

Does Democracy Matter? – An Experimental Study of Technocratic Governance

Paper prepared for presentation at the Annual Meeting of the Danish Political Science Association in Kolding, 2015.

Alexander Bor (AU), Anna Csonka

Abstract

Several polities have responded to the challenges of the global economic crisis after 2008 with appointing technocratic governments in Europe (Czech Republic, Hungary, Italy) and in the US (Detroit, Atlantic City). Letting technocrats to bear the political costs of the most painful austerity measures, however, may have potentially serious shortcomings for input-oriented democratic legitimacy. Although technocratic leaders enjoyed high initial popularity, public support often deteriorated with time. This dilemma highlights an important gap in the literature, as perceptions of policies issued by technocratic governments received surprisingly little attention so far. We conducted two original experiments in the EU and the US to measure if people react differently to identical austerity measures if one is framed as a democratic choice and the other as a decision of an independent expert. Our findings show that despite the fact that technocratic leaders are ‘imposed’ on people, their presence may make austerity measures more tolerable under some circumstances. Our Hungarian participants, and Americans scoring high on an elitism scale or highly relying on cognitive heuristics were more likely to assess an expert-initiated austerity measure as more fair. These results provide important evidence for the substantial but heterogeneous effects of decision-making procedure and demonstrate the benefits of studying political attitudes in behavioural games rather than in hypothetical scenarios. We suggest that more research is needed to understand the casual mechanisms and cultural heterogeneity we reveal.

Introduction¹

The debate surrounding the rule of experts in leadership is as old as political thought itself. Plato proposed the philosopher king as an ideal ruler, a wise, moral social engineer who does not seek power for his own sake. History proved that technocratic rule could range from relatively efficient crisis management, as it happened in Europe during the global economic crisis, to essentially authoritarian regimes, as we saw it in Latin America. The two-faced nature of expert rule lies at the heart of the following dilemma: even though we want our political leaders to be competent and expertise to be utilized in political decisions (Collins and Evans (2002), Nelkin (1975), Weingart (1999)), we also want leaders to be democratically legitimate.

The issue of legitimacy does not only come up when technocrats rise by coup d’état as they did in Latin America during the 1960-70s. If we look at the technocratic governments in Europe during the past five years – the Fischer cabinet in the Czech Republic, the Monti cabinet in Italy, the Bajnai cabinet in Hungary – we see that although they were appointed and ruled according to the formal rules

¹Corresponding author: Alexander Bor - Aarhus University, Department of Political Science and Government, alexander.bor@ps.au.dk, Bartholins Allé 7, DK-8000 Aarhus C.

of democracy and delegation, they violated the informal rules of democratic legitimation. The prime ministers were not members of any party, thus voters did not have a chance to get to know them during an electoral campaign, let alone vote for a party because of the prime ministerial candidate. With technocratic governments, voters not only lost their (limited and indirect) role in electing leaders into office, but they were also deprived of the opportunity to expel them by supporting the opposition. In other words, technocrats' explicit lack of interest in re-election undermines the most important channel of democratic accountability as well.

It is not far-fetched to say then, that the decisions of partisan governments are legitimate because they observe both the formal and the informal rules of democracy, while the decisions of technocratic governments are legitimated by the competence of the decision makers and by observing the formal rules of democracy. Thus, there seems to be a trade-off between full democratic legitimacy and expert decision-making, and as we see, in times of political and economic crisis the balance may move towards expertise.

The interesting question is "why?". Common sense, theory (Young 2002) and mounting empirical evidence both from surveys (Rapeli 2015, Bengtsson and Mattila (2009)) and from experiments (Corazzini et al. 2012, Dal Bó, Foster, and Putterman (2010), Tyler (1990)) shows that people prefer decisions and comply with them more easily if they feel they had an impact on it. It would seem that in case of such high-profile decisions like large scale austerity measures, participatory decision-making procedures would be even more important. However, the initial popularity and acceptance of technocratic governments suggest otherwise. Do people think that in crisis competence matters more than democracy? Are decisions made by an expert more accepted in a crisis than democratically made decisions? These are our main research questions.

We investigated this research question by conducting a laboratory and a survey experiment on two very different samples. The first experiment was conducted on a student sample in a laboratory, in Hungary, while the second experiment was conducted by on Amazon's Mechanical Turk with an online sample recruited from the United States. In both experiments we attempted to simulate an economic crisis and austerity measures were introduced either following a popular vote or by following experts' advice. We found mixed evidence for the main hypothesis that experts are more successful in implementing austerity during a crisis. Whereas the Hungarian subjects showed strong preference towards technocrats, participants in the US largely preferred direct democracy.

Our mediation analysis revealed that even though on average people in the US preferred democratic decision procedures, people high on an elitism-scale actually preferred technocrats. Moreover, people who rely more on cues in political information processing assess a policy issued by technocrats as high as one passed with the democratic decision-making. The results indicate that under some circumstances sacrificing democratic legitimacy to increase the role of experts in decision making may be preferred by society. More research is needed, however, in order to understand the underlying causal mechanisms and the cultural variation in the assessment of various governmental decision-making procedures.

Our main contribution is providing preliminary research on this rarely researched topic. In doing so, we connect the literature in comparative politics of recent examples of technocratic government with the literature on the effects of expert democracy on legitimacy. We also create an innovative, incentivized behavioral experiment that could be used to further research the effects of various policies on political attitudes. Our results highlight the importance of relaxing the assumption that people have the capacity to correctly estimate their attitudes in hypothetical situations.

This paper is structured as follows. First, we briefly discuss the literature on technocrats and present the recent empirical cases of technocratic leaders. Second, we review the discussion on the legitimacy of technocrats and provide additional empirical evidence to demonstrate that their legitimacy is ambiguous. Thirdly, we present the literature forming our expectations and state our hypotheses. Fourthly, we discuss our two studies and their results. Finally, some concluding remarks are offered.

