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Indicators for Support for Economic Integration in Latin America

By: Will Humphrey

Abstract

Regionalism is a common phenomenon among many countries who share similar infrastructures, economic climates, and developmental challenges. Latin America is no different and has experienced the urge to economically integrate since World War II. Research literature suggests that public opinion for economic integration can be a motivating factor in a country's proclivity to integrate with others in its geographic region. People may support integration based on their perception of other countries' models or based on how much they feel their voice has political value. They may also fear it because they do not trust outsiders and the mixing of societies that regionalism often entails. Using an ordered probit model and data from the 2018 *Latinobarómetro* public opinion survey, I find that the desire for a more alike society, opinion on the European Union, and the nature of democracy explain public support for economic integration. Based on these results, Latin American policymakers should keep their constituents in mind when weighing the costs and benefits of economic integration.

Keywords

Latin America, public opinion, regionalism, economic integration, Latinobarometro

Introduction

The globalized economy has driven many countries to regionalize. Regionalism, or more specifically, economic regionalism, includes “institutional arrangements designed to facilitate the free flow of goods and services and to coordinate foreign economic policies between countries in the same geographic region” (Moon, 2016). Countries may regionalize into free-trade areas, customs unions, economic unions, and common markets to increase the advantages of a broader economic network. Through the years, regionalism has produced powerful economic blocs across six continents, such as the European Union (EU), the North American Free Trade Agreement (NAFTA), the Association of Southeast Asian Nations (ASEAN), the Economic Community of West African States (ECOWAS), and the Southern Common Market (Mercosur) in Latin America. While economic regionalism traditionally occurs among countries within smaller, more specific geographic regions, regionalist theorists have recently included preferential trade agreements (PTAs) that span entire hemispheres in their definition of regionalism (Börzel & Kim, 2017).

Why do countries regionalize?

Beyond the adage that two heads are better than one, there are several reasons why countries regionalize. Börzel (2017) lists four reasons why countries have grown towards regionalism: (1) because it makes geographical sense, (2) to form alliances, (3) to promote economic development, and (4) because globalization has pressured them to do so.

First, regionalism by definition means economic integration across a particular geographical area. Countries close in proximity benefit from easier trade. Also, countries united by geography often share similar cultures, customs, languages, and in the EU’s case, currency. According to Mansfield et al. (2000), geographic proximity holds considerable weight in the tendency to regionalize, as it “increases

the intensity of economic exchange between countries,” which in turn solidifies regional cooperation and integration.

Second, countries regionalize to form alliances. Outside threats often form regional blocs of their own, so a regionalization attempt to counteract these threats is natural, according to Walt (1987). Moreover, banding together is more powerful against economic and ideological threats than acting alone or succumbing to what Walt (1987) calls the “bandwagon,” where countries regionalize around a central sphere of influence. There have been several examples of this throughout history. NATO’s main objective was to counterbalance Russian and German influences in Europe with those of the US (Risse-Kappen, 1995); and Brazil and Venezuela used Mercosur to weaken the US’s hand in Latin America (Gomez Mera, 2005; Tussie, 2009).

Third, countries can economically benefit from regional integration because it provides a more expansive market for economy activity. Free trade is a hallmark of economic advancement, and many scholars hold it in great esteem, linking it to advances in foreign investment (Bruszt & Palestini, 2016). Proponents of regionalism also cite the Stolper-Samuelson and Heckscher-Ohlin theories as evidence that free trade will provide countries with greater relative advantage in the factors of production (e.g. Fordham, 2008; Milner & Tingley, 2011; Scheve & Slaughter, 2001). Börzel (2016) reiterates that economic integration fosters economic and industrial development in addition to social protection. Regional integration occurs with regional commonalities at its heart, so all countries within an economic zone will feel its benefits.

