liberalization is its major driving force. As Lora and Panizza have shown, labor reforms in the region have lagged considerably behind other market-oriented reforms such as privatization and trade liberalization.85 Murillo and

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Shrank also detail how Latin America’s labor codes actually became more favorable to organized labor during this most recent wave of free-market reforms. In the 1985–98 period, Murillo and Shrank write, labor reforms “have enhanced rather than undercut labor’s ability to organize and bargain collectively.” Among other things, such future work would require cross-national data on the organizational characteristics of unions, which to date remain limited.

Future research should also seek to explain the repoliticization of collective political activity in the aftermath of economic liberalization. Other forms of protest have come to replace collective action in the labor sphere (for example, union mobilization) as the most important societal reaction to the continuation of neoliberal restructuring. By extension, significant protests have moved beyond large, urban metropolitan areas. By considering the presence of alternative patterns of collective action—including types of protest and their location—we can begin to discern how economic liberalization has transformed the societal landscape in contemporary Latin America. The emergence of alternative forms of collective action and the geographic segmentation of protest activity in peripheral provinces are intertwined, and represent societies’ “protective countermovement” in response to the risks associated with market forces. Existing studies do not capture these important changes in the repertoire of societal protest or are simply too aggregated to serve as the basis for meaningful comparative research.

### Appendix 1

**Comparison of Voter Turnout Models and Results**

<table>
<thead>
<tr>
<th>Fornos, Power, and Garand[^99]</th>
<th>Kurtz[^100]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Institutional Variables</strong></td>
<td><strong>Institutional Variables</strong></td>
</tr>
<tr>
<td>National competitive districts (negative and significant)</td>
<td></td>
</tr>
<tr>
<td>Electoral disproportionality</td>
<td></td>
</tr>
<tr>
<td>Multipartyism</td>
<td></td>
</tr>
<tr>
<td>Unicameralism (positive and significant)</td>
<td></td>
</tr>
</tbody>
</table>


[^100]: Ibid., 972.


[^99]: Fornos, Power, and Garand (fn. 33), 923.

[^100]: Kurtz (fn. 6), 298.
APPENDIX 1, cont.

Fornos, Power, and Garand  Kurtz

**Institutional Variables**

- Compulsory voting (positive and significant)
- Concurrent elections (positive and significant)

**Socioeconomic Variables**

- Urbanization
- Literacy
- Per capita GDP
- Change in per capita GDP

**Political Process Variables**

- Freedom House rating (positive and significant)
- Founding Election (positive and significant)
- Electoral competition

APPENDIX 2

DESCRIPTIVE STATISTICS FOR LARGE-SCALE POLITICAL PROTEST MODELS

<table>
<thead>
<tr>
<th>1970–79</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antigovernment Demonstrations</td>
<td>.647</td>
<td>1.143</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Riots</td>
<td>.606</td>
<td>1.127</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Economic Liberalization</td>
<td>.491</td>
<td>.082</td>
<td>.342</td>
<td>.727</td>
</tr>
<tr>
<td>Democracy</td>
<td>.224</td>
<td>.418</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>GDP Growth (_{t-1})</td>
<td>5.147</td>
<td>4.092</td>
<td>-11.363</td>
<td>18.227</td>
</tr>
<tr>
<td>Population (log)</td>
<td>15.907</td>
<td>1.147</td>
<td>14.415</td>
<td>18.593</td>
</tr>
<tr>
<td>Number of Observations = 170</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1980–89</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antigovernment Demonstrations</td>
<td>.9</td>
<td>1.89</td>
<td>0</td>
<td>15</td>
</tr>
<tr>
<td>Riots</td>
<td>.376</td>
<td>.967</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Economic Liberalization</td>
<td>.558</td>
<td>.101</td>
<td>.341</td>
<td>.800</td>
</tr>
<tr>
<td>Democracy</td>
<td>.424</td>
<td>.495</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>GDP Growth (_{t-1})</td>
<td>1.949</td>
<td>4.833</td>
<td>-11.8</td>
<td>14.819</td>
</tr>
<tr>
<td>Number of Observations = 170</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Appendix 2, cont.

<table>
<thead>
<tr>
<th>1990–2000</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antigovernment Demonstrations</td>
<td>1.31</td>
<td>1.66</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Riots</td>
<td>.347</td>
<td>.791</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Economic Liberalization</td>
<td>.784</td>
<td>.073</td>
<td>.456</td>
<td>.878</td>
</tr>
<tr>
<td>Democracy</td>
<td>.567</td>
<td>.497</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>GDP Growth ( g_{t-1} )</td>
<td>3.339</td>
<td>3.825</td>
<td>–11.7</td>
<td>12.822</td>
</tr>
</tbody>
</table>

Number of Observations = 187