Technocratic governance in theory and practice

Whenever social and economic structural reforms are to be pushed and enforced by the state, technocrats are likely to appear in top decision making positions (Greskovits 1998). This happened for example in the South-American and the Eastern European countries in transition, where crucial and painful reforms had to be enforced to switch to market economy. This trend could also be observed in the years after the 2008 global economic crisis in Europe. Technocratic governments were appointed and mandated with introducing austerity measures to navigate the country out of crisis in Italy, Hungary and the Czech Republic.

Although the rule of the wise is an ancient idea, the concept of “technocracy” entered the literature much more recently. Technocrats were first defined in Latin-American context as academically highly trained experts, who were selected to their position based on their merits and knowledge (Collier 1979), however they mostly held advisory roles rather than assuming leading governmental positions. Interestingly, a debate about the technocrats’ skills began almost immediately. Some consider that the skills of politicians and technocrats might be essentially similar and differences are constrained to an actor’s public image or stated goals (Camp 1985). Other, however argue that technocracy is distinguished by the adaptation of specialized, ideologically neutral knowledge to governance (Fischer 1990).

More recently, McDonnell and Valbruzzi (2014) offer a very useful conceptual framework to defining technocratic government. They use the reverse mirror image of Richard Katz’s (1987) ideal type definition of party government and propose an ideal type definition of technocratic governments. According to this definition, the ideal type of a technocratic government is one where

1. all major governmental decisions are not made by elected party officials,
 2. policy is not decided within parties which then act cohesively to enact it, and
 3. the highest officials (ministers, prime ministers) are not recruited through party.
- (McDonnell and Valbruzzi 2014, 656)

They add, that if the prime minister and the finance minister is a technocrat, the government can also be considered technocratic even if most of the other ministers are regular politicians. There has been six governments in Europe since 1944 which fulfilled this criteria, and half of them appeared as a response to the 2008 global economic crisis: the Monti-government in Italy, the Fischer-government in the Czech Republic and the Bajnai-government in Hungary. It is worth noting that although technocratic governments have never been appointed in the United States, during the past decade two cities, Detroit and Atlantic City appointed a *de facto* technocrat², Kevin Orr, to save the cities from bankruptcy.

All three European technocratic governments emerged into power after their predecessor failed to tackle the crisis because of a political stand-off, and the parliament voted them out of power with a vote of non-confidence. Neither of these governments had much choice in deciding what program to follow, as they had to govern countries on the verge of full bankruptcy, and at that time the European Union was strongly pushing for austerity measures as a solution to the crisis.

The cabinet of Jan Fischer assembled at the beginning of May 2009 after Mirak Topolanek’s central-rightist coalition government failed to sustain their majority in Parliament due to tensions caused by the raging economic crisis. The new technocratic government lead by the former president of the Czech Statistical Office faced serious political and economic decisions. It was the Fischer-cabinet who managed to finish the ratification of the Lisbon Treaty, and they also succeeded in implementing a large scale austerity package aiming at the reduction of public expenditure.

²Although Kevin Orr’s legal status was “caretaker”, his actions fit the idealtype of a technocrat introducing major changes better than that of a caretaker, mandated to temporarily guard the status quo (CF. McDonnell and Valbruzzi 2014).

Mario Monti's technocratic government was sworn to office in November 2011, after Silvio Berlusconi, Monti's predecessor lost his majority in the parliament amid an acute debt crisis. Berlusconi previously promised to leave his position in case the parliament votes for the new austerity measures. Monti's cabinet – 12 ministers with and 5 without portfolios – was composed entirely of non-elected, independent technocrats, who never took part in party politics before. When Monti announced the list of his ministers he commented on it saying “we will be better off without politicians.”³ The main task of the government was to help restore economic growth and stop the country from going completely bankrupt by implementing a strict austerity policy. As a part of this, the Monti-cabinet reduced public expenditure by €30 billion.

In Hungary, the expert prime minister Gordon Bajnai came into power in 2009 after his predecessor, the socialist Ferenc Gyurcsány decided to resign, stating that his person is an obstacle in front of the necessary reforms. Bajnai started his term amid very bad economic circumstances: the exchange rate of the Hungarian Forint reached its historical low point against the Euro and large parts of the society were amidst dire circumstances, often facing eviction once the interests on their foreign exchange debts skyrocketed. The Bajnai cabinet's main task was to stabilize the economy and drive the country out of the crisis. Bajnai reduced public spending by approximately €45 billion.

Finally, Kevin Orr, was appointed to oversee Detroit's financial operation by Michigan governor Rick Snyder in March 2013. Before his appointment a new emergency manager law was signed by Snyder, which granted extraordinary control to the emergency manager over the finances of Detroit. Orr, who was a top bankruptcy lawyer introduced painful economic measures, for example cut pensions by 4.5 percent and increased the cost of living in the city. By the end of his 18 months term, the city emerged from bankruptcy. His success in Detroit, earned him an invitation to Atlantic City to help the city in the same way.

The ambiguous perception of technocrats

Expert governments and their leaders tend to be remarkably popular at the beginning of their rule. Not only people cheer for the technocratic governments before they introduce harsh policies, but they usually also enjoy multi-party support from the parliament as well. This wide support however frequently evaporates as the austerity measures are introduced. The Monti government began its career with the parliamentary opposition protesting against the appointment of the technocratic cabinet by wearing black ribbons. Nevertheless, the government and the prime minister enjoyed an unusual confidence of the people. The approval rating of the technocratic government was very high at the beginning, around 62 percent, and it evaporated only slowly after the introduction of the austerity measures. According to a survey conducted in March 2012, 60 percent of the Italians would have liked to have a technical government after the Monti cabinet's mandate was over.⁴ The prime minister's personal popularity was around 67 percent in March, which is all the more remarkable compared to the 28 percent approval of his predecessor, Silvio Berlusconi at the same time. That said, when the austerity program started to show its effects, Monti became less popular, and even huge protests were organized against his policies.