Finally, and most importantly, globalization has led more countries to regionalize than ever before. Technological advancement occurs in step with globalization, which brings countries toward economic interdependence. As a “major driver” for regionalism (Börzel, 2016), globalization increases access to world markets, intensifies trans-border mobility, and mitigates the burden of trade issues

(Breslin et al., 2002; Schirm, 2002). In Latin America, however, regionalism has been used to combat globalization. Mecham (2003)'s study on Mercosur identifies globalization as both an opportunity and a challenge. Formed in 1991 to drive "economic development with social justice," Mercosur was a political alliance to bring countries together, a response to globalization, and a defense against American hegemony (Mecham, 2003). Globalization was an opportunity for many lower income South American countries to join the global economy, but economic integration by itself was the challenge. Mercosur was the answer to this challenge. Chief among Mercosur's critiques, however, is its inability to lessen gross inequalities in Latin America (Mecham, 2003). Latin America bears the highest rates of inequality in the world, along with its poverty, violence, crime, and corruption issues (Graham & Sukhtankar, 2004). Mercosur was thought to have been able to address these developmental issues, but instead "[made] the poor work for globalization" (Mecham, 2003). At its heart, however, Mercosur is a case study for Börzel's reasons why countries regionalize.

Why Public Opinion is Important for Regionalism

Whether the public realizes it or not, regionalism promises economic benefits for a country. Other than the four general benefits mentioned earlier, there are several direct benefits made evident by the European Union's example: currency unification, free trade areas, easier travel, greater business efficiency and increased competition, and labor mobility. Moreover, support for economic integration stems from certain perceived "pocketbook issues" that the public expects regionalism to soften (Seligson, 1999). In fact, personal economic expectation has been found to be a major predictor of public support for regional integration in many contexts, but primarily in the EU (Eichenberg & Dalton, 1993).

Nonetheless, public opinion is a relevant factor for economic integration in democratic states. Public opinion has historically been most focused on domestic policy matters, but foreign policy has

drawn increasing attention (Seligson, 1999). Democratic states acting on the interests of their constituents will conduct policies according to public desire. Today, public opinion is a chief mechanism for holding national leaders accountable, and a more democratic society will have substantial influence in its nation's foreign affairs (Foyle, 2004; Onuki et al., 2016; Sobel 2001). Additionally, foreign policy has increasingly become a hot topic in national elections and debates (see Holsti, 1992), and this interest has magnetized research toward the relationship between public opinion and foreign policy (Faria, 2008).

Regionalism in Latin America

Mecham (2003) describes regionalism as a “development imperative” for Latin America in the dawn of globalization after World War II. Ensuing regional projects—Mercosur, the Andean Community, etc.—formed in response to the challenges posed by the war's invitation for globalization. Regional integration would be the strongest front against foreign aggression, should it happen again. These economic blocs unified Latin American countries and, despite some integration attempts failing through the years, were instrumental for development (Mecham, 2003; Seligson, 1999).

Public support for Latin American economic integration was initially very high but has dwindled in recent years (Deutschmann & Minkus, 2018). Recent political shifts to the left (pink tide) have strongly influenced public support for regional integration in Latin America. Considering this background on regionalism in Latin America, this paper will investigate three potentially influential factors in public support for economic integration in Latin America: xenophobic sentiment, the European model, and perception of democracy. Section II will review relevant literature on these themes; sections III and IV will discuss the data and methodology; sections V and VI will present results and a discussion; and section VII will conclude.

Literature Review

While literature on regionalism is expansive and tackles several facets of integration across the globe, studies investigating the relationship between public opinion and economic integration, especially in Latin America, are few. However, three key themes identified among exploratory empirical work on public support for economic integration are useful for this paper: a desire for a more homogeneous society, perceptions about the EU, and democracy.

Citizens' attitudes toward minorities and outsiders are extremely relevant for overall opinion on economic integration. The literature reveals two ways that fear of outside influence shapes public opinion on economic integration. The first deals with the fear of entangling societies as a reason against integration, and the second the most visible in Latin American cases supports integration for fear of outside influence. First, because regionalism unifies countries into one bloc, it is not only possible but also common that societies mix, facilitated by labor mobility and free trade areas (Schlippak, 2015). The want for a homogeneous society, stemming from xenophobic fears that immigrants will pose a threat to the culture, values, economy, and safety of said society, has been shown to be influential in estimating public support for economic integration, although economic integration occurs in spite of cultural differences. Mansfield and Mutz (2009) found that opinions against foreigners were significant factors in lowering support for free trade. In their study, they test the Heckscher-Ohlin model and preferences for free trade and find that citizens will act in their own interest when supporting free trade. This would not be the case in Latin America because many countries are similar in culture, language, and developmental background.