The popular approval of the Fischer government and especially of Fischer himself was extraordinary. According to a poll from March 2010, 90 percent of the Czechs considered Fisher favorably, making him the most popular prime minister of the Czech Republic ever. About 50 percent of the public declared their trust in the government, which was the highest rate in the country since 2002.⁵ However, Fischer's legacy was not entirely positive either, which revealed itself, when Fischer decided to broke

³Source: Database of the Hungarian News Agency. News item from November 16, 2011. Title: Csak szakértőkből áll Monti kormánya (All members of Monti's government are experts)

⁴Source: Database of the Hungarian News Agency. News item from March 20, 2012. Title: Az olaszok többsége bízik Montiban (The majority of the Italians trust Monti)

⁵“Jan Fischer is the most liked Czech Prime Minister”, CZECH TELEGRAPH - <http://blisty.cz/art/51555.html> Last accessed on 23/10/2015.

with the strictly technocratic approach to politics and run for the presidency in 2013. He finished third gaining only 16 percent of the votes.

Gordon Bajnai started his term with a more modest support. In a survey in April 2009, 35 percent of the respondents said that they believe Bajnai will do good for the country and 18 percent thought the opposite. However, favourable signs of the technocratic governments legitimacy include that 79 percent of the people agreed with the statement that austerity measures are necessary to stabilize the country and that Bajnai's personal approval rose in office and by September 2009 reached 45 points. However, this was still not enough to secure him a position among the five most Hungarian popular politicians, as the opposition was very effectively using the crisis to boost their own support. Bajnai was by far the most popular politician on the left-wing politicians (who secured his government). This is especially outstanding if we consider that his predecessor, Ferenc Gyurcsány was the least popular politician at the time.⁶

Kevyn Orr's popularity is harder to assess, because - to the best of our knowledge - no opinion polls were addressing his popularity and he did not run for public office after his term as emergency manager ended, in fact he stated that he would never run public office anywhere. However, his job at Detroit is nationwide considered as success, he became known by everywhere in America and got was invited to other cities to take the same role.

Technocratic governance and procedural legitimacy

Technocrats are not only ambiguous in the public's eye, but have mixed academic credentials as well. Although some following Plato, cherish them as the idealtypical leaders, others raise concerns that they are essentially dictators. The assessment of technocratic governments is similar (Popper 1957). On the one hand, Pastorella (2015) convincingly argues that these governments are not undemocratic *per se*. Technocratic governments are appointed by national assemblies just as regular governments and it is not uncommon that members of the government are not active in party politics. In essence, the impact of any individual voter on the formation of government is effectively zero. On the other hand, however, even Pastorella admits that technocrats are a "worrying phenomenon they reveal ... a loosening of delegation and accountability ties between voters, parties and cabinets; increasing external pressures on domestic political actors; and the weakening of partisan ideology-based politics" (p 1). In other words, by being unknown political actors, who avoid campaigns voters even lose the affective attachment of supporting a competing party. Moreover technocrats' explicit lack of interest in re-election undermines the most important channel of democratic accountability as well, with voters having no chance to expel them from office with supporting the opposition.

As any other authorities, technocrats need some form of legitimacy. Legitimacy is the belief of the public that an authority (and by extension its policies) are good and right (Scharpf 1999). Legitimacy is commonly argued to ensure the efficiency of governance by securing the voluntary compliance of most members of society. In fact, given that technocratic governments are more likely to be appointed in *times of trouble*, they may actually need more than average levels of legitimacy. The problem is that they are expected to have less than average. It is common to distinguish between two forms of legitimation. Output legitimacy refers to the fact that legitimacy may stem from a conviction that the policies of a government benefit the person or society. Technocrats appointed to steer the country through an economic crisis, however are usually implementing austerity measures that are rather painful for most, at least on the short-run. It is, thus very unlikely, that technocrats can rely on output legitimacy. Input

⁶Public opinion polls from Database of MTI. News item from April 17, 2009. Title: Népszabadság: Növekszik a bizalom a Bajnai-kormány iránt (Népszabadság: Trust in the Bajnai cabinet is on the rise)

Database of MTI. News item from September 29, 2010. Title: Századvég: Javul a szocialisták megítélése (Századvég: Perception of the socialists improved)

Database of MTI. News item from January 25, 2010. Title: Népszabadság: Orbán Viktor a legnépszerűbb politikus (Népszabadság: Viktor Orbán is the most popular politician)

legitimacy, in turn, refers to the procedures, which grant power to a political entity. Fair, democratic procedures are shown to confer considerable legitimacy to authorities (Corazzini et al. 2012, Dal Bó, Foster, and Putterman (2010), Tyler (1990)) and increase the compliance with unfavourable decisions (Tyler and Degoe 1996).

Whereas the legitimacy of technocrats is at best ambiguous, the legitimacy or acceptance of their austerity policies are even more uncertain. These are admittedly, related, yet conceptually independent questions, because the democratic legitimacy of authorities is but one of the potential reasons for the acceptance of a policy. This uncertainty is especially troubling if we consider that austerity measures are considered to be the pivotal elements of the technocrats' toolbox of overcoming the negative effects of economic crisis. In the followings, we consider the theoretical expectations regarding the acceptance of policies, focusing on the hypothesised effects of legitimisation procedures.

Democratic theory often assumes that legitimacy of policies is proportional to the involvement of citizens in designing it. Young goes as far as proclaiming that "the normative legitimacy of a democratic decision depends on the degree to which those affected by it have been included in the decision-making process" (Young 2002, pp 5-6). There is some empirical evidence demonstrating that popular involvement in fact can increase the acceptance of policies (Tyler 1990). This implies that the acceptance of policies on average can be expected to be large, if there are participatory procedures involved such as a town-hall meeting or popular referendum, it is somewhat smaller if it is based on representative democracy and likely to be the lowest when both the people and their representatives are excluded from the decision-making process, as it is in case of a technocratic ruling. Our first hypothesis thus states that a policy passed by popular vote will be more legitimate than a policy passed by a technocrat.

Hypothesis 1. A policy passed by means of direct democracy (e.g. popular vote) will be more legitimate than a policy passed by a technocrat.