Second, outside actors or third parties strongly affect how citizens view regional integration (Davis (1998) in Mexico; Genna (2009) in Europe; and Jhee (2009) & Kwon (2010) in Asia). For example, although the US has had its hands in Latin American affairs for decades, many Latin American leaders

are skeptical of its influence in the region (Schlipphak, 2015). In his book on anti-Americanism in Latin America, McPherson (2006) shows how public opinion for integration often stems from elites' rhetoric portraying the US in a negative light. Therefore, Schlipphak (2015) posits that Latin Americans wary of a meddling US would support regional integration as a "stronghold against US interests."

Börzel (2016) also discusses whether social attitudes for a homogeneous society are a precondition or an indicator for regional integration. In the EU, a homogeneous society breeds shared norms and values, but many are still skeptical of its ability to maintain an identity that is uniquely and holistically European (Risse, 2010). Europe possesses strong societal bonds that facilitate unified institutions. Similarly, Latin America benefits from strong cultural bonds, but it warrants questioning whether different political systems and interest in regional institutions will be able to support economic integration (Acharya & Johnston, 2007). These factors hold tremendous weight in shaping public opinion for economic integration in Latin America. While disapproving of integration for fear of mixing societal norms is a valid factor, in Latin America the fear of outside threat is a stronger predictor for integration support.

Next, literature related to European successes with regionalism has been the topic of an array of studies, starting with Ronald Inglehart (Schlipphak, 2015). Inglehart and others' research focuses on the European Union and its citizens' attitudes on identity and integration (Duch & Taylor 1997; Gabel 1998; Inglehart 1970, 1971). These studies depict public opinion as extremely influential for European integration. As Europe has been a success story in durable integration, it is likely that other countries will look to it as an example and follow suit. Seligson (1999) maintains that Latin Americans, inspired by Europe, have experimented with economic integration through the years. Latin Americans pay attention to Europe, and those who view European affairs favorably are likely to support economic integration in Latin America (Seligson, 1999). Buelvas (2013) also discusses ways that Latin American states have used

the EU as a model for this “advance and retreat” regionalism, in which there have been several attempts to integrate with few lasting successes. By recognizing European society as beneficial, Latin Americans will likely support economic integration.

Finally, democracy opens the door for public support for economic integration due to increased trust in elected government officials, who will hold citizens’ interests at the forefront of their political actions (Davis & Bartilow, 2007; Schlipphak, 2015; Seligson, 1999). According to regionalist theory, liberal democracies and advanced market economies are havens for regionalism to flourish (Börzel, 2016). Also, Haas (1961) and Haas and Schmitter (1964) suggest that more authoritarian countries with low levels of market activity are not conducive to social interest in integration.

Moreover, citizens’ perceived benefits from economic integration will also predict their support for it. Citizens viewing their countries as more democratic will support economic integration more than those in less democratic states, as shown in Tucker et al. (2002), Machida (2009), and Herzog and Tucker (2010). In Latin America, Baker (2003) showed that trade policy preferences among the public are derivative of consumption practices. Stretching this finding to the context of this paper, one can infer that a society viewing free trade areas as beneficial for its spending practices will likely support economic integration. But what does free trade have to do with democracy? Numerous studies dedicated to this relationship have shown that democratization runs in tandem with globalization and facilitates free trade (e.g. Erikson et al., 2009; Freedom House, 2015; Milner & Kubota, 2005).

Additionally, public opinion in democracies is very influential for domestic issues, and has been shown to be growing in importance for foreign issues, as well (Seligson, 1999). An example of this is the Maastricht Treaty to further economic integration in Europe, which was at first rejected by Danish voters in a 1992 referendum (Nohlen & Stöver, 2010). This was considered a setback for European integration (Seligson, 1999). In this example, public opinion towards economic integration determined

integration in a democratic way. In some instances, integration is also a measure to “lock in” democracy or otherwise preserve sovereignty amid regionalism (Levitsky & Way, 2010; Söderbaum, 2005). In fact, empirically testing the relationship through logistic regression, Seligson (1999) found a statistically significant ($p < 0.001$) relationship between satisfaction with democracy and favor for economic integration.

Literature dedicated to demographic factors, such as income and education (which will serve as controls for this paper), has held that those with more education and those in higher income brackets will support economic integration because they recognize its benefits. Those with higher degrees of education will have positive attitudes toward economic integration, especially in developing countries (Edwards 2009; Hainmueller & Hiscox 2006). Regarding NAFTA, Davis (1998) found that education shapes Mexicans’ attitudes concerning the agreement, because they make certain economic calculations about its benefits to society (see also Davis & Bartilow, 2007; Seligson, 1999). European studies have also found strong correlations between education and positive views on economic integration in Europe (Scheve & Slaughter, 2001), and when studies such as Magaloni and Romero (2008) expanded this research into Latin America, they found similar results. Börzel (2016) also notes how education and income influence public opinion. These factors include the expected benefits of regional free trade: lowered transaction costs, policy externalities, economies of scale, technological innovation, foreign investment, and greater political and economic pull in international settings.

Regarding income, besides bringing economic prosperity through liberalized trade, economic integration allows for higher wages in some instances. Wealthier people are hypothesized to favor economic integration, because they are generally highly educated and highly skilled. Interestingly, Seligson (1999) found that those with less education and those in lower income brackets did not have an opinion on economic integration whatsoever. Seligson (1999) also includes one other variable related to

income, remittances, because those receiving remittances are more likely to be knowledgeable of foreign affairs and/or know that certain regional organizations exist (Cameron & Trivedi, 2010; Sartori, 2003).

Overall, research supports the hypotheses that foreign mistrust, EU opinion, and democracy impact one's opinion on economic integration. This study will follow methodology derived from Seligson (1999) to estimate the likelihood of supporting economic integration in Latin America. This paper builds on the research in two ways. First, it harmonizes the existing literature into one study by assessing the impact of these three factors alone and then by integrating them into one full model. Second, using data from the 2017 *Latinbarómetro* survey, it will expose people's most recent views on economic integration in light of several protectionist practices from countries around the world, mainly the US and China.

Data and Methodology

Data

The data for this study comes from the 2017 *Latinbarómetro* Public Opinion Poll administered by the *Latinbarómetro* Corporation in Santiago, Chile. The sample includes 20,200 observations among individuals ages 18 and older (16 and older in Nicaragua and Brazil) from the 18 countries surveyed. In most countries, each sample includes 1,200 individuals, but in the Central American countries and in the Dominican Republic, the sample size is 1,000 individuals. The dataset allows use of probabilistic weights to make each country's sample size nationally representative. Appendix 1 shows the countries covered and their sample sizes.

The dependent variable for analysis concerns one's favor of economic integration in their respective country. The survey question asks respondents to answer: *Are you very much in favor,*

somewhat in favor, somewhat against, or are you very much against economic integration with other countries? Responses to this variable have been inverted so that a higher rank means more in favor of economic integration.

There are three explanatory variables included in this study. They include one signaling the wish for a more homogeneous society (*Which of the following statements is closest to your way of thinking? 0. "It is better for us if society is composed of people from different nationalities, religions, and cultures," or 1. "It is better for us if society is composed of people from the same nationality with the same religion and culture."*). Another variable asks one's opinion on the European Union (*Do you have a very good, good, bad, or very bad opinion of [the European Union]?"*). Finally, a third variable asks the respondent to rank how democratic or undemocratic their country is (*"0 means completely undemocratic and 10 means completely democratic. How would you rank [country]?"*).