This "standard" democratic theory, however, has been criticised for a lack of empirical basis. In fact, Hibbing and Theiss-Morse (2002) famously argued that instead of more popular involvement, many if not most members of the American public desire a regime in which non-self-interested experts strive for the (allegedly unambiguous) common good without much unnecessary political conflict and compromise or too much direct input from citizens. It is remarkable how closely this idealtype resembles the communication of technocratic leaders, who frequently emphasise that their only goal is to develop and implement an admittedly painful but unavoidable austerity program for the common goal of reviving the national economy and who are eager to distance themselves from the self-interested political elites. Hibbing and Theiss-Morse's second item in their Stealth Democracy battery can (and will) be used as a measure for support for technocrats: "Our government would run better if decisions were left up to nonelected, independent experts rather than politicians or the people" (Hibbing and Theiss-Morse 2002, p 138). It is thus reasonable to formulate an alternative to our first hypothesis:

Hypothesis 1.A. A policy passed by a technocrat will be more legitimate than a policy passed by means of direct democracy

The natural question that should arise facing two equally plausible but contradicting hypotheses is if there is a moderator, which can explain both. Our goal is more modest than resolving the disagreements between theorists of direct democracy and of stealth democracy which span over theory, normative implications and empirical observations. Instead, we would like to know if it is possible that both hypotheses share some grain of truth.

Independent experts benefit from an image of "competent, capable individuals not in pursuit of power" (Hibbing and Theiss-Morse 2002, p 156). Research in social cognition (Fiske, Cuddy, and Glick 2007), candidate evaluation (Kinder and Sears 1985, Funk (1999), Wojciszke and Klusek (1996)) and

evolutionary political psychology (Van Vugt, Hogan, and Kaiser 2008) agree that competence is a highly desired personality trait of leaders, which we are evolved to automatically and skilfully assess, even from subtle cues (Littlepage, Robison, and Reddington 1997, Todorov et al. (2005)). Thus, in short, *ceteris paribus* people prefer a more competent leader. Importantly, however, the dilemma between legitimation by popular involvement and legitimation by delegation to independent experts is not an “all else being equal” situation, but a trade-off between two attractive scenarios. As with other important trade-offs of social life (*e.g.* stability-flexibility, security-freedom) there may be substantial individual differences in what people prefer. The second main hypothesis thus states that *individual political preferences moderate the effect of legitimation procedure on the acceptance of a policy*. Given the exploratory nature of our study, we restrict ourselves to three relatively simple and straightforward moderators, which measure people’s general attitudes towards technocrats, the elites in general and direct democracy. First, we provide a direct test that people with an explicit preference for independent experts in government will consider a policy issued by such experts more legitimate. Second, we hypothesise that the stronger anti-elitist convictions people have, the lower they will find the legitimacy of a policy issued by a technocrat, who is a member of the widely defined elite. Finally, we hypothesise that the stronger people support direct democracy, the lower they assess the legitimacy of a policy by a technocrat.

Hypothesis 2.A. People more in favour of rule by independent experts will find the policy by a technocrat to be more legitimate.

Hypothesis 2.B. People with higher anti-elitist sentiments will find the policy by a technocrat to be less legitimate.

Hypothesis 2.C. People higher on support for direct democracy will find the policy by a technocrat to be less legitimate.

Finally, besides being an important trait of political leaders, expertise has been also established as an important cue in the classical social psychology literature of persuasion. People often lack the motivation or the mental capacities to engage in a systematic evaluation of a persuasive statement (this is called a low elaboration likelihood). In such a case, they rely on a large number of cognitive heuristics or cues, which simplify the evaluation and often provide an automatic attitudinal or behavioral response. Empirical evidence shows that under low elaboration likelihood people are more likely to accept the same argument if it comes from a source with high expertise (Petty, Cacioppo, and Goldman 1981, Petty and Cacioppo (1984)). Translating this to the evaluation of the legitimacy of austerity measures, the fact that a policy has been initiated by technocrats widely regarded as highly competent on economic matters may be a legitimizing cue for those less engaged with politics.

Hypothesis 3. People relying more on cues will find the policy by a technocrat to be more legitimate.

Analysis

Addressing our hypotheses with observational data would be challenging for a number of reasons. First, in a real world political setting the causal relationship between the type of legitimation procedure and the legitimacy of a policy is likely to be confounded. Our analysis of the recent European technocratic governments demonstrated that all of them have been responsible for implementing rather harsh austerity measures, therefore it seems reasonable to assume that the state of the national economy influences both the probability of appointing a technocratic government and the type of policy this government

needs to implement. In a similar manner, it is also reasonable to assume that reverse causality may occur, where the elected political elite's expectation that the necessary austerity measures will suffer from low legitimacy increases the likelihood that they will appoint a technocratic government, thereby transferring the political costs of austerity to other political actors. Finally, given the extraordinary circumstances of the global economic crisis, it is difficult to outline clear observable counterfactuals. Temporal and geographic variation in austerities is too large to find comparable austerity measures which vary only in the type of legitimation procedure. In order to overcome these problems, we conduct two experiments on relatively diverse samples in two very different political environments to get unbiased causal estimates.

Study 1

Participants

Our first experiment has been conducted on a sample of 198 students recruited via a Hungarian student job agency. Compared to regular student samples, our sample showed considerable diversity on self-proclaimed social status and political ideology, while facing the usual constraints due to homogeneity in age and education levels. Participants were remunerated with a pay equivalent to €3/hour, which is above the average student job pays in Hungary and also became eligible to participate in a lottery for a voucher worth an equivalent of €93 in a mall.