The econometric analysis will use the following variables as control variables: age and age squared; a dummy for whether the respondent is working as an independent or salaried professional; a dummy for female; categorical variables for whether the respondent achieved no education, a high school education, or a college education; a dummy for married; a categorical variable for political attentiveness; and an index of household characteristics and goods titled *wealth* created by principal component analysis (PCA, see Filmer & Scott, 2011). Research suggests that using wealth in lieu of income creates a better proxy for socioeconomic inequality and household stability in Latin America, because a significant portion of the population works informally with income fluctuating over short periods of time (Arias et al., 2010; Levy, 2008). The scale representing wealth includes yes/no questions that indicate number of bedrooms per house, home ownership, hot water in home, vehicle, telephone, etc. To ease interpretation, I normalized the variable to be bound by [0, 1]. Table 1 includes summary

statistics as well as correlations for these variables. Each variable has a low variance inflation factor (VIF), indicating little evidence for multicollinearity.

Methodology

First, while this study will examine factors affecting one’s attitude toward economic integration in Latin American countries, one cannot discount respondents’ non-opinions. If few Latin Americans had an opinion on economic integration, then the results of this paper would be severely skewed. Therefore, I first run a logistic regression to find the odds ratios of not having an opinion (*INTEG=0*) on economic integration, given socioeconomic and demographic control variables (Seligson, 1999).

Next, given the nature of the dependent variable—one’s support for economic integration—the ordered probit model fits best. Because the question makes use of a Likert scale (Likert, 1932), the ordered probit model allows the outcome to fit the data by preserving the response of the options without assuming the distance between them, and assumes a standard normal distribution (Liddell & Kruschke, 2018). Three ordered probit tests are used to estimate the maximum likelihood of being in favor of economic integration.

Table 1: Descriptive Statistics of Variables

Variable	Mean	Std. Dev.	Min.	Max.	Obs.	VIF
Integ	2.84	1.10	0	4	20,200	
Homog	0.96	0.2	0	1	20,200	1.03
EU	2.25	1.39	0	4	20,200	1.08
Democracy	5.20	2.89	0	10	20,200	1.01
Female	0.52	0.50	0	1	20,200	1.08
Education	1.02	0.40	0	2	20,200	1.05
Professional	0.37	0.48	0	1	20,200	1.06

Married	0.53	0.50	0	1	20,200	1.01
Wealth	0.73	0.44	0	1	20,200	1.00
Pol. Attent.	0.19	0.39	0	1	20,200	1.04

Correlation Matrix

	Integ.	Homog.	EU	Democ.	Female	Educ.	Profess.	Married	Wealth	Pol. Attent
Integ.	1									
Homog.	0.17	1								
EU	0.27	0.14	1							
Democ.	0.13	0.07	0.09	1						
Female	-0.10	-0.04	-0.15	-0.03	1					
Educ.	0.16	0.07	0.15	0.05	-0.01	1				
Profess.	0.07	0.01	0.06	0.02	-0.22	0.02	1			
Married	0.00	-0.00	-0.02	-0.01	-0.01	-0.00	0.05	1		
Wealth	0.04	0.01	0.03	0.00	-0.05	0.04	-0.00	-0.01	1	
Pol. Attent	0.09	0.03	0.12	0.01	-0.01	0.15	0.01	-0.05	0.00	1

The three hypotheses are as follows:

H1: One's desire for a homogeneous society will have a positive effect on their support for economic integration: respondents who think it is better for society to be composed of people from similar backgrounds, religions, languages, and cultures.

H2: One's favorability towards the European Union will have a positive effect on their support for economic integration: those who have higher opinions of the EU will favor economic integration.

H3: One's perception of democracy in their country will have a positive effect on their support for economic integration: those view their country as more democratic (=10) will also favor economic integration.

I examine these three hypotheses by estimating the following ordered probit model:

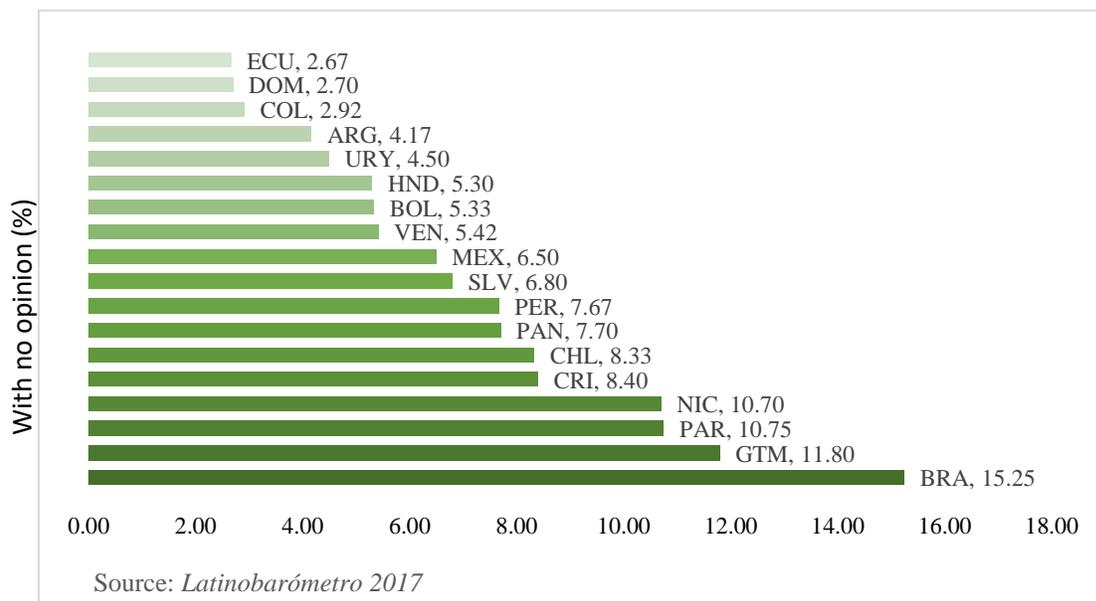
$$\Pr(Y = i|X) = \Pr(C_i - 1 < \beta_0 + \beta_1 X_i + \beta_2 \text{AGE} + \beta_3 \text{EDUCATION} + \beta_4 \text{PROFESSIONAL} + \beta_5 \text{MARRIED} + \beta_6 \text{WEALTH} + \beta_7 \text{POLATTENT} + \epsilon_i < C_i) \quad (1)$$

In Equation 1, X_i refers to each of the three main explanatory variables, *HOMOG*, *EU*, and *DEMOCRACY* used to estimate the equation, and C_i refers to the cut points between responses.

Results

Figure 1 shows the percentage of respondents in each country that did not have an opinion on economic integration. For the sample as a whole, only 7 percent did not have an opinion for or against Latin American economic integration.

Fig. 1: Non-opinion on economic integration in Latin America



Many European studies have also found certain predictors of non-opinion (Seligson, 1999).

These characteristics are individuals' socioeconomic and demographic factors, as well as attentiveness to the world around them. Tying these factors to Latin America, they include age, sex, years of education, wealth, social class, and political attentiveness (see Table 1). Specifically, those who are female and those who are older are statistically less likely to hold an opinion, while those who are more politically attentive, younger, more educated, and of higher self-reported social class are significantly more likely to hold an opinion.

Table 1: *Predictors of non-opinion: logistic regression results*

Variable	OR	β	S.E.
Political Attentiveness	0.7143	-0.3364	0.123**
Age	1.0003	-0.0108	0.011*
Female	1.9677	0.6769	0.063**
Education	0.8913	-0.1151	0.010**
Self-reported social class	0.6717	-0.3979	0.044**
Wealth ^a	0.8864	-0.1206	0.366
Constant	0.5161	-0.6615	0.527

* $p < 0.05$; ** $p < 0.01$; a. Wealth measured by a 12-item index of ownership of various household characteristics: parents have separate bedroom from children, own home, computer, washing machine, fixed telephone, mobile phone, car, hot water, sewage system, at least one meal a day, drinking water, smartphone.