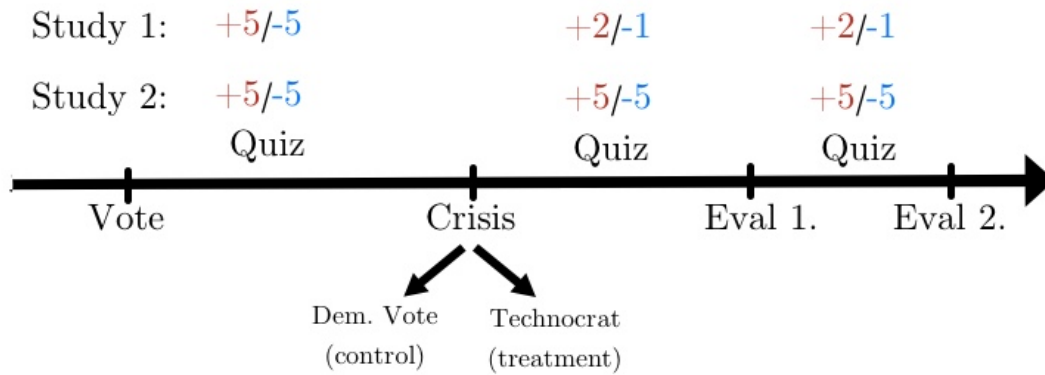


Figure 1: Illustration of our experimental procedures

Procedure

Participants have been asked to enter a computer lab in small groups, on average five students have been present on each session and never less than three. Besides some general administrative and practical instructions participants received all the information from the computer screens. The experiment has been administered using the Surveygizmo survey platform. Participants spent 1.5-2 hours in the lab,

participating in four different experiments. The order of experiments was randomised, except our experiment which was always completed third in a row, after a short break to ensure that participants start together and work simultaneously “as a group”.

In our experiment, participants have been informed that they are going to participate in a “quiz game”, where they earn positive or negative scores based on their answers to questions in a quiz. The quiz game is described as a team exercise with two important rules. First, the negative scores received for wrong answers are collected on a common balance and distributed equally among all team members at the end of the experiment. The net score received in the game was used to determine how many lottery tickets a participant receives, thus better results yielded to higher chance of winning the prize. However, if a given team receives too many negative points, each member may be disqualified from entering the lottery. Second, some basic rules about the scoring of the quiz are decided by a simple majority in a popular vote. The two option participants had to chose from initially were either to score ± 5 points on each question, or to score ± 3 points. Before the vote, information was provided that experts trained in economy commenting our game were satisfied with none of these rules, given that the average share of right answers is expected to be around 40%. To ensure that participants understand the rules of the game, two control questions had to be answered correctly before they could proceed to the game itself.

These rules and incentives were designed to implicitly mimic important aspects of the economic crisis. The common negative balance is in essence similar to the national economy, where bad decisions of some people may have a negative spillover effect on other members of the country (see the sovereign debt crisis), therefore there may be severe imbalances in who contributes to a crisis and who bears its costs and effects. The vote resembles a real political setup, where neither policy alternative is obviously superior and the concerns of the expert advisor is reminiscent of the early warnings of technocrats from the hinterland of politics. We have thus created an environment in which the occurrence of a crisis situation is not unlikely.

The procedure of the experiment is illustrated in Figure 1. After a few rounds of quizzes, the game was interrupted with a notification that there is a very high chance that the negative points will exceed the limit, which would lead to no lottery tickets distributed for members of the team, therefore there is a need to change the rules and to redistribute some of the positive points earned individually to decrease the negative balance. However, this information was presented in two separate ways. In the democratic (control) condition, there has been a new vote, where participants could judge whether they want to proceed by the previous rules or adopt the new ones. In the technocratic (treatment) condition, there has been no vote and the new rules were issued following the advice of experts in economics.

A few other factors have been experimentally controlled to avoid interference with the results. The results of the popular votes have been pre-determined, each group played by the more risky rule initially, and adopted the same austerity measure as participants in the technocratic condition after the crisis, notwithstanding the actual results of the votes. To ensure fairness lottery tickets have been distributed according to the number correct answers, therefore no participant has been excluded from winning the prize. Participants have been debriefed about the purpose and the deceptions in the experiments via e-mail.

Measures

Results of the experiment have been measured by two sets of dependent variables. The first short battery, presented some time after the crisis situation, measured the perceived effectiveness in solving the crisis, fairness of the new rules and their effect on a participant’s personal expected net score. A second short battery was presented at the end the game measuring participants’ attitudes under alternative, hypothetical scenarios, however we do not address these measures in the present paper. All measures have been set on a 7-point-scale. The questions of the quiz game have been randomly selected from Hans Eysenck’s (1988) 5th intelligence test.

Design

The experiment has a classical design with one treatment and one control group. Participants have been randomly selected into one of the conditions.⁷

Results

Our experiment shows that the type of legitimization procedure had a significant and substantial main effect on all of our dependent variables. Figure 2. demonstrates our results. Participants in the expert condition considered the same “policy” to be more effective in handling the crisis ($M_{\text{expert}}=4.05$ and $M_{\text{democratic}}=3.63$, $p<0.05$), more fair ($M_{\text{expert}}=4.39$ and $M_{\text{democratic}}=3.83$, $p<0.01$) and having a more beneficial effect on future private earnings ($M_{\text{expert}}=4.09$ and $M_{\text{democratic}}=3.59$, $p<0.01$).