Table 2 presents the results of each estimation. Column 1 displays the effect of wanting a homogeneous society on support for regional economic integration, Column 2, support for the EU's effect, and Column 3, perception of democracy's effect. Column 4 displays the full model, including all of these explanatory variables. The results are consistent with the three hypotheses in Section III. All cases reject the null hypothesis that the explanatory variable has no effect on support for economic

integration in Latin America. Respondents who favor a society formed of people similar to themselves are more supportive of economic integration, as are those who favor the European Union and those who consider their country more democratic. Other significant indicators with positive relationships to support include one's education, wealth, working as a professional, and political attentiveness. These are all consistent with Seligson (1999), showing that predictors of economic integration in Latin America have not changed with the turn of the century onward. Also consistent is the *female* variable. In Table 2, (Column 4), those who are female are less likely to support economic integration. Comparing this result to the odds ratios that women even have an opinion of economic integration, one can conclude that their likelihood of supporting economic integration stems from even having an opinion at all.

Table 2: Ordered Probit Results—*Determinants of Support for Economic Integration*

	(1)	(2)	(3)	(4)
HOMOG	0.73			0.58
	(0.06)**			(0.06)**
EU				
<i>Very Bad</i>		0.20		0.16
		(0.08)*		(0.08)*
<i>Bad</i>		0.31		0.26
		(0.04)**		(0.04)**
<i>Good</i>		0.51		0.46
		(0.03)**		(0.03)**
<i>Very Good</i>		0.80		0.75
		(0.05)**		(0.05)**
DEMOCRACY			0.04	0.03
			(0.001)**	(0.00)**
Age	0.00	0.00	0.00	0.00

	(0.00)	(0.00)	(0.00)	(0.00)
Age²	-0.00	-0.00	-0.00	-0.00
	(0.00)	(0.00)	(0.00)	(0.00)
Female	-0.20	-0.14	-0.21	-0.14
	(0.02)**	(0.02)**	(0.02)**	(0.02)**
Education				
<i>High School</i>	0.31	0.28	0.32	0.25
	(0.04)**	(0.04)**	(0.04)**	(0.04)**
<i>College</i>	0.69	0.58	0.71	0.54
	(0.06)**	(0.06)**	(0.06)**	(0.05)**
Professional	0.09	0.083	0.08	0.08
	(0.02)**	(0.02)**	(0.02)**	(0.02)**
Married	-0.00	0.01	-0.00	0.01
	(0.02)	(0.02)	(0.02)	(0.01)
Wealth	0.07	0.06	0.08	0.06
	(0.03)**	(0.03)*	(0.03)**	(0.02)*
Pol. Attent.	0.22	0.17	0.22	0.17
	(0.03)**	(0.03)**	(0.03)**	(0.03)**
Cut 1	-0.41	-0.72	-0.84	-0.05
	(0.11)**	(0.10)**	(0.10)**	(0.11)
Cut 2	-0.08	-0.38	-0.51	0.30
	(0.10)	(0.09)**	(0.10)**	(0.11)**
Cut 3	0.36	0.07	-0.08	0.76
	(0.10)**	(0.09)	(0.09)	(0.10)**
Cut 4	1.72	1.45	1.28	2.15
	(0.10)**	(0.09)**	(0.09)**	(0.11)**
<i>N</i>	20,200	20,200	20,200	20,200

Quantitative Effects

Table 3 shows the marginal effects of each variable on each ordered response to economic integration in Latin America from Table 2 (Column 4). The marginal effect of the desire for a like-minded society on the probability that one is very against economic integration ($y=1$) is equal to -0.04 , while the marginal effect for being very supportive ($y=4$) increases by 0.18 . In all primary explanatory variables, the marginal effect increases between $y=1$ and $y=4$. The control variables yield similar results to the outcomes of Table 2, where more wealth, education, being a professional, and being more politically attentive increase the probability that one supports economic integration. Interestingly, the marginal effects produce a significant result for the age variable. The probability one has no opinion ($y=0$) or is very against ($y=1$) economic integration is negative as age increases but becomes strongly positive ($y=4$) as age increases.