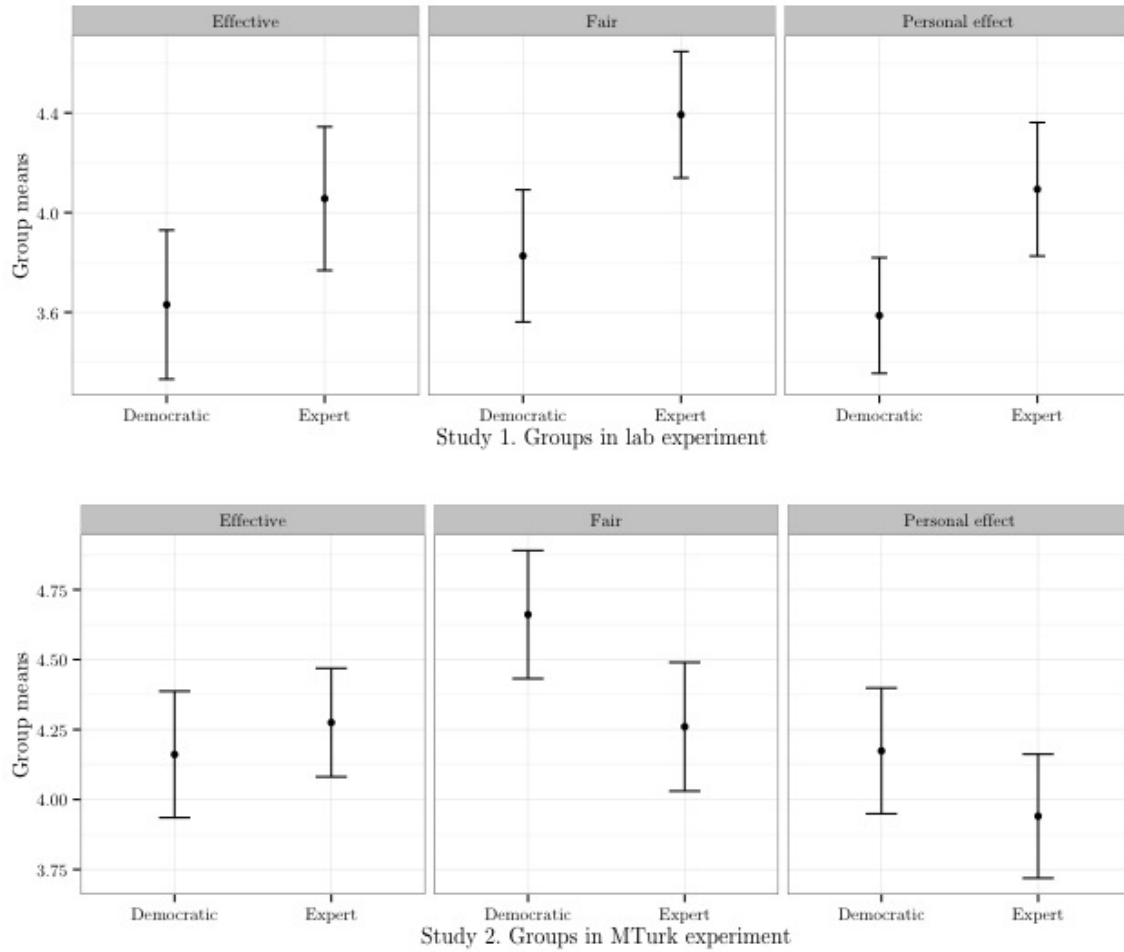


Figure 2: Comparing perception of austerity by two forms of procedural legitimacy

⁷Besides this primary treatment, we also manipulated the likelihood of a crisis in the crisis message. Proposing that a crisis may occur with 65% or 95% had no effect on any dependent variable, therefore we do not discuss it in more detail.

Discussion

Our results provide a strong support for Hypothesis 1.A., people considered the austerity measure to be significantly more legitimate according to all our measures if it was passed by an independent expert. The main shortcoming of Study 1 is that it is focused on testing the experimental design and the main hypothesis, but it is unable to provide any evidence for or against any of our further hypotheses concerning the moderators of the phenomenon. The goals of Study 2 are therefore twofold, first to provide a more in-depth insight into the causal relationship between type of legitimating procedure and legitimacy of austerity measures, *and* to replicate the results in a different political environment.

Study 2

Participants

The 646 U.S. citizens participating in our second experiment were recruited from Amazon’s Mechanical Turk (Mason and Suri 2010). Participants were aged between 18 and 77, with a median of 28, living in 46 states of the United States. This sample, thus, brings a considerable cultural and demographic diversity to our study. Participants were remunerated with \$1.05 on average. This is a modest payment for 18 minutes of work (on average), yet given the considerable popularity of our task on MTurk, we concluded that together with the usual considerations on MTurk – *i.e.* contributing to science, engaging in interesting activities – it meant a sufficient motivation to perform well in the study.

Procedure

The experimental design was fundamentally similar to our first experiment, although some changes had to be implemented to adopt to the new – online – environment, and new experimental conditions were also added. At the core of our experiment was still the quiz game, and participants were allowed to make a collective decision with their teammates about some of the rules. The points given for good (+5) and bad (-5) answers were fixed this time and participants had to decide if they would prefer to collect negative points collectively or not. Interest in good performance and strategic decisions were incentivised by a performance adjusted payment structure: participants were informed that they start the game with 100 points, which they can double or lose depending on their performance.

After three panels of quiz questions, a “Crisis alert” appeared on the screen to notify participants that some members of their team may go “bankrupt” *i.e.* may end up with a negative net score. The crisis was resolved in four different, experimentally controlled ways. First, – as in the previous experiment – half of the participants were allowed to choose democratically between two options (democratic condition), whereas the other half of our sample was informed that following the advice of economic experts a new rule will be implemented (technocratic condition). At the same time, half of the democratic and the technocratic sample went with a new rule, which yielded to a redistribution of 1/3 of the individually collected positive points to avoid bankruptcy. We call this the collectivist condition. The solution for the crisis for the other half of the sample, however, was to give up collecting negative points collectively and allow some fellow team members to go bankrupt. This is the individualist condition.

Similarly to the previous experiment, the outcomes of votes were pre-determined. Furthermore, to ensure that everyone completes the quiz at a similar pace and thus there is a realistic impression that the votes are synchronised, participants have spent some time waiting before the quiz started “for enough players to join the game” and each panel of questions was shown for a fixed time. Whereas votes were not timed, after each vote participants had to spend a few seconds waiting till every team member cast their vote. At the end of our survey, but before debriefing we asked participants to guess how many teammates they had playing simultaneously with them, in order to get an idea how our

deception worked. Results show that 78% gave a number 2 or higher, which we consider acceptable from such a design. People giving a low number are excluded from the analysis leaving us with 505 participants.

Measures

Participants evaluated the rules firstly after the initial vote at the very beginning of the game and secondly after the first quiz battery subsequent to the crisis and the new rules and finally at the end of the game, after they have been debriefed about an alternative crisis resolution mechanism. Evaluation of the rules consisted of evaluating their expected effect on individual payments, their fairness, and after the first crisis (i.e. for the second and third evaluation) the likelihood of the occurrence of a new crisis under the given rule. All measures have been set on a 7-point-scale. Quiz items have been constructed from the Cognitive reflection test (Frederick 2005), a Numeracy scale (Lipkus, Samsa, and Rimer 2001), and two IQ tests (Eysenck 1988, Pape (1993)). For the moderation analysis we relied on an item from the Stealth Democracy battery (Hawkins, Riding, and Mudde 2012, Hibbing and Theiss-Morse (2002)), a battery on elitism and an item from a populism battery (both from Akkerman, Mudde, and Zaslove 2013).

Design

This experiment had a 2 x 2 design with crisis resolution mechanism (democratic or technocratic) and the new rule (collectivist or individualist) as with subject variables.

Results

Our results show considerable cultural variation of the effect of decision-making procedure, as effects are either insignificant or significant both in the opposite direction than in Study 2. Figure 2. demonstrates these results. The expert condition had no effect regarding the effectiveness of the rule (how likely it is that the crisis occurs again) and on the subjective outcome (n.s. for both T-tests). People in the expert condition considered identical rules to be significantly less fair ($M_{\text{democratic}}=4.66$ and $M_{\text{expert}}=4.26$, $p<0.05$).

These somewhat unexpected results for the main effect on the one hand increase the importance of the moderation analysis, as we see empirical evidence that the relationship can go both ways, thus it is important to understand what can explain this. On the other hand, they raise caution, because the substantial macro differences may be difficult to explain with testing micro-level hypotheses. Also, we restrict our analysis to the fairness dependent variable, as it was the only which showed a significant main effect. Figure 3. shows tests for each of our three hypothesis by visualising predicted values of fairness for the two treatments at various levels of the moderator from an OLS-regression model regressing fairness on the type of legitimization, the moderator and their interaction.

Figure 3. Panel A and C demonstrate that we find no evidence for Hypotheses 2.A and 2.C respectively. There is no significant difference between people’s perception of fairness of the austerity measure depending on their level of support for a rule by independent experts or for a direct democracy. Figure 3. Panel B, however, reveals that we find considerable evidence for Hypothesis 2.B. Elitism is a significant moderator of the effect, with participants being more elitist perceiving a rule by experts to be more legitimate than the democratic rule, and participants high on anti-elitism preferring the democratic procedure more. The interaction effect is significant at the conventional 5% level ($b=-0.28$, $p<0.05$). Finally, Figure 3. Panel D shows that our model also supports Hypothesis 3. The more people rely on cues (the lower they score on the Cognitive Reflection Test), the higher the legitimacy of the rule implemented by an expert technocrat appears ($b=-0.30$, $p<0.05$). In other words, the substantial