Table 3: Marginal Effect of Independent Variables (using Model 4, Table 2)

dy/dx	No Opinion	Very Against	Somewhat Against	Somewhat Supportive	Very Supportive
	Pr($y = 0$)	Pr($y = 1$)	Pr($y = 2$)	Pr($y=3$)	Pr($y=4$)
HOMOG	-0.07**	-0.04**	-0.05**	-0.01**	0.18**
EU	-0.03**	-0.01**	-0.02**	-0.00**	0.05**
DEMOCRACY	-0.00**	-0.00**	-0.00**	-0.00**	0.01**
Age	-0.00*	-0.00*	-0.00*	-0.00*	0.00*
Female	0.02**	0.01**	0.01**	0.00**	-0.04**
Education	-0.04**	-0.02**	-0.03**	-0.01*	0.08**
Professional	-0.01**	-0.01**	-0.01**	-0.00*	0.03**
Married	-0.00	-0.00	-0.00	-0.00	0.00
Wealth	-0.01*	-0.00**	-0.01**	-0.00	0.02*
Political Attent.	-0.02**	-0.01**	-0.02**	-0.00**	0.05**

** p<0.05; **p<0.01*

Discussion & Policy Implications

This paper presents factors that influence public opinion on economic integration in Latin America. The three variables that are linked to public opinion on economic integration are one's desire for a homogeneous society, opinion on the European Union, and perception of his or her country's level of democracy.

Those who favor a more homogeneous society are more likely to be highly supportive of economic integration than those who wish for a mixed society. This finding is consistent with Mansfield and Mutz (2009) and Schlippak (2015). Regional integration occurs among countries in proximity to one another, and in Latin America these countries possess many similarities. Therefore, it follows that Latin Americans would favor such economic intermingling among similar countries. Policies taking advantage of this favor can aim to provide regional economic support and create more free trade areas or preferential trade agreements.

The results for opinion about the EU signal that Latin Americans do pay attention to Europe. Because a higher opinion of the EU increases favor for economic integration in Latin America, the EU serves as a model for Latin American integration. This was true in Mercosur's case and strengthens findings by Inglehart (1970), Dutch and Taylor (1997), and Buelvas (2013). Economic integration policies can use the EU as a point of reference when designing implementations. However, it should be noted that Europe does not provide the same geographical, institutional, or economic structure as Latin America, so policies should cater to Latin America's ability to integrate among unique, pre-existing connections.

Perceptions of democracy are also prominent indicators of support for economic integration in Latin America. Those who feel their country is more democratic have a higher probability of supporting economic integration than those who believe their country to be undemocratic. Individuals who feel as though their voices matter in their country are likely to support economic integration, as they trust that their country will bear societal interest in mind when negotiating terms of integration. These findings parallel those of Seligson (1999) and Börzel (2016), who discuss democracy's importance for public opinion on economic integration.

Finally, and overarchingly, foreign policy related to regionalism should default to public opinion. National executives acting in their own interests in matters of foreign policy will bear the brunt of public disfavor if their policies go awry. To prevent public backlash, policymakers can design policy with societal needs as criteria for choosing among alternatives.

Limitations that exist in this study include the typical limitations when dealing with survey data (bias from question interpretation, social desirability bias) combined with the loose nature of opinion. Furthermore, the *Latinobarómetro* survey design promises a nationally representative survey, but its respondent-selection system pulls relatively few individuals from each primary sampling unit. This could endanger the holistic interpretation of survey responses, even when employing sampling weights. This in turn threatens external validity, as what may be true for the sample of individuals from Latin America may not be true for other world regions.

Conclusion

This paper used an ordered probit model to test the relationship between people's opinion on economic integration and their desire for an alike society, opinion on the EU, and democratic nature of their respective countries. The results indicate a significant link between the explanatory variables and public opinion on Latin American economic integration. There appears to be a positive relationship

between these factors and the probability of being very supportive of economic regionalism.

Policymakers should keep societal needs and pressures in mind when considering criteria, selecting policy options, and designing implementation strategies.

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Appendix 1: Countries Sampled by Latinobarómetro (2017)

Country	Observations
Argentina	1,200
Bolivia	1,200
Brazil	1,200
Chile	1,200
Colombia	1,200
Costa Rica	1,000
Dominican Republic	1,000
Ecuador	1,200
El Salvador	1,000
Guatemala	1,000
Honduras	1,000
Mexico	1,200
Nicaragua	1,000
Panama	1,000
Paraguay	1,200
Peru	1,200
Uruguay	1,200
Venezuela	1,200