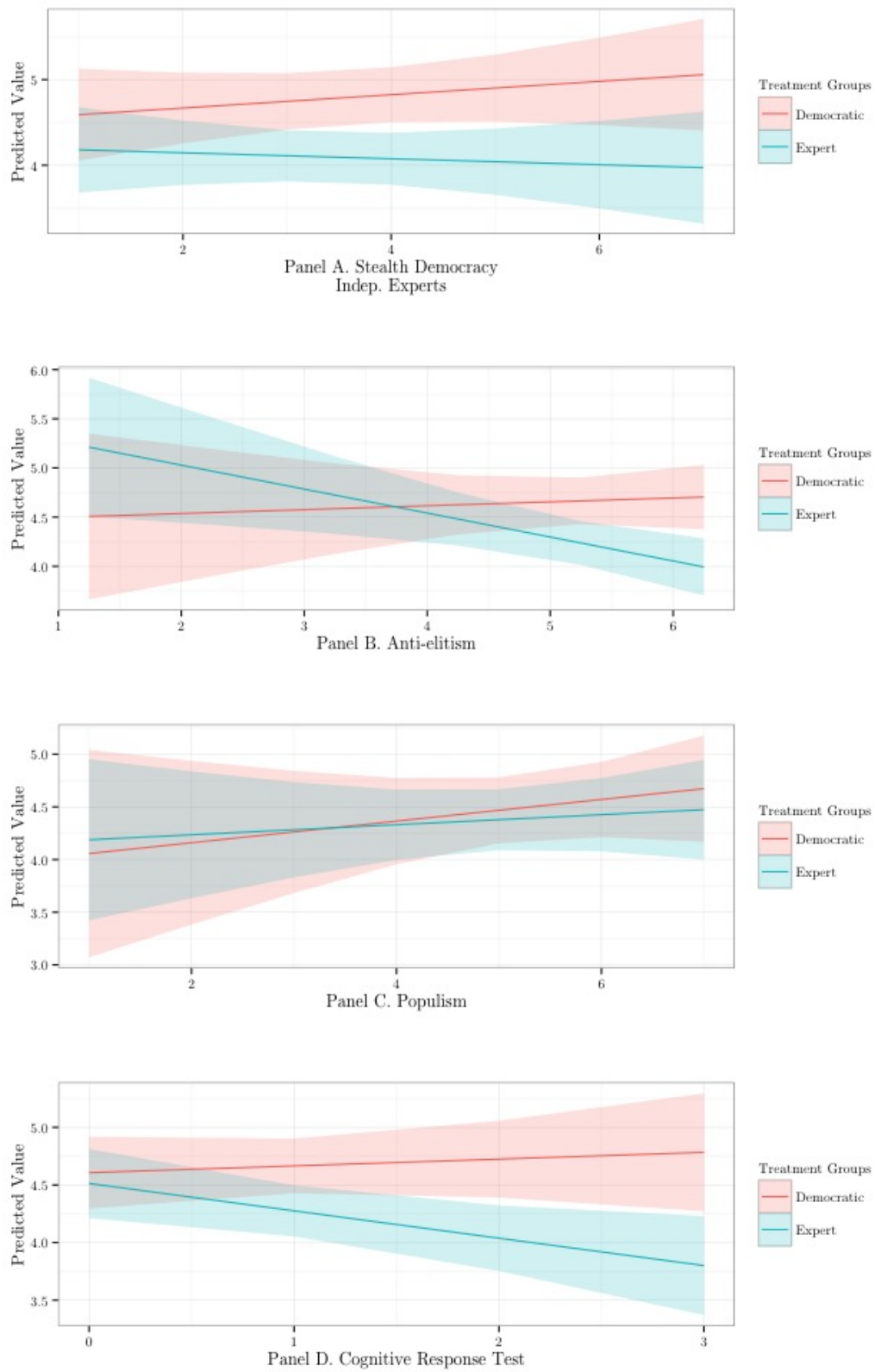


Figure 3: Mediation analysis of treatment effects

negative main effect of technocrats is more pronounced for subjects most attentive throughout our survey.

Discussion

Our second study demonstrated that in line with classical democratic theory, delegating the implementation of austerity to technocrats can have considerable costs. Participants from the United States perceived identical policies significantly less fair if it was attributed to an independent expert as opposed to a result from a democratic vote. This effect, however, is not equally strong among all strata of society. In fact, people who hold elitist attitudes actually prefer to have a competent individual to take this decision, even at a cost of democratic efficacy, whereas people high on anti-elitism feel better about a policy, if they had the chance to vote. In other words, participants who believe in the wisdom of the elite, also believed the wisdom of the technocrat. This finding contradicts the Stealth democracy argument that disenchanted voters would often prefer independent experts to take leadership.

Our analysis also showed that expert is relied on as a positive cue. But even among those in the US who are most likely to rely on heuristic processing this positive effect is only enough to ameliorate the otherwise negative effect of a technocrat-centred legitimation procedure. The hypothesis that elaboration likelihood affects the impact of a positive expert-cue is also supported by the fact that the assessment of the democratically legitimated austerity measure is independent of levels of elaboration likelihood. Therefore, it is unlikely that people low on elaboration just answered our measures randomly, and therefore our treatments had no effect on them.

Conclusions

Our research sought to address the question whether technocrat-initiated austerity measures enjoy higher legitimacy than policies implemented after a popular vote. Admittedly, our findings fail to provide a definitive answer to this question, but provide some important insights which we now consider. Our findings unequivocally demonstrate that procedures matter a great deal for perceived legitimacy. Moreover, technocratic rule elicits substantial effects on respondents' perception of an austerity measure. There is large variation, however, in the size and direction of these effects. Most importantly, we have found that overall, our Hungarian subjects perceived the austerity by a technocrat to be more effective and fair, whereas U.S. participants considered it to be similarly effective but less fair. There is also considerable variation within the sample, as demonstrated by the moderation analysis in Study 2. People with elitist attitudes actually prefer a technocratic decision maker to a popular vote, whereas people who rely more on heuristics judge the policy by a technocrat as high as one passed with a popular vote.

Our current data is not sufficient to provide an explanation for the large differences between our two studies, any discussion is thus necessarily speculative. We, nevertheless, expect (some of) the following factors to have an effect. First, there are important cultural differences between Hungary post-Communist young democracy and the United States. Accordingly, important differences may be present regarding democratic values, stereotypes about politicians and experts *etc.* which can shape perception of legitimation procedures. Secondly, our participants are substantially younger in the Hungarian sample than in the U.S. sample. Previous research demonstrated significant age differences, with younger people being somewhat more inclined to prefer technocrats (Rapeli 2015). It is unlikely that the age difference between the samples can explain all the variation between the two samples, but it could exaggerate the differences. Finally, it has to be considered that the expert was perceived differently, due to the inherent differences between a laboratory experiment and a survey experiment. In the lab, a researcher has been always present during the sessions, which could trigger some positive associations even though, the researcher was not interacting with participants during our

experiment and the fictional technocrat was distanced from the researches (“economic experts advised the researcher...”).

Our studies also demonstrate the crucial importance of studying complex political dilemmas in specific situations. Although, important work has been done comparing people’s preferences towards various forms of government, these studies often show that people hold inconsistent attitudes (Bengtsson and Mattila 2009, Font, Wojcieszak, and Navarro (2015)). To the best of our knowledge, our innovative experimental paradigm is the first which analyses participants perceptions in a simulated yet realistic environment contrasting direct democratic with technocratic procedural legitimation. Therefore, our results do not depend on the questionable assumption that people have a good understanding about their attitudinal responses in a specific situation (Druckman 2013, Kuklinski et al. (1991)) . Consequently, we find for example that although similarly to other researches 30 percent of the respondents support the statement “Our government would run better if decisions were left up to nonelected, independent experts rather than politicians or the people”, answers to this question are not associated with the perceived fairness of the two rules.

Some important limitations need to be acknowledged. All the usual caveats apply to our research due to the non-representative sample of participants. We restricted our analysis to perceptions of an austerity measure because we argue that technocrats are particularly likely to emerge in times of crisis. We do not analyse, however, whether the crisis situation itself has a causal effect on the assessment of technocrats. Moreover, we contrast two particular types of decision-making: participatory and technocratic legitimation. Although, we believe these are especially relevant from a legitimation perspective, we neglect representative decision-making despite its obvious empirical relevance.

The recent global economic crisis demonstrated that technocrats in leadership is not only an idealtype some people prefer as an alternative to the current form of government, but an empirical reality with long-lasting consequences. It is, therefore, crucial to understand more about the advantages and disadvantages of this phenomenon. There is yet much to discover.

Acknowledgements

The authors are grateful to Gábor Tóka, Levente Littvay and members of the Political Behavior Workshop at Aarhus University for their comments on earlier versions of this paper. We thank the Political Behavior Research Group (PolBeRG) at the Central European University (CEU) and several colleagues for their help in the data collection. Study 1 was supported by the Academic Cooperation and Research Support Office of the CEU.

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